



MINUTES

The Board of Trustees of the Public Employees Retirement Association met in a regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, August 14, 2025, at 9:30 a.m., with notice given three days prior thereto by the Secretary.

The following members were present:

Thomas Stanley, President

Julie Blaha/Ramona Advani (Remote)
Denny Flaherty
Paul Ford
Kathy Green

Barbara Johnson
Jenni Konigsburg (Remote)
David Minke
Thomas Thornberg

Constituting quorum.

Excused: Paul Bourgeois

Attorney General Representative: Frank Langan

Staff Members Present:

Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Mark Sauceman, Chief Information Officer; Tracy Gebhard, Chief Financial Officer; Amy Strenge, Legislative Policy Coordinator; Heather Schoenberger, Account Information Management Manager; Jaime Voigt, Account Information Management Supervisor; Sarah Broton, Account Information Management; Andrea Murphy, Communication & Stakeholder Engagement Manager; Kristen Kesty, Pension Services Member; Tim Knippenberg, Member Services Director; Susanne Franklin, Accounting Director; and Gladys Rodriguez, Executive Assistant.

Others Present:

Harry Grigsby, State AFL/CIO Retiree Council; Bonnie Wurst, Gabriel, Roeder, Smith & Company; Michael Wroblewski, Gabriel, Roeder, Smith & Company; Sheri Christensen, Gabriel, Roeder, Smith & Company; Owen Wirth, League of MN Cities; Ryan Fiereck, Education Minnesota; Marty Fridgen, Education Minnesota; Wade Laszlo, Minnesota Correctional Officer Retirement Association; Aleena Wilson, Legislative Commission on Pensions and Retirement; Susan Lenczewski, Legislative Commission on Pensions and Retirement; Darlene Pankonie, Washington County; Devin Bruce, MAPE; Emilio Lamba, Association of Minnesota Counties; Erin Leonard, MN State Retirement Association; Gabriel Gruszynski, Minneapolis Police Department Forensics Services Division; Joshua VonHaugg, Minneapolis Police Department Forensic Services Division; Grace Altier, Poul Haas; Jenkins Vangehn, MN State Retirement Association; Joe Mathews, Hennepin County; Kate Wagner, MNFAC; Kelly Gibbons, Service Employees International Union; Tom Swensen, Morrison County Community Corrections; Terry Jaworski, Pope County Probation; Thomas Jensen, Fillmore County Corrections; Krista Jones, Crow Wing County Community Corrections; Latonya Reeves, Hennepin County; Matt Hilgart, Association of MN Counties; Matt Thompson, Kandiyohi County Community Corrections; Merrill Bajana, Osmosis; Nicole Kern, Minnesota Association of Community Corrections Act Counties; Paula Graff, Department of Corrections; Scott Ford, Midwest Regional Forensic Laboratory.

1. **Call to Order**

President Stanley called the meeting to order at 9:30 a.m. Trustees Blaha and Konigsburg participated via interactive technology in accordance with Minnesota Statutes, Section 13D.015. A roll call was conducted to establish a quorum.

President Stanley reported that Trustee Falk submitted her resignation, effective immediately. She had been serving in the position designated for a Member with Knowledge of Pension. The Governor's Office has been notified and will appoint a replacement.

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

The agenda was taken in the following order.

2. **Approval of Consent Calendar**

- June 12, 2025, Regular Board Meeting Minutes
- Operational Data Report

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

3. **Probation Officers and 911 Telecommunicator Workgroup Update**

Reference was made to a letter, study, and presentation from Bonnie Wurst of GRS, as well as a presentation from Doug Anderson

Anderson provided an update on the recent work of the Probation Officers and 911 Telecommunicators Pension Plans Workgroup, emphasizing the key perspectives being considered in the development of the new pension plan. He shared what was presented to the group as PERA's perspectives and priorities.

He also presented an overview of PERA's Combined Service Annuity (CSA) provisions, which safeguard benefits when members move between Minnesota public employers, and explained related benefit calculations and service credit across eligible plans.

He presented data illustrating values of various funding periods and benefit provisions, including annual contributions and benefit payments under the General Plan for early retirement at age 55 and full retirement at age 66, as well as under the new plan for unreduced retirement at age 55 with a 2.2% multiplier and 2.25% postretirement increase. He also reviewed key demographic and economic assumptions contributing to a higher normal cost.

The demographic metrics included the number of members by group, projected annual earnings, average age, average service, and average entry age.

Anderson noted that GRS provided the Board with a letter and report, including a supplemental actuarial valuation showing estimated results for a potential new plan covering 911 telecommunicators, probation officers, and parole officers currently in the General Employees Retirement Plan, as well as the estimated impact on the General Plan.

Wurst presented highlights of the potential new plan, beginning with the participating members identified by PERA staff.

	Active Members as of July 1, 2024			
Group	Number	Projected Annual Earnings[^]	Average Age	Average Service
911	814	\$ 64,801,000	40.9	9.6
Parole	126	\$ 9,804,000	43.5	11.6
Probation	1,308	\$ 116,911,000	44.7	14.6
Total	2,248	\$ 191,516,000	43.2	12.6

At retirement, members would receive a General Plan pension for service earned prior to the new plan's implementation, and a New Plan pension based on future service and salary.

If the New Plan is created, probation, parole and 911 telecommunications would stop earning service in the General Plan. The benefit would be based on frozen service but would reflect future salary increases, the liability associated with future service is eliminated, and the employee and employer contributions would cease.

The projected annual earnings for all members total \$8,448,585,000. Removing members eligible for the New Plan reduces projected earnings to \$8,257,069,000, an impact of (\$191,516,000) on the GERP. Total required contributions are \$985,950,000, which would decrease to \$958,646,000 if eligible members are removed, reflecting an impact of (\$27,301,000).

Benefits under the New Plan include:

- Normal retirement age: 60; early retirement age: 50
- Benefit multiplier: 2.2%
- Disability eligibility: Unable to perform any occupation
- Disability benefit: Equal to the member's accrued benefit, payable immediately. Disability benefits same as in the General Plan.
- Post-retirement benefit increases: 100% of CPI, with a minimum of 1.0% and a maximum of 2.5%
- Member contributions: To be determined

New Plan Cost Summary:

	New Plan with GERP Benefits and Assumptions (No Changes)	New Plan with Disability Benefits & Incidence Similar to GERP	New Plan with Disability Benefits & Incidence Similar to PEPFP
Projected annual earnings	\$191,516,000	\$192,149,000	\$192,149,000
Total normal cost	\$20,990,000	\$36,662,000	\$46,481,000
Normal cost of General Employees Retirement Plan, Percent of payroll	8.57%	8.57%	8.57%
Difference in normal cost	2.39%	10.51%	15.62%

Beginning Total Normal Cost, percent of payroll	10.96%	19.08%	24.19%
Ultimate Total Normal Cost, percent of payroll	8.05%	14.23%	18.58%
Present Value of Future Benefits	\$174,712,000	\$279,193,000	\$329,819,000

The actual cost of the New Plan will depend on actual experience, which may differ from other PERA plans. For assumptions other than retirement, disability, termination, and merit/seniority increases, GRS applied the unadjusted demographic assumptions from the July 2025 valuation of the Local Government Correctional State Retirement Plan (LGCSR). Historical data for former 911 operators, probation officers, and parole officers no longer active in PERA was not available.

This item was presented for information only, and no Board action is required at this time.

4. **NCPERS Life Insurance Administration**

Reference was made to a memo and presentation from Doug Anderson

PERA currently withholds monthly life insurance premiums for approximately 6,000 retired members participating in the voluntary NCPERS plan, as authorized by statute. Since 1985, PERA has facilitated this program by allowing premiums to be deducted directly from retirees' monthly benefits. The key partners are: NCPERS – Plan Sponsor; Gallagher – Broker and Sales Organization; Prudential Financial, Inc. – Insurer; and EDI/Member Benefits – Plan Administrator.

Knippenberg, Member Services Director, noted that PERA relies on premium data files provided by EDI/Member Benefits. Delays or inaccuracies in these files can affect the timely processing of pension benefits for our members.

Following a recent review, staff identified several risks and recommended that PERA withdraw from its role in withholding life insurance premiums to protect members. The risks include:

- Potential delays in more than 141,000 monthly PERA payments if data files are not received on time
- Concerns regarding private data security
- File transfer vulnerabilities
- Lack of a contract governing the administrative services PERA provides to NCPERS

Although staff remain supportive of the program, the identified risks indicate that PERA should consider ending its role in administering life insurance premium withholdings. As required by statute, any changes to the program must receive approval from MMB.

If the Board approves discontinuing PERA's participation in the insurance program, staff will coordinate with all parties to ensure a seamless transition and will seek the required approval from MMB before implementing a communication plan. Staff will assist members in setting up electronic payment withdrawals directly from their personal accounts and will focus on clear communication throughout FY26 using written and email notices. Staff will also track disenrollment rates and directly contact remaining members who have not transitioned by the end of FY26.

After careful review, Minke made a motion that the PERA Board of Trustees support staff's recommendation to withdraw from withholding the life insurance program premiums in order to eliminate the identified risks to its members. Furthermore, that this recommendation be submitted to the Commissioner of Minnesota Management and Budget for approval, in accordance with Minnesota Statutes, Section 353.03, Subdivisions 3(a) and 9(c). The motion was seconded by Green and passed unanimously by roll call vote.

The changes would become effective July 1, 2026, ensuring members and vendors have ample time to plan and implement the transition.

5. Trustee Education Reporting

Trustee Green recently attended the IFEBP Trustees Institute – Level II and the Advanced Trustees and Administrators Institute. She shared key takeaways from the conferences, including information on cybersecurity, generative AI, and the use of Ozempic for weight management during retirement.

6. Facilities Management Committee Co-Tenancy Agreement

President Stanley provided an update on the co-tenancy agreement, noting ongoing discussions with other plans regarding the unanimous language and potential threshold for evaluating capital improvements. These conversations will continue moving forward.

Flaherty also shared that an RFP will be issued to solicit a security consultant to evaluate building security procedures, with a focus on the first floor, but covering the entire building. Further updates will be provided at a later time.

7. Appeal in the Matter of the Police and Fire Plan Duty Disability Benefit Application of Shana Stoler

Johnson moved to close the meeting pursuant to Minnesota Statutes, section 13D.05, subdivision 2(a)(4), relating to disability cases involving privileged medical data and medical records, which are not to be discussed in substance in open session. The motion was seconded by Green and approved unanimously by roll call vote.

The issue before the Board is whether Officer Stoler is eligible for regular disability benefits or duty disability benefits under the PERA Police and Fire Plan pursuant to Minn. Stat. § 353.01, subd. 41 (2024). PERA staff previously determined that Officer Stoler was only eligible for regular disability benefits, and the Executive Director affirmed PERA staff's decision. The matter was submitted to the Office of Administrative Hearings ("OAH") where the Administrative Law Judge ("ALJ") issued Findings of Fact, Conclusions of Law, and a Recommendation with a Supporting Memorandum. The ALJ recommended that the Board reverse the Executive Director's determination.

Lance LaFrombois, on behalf of PERA staff, summarized the facts of the appeal. Officer Stoler and her attorney, Samantha Steward, chose not to attend the meeting. Reference was made to the memo and staff recommendation from LaFrombois dated August 14, 2025, written comments from attorney Steward, and the exhibits that constituted the record before the OAH. The Board also considered the ALJ's Findings, Conclusions, and Recommendation.

Questions and comments by Board members were addressed by LaFrombois, as were clarifying questions asked by Assistant Attorney General Frank Langan, the Board's legal adviser with respect to the appeal.

[Ford left the meeting during the closed session]

After considering the entire record, Green moved to reopen the meeting to decide the appeal. The motion was seconded by Flaherty and passed unanimously by roll call vote.

The Board considered the entire record and, upon a motion duly made and seconded, rejected the Recommendation of the Administrative Law Judge, as well as ALJ Findings of Fact Nos. 7 & 8, and ALJ Conclusions of Law 6-8. The Board affirmed the decision of the Executive Director that Officer Stoler was not eligible to receive police and fire plan duty disability benefits, but was eligible for regular disability benefits under the police and fire plan, and directed its attorney to draft an order reflecting the decision of the Board of Trustees. The motion was made by Green, seconded by Johnson, and passed on a roll call vote with 6 AYES and 2 NAYS (Blaha, Thornberg).

8. Modernization Progress Update

Minke made a motion to close the meeting as permitted under Minnesota Statutes, section 13D.05, subdivision 3 (b) (d), to a receive security briefing and to discuss litigation strategy. The motion was seconded by Thornberg and passed unanimously by roll call vote.

Sauceman provided an update on PERA's modernization project.

9. Attorney General Litigation Update

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

Thornberg made a motion to open the meeting. The motion was seconded by Johnson and passed unanimously by roll call vote.

10. Date of Next Meeting

The next meeting and planning workshop will be held Thursday, October 9, 2025, at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building. President Stanley encouraged Trustees to attend in person.

11. Adjournment

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

Meeting adjourned at 12:51 p.m.



Doug Anderson, Executive Director



Date: October 9, 2025
To: PERA Board of Trustees
From: Don Haller, Heather Schoenberger, Tim Knippenberg, Sarah Fischer, Afiya Krueger, Stacey Salvinski, and Andrea Murphy
Subject: Operational Data Report

This memo includes PERA statistical data for the following areas:

- Active membership data for PERA’s plans
- Recipient data for retirement, survivor and disability benefits
- Application data for retirement, survivor, and disability benefits
- Refund payments processed
- Education initiatives for members and employers

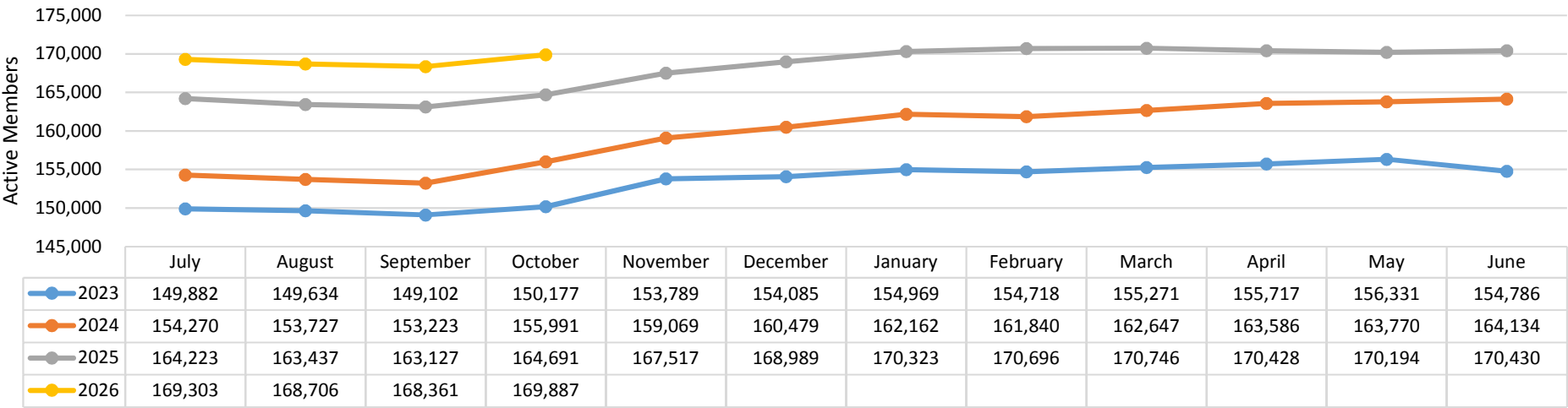
Active Membership Data (monthly)

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

Coordinated

From July 2025 to October 2025, membership increased by 0.3% (584 members).

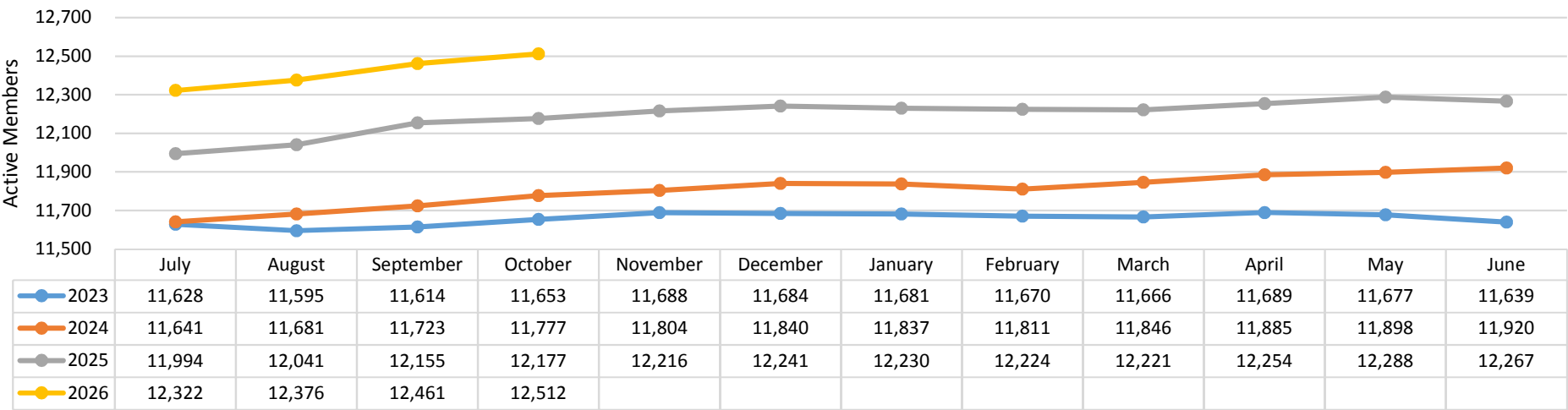
Coordinated Plan



Police & Fire

From July 2025 to October 2025, membership increased by 1.5% (190 members).

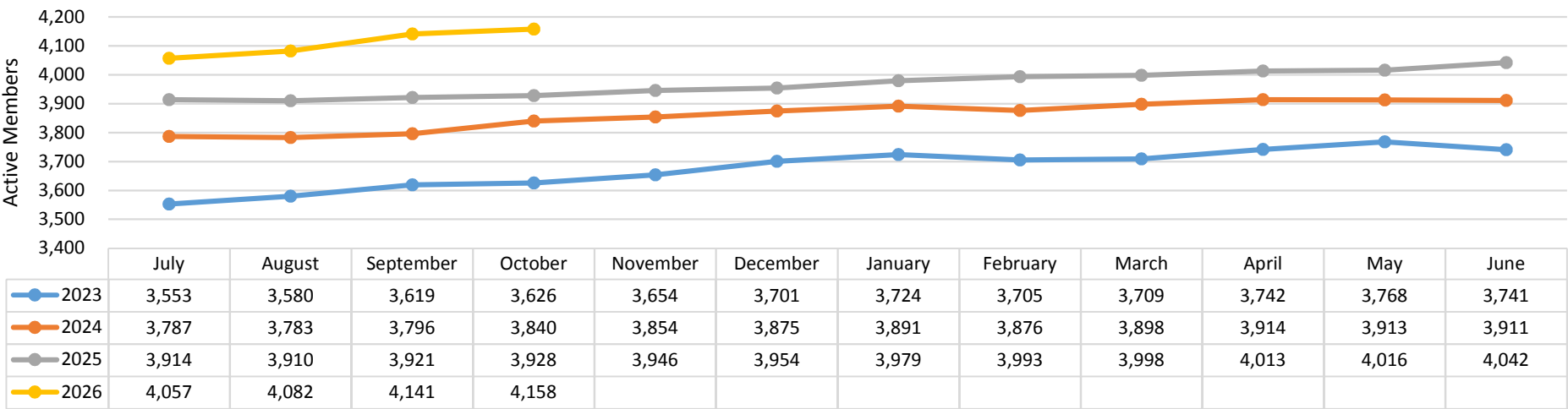
Police & Fire Plan



Correctional

From July 2025 to October 2025, membership increased by 2.5% (101 members).

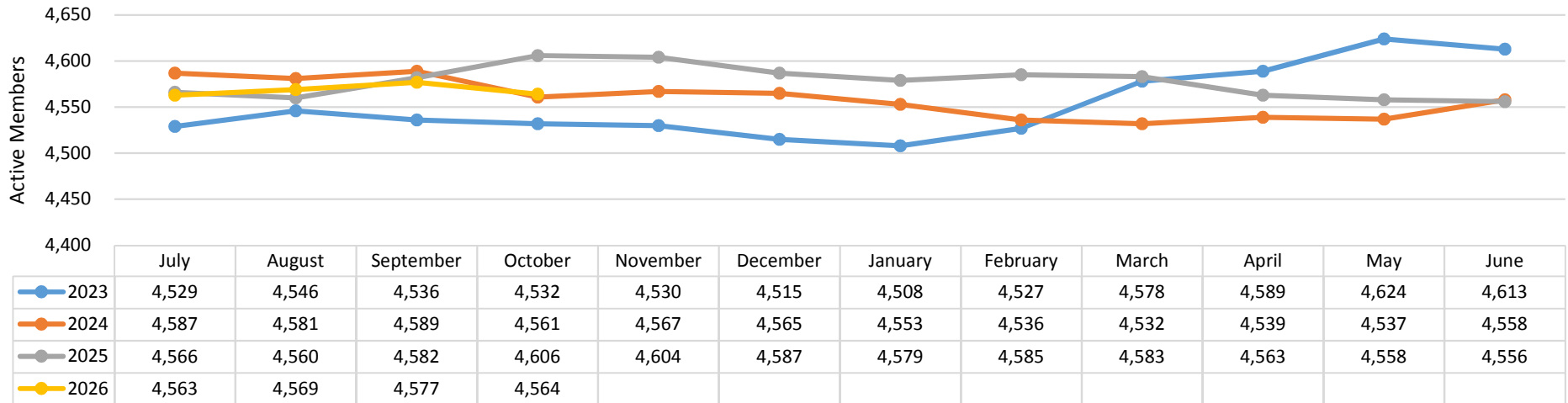
Correctional Plan



Public Employees Defined Contribution Plan

From July 2025 to October 2025, membership minimally changed (1 member).

Public Employees Defined Contribution Plan



Summary

Membership counts are summarized below as of the first of the month for September and October 2025.

Active Membership Counts – Defined Benefit Plans	September 2025	October 2025
Coordinated Plan	168,361	169,887
Police & Fire Plan	12,461	12,512
Correctional Plan	4,141	4,158
Privatization	1,640	1,633
MERF	1	1
Basic Plan	0	0
Exempt Plan	4,721	4,775
SVF DBP - Monthly Benefits	38	38
SVF DBP - Lump Sum Benefits	5,870	5,864
Total	197,233	198,868
Active Membership Counts – Defined Contribution Plan		
DCP	4,577	4,564
SVF DCP - Lump Sum Benefits	121	121
Total	4,698	4,685

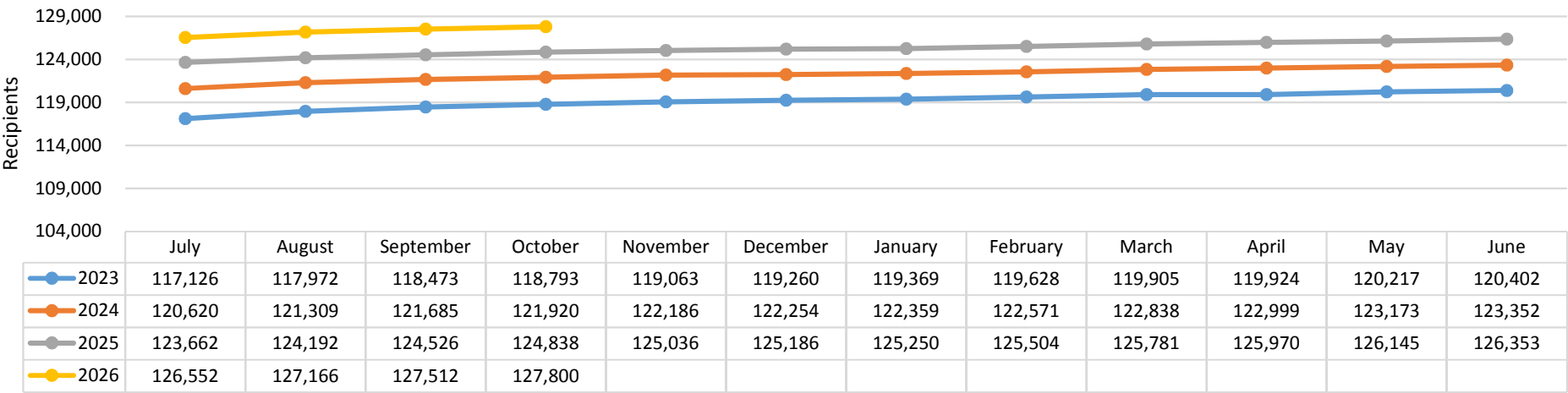
Benefit Recipients (monthly)

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

Retirement

Recipients increased by 1.0% (1,248 members) from July 2025 to October 2025.

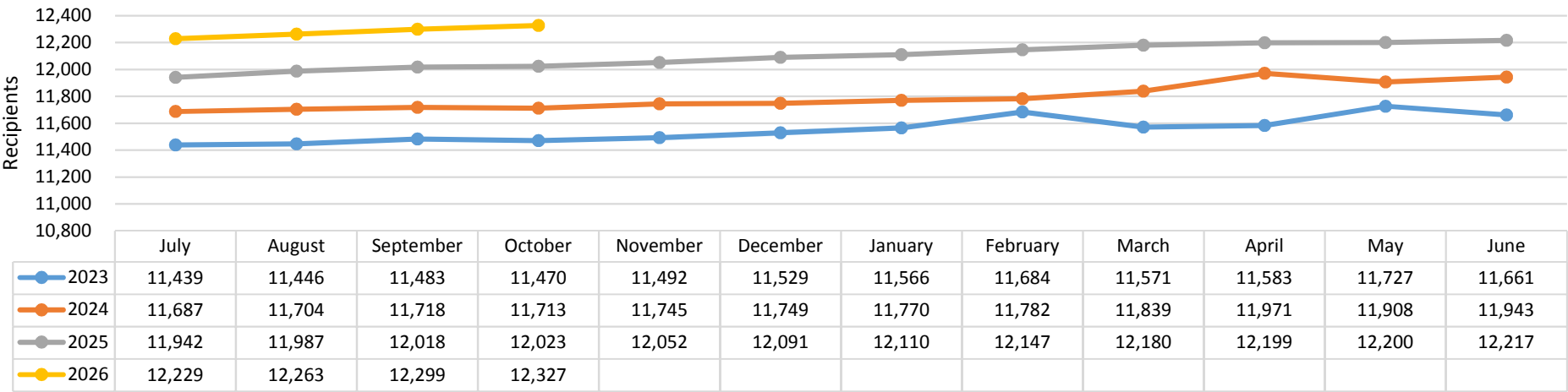
Retirement Recipients



Survivor

Recipients increased by 0.8% (98 members) from July 2025 to October 2025.

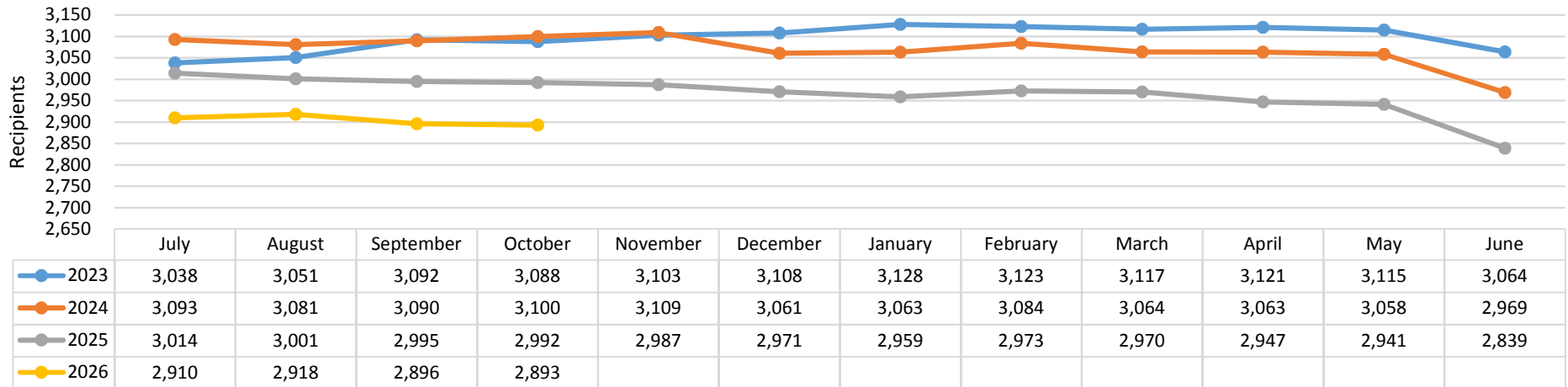
Survivor Recipients



Disability

From July 2025 to October 2025, recipients minimally changed (decreased 17 members).

Disability Recipients



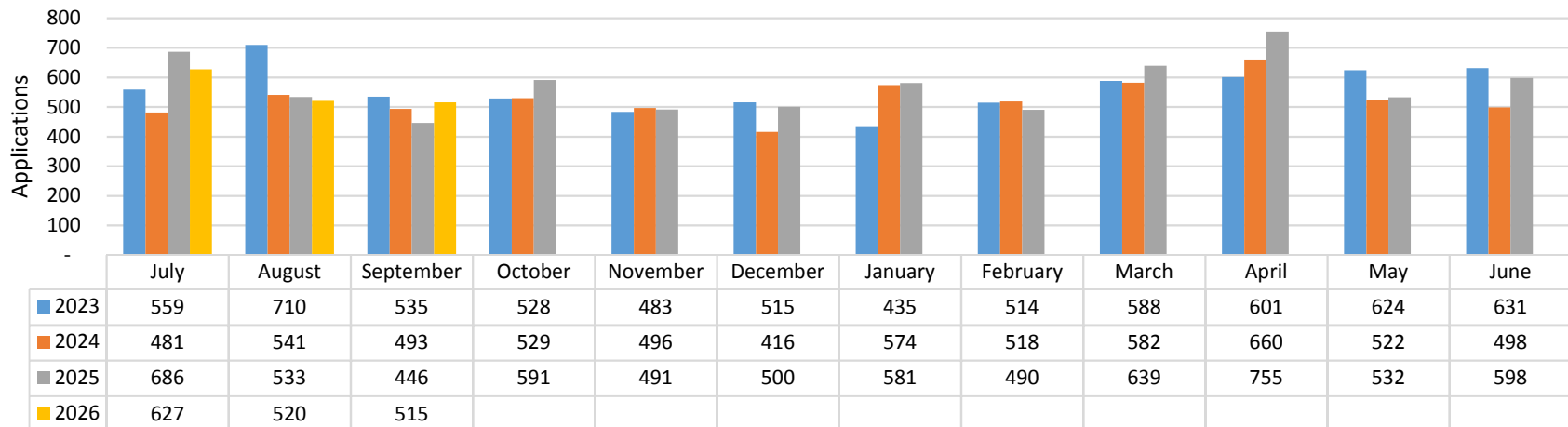
Benefit Applications Received (monthly)

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

Retirement

For the first quarter in fiscal year 2026, applications averaged 554 per month.

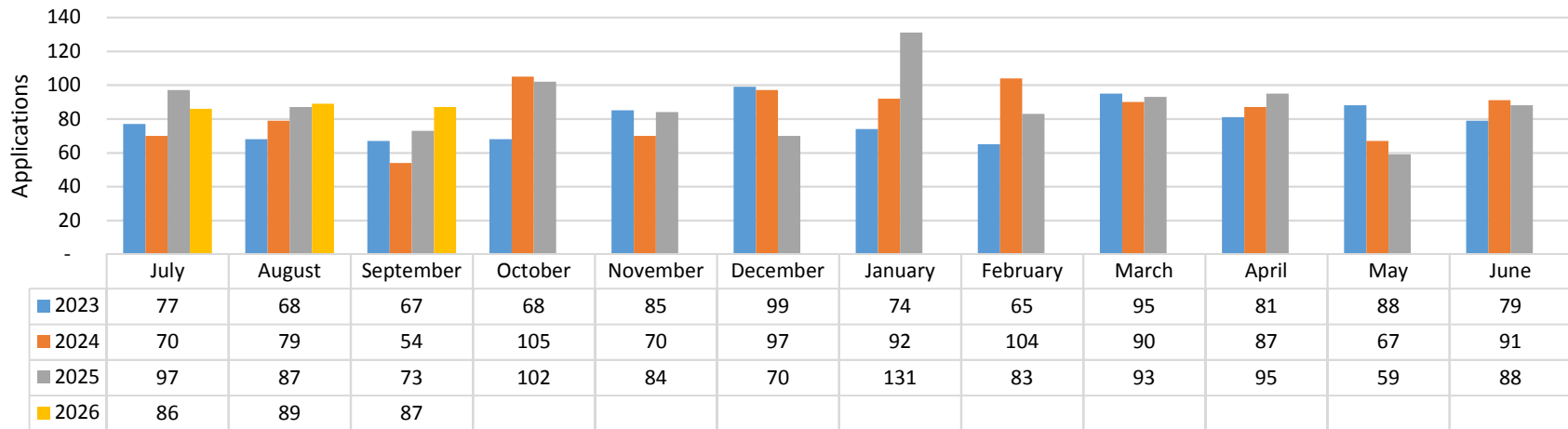
Retirement Applications



Survivor

For the first quarter in fiscal year 2026, applications averaged 87 per month.

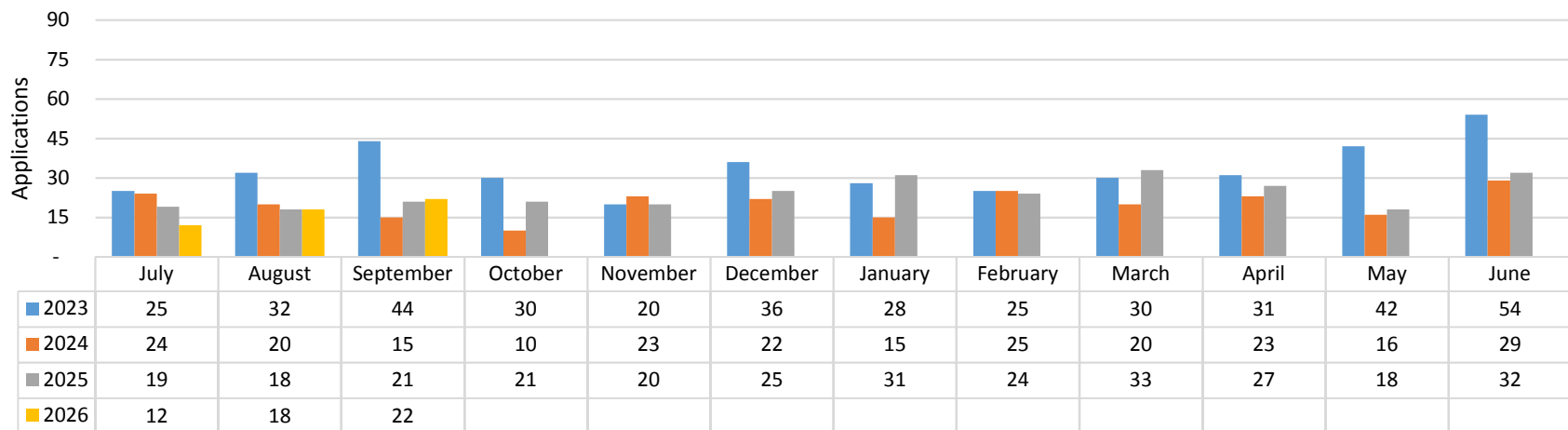
Survivor Applications



Disability

For the first quarter in fiscal year 2026, applications averaged 17 per month.

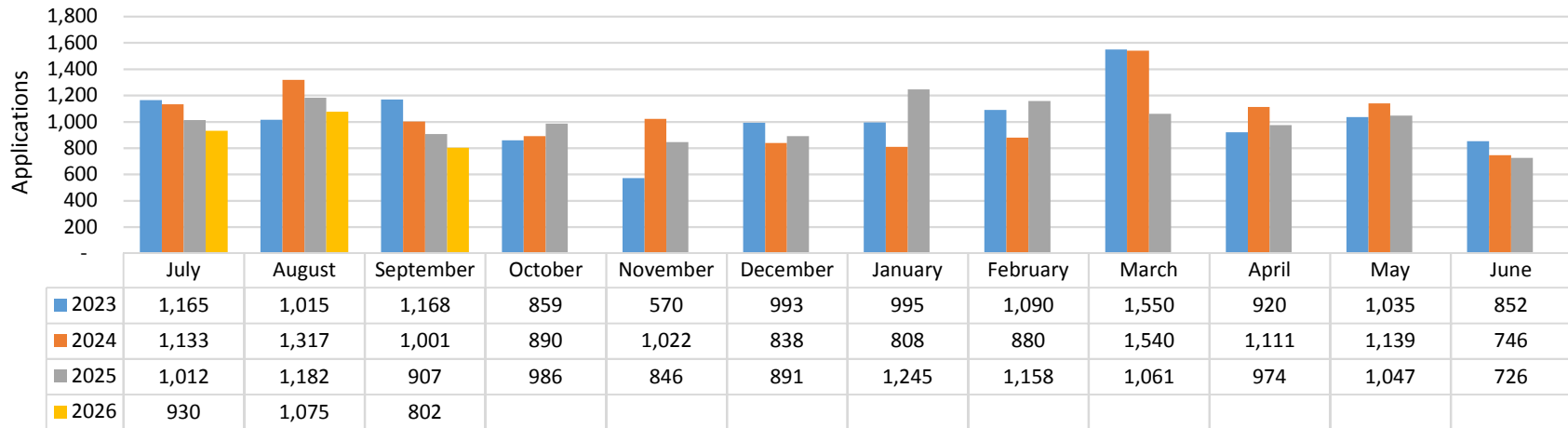
Disability Applications



Refunds Payments (monthly)

For the first quarter in fiscal year 2026, applications averaged 936 per month.

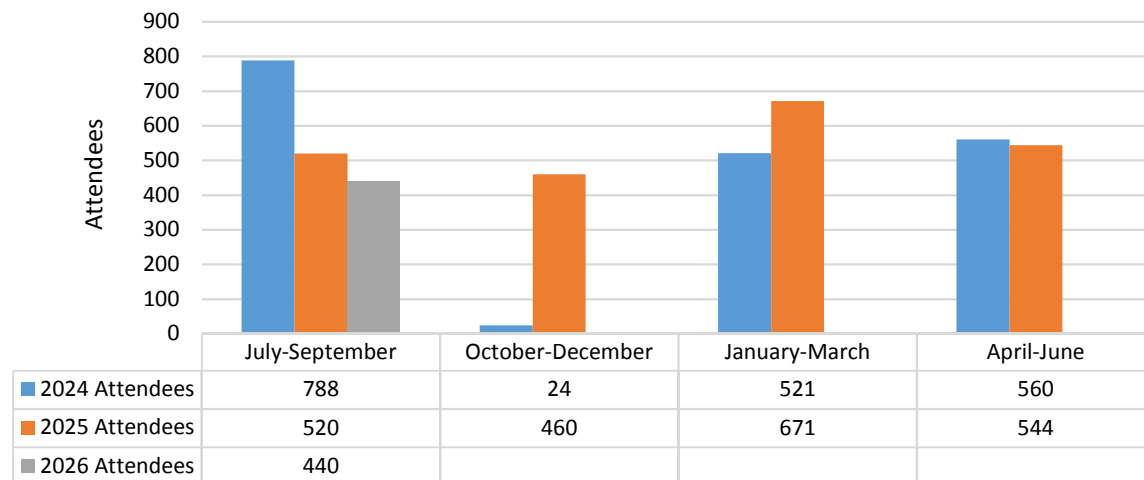
Refunds



Employer Education (quarterly)

In September, we presented a refresher training on membership eligibility to 392 employers. Our next program will be in November about salary reporting.

Employer Programs

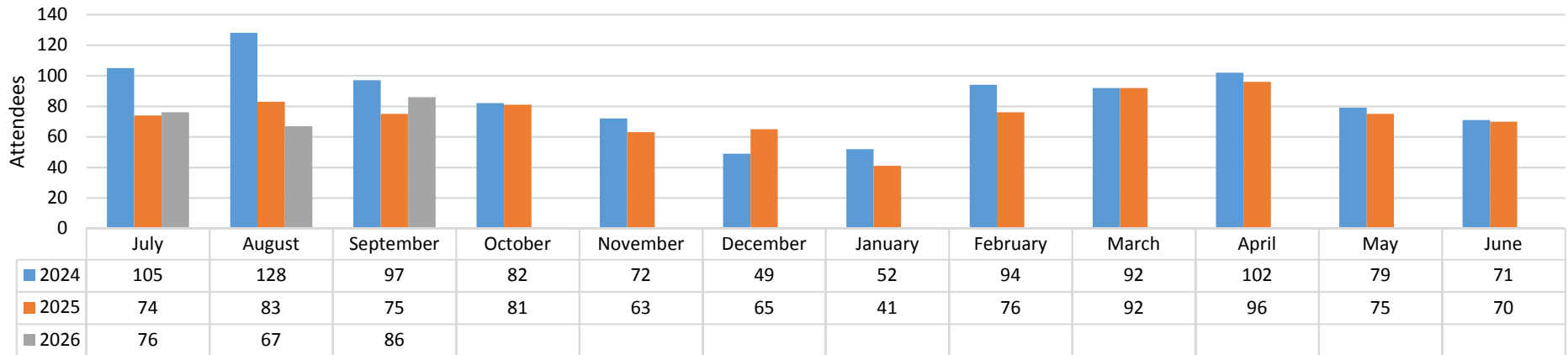


Member Education (per month)

Individual Counseling

Individual sessions averaged about 76 per month during the first quarter of fiscal year 2026. We offer in-person and phone options for individual meetings.

Member Individual Counseling



Group Programs

From May to September 2025, PERA representatives hosted in-person member education programs in various cities throughout Minnesota. Two programs were offered at each location.

Member Programs

