



Date: October 9, 2025  
To: PERA Board of Trustees  
From: Doug Anderson, Executive Director  
Amy Streng, Policy Coordinator  
Subject: 2026 PERA Legislative Agenda

The 2026 legislative session begins on February 17, 2026. In preparation for the 2026 session, staff have developed recommendations for PERA's legislative agenda. Staff anticipates bringing additional PERA initiatives focused on the PERA Statewide Volunteer Firefighter Plan administration in December.

### ***PRE-RETIREMENT SURVIVOR BENEFIT RECODIFICATION POLICY CHANGES***

The 2025 PERA legislative agenda included the recodification of PERA's pre-retirement survivor benefits. The desired initiative was not included in the 2025 pension bill. Staff is seeking reaffirmation of the initiative by the board for intended inclusion in the 2026 pension bill. The proposal provides the opportunity to further consistency and equitability for the Plans survivor benefits. The changes focus on the benefit options available to all members and the timing of when the benefit is received. These changes impact most of the Plans' pre-retirement survivor benefits except for Police & Fire active members and nonvested members. Given the structure and benefits of Police & Fire active survivor benefits there are no recommended changes. The pre-retirement survivor benefits for nonvested members also remain unchanged.

#### **Surviving Spouse Options**

Staff recommends that the term certain options be available to both inactive and active vested members. In addition, staff recommends that the statute is clarified to allow the surviving spouse the option of a refund regardless if the surviving spouse was listed as a beneficiary.

Staff recommends that Police & Fire inactive members under the age of 50 are provided surviving spouse options including term certain monthly benefits. There is no cost to the plans for any of these changes.

#### **Dependent Child(ren) Option**

Staff recommends that dependent child(ren) option be available to both inactive and active vested members. Adding this option ensures consistency within plans and equity between vested members. Survivor benefits are payable in succession. Dependent child(ren) benefits are payable only if there is no surviving spouse. The dependent child(ren) benefit for PERA General and Correctional is the actuarial equivalent to 100% joint and survivor annuity using each child's age at date of birth.

For the Police & Fire Plan, staff recommends that the dependent child(ren) option be the actuarial equivalent of a 100% joint and survivor annuity using each child's age at date of birth. If there is more than one dependent child, each child receives a proportionate share of the benefit. This structure will maintain the enhanced benefits available to active Police & Fire members.

### **Timing**

Staff recommends that the delay in benefits for inactive vested members be eliminated. This allows for both active and inactive vested survivor benefits to be payable after death. For PERA Correctional and PERA General survivor benefits are payable the first of the month following death. For PERA Police & Fire survivor benefits are payable the day after the death. This change eases the administrative burden on PERA of locating survivors and ensures timely payment.

The attachment includes a chart of the proposed pre-retirement survivor benefits.

### **Conclusion**

The proposed changes to pre-retirement survivor benefits achieves the desired consistency and equitability for the Plans. The changes provide the same options for active and inactive vested members with the exception of Police & Fire active members. The consistency between the Plans allows for both staff and members to easily understand what pre-retirement survivor benefits are available to them.

### **Staff Recommendation**

*PERA staff recommends that the PERA Board of Trustees reaffirm its support for the pre-retirement survivor benefit recodification and direct staff to seek legislation.*

Current Statute			
Active/Vested	General	Correctional	Police & Fire
	Benefit paid in succession: Spouse, dependent child(ren), beneficiary, estate  *benefit payable first of month after death	Benefit paid in succession: Spouse, dependent child(ren), beneficiary, estate  *benefit payable first of month after death	Both spouse and dependent child(ren), beneficiary, estate  *benefit payable day after death
	Spouse: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Term certain monthly benefit</li> <li>Refund (if listed as beneficiary)</li> </ul>	Spouse: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Term certain monthly benefit</li> <li>Refund (if listed as beneficiary)</li> </ul>	Spouse: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Refund (if listed as beneficiary, and no dependent children)</li> </ul>
	Dependent child: <ul style="list-style-type: none"> <li>Monthly benefit payable up to age 23</li> </ul>	Dependent child: <ul style="list-style-type: none"> <li>Monthly benefit payable up to age 23</li> </ul>	Dependent child: <ul style="list-style-type: none"> <li>Monthly benefit payable up to age 23</li> </ul>
	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>
Inactive/Vested	General	Correctional	Police & Fire
	Benefit paid in succession: Spouse, beneficiary, estate  *if member dies before 55, benefit is payable, benefit is deferred until member would have been 55  * if member dies after 55, benefit payable first of month	Benefit paid in succession: Spouse, beneficiary, estate  *if member dies before 50, benefit is payable, benefit is deferred until member would have been 50  * if member dies after 50, benefit payable first of month	If over age 50: Benefit paid in succession: spouse, beneficiary, estate  *benefit payable day after death  If under age 50: beneficiary, estate
	Spouse: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Refund (if listed as beneficiary)</li> </ul>	Spouse: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Refund (if listed as beneficiary)</li> </ul>	Spouse (over age 50): <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Refund (if listed as beneficiary)</li> </ul>
	NO DEPENDENT OPTION	NO DEPENDENT OPTION	NO DEPENDENT OPTION
	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul> *only option for members under age 50
Non-Vested	General	Correctional	Police & Fire
	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>

## Proposed Changes

Vested	General	Correctional	Police & Fire (Inactive)	Police & Fire (Active)
	Benefit paid in succession: Spouse, dependent child(ren), beneficiary, estate  <b>*benefit payable first of month after death</b>	Benefit paid in succession: Spouse, dependent child(ren), beneficiary, estate  <b>*benefit payable first of month after death</b>	Benefit paid in succession: Spouse, dependent child(ren), beneficiary, estate  <b>*benefit payable day after death</b>	Both spouse and dependent child(ren), beneficiary, estate  <b>*benefit payable day after death</b>
	Spouse option: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li><b>Term certain monthly benefit</b></li> <li><b>Refund</b></li> </ul>	Spouse option: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li><b>Term certain monthly benefit</b></li> <li><b>Refund</b></li> </ul>	Spouse option: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li><b>Term certain monthly benefit</b></li> <li><b>Refund</b></li> </ul>	Spouse option: <ul style="list-style-type: none"> <li>Lifetime monthly benefit</li> <li>Refund (if listed as beneficiary, and no dependent children)</li> </ul>
	Dependent option: <ul style="list-style-type: none"> <li><b>Monthly benefit payable up to age 23</b></li> </ul>	Dependent option: <ul style="list-style-type: none"> <li><b>Monthly benefit payable up to age 23</b></li> </ul>	Dependent option: <ul style="list-style-type: none"> <li><b>Monthly benefit payable up to age 23</b></li> </ul>	Dependent option: <ul style="list-style-type: none"> <li>Monthly benefit payable up to age 23</li> </ul>
	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Beneficiary/estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>
Non-vested	General	Correctional	Police & Fire (Inactive)	Police & Fire (Active)
	Benefit paid in succession: <b>Spouse</b> , beneficiary, estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Benefit paid in succession: <b>Spouse</b> , beneficiary, estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Benefit paid in succession: <b>Spouse</b> , beneficiary, estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>	Benefit paid in succession: <b>Spouse</b> , beneficiary, estate: <ul style="list-style-type: none"> <li>Refund</li> </ul>