



MINNESOTA
PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Pension Trust Funds of the State of Minnesota

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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**Public Employees Retirement
Association of Minnesota**
Pension Trust Funds of the State of Minnesota

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

**Executive Director
Doug Anderson**

Prepared by PERA Finance Division
with assistance from PERA Communications Division.

PERA is a member of the Government Finance Officers Association of the United States and Canada.

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INTRODUCTORY

SECTION

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Achievement Awards

GFOA Certificate for Financial Reporting



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees Retirement Association of Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

GFOA Certificate for Popular Annual Financial Reporting



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Public Employees Retirement Association of
Minnesota**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO



Public Pension Coordinating Council

***Recognition Award for Administration
2025***

Presented to

Public Employees' Retirement System of Minnesota

In recognition of meeting professional standards for
plan administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

Letter of Transmittal



December 23, 2025

PERA Board of Trustees
Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103

Dear PERA trustees and members,

On behalf of the management and staff of the Minnesota Public Employees Retirement Association (PERA), it is our pleasure to present the *Annual Comprehensive Financial Report (ACFR)*. The ACFR reflects PERA's financial activities for the fiscal year ended June 30, 2025.

Fiscal Year 2025 Highlights

During fiscal year 2025, the PERA Board of Trustees supported a legislative opportunity to increase post-retirement annual increase amounts for members of the General Employees and Police & Fire Plans. The Minnesota legislature approved the increase, effective in 2026. Despite the increase in liability due to higher benefits, the General Employees, Police & Fire, and Correctional Plans displayed improvements to both funding ratios and expected full funding dates.

The new legislation provides a 1.75% benefit increase to most General Employees Plan recipients in January 2026. This will be the largest annual increase for recipients in the General Employees Plan since 2010. The legislative change improves the General Employees Plan annual increase formula from 50% of the Social Security Administration (SSA) increase, capped at 1.5%, to 100% of the SSA increase, capped at 1.75%. The formula continues to apply in future years. The benefit increase impacts over 120,000 current benefit recipients and will impact 170,000 active members when they retire.

The new legislation provides Police & Fire Plan recipients who started benefits on or before January 1, 2025 a 3% increase in 2026 and a 1% increase in 2027 and each year after. The waiting period to receive the first annual increase in the Police & Fire Plan was reduced by 12 months, from two years to one year.

Benefit increases require a funding source. In the General Employees Plan, benefit increases will be funded by a sufficiency from past member and employer contributions and savings from lower annual increases since 2010. Those changes, referred to as a shared sacrifice, were intended to help fully fund the plan by 2048. Because the shared sacrifice was effective beyond expectation, trustees believe the excess progress towards full funding can be returned to members. Even with the benefit increase expense, trustees expect the General Employees Plan to be fully funded within 10 years. In the Police & Fire Plan, benefit increases are funded by annual state aid appropriated by the legislature.

The change to the General Employees Plan annual increase formula is similar to the formula approved by the legislature for the Correctional Plan in 2018. Tying future annual increases closer to inflation is a board priority for the Police & Fire Plan, too.

Small changes in the formula for inflation protection are both valuable and expensive. However, the 2025 legislative change offers proof that progress is possible.

Overview of PERA

PERA provides retirement, disability, and survivor benefits to Minnesota public employees. Created by legislation on April 24, 1931, PERA began operations on July 1, 1931. Currently, PERA administers three cost-sharing, multiple-employer defined benefit retirement plans: the General Employees Plan, the Correctional Plan, and the Police & Fire Plan. PERA also administers one agent, multiple-employer defined benefit plan: the Statewide Volunteer Firefighter Defined Benefit Plan (SVF DBP), and two defined contribution plans: the Public Employees Defined Contribution Plan (Public Employees DCP) and the Statewide Volunteer Firefighter Defined Contribution Plan (SVF DCP). Additional information about the plans can be found in the Notes to the Financial Statements beginning on page [32](#).

PERA's defined benefit plans serve 506,035 members, including 139,863 retirees and beneficiaries, and over 2,800 employers. The fiduciary net position for the defined benefit plans is \$47.3 billion as of June 30, 2025. PERA's Public Employees DCP serves 8,294 members and 1,100 employers. PERA's SVF DCP serves 217 members and 6 employers. The fiduciary net position for the defined contribution plans is \$115.9 million.

Investments

The State Board of Investment (SBI) invests the assets of PERA's retirement plans, which are governed by the Prudent Person Rule and other standards set in Minnesota Statutes chapters 11A and 356A. Additional information about the SBI and investment policies, strategies, safeguards, activities, and returns can be found in the Investment Section, starting on page [87](#).

The SBI combines assets from PERA's three cost-sharing, multiple-employer defined benefit plans with assets from the Minnesota State Retirement System (MSRS) and the Teachers Retirement Association (TRA) into the Combined Funds to capture investment efficiencies. Combined Funds assets are allocated to public equity (domestic and international), fixed income, and private markets. The SBI manages the Combined Funds assets according to its investment beliefs, which include a commitment to long-term investment, the ability to pay benefits, and a mission to maintain the viability of the retirement systems.

The SBI invests the assets of PERA's SVF DBP and SVF DCP into the Volunteer Firefighter Fund, which is a diversified portfolio of public equity (domestic and international), fixed income, and cash. Within the fund, employer investments are reported individually. The SBI's investment goal is to offer a balanced approach providing favorable long-term, risk-adjusted returns.

Table [1.1](#) below lists the investment returns for PERA's defined benefit plans. The investment returns presented are based on year-to-date, time-weighted returns and are net of investment management fees and the effect of any profit-sharing arrangements.

Table 1.1. PERA Defined Benefit Plans: Investment Returns

For the fiscal year ended June 30, 2025

Investment Type	Return
Combined Funds	10.90%
Public Equity	15.60%
Fixed Income	5.80%
Private Markets (Invested)	6.10%
Volunteer Firefighter Fund	11.60%

Pension Funding

To fund pension benefits, PERA collects member and employer contributions and invests those assets. The investment assets are expected to earn a targeted investment return over the long term. Investment earnings are the largest source of funding for PERA benefits.

PERA contracts with an actuarial firm to prepare two annual actuarial valuations, the Accounting Valuation and the Funding Valuation, for the three cost-sharing, multiple-employer defined benefit plans. The Funding Valuation is used to determine the financial health of the retirement plans. To determine if the retirement plans will meet the legislature's full funding target date for each plan, the actuary compares actual fixed statutory contributions to actuarial required contributions using the actuarial value of assets. The actuary uses the statutorily-established investment rate of return assumption of 7%, which it deemed within the reasonable range, according to the Actuarial Standards of Practice. The actuary recognizes investment gains and losses over a five-year period to minimize the impact of investment volatility to calculate the contribution sufficiency or deficiency. The valuation uses the market value of assets to determine the funding ratio. Table 1.2 lists the contribution sufficiency or deficiency for July 1, 2025 and 2024 and the funding ratios using the market value of assets presented in the funding valuation reports. .

Table 1.2. Actuarial Valuation for Funding Purposes

As of July 1, 2025 and 2024

Descriptions Valuation Information	General Employees Fund	Police & Fire Fund	Correctional Fund
Contribution Sufficiency (Deficiency), as of 07/01/2025	2.21%	(1.48%)	3.36%
Contribution Sufficiency (Deficiency), as of 07/01/2024	2.15%	(0.06%)	(2.67%)
Funding Ratio - Market Value of Assets, as of 07/01/2025	90.78%	91.78%	105.18%
Funding Ratio - Market Value of Assets, as of 07/01/2024	89.08%	90.17%	97.54%

The funding ratio for all three plans improved, primarily due to positive growth in the investments. The increase in the funding ratio and contribution deficiency in the Police & Fire Fund and the increase in the funding ratio and contribution sufficiency in the Correctional Fund are primarily due to the changes in assumptions from the LCPR-approved experience studies.

Additional information about the valuation reports can be found in the Actuarial Section, starting on page [103](#).

Report Contents and Structure

This *ACFR* complies with the requirements listed in Minnesota Statutes section 356.20. The PERA Finance Division prepared this *ACFR* under the direction of PERA's chief financial officer in collaboration with the executive director with assistance from the PERA Communications Division. PERA management is responsible for the integrity of the data in this report, including the fair presentation of the financial statements.

In addition, PERA management is responsible for establishing and maintaining a system of internal controls over financial reporting. The internal control framework is designed to provide reasonable—but not absolute—assurance that assets are protected from loss, that financial records and reports are reliable, and that PERA complied with all finance-related legal requirements. Reasonable assurance recognizes the relationship between the cost of a control and the potential benefit based on management's judgment. PERA management asserts, to the best of their knowledge, that the internal controls over financial reporting as of June 30, 2025 meet standards.

Internal control systems have inherent limitations, including human error, faulty decision making, fraud, or management overriding the system. Even a well-designed internal control system might not prevent or detect misstatements. In addition, any projection of internal control evaluation effectiveness may become inadequate because of changing business conditions or PERA's degree of compliance with established policies and procedures.

State law permits the Minnesota Office of the Legislative Auditor (OLA), a nonpartisan office in the legislative branch of the state government, to audit the financial statements and related note disclosures in this report. The OLA completed this audit according to auditing standards generally accepted in the US and the financial audit standards in Government Auditing Standards. The OLA also reviewed PERA's internal controls over financial reporting and compliance with certain legal provisions. The OLA found that PERA's financial statements were presented accurately and that PERA had no material weaknesses in internal controls.

Review this Letter of Transmittal with Management's Discussion and Analysis in the Financial Section of this report. Management's Discussion and Analysis presents financial highlights, condensed PERA financial statements, and an analysis of PERA's defined benefit retirement funds.

Awards

Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Employees Retirement Association (PERA) for its *Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily-readable and efficiently-organized annual comprehensive financial report. This report must satisfy both generally-accepted accounting principles and applicable legal requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Public Employees Retirement Association (PERA) for its *Popular Annual Financial Report* for the fiscal year ended June 30, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious, national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

Award for Outstanding Achievement in Popular Financial Reporting

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a popular annual financial report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement is valid for a period of one year only. We believe our current report continues to conform to the popular annual financial reporting requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Recognition Award for Administration

PERA received the 2025 Public Pension Recognition Award for Administration from the Public Pension Coordinating Council (PPCC). To receive an Administration Award, the retirement system must meet requirements in five areas: comprehensive benefit program, actuarial, audit, investments, and communications. The standards were developed by a coalition of three associations that represent public pension funds which cover the vast majority of public employees in the United States. The standards reflect minimum expectations and serve as a benchmark for defined benefit public pension plans.


Acknowledgments

This report is the result of the teamwork of PERA staff under the direction of the board. We would like to extend our sincere appreciation to the PERA Board of Trustees, the PERA Finance Division, the PERA Communications Division, and everyone who contributed to this report.

Respectfully submitted,



Doug Anderson
Executive Director



Tracy Gebhard
Chief Financial Officer

Board of Trustees and Professional Consultants

The information on this page is accurate as of December 2, 2025.

Board of Trustees

Thomas Stanley, president

Elected General membership representative

Trustee since March 2013

Current term expires January 2027

Dennis Flaherty, vice president

Elected retired, disabled, and survivor representative

Trustee since February 2023

Current term expires January 2027

Julie Blaha

State auditor

Trustee since January 2019

Current term expires January 2027

Paul Bourgeois

Elected General membership representative

Trustee since February 2011

Current term expires January 2027

Vacant

Appointed pension knowledge representative

Paul Ford

Elected Police & Fire representative

Trustee since August 2017

Current term expires January 2027

Kathryn A. Green

Appointed school board representative

Trustee since April 2006

Term expires January 2026

Barbara Johnson

Appointed city representative

Trustee since January 2017

Current term expires January 2029

Jenni Konigsburg

Elected General membership representative

Trustee since January 2024

Current term expires January 2027

David Minke

Appointed county representative

Trustee since February 2025

Current term expires January 2029

Thomas Thornberg

Appointed retired annuitant representative

Trustee since February 2020

Current term expires January 2028

Professional Consultants

Gabriel Roeder Smith & Company

Actuary

Minnesota Office of the Legislative Auditor

Auditor

Clifton Larson Allen

Auditor

Minnesota Office of Attorney General

Legal counsel

MMRO: Managed Medical Review Organization

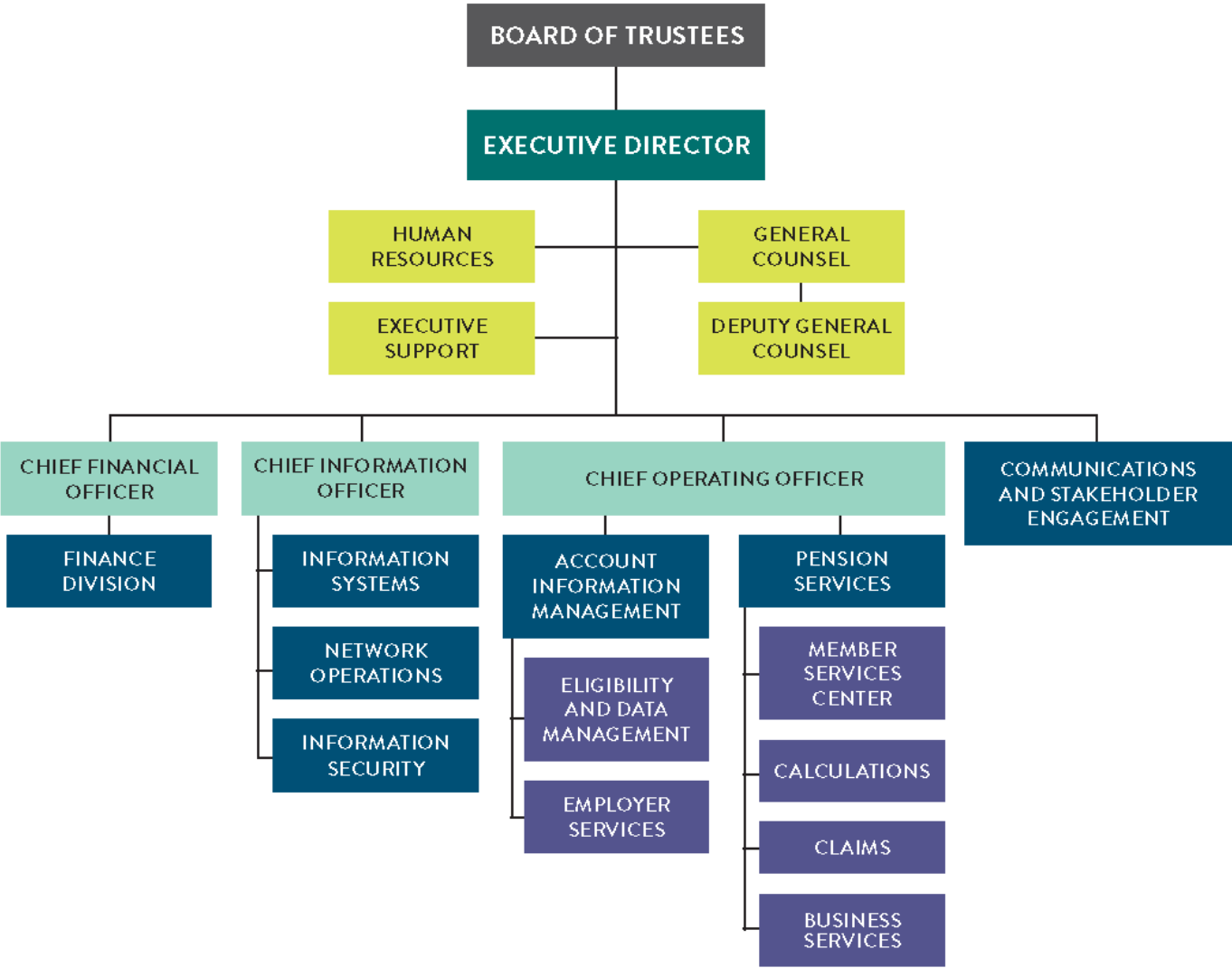
Medical advisor

Minnesota State Board of Investment

Investment advisors

PERA invests our funds in various investment pools administered by the SBI. The SBI retains various investment advisors whose fees are paid by the pool participants, including PERA. A schedule of these advisors and PERA's share of their fees (table [3.10](#)) is located in the Schedule of Investment Fees beginning on page [100](#) in the Investment Section of this ACFR.

Organization Structure and Key Administrative Staff





Section 2. Financial Section

FINANCIAL

SECTION

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Independent Auditor's Report

Members of the Board of Trustees
Public Employees Retirement Association of Minnesota

Doug Anderson, Executive Director
Public Employees Retirement Association

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Public Employees Retirement Association (PERA), which included the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise PERA's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Employees Retirement Association as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about PERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities of the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supporting schedules in the Financial Section, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Investment, Actuarial, and Statistical Sections, as listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PERA's internal control over financial reporting and compliance.



Lori Leysen, CPA
Deputy Legislative Auditor



Jordan Bjonfald, CPA
Audit Director

December 23, 2025
Saint Paul, Minnesota

Management's Discussion and Analysis

PERA's management presents this discussion and analysis of PERA's financial activities for the fiscal year ended June 30, 2025.

Overview of PERA's Pension Plans

PERA administers four defined benefit retirement plans: 1) the General Employees Retirement Plan (General Employees Plan), 2) the Public Employees Police & Fire Plan (Police & Fire Plan), 3) the Public Employees Local Government Correctional Service Retirement Plan (Correctional Plan), and 4) the Statewide Volunteer Firefighter Defined Benefit Plan (SVF DBP). PERA also administers two defined contribution plans: 1) the Public Employees Defined Contribution Plan (Public Employees DCP) and 2) the Statewide Volunteer Firefighter Defined Contribution Plan (SVF DCP).

Financial Highlights

Overall, the financial condition of PERA improved during fiscal year 2025. PERA's fiduciary net position increased over \$3.7 billion, or 8.5%, from \$43.6 billion as of June 30, 2024 to \$47.3 billion as of June 30, 2025.

The investment rate of return, net of investment management fees and the effects of any profit-sharing arrangements, was 10.9% in 2025 for the General Employees Plan, Police & Fire Plan, and Correctional Plan. This rate of return is higher than the assumed rate of return of 7% used in the annual actuarial valuations for the Combined Funds.

For the SVF DBP, the investment rate of return, net of fees, was 11.6% in 2025. This rate of return is higher than the assumed rate of return of 6%.

Overview of the Financial Statements

The *Annual Comprehensive Financial Report (ACFR)* reflects the activities of PERA as reported in the Basic Financial Statements on pages [30](#) and [31](#). The financial statements meet generally-accepted governmental accounting principles and use the accrual basis of accounting.

The Basic Financial Statements include three sections, listed below.

- The Statement of Fiduciary Net Position describes fund balances on June 30. This statement reflects the assets available and the liabilities owed, which are reported at fair value as of June 30. The difference between the sum of total assets and the sum of total liabilities is the net position restricted for pensions. The net position amount can be used to pay future pension benefits or other expenses.
- The Statement of Changes in Fiduciary Net Position describes the effect of financial transactions during the fiscal year. The difference between financial gains and losses is the increase or decrease in net position; an increase occurs with more gains than losses, while a decrease occurs with more losses than gains. This increase or decrease in net position reflects the change in value of the fiduciary net position between the current and previous year.
- The Notes to the Financial Statements provide additional information used to understand the financial statements. The notes include a description of PERA and our plans, a summary of significant accounting policies, and information on deposits, investments, contributions, benefits, capital assets, and liabilities, including the net pension liability.

In addition to Basic Financial Statements, the *ACFR* includes Required Supplementary Information (RSI) and Supplementary Schedules. The RSI consists of three schedules with related notes: Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions from Employers and Nonemployers, and Schedule of Investment Returns. The RSI schedules present multi-year data, which provides economic context about the amounts reported in the financial statements and historical context for each pension fund's fiduciary net position related to the total pension liability. The Supporting Schedules include Schedule of Investment Expenses, Schedule of Payments to Consultants, and Schedule of Administrative Expenses. The Supporting Schedules summarize PERA's operating expenses to administer the defined benefit and defined contribution retirement plans during fiscal year 2025.

Financial Analysis

Each of PERA's four defined benefit retirement plans has distinct characteristics, including membership served, contributions paid, and benefits received. The General Employees Plan, Police & Fire Plan, and Correctional Plan have shared characteristics, including shared investment pools. The following pages list events or conditions that significantly affected each plan's financial position and the results of operations during fiscal year 2025.

Statement of Fiduciary Net Position

Table [2.1](#) below compares the assets and liabilities for PERA's defined benefit retirement plans.

Table 2.1. Condensed Statement of Fiduciary Net Position

As of June 30, 2025 and 2024

(Dollars in thousands)

Assets & Liabilities	General Employees Fund	Police & Fire Fund	Correctional Fund	SVF DB Fund	Total
Assets					
Total Assets, as of 06/30/2025	\$33,869,348	\$13,580,756	\$1,396,677	\$261,264	\$49,108,045
Total Assets, as of 06/30/2024	31,483,540	12,598,803	1,262,255	184,053	45,528,651
Change in Total Assets	\$2,385,808	\$981,953	\$134,422	\$77,211	\$3,579,394
Percentage Change	7.58%	7.79%	10.65%	41.95%	7.86%
Liabilities					
Total Liabilities as of 06/30/2025	\$1,230,611	\$502,476	\$52,375	\$49	\$1,785,511
Total Liabilities as of 06/30/2024	1,321,536	533,571	53,842	38	1,908,987
Change in Total Liabilities	(\$90,925)	(\$31,095)	(\$1,467)	\$11	(\$123,476)
Percentage Change	(6.88%)	(5.83%)	(2.72%)	28.95%	(6.47%)
Net Position					
Total Net Position Restricted for Pensions, as of 06/30/2025	\$32,638,737	\$13,078,280	\$1,344,302	\$261,215	\$47,322,534
Total Net Position Restricted for Pensions, as of 06/30/2024	30,162,004	12,065,232	1,208,413	184,015	43,619,664
Change in Net Position Restricted for Pensions	\$2,476,733	\$1,013,048	\$135,889	\$77,200	\$3,702,870
Percentage Change	8.21%	8.40%	11.25%	41.95%	8.49%

Total assets increased by \$3.6 billion, or 7.9%, to \$49.1 billion. The change in total assets can be attributed to a 10.9% investment rate of return for the fiscal year. PERA did not have any significant capital asset activity during fiscal year 2025. Total assets in fiscal year 2025 include capital assets totaling \$4.8 million for the General Employees Fund which increased by \$11,000 from fiscal year 2024. Refer to Note 3 in the Notes to the Financial Statements for more information about investments and Note 4 in the same section for more information about capital assets.

Total liabilities decreased from fiscal year 2024 to 2025 by \$123.5 million, or 6.5%. The change in total liabilities is due to a decrease in securities lending collateral. Refer to Note 3 for more information about securities lending collateral.

Statement of Changes in Fiduciary Net Position

Table 2.2 below compares the total additions by major source and total deductions by type for PERA's defined benefit retirement plans.

Table 2.2. Condensed Schedule of Changes in Fiduciary Net Position

For the fiscal years ended June 30, 2025 and 2024

(Dollars in thousands)

Descriptions of Changes	Fiscal Year Ended 06/30/2025	Fiscal Year Ended 06/30/2024	Change
Contributions	\$1,737,807	\$1,804,495	(\$66,688)
Total Net Investment Income	4,719,491	4,797,334	(77,843)
Other Additions	50,884	20,162	30,722
Total Additions	\$6,508,182	\$6,621,991	(\$113,809)
Benefits	\$2,704,683	\$2,656,159	\$48,524
Refunds of Contributions	80,858	81,917	(1,059)
Administrative Expenses	19,771	23,212	(3,441)
Total Deductions	\$2,805,312	\$2,761,288	\$44,024
Net Increase (Decrease) in Net Position Restricted for Pensions	\$3,702,870	\$3,860,703	(\$157,833)
Ending Net Position	\$47,322,534	\$43,619,664	\$3,702,870

Total additions decreased by \$113.8 million to \$6.5 billion. The change in total additions is primarily due to decreases in total net investment income and total contributions which were offset slightly by an increase in other additions. The fiscal year 2025 investment return was 10.9%, compared to the 12.3% return in 2024. The investment return caused a decrease in net investment income of approximately \$77.8 million. Total contributions also decreased by \$66.7 million, primarily due to a decrease in state aid of \$193 million offset by an increase in employer and member contributions of over \$126.7 million. In October of 2023, the legislature paid one-time state aid to PERA. The increase in other additions of approximately \$30.7 million is primarily due to the assets transferred to PERA from fire departments joining the SVF DBP. In fiscal year 2025, 47 fire departments transferred \$49.7 million of assets into the SVF DBP, which is more than double the \$19.3 million of assets 23 fire departments transferred into the SVF DBP in fiscal year 2024.

Total deductions increased almost \$44.0 million to approximately \$2.8 billion, an increase of 1.6%. The change in total deductions is primarily due to an increase of 1.8% in annuity benefit distributions, which rose from \$2.66 billion to over \$2.70 billion. The benefit distribution increase is due to the 2025 annual increase of 1.25% for the General Employees Plan, 1% for the Police & Fire Plan, and 2.50% for the Correctional Plan.

Actuarial Valuation Results

PERA contracts with an actuarial firm to prepare actuarial valuations for the General Employees Plan, Police & Fire Plan, and Correctional Plan on an annual basis. Separate actuarial valuations are prepared for accounting and funding purposes.

The actuarial valuations use assumptions reviewed every four years by an experience study. The experience study may result in changes in assumptions. Those assumptions are accepted by the PERA Board of Trustees and must be approved by the Minnesota Legislative Commission on Pensions and Retirement (LCPR). The assumption changes become effective in the next actuarial valuation. In July 2024, the actuary completed experience studies for the Police & Fire and Correctional Plans. The experience studies changed the assumptions, which were accepted by the board and approved by the LCPR. These changes are reflected in the 2025 actuarial valuations. The changes in assumptions negatively impact the Police & Fire Plan and positively impact the Correctional Plan.

Accounting Valuation

The actuarial valuation for accounting purposes is used for financial reporting. The valuation lists net pension liability as of a specific date, using the market value of investment assets. The Governmental Accounting Standards Board (GASB) requires PERA to use a standardized methodology to ensure amounts are comparable and liabilities are transparently reported across US plans complying with GASB Statements 67 and 74. Table [2.3](#) below lists the net pension liability as of June 30, 2025 and 2024 and the change in net pension liability.

Table 2.3. Actuarial Valuation for Accounting Purposes

For the fiscal years ended June 30, 2025 and 2024

(Dollars in thousands)

Descriptions of Valuation Information	General Employees Fund	Police & Fire Fund	Correctional Fund
Net Pension Liability, year ended 06/30/2025	\$3,313,909	\$1,171,664	(\$66,148)
Net Pension Liability, year ended 06/30/2024	3,696,929	1,315,609	30,478
Change in Net Pension Liability	(\$383,020)	(\$143,945)	(\$96,626)

The net pension liability for PERA's three defined benefit plans decreased from June 30, 2024 to June 30, 2025. The decrease in net pension liability is due to a 10.9% investment rate of return for the fiscal year.

Funding Valuation

The actuarial valuation for funding purposes assesses the financial health of the retirement plans and how to fund them. The valuation uses the actuarial value of assets, which is smoothed over a five-year period to minimize the impact of investment volatility to calculate the contribution sufficiency or deficiency. The valuation uses the market value of assets to determine the funding ratio. Table [2.4](#) lists the contribution sufficiency or deficiency for July 1, 2025 and 2024 and the funding ratios using the market value of assets presented in the funding valuation reports.

Table 2.4. Actuarial Valuation for Funding Purposes

As of July 1, 2025 and 2024

Descriptions Valuation Information	General Employees Fund	Police & Fire Fund	Correctional Fund
Contribution Sufficiency (Deficiency), as of 07/01/2025	2.21%	(1.48%)	3.36%
Contribution Sufficiency (Deficiency), as of 07/01/2024	2.15%	(0.06%)	(2.67%)
Funding Ratio - Market Value of Assets, as of 07/01/2025	90.78%	91.78%	105.18%
Funding Ratio - Market Value of Assets, as of 07/01/2024	89.08%	90.17%	97.54%

The funding ratio for all three plans improved, primarily due to positive growth in the investments. The increase in the funding ratio and contribution deficiency in the Police & Fire Fund and the increase in the funding ratio and contribution sufficiency in the Correctional Fund are primarily due to the changes in assumptions from the LCPR-approved experience studies.

Request for Information

The *ACFR* provides a general overview of PERA's financial position as of June 30, 2025 and financial activities for fiscal year 2025. Contact PERA by mail at 60 Empire Drive, Suite 200, Saint Paul, Minnesota, 55103-2088 or by email at benefits@mnpera.org with questions or comments about the *ACFR*.

Basic Financial Statements

Statement of Fiduciary Net Position

Table 2.5. Statement of Fiduciary Net Position Restricted for Pensions
As of June 30, 2025 (Dollars in thousands)

	Defined Benefit (DB) Funds				Defined Contribution (DC) Funds		
Descriptions of Assets and Liabilities	General Employees	Police & Fire	Correctional	SVF	Public Employees DC	SVF DC	Total
Assets							
Cash and Cash Equivalents							
Cash	\$3,877	\$8,625	\$537	\$0	\$798	\$0	\$13,837
Cash Equivalents	911,319	363,595	37,573	12,616	8,175	441	1,333,719
Total Cash and Cash Equivalents	\$915,196	\$372,220	\$38,110	\$12,616	\$8,973	\$441	\$1,347,556
Receivables							
Accounts Receivable	\$26,739	\$18,478	\$1,232	\$164	\$125	\$0	\$46,738
Due from Other Funds	6,019	79	8	0	0	0	6,106
Total Receivables	\$32,758	\$18,557	\$1,240	\$164	\$125	\$0	\$52,844
Investments at Fair Value							
Publicly Traded Equity Securities							
Domestic Equity	\$11,165,186	\$4,475,651	\$464,417	\$94,408	\$73,287	\$3,302	\$16,276,251
Broad International Stock Pool	5,436,016	2,179,069	226,112	40,361	4,116	1,412	7,887,086
Global Equity Pool	366,345	145,958	12,994	0	0	0	525,297
Publicly Traded Debt Securities	7,542,210	3,019,634	304,817	113,715	20,868	3,978	11,005,222
Private Investments	7,197,788	2,885,288	299,393	0	0	0	10,382,469
Total Investments	\$31,707,545	\$12,705,600	\$1,307,733	\$248,484	\$98,271	\$8,692	\$46,076,325
Securities Lending Collateral	\$1,209,075	\$484,379	\$49,594	\$0	\$0	\$0	\$1,743,048
Capital Assets							
Equipment Net of Accumulated Depreciation	\$366	\$0	\$0	\$0	\$0	\$0	\$366
Property Net of Accumulated Depreciation	4,408	0	0	0	0	0	4,408
Total Capital Assets	\$4,774	\$0	\$0	\$0	\$0	\$0	\$4,774
Total Assets	\$33,869,348	\$13,580,756	\$1,396,677	\$261,264	\$107,369	\$9,133	\$49,224,547
Liabilities							
Accounts Payable	\$18,911	\$14,175	\$1,279	\$49	\$21	\$0	\$34,435
Payable to Other Funds	87	3,922	1,502	0	\$595	0	6,106
Current Compensated Absences	1,327	0	0	0	\$0	0	1,327
Noncurrent Compensated Absences	1,211	0	0	0	\$0	0	1,211
Securities Lending Collateral	1,209,075	484,379	49,594	0	0	0	1,743,048
Total Liabilities	\$1,230,611	\$502,476	\$52,375	\$49	\$616	\$0	\$1,786,127
Net Position Restricted for Pensions	\$32,638,737	\$13,078,280	\$1,344,302	\$261,215	\$106,753	\$9,133	\$47,438,420

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Fiduciary Net Position

Table 2.6. Statement of Changes in Fiduciary Net Position

For the fiscal year ended June 30, 2025

(Dollars in thousands)

	Defined Benefit (DB) Funds				Defined Contribution (DC) Funds		
Descriptions of Assets and Liabilities	General Employees	Police & Fire	Correctional	SVF	Public Employees DC	SVF DC	Total
Additions							
Contributions							
Employer	\$664,119	\$259,631	\$23,914	\$3,479	\$2,577	\$213	\$953,933
Member	558,735	168,837	15,932	0	2,483	0	745,987
State of Minnesota	16,000	18,000	0	9,160	0	16	43,176
Total Contributions	\$1,238,854	\$446,468	\$39,846	\$12,639	\$5,060	\$229	\$1,743,096
Investment Income							
Net Appreciation in Fair Value of Investments	\$3,374,739	\$1,345,397	\$137,262	\$25,713	\$12,601	\$547	\$4,896,259
Less Investment Expense	(118,651)	(47,547)	(4,861)	(582)	(89)	0	(171,730)
Net Investment Income	3,256,088	1,297,850	132,401	25,131	12,512	547	4,724,529
From securities lending activities:							
Securities Lending Income	68,880	27,594	2,824	0	0	0	99,298
Borrower Rebates	(62,093)	(24,876)	(2,547)	0	0	0	(89,516)
Management Fees	(1,222)	(489)	(50)	0	0	0	(1,761)
Net Income from Securities Lending	5,565	2,229	227	0	0	0	8,021
Total Net Investment Income	\$3,261,653	\$1,300,079	\$132,628	\$25,131	\$12,512	\$547	\$4,732,550
Other Additions (Deductions)	\$499	\$664	\$25	\$49,696	\$0	\$8,372	\$59,256
Total Additions	\$4,501,006	\$1,747,211	\$172,499	\$87,466	\$17,572	\$9,148	\$6,534,902
Deductions							
Benefits	\$1,933,807	\$727,044	\$33,644	\$10,188	\$0	\$0	\$2,704,683
Refunds of Contributions	72,963	5,473	2,422	0	12,598	0	93,456
Administrative Expenses	17,503	1,646	544	78	322	15	20,108
Total Deductions	\$2,024,273	\$734,163	\$36,610	\$10,266	\$12,920	\$15	\$2,818,247
Net Increase (Decrease) in Net Position	\$2,476,733	\$1,013,048	\$135,889	\$77,200	\$4,652	\$9,133	\$3,716,655
Net Position Restricted for Pensions							
Beginning of year	\$30,162,004	\$12,065,232	\$1,208,413	\$184,015	\$102,101	\$0	\$43,721,765
End of year	\$32,638,737	\$13,078,280	\$1,344,302	\$261,215	\$106,753	\$9,133	\$47,438,420

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

Note 1: Plan Description

(A) Organization

Established by the Minnesota legislature in 1931, the Minnesota Public Employees Retirement Association (PERA) administers six retirement plans that serve county, city, school, and other local government public employees and their beneficiaries.

Board of Trustees

The PERA Board of Trustees governs the retirement plans according to statutes passed by the Minnesota legislature. The board has a fiduciary obligation to PERA's members, their governmental employers, the state, and its taxpayers.

The PERA Board of Trustees has 11 members.

- The state auditor is a member by statute.
- The governor appoints five trustees. Serving four-year terms, these five trustees represent cities, counties, school boards, retired annuitants, and pension knowledge, respectively.
- The remaining five board members are elected by PERA members to serve four-year terms. Three trustees represent active membership, one represents Police & Fire Plan members, and one represents benefit recipients.

Executive Director

The board appoints an executive director to serve as chief administrative officer of PERA. With approval from the board, the executive director develops the annual administrative budget, determines staffing requirements, contracts actuarial and other services, and directs the daily operations of PERA. The executive director is a member of the Investment Advisory Council.

Plans

PERA administers three cost-sharing, multiple-employer defined benefit retirement plans:

- the General Employees Retirement Plan (General Employees Plan), accounted for in the General Employees Fund,
- the Public Employees Police & Fire Retirement Plan (Police & Fire Plan), accounted for in the Police & Fire Fund, and
- the Public Employees Local Government Correctional Service Retirement Plan (Correctional Plan), accounted for in the Correctional Fund.

PERA administers one agent, multiple-employer defined benefit retirement plan: the Statewide Volunteer Firefighter Defined Benefit Plan (SVF DBP), accounted for in the Statewide Volunteer Firefighter Defined Benefit Fund.

PERA administers two multiple-employer defined contribution plans:

- the Statewide Volunteer Firefighter Defined Contribution Plan (SVF DCP), accounted for in the Statewide Volunteer Firefighter Defined Contribution Fund, and
- the Public Employees Defined Contribution Plan (Public Employees DCP), accounted for in the Public Employees Defined Contribution Fund.

Each plan has specific membership requirements, contribution rates, vesting requirements, and benefit computations. These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements.

(B) Members and Participating Employers

Table 2.7 below lists membership totals and participating employer counts in PERA's multiple-employer defined benefit plans as of June 30, 2025. With certain statutory exceptions, a governmental employee is a member of PERA if they perform personal services and are paid by taxation, fees, assessments, or other sources. The member's occupation determines plan eligibility.

Table 2.7. Defined Benefit Plan Membership and Participating Employer Counts

Membership Descriptions	General Employees Plan	Police & Fire Plan	Correctional Plan	SVF DBP	Total
Retirees and beneficiaries receiving benefits	124,529	13,120	2,074	140	139,863
Terminated employees entitled to benefits/refunds but not yet receiving them					
Vested	72,913	1,933	4,797	1,812	81,455
Non-Vested	87,781	889	2,589	1,747	93,006
Current, active employees					
Vested	108,488	9,405	2,001	3,835	123,729
Non-Vested	60,939	2,921	2,058	2,064	67,982
Total	454,650	28,268	13,519	9,598	506,035
Participating Employers	2,401	687	83	287	3,458

Three of the 287 fire department participating in the SVF DBP offer monthly benefits.

As of June 30, 2025, 8,294 members participate in the Public Employees DCP, 217 members participate in the SVF DCP, and six fire departments participate in the SVF DCP.

(C) Legislative and Other Plan Changes

The Minnesota legislature approved the 2025 Omnibus Pension and Retirement Bill, Senate File 2884, and Governor Walz signed the bill into law on May 23, 2025. The bill includes changes to PERA plans, described below.

General Employees Plan

Updates to the General Employees Plan include:

- The 1% additional employer contribution will be repealed when assets equal or exceed 98% of the plan's actuarial accrued liability.
- Starting in 2026, the annual increase amount will change from 50% of the CPI to 100% of the CPI, and the maximum increase will change from 1.5% to 1.75%. The minimum increase will remain 1%.
- On and after July 1, 2027, entities that privatize will be assessed a withdrawal liability that covers the entity's unfunded liability.

Police & Fire Plan

Updates to the Police & Fire Plan include:

- The waiting period to receive an annual increase was reduced by 12 months. Recipients who started benefits on or before January 1, 2025 will receive a 3% increase in 2026 and a 1% increase in 2027 and each year after.
- The Police & Fire Plan will receive \$17.7 million in direct State aid each year until the plan is 110% funded for three consecutive years or until July 1, 2048, whichever is sooner.

New Working Group for Probation Officers and 911 Telecommunicators

The bill established a working group to consider a new retirement plan for public-safety-adjacent positions, such as probation officers and 911 telecommunicators. This working group must complete their recommendation by January 2026.

Amortization Methodology

The bill implemented improved amortization methodology for all Minnesota public pension plans. This policy change adopts best practices, makes pension costs more transparent, and improves intergenerational equity.

Other Administrative Changes

The bill makes several administrative changes, described below:

Membership Salary Threshold

Defined benefit plan membership is mandatory from the hire date for employees who are expected to earn more than \$425 in a month. All full-time and most part-time employees must be enrolled immediately.

Correctional Duty Disability

On and after July 1, 2025, members with more than 25 years of service use a 2.2% multiplier for additional service in the benefit calculation for Correctional duty disability benefits.

Elected Public Officials

The 30-day period to elect optional coverage starts when an elected public official takes office (not the date they are elected).

Membership Election

The bill clarifies the 30-day period for certain membership elections and the timeline to submit the applicable election forms.

(D) General Employees Plan, Police & Fire Plan, and Correctional Plan

PERA's defined benefit plans are tax-qualified plans under section 401(a) of the Internal Revenue Code. PERA's primary type of benefit is retirement. Other types of benefits, such as disability, survivor benefits, and refunds are also available through the plans.

The benefit provisions stated in this section apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them must follow the benefit provisions for deferred members.

General Employees Plan

The largest of PERA's plans, the General Employees Plan was established in 1931 and is governed by Minnesota Statutes chapters 353 and 356.

Membership in the General Employees Plan includes employees of counties, cities, townships, schools, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who earns or is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

The General Employees Plan includes three membership groups: Basic, Minneapolis Employees Retirement Fund (MERF), and Coordinated.

- Basic was PERA's original membership group, established in 1931, and is not coordinated with Social Security Administration (SSA) benefits. Basic closed to new membership in 1968. There are no active Basic members contributing to the plan.
- MERF was added to the General Employees Plan in 2010, but didn't fully merge into the plan until 2015. MERF closed to new membership in 1979 and does not coordinate with SSA benefits. Fewer than five MERF members remain active in the plan.
- Coordinated was created in 1968 and is the only group open to new membership in the General Employees Plan. Coordinated members pay into Social Security and Medicare.

Police & Fire Plan

The Police & Fire Plan was established in 1959 and is governed by Minnesota Statutes chapters 353 and 356.

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body.

Correctional Plan

The Correctional Plan was established in 1999 and is governed by Minnesota Statutes chapters 353E and 356.

Membership in the Correctional Plan includes correctional officers serving in county and regional adult and juvenile corrections facilities. Members must be responsible for the security, custody, and control of the facilities and their inmates.

Vesting Requirements

When a member is vested, they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Active members who retire at or above their Social Security full retirement age with at least one year of service qualify for a retirement benefit. Additional vesting requirements vary by plan and are listed below:

- The General Employees Plan requires three years of service.
- Police & Fire Plan vesting requirements are based on when the employee became a member of PERA.
 - Employees hired before July 1, 2010 are vested after three years of service.

- Employees hired on or after July 1, 2010 are 50% vested after five years of service. After five years, vesting increases by 10% each full year of service until members are 100% vested after 10 years.
- Correctional Plan vesting requirements are based on when the employee became a member of PERA.
 - Employees hired before July 1, 2010 are vested after three years of service.
 - Employees hired on or after July 1, 2010 are 50% vested after five years of service. After five years, vesting increases by 10% each full year of service until members are 100% vested after 10 years.

Retirement Benefit Formulas

Monthly retirement benefits are available to members when they meet vesting and age requirements. The benefits are calculated based on three factors: service, age, and highest average salary.

- Members receive one service credit each month they are paid. Members can earn up to 12 service credits per year.
- Members receive their full benefit if they are at or above full retirement age when the benefit begins. However, if they choose to retire early, an early retirement factor will be applied to the calculation, permanently reducing the monthly benefit amount.
- The member's highest average salary is the five consecutive years (60 consecutive months) during which their salary is the greatest.

Each plan has different benefit formulas and retirement age requirements.

The General Employees Plan uses two formula calculations: Step and Level.

The Step formula is only available to members of the General Employees Plan who were first hired before July 1, 1989.

- Using the Step formula, General Employees Plan members receive 1.2% of their highest average salary for each of the first 10 years of service and 1.7% for each year after.
- Members are eligible for a full retirement benefit when they are age 65 or when their age plus years of service credit equals 90.
- Members can receive a reduced retirement benefit as early as age 55. Early retirement benefits are reduced by 0.25% for each month the member is younger than age 65.
- Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62.

Using the Level formula, General Employees Plan members receive 1.7% of their highest average salary for all years of service.

- The Level formula allows General Employees Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989.
- Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Police & Fire Plan members receive 3% of their highest average salary for all years of service.

- Police & Fire Plan members receive a full retirement benefit when they are age 55 or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989.
- Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% for each month the member is younger than age 55.

Correctional Plan members receive 1.9% of their highest average salary for years of service earned before July 1, 2025 and 2.2% of their highest average salary for years of service earned on or after July 1, 2025.

- Correctional Plan members receive a full retirement benefit when they are age 55 or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989.
- Early retirement begins at age 50 with an actuarial reduction applied to the benefit.

Benefit Options

Members of the General Employees Plan, Police & Fire Plan, and Correctional Plan choose from several types of retirement benefits:

- A single life benefit is a lifetime benefit that ends when the member dies. No survivor benefit is paid.
- A survivor benefit is reduced from the single life option because it extends the benefit to another individual after the member's death. When a member dies, their designated survivor receives monthly benefit payments for the survivor's lifetime. Survivor payments are 25, 50, 75, or 100% of the member's benefit. The reduction to the member's benefit depends on the elected survivor option, the member's age, and the survivor's age. If the survivor dies first, the member's benefit increases to the current single life amount for the rest of the member's lifetime.

Annual Increases

Retirement, disability, and survivor annual benefit increases are determined by Minnesota Statutes chapter 356 and take effect January 1 each year for eligible benefit recipients.

The 2025 annual increase rates for each plan were

- 1.25% for the General Employees Plan,
- 1.0% for the Police & Fire Plan, and
- 2.5% for the Correctional Plan.

Requirements for the 2025 increases are listed below:

- In the General Employees Plan, the annual increase is 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of 1% and a maximum of 1.5%.
- In the Police & Fire Plan, the annual increase is fixed at 1%.
- In the Correctional Plan, the annual increase is 100% of the COLA announced by SSA, with a minimum increase of 1% and a maximum of 2.5%. If the plan's funding status is less than or equal to 85% for two consecutive years or 80% for one year, the maximum increase will be lowered from 2.5% to 1.5%.

Recipients receiving the benefit for at least one full year (or three years for the Police & Fire Plan) by June 30 of the year before the effective date of the increase will receive the full increase. Recipients receiving the benefit for more than one month but less than one year (or between 25–36 months in the Police & Fire Plan) by June 30 of the year before the effective date of the increase will receive a prorated increase.

Other Types of Benefits

The cost-sharing, multiple-employer defined benefit retirement plans offer other benefits in addition to retirement benefits.

Disability Benefits

Disability is defined by statute. Members may be eligible for disability benefits before retirement if they are unable to work because of a disability.

- PERA requires periodic medical information from members who receive disability benefits. The qualifications and types of benefits vary by plan.
- Disability benefit requirements for the General Employees Plan and Police & Fire Plan are listed in Minnesota Statutes chapter 353. Disability benefit requirements for the Correctional Plan are listed in Minnesota Statutes chapter 353E.

Survivor Benefits

PERA provides survivor benefits to families of members who die before retiring.

- Annuities may be available to the surviving spouse or dependent child. If there is no surviving spouse or dependent child, refunds may be available to beneficiaries.
- The qualifications and types of benefits vary by plan. Survivor benefit requirements for the General Employees Plan and Police & Fire Plan are listed in Minnesota Statutes chapter 353. Survivor benefit requirements for the Correctional Plan are listed in Minnesota Statutes chapter 353E.

Refunds

Members who terminated public service but have not started to receive retirement benefits can receive a refund of their employee contributions plus interest, compounded annually. The interest rate applied is 6% for members who contributed before June 30, 2011, 4% for members who contributed between July 1, 2011 and June 30, 2018, and 3% for members who contributed on or after July 1, 2018. Employer contributions are nonrefundable.

(E) Statewide Volunteer Firefighter Plans

The Statewide Volunteer Firefighter (SVF) Plans are tax-qualified plans under section 401(a) of the Internal Revenue Code. The Statewide Volunteer Firefighter Defined Benefit Plan (SVF DBP) was established in 2010. The Statewide Volunteer Firefighter Defined Contribution Plan (SVF DCP) was established in 2024. The SVF Plans are governed by Minnesota Statutes chapter 353G.

Membership in the SVF Plans includes municipal or township volunteer fire departments and independent nonprofit firefighting corporations.

SVF Vesting Requirements

When a member is vested, they have earned enough service credit to receive a benefit after leaving public service and reaching an eligible retirement age. SVF members who retire at or above age 50 and complete the minimum vesting requirement of years of service with their fire department qualify for a retirement benefit. Vesting schedules vary by plan. In the most common schedule, vesting is prorated; members are 40% vested at five years of service, which increases 4% each year to reach 100% vested at 20 years of service.

Retirement Benefit Formula

SVF benefit payments are available to members when they meet vesting and age requirements. The benefits are calculated based on three factors: years of service, the fire department's benefit level when the member terminated, and the vesting percentage.

SVF DBP members receive a lump-sum benefit or a monthly benefit.

- Benefit levels for lump-sum benefits range from \$500 to \$15,000 per year of service.
- Three fire departments provide monthly benefits at amounts specified by the department.

SVF DCP members receive a lump-sum benefit.

- Benefit payments are the fair value of the member's account.
- The fair value of the member's account is their portion of the total of fire state aid, other contributions from the fire department, administrative expenses, forfeiture funds, and investment earnings or losses.
- Benefit payments are distributed to the member or rolled over into another tax-qualified plan or individual retirement account.

Other Benefits

PERA provides survivor benefits to families of SVF members who die before retiring.

- Benefits may be available to the surviving spouse or dependent child. If there is no surviving spouse or dependent child, benefits may be available to the estate.
- Survivor benefit requirements for the SVF Plans are listed in Minnesota Statutes chapter 353G.12.

(F) Public Employees Defined Contribution Plan

The Public Employees DCP was established in 1987 and is governed by Minnesota Statutes chapters 353D and 356.

The Public Employees DCP is a tax-qualified plan under section 401(a) of the Internal Revenue Code, and all contributions by or for employees are tax-deferred until withdrawal.

- There are no vesting requirements for benefit distribution. Plan benefits depend solely on the amount contributed to the plan plus investment earnings minus administrative expenses.
- Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund administered by the Minnesota State Board of Investment. Investment options include the Broad International Stock Fund, US Stock Actively Managed Fund, US Stock Index Fund, Balanced Fund, Bond Fund, Stable Value Fund, Money Market Fund, and Private Market Investments (Alternatives).

- For administering the plan, PERA receives 2% of the employer contributions paid each year plus 0.25% of the assets in each member's account each year.

Participation is optional for qualifying individuals, including public officials, physicians, city managers, and certain public ambulance service personnel, rescue squad personnel, and volunteer firefighters. Additional qualifications for membership are listed in Minnesota Statutes chapter 353D.

When a member retires or otherwise terminates employment, PERA distributes the fair value of the member's account to the member or transfers it into another tax-qualified plan or individual retirement account. After a member dies, PERA distributes the value of the account to the member's designated beneficiary.

Note 2: Summary of Significant Accounting Policies

(A) Reporting Entity

PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, PERA funds are considered a pension trust fund of the State of Minnesota and are included in the State's *Annual Comprehensive Financial Report* with its fiduciary funds. PERA is not a component unit and does not have any component units, and this report includes financial information for PERA only.

(B) Basis of Presentation and Basis of Accounting

The accompanying financial statements meet generally-accepted accounting principles (GAAP) that apply to governmental accounting for fiduciary funds. PERA's performs financial reporting accordance with Governmental Accounting Standards Board (GASB) requirements through GASB Statement 102.

- Financial statements are prepared using the accrual basis of accounting.
- Employee and employer contributions are recognized as revenues when due and meet formal commitments and statutory requirements.
- Expenses are recorded when the corresponding liabilities are incurred, regardless of when the expense is paid.
- Benefits and refunds are recognized when due and paid according to the terms of each plan.

To prepare financial statements according to GAAP, PERA management must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results can differ from those estimates.

(C) Cash and Cash Equivalents

In PERA's defined benefit and defined contribution funds, cash includes cash on deposit in the State's treasury, which is combined with other State funds. Cash on deposit consists of year-end receipts that were not processed before the investment cutoff on June 30. Most of PERA's cash is invested as part of an investment pool with the Minnesota State Board of Investment (SBI). PERA's investment in the cash pools is reported as a cash equivalent.

(D) Receivables

Accounts receivable represent member and employer plan contributions received after the end of the fiscal year for services paid before the end of the fiscal year. For the General Employees Fund, the receivable also includes an employer supplemental contribution of \$9 million billed in fiscal year 2025 but not due from employers until fiscal year 2026.

Due from other funds represents the reallocation of administrative expenses. Expenses are reallocated after the fiscal year's expenses have been finalized.

(E) Investments

Investment Policy

Article XI of the Minnesota Constitution allows the SBI to invest State funds. Membership includes the Minnesota governor (who the law designates as chair of the SBI), state auditor, secretary of state, and attorney general. The legislature also established a 17-member Investment Advisory Council (IAC) to advise the SBI and its staff on investment-related matters. PERA's executive director is a permanent member of the IAC.

Minnesota Statutes chapter 11A allows the State's public retirement fund assets to combine into various pooled investment accounts (Combined Funds). The SBI's Combined Funds includes assets of the General Employees, Police & Fire, and Correctional Plans.

- Each participating retirement fund owns an undivided participation in the Combined Funds' pooled investment accounts.
- As of June 30, 2025, the participation shares in the Combined Funds at fair value totaled approximately 31.3% for the General Employees Fund, 12.6% for the Police & Fire Fund, and 1.3% for the Correctional Fund.

The SBI's Volunteer Firefighter Fund includes assets of the SVF DBP and SVF DCP.

PERA reports investments in the pooled accounts at fair value.

- Fair value is the market value of PERA's proportionate share of the SBI's investment portfolio in which the funds participate.
- Securities within the pooled accounts are valued at fair value except for US government short-term securities and commercial paper, which are valued at market value, less accrued interest.
- PERA recognizes accrued interest as short-term income.
- Refer to Note 3 for additional disclosures on fair value reporting of investments.

A majority vote by the SBI board can amend SBI's investment policy, which outlines its investment philosophy and provides guidelines about how the SBI will manage the Combined Funds' investments.

Minnesota Statutes section 11A.24 restricts retirement fund investments to obligations and stocks of American and Canadian governments, their agencies and registered corporations, short-term obligations of specified high quality, restricted participation as a limited partner in venture capital, real estate or resource equity investments, restricted participation in registered mutual funds, and some qualified foreign instruments. Short-term investment securities include investments that have high credit quality and are highly liquid. The securities have a low-risk, low-return profile and include US government treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper, and other money market instruments.

PERA recognizes investment income as earned. Accrued investment income of the pooled investment accounts is included in participation in the accounts. Gains and losses on sales or exchanges are recognized on the transaction date.

The cost of security transactions is included in the transaction price.

- Investment expenses include administrative expenses of the SBI to manage the State's investment portfolio and investment management fees paid to external money managers and the State's master custodian for pension plan assets.

- The SBI allocates these expenses to the funds participating in the pooled investment accounts.
- Contact the SBI at 60 Empire Drive, Suite 100, Saint Paul, Minnesota 55103-2088 for information about specific investments owned by the pooled accounts, investment activity, currency risk, interest rate risk, and a detailed schedule of fees and commissions by brokerage firm, along with the number of shares traded, total commissions, and commissions per share for the pooled investment accounts.

PERA's financial statements have historically reported investment expenses for investment management fees for public markets investments.

- In previous years and for fiscal year 2025, private markets investment management fees and the effect of any profit-sharing arrangements are reflected in all investment performance tables reported.
- For fiscal year 2025, PERA's Statement of Changes in Fiduciary Net Position lists investment management fees for all asset class categories, including private markets.
- Investment returns throughout the *ACFR* are net of public and private market investment management fees, including profit-sharing arrangements; this change has no effect on the net investment income or the net position restricted for pensions

Asset Allocation

The SBI maintains a strategic asset allocation for the combined funds that includes public equity, fixed income, private markets, and cash equivalents.

The targeted asset allocation as of June 30, 2025 is listed below:

- 50% of the assets are allocated to public equity, of which 33.5% is allocated to domestic equity and 16.5% is allocated to international equity.
- 25% of the assets are allocated to fixed income, of which 10% is Core/Core Plus and return-seeking bonds, 10% is treasure protection, and 5% is cash and laddered bonds.
- 25% of the assets are allocated to private markets.

If an actual allocation deviates 10% or more from the target allocation (except for private markets), assets are rebalanced to achieve long-term allocation targets. For example, the target allocation for fixed income is 25% of the fund. A 10% deviation is 2.5%. The SBI recognizes that in some market situations, the allocation to private markets could exceed 25%, but according to statute, cannot exceed 35%.

Significant Investment Changes During the Year

There were no significant investment changes during fiscal year 2025.

Annual, Money-Weighted Rate of Return

The annual, money-weighted rate of return is a method of calculating period-by-period returns on pension fund investments that adjusts for the changing amounts actually invested. The money-weighted rate of return is the internal rate of return on pension fund investments, net of investment management fees and the effect of any profit-sharing arrangements. Because the pension funds each have different cash flows throughout the year, they have different money-weighted rates of return. The money-weighted rate of return for each PERA retirement fund is presented in table [2.8](#) below.

Table 2.8. Money-Weighted Rate of Return

Fund	Fiscal Year 2025
General Employees Fund	10.95%
Police & Fire Fund	10.95%
Correctional Fund	10.98%
Volunteer Firefighter Fund	11.62%

Long-term Expected Return on Investment

The long-term expected return on investment is based on the asset allocation study completed by the SBI in 2016. The SBI reviewed the portfolio's asset allocation in 2017 and 2020 and implemented small policy changes. In fiscal year 2025, the SBI conducted a new asset allocation study, which the board approved in October 2025. The SBI anticipates the new strategic asset allocation will be implemented during fiscal year 2026.

The SBI determined the long-term expected rate of return on pension plan investments using a building-block method. The SBI developed best estimates for expected real rates of return (expected returns, net of inflation) for each asset class using both long-term historical returns and long-term capital market expectations from several investment management and consulting organizations. The SBI combined the asset class estimates and target allocations into a geometric, long-term expected real rate of return for the portfolio. The SBI applied inflation expectations to find the nominal rate of return for the portfolio.

The long-term expected return on investment as of June 30, 2025 is shown in tables [2.9](#) and [2.10](#) below.

Table 2.9. Combined Funds: Target Asset Allocation and Long-term Expected Real Rate of Return by Asset Class

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Geometric)
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Market	25.00%	5.90%

(1) Public Equity includes Domestic Equity, International Equity and Global Equity for allocation purposes.

(2) Fixed Income includes Core Bonds, Return Seeking Bonds, Treasuries, Cash, and Laddered Bonds.

(3) Private Markets includes Private Equity, Private Credit, Resources, and Real Estate.

Table 2.10. Statewide Volunteer Firefighter Defined Benefit Fund: Target Asset Allocation and Long-term Expected Real Rate of Return by Asset Class

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Geometric)
Domestic Equity	35.00%	5.10%
International Equity	15.00%	5.30%
Bonds	45.00%	0.75%
Cash Equivalents	5.00%	0.00%

(F) Capital Assets

PERA capitalizes assets at historical cost at the date of acquisition, issuance, or completion. All tangible assets, except land, are depreciated or amortized when placed into operation using the straight-line method over the estimated useful lives. Intangible right-to-use assets are recorded under GASB Statement 87 "Leases" and GASB Statement 96 "Subscription-Based Information Technology Arrangements (SBITA)."

PERA reports the following capital assets:

- Equipment, furniture, and fixture purchases with an initial, individual cost of more than \$30,000 and an estimated useful life of greater than one year.
- Equipment leases that cost \$30,000 or more.
- Building and building improvements that cost \$300,000 or more.
- Property leases that cost \$300,000 or more.
- Internally-developed software that cost \$1 million or more per application.
- Subscription based information technology arrangements that cost \$250,000 or more.

(G) Accrued Compensated Absences

PERA's employees accrue vacation leave, sick leave, and compensatory leave at various rates within limits specified in collective bargaining agreements.

- Amounts of leave time for compensated absences are accrued when incurred.
- When a PERA employee terminates, their accrued leave time is liquidated in cash and paid to them.
- The total liability at June 30, 2025, is \$2,538,000. Of this, \$1,327,000 is considered current liability and \$1,211,000 is considered noncurrent liability.
- The total liability net increase is \$1,113,000 for fiscal year 2025.

(H) Administrative Expenses

PERA pays administrative expenses throughout the fiscal year from the General Employees Fund. At the end of the fiscal year, a portion of the expenses are allocated to the Police & Fire Fund and the Correctional Fund based on membership counts. The Statewide Volunteer Firefighter Defined Benefit Fund, Statewide Volunteer Firefighter Defined Contribution Fund, and Public Employees Defined Contribution Fund reimburses the General Employees Fund for fees collected to recover administrative costs.

Note 3: Deposits and Investment Risk Disclosures

(A) Fair Value Reporting

Governmental Accounting Standards Board (GASB) statement 72 (GASB 72), "Fair Value Measurement and Application," describes how to measure the fair value of investments based on a hierarchy of valuation inputs. The hierarchy has three levels, described below.

Level 1 uses the market value approach, using quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access on the measurement date.

Level 2 uses the market value approach, but unlike Level 1, Level 2 does not use quoted prices for the asset or liability, either directly or indirectly. Instead, inputs for Level 2 include:

- quoted prices for similar assets or liabilities in active markets,
- quoted prices for identical or similar assets or liabilities in inactive markets,
- inputs other than quoted prices that are observable for the asset or liability, and
- inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 uses unobservable inputs for the asset or liability. Unobservable inputs are the assumptions of the Minnesota State Board of Investment (SBI) about what inputs other market participants can use to determine the value of an asset or liability. Assets categorized as Level 3 generally rely on methods like the cost approach, income approach, or consensus pricing for their valuation.

Investments that do not have an easily-determined fair value are measured using the net asset value (NAV) per share (or a similar measure) as a practical expedient and are not classified in the fair value hierarchy.

Cash and cash equivalents are investments with less than 90 days to maturity.

- Cash and cash equivalents are not leveled according to GASB 72.
- Non-cash investments include derivative investments that are not hedging derivatives.
- Non-cash investments are measured at fair value on a recurring basis.
- The SBI maintains investment pools that plans participating in the Combined Funds can invest in; plans own a proportionate share of the investment pools.
- The fair value of the investment pools is priced daily by the SBI custodian using independent pricing sources.

In table [2.11](#), Level 3 investments primarily consist of assets where the asset is distressed or where there is not an active market. The fair value of assets measured at NAV were determined using March 31, 2025 values, adjusted for cash flows. The investments measured at NAV are typically ineligible for redemption. Distributions received as underlying investments within the funds are liquidated over the life of the investment. The typical liquidation period for alternative investments is 3–12 years and includes private equity, real estate, real assets, and private credit. Most distributions are received during the liquidation period; however, a small amount of the fund can remain open while waiting for final close from the general partner.

As of June 30, 2025, the alternative investments are not expected to be sold at a different amount from the NAV of the SBI's ownership interest in a partner's capital. PERA's proportionate share of unfunded commitments valued at NAV is \$5.4 billion. Unfunded commitments are money that is committed to an investment but not yet transferred to the general partner.

Table 2.11. Fair Value of PERA Investments

As of June 30, 2025

(Dollars in thousands)

Investments	Fair Value	Level 1	Level 2	Level 3
Equity Investments				
Common Stock	\$23,517,853	\$23,509,890	\$7,746	\$217
Real Estate Investment Trust	398,169	398,169	0	0
Other Equity	557,573	379,204	1,445	176,924
Equity Total	\$24,473,595	\$24,287,263	\$9,191	\$177,141
Fixed Income Investments				
Bank Loans	\$150,081	\$0	\$149,565	\$517
Asset-Backed Securities	529,484	0	527,481	2,002
Mortgage-Backed Securities	1,564,731	0	1,563,415	1,316
Corporate Bonds	2,826,501	0	2,825,569	932
Government Issues	6,200,575	0	6,200,575	0
Other Debt Instruments	17,628	0	17,628	0
Fixed Income Total	\$11,289,000	\$0	\$11,284,233	\$4,767
Investment Derivatives				
Options	\$0	\$0	\$0	\$0
Rights	41	41	0	0
Swaps	0	0	0	0
Warrants	22	22	0	0
Investment Derivatives Total	\$63	\$63	\$0	\$0
Total Investments at Fair Value	\$35,762,658	\$24,287,326	\$11,293,424	\$181,908

Cash and cash equivalents are not leveled under GASB Statement 72, but are included in the exhibit for informational purposes. Any variance between recorded account balances and the fair value of investments as reported in the exhibit are accounts payable and accounts receivable items on June 30, 2025 and not leveled under GASB Statement 72.

Table 2.12. Investments Measured at Net Asset Value (NAV)

As of June 30, 2025

(Dollars in thousands)

Investments	NAV	Percent of NAV	Number of Investments	Unfunded Commitments
Private Equity	\$7,583,282	73.32%	194	\$3,892,329
Real Estate	1,055,148	10.20%	35	605,350
Real Assets	884,866	8.56%	31	282,108
Private Credit	819,387	7.92%	42	596,210
Total Investments at NAV	\$10,342,683	100.00%	302	\$5,375,997

Investment Types**Equity Investments**

Common stock investments are securities representing equity ownership in a corporation, providing voting rights, and entitling the holder to a share of the company's success via dividends or capital appreciation.

Real estate investment trusts (REITs) are investment pools established by a group of investors to invest in real estate or mortgages. REITs are generally exempt from federal taxes if 95% of REIT-earned income is distributed, and investors are treated equally.

Other equity investments include preferred stock, depository receipts, limited partnerships units, common stock units, and mutual funds.

Fixed-Income Investments

Bank loans are

- a floating rate debt instrument issued by corporations,
- secured by company assets, including property, equipment, and more, and
- typically senior in the capital structure compared to other liabilities.

Asset-backed securities are bonds or notes backed by financial assets, including auto loans and credit card receivables.

Mortgage-backed securities are asset-backed securities secured by a mortgage or collection of mortgages. The mortgages are sold to a government agency or investment bank that packages the loans together into a security that can be purchased by investors.

Corporate bonds are debts issued by corporations instead of equity ownership via stock. Like most municipal bonds and treasuries, corporate bonds pay semi-annual interest and promise to return the principal when the bonds mature. Maturities range from 1–30 years.

Government issues are securities or bonds issued by any of the 50 states, the territories and their subdivisions, counties, cities, towns, villages and school districts, agencies (such as authorities and special districts created by the states), or certain federally-sponsored agencies (such as local housing authorities).

Other debt instruments include short-term investment funds (STIFs).

Investments Derivatives

Rights give investors the opportunity to buy newly-issued securities in proportion to an investor's holdings of certain stocks. The new securities are usually actively traded and exercised within a short period of time.

Warrants are the right to purchase one or more shares of stock. Warrants are usually attached to other issues purchased by an investor. Warrants are often detachable and can be used over a long period of time (5–10 years). Warrants have value of their own and can be traded.

Options are contracts that give the holder the right to buy or sell a specific amount of securities from or to the writer of the contract, at a set price, within a certain timeframe.

Swaps are derivative contracts where two parties exchange cash flows or liabilities from two different financial instruments.

- Most swaps involve cash flows based on a notional principal amount, such as a loan, bond, or currency, without actually exchanging the principal.
- Each cash flow is one part of the swap.
- One cash flow is usually fixed and the other is usually variable and based on a benchmark interest rate, floating currency exchange rate, or index price.

Investments Measured at Net Asset Value (NAV)

The private equity investment strategy is to establish and maintain a broadly diversified private equity portfolio composed of investments that provide diversification by industry type, stage of corporate development, and location. The SBI has 194 private equity investments representing 73.3% of the NAV. Of these, 50 out of 194 private equity funds exceeded the twelve-year liquidation period and represent 8.0% of the private equity NAV.

The real estate investment strategy is to establish and maintain a broadly-diversified real estate portfolio composed of investments that provide overall diversification by property type and location. The main components of this portfolio consist of investments in closed-end commingled funds. The remaining portion of the portfolio may include investments in less diversified, more focused (specialty) commingled funds and REITs. The SBI has 35 real estate investments representing 10.2% of the NAV. There are 7 out of 35 real estate funds that are over the twelve-year liquidation period and represent 3.1% of the real estate NAV.

The strategy for real asset investment is to establish and maintain a portfolio of real assets investment vehicles that provide an inflation hedge and additional diversification. Real assets investments will include energy and infrastructure investments that are diversified by geographic area as well as by type. The SBI has 31 real assets investments representing 8.6% of the NAV. There are 16 out of 31 real assets funds that are over the twelve-year liquidation period and represent 34.4% of the real assets NAV.

The strategy for private credit investments is to target funds that typically provide a current return and may have an equity component. Structures such as subordinated debt investments and mezzanine investments are typical yield-oriented investments. The SBI has 42 private credit investments, representing 7.9% of the NAV. There are 12 out of 42 private credit funds that are over the twelve-year liquidation period and represent 6.0% of the private credit NAV.

(B) Custodial Credit Risk

Custodial credit risk for cash deposits and investments is the risk that if there was a bank or custodian failure, PERA could not recover the value of our investments or collateral securities.

- Minnesota Statutes section 9.031 requires cash deposits to be secured by depository insurance or a combination of depository insurance and collateral securities held in the State's name by an agent of the State.
- The insurance and collateral coverage should ensure that deposits are less than or equal to 90% of the sum of the insured amount and the market value of the collateral.
- Throughout fiscal year 2025, the combined depository insurance and collateral met legal requirements and secured PERA's deposits, eliminating custodial credit risk.

(C) Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. The SBI has policies designed to minimize credit risk. The SBI can invest funds in governmental obligations if the issue is backed by the full faith and credit of the issuer or if the issue is rated among the top four quality rating categories by a nationally-recognized rating agency. The SBI can invest in unrated corporate obligations or in corporate obligations that are not among the top four quality categories if

- the aggregate value of these obligations cannot exceed 5% of the fund for which the state board is investing,
- participation is limited to 50% of a single offering, and
- participation is limited to 25% of an issuer's obligations.

The SBI can invest in bankers' acceptances, deposit notes of US banks, certificates of deposit, mortgage securities, and asset-backed securities rated in the top four quality categories by a nationally-recognized rating agency. Commercial paper must be rated in the top two quality categories.

PERA's share of the SBI's exposure to credit risk for debt securities and short-term investments is based on the lower of Moody's or S&P Quality Ratings and shown in table [2.13](#) below. If a security is rated by only Moody's or S&P, rather than both, that rating will be used.

Table 2.13. Credit Risk Exposure

(Dollars in thousands)

Quality Rating	Fair Value as of June 30, 2025
AAA	\$459,183
AA	7,268,947
A	490,614
BBB	1,196,681
BB	642,361
B	552,864
CCC	295,886
CC	13,945
C	436
D	2,529
Unrated Corporate	2,106,751
Total	\$13,030,197

(D) Concentration of Credit Risk

Concentration of credit risk is the risk of loss because of the magnitude of a government's investment in a single issuer. The SBI determines concentration of credit risk based on the security identification number. PERA is not exposed to a single issuer greater than or equal to 5% of the overall portfolio, so PERA does not have concentration of credit risk.

(E) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments could negatively affect the fair value of an investment. The SBI does not have a policy about interest rate risk. Debt securities are held in external investment pools, and PERA's share has the weighted average maturities listed in table [2.14](#) below.

Table 2.14. Interest Rate Risk

Security	Weighted Average Maturity (In Years)
Bank Loans	4.87
Asset-Backed Securities	5.03
Corporate Debt Obligations	5.42
Foreign Country Bonds	7.34
Mortgage Backed Securities	7.65
Yankee Bonds	8.21
Agency Securities	8.50
Collateralized Mortgage Obligations	9.41
US Treasuries	12.34
Municipal Debt Obligations	16.22

(F) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates between the US dollar and foreign currencies could negatively affect the fair value of an investment. Most foreign currency risk is within the SBI's international equity investment holdings. To reduce foreign currency risk, the SBI developed and implemented policies.

- Government obligations, including guaranteed or insured issues of the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank, must pay interest and principal in US dollars.
- The principal and interest of obligations of corporations, including those incorporated or organized under the laws of the Dominion of Canada or any province thereof, must be paid in US dollars.
- The SBI uses a foreign currency overlay manager to implement an active hedging program for its international developed markets passive equity portfolio. The SBI's active managers can use forward currency contracts within their portfolios to hedge foreign currency risk as they deem appropriate. PERA's share of foreign security investments at June 30, 2025 was distributed among the currencies shown in table [2.15](#).

Table 2.15. Foreign Currency Risk

(Fair value in thousands)

Currency	Cash	Equity	Fixed Income
Euro Currency	\$9,934	\$2,752,057	\$78,889
Japanese Yen	17,612	1,101,589	0
Pound Sterling	6,997	797,966	9,132
Canadian Dollar	3,524	598,918	428
Hong Kong Dollar	2,050	538,546	0
Swiss Franc	833	452,910	0
New Taiwan Dollar	82	368,185	0
Australian Dollar	1,519	310,729	265
South Korean Won	193	291,427	0
Swedish Krona	523	141,862	0
Indian Rupee	25	118,351	7,240
Danish Krone	1,074	120,260	0
Brazilian Real	519	102,281	11,105
Singapore Dollar	456	81,582	0
Yuan Renminbi	425	71,107	4,089
South African Rand	327	50,675	9,627
Mexican Peso	92	50,938	9,295
Saudi Riyal	50	44,792	0
Norwegian Krone	347	42,414	0
Indonesian Rupiah	114	27,270	8,286
Thailand Baht	76	24,981	6,606
Polish Zloty	7	22,457	6,194
Malaysian Ringgit	51	15,393	10,739
Hungarian Forint	22	21,543	2,525
New Israeli Sheqel	150	22,912	0
Uae Dirham	54	18,218	0
Turkish Lira	31	10,283	1,215
Czech Koruna	63	3,255	6,277
New Zealand Dollar	68	7,230	0
Chilean Peso	38	5,554	1,154
Colombian Peso	95	755	5,164
Qatari Rial	0	5,148	0
Kuwaiti Dinar	0	5,025	0
Sol	24	0	3,877
Romanian Leu	13	1,949	1,924
Philippine Peso	15	2,988	79
Uruguayan Peso	0	0	1,178
Egyptian Pound	13	468	0
Dominican Peso	0	0	217
Uzbekistan Sum	0	0	201
Yuan Renminbi Offshore	(302)	0	0
Total	\$47,114	\$8,232,018	\$185,706

(G) Derivative Financial Instruments

On behalf of PERA, the SBI invests in various types of derivative financial instruments. Derivatives are any financial arrangement between two parties that has value based on or derived from future price fluctuations. The SBI's derivative financial instruments include futures, options, stock warrants and rights, currency forwards, and synthetic guaranteed investment contracts. For accounting purposes, derivative instruments are considered investments, not hedges.

According to Minnesota Statutes section 11A.24, subdivision 1, agencies must have a fully-offsetting amount of cash or securities to enter into any agreement for put and call options and futures contracts. This subdivision applies to foreign currency forward contracts used to offset the currency risk of a security. All other derivatives are exchange-traded. The purpose of the SBI derivative activity is to equitize cash in the portfolio, to adjust the duration of the portfolio, or to offset current futures positions.

The fair value balances and notional amounts (or face value) at June 30, 2025, classified by derivative instrument type, and the changes in fair value for fiscal year 2025 are shown in table [2.16](#) below.

Table 2.16. Derivative Financial Instruments

(Dollars in thousands)

Derivative Investment Type	Changes in Fair Value During Fiscal Year 2025	Fair Value at June 30, 2025	Notional Amount
Futures			
Equity Futures—Long	\$15,817	\$0	\$49
Equity Futures—Short	0	0	0
Fixed Income Futures—Long	(2,426)	0	645,831
Fixed Income Futures—Short	6,894	0	(452,177)
Options			
Futures Options Bought	(\$1,697)	\$0	\$0
Futures Options Written	929	0	0
Equity Options Bought	0	0	0
Equity Options Written	0	0	0
Fixed Income Options Written	104	(201)	(152,077)
Currency Forwards Contracts	(74,425)	(36,053)	15,912,180
Stock Warrants and Rights			
Stock Warrants	(\$6)	\$22	\$87
Stock Rights	91	41	2
Swaps			
Credit Default Swaps Bought	(\$82)	\$0	\$0
Credit Default Swaps Written	643	3,233	95,306
Pay Fixed Interest Rate Swaps	(1,925)	(294)	165,469
Receive Fixed Interest Rate Swaps	354	(139)	50,795
Return Swaps Equity	74	8	(458)

Derivative Investment Type Explanations

Futures are contract commitments to purchase (asset) or sell (liability) at a future date. The net change in the value of futures contracts is settled on a regular basis, and gains and losses are included in investment income.

Options are contracts that give buyers or sellers the right to buy (calls) or sell (puts) a security at a predetermined price on a future date. Gains and losses result from variances in the market value of the security before or on the contract-specified date. Gains and losses are included in investment income.

Foreign currency forward contracts are used to manage portfolio foreign currency risk. Contract provisions vary based on negotiation.

Similar to options, stock warrants are the right to purchase shares of a stock at a certain price by a certain date. Stock warrants usually expire after five years or more. When stock warrants are exercised, the company issues new shares. However, rights are issued to current stock owners to enable them to retain their relative ownership share. Gains and losses from the sale or exercise of stock warrants and rights are included in investment income.

Swaps are derivative contracts where two parties exchange cash flows or liabilities from different financial instruments. Most swaps involve cash flows based on a notional principal amount, such as a loan, bond, or currency. Usually, the principal does not change owners. Each cash flow comprises one part of the swap. One cash flow is generally fixed, while the other is variable and based on a benchmark interest rate, floating currency exchange rate, or index price. The most common kind of swap is an interest rate swap, but currency swaps and credit default swaps on a reference security or basket of securities are also common.

Guaranteed Investment Contract

The SBI maintains a fully benefit-responsive synthetic guaranteed investment contract for the Supplemental Investment Fund—Stable Value Fund.

- The investment objective of the Supplemental Investment Fund—Stable Value Fund is to protect investors from loss of their original investment and to provide a competitive interest rate.
- On June 30, 2025, the Supplemental Investment Fund—Stable Value Fund portfolio of well-diversified, high-quality, investment-grade fixed income securities had a fair value of \$1,423,496,022, which is \$33,120,398 below the value protected by the wrap contract.
- The Supplemental Investment Fund—Stable Value Fund also includes liquid investment pools with a combined fair value of \$30,323,155.

Risks

The SBI is exposed to credit risk through the counterparties in foreign currency forward contracts used to offset the currency risk of a security. PERA is exposed to credit risk through 25 counterparties. These counterparties have S&P credit ratings of BBB+ or better. PERA's proportionate share of the maximum loss that SBI would have recognized as of June 30, 2025 if all counterparties failed to perform as contracted is \$375,341,327.

H) Securities Lending

PERA does not own specific securities, but instead owns shares in pooled funds invested by the SBI. The SBI can enter into securities lending transactions according to Minnesota Statutes chapter 356A.06, subdivision 7. According to the Securities Lending Authorization Agreement, the SBI authorized State Street Bank and Trust Company (State Street) to lend the SBI's securities to approved borrowers. The amounts shown on the financial statements are PERA's proportionate share of securities loaned, collateral pledged, and loan income that resulted from the lending activity of the investment managers, retained by the SBI, of these investment pools. The types and amounts of securities loaned are presented in table [2.17](#).

Table 2.17. Securities Loaned

(Dollars in thousands)

Investment Type	Amount as of June 30, 2025
Domestic Corporate Bonds	\$156,647
Domestic Equities	1,927,242
International Equities	297,306
US Government Bonds	414,960
Total	\$2,796,155

During the fiscal year, as directed by the SBI, State Street lent certain securities held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the US government. State Street cannot pledge or sell collateral securities delivered unless a borrower defaults. Borrowers were required to deliver collateral for each loan equal to at least 100% of the fair value of the loaned securities.

According to the Securities Lending Authorization Agreement, State Street must compensate the SBI if a borrower defaults. Zero borrowers failed to return loaned securities or pay distributions during the fiscal year that resulted in a declaration or notice of default of the borrower.

During the fiscal year, the SBI and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested with the cash collateral of other qualified, tax-exempt plan lenders in a collective investment pool. As of June 30, 2025, the investment pool had an average duration of 1 day and an average weighted final maturity of 111.01 days for USD. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2025, the SBI had no credit risk exposure to borrowers. The fair value of collateral held and the fair value of securities on loan from the SBI as of June 30, 2025 was \$2,904,288,341 and \$2,796,155,300, respectively. Cash collateral of \$1,743,048,000 is reported on the Statement of Fiduciary Net Position as an asset. Liabilities resulting from these securities lending transactions are also reported on the Statement of Fiduciary Net Position.

Note 4: Capital Assets

Capital assets

Capital assets are presented on the June 30, 2025 Statement of Fiduciary Net Position at historical cost, net of accumulated depreciation. Capital assets are summarized in table 2.18 below.

Table 2.18. Capital Assets

(Dollars in thousands)

Capital Asset Descriptions	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets, not being depreciated				
Land	\$170	\$0	\$0	\$170
Capital assets, being depreciated				
Building (includes generator)	\$10,893	\$0	\$0	\$10,893
Equipment, furniture, and fixtures	2,012	375	0	2,387
Total capital assets being depreciated	\$12,905	\$375	\$0	\$13,280
Less accumulated depreciation for				
Building (includes generator)	(\$6,385)	(\$270)	\$0	(\$6,655)
Equipment, furniture, and fixtures	(1,927)	(94)	0	(2,021)
Total accumulated depreciation	(\$8,312)	(\$364)	\$0	(\$8,676)
Total capital assets, net of accumulated depreciation on the Statement of Fiduciary Net Position	\$4,763	\$11	\$0	\$4,774

Legislation passed in 1999 allowed PERA, the Minnesota Teacher's Retirement Association (TRA), and the Minnesota State Retirement System (MSRS) to purchase land and construct a 140,000 square foot building to house all three retirement systems.

- Facility ownership is prorated based on the amount of square footage each retirement system occupies in the building.
- PERA's ownership share is 36.5%.
- PERA's share of the cost to purchase the 4.3 acres of land was \$170,308.

In June 2000, the State of Minnesota, under the authority of the Commissioner of Finance (currently known as Minnesota Management and Budget), issued revenue bonds totaling \$29 million on behalf of the three retirement systems to pay for the construction of the facility. In August 2012, the remaining bonds were refunded with the proceeds of a new, lower interest rate bond issue. The new bonds are secured by the value of the total assets of the largest defined benefit plans in the three statewide retirement systems. By issuing the refunding bonds, which received an AAA credit rating, the bond term was reduced by five years and the value of the savings to the retirement systems was \$9,582,538. PERA's portion of the savings was \$3,497,626.

In June 2025, PERA, TRA, and MSRS paid the bonds in full.

Note 5: Contribution Requirements

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates are listed in table [2.19](#) below.

Table 2.19. Retirement Plan Contribution Rates

Effective Date	Contributor	General Employees Fund		Police & Fire Fund	Correctional Fund
		Coordinated	MERF		
01/01/20	Member	6.50%	9.75%	11.80%	5.83%
	Employer	7.50%	9.75%	17.70%	8.75%

Since fiscal year 2014, the State of Minnesota contributes \$9 million each year to the Police & Fire Fund. This state aid will continue until the Police & Fire Fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever is later. In addition, the state pays \$9 million each year on October 1 in direct state aid to the Police & Fire Fund until full funding is reached or until July 1, 2048, whichever is earlier.

The Minneapolis Employees Retirement Fund (MERF) fully merged into the General Employees Fund in fiscal year 2015.

- Supplemental contribution amounts were recalculated after the merger based on the amount of MERF's unfunded liability as of the merger date.
- The State of Minnesota contributes \$16 million, and MERF employers contribute \$21 million to the General Employees Fund each year until September 15, 2031.

Minnesota Statutes section 353D.03 specifies contribution rates for members of the Public Employees Defined Contribution Plan.

- An eligible elected official or physician who decides to participate contributes 5% of their salary, which is matched by their employer.
- For ambulance service personnel, employer contributions are determined by the employer; for salaried employees, employer contributions must be a fixed percentage of salary.
- Employer contributions for volunteer personnel can be a unit value for each call or period of alert duty.
- Employees who are paid for their services can make member contributions, but those contributions must be less than or equal to the employer's contribution.

The Minnesota Department of Revenue collects taxes on insurance premiums. The taxes, known as fire state aid and supplemental fire state aid, are deposited into the fire department's account.

Required employer contributions are calculated annually for employers participating in the Statewide Volunteer Firefighter Defined Benefit Plan (SVF DBP).

- Required employer contributions are only calculated if fire state aid (generated from insurance premium revenues) plus projected investment income is less than the expected normal cost of benefits for the upcoming calendar year.

- Departments that joined the SVF DBP during this calendar year must pay contributions by December 31 of this year.
- Departments that joined the SVF DBP before this calendar year must pay contributions by December 31 of next year.

Employer contributions are not required in the Statewide Volunteer Firefighter Defined Contribution Plan (SVF DCP). However, employers can submit voluntary contributions at any time in either the SVF DBP or the SVF DCP.

Purchasing Service Credits

Authorized Leave of Absence

Members can take an authorized leave of absence from PERA-covered employment. Members can purchase missing employee and employer contributions, plus interest, to restore the lost credit.

Periodic, Repetitive Leave

An employer can offer or require a furlough to employees. Members participating in the furlough can pay PERA their contributions lost plus interest to restore their highest average salary. After a member payment is received, employers must send the employer portion of the furloughed salary plus interest to PERA.

Repayment of Refunded Service

Former members who forfeited service credit after receiving a refund of PERA contributions can repay the refund to restore their forfeited service credit after they rejoin public service for six months or more. Interest charged for a refund repayment is compounded annually and calculated from the date of the refund at the following rates:

- 8.5% until June 30, 2015,
- 8% July 1, 2015 through June 30, 2018,
- 7.5% July 1, 2018 through June 30, 2023, and
- 7% July 1, 2023 and after.

Past Military Service

PERA members can purchase actuarially-calculated service credit for one or more periods while in the uniformed services, as defined in United States Code title 38, section 4301(13). The eligible purchase is for military leave period(s) that occurred before becoming a public employee or during PERA-covered employment when the member missed the original purchase timeframe.

Note 6: Net Pension Liability

The components of the net pension liability (NPL) of the cost-sharing defined benefit plans for participating employers and the State of Minnesota (a non-employer contributing entity in the General Employees Fund) as of June 30, 2025, calculated according to Governmental Accounting Standards Board Statement 67, are listed in table [2.20](#) below.

Table 2.20. Net Pension Liability Components

(Dollars in thousands)

Liability Descriptions	General Employees Fund	Police & Fire Fund	Correctional Fund
Total Pension Liability (A)	\$35,952,646	\$14,249,944	\$1,278,154
Fund Fiduciary Net Position (B)	(32,638,737)	(13,078,280)	(1,344,302)
Net Pension Liability (A - B)	\$3,313,909	\$1,171,664	(\$66,148)
Fund Fiduciary Net Position as a Percentage of the Total Pension Liability (B / A)	90.78%	91.78%	105.18%

(A) Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan, Police & Fire Plan, and the Correctional Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan, 1% for the Police & Fire Plan, and 2% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.50% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service. In the Correctional Plan, salary growth assumptions range in annual increments from 8% after one year of service to 3% after 19 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police & Fire Plan and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan and Correctional Plan were reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

(B) Discount Rate

To measure the total pension liability in 2025, PERA used a 7% discount rate. The discount rate was determined using a projection of cash flows that assumed contributions from plan members and employers will be made at rates set by Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan, Police & Fire Plan, and Correctional Plan are projected to be available to make all future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(C) Sensitivity Analysis

Table [2.21](#) below lists the net pension liability (asset) of employers and the State of Minnesota for PERA's cost-sharing defined benefit plans as of June 30, 2025, calculated using the current discount rate. Table [2.21](#) also lists each plan's net pension liability calculated using a discount rate that is 1% lower and 1% higher than the current discount rate.

Table 2.21. Sensitivity Analysis: Net Pension Liability (Asset) at Different Discount Rates

(Dollars in thousands)

Discount Rate	General Employees Fund		Police & Fire Fund		Correctional Fund	
1% Decrease	6.00%	\$8,048,965	6.00%	\$3,070,008	6.00%	\$156,625
Current Discount Rate	7.00%	\$3,313,909	7.00%	\$1,171,664	7.00%	(\$66,148)
1% Increase	8.00%	(\$527,287)	8.00%	(\$387,176)	8.00%	(\$243,519)

Note 7: Other Notes

(A) New Asset Transfers

Volunteer fire departments can join PERA's Statewide Volunteer Firefighter Defined Benefit Plan (SVF DBP) or Statewide Volunteer Firefighter Defined Contribution Plan (SVF DCP) on January 1 each year, according to state statute. In fiscal year 2025, 47 fire departments joined the SVF DBP, transferring assets of \$49.7 million, and 6 fire departments joined the SVF DCP, transferring assets of \$8.4 million. The assets transferred are reported as Other Additions in the Statement of Changes in Fiduciary Net Position.

(B) Participating Pension Plan

PERA employees participate in the General Employees Coordinated Plan and are eligible for the plan provisions described in section D of Note 1. Minnesota Statutes section 353.27 sets the rates for Coordinated Plan employee and employer contributions. Contribution rates for the Coordinated Plan are listed in table [2.19](#) on page [57](#). The total covered payroll for PERA employees during fiscal year 2025 was approximately \$10.4 million.

Employer pension contributions for PERA employees in the fiscal years ending June 30, 2025, 2024 and 2023 were \$779,917 in fiscal year 2025, \$674,415 in fiscal year 2024, and \$629,885 in fiscal year 2023. Employer contributions are equal to the required contributions set by statute. Employer contributions paid by PERA on behalf of these employees are funded by General Employees Fund investment income.

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

General Employees Fund: Schedule of Changes

(Unaudited, dollars in thousands, restated 2016 & 2017 for rounding and other differences; no effect on Plan Fiduciary Net Position)

Table 2.22. General Employees Fund: Schedule of Changes in Net Pension Liability and Related Ratios

Descriptions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$724,046	\$652,637	\$675,709	\$648,767	\$530,547	\$518,112	\$494,737	\$513,422	\$471,706	\$434,551
Interest on the Total Pension Liability	2,325,230	2,270,597	2,168,019	2,098,002	2,102,259	2,053,793	1,991,061	1,948,853	1,921,869	1,839,388
Change of Benefit Terms	792,467	0	28,123	0	0	(65,850)	0	(79,217)	0	0
Difference between Expected and Actual Experience	152,279	310,043	186,049	88,206	(154,087)	(30,245)	104,946	8,763	280,527	(647,197)
Assumption Changes	106,461	(503,245)	(2,043,586)	72,199	3,476,596	(128,849)	(120,162)	(262,228)	(853,320)	2,119,742
Benefit Payments	(1,933,807)	(1,889,457)	(1,808,287)	(1,737,905)	(1,666,103)	(1,604,842)	(1,536,071)	(1,470,450)	(1,413,448)	(1,359,176)
Refund Payments	(72,963)	(74,307)	(67,580)	(73,152)	(58,027)	(84,947)	(65,834)	(42,589)	(37,234)	(37,209)
Net Change in Total Pension Liability	\$2,093,713	\$766,268	(\$861,553)	\$1,096,117	\$4,231,185	\$657,172	\$868,677	\$616,554	\$370,100	\$2,350,099
Total Pension Liability--Beginning	\$33,858,933	\$33,092,665	\$33,954,218	\$32,858,101	\$28,626,916	\$27,969,744	\$27,101,067	\$26,484,513	\$26,114,413	\$23,764,314
Total Pension Liability--Ending (a)	\$35,952,646	\$33,858,933	\$33,092,665	\$33,954,218	\$32,858,101	\$28,626,916	\$27,969,744	\$27,101,067	\$26,484,513	\$26,114,413
Plan Fiduciary Net Position										
Contributions--Employer	\$664,119	\$619,580	\$581,044	\$546,291	\$524,685	\$509,821	\$515,444	\$488,819	\$477,888	\$459,978
Contributions--Member	558,735	521,198	487,107	457,740	439,488	435,419	424,044	409,423	400,204	375,291
Contributions--Nonemployer Contributing Entity	16,000	186,093	16,000	16,000	16,000	16,000	16,000	16,000	6,000	6,000
Net Investment Income	3,261,653	3,318,778	2,272,563	(1,749,186)	6,712,710	931,041	1,547,224	2,063,582	2,682,901	(20,851)
Benefit Payments	(1,933,807)	(1,889,457)	(1,808,287)	(1,737,905)	(1,666,103)	(1,604,842)	(1,536,071)	(1,470,450)	(1,413,448)	(1,359,176)
Refund Payments	(72,963)	(74,307)	(67,580)	(73,152)	(58,027)	(84,947)	(65,834)	(42,589)	(37,234)	(37,209)
Administrative Expenses	(17,503)	(20,579)	(14,459)	(13,398)	(12,741)	(12,268)	(13,470)	(11,943)	(11,292)	(11,350)
Other	499	(79)	204	142	182	267	154	56	411	671
Net Change in Plan Fiduciary Net Position	\$2,476,733	\$2,661,227	\$1,466,592	(\$2,553,468)	\$5,956,194	\$190,491	\$887,491	\$1,452,898	\$2,105,430	(\$586,646)
Plan Fiduciary Net Position--Beginning	\$30,162,004	\$27,500,777	\$26,034,185	\$28,587,653	\$22,631,459	\$22,440,968	\$21,553,477	\$20,100,579	\$17,995,149	\$18,581,795
Plan Fiduciary Net Position--Ending (b)	\$32,638,737	\$30,162,004	\$27,500,777	\$26,034,185	\$28,587,653	\$22,631,459	\$22,440,968	\$21,553,477	\$20,100,579	\$17,995,149
Net Pension Liability (a)-(b)	\$3,313,909	\$3,696,929	\$5,591,888	\$7,920,033	\$4,270,448	\$5,995,457	\$5,528,776	\$5,547,590	\$6,383,934	\$8,119,264
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (b)/(a)	90.78%	89.08%	83.10%	76.67%	87.00%	79.06%	80.23%	79.53%	75.90%	68.91%
Covered Payroll	\$8,595,923	\$8,018,431	\$7,493,954	\$7,042,154	\$6,761,354	\$6,698,754	\$6,523,754	\$6,298,815	\$6,156,985	\$5,773,708
Net Pension Liability as a Percentage of Covered Employee Payroll	38.55%	46.11%	74.62%	112.47%	63.16%	89.50%	84.75%	88.07%	103.69%	140.62%

Notes to the General Employees Fund Schedule of Changes

Required Supplementary Information

2025 Changes

Changes in Actuarial Assumptions

The following changes in actuarial assumptions were effective July 1, 2025:

- The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

The following changes in plan provisions were effective July 1, 2025:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions

2023 Changes

Changes in Actuarial Assumptions

The investment return assumption and single discount rate changed from 6.5% to 7%.

Changes in Plan Provisions

An additional one-time direct state aid contribution of \$170.1 million was contributed to the General Plan on October 1, 2023.

The vesting period for those hired after June 30, 2010 changed from five years of allowable service to three years of allowable service.

The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.

A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment was payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

The mortality improvement scale changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

The investment return and single discount rates changed from 7.5% to 6.5% for financial reporting purposes.

The mortality improvement scale changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

The price inflation assumption decreased from 2.5% to 2.25%.

The payroll growth assumption decreased from 3.25% to 3%.

Assumed salary increase rates changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.

Assumed rates of retirement changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

Assumed rates of termination changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2–5 and slightly higher thereafter.

Assumed rates of disability changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

The base mortality table for healthy annuitants and employees changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

The mortality improvement scale changed from Scale MP-2018 to Scale MP-2019.

The assumed spouse age difference changed from two years older for females to one year older.

The assumed number of married male new retirees electing the 100% joint & survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% joint & survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

Changes in Plan Provisions

Augmentation for current privatized members decreased to 2% for the period July 1, 2020 through December 31, 2023 and 0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

The employer supplemental contribution changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

The mortality projection scale changed from MP-2015 to MP-2017.

The assumed benefit increase changed from 1% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

The augmentation adjustment in early retirement factors was eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.

Deferred augmentation changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Contribution stabilizer provisions were repealed.

Annual increases changed from 1% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security cost of living adjustment, between 1–1.5%, beginning January 1, 2019.

For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age and does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

Actuarial equivalent factors updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

The combined service annuity (CSA) loads changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA load are now 0% for active member liability, 15% for vested deferred member liability, and 3% for non-vested deferred member liability.

The assumed annual increase rate changed from 1% per year for all years to 1% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018 and \$6.0 million thereafter.

The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

The assumed annual increase rate changed from 1% per year through 2035 and 2.5% per year thereafter to 1% per year for all years.

The assumed investment return changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 7.5%.

Other assumptions changed as recommended by the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

There were no changes since the prior valuation.

Police & Fire Fund: Schedule of Changes

(Unaudited, dollars in thousands, restated 2016 & 2017 for rounding and other differences; no effect on Plan Fiduciary Net Position)

Table 2.23. Police & Fire Fund: Schedule of Changes in Net Pension Liability and Related Ratios

Descriptions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$308,601	\$280,316	\$385,544	\$282,658	\$226,012	\$217,127	\$209,098	\$203,131	\$318,401	\$194,352
Interest on the Total Pension Liability	921,822	878,035	789,647	779,519	758,002	729,945	703,640	682,903	616,740	658,198
Change of Benefit Terms	187,132	0	67,743	0	0	0	0	(50,771)	0	0
Difference between Expected and Actual Experience	205,896	181,901	329,023	187,572	128,782	30,348	14,491	21,720	37,292	(375,575)
Assumption Changes	(21,831)	0	(2,899,706)	1,984,805	1,361,379	(24,785)	(19,898)	(42,807)	(2,300,201)	2,650,350
Benefit Payments	(727,044)	(720,158)	(669,804)	(633,255)	(592,687)	(567,040)	(547,699)	(528,468)	(512,379)	(498,608)
Refund Payments	(5,473)	(5,051)	(3,747)	(4,196)	(3,060)	(3,181)	(3,283)	(1,902)	(2,119)	(2,391)
Net Change in Total Pension Liability	\$869,103	\$615,043	(\$2,001,300)	\$2,597,103	\$1,878,428	\$382,414	\$356,349	\$283,806	(\$1,842,266)	\$2,626,326
Total Pension Liability--Beginning	\$13,380,841	\$12,765,798	\$14,767,098	\$12,169,995	\$10,291,567	\$9,909,153	\$9,552,804	\$9,268,998	\$11,111,264	\$8,484,938
Total Pension Liability--Ending (a)	\$14,249,944	\$13,380,841	\$12,765,798	\$14,767,098	\$12,169,995	\$10,291,567	\$9,909,153	\$9,552,804	\$9,268,998	\$11,111,264
Plan Fiduciary Net Position										
Contributions--Employer	\$259,631	\$236,216	\$223,305	\$206,416	\$201,129	\$193,819	\$174,817	\$170,781	\$166,329	\$156,065
Contributions--Member	168,837	152,987	144,470	133,023	129,351	123,525	111,762	105,479	101,984	95,172
Contributions--Nonemployer Contributing Entity	18,000	37,397	18,000	18,000	18,000	13,500	13,500	9,000	9,000	9,000
Net Investment Income	1,300,079	1,327,276	912,519	(700,942)	2,672,826	368,949	609,512	813,966	1,058,942	(8,949)
Benefit Payments	(727,044)	(720,158)	(669,804)	(633,255)	(592,687)	(567,040)	(547,699)	(528,468)	(512,379)	(498,608)
Refund Payments	(5,473)	(5,051)	(3,747)	(4,196)	(3,060)	(3,181)	(3,283)	(1,902)	(2,119)	(2,391)
Administrative Expenses	(1,646)	(1,747)	(1,247)	(1,634)	(941)	(924)	(1,018)	(886)	(992)	(906)
Other	664	(616)	(61)	(20)	23	260	54	58	24	3
Net Change in Plan Fiduciary Net Position	\$1,013,048	\$1,026,304	\$623,435	(\$982,608)	\$2,424,641	\$128,908	\$357,645	\$568,028	\$820,789	(\$250,614)
Plan Fiduciary Net Position--Beginning	\$12,065,232	\$11,038,928	\$10,415,493	\$11,398,101	\$8,973,460	\$8,844,552	\$8,486,907	\$7,918,879	\$7,098,090	\$7,348,704
Plan Fiduciary Net Position--Ending (b)	\$13,078,280	\$12,065,232	\$11,038,928	\$10,415,493	\$11,398,101	\$8,973,460	\$8,844,552	\$8,486,907	\$7,918,879	\$7,098,090
Net Pension Liability (a)-(b)	\$1,171,664	\$1,315,609	\$1,726,870	\$4,351,605	\$771,894	\$1,318,107	\$1,064,601	\$1,065,897	\$1,350,119	\$4,013,174
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (b)/(a)	91.78%	90.17%	86.47%	70.53%	93.66%	87.19%	89.26%	88.84%	85.43%	63.88%
Covered Payroll	\$1,430,822	\$1,296,500	\$1,224,322	\$1,127,314	\$1,096,195	\$1,069,481	\$1,011,421	\$976,657	\$944,296	\$881,222
Net Pension Liability as a Percentage of Covered Employee Payroll	81.89%	101.47%	141.05%	386.02%	70.42%	123.25%	105.26%	109.14%	142.98%	455.41%

Notes to the Police & Fire Fund Schedule of Changes

Required Supplementary Information

2025 Changes

Changes in Actuarial Assumptions

The following changes in actuarial assumptions were effective July 1, 2025:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions

The following changes in plan provisions were effective July 1, 2025:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes

Changes in Actuarial Assumptions

There were no changes in actuarial assumptions since the prior valuation.

Changes in Plan Provisions

The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.

The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes

Changes in Actuarial Assumptions

The investment return assumption changed from 6.5% to 7.0%.

The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

Additional one-time, direct state aid contribution of \$19.4 million will be contributed to the Police & Fire Plan on October 1, 2023.

Vesting requirement for new hires after June 30, 2014 changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.

A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Psychological treatment is required effective July 1, 2023 before approval for a duty disability benefit for a psychological condition relating to the member's occupation.

The total and permanent duty disability benefit increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

The mortality improvement scale changed from Scale MP-2020 to Scale MP-2021.

The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

The investment return and single discount rates changed from 7.5% to 6.50% for financial reporting purposes.

The inflation assumption changed from 2.5% to 2.25%.

The payroll growth assumption changed from 3.25% to 3%.

The base mortality table for healthy annuitants and employees changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale changed from MP-2019 to MN-2020.

The base mortality table for disabled annuitants changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.

Assumed rates of disability increased for ages 25–44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.

Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

The mortality projection scale changed from MP-2018 to MP-2019.

Changes in Plan Provisions

There were no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

The mortality projection scale changed from MP-2017 to MP-2018.

Changes in Plan Provisions

There were no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

The mortality projection scale changed from MP-2016 to MP-2017.

Changes in Plan Provisions

Annual increases changed to 1% for all years, with no trigger.

An end date of July 1, 2048 was added to the existing \$9 million state contribution.

New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020 and \$9 million thereafter until the plan reaches 100% funding or until July 1, 2048, if earlier.

Member contributions changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.

Employer contributions changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.

Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.

Deferred augmentation changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Actuarial equivalent factors updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

Assumed salary increases changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.

Assumed rates of retirement were changed, resulting in fewer retirements.

The combined service annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA changed to 33% for vested members and 2% for non-vested members.

The base mortality table for healthy annuitants changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

Assumed termination rates decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Assumed percentage of married female members was decreased from 65% to 60%.

Assumed age difference changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

The assumed percentage of female members electing joint and survivor annuities increased.

The assumed annual benefit increase rate changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.

The single discount rate changed from 5.6% per year to 7.5% per year.

Changes in Plan Provisions

There were no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

The assumed annual benefit increase rate changed from 1% per year through 2037 and 2.5% per year thereafter to 1% per year for all future years.

The assumed investment return changed from 7.9% to 7.5%.

The single discount rate changed from 7.9% to 5.6%.

The assumed future salary increases, payroll growth, and inflation decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

There were no changes since the prior valuation.

Correctional Fund: Schedule of Changes

(Unaudited, in thousands, restated 2016 & 2017 for rounding and other differences; no effect on Plan Fiduciary Net Position)

Table 2.24. Correctional Fund: Schedule of Changes in Net Pension Liability and Related Ratios

Descriptions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$43,984	\$35,354	\$45,941	\$36,877	\$32,307	\$33,172	\$30,362	\$45,378	\$49,202	\$25,950
Interest on the Total Pension Liability	87,000	77,971	71,324	66,604	61,462	57,354	52,741	53,811	47,336	40,605
Change of Benefit Terms	1,918	26,237	141	0	0	0	0	(66,822)	0	0
Difference between Expected and Actual Experience	7,491	19,348	26,116	(9,042)	(3,822)	(12,083)	(1,846)	1,018	(3,516)	382
Assumption Changes	(65,064)	0	(309,346)	220,073	137,113	(1,977)	(2,206)	(209,457)	(66,147)	310,332
Benefit Payments	(33,644)	(29,865)	(27,117)	(23,372)	(20,088)	(17,569)	(15,381)	(13,183)	(11,033)	(9,381)
Refund Payments	(2,422)	(2,559)	(2,369)	(2,713)	(2,140)	(2,709)	(2,244)	(1,364)	(1,478)	(982)
Net Change in Total Pension Liability	\$39,263	\$126,486	(\$195,310)	\$288,427	\$204,832	\$56,188	\$61,426	(\$190,619)	\$14,364	\$366,906
Total Pension Liability--Beginning	\$1,238,891	\$1,112,405	\$1,307,715	\$1,019,288	\$814,456	\$758,268	\$696,842	\$887,461	\$873,097	\$506,191
Total Pension Liability--Ending (a)	\$1,278,154	\$1,238,891	\$1,112,405	\$1,307,715	\$1,019,288	\$814,456	\$758,268	\$696,842	\$887,461	\$873,097
Plan Fiduciary Net Position										
Contributions--Employer	\$23,914	\$22,209	\$20,518	\$19,227	\$19,351	\$19,043	\$18,676	\$17,871	\$17,489	\$16,490
Contributions--Member	15,932	14,851	13,894	12,843	12,948	12,692	12,485	11,956	11,666	11,008
Contributions--Nonemployer Contributing Entity	0	5,256	0	0	0	0	0	0	0	0
Net Investment Income	132,628	131,985	87,393	(66,015)	238,666	31,774	50,853	62,962	78,363	209
Benefit Payments	(33,644)	(29,865)	(27,117)	(23,372)	(20,088)	(17,569)	(15,381)	(13,183)	(11,033)	(9,381)
Refund Payments	(2,422)	(2,559)	(2,369)	(2,713)	(2,140)	(2,709)	(2,244)	(1,364)	(1,478)	(982)
Administrative Expenses	(544)	(641)	(434)	(371)	(344)	(332)	(361)	(308)	(330)	(290)
Other	25	(23)	0	0	1	0	0	1	0	(2)
Net Change in Plan Fiduciary Net Position	\$135,889	\$141,213	\$91,885	(\$60,401)	\$248,394	\$42,899	\$64,028	\$77,935	\$94,677	\$17,052
Plan Fiduciary Net Position--Beginning	\$1,208,413	\$1,067,200	\$975,315	\$1,035,716	\$787,322	\$744,423	\$680,395	\$602,460	\$507,783	\$490,731
Plan Fiduciary Net Position--Ending (b)	\$1,344,302	\$1,208,413	\$1,067,200	\$975,315	\$1,035,716	\$787,322	\$744,423	\$680,395	\$602,460	\$507,783
Net Pension Liability (a)-(b)	(\$66,148)	\$30,478	\$45,205	\$332,400	(\$16,428)	\$27,134	\$13,845	\$16,447	\$285,001	\$365,314
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (b)/(a)	105.18%	97.54%	95.94%	74.58%	101.61%	96.67%	98.17%	97.64%	67.89%	58.16%
Covered Payroll	\$273,276	\$254,735	\$238,319	\$220,292	\$222,093	\$217,702	\$214,151	\$205,077	\$200,103	\$188,816
Net Pension Liability as a Percentage of Covered Employee Payroll	(24.21%)	11.96%	18.97%	150.89%	(7.40%)	12.46%	6.47%	8.02%	142.43%	193.48%

Notes to the Correctional Fund Schedule of Changes

Required Supplementary Information

2025 Changes

Changes in Actuarial Assumptions

The following changes in assumptions were effective July 1, 2025, as recommended in the most recent experience study (dated July 31, 2024):

- Assumed rates of salary increases were reduced slightly and changed to service-based (vs. age based).
- Assumed rates of retirement were adjusted resulting in an overall increase in unreduced (full) retirements and reduced (early) retirements.
- Assumed rates of withdrawal were changed from age-based rates after three years of service to service-based for all years; the new rates result in an increase in predicted terminations for males and females.
- Minor changes were made to assumed rates of disability retirements.
- Continued use of the Pub-2010 Public Safety Mortality Table, with no adjustments.
- Minor changes were made to the assumed percent married, beneficiary age difference and form of payment assumptions for future retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load was changed from 35% to 9% for vested, terminated members, and from 1% to 119% for non-vested, terminated members.

Changes in Plan Provisions

The following changes in plan provisions were effective July 1, 2025:

- The benefit payable to a member who qualifies for a duty disability benefit was changed to 47.5% of average salary plus, for each year of service in excess of 25 years, 1.9% for each year of allowable service before July 1, 2025, and 2.2% for each year of allowable service beginning after June 30, 2025.
- Actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes

Changes in Actuarial Assumptions

There were no changes in actuarial assumptions since the prior valuation.

Changes in Plan Provisions

Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.

Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.

The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

2023 Changes

Changes in Actuarial Assumptions

The investment return rate changed from 6.50% to 7.00%.

The single discount rate changed from 5.42% to 7.00%.

Changes in Plan Provisions

Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.

A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment was payable in a lump sum for calendar year 2024 by March 31, 2024.

The maximum benefit increase will revert back to 2.5% if the maximum increase is 1.5% and the Correctional Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

2022 Changes

Changes in Actuarial Assumptions

The mortality improvement scale changed from Scale MP-2020 to Scale MP-2021.

The single discount rate changed from 6.5% to 5.42%.

The benefit increase assumption changed from 2% each year to 2% each year until December 31, 2054 and 1.5% each year thereafter.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

The investment return and single discount rates changed from 7.5% to 6.5% for financial reporting purposes.

The inflation assumption changed from 2.5% to 2.25%.

The payroll growth assumption changed from 3.25% to 3%.

The base mortality table for healthy annuitants and employees changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale changed from MP-2019 to MN-2020.

The base mortality table for disabled annuitants changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).

Assumed rates of disability decreased.

Assumed percent married for active members decreased from 85% to 75%.

Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

There were no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

The mortality projection scale changed from MP-2018 to MP-2019.

Changes in Plan Provisions

There were no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

The mortality projection scale changed from MP-2017 to MP-2018.

Changes in Plan Provisions

There were no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

The single discount rate changed from 5.96% each year to 7.5% each year.

The mortality projection scale changed from MP-2016 to MP-2017.

The assumed annual increase changed from 2.5% per year to 2% per year.

Changes in Plan Provisions

The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.

Deferred augmentation changed to 0%, effective January 1, 2019. Augmentation already accrued for deferred members still applies.

Annual increases changed from 2.5% each year (with a provision to reduce to 1% if the funding status declines to a certain level) to 100% of the Social Security cost of living adjustment between 1–2.5%, beginning January 1, 2019. If the funding status declines to 85% for two consecutive years or 80% for one year, the maximum increase will be lowered to 1.5%.

Actuarial equivalent factors updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

The base mortality table for healthy annuitants changed from the RP-2000 fully-generational table to the RP-2014 fully-generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale changed from Scale AA to Scale MP-2016, and is applied to healthy and disabled members. The base mortality table for disabled annuitants changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).

The combined service annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA changed to 35% for vested members and 1% for non-vested members.

The single discount rate changed from 5.31% each year to 5.96% each year.

Changes in Plan Provisions

There were no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

The assumed investment return changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.31%.

The assumed future salary increases, payroll growth, and inflation decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

There were no changes since the prior valuation.

Schedule of Contributions from Employers and Nonemployers

Required Supplementary Information (dollars in thousands)

General Employees Fund: Schedule of Contributions

Required Supplementary Information (dollars in thousands)

Table 2.25. General Employees Fund: Schedule of Contributions from Employers and Nonemployers

Year Ended June 30	Actuarially Determined Contribution (A)	Statutorily Determined Contribution (B)	Actual Contributions (C)	Contribution Deficiency (Excess) (A - C)	Covered Payroll (D)	Actual Contribution as a % of Covered Payroll (C / D)
2025	\$497,704	\$680,119	\$680,119	(\$182,415)	\$8,595,923	7.91%
2024	\$536,433	\$805,673	\$805,673	(\$269,240)	\$8,018,431	10.05%
2023	\$355,963	\$597,044	\$597,044	(\$241,081)	\$7,493,954	7.97%
2022	\$368,305	\$562,291	\$562,291	(\$193,986)	\$7,042,154	7.98%
2021	\$448,278	\$540,685	\$540,685	(\$92,407)	\$6,761,354	8.00%
2020	\$455,515	\$525,821	\$525,821	(\$70,306)	\$6,698,754	7.85%
2019	\$453,401	\$531,444	\$531,444	(\$78,043)	\$6,523,754	8.15%
2018	\$609,725	\$504,819	\$504,819	\$104,906	\$6,298,815	8.01%
2017	\$615,083	\$483,888	\$483,888	\$131,195	\$6,156,985	7.86%
2016	\$542,151	\$465,978	\$465,978	\$76,173	\$5,773,708	8.07%

Notes to the General Employees Fund Schedule of Contributions

Required Supplementary Information

The following methods and assumptions are used to calculate actuarially determined contributions and are, in a few cases, different from the methods and assumptions used to calculate the net pension liability in accordance with Governmental Accounting Standards Board requirements.

Table 2.26. General Employees Fund: Methods and Assumptions

Criteria	Details
Valuation Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24 years
Asset Valuation Method:	5-year smoothed fair value, no corridor
Inflation:	2.25%
Payroll Growth Rate:	3.00%
Salary Increases:	3.00% to 11.50% including inflation
Investment Rate of Return:	7.00%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2024 valuation pursuant to an experience study of the period 2019 - 2023.
Mortality:	Pub-2010 General annuitant generational mortality tables, projected with scale MP-2021 from a base year of 2010. Male rates are multiplied by a factor of 1.09 and female rates are multiplied by a factor of 0.94. Disabled rates are multiplied by a factor of 1.12 and 1.23 for male and females, respectively.
Cost-of-Living Increase:	The plan is assumed to pay a 1.25% annual increase for all future years.

Police & Fire Fund Schedule of Contributions

Required Supplementary Information (dollars in thousands)

Table 2.27. Police & Fire Fund: Schedule of Contributions from Employers and Nonemployers

Year Ended June 30	Actuarially Determined Contribution (A)	Statutorily Determined Contribution (B)	Actual Contributions (C)	Contribution Deficiency (Excess) (A - C)	Covered Payroll (D)	Actual Contribution as a % of Covered Payroll (C / D)
2025	\$281,872	\$281,872	\$277,631	\$4,241	\$1,430,822	19.40%
2024	\$260,208	\$273,613	\$273,613	(\$13,405)	\$1,296,500	21.10%
2023	\$161,733	\$241,305	\$241,305	(\$79,572)	\$1,224,322	19.71%
2022	\$153,766	\$224,416	\$224,416	(\$70,650)	\$1,127,314	19.91%
2021	\$174,405	\$219,129	\$219,129	(\$44,724)	\$1,096,195	19.99%
2020	\$177,855	\$207,319	\$207,319	(\$29,464)	\$1,069,481	19.39%
2019	\$173,459	\$188,317	\$188,317	(\$14,858)	\$1,011,421	18.62%
2018	\$193,183	\$179,781	\$179,781	\$13,402	\$976,657	18.41%
2017	\$165,252	\$175,329	\$175,329	(\$10,077)	\$944,296	18.57%
2016	\$189,375	\$165,065	\$165,065	\$24,310	\$881,222	18.73%

Notes to the Police & Fire Fund Schedule of Contributions

Required Supplementary Information

The following methods and assumptions are used to calculate actuarially determined contributions and are, in a few cases, different from the methods and assumptions used to calculate the net pension liability in accordance with Governmental Accounting Standards Board requirements.

Table 2.28. Police & Fire Fund: Methods and Assumptions

Criteria	Details
Valuation Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24 years
Asset Valuation Method:	5-year smoothed fair value, no corridor
Inflation:	2.25%
Payroll Growth Rate:	3.00%
Salary Increases:	3.00% to 11.75% including inflation
Investment Rate of Return:	7.00%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2015 - 2019.
Mortality:	Pub-2010 Public Safety Mortality Tables projected with mortality improvement scale MP-2021, from a base year of 2010. Male retiree rates adjusted by a factor of 0.98.
Cost of Living Increase:	The plan is assumed to pay a 1.00% post retirement benefit increase for all future years.

Correctional Fund Schedule of Contributions

Required Supplementary Information (in thousands)

Table 2.29. Correctional Fund: Schedule of Contributions from Employers and Nonemployers

Year Ended June 30	Actuarially Determined Contribution (A)	Statutorily Determined Contribution (B)	Actual Contributions (C)	Contribution Deficiency (Excess) (A - C)	Covered Payroll (D)	Actual Contribution as a % of Covered Payroll (C / D)
2025	\$31,208	\$23,914	\$23,914	\$7,294	\$273,276	8.75%
2024	\$23,206	\$27,465	\$27,465	(\$4,259)	\$254,734	10.78%
2023	\$13,251	\$20,518	\$20,518	(\$7,267)	\$238,319	8.61%
2022	\$13,063	\$19,227	\$19,227	(\$6,164)	\$220,292	8.73%
2021	\$19,167	\$19,351	\$19,351	(\$184)	\$222,093	8.71%
2020	\$19,593	\$19,043	\$19,043	\$550	\$217,702	8.75%
2019	\$19,466	\$18,676	\$18,676	\$790	\$214,151	8.72%
2018	\$19,031	\$17,871	\$17,871	\$1,160	\$205,077	8.71%
2017	\$17,269	\$17,489	\$17,489	(\$220)	\$200,103	8.74%
2016	\$16,446	\$16,490	\$16,490	(\$44)	\$188,816	8.73%

Notes to Schedule of Contributions

Required Supplementary Information

The following methods and assumptions are used to calculate actuarially determined contributions and are, in a few cases, different from the methods and assumptions used to calculate the net pension liability in accordance with Governmental Accounting Standards Board requirements.

Table 2.30. Correctional Fund: Methods and Assumptions

Criteria	Details
Valuation Date:	June, 2024
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24 years
Asset Valuation Method:	5-year smoothed fair value, no corridor
Inflation:	2.25%
Payroll Growth Rate:	3.00%
Salary Increases:	3.00% to 11.00% including inflation
Investment Rate of Return:	7.00%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2015 - 2019
Mortality:	PUB-2010 annuitant generational Public Safety mortality table projected with mortality improvement scale MP-2021, from a base year of 2010. Male rates adjusted by a factor of 0.98.
Cost-of-Living Increase:	The plan is assumed to pay a 2.00% post-retirement benefit increase for all years.

Schedule of Investment Returns

Required Supplementary Information (unaudited)

Table 2.31. Annual Money-Weighted Rate of Return for Combined Funds

Year	General Employees Fund	Police & Fire Fund	Correctional Fund	Volunteer Firefighter Fund
2025	10.95%	10.95%	10.98%	11.62%
2024	12.31%	12.29%	12.38%	11.79%
2023	8.90%	8.91%	8.96%	9.29%
2022	(6.23%)	(6.24%)	(6.36%)	(13.08%)
2021	30.29%	30.27%	30.21%	20.61%
2020	4.29%	4.24%	4.24%	6.83%
2019	7.33%	7.31%	7.42%	8.11%
2018	10.47%	10.48%	10.35%	5.83%
2017	15.23%	15.22%	15.22%	10.31%
2016	(0.07%)	(0.09%)	0.08%	2.82%
2015	4.45%	4.46%	4.42%	2.83%

In table [2.31](#) above, investment performance is presented net of investment management fees and the effect of any profit-sharing arrangements.

Supporting Schedules

Schedule of Investment Expenses

For the fiscal year ended June 30, 2025 (dollars in thousands)

Table 2.32. Schedule of Investment Expenses

Source of Expenses	General Employees Plan	Police & Fire Plan	Correctional Plan	SVF DBP	SVF DCP	Public Employees DCP	Total
Outside Money Managers--Private Markets	\$87,518	\$35,086	\$3,602	\$0	\$0	\$0	\$126,206
Outside Money Managers--Equities	19,034	7,628	776	83	0	45	27,566
Outside Money Managers--Fixed Income	7,490	2,992	286	101	0	28	10,897
Minnesota State Board of Investment	3,671	1,465	159	398	0	16	5,709
AON Investment	183	73	7	0	0	0	263
Broadridge	118	47	5	0	0	0	170
Meketa	166	67	7	0	0	0	240
Albourne	471	189	19	0	0	0	679
Total Investment Expenses	\$118,651	\$47,547	\$4,861	\$582	\$0	\$89	\$171,730

A Schedule of Investment Fees paid to money managers is provided in the Investment Section of this report.

Schedule of Payments to Consultants

For the fiscal year ended June 30, 2025 (dollars in thousands)

Table 2.33. Schedule of Payments to Consultants

Payee	Payment
Actuary	
Gabriel Roeder Smith & Co	\$319
Total Actuary	\$319
Financial Services	
Clifton Larson Allen LLP	\$151
Gabriel Roeder Smith & Co	40
Total Financial Services	\$191
Legal	
Administrative Hearings	\$12
Attorney General	78
Ice Miller LLP	35
Total Legal	\$125
Management Consultants	
Mid American Business System Inc	70
Nighthawk Inc	102
Pension Benefit Information LLC	78
Total Management Consultants	\$250
Medical Evaluations	
Managed Medical Review Organization	\$435
Total Medical Evaluations	\$435
Information Technology Consultants	
Paragon Development Systems	35
Software House International	22
Total System Development	\$57
Total Professional Service Fees	\$1,377

Schedule of Administrative Expenses

For the fiscal year ended June 30, 2025 (dollars in thousands)

Table 2.34. Schedule of Administrative Expenses

Expense Category	Expense Amount
Personnel Expenses:	
Staff Salaries	\$10,002
Part-Time, Seasonal Labor	168
Other Benefits	76
Total Personnel Expenses	\$10,246
Professional Services:	
Actuary	\$319
Financial	191
Legal	125
Management Consultants	250
Medical Evaluations	435
System Development	57
Total Professional Services	\$1,377
Communications	
Mail & Telephone Services	\$462
Printing & Advertising	57
Total Communications	\$519
Office Building & Maintenance	
Building	\$536
Depreciation - Building	270
Building Maintenance	0
Total Office Building & Maintenance	\$806
Other:	
Depreciation - Equipment	\$94
Employee Development	78
Equipment	84
Equipment Maintenance	12
Indirect Costs	339
Operating Costs	43
Minnesota State Board of Investment Fees	5,709
Software Licenses	754
Supplies & Materials	18
Travel	29
Total Other	\$7,160
Total Administrative Expenses	\$20,108

Table 2.35. Allocation of Administrative Expenses

Dollars in thousands

Pension Plan	Administrative Expenses
Defined Benefit Plans (DB)	
Public Employees Retirement Fund	\$17,503
Public Employees Police and Fire Fund	\$1,646
Public Employees Correctional Fund	\$544
Statewide Volunteer Firefighter (DB)	\$78
Total Defined Benefit Plans	\$19,771
Defined Contribution Plans (DC)	
Defined Contribution Plans (DC)	\$322
Statewide Volunteer Firefighter (DC)	\$15
Total Defined Contribution Plans	\$337
Total Administrative Expenses	\$20,108



INVESTMENT

SECTION

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Investment Report



Board Members:

Governor Tim Walz, Chair
State Auditor Julie Blaha
Secretary of State Steve Simon
Attorney General Keith Ellison

Executive Director & Chief Investment Officer:

Jill E. Schurtz

Minnesota State Board of Investment

60 Empire Drive, Suite 100
St. Paul, MN 55103
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Email: minn.sbi@state.mn.us

Website: <https://msbi.us/>

An Equal Opportunity Employer

INVESTMENT AUTHORITY

Minnesota Statutes provide that the Minnesota State Board of Investment (SBI) is responsible for investing the assets of the three statewide public pension plans: the Minnesota State Retirement System (MSRS), the Minnesota Public Employees Retirement Association (PERA), and the Minnesota Teachers Retirement Association (TRA) (See *Minnesota Statutes*, Chapters 11A and 356A). Each of MSRS, PERA, TRA, and the SBI are separate and independent entities with independent governance structures. Under Article 11, Section 8 of the Minnesota Constitution, the governing body of the SBI includes Minnesota's Governor, Auditor, Secretary of State, and Attorney General. Additionally, a 17-member Investment Advisory Council (IAC), established under Minnesota Statute, advises the SBI and its staff on investment-related matters. PERA's executive director serves as a member of the IAC.

INVESTMENT POLICY

Minnesota law requires the SBI to operate within standard investment practices of the prudent person rule. The SBI is required to "exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom." (See *Minnesota Statutes*, section 11A.09 and 356A.04). The SBI is authorized to own government obligations, corporate obligations, various short-term obligations, equity, real estate, and resource investments, whether publicly or privately traded, subject to specific constraints. (See *Minnesota Statutes*, section 11A.24). The SBI must manage the pension fund assets for the exclusive benefit of the plan participants and beneficiaries. (See *Minnesota Statutes*, section 356A.05).

INVESTMENT OBJECTIVES AND PERFORMANCE

The SBI invests PERA's pension contributions from employees and employers through a pooled vehicle known as the Combined Funds. The Combined Funds include the assets of the defined benefit plans administered by MSRS, TRA, and PERA. PERA's ownership interest in the Combined Funds is represented by a participation interest in the pooled vehicle.

Because the assets of the Combined Funds are intended to accumulate for an extended period of time, the SBI is able to take advantage of the long-term investment return opportunities offered by a diversified investment approach that includes a meaningful allocation to public equities and private markets. This long-term, institutional investment approach allows the SBI to ensure that sufficient funds are available to make all required distributions to PERA plan participants and beneficiaries and to meet the actuarial assumed rate of return target over appropriate periods of time. The Minnesota legislature is responsible for setting the actuarial assumed rate of return for the three statewide retirement systems, including PERA. The current assumption, which was most recently adjusted by the legislature in 2023, is 7%.

Long-Term Objectives. The long-term objectives of the Combined Funds are to: 1) provide returns that are 3-5 percentage points greater than inflation over the latest 20-year period; and 2) outperform a composite market index weighted in a manner that reflects the actual asset mix of the Combined Funds over the latest 10-year period.

Consistent with these objectives, the SBI maintains a long-term strategic asset allocation policy target for the Combined Funds as follows:

- Public Equity 50%
- Total Fixed Income 25%
- Private Markets 25%

As of June 30, 2025, the SBI met or exceeded each of the Combined Funds' long-term investment objectives: 1) the 20-year annualized return was 8.3%, which exceeded inflation, as measured by CPI, by 5.8 percentage points and 2) the 10-year return was 8.9%, which exceeded the composite index by 0.2%.

Most Recent Fiscal Year Performance and Peer Comparisons. For the one-year period ending June 30, 2025, the Combined Funds returned 10.9%, placing it among the top performing investment funds in the country. Comparing the Combined Funds' investment returns against other public pension plans with over \$20 billion in assets within the Trust Universe Comparison Service, the Combined Funds ranked in the top quartile or better over the 1-, 3-, 5-, 10-, and 20-year time periods.

INVESTMENT PRESENTATION

Investment returns were prepared using a time-weighted rate of return methodology based on fair market value. Performance is presented net of investment management fees and the effect of any profit-sharing arrangements.

On behalf of all of us at the SBI, thank you to the PERA plan participants and beneficiaries - it's a privilege to play a role in contributing to your retirement security. We are grateful for your continued trust and support.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Jill E. Schurtz

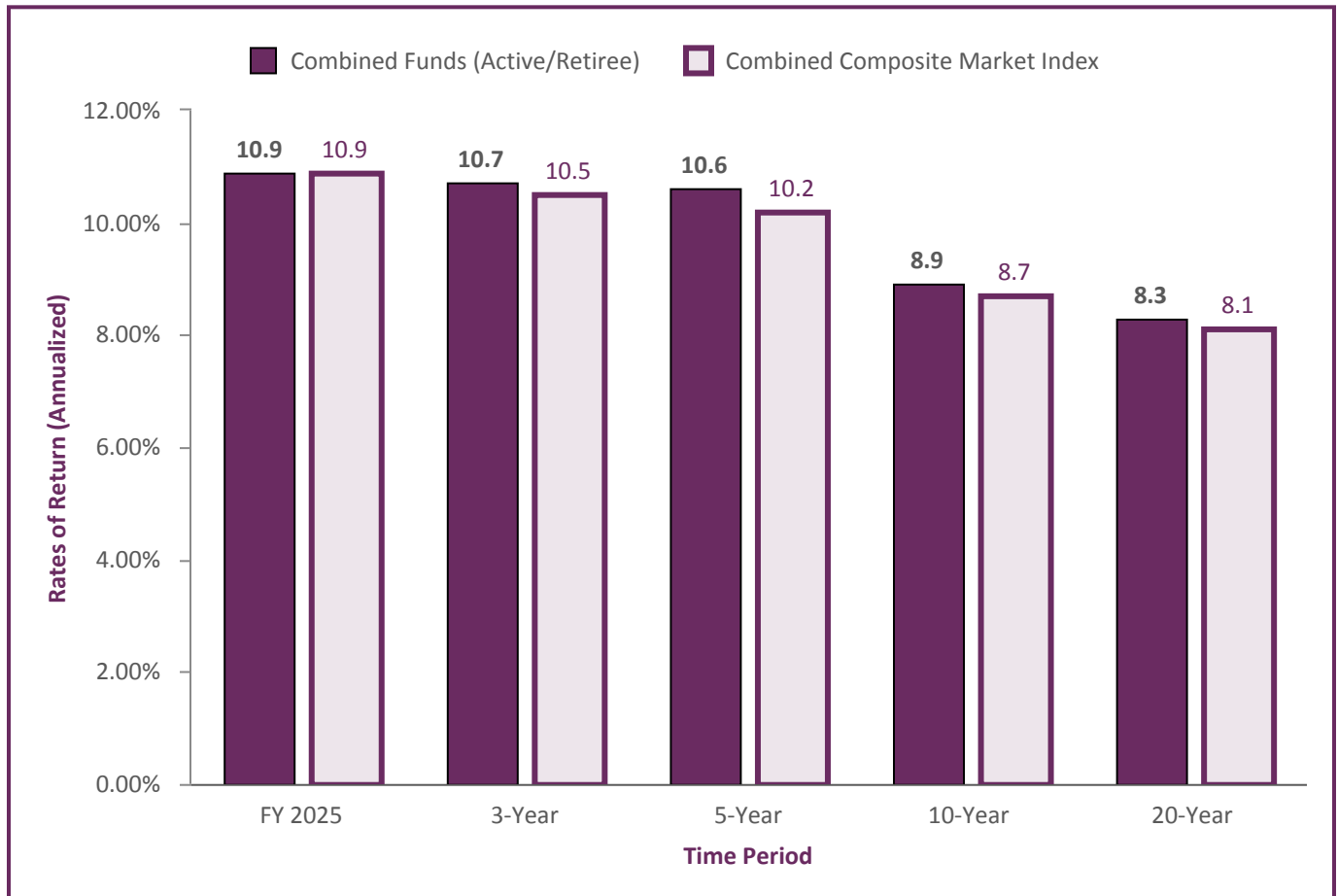
Executive Director and Chief Investment Officer

Minnesota State Board of Investment

December 2, 2025

Investment Results

Figure 3.1. Fund Performance



In figure [3.1](#) above and table [3.1](#) below, investment performance is presented net of investment management fees and the effect of any profit-sharing arrangements.

Table 3.1. Fund Performance

Fund	Rates of Return (Annualized)				
	FY 2025	3-Year	5-Year	10-Year	20-Year
Combined Funds (Active/Retiree)*	10.90%	10.70%	10.60%	8.90%	8.30%
Combined Composite Market Index	10.90%	10.50%	10.20%	8.70%	8.10%

*Percentages are net of all management fees.

Composite indexes are composed of the market indicators described below, weighted according to asset allocation.

The Combined Funds public equity includes domestic equity, international equity, and global equity. The public equity benchmark is 67% Russell 3000 and 33% MSCI ACWI ex US (net).

The Combined Funds fixed income includes Core/Core Plus, return-seeking fixed income, treasuries, laddered bonds, and cash. The total fixed income benchmark is 40% Bloomberg Barclays US Aggregate Index, 40% Bloomberg Barclays Treasury 5+ Years Index, and 20% ICE BofA US Three-Month Treasury Bill.

Table 3.2. Investment Returns by Asset Class

Performance of Asset Pools (Net of Fees)

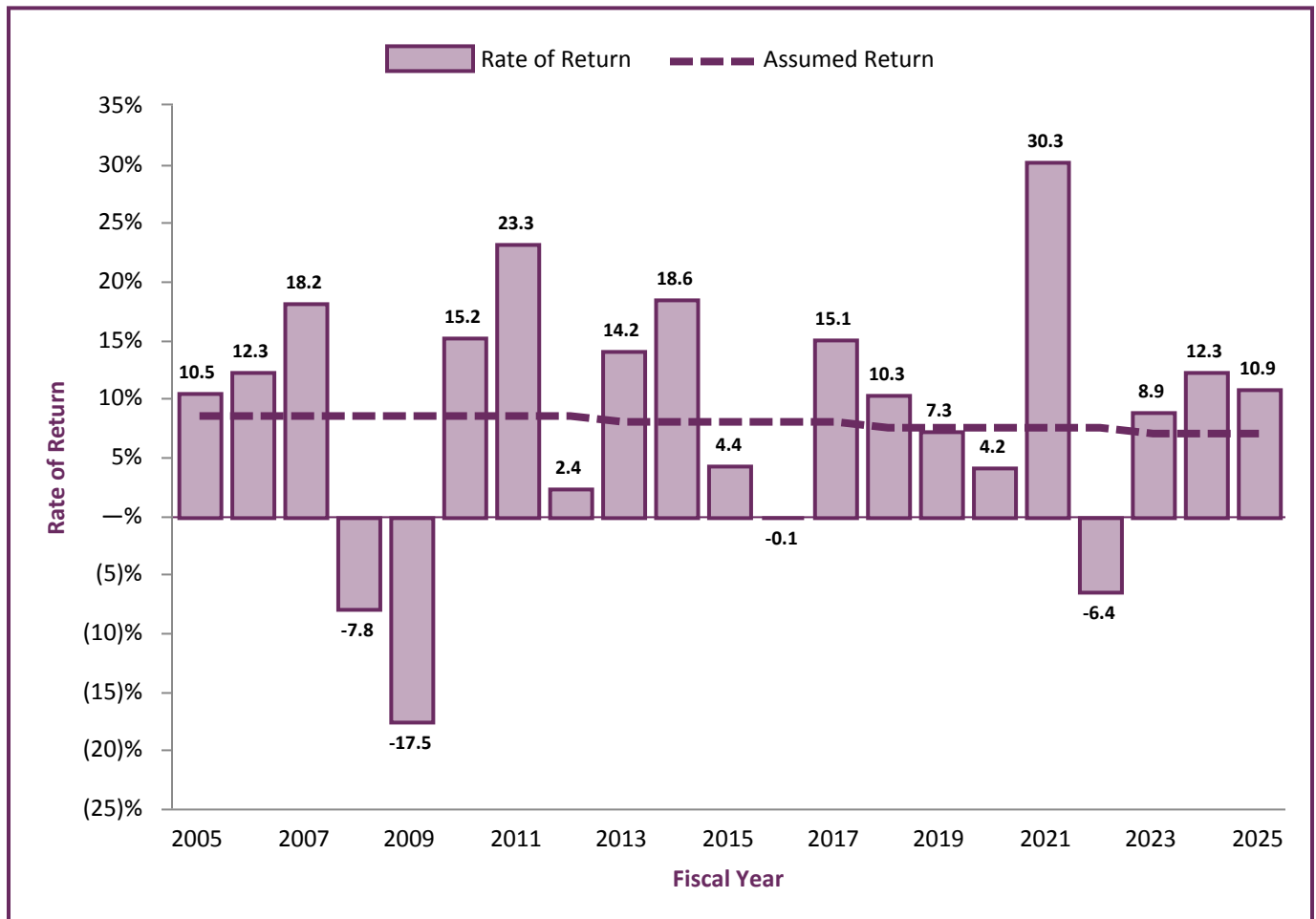
Asset Class	Rates of Return (Annualized)				
	FY 2025	3-Year	5-Year	10-Year	20-Year
Public Equity*	15.60%	17.60%	14.40%	10.90%	9.30%
Domestic Equity	15.20%	19.20%	16.10%	12.80%	10.40%
Domestic Equity Benchmark	15.30%	19.10%	16.00%	12.90%	10.50%
International Equity	16.60%	14.50%	11.10%	6.70%	6.40%
International Equity Benchmark	17.70%	14.00%	10.10%	6.10%	5.80%
Global Equity	14.20%	14.40%	N/A	N/A	N/A
Global Equity Benchmark	16.20%	17.30%	N/A	N/A	N/A
Fixed Income**	5.80%	2.80%	(0.80%)	2.40%	3.60%
Core/Core Plus	6.50%	3.40%	(0.10%)	2.30%	3.60%
Core Bonds Benchmark	6.10%	2.50%	(0.70%)	1.80%	3.10%
Return Seeking Fixed Income	8.60%	6.90%	N/A	N/A	N/A
Return Seeking Fixed Income Benchmark	6.10%	2.50%	N/A	N/A	N/A
Treasuries	4.40%	(0.60%)	(4.40%)	N/A	N/A
Treasuries Benchmark	4.20%	(0.70%)	(4.60%)	N/A	N/A
Laddered Bond + Cash	5.00%	4.70%	2.80%	2.00%	1.90%
Laddered Bond + Cash Benchmark	4.70%	4.60%	2.80%	2.00%	1.70%
Private Markets	6.10%	5.20%	14.90%	11.50%	12.50%
Private Equity	8.30%	6.50%	17.10%	14.80%	14.60%
Private Credit	4.80%	7.90%	12.50%	11.50%	12.20%
Resources	(1.90%)	1.70%	10.50%	2.00%	10.30%
Real Estate	(1.60%)	(3.90%)	7.80%	8.00%	7.70%

*Before June 30, 2016, the returns of Domestic and International Equity were not reported as a total Public Equity return.

**Since December 1, 2020, the Total Fixed Income includes allocations to Core/Core Plus Bonds, Return Seeking Bonds, Treasuries and Laddered Bond + Cash. From July 1, 2020 to November 30, 2020, Total Fixed Income was Core Bonds, Treasuries, and Cash. From February 1, 2018 to June 30, 2020, Total Fixed Income was Core Bonds and Treasuries. Before February 1, 2018, Total Fixed Income was Core Bonds.

In table 3.2 above, investment performance is prepared using a time-weighted return methodology, based on fair value, net of investment management fees and the effect of any profit-sharing arrangements.

Figure 3.2. SBI Investment Return Compared to Assumed Rate of Return



Investment performance is presented net of all fees, including investment management fees and the effect of any profit-sharing arrangements.

The State Board of Investment (SBI) has exceeded its assumed rate of return of 7.0% in 2025. Over the last 20 years, the SBI had annualized investment earnings of 8.3%.

Asset Allocation

As of June 30, 2025

Table 3.3. Combined Funds Asset Allocation

Investment Type	Actual Asset Mix	Policy Target Weight
Public Equity	52.00%	50.00%
Fixed Income	24.80%	25.00%
Private Markets, Invested	22.00%	24.10%
Private Markets, Uninvested	1.20%	0.90%
Total	100.00%	100.00%

Figure 3.3. Asset mix

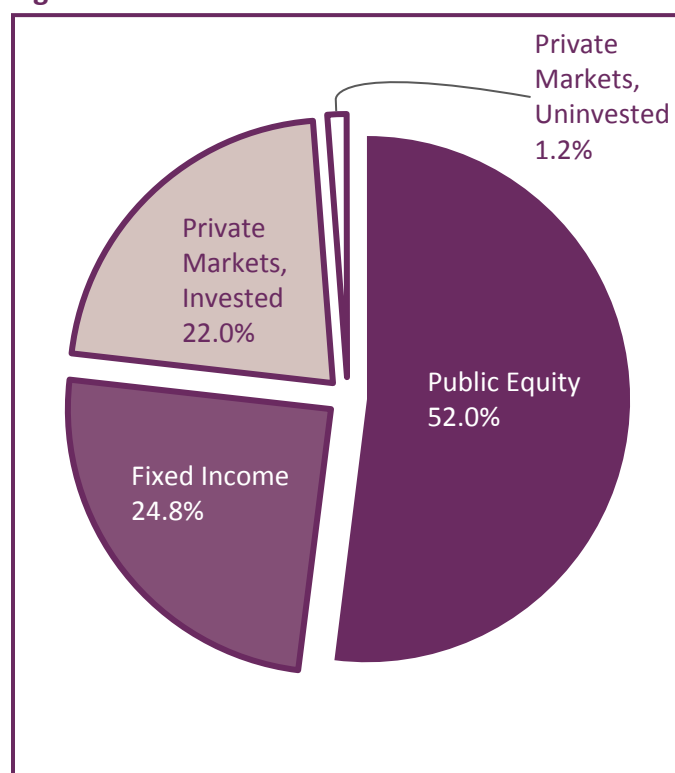
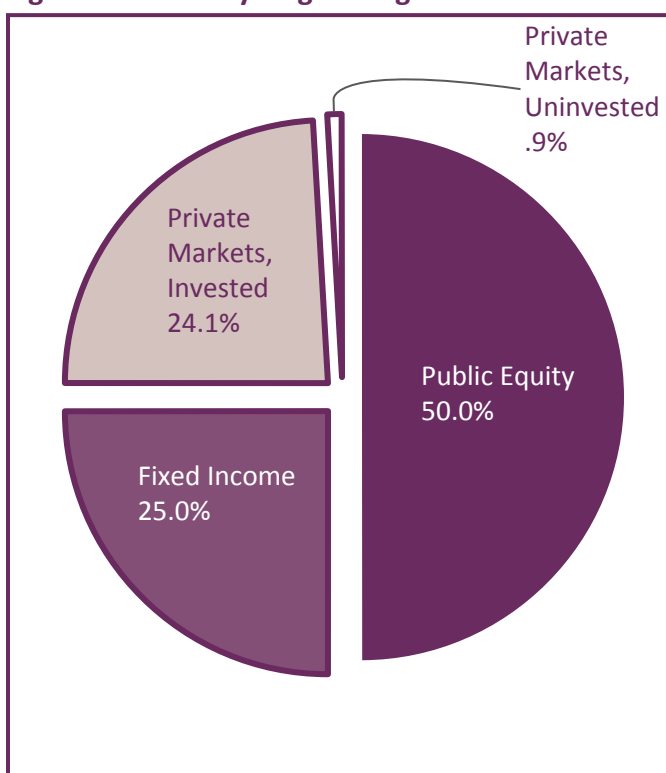


Figure 3.4. Policy target weight



List of Largest Assets Held

As of June 30, 2025

Table 3.4. Top Ten Equity Holdings (By Fair Value)

Security	Fair Value (In millions)	% of Portfolio
Nvidia Corp	\$1,008.13	2.20%
Microsoft Corp	\$1,003.28	2.19%
Apple Inc	\$784.57	1.72%
Msbi Sif	\$681.56	1.49%
Amazon.Com Inc	\$578.34	1.26%
Meta Platforms Inc Class A	\$445.42	0.97%
Blackrock Long Term Private Ca	\$377.50	0.83%
Broadcom Inc	\$337.29	0.74%
Alphabet Inc Cl A	\$269.13	0.59%
Taiwan Semiconductor Manufac	\$237.09	0.52%

Table 3.5. Top Ten Fixed Income Holdings (by Fair Value)

Security	Maturity Date	Coupon %	Fair Value (In millions)	% of Portfolio
US Treasury N/B	11/15/2044	4.63%	\$159.71	0.35%
US Treasury N/B	02/15/2035	4.63%	\$158.45	0.35%
US Treasury N/B	11/15/2052	4.00%	\$110.82	0.24%
US Treasury N/B	06/30/2031	4.25%	\$104.71	0.23%
US Treasury N/B	11/15/2053	4.75%	\$96.18	0.21%
US Treasury N/B	08/15/2031	1.25%	\$91.89	0.20%
US Treasury N/B	02/29/2032	4.13%	\$88.50	0.19%
US Treasury N/B	06/30/2026	4.63%	\$86.41	0.19%
US Treasury N/B	05/15/2034	4.38%	\$83.95	0.18%
US Treasury N/B	12/31/2031	4.50%	\$83.02	0.18%

PERA's assets are commingled in pooled investment accounts administered by the State Board of Investment (SBI). The percentages provided in the tables above are the total pooled accounts. The fair value amounts are based on PERA's participation in the pools. Contact the SBI for information on investment activity, a listing of specific investments owned by the pooled accounts, and a schedule of fees and commissions.

Investment Summary at Fair Value

For the fiscal year ended June 30, 2025 (dollars in thousands)

Table 3.6. General Employees Fund: Investment Summary at Fair Value

Accounts by Fund	2025 Beginning Fair Value	2025 Ending Fair Value	Percent of Total Fair Value
Publicly Traded Equity Securities			
Domestic Equity	\$10,133,963	\$11,165,186	35%
Broad International Stock Pool	4,778,014	5,436,016	17%
Global Equity Pool	329,521	366,345	1%
Publicly Traded Debt Securities	7,050,003	7,542,210	24%
Private Investments	7,353,042	7,197,788	23%
Total Pooled Accounts	\$29,644,543	\$31,707,545	100%

Table 3.7. Police & Fire Fund: Investment Summary at Fair Value

Accounts by Fund	2025 Beginning Fair Value	2025 Ending Fair Value	Percent of Total Fair Value
Publicly Traded Equity Securities			
Domestic Equity	\$4,053,678	\$4,475,651	35%
Broad International Stock Pool	1,911,249	2,179,069	17%
Global Equity Pool	131,287	145,958	1%
Publicly Traded Debt Securities	2,817,784	3,019,634	24%
Private Investments	2,941,285	2,885,288	23%
Total Pooled Accounts	\$11,855,283	\$12,705,600	100%

Table 3.8. Correctional Fund: Investment Summary at Fair Value

Accounts by Fund	2025 Beginning Fair Value	2025 Ending Fair Value	Percent of Total Fair Value
Publicly Traded Equity Securities			
Domestic Equity	\$409,625	\$464,417	36%
Broad International Stock Pool	193,132	226,112	17%
Global Equity Pool	11,688	12,994	1%
Publicly Traded Debt Securities	278,227	304,817	23%
Private Investments	297,216	299,393	23%
Total Pooled Accounts	\$1,189,888	\$1,307,733	100%

Table 3.9. Volunteer Firefighter Fund: Investment Summary at Fair Value

Accounts by Fund	2025 Beginning Fair Value	2025 Ending Fair Value	Percent of Total Fair Value
Publicly Traded Equity Securities			
Domestic Equity	\$65,346	\$97,710	38%
Broad International Stock Pool	27,505	41,773	16%
Publicly Traded Debt Securities	82,374	117,693	46%
Total Pooled Accounts	\$175,225	\$257,176	100%

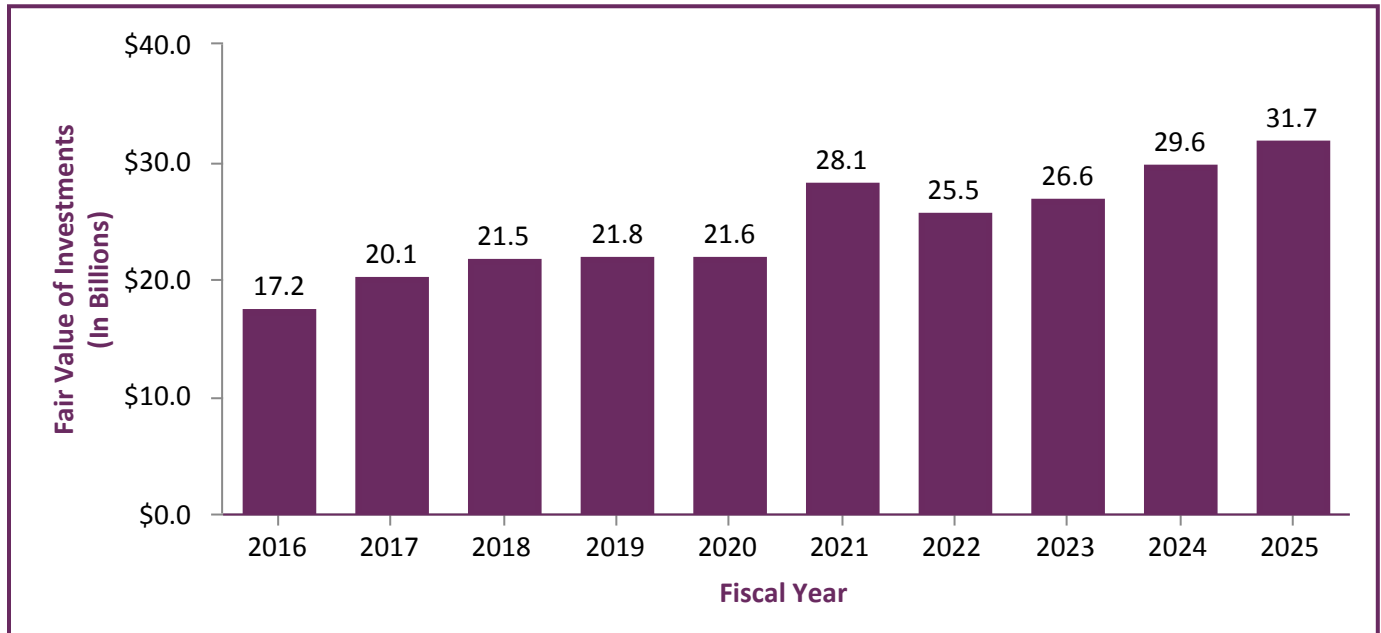
Fair Value of Investments

Last 10 years

General Employees Fund

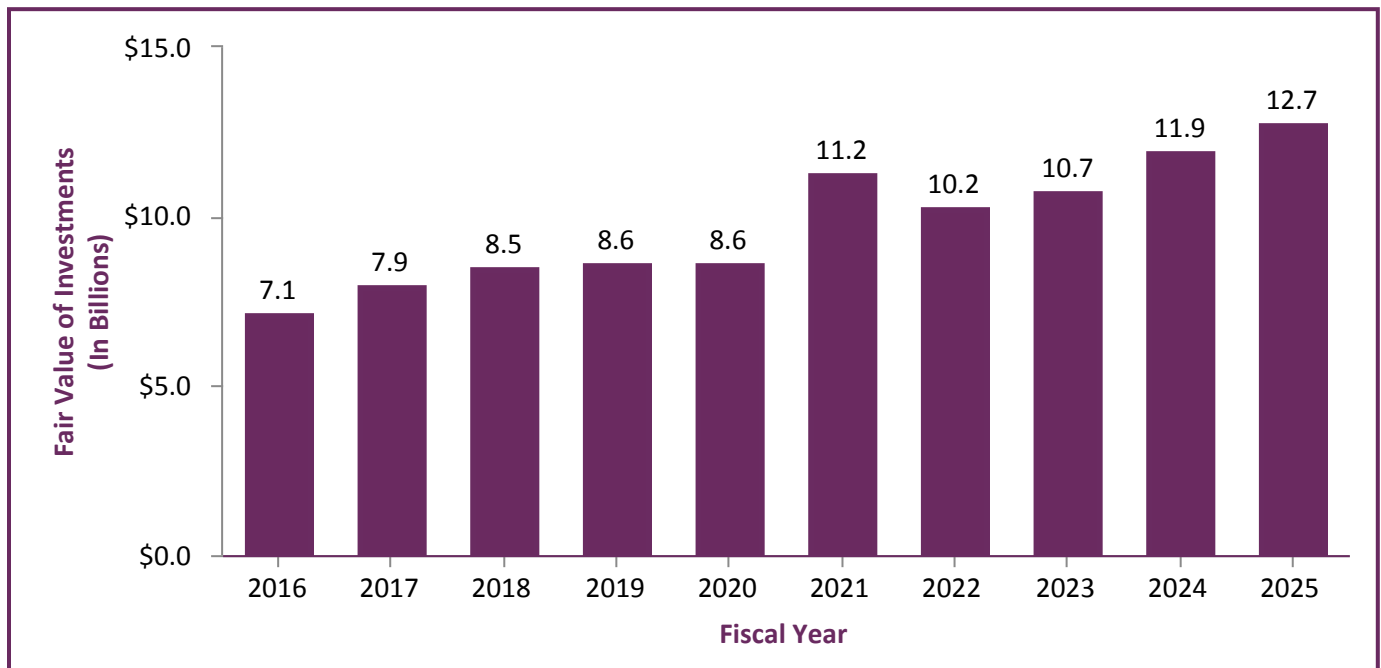
The Minneapolis Employees Retirement Fund (MERF) merged into the General Employees Fund on January 1, 2015. For comparison purposes, both funds are combined in figure [3.5](#) below.

Figure 3.5. General Employees Fund: Fair Value of Investments



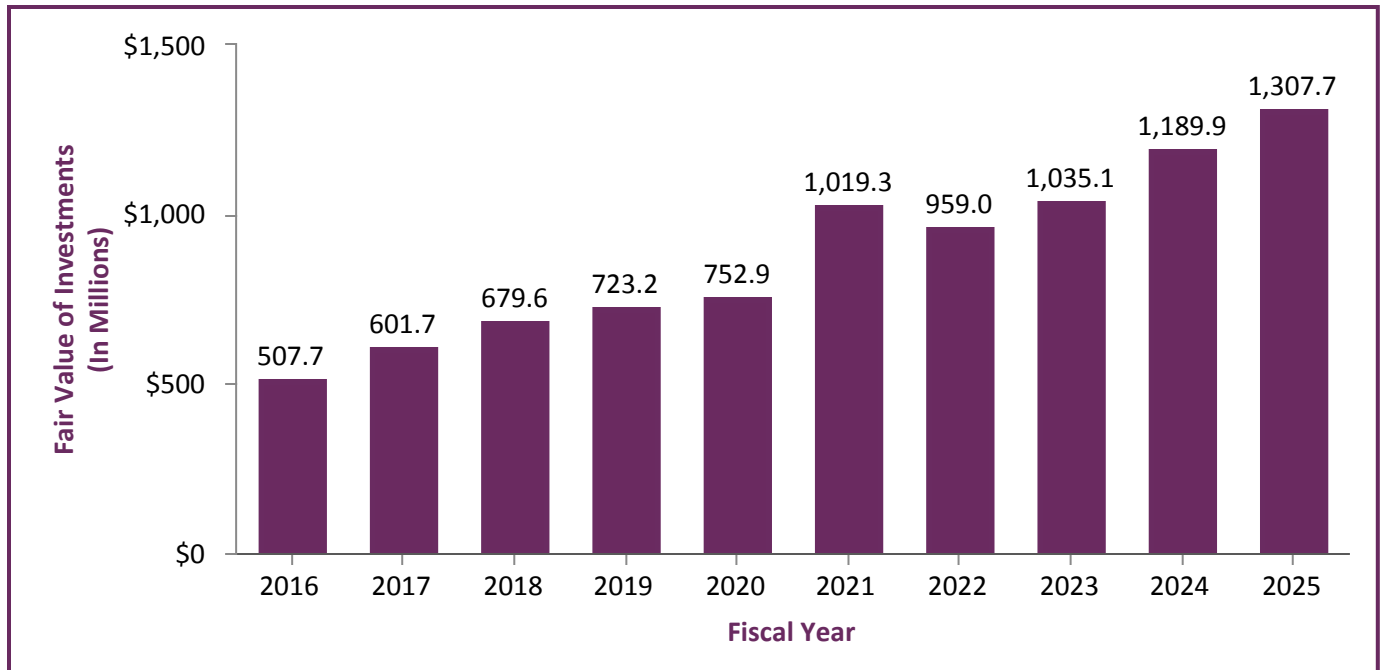
Police & Fire Fund

Figure 3.6. Police & Fire Fund: Fair Value of Investments



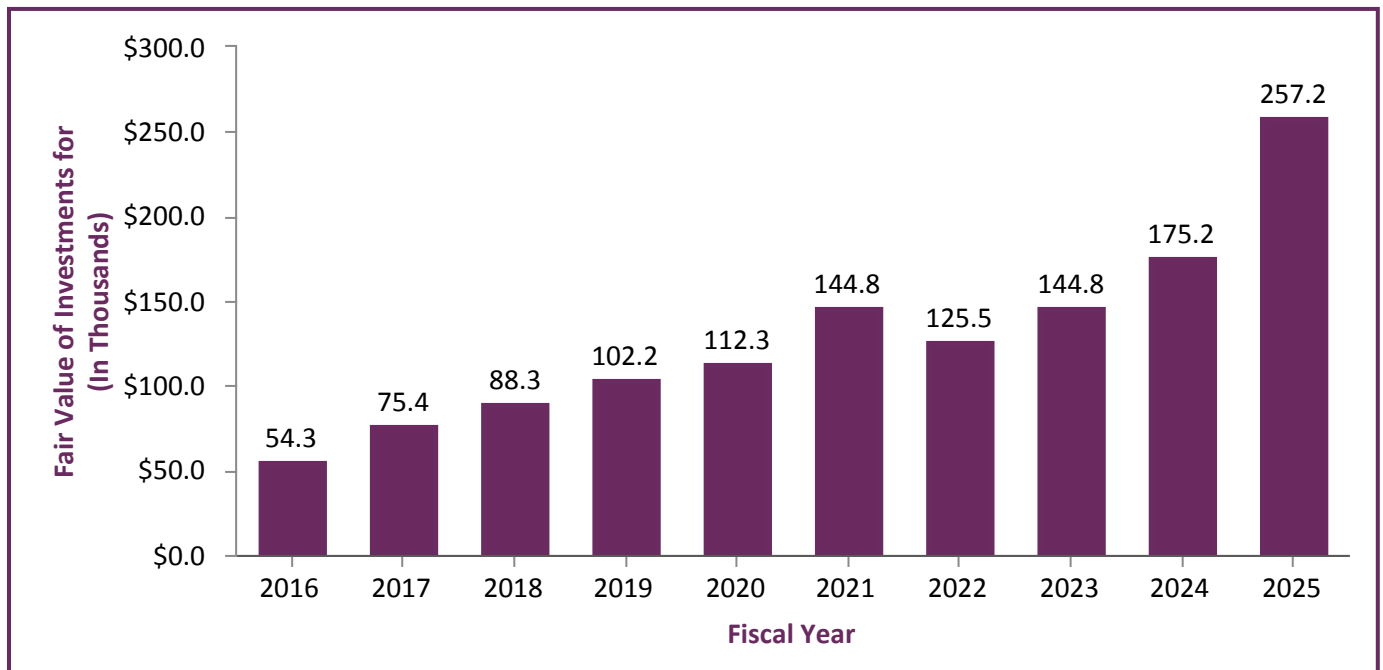
Correctional Fund

Figure 3.7. Correctional Fund: Fair Value of Investments



Volunteer Firefighter Defined Benefit Fund

Figure 3.8. Volunteer Firefighter Fund: Fair Value of Investments



Schedule of Investment Fees

For fiscal year ended June 30, 2025 (dollars in thousands)

Table 3.10. Schedule of Investment Fees

Investments	Fees
State Board of Investment	\$5,709
AON Investment	263
Broadridge	170
Meketa	240
Albourne	679
Total	\$7,061
Outside Money Managers:	
Private Markets	
Undisclosed	\$126,206
Total	\$126,206
Active Domestic Equity:	
Zevenbergen Capital	\$490
Winslow Capital	373
Barrow, Hanley	481
Lsv Asset	460
Sands Capital	217
Peregrine Capital	627
Goldman Equity	449
Hotchkis And Wiley	914
Martingale	559
Wellington Management Company LLP	492
Arrowmark Asset Management LLC	616
Hood River Capital Mgmt LLC	721
Rice Hall James & Assoc. LLC	668
T Rowe	116
Total	\$7,183
Passive Domestic Equity:	
Blackrock	\$12
Passive Domestic Equity Large Cap:	
Blackrock Passive	\$410
Passive Domestic Equity Small Cap:	
Blackrock Passive	\$1
Semi Passive Equity:	
Blackrock	\$979
JP Morgan	\$915
Total	\$2,317
Domestic Bonds:	
Blackrock Financial Mgmt	\$375
Dodge & Cox	632
Goldman	646
Neuberger	627
Western Asset Management	215
Total	\$2,495

Investments (Continued)	Fees
Return Seeking Fixed Income:	
Columbia	\$652
Pimco	1,067
Blackrock	893
Ashmore EMD	710
KKR High Yield	440
Oaktree High Yield	540
PGIM FI Mac	552
Payden & Rygel Mav	521
TCW	676
Total	\$6,051
International Equity:	
Acadian Asset	\$994
State Street Emerging	256
AQR Capital Management	690
Fidelity Investments GPK2	694
JP Morgan Fleming	449
Earnest Partners, LLC	1,161
Macquarie/Delaware Investments	1,090
Martin Currie, Inc.	713
Marathon Asset	1,649
Morgan Stanley Dean Witter	2,125
Neuberger Berman Investment	66
Pzena Investment Management	736
Rock Creek	341
Columbia Investments	4,130
State Street	780
Record Currency	7
Earnest Partners, LLC	62
Ashmore	170
Total	\$16,113
Global Equity:	
Martin Currie Global Equity	\$432
Ariel Global Equity	898
Baillie Gifford Global Equity	622
Total	\$1,952
Treasury Protection Pool:	
Blackrock Financial	\$642
Goldman Sachs	645
Neuberger Berman	616
Total	\$1,903

Investments (Continued)	Fees
Ladder Portfolio:	
Goldman	\$227
Neuberger	215
Total	\$442
Uninvested Private Markets:	
NISA Cash Overlay	\$0
Blackrock S&P 500	0
Total	\$0
Supplemental Investment Funds	
Galliard - Fixed Income	\$7
Total Investment Fees	\$171,730

In table [3.10](#) above, the effective expense ratio reflects investment management fees based on average account values for fiscal year 2025.

- The total effective expense ratio for all PERA investments was approximately 0.35% (36 basis points).
- The effective expense ratio of PERA's defined benefit funds portion of public markets was approximately 0.11% (11 basis points).
- The effective expense ratio of PERA's defined benefit funds portion of private markets was approximately 1.19% (119 basis points).

PERA's assets are commingled in pooled investment accounts administered by the State Board of Investment (SBI). The SBI uses outside money managers and consultants to invest the assets. The amounts in the Schedule of Investment Fees represent PERA's share of fees paid to the SBI and fees paid by the SBI to consultants and money managers. Contact the SBI for a listing of commissions paid to money managers.



Section 4. Actuarial Section

ACTUARIAL

SECTION

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Actuary's Certification Letter



December 1, 2025

Board of Trustees
Public Employees Retirement Association of Minnesota (PERA)
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088

Dear Members of the Board:

We have previously prepared and presented to you our annual actuarial valuation of the General Employees Retirement Plan, the Public Employees Police and Fire Plan, and the Local Government Correctional Service Retirement Plan as of July 1, 2025. In order to gain a full understanding of the actuarial condition of the plans, it is important to read and understand the full actuarial reports and potentially other relevant information, in addition to this Annual Comprehensive Financial Report. The actuarial reports are available on PERA's website, along with online copies of this and previous Annual Comprehensive Financial Reports. Reading this Annual Comprehensive Financial Report is not a substitute for reading the actuarial reports.

Valuation Results

The fundamental financing objective of the fund is to establish contribution rates which will remain approximately level as a percentage of active member payroll from generation to generation and meet the required deadline for full funding. The results of the valuations for funding purposes are summarized in the following table. They are based upon the statutory 7.00% discount rate. For all of the plans, because the valuations smooth asset gains and losses over five years, the actuarial value of assets is lower than the market value of assets. The funding ratios and contribution sufficiencies/ (deficiencies) on both bases are presented in the following table:

Plan	Accrued Liability Funding Ratio		Contribution Sufficiency/ (Deficiency) (% of Pay)	
	Actuarial Value of Assets	Market Value of Assets	Actuarial Value of Assets	Market Value of Assets
General Employees	87.56%	90.78%	2.21%	3.35%
Police and Fire	88.55%	91.78%	(1.48)%	1.37%
Correctional Service	101.31%	105.18%	3.36%	4.80%

A contribution sufficiency means that the fund is expected to meet the goal of full funding according to (or before) the layered amortization schedule. A contribution deficiency means the opposite; full funding will not meet the goal of the layered amortization schedule.

The funded ratio measurements shown on the previous page are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations (of transferring the obligations to an unrelated third party in an arm's length market value transaction). The measurements also are dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amounts of future required contributions will be different from those calculated in the actuarial reports due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement of 100% is not synonymous with no required future contributions. A plan with a funded status of 100% would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).

The following amortization method change was recognized by all plans this year:

Layered amortization was implemented with the amortization periods defined as follows:

Source of Unfunded Actuarial Accrued Liability (UAAL)	Closed Period
Legacy UAAL as of July 1, 2024	Period ending June 30, 2048
Assumption or method changes	20 years
Experience gain or loss Active member benefit changes* Long-term inactive member benefit changes* Statutory Contributions that are more or less than the Total Required Contribution (per Chapter 356)	15 years
Short-term inactive member benefit changes	Period during which benefit change is in effect

**For the Public Employees Police and Fire Plan, the increase in UAAL due to the change in post-retirement benefit increase enacted in 2025 is amortized over the period ending June 30, 2048.*

The following changes were recognized this year by the General Employees Retirement Plan:

- The post-retirement benefit increase formula was changed to be 100% of the Social Security Cost-of-Living Adjustment (COLA), not less than 1.00% or more than 1.75%. Prior to January 1, 2026, benefit recipients received an annual post-retirement benefit increase equal to 50% of the Social Security COLA, not less than 1.00% and not more than 1.50%.
- The combined service annuity loading factors were changed from 15% to 19% for vested terminated members and from 3% to 44% for non-vested terminated members.
- The assumed post-retirement benefit increase was changed from 1.25% to 1.50%.

The following changes were recognized this year by the Public Employees Police and Fire Plan:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (i.e., from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.0% to 3.0%; subsequent January 1 increases are 1.0%.

- The threshold to cease the \$9 million annual State contribution was changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to cease the additional \$9 million annual State contribution was changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct State aid is paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and Survivor actuarial equivalent factors were updated to reflect changes in assumptions.
- Assumption changes as recommended in the experience study dated July 31, 2024:
 - Rates of salary increases were reduced slightly.
 - Rates of retirement were adjusted resulting in an overall increase in unreduced (Normal) retirements and an overall increase in reduced (Early) retirements.
 - Rates of withdrawal were modified; the new rates result in an increase in predicted terminations for males and females, especially in the first few years of employment.
 - Rates of disabled retirement were significantly increased, especially for ages over age 30.
 - Continued use of Pub-2010 Public Safety mortality table with rates adjusted to better fit observed experience.
 - Lower percent married assumption for female retirees from 70% to 65%.
 - Minor changes to form of payment assumptions for retirees.
 - Minor changes to assumptions made with respect to missing participant data.
- The combined service annuity load was changed from 33% to 13% for vested terminated members and from 2% to 38% for non-vested terminated members.

The following changes were recognized this year by the Local Government Correctional Service Retirement Plan:

- The benefit payable to a member who qualifies for a duty disability benefit is changed to be 47.5% of average salary plus, for each year of service in excess of 25 years, 1.9% for each year of allowable service before July 1, 2025 and 2.2% for each year of allowable service beginning after June 30, 2025.
- Actuarial equivalent factors were updated to reflect changes in assumptions.
- Assumption changes as recommended in the experience study dated July 31, 2024:
 - Rates of salary increases were reduced slightly and changed to service-based (vs. age-based).
 - Rates of retirement were adjusted resulting in an overall increase in unreduced (Normal) retirements and reduced (Early) retirements.

- Rates of withdrawal were changed from age-based rates after three years of service to service-based for all years; the new rates result in an increase in predicted terminations for males and females.
 - Minor changes to assumed rates of disability retirements.
 - Continued use of the Pub-2010 Public Safety mortality table, with no adjustments.
 - Minor changes to the assumed percent married, beneficiary age difference and form of payment assumptions for future retirees.
 - Minor changes to assumptions made with respect to missing participant data.
- The combined service annuity load was changed from 35% to 9% for vested terminated members, and from 1% to 119% for non-vested terminated members.

GRS performed a brief review of the basic financial and membership data provided to us by the Association as of June 30, 2025, and determined that the data appears reasonable in comparison to last year. We have relied upon the data as submitted in performing the actuarial valuation and preparing trend data schedules. The actuarial cost method and the assumptions related to asset valuation and investment return are specified by State Statute. All other assumptions are defined in the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement (LCPR), and are based on actual experience with changes recommended by the actuary, adopted by the PERA Board, and approved by the LCPR.

The assumptions and methods used for funding purposes meet the guidance set by the Actuarial Standards of Practice. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic).

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

The actuary prepared the following supporting schedules in the Actuarial Section of the Annual Comprehensive Financial Report:

- Schedule of Funding Progress;
- Determination of Contribution Sufficiency;
- Determination of Actuarial Value of Assets; and
- Schedule of Changes in Unfunded Actuarial Accrued Liabilities.

All other supporting schedules in the Actuarial Section, along with the Schedule of Changes in Net Pension Liabilities and Related Ratios and the Schedule of Contributions from Employers and Non-Employers in the Financial Section of the Annual Comprehensive Financial Report were prepared by PERA based on information included in the actuary's annual valuation.

We have assessed that the contribution rate calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

To the best of our knowledge and belief, the valuations were performed in accordance with generally accepted actuarial principles and procedures, current Governmental Accounting Standards Board (GASB) pronouncements, the requirements of Minnesota Statutes, Section 356.215, and the requirements of the Standards for Actuarial Work established by the LCPR. In our opinion, the results of the valuations reflect the actuarial position of the plans on an ongoing basis under the prescribed assumptions, methods, and procedures.

Bonita J. Wurst and Sheryl L. Christensen are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. In addition, GRS meets the requirements of “approved actuary” under Minnesota Statutes Section 356.215, Subdivision 1, Paragraph (c). The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Bonita J. Wurst, ASA, EA, FCA, MAAA



Sheryl L. Christensen, FSA, EA, FCA, MAAA

BJW/SLC:ah

Summary of Actuarial Assumptions and Methods

PERA implemented GASB Statement 67 (GASB 67) in fiscal year 2014. GASB 67 requires pension plans to calculate and disclose a net pension liability in Notes to the Financial Statements and Required Supplementary Information using a specific set of actuarial methods and assumptions.

The schedules in the Actuarial Section of the *Annual Comprehensive Financial Report (ACFR)* are based on actuarial assumptions and methods specified by Minnesota Statutes or approved by the Legislative Commission on Pensions and Retirement (LCPR) to determine funding requirements. PERA's actuary conducts experience studies of PERA's demographics for each plan to develop demographic assumptions.

PERA's actuary uses the funding actuarial assumptions disclosed on the following pages to prepare the actuarial valuations. The Actuarial Section includes the Summary of Actuarial Assumptions and Methods and the year adopted for each cost-sharing, multiple-employer defined benefit plan.

While some of the actuarial assumptions used for GASB financial reporting are the same as those used for funding purposes, there are differences. For example, GASB 67 requires using the fair value of assets to calculate the net pension liability for reporting purposes. Minnesota Statutes require using the actuarial value of assets (averaged over a five-year period) to calculate the unfunded actuarial accrued liability for funding purposes.

A summary of plan provisions is available in the Notes to the Financial Statements. The Minnesota legislature is responsible for establishing and maintaining a funding policy.

Actuarial Value of Assets

July 1, 2025 Estimated Valuation Results

Table 4.1. General Employees Fund: Actuarial Value of Assets

\$ in Billions, Contributions as % of Pay	Using 6%	Using 7%	Using 8%
Normal Cost Rate	10.87%	8.73%	7.20%
Amortization of Unfunded Accrued Liability, % of Pay	6.45%	3.26%	0.17%
Expenses, % of Pay	0.21%	0.21%	0.21%
Total Required Contribution, % of Pay	17.53%	12.20%	7.58%
Contribution Sufficiency/(Deficiency), % of Pay	(3.12%)	2.21%	6.83%
Accrued Liability Funding Ratio	77.40%	87.60%	98.20%
Present Value of Projected Benefits (a)	\$48.90	\$42.00	\$36.70
Present Value of Future Normal Costs (b)	\$8.20	\$6.00	\$4.60
Actuarial Accrued Liability (a-b)	\$40.70	\$36.00	\$32.10
Unfunded Accrued Liability	\$9.20	\$4.50	\$0.60

Table 4.2. Police & Fire Fund: Actuarial Value of Assets

\$ in Billions, Contributions as % of Pay	Using 6%	Using 7%	Using 8%
Normal Cost Rate	33.41%	26.63%	21.59%
Amortization of Unfunded Accrued Liability, % of Pay	15.39%	7.24%	(0.58%)
Expenses, % of Pay	0.12%	0.12%	0.12%
Total Required Contribution, % of Pay	48.92%	33.99%	21.13%
Contribution Sufficiency/(Deficiency), % of Pay	(16.41%)	(1.48%)	11.38%
Accrued Liability Funding Ratio	78.10%	88.60%	99.40%
Present Value of Projected Benefits (a)	\$20.50	\$17.50	\$15.10
Present Value of Future Normal Costs (b)	\$4.40	\$3.30	\$2.40
Actuarial Accrued Liability (a-b)	\$16.10	\$14.20	\$12.70
Unfunded Accrued Liability	\$3.50	\$1.60	\$0.10

Table 4.3. Correctional Fund: Actuarial Value of Assets

\$ in Billions, Contributions as % of Pay	Using 6%	Using 7%	Using 8%
Normal Cost Rate	17.87%	14.14%	11.50%
Amortization of Unfunded Accrued Liability, % of Pay	4.29%	(0.61%)	(5.21%)
Expenses, % of Pay	0.19%	0.19%	0.19%
Total Required Contribution, % of Pay	22.35%	13.72%	6.48%
Contribution Sufficiency/(Deficiency), % of Pay	(5.27%)	3.36%	10.60%
Accrued Liability Funding Ratio	86.30%	101.30%	117.60%
Present Value of Projected Benefits (a)	\$1,870.60	\$1,550.20	\$1,308.10
Present Value of Future Normal Costs (b)	\$369.70	\$272.00	\$207.30
Actuarial Accrued Liability (a-b)	\$1,500.90	\$1,278.20	\$1,100.80
Unfunded Accrued Liability	\$206.00	(\$16.80)	(\$194.20)

General Employees Plan

The assumptions listed in the table below were used to determine the value of the liabilities and benefits under the General Employees Plan. Actuarial assumptions are determined by Minnesota Statutes, the Legislative Commission on Pensions and Retirement (LCPR), or the PERA Board of Trustees. These parties are responsible for selecting the assumptions used for this valuation. Unless noted otherwise, the assumptions described below are based on the latest adopted experience study dated June 29, 2023. The allowance for combined service annuity assumptions are based on an analysis completed by the LCPR actuary and documented in the report dated February 2025.

Table 4.4. General Employees Plan: Summary of Actuarial Values and Assumptions

Variables	Approach
Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains reduce the unfunded actuarial accrued liability, while actuarial losses increase the unfunded actuarial accrued liability. (1960)
Asset Valuation Method	Fair market value smoothed over five years. (2008)
Investment return	7.00% per year (prescribed by Minnesota Statutes). (2024)
Benefit increases after retirement	1.50% per year. (2025)
Salary increases	Reported salary at valuation date increased according to the rate table, to current fiscal year and annually for each future year. Prior fiscal year salary is annualized for members with less than one year of service earned during the year. (2018)
Inflation	2.25% per year. (2020)
Payroll growth	3.00% per year. (2020)
Mortality Rates	The Pub-2010 employee mortality table as published by the Society of Actuaries (SOA) contains mortality rates for ages 18–80 and the annuitant mortality table contains mortality rates for ages 50–120. We have extended the annuitant mortality table as needed for members younger than age 50 who are receiving a benefit by deriving rates based on the employee table and the juvenile table. Similarly, we have extended the employee table as needed for members older than age 80 by deriving rates based on the annuitant table.
<i>Healthy pre-retirement</i>	Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021. Female rates are multiplied by a factor of 0.94.
<i>Healthy post-retirement</i>	Pub-2010 Healthy General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021. Male rates are multiplied by a factor of 1.09.
<i>Disabled retirees</i>	Pub-2010 General/Teacher Disabled Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021. Rates are multiplied by a factor of 1.12 for males and 1.23 for females.
Retirement	Members retiring from active status are assumed to retire according to the age related rates shown in the tables. Members who have attained the highest assumed retirement age are assumed to retire in one year. (2016)
Withdrawal	Service-related rates based on experience; see table of sample rates. (2016)
Disability	Age-related rates based on experience; see table of sample rates. (2016)
Allowance for combined service annuity	Liabilities for former members are increased by 19% for vested members and 44% for non-vested members to account for the effect of some participants having eligibility for a Combined Service Annuity. (2017)
Administrative expenses	Prior year administrative expenses expressed as percentage of prior year projected payroll. (1989)
Refund of contributions	For non-vested members, account balances accumulate interest until the assumed commencement date and are discounted back to the valuation date. Active members decrementing after becoming eligible for a deferred benefit are assumed to take the contributions accumulated with interest if larger than the value of the benefit.
Commencement of deferred	Members receiving deferred annuities (including current benefits terminated deferred members) are assumed to begin receiving benefits at Normal Retirement.
Percentage married	80% of male and 70% of female active members are assumed to be married. Actual marital status is used for members in payment status.

Variables (Continued)	Approach
Age of spouse	Males are assumed to have a beneficiary three years younger, while females are assumed to have a beneficiary one year older. For members in payment status, actual spouse date of birth is used, if provided.
Eligible children	Retiring members are assumed to have no dependent children.
Form of payment	Married members retiring from active status are assumed to elect subsidized joint and survivor form of annuity as follows:
Married Males:	5% elect 25% Joint & Survivor option 10% elect 50% Joint & Survivor option 10% elect 75% Joint & Survivor option 60% elect 100% Joint & Survivor option
Married Females:	10% elect 25% Joint & Survivor option 10% elect 50% Joint & Survivor option 5% elect 75% Joint & Survivor option 40% elect 100% Joint & Survivor option
Remaining Members	Remaining married members and unmarried members are assumed to elect the Straight Life option.
Deferred Annuity Members	Members receiving deferred annuities (including current terminated deferred members) are assumed to elect a straight life annuity.
Eligibility testing	Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.
Decrement operation	Withdrawal decrements do not operate during retirement eligibility. Decrement are assumed to occur mid-fiscal year.
Service credit accruals	It is assumed that members accrue one year of service credit per year.
Pay increases	Pay increases are assumed to happen at the beginning of the fiscal year. This is equivalent to assuming that reported earnings are pensionable earnings for the year ending on the valuation date.
Changes in actuarial assumptions	The combined service annuity loading factors were changed from 15% to 19% for Vested Terminated members and from 3% to 44% for Non-Vested Terminated members. The post-retirement benefit increase assumption changed from 1.25% to 1.50%.

Year in parentheses is the date of adoption.

Table 4.5. General Employees Plan: Mortality Assumptions, Percentage of Members Dying Each Year

Age in 2025	Healthy Post-Retirement Mortality		Healthy Pre-Retirement Mortality		Disability Mortality	
	Male	Female	Male	Female	Male	Female
20	0.04%	0.01%	0.04%	0.01%	0.47%	0.31%
25	0.04%	0.01%	0.03%	0.01%	0.37%	0.25%
30	0.06%	0.02%	0.05%	0.02%	0.56%	0.44%
35	0.08%	0.03%	0.07%	0.03%	0.79%	0.70%
40	0.10%	0.04%	0.09%	0.04%	1.00%	0.94%
45	0.13%	0.06%	0.11%	0.05%	1.25%	1.18%
50	0.31%	0.20%	0.14%	0.07%	1.70%	1.64%
55	0.44%	0.28%	0.21%	0.11%	2.22%	2.06%
60	0.67%	0.39%	0.32%	0.18%	2.82%	2.44%
65	0.99%	0.58%	0.46%	0.26%	3.38%	2.61%
70	1.52%	0.92%	0.64%	0.40%	3.99%	3.03%
75	2.54%	1.61%	0.96%	0.65%	5.07%	4.22%
80	4.55%	2.99%	1.51%	1.11%	7.20%	6.58%
85	8.42%	5.73%	6.50%	4.63%	10.90%	10.61%
90	14.77%	10.83%	13.55%	10.18%	16.81%	15.85%

Generally, mortality rates are expected to increase as age increases (with the exception of young ages, where expected mortality may decrease as age increases). In cases where the application of the projection scale would reverse the nature of this trend, standard mortality rates have been adjusted slightly. This adjustment has no material effect on results.

Rates are adjusted for mortality improvements using Scale MP-2021, from a base year of 2010.

Table 4.6. General Employees Plan: Disability Percent

Age	Male	Female
20	0.01%	0.01%
25	0.01%	0.01%
30	0.01%	0.01%
35	0.02%	0.01%
40	0.03%	0.03%
45	0.04%	0.04%
50	0.08%	0.07%
55	0.18%	0.10%
60	0.37%	0.15%
65	0.00%	0.00%
70	0.00%	0.00%

Table 4.7. General Employees Plan: Salary Scale Assumptions

Year	Increase
1	11.50%
2	6.75%
3	6.00%
4	5.50%
5	5.25%
6	5.00%
7	4.75%
8	4.50%
9	4.40%
10	4.40%
11	4.20%
12	4.10%
13	4.00%
14	3.90%
15	3.80%
16	3.70%
17	3.60%
18	3.50%
19	3.50%
20	3.40%
21	3.30%
22	3.30%
23	3.20%
24	3.20%
25	3.10%
26	3.10%
27	3.10%
28	3.00%
29	3.00%
30+	3.00%

Table 4.8. General Employees Plan: Rates of Termination

Year	Male	Female
1	22.00%	23.50%
2	16.00%	17.25%
3	11.00%	13.00%
4	9.00%	11.00%
5	7.50%	9.50%
6	6.50%	8.50%
7	6.00%	7.50%
8	5.00%	7.00%
9	5.00%	6.80%
10	5.00%	6.40%
11	4.75%	6.20%
12	4.25%	5.50%
13	3.75%	4.50%
14	3.50%	4.35%
15	3.25%	4.25%
16	3.25%	4.00%
17	3.25%	3.75%
18	2.75%	3.40%
19	2.50%	3.20%
20	2.25%	2.80%
21	2.00%	2.60%
22	1.75%	2.60%
23	1.75%	2.60%
24	1.70%	2.60%
25	1.65%	2.30%
26	1.60%	2.10%
27	1.55%	2.00%
28	1.50%	2.00%
29	1.50%	2.00%
30+	1.50%	2.00%

Police & Fire Plan

The following assumptions were used to value the liabilities and benefits under the Police & Fire Plan. Actuarial assumptions are determined by Minnesota Statutes, the LCPR, or the board of trustees. These parties are responsible for selecting the assumptions used for this valuation. Unless noted otherwise, the assumptions described below are based on the experience study dated July 31, 2024 and a review of inflation and investment assumptions in the General Employees Retirement Plan Experience Study dated June 29, 2023. The allowance for combined service annuity assumptions are based on an analysis completed by the LCPR actuary and documented in the report dated February 2025.

Table 4.9. Police & Fire Plan: Summary of Actuarial Values and Assumptions

Assumptions	Summaries
Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability. (1960)
Asset Valuation Method	Fair market value smoothed over five years. (2008)
Investment return	7.00% per year (prescribed by Minnesota Statutes). (2024)
Benefit increases after retirement	1.00% for all years, no trigger. (2018)
Salary increases	Reported salary at valuation date increased according to the rate table, to current fiscal year and annually for each future year. Prior fiscal year salary is annualized for members with less than one year of service earned during the year.
Inflation	2.25% per year. (2021)
Payroll growth	3.00% per year. (2021)
Mortality rates:	Pre-retirement deaths are assumed to be duty related. The Pub-2010 employee mortality table as published by the Society of Actuaries (SOA) contains mortality rates for ages 18–80 and the annuitant mortality table contains mortality rates for age 50–120. We have extended the annuitant mortality table as needed for members and beneficiaries younger than age 50 who are receiving a benefit by deriving rates based on the employee table and the juvenile table. Similarly, we have extended the employee table as needed for members older than age 80 by deriving rates based on the annuitant table.
<i>Healthy pre-retirement</i>	Pub-2010 Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021
<i>Healthy post-retirement</i>	Pub-2010 Healthy Retired Public Safety Mortality Table adjusted for mortality improvements using projection scale MP-2021. Male rates are multiplied by a factor of 1.01.
<i>Disabled retirees</i>	Pub-2010 Public Safety Disabled Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2021. Males rates are multiplied by a factor of 1.17.
Retirement	Members retiring from active status are assumed to retire according to the age related rates shown in the rate table. Members who have attained the highest assumed retirement age are assumed to retire in one year. Note that significant plan changes reflected in this report may result in behavior changes that are not anticipated in the current retirement rates. (2016)
Withdrawal	Service-related rates based on actual experience; see table of sample rates. (2021)
Disability	Age-related rates based on experience; see table of sample rates. All incidences are assumed to be duty-related. There is no assumed incidence of the total and permanent duty disability benefit; actual incidence of this benefit will be monitored and may be included in future valuations.
Allowance for combined service annuity	Liabilities for former members are increased by 13% for vested members and 38% for non-vested members to account for the effect of some participants having eligibility for a Combined Service Annuity.
Administrative expenses	Prior year administrative expenses expressed as percentage of prior year projected payroll. (1989)
Refund of contributions	For non-vested members, account balances accumulate interest until the assumed commencement date and are discounted back to the valuation date. Active members decrementing after becoming eligible for a benefit are assumed to take the contributions accumulated with interest if larger than the value of the benefit.

Assumptions (Continued)	Summaries
Commencement of deferred benefits	Members receiving deferred annuities (including current terminated deferred members) are assumed to begin receiving benefits at age 55.
Percentage married	85% of male and 65% of female active members are assumed to be married. Actual marital status is used for members in payment status.
Age of spouse	Males are assumed to be two years older than females. For members in payment status, actual spouse date of birth is used, if provided.
Eligible children	Retiring members are assumed to have no dependent children.
Form of payment	Married members retiring from active status are assumed to elect subsidized joint and survivor form of annuity as follows:
Males:	7.5% elect 25% Joint & Survivor option 15% elect 50% Joint & Survivor option 15% elect 75% Joint & Survivor option 55% elect 100% Joint & Survivor option
Females:	15% elect 25% Joint & Survivor option 20% elect 50% Joint & Survivor option 10% elect 75% Joint & Survivor option 25% elect 100% Joint & Survivor option
Remaining Members	Remaining married members and unmarried members are assumed to elect the Straight Life option. Disabled members younger than normal retirement age who are reported with a life annuity are assumed to instead have the 100% Joint & Survivor option to account for survivor benefits payable prior to normal retirement age. Members receiving deferred annuities (including current terminated deferred members) are assumed to elect a straight life annuity.
Eligibility testing	Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.
Decrement operation	Withdrawal decrements do not operate during retirement eligibility. Decrement are assumed to occur mid-fiscal year.
Service credit accruals	It is assumed that members accrue one year of service credit per year.
Pay increases	Pay increases are assumed to happen at the beginning of the fiscal year. This is equivalent to assuming that reported earnings are pensionable earnings for the year ending on the valuation date.
Changes in actuarial assumptions	<p>The following changes in assumptions are effective with the July 1, 2025 valuation, as recommended in the most recent experience study (dated July 31, 2024):</p> <ul style="list-style-type: none"> • Assumed rates of salary increases were reduced slightly. • Assumed rates of retirement were adjusted resulting in an overall increase in unreduced (Normal) retirements and an overall increase in reduced (Early) retirements. • Assumed rates of withdrawal were modified; the new rates result in an increase in predicted terminations for males and females, especially in the first few years of employment. • Assumed rates of disabled retirement were significantly increased, especially for ages over age 30. • Continued use of Pub-2010 Public Safety mortality table with rates adjusted to better fit observed experience. • Lower percent married assumption for female retirees from 70% to 65%. • Minor changes to form of payment assumptions for retirees. • Minor changes to assumptions made with respect to missing participant data. <p>The combined service annuity load was changed from 33% to 13% for vested terminated members, and from 2% to 38% for non-vested terminated members.</p>

Year in parentheses is the date of adoption.

Table 4.10. Police & Fire Plan: Mortality Assumptions, Percentage of Members Dying Each Year

Age in 2025	Healthy Post-Retirement Mortality		Healthy Pre-Retirement Mortality		Disability Mortality	
	Male	Female	Male	Female	Male	Female
20	0.04%	0.02%	0.04%	0.02%	0.15%	0.06%
25	0.04%	0.02%	0.04%	0.02%	0.15%	0.08%
30	0.06%	0.04%	0.06%	0.04%	0.20%	0.12%
35	0.07%	0.05%	0.07%	0.05%	0.25%	0.17%
40	0.09%	0.06%	0.08%	0.06%	0.28%	0.20%
45	0.14%	0.09%	0.09%	0.07%	0.31%	0.22%
50	0.18%	0.13%	0.11%	0.08%	0.39%	0.27%
55	0.29%	0.25%	1.16%	0.12%	0.53%	0.44%
60	0.52%	0.45%	0.27%	0.17%	0.86%	0.71%
65	0.88%	0.72%	0.41%	0.21%	1.38%	1.00%
70	1.45%	1.15%	0.70%	0.39%	2.04%	1.39%
75	2.49%	1.97%	1.25%	0.77%	3.30%	2.09%
80	4.51%	3.53%	2.34%	1.60%	5.73%	3.53%
85	8.30%	6.32%	7.36%	5.54%	9.70%	6.32%
90	14.79%	11.14%	14.64%	11.14%	17.13%	11.14%

Generally, mortality rates are expected to increase as age increases (with the exception of young ages, where expected mortality may decrease as age increases). In cases where the application of the projection scale would reverse the nature of this trend, standard mortality rates have been adjusted slightly. This adjustment has no material effect on results.

Rates are adjusted for mortality improvements using Scale MP-2021, from a base year of 2010.

Table 4.11. Police & Fire Plan: Vesting Percent by Hire Date

Years of Service	Hired Before 7/1/10	Hired After 6/30/10
< 3	0.00%	0.00%
3 - 4	100.00%	0.00%
5	100.00%	50.00%
6	100.00%	60.00%
7	100.00%	70.00%
8	100.00%	80.00%
9	100.00%	90.00%
10+	100.00%	100.00%

Table 4.12. Police & Fire Plan: Disability Percent

Age	Male	Female
20	0.11%	0.11%
25	0.18%	0.18%
30	0.51%	0.51%
35	0.90%	0.90%
40	1.35%	1.35%
45	1.55%	1.55%
50	1.97%	1.97%
55*	2.19%	2.19%
60*	2.56%	2.56%

*Disability retirements are assumed to continue until age 55 with 20 years of service or age 70, whichever is earlier.

Table 4.13. Police & Fire Plan: Rates of Retirement by Age

Age	Percent Retiring
50	5.00%
51	4.00%
52	5.00%
53	9.00%
54	15.00%
55	40.00%
56	25.00%
57	25.00%
58	25.00%
59	25.00%
60	25.00%
61	25.00%
62	30.00%
63	30.00%
64	32.50%
65	40.00%
66	45.00%
67	45.00%
68	45.00%
69	45.00%
70+	100.00%

Table 4.14. Police & Fire Plan: Rates of Withdrawal

Year	Withdrawal Rates
1	8.00%
2	5.00%
3	3.25%
4	2.75%
5	2.75%
6	2.75%
7	2.50%
8	2.25%
9	2.25%
10	2.25%
11	2.25%
12	2.00%
13	2.00%
14	1.75%
15	1.50%
16	1.50%
17	1.50%
18	1.50%
19	1.50%
20	1.50%
21	1.25%
22+	1.00%

Table 4.15. Police & Fire Plan: Salary Scale Assumptions

Year	Salary Scale Increase
1	10.75%
2	8.00%
3	7.25%
4	6.50%
5	5.25%
6	4.75%
7	4.25%
8	4.00%
9	3.90%
10	3.80%
11	3.60%
12	3.40%
13	3.30%
14	3.30%
15	3.30%
16	3.30%
17	3.20%
18	3.20%
19	3.20%
20	3.20%
21	3.10%
22	3.10%
23	3.10%
24+	3.00%

Correctional Plan

The following assumptions were used to determine the value of the liabilities and benefits in the Correctional Plan. Actuarial assumptions are determined by Minnesota Statutes, the LCPR, or the board of trustees. These parties are responsible for selecting the assumptions used for this valuation. Unless noted otherwise, the assumptions described below are based on the experience study dated July 31, 2024 and a review of inflation and investment assumptions in the General Employees Retirement Plan Experience Study dated June 29, 2023. The allowance for combined service annuity assumptions are based on an analysis completed by the LCPR actuary and documented in the report dated February 2025.

Table 4.16. Correctional Plan: Summary of Actuarial Values and Assumptions

Variables	Approach
Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability. (1999)
Asset Valuation Method	Fair market value smoothed over five years. (2008)
Investment return	7.00% per year (prescribed by Minnesota Statute). (2024)
Benefit increases after retirement	2.00% per year. (2018)
Salary increases	Reported salary at valuation date increased according to the rate table, to current fiscal year and annually for each future year. Prior fiscal year salary is annualized for members with less than one year of service earned during the year. (2018)
Inflation	2.25% per year. (2021)
Payroll growth	3.00% per year. (2021)
Mortality rates	The Pub-2010 employee mortality table as published by the Society of Actuaries (SOA) contains mortality rates for ages 18–80 and the annuitant mortality table contains mortality rates for ages 50–120. We have extended the annuitant mortality table as needed for members and beneficiaries younger than 50 who are receiving a benefit by deriving rates based on the employee table and the juvenile table. Similarly, we have extended the employee table as needed for members older than age 80 by deriving rates based on the annuitant table.
<i>Healthy pre-retirement</i>	Pub-2010 Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021.
<i>Healthy post-retirement</i>	Pub-2010 Public Safety Healthy Retiree Mortality Table adjusted for mortality improvements using projections scale MP-2021.
<i>Disabled retirees</i>	Pub-2010 Public Safety Disabled Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021.
Retirement	Members retiring from active status are assumed to retire according to the age related rates shown in the rate table. Members who have attained the highest assumed retirement age are assumed to retire in one year. Note that significant plan changes reflected in this report may result in behavior changes that are not anticipated in the current retirement rates. (2016)
Withdrawal	Service-related rates based on experience; see table of sample rates.
Disability	Age-related rates based on experience; see table of sample rates. All incidences are assumed to be duty-related.
Allowance for combined service annuity	Liabilities for former members are increased by 9% for vested members and 119% for non-vested members to account for the effect of some participants having eligibility for a Combined Service Annuity. (2017)
Administrative expenses	Prior year administrative expenses expressed as percentage of prior year projected payroll. (1989)
Refund of contributions	For non-vested members, account balances accumulate interest until the assumed commencement date and are discounted back to the valuation date. Active members decrementing after becoming eligible for a benefit are assumed to take the contributions accumulated with interest if larger than the value of the benefit.
Commencement of deferred benefits	Members receiving deferred annuities (including current terminated deferred members) are assumed to begin receiving benefits at age 55.
Percentage married	75% of active male members and 65% of active female members are assumed to be married. Actual marital status is used for members in payment status.

Variables (Continued)	Approach
Age of spouse	Females are assumed to be two years younger than their male spouses. For members in payment status, actual spouse date of birth is used, if provided.
Eligible children	Retiring members are assumed to have no dependent children.
Form of payment	Married members retiring from active status are assumed to elect subsidized joint and survivor form of annuity as follows:
Males:	10% elect 25% Joint & Survivor option 12.5% elect 50% Joint & Survivor option 7.5% elect 75% Joint & Survivor option 55% elect 100% Joint & Survivor option
Females:	5% elect 25% Joint & Survivor option 10% elect 50% Joint & Survivor option 5% elect 75% Joint & Survivor option 30% elect 100% Joint & Survivor option
Remaining Members	Remaining married members and unmarried members are assumed to elect the Straight Life option.
Deferred Annuity Members	Members receiving deferred annuities (including current terminated deferred members) are assumed to elect a straight life annuity.
Eligibility testing	Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.
Decrement operation	Withdrawal decrements do not operate during retirement eligibility. Decrement are assumed to occur mid-fiscal year.
Service credit accruals	It is assumed that members accrue one year of service credit per year.
Pay increases	Pay increases are assumed to happen at the beginning of the fiscal year. This is equivalent to assuming that reported earnings are pensionable earnings for the year ending on the valuation date.
Changes in actuarial assumptions	Assumed rates of salary increases were reduced slightly. Assumed rates of retirement were adjusted resulting in an overall increase in unreduced (Normal) retirements and an overall increase in reduced (Early) retirements. Assumed rates of withdrawal were modified; the new rates result in an increase in predicted terminations for males and females, especially in the first few years of employment. Assumed rates of disabled retirement were significantly increased, especially for ages over age 30. Continued use of Pub-2010 Public Safety mortality table with rates adjusted to better fit observed experience. Lower percent married assumption for female retirees from 70% to 65%. Minor changes to form of payment assumptions for retirees. Minor changes to assumptions made with respect to missing participant data. The combined service annuity load was changed from 33% to 13% for vested terminated members, and from 2% to 38% for non-vested terminated members.

Year in parentheses is the date of adoption.

Table 4.17. Correctional Plan: Mortality Assumptions, Percentage of Members Dying Each Year

Age in 2025	Healthy Post-Retirement Mortality		Healthy Pre-Retirement Mortality		Disability Mortality	
	Male	Female	Male	Female	Male	Female
20	0.04%	0.02%	0.04%	0.02%	0.12%	0.06%
25	0.04%	0.02%	0.04%	0.02%	0.13%	0.08%
30	0.06%	0.04%	0.06%	0.04%	0.17%	0.12%
35	0.07%	0.05%	0.07%	0.05%	0.21%	0.17%
40	0.09%	0.06%	0.08%	0.06%	0.24%	0.20%
45	0.14%	0.09%	0.09%	0.07%	0.27%	0.22%
50	0.18%	0.13%	0.11%	0.08%	0.33%	0.27%
55	0.29%	0.25%	0.16%	0.12%	0.45%	0.44%
60	0.51%	0.45%	0.27%	0.17%	0.74%	0.71%
65	0.87%	0.72%	0.41%	0.21%	1.18%	1.00%
70	1.43%	1.15%	0.70%	0.39%	1.74%	1.39%
75	2.46%	1.97%	1.25%	0.77%	2.82%	2.09%
80	4.46%	3.53%	2.34%	1.60%	4.90%	3.53%
85	8.22%	6.32%	7.36%	5.54%	8.29%	6.32%
90	14.64%	11.14%	14.64%	11.14%	14.64%	11.14%

Generally, mortality rates are expected to increase as age increases (with the exception of young ages, where expected mortality may decrease as age increases). In cases where the application of the projection scale would reverse the nature of this trend, standard mortality rates have been adjusted slightly. The adjustment has no material effect on these results.

Rates are adjusted for mortality improvement using Scale MP-2021, from a base year of 2010.

Table 4.18. Correctional Plan: Disability Percent

Age	Male	Female
20	0.05%	0.04%
25	0.10%	0.06%
30	0.10%	0.08%
35	0.23%	0.17%
40	0.26%	0.18%
45	0.31%	0.39%
50	0.80%	0.70%
55	0.80%	0.90%
60	0.80%	0.90%
65	0.80%	0.90%

Table 4.19. Correctional Plan: Rates of Retirement by Age

Age	Percent Retiring
50	6.00%
51	5.00%
52	6.00%
53	5.00%
54	9.00%
55	20.00%
56	12.00%
57	11.00%
58	15.00%
59	17.00%
60	15.00%
61	15.00%
62	30.00%
63	24.00%
64	25.00%
65	45.00%
66	40.00%
67	50.00%
68	35.00%
69	40.00%
70+	100.00%

Table 4.20. Correctional Plan: Rates of Withdrawal

Years of service	Male	Female
1	30.00%	30.00%
2	25.00%	25.00%
3	20.00%	18.00%
4	13.00%	14.00%
5	12.00%	14.00%
6	11.00%	12.00%
7	10.00%	11.00%
8	9.00%	10.00%
9	8.00%	10.00%
10	7.00%	10.00%
11	6.00%	10.00%
12	5.00%	10.00%
13	5.00%	10.00%
14	4.50%	10.00%
15	4.50%	9.00%
16	4.50%	8.00%
17	4.50%	7.00%
18	4.00%	5.00%
19	3.50%	5.00%
20	3.50%	5.00%
21	3.50%	4.00%
22	3.50%	3.50%
23	3.50%	3.50%
24	3.50%	3.50%
25+	3.50%	3.50%

Table 4.21. Correctional Plan: Salary Scale Assumptions

Age	Salary Scale Increase
1	8.00%
2	6.00%
3	5.50%
4	5.40%
5	5.30%
6	5.20%
7	5.10%
8	4.90%
9	4.60%
10	4.50%
11	4.40%
12	4.30%
13	4.20%
14	4.10%
15	3.90%
16	3.70%
17	3.50%
18	3.50%
19	3.50%
20+	3.00%

Schedule of Funding Progress

Last 10 Years (in thousands)

Table 4.22. General Employees Fund: Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
6/30/2025	\$31,478,997	\$35,952,646	\$4,473,649	87.56%	\$8,595,923	52.04%
6/30/2024	\$29,354,976	\$33,858,933	\$4,503,957	86.70%	\$8,018,431	56.17%
6/30/2023	\$27,665,822	\$33,092,665	\$5,426,843	83.60%	\$7,493,954	72.42%
6/30/2022	\$26,397,045	\$30,189,649	\$3,792,604	87.44%	\$7,042,154	53.86%
6/30/2021	\$24,909,060	\$29,215,560	\$4,306,500	85.26%	\$6,761,354	63.69%
6/30/2020	\$22,792,333	\$28,626,916	\$5,834,583	79.62%	\$6,698,754	87.10%
6/30/2019	\$21,979,022	\$27,969,744	\$5,990,722	78.58%	\$6,523,754	91.83%
6/30/2018	\$21,129,746	\$27,101,067	\$5,971,321	77.97%	\$6,298,815	94.80%
6/30/2017	\$19,916,322	\$25,615,722	\$5,699,400	77.75%	\$6,156,985	92.57%
6/30/2016	\$18,765,863	\$24,848,409	\$6,082,546	75.52%	\$5,773,708	105.35%

Refer to table [2.25](#) for the ten-year schedule of actuarially-determined and actual contributions provided as required supplementary information (RSI) on page [78](#).

Table 4.23. Police & Fire Fund: Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
6/30/2025	\$12,618,950	\$14,249,944	\$1,630,994	88.55%	\$1,430,822	113.99%
6/30/2024	\$11,744,115	\$13,380,841	\$1,636,726	87.77%	\$1,296,500	126.24%
6/30/2023	\$11,105,741	\$12,765,798	\$1,660,057	87.00%	\$1,224,322	135.59%
6/30/2022	\$10,563,877	\$11,351,467	\$787,590	93.06%	\$1,127,314	69.86%
6/30/2021	\$9,931,003	\$10,793,845	\$862,842	92.01%	\$1,096,195	78.71%
6/30/2020	\$9,036,069	\$10,291,567	\$1,255,498	87.80%	\$1,069,481	117.39%
6/30/2019	\$8,661,613	\$9,909,153	\$1,247,540	87.41%	\$1,011,421	123.35%
6/30/2018	\$8,320,094	\$9,552,804	\$1,232,710	87.10%	\$976,657	126.22%
6/30/2017	\$7,840,549	\$9,199,208	\$1,358,659	85.23%	\$944,296	143.88%
6/30/2016	\$7,385,777	\$8,417,621	\$1,031,844	87.74%	\$881,222	117.09%

Refer to table [2.27](#) for the ten-year schedule of actuarially-determined and actual contributions provided as required supplementary information (RSI) on page [80](#).

Table 4.24. Correctional Fund: Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
6/30/2025	\$1,294,938	\$1,278,154	(\$16,784)	101.31%	\$273,276	(6.14%)
6/30/2024	\$1,176,113	\$1,238,891	\$62,778	94.93%	\$254,734	24.64%
6/30/2023	\$1,075,475	\$1,112,405	\$36,930	96.68%	\$238,319	15.50%
6/30/2022	\$992,811	\$944,741	(\$48,070)	105.09%	\$220,292	(21.82%)
6/30/2021	\$904,434	\$870,567	(\$33,867)	103.89%	\$222,093	(15.25%)
6/30/2020	\$794,221	\$814,456	\$20,235	97.52%	\$217,702	9.29%
6/30/2019	\$729,570	\$758,268	\$28,698	96.22%	\$214,151	13.40%
6/30/2018	\$666,012	\$696,842	\$30,830	95.58%	\$205,077	15.03%
6/30/2017	\$595,366	\$629,870	\$34,504	94.52%	\$200,103	17.24%
6/30/2016	\$529,879	\$553,840	\$23,961	95.67%	\$188,816	12.69%

Refer to table [2.29](#) for the ten-year schedule of actuarially-determined and actual contributions provided as required supplementary information (RSI) on page [81](#).

Solvency Test

Last 10 Years (in thousands)

Table 4.25. General Employees Fund: Solvency Test

Valuation Date	Actuarial Accrued Liability For:			Portion of Accrued Liabilities Covered by Valuation Assets			
	Active Member Contribution (1)	Current Retirees and Beneficiaries (2)	Active Members (Employer Financed) Portion (3)	Valuation Assets	1	2	3
06/30/25	\$3,421,306	\$23,005,930	\$9,525,410	\$31,478,997	100%	100%	53.00%
06/30/24	\$3,939,985	\$21,817,959	\$8,100,989	\$29,354,976	100%	100%	34.40%
06/30/23	\$3,748,106	\$21,651,247	\$7,693,312	\$27,665,822	100%	100%	34.40%
06/30/22	\$3,614,311	\$20,019,859	\$6,555,479	\$26,397,045	100%	100%	13.50%
06/30/21	\$3,567,480	\$19,086,577	\$6,561,503	\$24,909,060	100%	100%	10.30%
06/30/20	\$3,471,543	\$18,409,104	\$6,746,269	\$22,792,333	100%	100%	10.60%
06/30/19	\$3,346,315	\$17,944,118	\$6,679,311	\$21,979,022	100%	100%	14.50%
06/30/18	\$3,239,795	\$17,185,254	\$6,676,018	\$21,129,746	100%	100%	0.70%
06/30/17	\$3,148,413	\$15,800,416	\$6,666,893	\$19,916,322	100%	100%	6.60%
06/30/16	\$3,018,468	\$15,706,371	\$6,123,570	\$18,765,863	100%	100%	3.50%

Table 4.26. Police & Fire Fund: Solvency Test

Valuation Date	Actuarial Accrued Liability For:			Portion of Accrued Liabilities Covered by Valuation Assets			
	Active Member Contribution (1)	Current Retirees and Beneficiaries (2)	Active Members (Employer Financed) Portion (3)	Valuation Assets	1	2	3
06/30/25	\$1,013,200	\$9,071,058	\$4,165,686	\$12,618,950	100%	100%	60.80%
06/30/24	\$1,141,486	\$8,651,835	\$3,587,520	\$11,744,115	100%	100%	54.40%
06/30/23	\$1,068,742	\$8,362,512	\$3,334,544	\$11,105,741	100%	100%	50.20%
06/30/22	\$1,034,615	\$7,453,436	\$2,863,416	\$10,563,877	100%	100%	72.50%
06/30/21	\$1,007,796	\$6,980,151	\$2,805,898	\$9,931,003	100%	100%	69.20%
06/30/20	\$990,616	\$6,448,667	\$2,852,284	\$9,036,069	100%	100%	56.00%
06/30/19	\$923,025	\$6,271,401	\$2,714,727	\$8,661,613	100%	100%	54.00%
06/30/18	\$877,470	\$6,021,677	\$2,653,657	\$8,320,094	100%	100%	53.50%
06/30/17	\$821,166	\$5,744,606	\$2,633,436	\$7,840,549	100%	100%	48.40%
06/30/16	\$769,533	\$5,279,381	\$2,368,707	\$7,385,777	100%	100%	56.40%

Table 4.27. Correctional Fund: Solvency Test

Valuation Date	Actuarial Accrued Liability For:			Portion of Accrued Liabilities Covered by Valuation Assets			
	Active Member Contribution (1)	Current Retirees and Beneficiaries (2)	Active Members (Employer Financed) Portion (3)	Valuation Assets	1	2	3
06/30/25	\$100,797	\$740,501	\$436,856	\$1,294,938	100%	100%	103.80%
06/30/24	\$95,722	\$729,899	\$413,270	\$1,176,113	100%	100%	84.80%
06/30/23	\$91,669	\$663,255	\$357,481	\$1,075,475	100%	100%	89.70%
06/30/22	\$88,795	\$559,998	\$295,948	\$992,811	100%	100%	116.20%
06/30/21	\$94,212	\$473,124	\$303,231	\$904,434	100%	100%	111.20%
06/30/20	\$91,782	\$416,648	\$306,026	\$794,221	100%	100%	93.40%
06/30/19	\$89,874	\$369,015	\$299,379	\$729,570	100%	100%	90.40%
06/30/18	\$86,410	\$326,339	\$284,093	\$666,012	100%	100%	89.10%
06/30/17	\$84,107	\$280,963	\$264,800	\$595,366	100%	100%	87.00%
06/30/16	\$81,675	\$228,642	\$243,523	\$526,879	100%	100%	88.90%

Schedule of Active Members Valuation Data

To find a summary of changes in the nature of the plans, actuarial methods and assumptions used, and the year change occurred, refer to the [Summary of Actuarial Assumptions and Methods](#) on pages [110–126](#).

Last 10 Years

Table 4.28. General Employees Plan: Active Member Valuation Data

Valuation Date	Number	Valuation Payroll (in thousands)	Annual Average Pay	% Increase in Average Pay
06/30/25	169,427	\$8,614,516	\$50,845	3.7%
06/30/24	164,224	\$8,054,695	\$49,047	3.4%
06/30/23	154,261	\$7,317,216	\$47,434	1.0%
06/30/22	149,987	\$7,042,154	\$46,952	3.7%
06/30/21	149,281	\$6,761,354	\$45,293	4.0%
06/30/20	153,741	\$6,698,754	\$43,572	2.9%
06/30/19	154,130	\$6,523,754	\$42,326	2.9%
06/30/18	153,059	\$6,298,815	\$41,153	2.2%
06/30/17	152,867	\$6,156,985	\$40,277	3.8%
06/30/16	148,745	\$5,773,708	\$38,816	1.9%

Table 4.29. Police & Fire Plan: Active Member Valuation Data

Valuation Date	Number	Valuation Payroll (in thousands)	Annual Average Pay	% Increase in Average Pay
06/30/25	12,326	\$1,375,545	\$111,597	6.1%
06/30/24	11,994	\$1,261,781	\$105,201	6.3%
06/30/23	11,635	\$1,151,376	\$98,958	2.1%
06/30/22	11,629	\$1,127,314	\$96,940	3.5%
06/30/21	11,705	\$1,096,195	\$93,652	5.3%
06/30/20	12,025	\$1,069,481	\$88,938	3.4%
06/30/19	11,763	\$1,011,421	\$85,983	2.8%
06/30/18	11,673	\$976,657	\$83,668	2.1%
06/30/17	11,522	\$944,296	\$81,956	6.0%
06/30/16	11,398	\$881,222	\$77,314	2.1%

Table 4.30. Correctional Plan: Active Member Valuation Data

Valuation Date	Number	Valuation Payroll (in thousands)	Annual Average Pay	% Increase in Average Pay
06/30/25	4,059	\$291,777	\$71,884	4.7%
06/30/24	3,914	\$268,763	\$68,667	7.6%
06/30/23	3,786	\$241,588	\$63,811	3.2%
06/30/22	3,564	\$220,292	\$61,810	5.4%
06/30/21	3,788	\$222,093	\$58,631	3.8%
06/30/20	3,855	\$217,702	\$56,473	4.6%
06/30/19	3,965	\$214,151	\$54,010	4.8%
06/30/18	3,981	\$205,077	\$51,514	(1.1%)
06/30/17	3,842	\$200,103	\$52,083	5.6%
06/30/16	3,827	\$188,816	\$49,338	1.4%

Schedule of Retirees and Beneficiaries

Table 4.31. General Employees Plan: Retirees and Beneficiaries

	<i>Added to Rolls</i>		<i>Removed from Rolls</i>		<i>Year-End Total</i>			
Valuation Date	Number Added	Annual Allowances	Number Removed	Annual Allowances	Number	Annual Allowances	% Change in Annual Allowances	Average Annual Allowances
06/30/25	6,860	\$133,082	4,211	\$75,322	124,529	\$1,948,415	3.1%	\$15,646
06/30/24	6,814	\$137,643	4,014	\$73,353	121,880	\$1,890,655	3.5%	\$15,512
06/30/23	7,068	\$135,971	3,968	\$70,549	119,080	\$1,826,366	3.7%	\$15,337
06/30/22	7,663	\$139,178	3,915	\$65,284	115,980	\$1,760,944	4.4%	\$15,183
06/30/21	7,572	\$126,930	3,832	\$63,936	112,232	\$1,687,049	3.9%	\$15,032
06/30/20	6,837	\$118,695	3,588	\$57,858	108,492	\$1,624,055	3.9%	\$14,969
06/30/19	6,842	\$122,035	3,371	\$57,476	105,243	\$1,563,218	4.3%	\$14,853
06/30/18	6,878	\$114,687	3,307	\$55,454	101,772	\$1,498,659	4.1%	\$14,726
06/30/17	7,132	\$117,947	3,219	\$53,791	98,201	\$1,439,426	4.7%	\$14,658
06/30/16	6,783	\$110,107	3,087	\$52,933	94,288	\$1,375,270	4.3%	\$14,586

Table 4.32. Police & Fire Plan: Retirees and Beneficiaries

	<i>Added to Rolls</i>		<i>Removed from Rolls</i>		<i>Year-End Total</i>			
Valuation Date	Number Added	Annual Allowances	Number Removed	Annual Allowances	Number	Annual Allowances	% Change in Annual Allowances	Average Annual Allowances
06/30/25	532	\$41,361	304	\$13,483	13,120	\$738,476	3.9%	\$56,286
06/30/24	576	\$40,852	285	\$12,781	12,892	\$710,599	4.1%	\$55,119
06/30/23	793	\$51,199	299	\$13,110	12,601	\$682,527	5.9%	\$54,165
06/30/22	851	\$54,242	400	\$19,307	12,107	\$644,438	5.7%	\$53,229
06/30/21	809	\$53,358	354	\$16,939	11,656	\$609,503	6.4%	\$52,291
06/30/20	549	\$32,891	379	\$18,134	11,201	\$573,083	2.6%	\$51,164
06/30/19	606	\$37,676	331	\$15,535	11,031	\$558,327	4.1%	\$50,614
06/30/18	474	\$28,399	297	\$13,622	10,756	\$536,186	2.8%	\$49,850
06/30/17	517	\$31,389	290	\$12,513	10,579	\$521,409	3.8%	\$49,287
06/30/16	447	\$25,711	304	\$13,615	10,352	\$502,533	2.5%	\$48,545

Table 4.33. Correctional Plan: Retirees and Beneficiaries

	<i>Added to Rolls</i>		<i>Removed from Rolls</i>		<i>Year-End Total</i>			
Valuation Date	Number Added	Annual Allowances	Number Removed	Annual Allowances	Number	Annual Allowances	% Change in Annual Allowances	Average Annual Allowances
06/30/25	150	\$3,956	34	\$594	2,074	\$34,799	10.7%	\$16,779
06/30/24	154	\$3,784	39	\$529	1,958	\$31,437	11.6%	\$0
06/30/23	165	\$3,885	39	\$664	1,843	\$28,182	12.9%	\$15,291
06/30/22	184	\$4,248	39	\$606	1,717	\$24,960	17.1%	\$14,537
06/30/21	162	\$3,631	33	\$385	1,572	\$21,319	18.0%	\$13,561
06/30/20	150	\$1,933	25	\$281	1,443	\$18,073	10.1%	\$12,524
06/30/19	137	\$2,395	12	\$162	1,318	\$16,421	15.7%	\$12,459
06/30/18	134	\$2,471	26	\$318	1,193	\$14,188	17.9%	\$11,893
06/30/17	142	\$2,365	24	\$329	1,085	\$12,035	20.4%	\$11,092
06/30/16	118	\$1,645	15	\$146	967	\$9,999	17.6%	\$10,340

Determination of Contribution Sufficiency

As of June 30, 2025 (in thousands)

Table 4.34. General Employees Plan: Determination of Contribution Sufficiency

Contributions	Percent of Payroll	Dollar Amount
A. Statutory Contributions: Minnesota Statutes Chapter 353		
1. Employee Contributions	6.50%	\$587,473
2. Employer Contributions	7.50%	677,852
3. Employer Supplemental	0.23%	21,000
4. State of Minnesota	0.18%	16,000
5. Total	14.41%	\$1,302,325
B. Actuarially-Determined Contributions: Minnesota Statutes Chapter 356		
1. Normal Cost		
a. Retirement Benefits	6.45%	\$582,951
b. Disability Benefits	0.16%	14,463
c. Survivor Benefits	0.09%	8,134
d. Deferred Benefits	1.68%	151,840
e. Refunds	0.35%	31,634
f. Total Normal Cost	8.73%	\$789,022
2. Amortization of Supplemental Contribution UAAL	3.26%	\$294,639
3. Allowance for Administrative Expenses	0.21%	18,980
4. Total (sum of B.1 + B.2 + B.3)	12.20%	\$1,102,641
C. Contribution Sufficiency/(Deficiency) (A.5–B.4)	2.21%	\$199,684
Projected annual payroll for fiscal year beginning July 1, 2024		\$9,038,014
Required contribution on a market value of assets basis of payroll		11.06%

Table 4.35. Police & Fire Plan: Determination of Contribution Sufficiency

Contributions	Percent of Payroll	Dollar Amount
A. Statutory Contributions: Minnesota Statutes Chapter 353		
1. Employee Contributions	11.80%	\$169,523
2. Employer Contributions	17.70%	254,285
3. Minneapolis Police Contributions	0.31%	4,490
4. Minneapolis Fire Contributions	0.22%	3,189
5. State of Minnesota	2.48%	35,700
6. Total	32.51%	\$467,187
B. Actuarially-Determined Contributions: Minnesota Statutes Chapter 356		
1. Normal Cost		
a. Retirement Benefits	14.03%	\$201,560
b. Disability Benefits	9.93%	142,658
c. Survivor Benefits	0.58%	8,333
d. Deferred Benefits	1.87%	26,865
e. Refunds	0.22%	3,161
f. Total Normal Cost	26.63%	\$382,577
2. Amortization of Supplemental Contribution UAAL	7.24%	\$104,013
3. Allowance for Administrative Expenses	0.12%	1,724
4. Total (sum of B.1 + B.2 + B.3)	33.99%	\$488,314
C. Contribution Sufficiency/(Deficiency) (A.6–B.4)	(1.48%)	(\$21,127)
Projected annual payroll for fiscal year beginning July 1, 2024		\$1,436,638
Required contribution on a market value of assets basis of payroll		31.14%

Table 4.36. Correctional Plan: Determination of Contribution Sufficiency

Contributions	Percent of Payroll	Dollar Amount
A. Statutory Contributions: Minnesota Statutes Chapter 353		
1. Employee Contributions	6.83%	\$20,886
2. Employer Contributions	10.25%	31,345
3. Total	17.08%	\$52,231
B. Actuarially-Determined Contributions: Minnesota Statutes Chapter 356		
1. Normal Cost		
a. Retirement Benefits	7.56%	\$23,119
b. Disability Benefits	2.26%	6,911
c. Survivor Benefits	0.09%	275
d. Deferred Benefits	3.10%	9,480
e. Refunds	1.13%	3,456
f. Total Normal Cost	14.14%	\$43,241
2. Amortization of Supplemental Contribution UAAL	(0.61%)	(\$1,865)
3. Allowance for Administrative Expenses	0.19%	581
4. Total (sum of B.1 + B.2 + B.3)	13.72%	\$41,957
C. Contribution Sufficiency/(Deficiency) (A.3–B.4)	3.36%	\$10,274
Projected annual payroll for fiscal year beginning July 1, 2024		\$305,805
Required contribution on a market value of assets basis of payroll		12.28%

Determination of Actuarial Value of Assets

As of June 30, 2025 (in thousands)

Table 4.37. Determination of Actuarial Value of Assets

General Employees Plan				Asset Value
Fair value of assets available for benefits (a)				\$32,638,737
Calculation of unrecognized return	Original Amount	% Not Recognized	Unrecognized Return	
Year ended June 30, 2025	\$1,177,785	80%	\$942,228	
Year ended June 30, 2024	\$1,416,738	60%	\$850,043	
Year ended June 30, 2023	\$350,223	40%	\$140,089	
Year ended June 30, 2022	(\$3,863,099)	20%	(\$772,620)	
Year ended June 30, 2021	\$5,043,720	0%	\$0	
Total unrecognized return (b)				1,159,740
Actuarial Value of Assets (a - b)				\$31,478,997
Police & Fire Plan				Asset Value
Fair value of assets available for benefits (a)				\$13,078,280
Calculation of unrecognized return	Original Amount	% Not Recognized	Unrecognized Return	
Year ended June 30, 2025	\$465,559	80%	\$372,447	
Year ended June 30, 2024	\$565,085	60%	\$339,051	
Year ended June 30, 2023	\$142,198	40%	\$56,879	
Year ended June 30, 2022	(\$1,545,237)	20%	(\$309,047)	
Year ended June 30, 2021	\$2,009,123	0%	\$0	
Total unrecognized return (b)				459,330
Actuarial Value of Assets (a - b)				\$12,618,950
Correctional Plan				Asset Value
Fair value of assets available for benefits (a)				\$1,344,302
Calculation of unrecognized return	Original Amount	% Not Recognized	Unrecognized Return	
Year ended June 30, 2025	\$47,925	80%	\$38,340	
Year ended June 30, 2024	\$56,958	60%	\$34,175	
Year ended June 30, 2023	\$14,076	40%	\$5,630	
Year ended June 30, 2022	(\$143,904)	20%	(\$28,781)	
Year ended June 30, 2021	\$179,252	0%	\$0	
Total unrecognized return (b)				49,364
Actuarial Value of Assets (a - b)				\$1,294,938

Schedule of Changes in Unfunded Actuarial Accrued Liabilities

For the fiscal year ended June 30, 2025 (in thousands)

Table 4.38. Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

	General Employees Fund	Police & Fire Fund	Correctional Fund
A. UAAL at Beginning of Year (7/1/24)	\$4,503,957	\$1,636,726	\$62,778
B. Change Due to Interest Requirements and Current Rate of Funding			
1. Normal Cost and Expenses	\$741,549	\$310,247	\$44,528
2. Contributions	(1,238,854)	(446,468)	(39,846)
3. Interest on A, B1, and B2	296,421	109,405	4,572
Total Change from Interest and Rate of Funding	(\$200,884)	(\$26,816)	\$9,254
C. Expected UAAL at End of Year (A + B)	\$4,303,073	\$1,609,910	\$72,032
D. Increase (Decrease) Due to Actuarial Losses (Gains) Because of Experience Deviations from Expected*			
1. Age and Service Retirements	\$38,602	\$1,556	\$864
2. Disability Retirements	(359)	13,320	(2,427)
3. Death-in-Service Benefits	(1,985)	(4,652)	50
4. Withdrawals	(28,773)	10,104	(661)
5. Salary Increases	135,663	150,948	9,696
6. Investment Income	(884,372)	(351,350)	(33,138)
7. Mortality of Annuitants	(1,045)	(9,644)	(62)
8. January 1, 2025 COLA (gain)/loss*	0	0	2,098
9. Other Items	13,917	45,501	(2,090)
Total Increase (Decrease)	(\$728,352)	(\$144,217)	(\$25,670)
E. UAAL at End of Year Before Plan Amendments and Changes in Actuarial Assumptions (C + D)	\$3,574,721	\$1,465,693	\$46,362
F. Change in UAAL Due to Change in Plan Provisions	\$792,467	\$187,132	\$1,918
G. Change in UAAL Due to Change in Actuarial Assumptions and Methods	\$106,461	(\$21,831)	(\$65,064)
H. Change in Unfunded Actuarial Accrued Liability Due to Changes in Methodology	\$0	\$0	\$0
I. UAAL at End of Year 6/30/2025 (E + F + G + H)**	\$4,473,649	\$1,630,994	(\$16,784)

Explanatory Notes:

1. If members retire earlier than assumed, there is a loss; if later, a gain.
2. If more members take a disability than assumed, there is a loss; if fewer, a gain.
3. If fewer active members die than assumed, there is a loss; if more, a gain.
4. If fewer members terminate employment than assumed, there is a loss; if more, a gain.
5. If there are larger salary increases than assumed, there is a loss; if smaller, a gain.
6. If there is a smaller investment return than assumed, there is a loss; if larger, a gain.
7. If benefit recipients live longer than assumed, there is a loss; if less, a gain.
8. January 1 benefit increase is greater than expected, there is a loss; if less, a gain.
9. Miscellaneous gains and losses.

*For the General Employees Fund, January 1, 2025 benefits increased 1.25% and were expected to increase 1.25%. For the Correctional Fund, January 1, 2025 benefits increased 2.5% and were expected to increase 2.0%.

**For the General Employees Fund, the unfunded actuarial accrued liability on a market value of assets basis is \$3,313,909. For the Police and Fire Fund, the unfunded actuarial accrued liability on a market value of assets basis is \$1,171,664. For the Correctional Fund, on a market value of assets basis, assets exceed liabilities by \$66,148.



STATISTICAL

SECTION

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Introduction to the Statistical Section

The Statistical Section provides historical perspective, context, and detail to PERA's financial statements, note disclosures, and supplemental information.

The Statistical Section includes the following:

- The [Schedule of Changes in Fiduciary Net Position](#) provides a 10-year schedule of additions and deductions for each fund and each addition and deduction type.
- The [Benefits and Refunds by Type](#) section provides a 10-year schedule of the types of benefit payments and refunds paid.
- The [Summary of Membership](#) provides a 10-year schedule of the number of our active, terminated, and retired members.
- The [Schedule of New Retirees and Initial Benefits Paid](#) provides a 10-year schedule of information used to calculate first benefit payments.
- The [Schedule of Benefit Recipients by Type](#) provides information about the type of benefit selected and the survivor option selected.
- The [Principal Participating Employers](#) section provides the top ten participating employers in each plan compared to the top ten employers from ten years ago.
- The [Privatized Employers](#) section provides a list of privatized employers according to Minnesota Statutes chapter 325F.

Information in this section was produced by PERA's actuary and internal data sources.

Schedule of Changes in Fiduciary Net Position

Last 10 fiscal years (in thousands)

Table 5.1. General Employees Fund: Schedule of Changes in Fiduciary Net Position

Additions & Deductions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additions to Fiduciary Net Position										
Employer Contributions	\$664,119	\$619,580	\$581,044	\$546,291	\$524,685	\$509,821	\$515,444	\$488,819	\$477,888	\$459,978
Member Contributions	558,735	521,198	487,107	457,740	439,488	435,419	424,044	409,423	400,204	375,291
State Contribution	16,000	186,093	16,000	16,000	16,000	16,000	16,000	16,000	6,000	6,000
Investment Income	3,261,653	3,318,778	2,272,563	(1,749,186)	6,712,710	931,041	1,547,224	2,063,582	2,682,901	(20,851)
Other	499	(79)	204	142	182	267	154	56	411	431
Total Additions	\$4,501,006	\$4,645,570	\$3,356,918	(\$729,013)	\$7,693,065	\$1,892,548	\$2,502,866	\$2,977,880	\$3,567,404	\$820,849
Deductions to Fiduciary Net Position										
Benefits	\$1,933,807	\$1,889,457	\$1,808,287	\$1,737,905	\$1,666,103	\$1,604,842	\$1,536,071	\$1,470,450	\$1,413,448	\$1,359,176
Refunds of Contributions	72,963	74,307	67,580	73,152	58,027	84,947	65,834	42,589	37,234	37,209
Administrative Expenses	17,503	20,579	14,459	13,398	12,741	12,268	13,470	11,943	11,292	11,110
Other	0	0	0	0	0	0	0	0	0	0
Total Deductions	\$2,024,273	\$1,984,343	\$1,890,326	\$1,824,455	\$1,736,871	\$1,702,057	\$1,615,375	\$1,524,982	\$1,461,974	\$1,407,495
Change in Fiduciary Net Position	\$2,476,733	\$2,661,227	\$1,466,592	(\$2,553,468)	\$5,956,194	\$190,491	\$887,491	\$1,452,898	\$2,105,430	(\$586,646)

The Minneapolis Employees Retirement Fund (MERF) merged into the General Employees Retirement Fund on January 1, 2015. The General Fund has been restated to include MERF for the ten-year schedule.

Table 5.2. Police & Fire Fund: Schedule of Changes in Fiduciary Net Position

Additions & Deductions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additions to Fiduciary Net Position										
Employer Contributions	\$259,631	\$236,216	\$223,305	\$206,416	\$201,129	\$193,819	\$174,817	\$170,781	\$166,329	\$156,065
Member Contributions	168,837	152,987	144,470	133,023	129,351	123,525	111,762	105,479	101,984	95,172
State Contribution	18,000	37,397	18,000	18,000	18,000	13,500	13,500	9,000	9,000	9,000
Investment Income	1,300,079	1,327,276	912,519	(700,942)	2,672,826	368,949	609,512	813,966	1,058,942	(8,949)
Other	664	(616)	(61)	(20)	23	260	54	58	24	3
Total Additions	\$1,747,211	\$1,753,260	\$1,298,233	(\$343,523)	\$3,021,329	\$700,053	\$909,645	\$1,099,284	\$1,336,279	\$251,291
Deductions to Fiduciary Net Position										
Benefits	\$727,044	\$720,158	\$669,804	\$633,255	\$592,687	\$567,040	\$547,699	\$528,468	\$512,379	\$498,608
Refunds of Contributions	5,473	5,051	3,747	4,196	3,060	3,181	3,283	1,902	2,119	2,391
Administrative Expenses	1,646	1,747	1,247	1,634	941	924	1,018	886	992	906
Other	0	0	0	0	0	0	0	0	0	0
Total Deductions	\$734,163	\$726,956	\$674,798	\$639,085	\$596,688	\$571,145	\$552,000	\$531,256	\$515,490	\$501,905
Change in Fiduciary Net Position	\$1,013,048	\$1,026,304	\$623,435	(\$982,608)	\$2,424,641	\$128,908	\$357,645	\$568,028	\$820,789	(\$250,614)

Table 5.3. Correctional Fund: Schedule of Changes in Fiduciary Net Position

Additions & Deductions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additions to Fiduciary Net Position										
Employer Contributions	\$23,914	\$22,209	\$20,518	\$19,227	\$19,351	\$19,043	\$18,676	\$17,871	\$17,489	\$16,490
Member Contributions	15,932	14,851	13,894	12,843	12,948	12,692	12,485	11,956	11,666	11,008
State Contribution	0	5,256	0	0	0	0	0	0	0	0
Investment Income	132,628	131,985	87,393	(66,015)	238,666	31,774	50,853	62,962	78,363	209
Other	25	(22)	0	0	1	0	0	1	0	0
Total Additions	\$172,499	\$174,279	\$121,805	(\$33,945)	\$270,966	\$63,509	\$82,014	\$92,790	\$107,518	\$27,707
Deductions to Fiduciary Net Position										
Benefits	\$33,644	\$29,865	\$27,117	\$23,372	\$20,088	\$17,569	\$15,381	\$13,183	\$11,033	\$9,381
Refunds of Contributions	2,422	2,559	2,369	2,713	2,140	2,709	2,244	1,364	1,478	982
Administrative Expenses	544	641	434	371	344	332	361	308	330	292
Other	0	0	0	0	0	0	0	0	0	0
Total Deductions	\$36,610	\$33,065	\$29,920	\$26,456	\$22,572	\$20,610	\$17,986	\$14,855	\$12,841	\$10,655
Change in Fiduciary Net Position	\$135,889	\$141,214	\$91,885	(\$60,401)	\$248,394	\$42,899	\$64,028	\$77,935	\$94,677	\$17,052

Table 5.4. Statewide Volunteer Firefighter Defined Benefit Fund: Schedule of Changes in Fiduciary Net Position

Additions & Deductions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additions to Fiduciary Net Position										
Employer Contributions	\$3,479	\$1,326	\$1,331	\$998	\$529	\$1,051	\$1,181	\$938	\$716	\$332
State Contribution	9,160	7,382	5,999	5,349	5,059	4,580	3,993	3,522	2,659	1,811
Investment Income	25,131	19,295	12,892	(19,459)	24,776	7,535	7,682	4,681	6,409	1,325
Other (mainly initial transfer of assets)	49,696	20,879	10,691	5,522	2,355	4,802	10,916	8,048	14,206	20,401
Total Additions	\$87,466	\$48,882	\$30,913	(\$7,590)	\$32,719	\$17,968	\$23,772	\$17,189	\$23,990	\$23,869
Deductions to Fiduciary Net Position										
Benefits	\$10,188	\$16,679	\$10,956	\$5,142	\$5,627	\$7,057	\$4,709	\$4,161	\$2,700	\$1,644
Refunds of Contributions	0	0	13	0	0	0	0	0	0	0
Administrative Expenses	78	245	201	161	12	48	111	70	61	132
Other Deductions**	0	0	0	0	0	250	0	0	0	0
Total Deductions	\$10,266	\$16,924	\$11,170	\$5,303	\$5,639	\$7,355	\$4,820	\$4,231	\$2,761	\$1,776
Change in Fiduciary Net Position	\$77,200	\$31,958	\$19,743	(\$12,893)	\$27,080	\$10,613	\$18,952	\$12,958	\$21,229	\$22,093

**Other Deductions and Administrative Expenses were restated to reflect departments that transferred out of the Volunteer Firefighter Fund.

Table 5.5. Public Employees Defined Contribution Fund: Schedule of Changes in Fiduciary Net Position

Additions & Deductions	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additions to Fiduciary Net Position										
Employer Contributions	\$2,577	\$2,475	\$2,365	\$2,242	\$2,133	\$2,160	\$2,084	\$2,036	\$1,822	\$1,965
Member Contributions	2,483	2,374	2,268	2,127	2,066	2,002	1,957	1,911	1,739	1,779
Investment Income	12,512	14,920	10,622	(12,084)	23,301	5,227	5,440	6,490	7,274	999
Other	0	0	0	0	6	0	0	0	7	2
Total Additions	\$17,572	\$19,769	\$15,255	(\$7,715)	\$27,506	\$9,389	\$9,481	\$10,437	\$10,842	\$4,745
Deductions to Fiduciary Net Position										
Refunds	\$12,598	\$0	\$7,697	\$8,067	\$6,986	\$3,971	\$5,959	\$4,326	\$5,233	\$3,755
Administrative Expenses	322	0	331	298	279	234	214	211	137	189
Total Deductions	\$12,920	\$0	\$8,028	\$8,365	\$7,265	\$4,205	\$6,173	\$4,537	\$5,370	\$3,944
Change in Fiduciary Net Position	\$4,652	\$19,769	\$7,227	(\$16,080)	\$20,241	\$5,184	\$3,308	\$5,900	\$5,472	\$801

Table 5.6. Statewide Volunteer Firefighter Defined Contribution Fund: Schedule of Changes in Fiduciary Position

Additions & Deductions	2025
Additions to Fiduciary Net Position	
Employer Contributions	\$213
State Contribution	16
Investment Income	547
Other (mainly initial transfer of assets)	8,372
Total Additions	\$9,148
Deductions to Fiduciary Net Position	
Benefits	0
Administrative Expenses	15
Total Deductions	\$15
Change in Fiduciary Net Position	\$9,133

This table is intended to display information over ten years. Additional information will be added when available.

Benefits & Refunds by Type

Defined benefit plans: Last 10 fiscal years (in thousands)

Table 5.7. General Plan: Benefits & Refunds by Type

Benefits & Refunds	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Benefits by Type										
Retirement	\$1,765,843	\$1,721,198	\$1,642,917	\$1,574,140	\$1,503,311	\$1,442,689	\$1,373,267	\$1,307,364	\$1,250,427	\$1,195,640
Survivor	152,726	152,392	148,389	146,641	144,756	142,659	142,187	141,781	141,449	140,630
Disability	15,238	15,866	16,981	17,124	18,036	19,494	20,617	21,305	21,572	22,906
Total	\$1,933,807	\$1,889,456	\$1,808,287	\$1,737,905	\$1,666,103	\$1,604,842	\$1,536,071	\$1,470,450	\$1,413,448	\$1,359,176
Refund by Type										
Separation	\$54,410	\$57,156	\$53,183	\$56,234	\$43,945	\$59,829	\$43,723	\$30,981	\$27,513	\$27,601
Death	1,128	784	821	745	433	542	812	582	508	505
Interest/Employer	17,425	16,366	13,576	16,173	13,649	24,576	21,299	11,026	9,213	9,103
Total	\$72,963	\$74,306	\$67,580	\$73,152	\$58,027	\$84,947	\$65,834	\$42,589	\$37,234	\$37,209

The Minneapolis Employees Retirement Fund (MERF) merged into the General Employees Retirement Fund on January 1, 2015. The General Fund has been restated to include MERF for the ten-year schedule.

Table 5.8. Police & Fire Plan: Benefits & Refunds by Type

Benefits & Refunds	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Benefits by Type										
Retirement	\$561,881	\$551,380	\$511,162	\$486,560	\$463,500	\$445,843	\$432,012	\$416,652	\$403,053	\$391,952
Survivor	72,231	72,107	67,640	66,167	64,688	63,210	60,872	59,438	58,568	58,119
Disability	92,932	96,671	91,002	80,528	64,499	57,987	54,814	52,378	50,758	48,537
Total	\$727,044	\$720,158	\$669,804	\$633,255	\$592,687	\$567,040	\$547,698	\$528,468	\$512,379	\$498,608
Refund by Type										
Separation	\$4,490	\$4,153	\$2,923	\$3,428	\$2,476	\$2,390	\$2,117	\$1,444	\$1,599	\$1,540
Death	0	0	211	0	0	65	29	0	52	0
Interest/Employer	983	898	613	768	584	726	1,137	458	468	851
Total	\$5,473	\$5,051	\$3,747	\$4,196	\$3,060	\$3,181	\$3,283	\$1,902	\$2,119	\$2,391

Table 5.9. Correctional Plan: Benefits & Refunds by Type

Benefits & Refunds	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Benefits by Type										
Retirement	\$28,499	\$25,360	\$22,754	\$19,565	\$16,571	\$14,307	\$12,287	\$10,357	\$8,555	\$6,954
Survivor	1,570	1,117	1,059	884	811	712	617	529	437	372
Disability	3,575	3,389	3,304	2,923	2,706	2,550	2,477	2,297	2,041	2,055
Total	\$33,644	\$29,866	\$27,117	\$23,372	\$20,088	\$17,569	\$15,381	\$13,183	\$11,033	\$9,381
Refund by Type										
Separation	\$2,016	\$2,157	\$2,023	\$2,253	\$1,731	\$2,034	\$1,617	\$1,049	\$1,129	\$792
Death	15	0	0	2	0	38	0	35	45	0
Interest/Employer	391	403	346	458	409	637	627	280	304	190
Total	\$2,422	\$2,560	\$2,369	\$2,713	\$2,140	\$2,709	\$2,244	\$1,364	\$1,478	\$982

Table 5.10. Statewide Volunteer Firefighter Defined Benefit Plan: Benefits & Refunds by Type

Benefits & Refunds	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Benefits by Type										
Retirement	\$1,334	\$1,207	\$1,086	\$1,020	\$953	\$903	\$762	\$607	\$554	\$279
Survivor	99	90	86	87	84	90	58	49	51	23
Lump Sum Benefit	8,755	15,382	9,784	4,035	4,590	6,064	3,889	3,505	2,095	1,342
Total	\$10,188	\$16,679	\$10,956	\$5,142	\$5,627	\$7,057	\$4,709	\$4,161	\$2,700	\$1,644

Summary of Membership

Defined benefit plans: Last 10 Years

Table 5.11. General Employees Plan: Summary of Membership

Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2025	169,427	124,529	72,913	87,781	454,650
2024	164,224	121,880	71,542	89,853	447,499
2023	154,261	119,080	70,221	88,292	431,854
2022	149,987	115,980	68,636	84,675	419,278
2021	149,281	112,232	66,048	81,052	408,613
2020	153,741	108,492	64,672	79,069	405,974
2019	154,130	105,243	63,311	126,116	448,800
2018	153,059	101,772	61,066	138,768	454,665
2017	152,867	98,201	52,274	138,335	441,677
2016	148,745	94,288	52,516	132,416	427,965

Table 5.12. Police & Fire Plan: Summary of Membership

Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2025	12,326	13,120	1,933	889	28,268
2024	11,994	12,892	1,940	894	27,720
2023	11,635	12,601	1,966	941	27,143
2022	11,629	12,107	1,864	957	26,557
2021	11,705	11,656	1,813	912	26,086
2020	12,025	11,201	1,686	894	25,806
2019	11,763	11,031	1,620	1,145	25,559
2018	11,673	10,756	1,580	1,188	25,197
2017	11,522	10,579	1,506	1,134	24,741
2016	11,398	10,352	1,490	1,059	24,299

Table 5.13. Correctional Plan: Summary of Membership

Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2025	4,059	2,074	4,797	2,589	13,519
2024	3,914	1,958	4,637	2,635	13,144
2023	3,786	1,843	4,378	2,604	12,611
2022	3,564	1,717	4,129	2,480	11,890
2021	3,788	1,572	3,832	2,200	11,392
2020	3,855	1,443	3,637	2,184	11,119
2019	3,965	1,318	3,374	2,790	11,447
2018	3,981	1,193	3,165	2,811	11,150
2017	3,842	1,085	2,933	2,624	10,484
2016	3,827	967	2,755	2,359	9,908

Table 5.14. Statewide Volunteer Firefighter Defined Benefit Plan: Summary of Membership

Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2025	5,899	140	1,812	1,747	9,598
2024	4,919	137	1,415	0	6,471
2023	4,454	142	1,302	0	5,898
2022	4,186	143	1,156	0	5,485
2021	4,007	140	1,032	0	5,179
2020	3,773	136	968	0	4,877
2019	3,517	137	840	0	4,494
2018	3,256	86	751	0	4,093
2016	1,639	79	928	0	2,646

The first monthly benefit division participant joined the Statewide Volunteer Firefighter Defined Benefit Plan on January 1, 2016.

Schedule of New Retirees & Initial Benefit Paid

Defined benefit plans: Last 10 Years

Table 5.15. General Employees Plan: Schedule of New Retirees & Initial Benefit Paid

	<i>Years Credited Service</i>						
	0–4	5–9	10–14	15–19	20–24	25–29	30 +
2025							
Average monthly benefit	\$152	\$393	\$741	\$1,063	\$1,452	\$2,034	\$3,542
Average high five salary	\$4,171	\$3,309	\$3,748	\$3,952	\$4,327	\$4,999	\$6,283
Number of retirees	771	1,123	828	740	774	608	856
2024							
Average monthly benefit	\$147	\$362	\$661	\$1,055	\$1,370	\$1,867	\$3,456
Average high five salary	\$4,246	\$3,080	\$3,346	\$3,841	\$4,027	\$4,606	\$6,108
Number of retirees	711	1,042	706	789	797	652	983
2023							
Average monthly benefit	\$154	\$368	\$642	\$982	\$1,340	\$1,857	\$3,340
Average high five salary	\$4,516	\$3,113	\$3,302	\$3,626	\$4,043	\$4,581	\$5,932
Number of retirees	761	1,109	836	786	905	631	1,062
2022							
Average monthly benefit	\$153	\$352	\$687	\$1,009	\$1,351	\$1,825	\$3,287
Average high five salary	\$4,190	\$3,091	\$3,368	\$3,677	\$3,991	\$4,424	\$5,793
Number of retirees	830	1,228	906	878	939	712	1,242
2021							
Average monthly benefit	\$148	\$346	\$646	\$996	\$1,289	\$1,684	\$3,247
Average high five salary	\$4,009	\$2,930	\$3,132	\$3,569	\$3,825	\$4,086	\$5,678
Number of retirees	810	1,116	903	829	946	740	1,242
2020							
Average monthly benefit	\$157	\$343	\$677	\$981	\$1,312	\$1,775	\$3,232
Average high five salary	\$4,232	\$2,910	\$3,207	\$3,529	\$3,893	\$4,283	\$5,632
Number of retirees	689	950	873	781	809	675	1,204
2019							
Average monthly benefit	\$158	\$339	\$627	\$969	\$1,301	\$1,784	\$3,147
Average high five salary	\$4,104	\$2,813	\$3,165	\$3,525	\$3,752	\$4,250	\$5,489
Number of retirees	749	1,007	966	885	801	769	1,304
2018							
Average monthly benefit	\$164	\$331	\$599	\$921	\$1,213	\$1,804	\$3,018
Average high five salary	\$4,145	\$2,755	\$3,008	\$3,435	\$3,600	\$4,222	\$5,304
Number of retirees	691	867	846	880	806	788	1,224
2017							
Average monthly benefit	\$154	\$333	\$614	\$866	\$1,195	\$1,761	\$2,956
Average high five salary	\$4,170	\$2,719	\$3,076	\$3,283	\$3,586	\$4,130	\$5,190
Number of retirees	630	795	836	841	718	758	1,125
2016							
Average monthly benefit	\$142	\$317	\$576	\$864	\$1,193	\$1,802	\$2,877
Average high five salary	\$3,772	\$2,731	\$2,896	\$3,189	\$3,496	\$4,171	\$5,080
Number of retirees	619	875	821	776	793	810	1,187

Table 5.16. Police & Fire Plan: Schedule of New Retirees & Initial Benefit Paid

	<i>Years Credited Service</i>						
	0–4	5–9	10–14	15–19	20–24	25–29	30 +
2025							
Average monthly benefit	\$474	\$1,818	\$3,234	\$4,142	\$5,761	\$7,772	\$10,712
Average high five salary	\$6,111	\$7,194	\$7,277	\$7,863	\$8,577	\$9,893	\$11,193
Number of retirees	23	18	30	46	77	146	83
2024							
Average monthly benefit	\$827	\$1,598	\$2,825	\$4,054	\$5,660	\$7,400	\$9,537
Average high five salary	\$5,396	\$5,643	\$6,936	\$7,546	\$8,525	\$9,279	\$10,060
Number of retirees	20	21	32	43	96	181	77
2023							
Average monthly benefit	\$536	\$1,463	\$2,639	\$3,827	\$5,427	\$7,247	\$9,274
Average high five salary	\$5,232	\$4,960	\$5,899	\$7,147	\$8,157	\$9,230	\$9,663
Number of retirees	27	34	29	59	92	153	100
2022							
Average monthly benefit	\$453	\$1,611	\$2,453	\$3,681	\$5,191	\$6,772	\$8,948
Average high five salary	\$5,082	\$5,171	\$5,790	\$7,156	\$7,937	\$8,621	\$9,365
Number of retirees	17	22	20	39	100	140	98
2021							
Average monthly benefit	\$347	\$1,172	\$2,446	\$3,781	\$5,329	\$6,841	\$8,825
Average high five salary	\$4,008	\$4,978	\$5,993	\$7,312	\$8,184	\$8,604	\$9,270
Number of retirees	14	23	28	32	94	129	119
2020							
Average monthly benefit	\$483	\$1,496	\$2,492	\$3,565	\$4,958	\$6,554	\$8,529
Average high five salary	\$5,349	\$5,165	\$6,312	\$6,920	\$7,560	\$8,124	\$8,930
Number of retirees	20	21	22	40	64	74	55
2019							
Average monthly benefit	\$375	\$1,419	\$2,580	\$3,662	\$4,802	\$6,252	\$8,085
Average high five salary	\$4,587	\$5,526	\$6,377	\$7,087	\$7,448	\$7,840	\$8,582
Number of retirees	20	23	22	33	79	108	110
2018							
Average monthly benefit	\$838	\$1,654	\$2,418	\$3,188	\$4,726	\$6,239	\$7,705
Average high five salary	\$4,969	\$5,272	\$5,798	\$6,380	\$7,170	\$7,857	\$8,149
Number of retirees	15	14	32	30	69	84	64
2017							
Average monthly benefit	\$583	\$1,370	\$2,133	\$3,512	\$4,321	\$5,990	\$8,096
Average high five salary	\$5,387	\$4,615	\$5,277	\$6,523	\$6,772	\$7,575	\$8,426
Number of retirees	18	25	24	34	59	98	74
2016							
Average monthly benefit	\$565	\$1,363	\$2,130	\$3,152	\$4,403	\$5,649	\$7,322
Average high five salary	\$6,026	\$5,244	\$5,110	\$6,023	\$6,821	\$7,171	\$7,613
Number of retirees	20	17	18	30	59	91	44

Table 5.17. Correctional Plan: Schedule of New Retirees & Initial Benefit Paid

	<i>Years Credited Service</i>						
	0–4	5–9	10–14	15–19	20–24	25–29	30 +
2025							
Average monthly benefit	\$299	\$760	\$1,613	\$1,989	\$2,976	\$3,741	N/A
Average high five salary	\$5,755	\$4,490	\$6,648	\$6,159	\$6,893	\$7,732	N/A
Number of retirees	35	17	5	16	32	\$19	N/A
2024							
Average monthly benefit	\$260	\$702	\$1,348	\$2,099	\$3,314	N/A	N/A
Average high five salary	\$6,221	\$4,598	\$5,811	\$5,919	\$7,457	N/A	N/A
Number of retirees	29	20	19	23	37	N/A	N/A
2023							
Average monthly benefit	\$186	\$882	\$1,385	\$2,041	\$2,730	N/A	N/A
Average high five salary	\$5,661	\$4,976	\$5,177	\$6,061	\$6,519	N/A	N/A
Number of retirees	28	18	20	21	43	N/A	N/A
2022							
Average monthly benefit	\$239	\$768	\$1,318	\$2,001	\$2,600	N/A	N/A
Average high five salary	\$4,419	\$4,495	\$5,677	\$5,878	\$6,344	N/A	N/A
Number of retirees	26	19	13	29	73	N/A	N/A
2021							
Average monthly benefit	\$307	\$555	\$1,080	\$1,561	N/A	N/A	N/A
Average high five salary	\$4,361	\$3,936	\$4,366	\$5,064	N/A	N/A	N/A
Number of retirees	32	18	19	21	N/A	N/A	N/A
2020							
Average monthly benefit	\$351	\$654	\$1,219	\$1,868	N/A	N/A	N/A
Average high five salary	\$4,474	\$4,147	\$4,946	\$5,437	N/A	N/A	N/A
Number of retirees	35	18	15	32	N/A	N/A	N/A
2019							
Average monthly benefit	\$269	\$595	\$990	\$1,917	N/A	N/A	N/A
Average high five salary	\$3,947	\$3,760	\$4,447	\$5,497	N/A	N/A	N/A
Number of retirees	26	15	20	62	N/A	N/A	N/A
2018							
Average monthly benefit	\$287	\$644	\$1,112	\$1,963	N/A	N/A	N/A
Average high five salary	\$4,176	\$3,799	\$4,860	\$5,823	N/A	N/A	N/A
Number of retirees	15	12	27	61	N/A	N/A	N/A
2017							
Average monthly benefit	\$340	\$703	\$1,088	\$1,749	N/A	N/A	N/A
Average high five salary	\$4,463	\$4,099	\$4,601	\$5,524	N/A	N/A	N/A
Number of retirees	15	17	29	58	N/A	N/A	N/A
2016							
Average monthly benefit	\$201	\$552	\$1,107	N/A	N/A	N/A	N/A
Average high five salary	\$3,930	\$3,655	\$4,713	N/A	N/A	N/A	N/A
Number of retirees	13	21	20	N/A	N/A	N/A	N/A

The Correctional Plan was established July 1, 1999.

Table 5.18. Statewide Volunteer Firefighter Defined Benefit Plan: Schedule of New Retirees & Initial Benefit Paid*

	<i>Years Credited Service</i>						
	0–4	5–9	10–14	15–19	20–24	25–29	30 +
2025							
Average monthly benefit	N/A	N/A	\$655	N/A	\$1,280	N/A	N/A
Average high five salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retirees	N/A	N/A	2	N/A	1	N/A	N/A
2024							
Average monthly benefit	N/A	N/A	N/A	N/A	\$1,160	N/A	N/A
Average high five salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retirees	N/A	N/A	N/A	N/A	2	N/A	N/A
2023							
Average monthly benefit	N/A	N/A	\$668	\$0	N/A	N/A	N/A
Average high five salary**	N/A	N/A	\$0	\$0	N/A	N/A	N/A
Number of retirees	N/A	N/A	3	0	N/A	N/A	N/A
2022							
Average monthly benefit	N/A	N/A	\$0	N/A	N/A	N/A	N/A
Average high five salary**	N/A	N/A	\$4	N/A	N/A	N/A	N/A
Number of retirees	N/A	N/A	0	N/A	N/A	N/A	N/A
2021							
Average monthly benefit	N/A	N/A	\$2	\$0	\$0	N/A	N/A
Average high five salary**	N/A	N/A	\$0	\$0	\$0	N/A	N/A
Number of retirees	N/A	N/A	391	693	1,058	N/A	N/A
2020							
Average monthly benefit	N/A	N/A	\$0	N/A	\$0	N/A	N/A
Average high five salary**	N/A	N/A	\$323	N/A	\$975	N/A	N/A
Number of retirees	N/A	N/A	0	N/A	0	N/A	N/A
2019							
Average monthly benefit	N/A	N/A	\$447	N/A	\$156	N/A	N/A
Average high five salary**	N/A	N/A	\$0	N/A	\$0	N/A	N/A
Number of retirees	N/A	N/A	1	N/A	10	N/A	N/A
2018							
Average monthly benefit	N/A	N/A	N/A	N/A	\$0	N/A	N/A
Average high five salary**	N/A	N/A	N/A	N/A	\$3	N/A	N/A
Number of retirees	N/A	N/A	N/A	N/A	0	N/A	N/A
2017							
Average monthly benefit	N/A	\$1	\$10	\$13	\$48	\$3	N/A
Average high five salary**	N/A	\$0	\$0	\$0	\$0	\$0	N/A
Number of retirees	N/A	0	0	0	0	0	N/A
2016							
Average monthly benefit	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average high five salary**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retirees	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*The first monthly benefit division employer joined the Statewide Volunteer Firefighter Defined Benefit Plan on January 1, 2016.

**The monthly benefit is based on years of service, not salary.

Schedule of Benefit Recipients by Type

Defined benefit plans as of June 30, 2025

Table 5.19. General Employees Plan: Schedule of Benefit Recipients by Type

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit				Option Selected					
		A	B	C	D	1	2	3	4	5	6
\$1–250	25,462	23,425	442	1,479	116	15,219	8,016	436	1,076	568	147
251–500	19,184	17,468	283	1,296	137	11,113	5,548	451	1,240	695	137
501–750	14,268	12,923	203	1,028	114	7,865	4,069	405	1,121	676	132
751–1000	10,928	9,930	156	751	91	5,908	3,062	357	992	531	78
1001–1250	8,688	7,824	119	641	104	4,521	2,445	364	812	479	67
1251–1500	6,843	6,151	72	532	88	3,298	2,052	345	713	393	42
1501–1750	5,727	5,162	75	428	62	2,602	1,709	359	643	368	46
1751–2000	4,895	4,432	54	352	57	2,137	1,451	325	602	337	43
2001–2250	4,281	3,911	33	294	43	1,811	1,318	283	534	298	37
2251–2500	3,763	3,463	32	243	25	1,486	1,196	247	539	270	25
2501–2750	3,298	3,025	33	217	23	1,279	1,050	211	460	255	43
2751–3000	2,896	2,674	28	176	18	1,092	972	177	391	221	43
3001–3250	2,418	2,238	19	139	22	930	722	194	348	179	45
3251–3500	2,075	1,924	17	123	11	738	714	150	258	173	42
3501–3750	1,725	1,576	28	113	8	633	544	115	238	142	53
3751–4000	1,442	1,338	11	81	12	498	490	113	202	111	28
4001–4250	1,154	1,080	12	60	2	411	367	75	176	92	33
4251–4500	1,002	938	9	53	2	344	329	68	164	62	35
4501–4750	796	738	7	49	2	273	267	50	119	67	20
4751–5000	654	604	4	43	3	197	231	41	104	59	22
5001–5250	572	526	4	41	1	191	197	46	73	44	21
5251–5500	427	389	3	33	2	139	128	39	67	34	20
5501–5750	382	350	4	27	1	129	126	32	49	31	15
5751–6000	311	287	3	20	1	94	112	31	48	20	6
6001–6250	261	237	1	23	0	97	79	21	30	21	13
6251–6500	189	171	2	15	1	63	53	16	32	17	8
6501–6750	184	171	1	12	0	51	66	17	30	12	8
6751–7000	131	122	1	8	0	39	41	12	20	13	6
Over 7000	573	528	5	40	0	177	160	69	101	39	27
Totals	124,529	113,605	1,661	8,317	946	63,335	37,514	5,049	11,182	6,207	1,242

Type of Benefit	Option Selected
A. Retirement	1. Single Life
B. Survivor of Active Member	2. 100% Joint & Survivor
C. Survivor of Benefit Recipient	3. 75% Joint & Survivor
D. Disability	4. 50% Joint & Survivor
	5. 25% Joint & Survivor
	6. Other (Death, Term-certain, Children's Benefits, etc.)

Table 5.20. Police & Fire Plan: Schedule of Benefit Recipients by Type

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$1–250	172	138	6	23	1	4	63	84	6	10	5	4
251–500	170	140	3	24	1	2	57	82	2	14	12	3
501–750	160	135	6	17	1	1	38	81	9	15	10	7
751–1000	154	115	2	33	1	3	58	44	6	25	18	3
1001–1250	192	127	5	56	2	2	58	62	6	21	32	13
1251–1500	179	110	7	56	4	2	45	56	9	23	32	14
1501–1750	207	108	10	80	5	4	47	54	17	28	19	42
1751–2000	218	120	10	76	6	6	60	52	16	39	13	38
2001–2250	258	135	11	85	14	13	61	71	12	60	13	41
2251–2500	296	149	14	89	26	18	69	98	14	61	15	39
2501–2750	331	164	26	94	19	28	67	106	24	62	14	58
2751–3000	397	189	28	110	20	50	96	104	31	74	13	79
3001–3250	634	193	77	269	14	81	82	148	33	69	11	291
3251–3500	477	276	17	75	7	102	116	171	44	77	18	51
3501–3750	472	281	10	51	3	127	138	162	48	67	21	36
3751–4000	573	318	16	65	15	159	176	211	40	78	28	40
4001–4250	578	345	15	56	7	155	174	192	45	81	42	44
4251–4500	627	386	17	55	15	154	180	213	76	78	37	43
4501–4750	571	396	13	30	11	121	142	192	64	103	38	32
4751–5000	605	450	6	37	11	101	182	180	74	86	34	49
5001–5250	563	426	8	40	6	83	147	188	65	88	31	44
5251–5500	601	487	10	26	8	70	161	175	74	105	41	45
5501–5750	571	461	4	32	28	46	149	141	83	94	34	70
5751–6000	744	687	3	14	6	34	127	118	68	119	36	276
6001–6250	383	322	5	15	10	31	111	112	48	70	36	6
6251–6500	363	336	4	5	0	18	98	109	59	67	28	2
6501–6750	325	299	4	3	4	15	86	97	51	68	21	2
6751–7000	297	264	3	7	1	22	82	99	41	54	18	3
Over 7000	2,002	1,876	4	38	12	72	559	714	251	329	144	5
Totals	13,120	9,433	344	1,561	258	1,524	3,429	4,116	1,316	2,065	814	1,380

Type of Benefit	Option Selected
A. Retirement	1. Single Life
B. Survivor of Active Member	2. 100% Joint & Survivor
C. Survivor of Benefit Recipient	3. 75% Joint & Survivor
D. Non-Duty Disability	4. 50% Joint & Survivor
E. Line-of-Duty Disability	5. 25% Joint & Survivor
	6. Other

Table 5.21. Correctional Plan: Schedule of Benefit Recipients by Type

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$1–250	280	255	7	15	3	0	149	98	6	15	10	2
251–500	201	184	4	13	0	0	103	65	3	19	11	0
501–750	185	168	4	8	5	0	90	64	9	16	6	0
751–1000	197	163	7	15	11	1	85	76	8	14	11	3
1001–1250	173	149	3	10	9	2	70	67	10	17	8	1
1251–1500	178	165	3	1	7	2	75	63	9	19	11	1
1501–1750	152	142	2	4	1	3	73	45	10	18	5	1
1751–2000	132	118	0	6	1	7	51	61	5	7	8	0
2001–2250	134	118	1	3	2	10	55	47	9	16	6	1
2251–2500	110	94	0	2	1	13	51	42	1	6	10	0
2501–2750	100	81	0	0	3	16	43	41	3	8	5	0
2751–3000	70	58	0	1	0	11	34	21	3	4	8	0
3001–3250	60	45	0	0	1	14	24	19	2	10	5	0
3251–3500	42	37	1	0	0	4	27	8	0	4	2	1
3501–3750	26	20	0	0	1	5	18	6	1	0	1	0
3751–4000	12	10	1	0	0	1	4	4	1	1	1	1
4001–4250	7	6	0	0	0	1	3	1	1	0	2	0
4251–4500	7	4	0	0	0	3	4	1	0	0	2	0
4501–4750	5	5	0	0	0	0	3	2	0	0	0	0
4751–5000	1	1	0	0	0	0	1	0	0	0	0	0
5001–5250	2	2	0	0	0	0	0	1	1	0	0	0
Totals	2,074	1,825	33	78	45	93	963	732	82	174	112	11

Type of Benefit	Option Selected
A. Retirement	1. Single Life
B. Survivor of Active Member	2. 100% Joint & Survivor
C. Survivor of Benefit Recipient	3. 75% Joint & Survivor
D. Non-Duty Disability	4. 50% Joint & Survivor
E. Line-of-Duty Disability	5. 25% Joint & Survivor
	6. Other

Table 5.22. Statewide Volunteer Firefighter Defined Benefit Plan: Schedule of Benefit Recipients by Type

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit			Option Selected		
		A	B	C	1	2	3
1 - 250	21	15	6	0	13	2	6
251- 500	30	27	3	0	8	13	9
501 - 750	27	21	6	0	9	13	5
751 - 1000	56	56	0	0	8	42	6
Over 1000	6	6	0	0	1	4	1
Totals	140	125	15	0	39	74	27

Type of Benefit	Option Selected
A. Retirement	1. Single Life
B. Survivor of Active Member	2. 75% Joint & Survivor
C. Survivor of Benefit Recipient	3. 50% Joint & Survivor

Principal Participating Employers

Defined benefit plans: Top 10 listing for FY 2025 and ten years prior (FY 2015)

Table 5.23. General Employees Plan: Principal Participating Employers 2025

FY 2025 Top Ten Employer Names	FY 2025 Active Members	FY 2025 % of Total Active Members
Hennepin County	8,840	5.09%
Hennepin Healthcare System	5,968	3.44%
Minneapolis Special Isd-1	5,450	3.14%
City Of Minneapolis	4,315	2.48%
Ramsey County	3,566	2.05%
Anoka-hennepin Isd-11	3,512	2.02%
St Paul Isd-625	3,152	1.82%
Rosemount Isd- 196	2,935	1.69%
City Of St Paul	2,726	1.57%
Dakota County	2,356	1.36%

Table 5.24. General Employees Plan: Principal Participating Employers 2015

FY 2015 Top Ten Employer Names	FY 2015 Active Members	FY 2015 % of Total Active Members
Hennepin County	7,152	4.81%
Hennepin Healthcare System	5,040	3.39%
Minneapolis School District	4,925	3.31%
City Of Minneapolis	3,400	2.29%
Ramsey County	3,344	2.25%
St Paul School District	3,940	1.98%
Anoka-hennepin Isd-11	2,636	1.77%
City Of St Paul	2,314	1.56%
Rosemount School District	1,877	1.26%
Anoka County	1,774	1.19%

Table 5.25. Police & Fire Plan: Principal Participating Employers 2025

FY 2025 Top Ten Employer Names	FY 2025 Active Members	FY 2025 % of Total Active Members
City Of Minneapolis	1,058	8.30%
City Of St Paul	1,042	8.17%
Hennepin County	327	2.56%
City Of Duluth	266	2.09%
City Of Rochester	261	2.05%
Ramsey County	230	1.80%
Hennepin Healthcare System	218	1.71%
City Of St Cloud	201	1.58%
City Of Bloomington	194	1.52%
Wright County	172	1.35%

Table 5.26. Police & Fire Plan: Principal Participating Employers 2015

FY 2015 Top Ten Employer Names	FY 2015 Active Members	FY 2015 % of Total Active Members
City Of Minneapolis	1,244	10.77%
City Of St Paul	1,031	8.92%
Hennepin County	325	2.81%
City Of Duluth	288	2.49%
City Of Rochester	236	2.04%
Ramsey County	215	1.86%
Metropolitan Council	194	1.68%
Hennepin Healthcare System	170	1.47%
City Of St Cloud	162	1.40%
Wright County	135	1.17%

**Table 5.27. Correctional Plan: Principal
Participating Employers 2025**

FY 2025 Top Ten Employer Names	FY 2025 Active Members	FY 2025 % of Total Active Members
Hennepin County	422	10.29%
Ramsey County	397	9.68%
Aitkin County	230	5.61%
Crow Wing County	226	5.51%
Sherburne County	163	3.97%
Chisago County	160	3.90%
Prairie Lakes Detention Center	102	2.49%
Olmsted County	95	2.32%
Scott County	91	2.22%
Stearns County	89	2.17%

**Table 5.28. Correctional Plan: Principal
Participating Employers 2015**

FY 2015 Top Ten Employer Names	FY 2015 Active Members	FY 2015 % of Total Active Members
Hennepin County	485	13.06%
Ramsey County	476	12.82%
Anoka County	234	6.30%
Sherburne County	132	3.55%
Dakota County	106	2.85%
Olmsted County	103	2.77%
Northwestern Mn Juvenile Center	92	2.48%
Prairie Lakes Detention Center	91	2.45%
Stearns County	88	2.37%
Scott County	83	2.23%

**Table 5.29. Statewide Volunteer Firefighter
Defined Benefit Plan: Principal
Participating Employers 2025**

FY 2025 Top Ten Employer Names	FY 2025 Active Members	FY 2025 % of Total Active Members
City Of Vadnais Heights Vol Fire Dept	62	0.84%
West Suburban Fire District	59	0.80%
City Of Victoria	53	0.72%
Big Lake Fire Department Jpb	52	0.71%
City Of Oak Grove	48	0.65%
City Of Ely	46	0.63%
City Of Willmar	45	0.61%
City Of Carver	45	0.61%
City Of Baldwin	44	0.60%
City Of Hastings	44	0.60%

**Table 5.30. Statewide Volunteer Firefighter
Defined Benefit Plan: Principal
Participating Employers 2015**

FY 2015 Top Ten Employer Names	FY 2015 Active Members	FY 2015 % of Total Active Members
Oakdale Vfd	36	1.95%
City Of Goodview	34	1.84%
City Of Oak Grove	34	1.84%
City Of Waconia	31	1.68%
City Of Willmar	31	1.68%
City Of Cambridge	30	1.62%
City Of Granite Falls	30	1.62%
City Of Norwood Young America	29	1.57%
City Of Aitkin	28	1.52%
Linwood (Township)	28	1.52%

Privatized Employers

Below is a list of privatized employers according to Minnesota Statutes chapter 325F.

Table 5.31. Privatized Employers

Employers
Allina Rice County District 1 Hospital
Benedictine Living Community of St Peter
Cannon Falls Med Center - Mayo Health
Cedarview Care Center
Centracare Health - Paynesville
Centracare Health System - Sauk Centre
City of Glencoe Regional Health Center
City of Granite Falls Hospital And Manor
City of Lakefield Colonial Nursing Home
City of Willmar Rice Memorial Hospital
Cornerstone Nursing & Rehab Center*
Essentia Bridges Medical Center
Essentia Health Virginia LLC
Harmony River Living Center
Hutchinson Area Health Care
Lakeland Medical Center
Lakeside Health Care Center
Pennington County Oakland Park Nursing
Redwood Area Hospital
Renville County Hospital
Renville Health Services
Ridgeview Medical Center
Sanford Health Wheaton Medical Center
Sanford Hospital Luverne
Sanford Regional Hospital Worthington
Sibley Medical Center
St. Paul Area Company
Swift County Benson Hospital
Traverse Care Center
Weila Health
Weiner Hospital, City of Marshall
Willmar Medical Services LLP



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