



PERA

NEWS

Assets Over \$30 Billion

Serving over 450,000 public employees in Minnesota

WINTER 2022

GENERAL

POLICE & FIRE

CORRECTIONAL

## Changes for Tax Withholding

Tax withholding selections are changing for both monthly benefits (retirement, disability and survivor) and refunds. We will discontinue having tax withholding sections in our applications and stop using the *Tax Withholding Certificate* form. Due to the new tax requirements, we will use the federal and MN state tax forms for all tax withholding elections and changes. These new tax selections were also added to myPERA for current benefit recipients, making tax changes easy and convenient to submit online.

### WHAT ARE THE NEW TAX FORMS?

- » W-4MNP – Minnesota State tax form for both monthly payments and refunds
- » W-4P – IRS Federal tax form for monthly payments
- » W-4R – IRS Federal tax form for refunds

### CURRENT BENEFIT RECIPIENTS

**There is no action needed by you, unless you would like to change your current tax withholding.** Your tax withholding was converted to the new requirements, matching the withholding amount of your previous selection. New 2023 tax tables, however, may change your benefit amount. You can see your new 2023 benefit amount in myPERA as early as December 21.

### I NEED TO CHANGE MY TAX WITHHOLDING – WHAT DO I DO?

There are two options to update your current tax withholding:

- » update your selections in myPERA, or
- » complete the applicable paper tax form and send it to PERA.

Please note that PERA counselors are not tax advisors. If you have questions on how to complete the new tax forms, please contact your tax professional.

### APPLYING AFTER JANUARY 1, 2023

Are you in the process of applying for benefits or a refund? Beginning January 1, 2023, we will require the IRS federal (W-4P or W-4R) and MN state tax forms (W-4MNP). If we receive an application or Tax Withholding Certificate after January 1, with the old selections, we will automatically process your request with the new default tax selection. You will receive a notice and can change your tax selections in myPERA after payments begin, or you can complete the paper tax form and send it to PERA.

### WHERE CAN I FIND THE NEW TAX FORMS?

The forms can be found under Resources, on our Forms and Publications web page at [mnpera.org/forms-publications](https://mnpera.org/forms-publications). We also have the tax forms in the Applying for Refund and Applying for Retirement pages for easy access.

*Administer and promote sustainable retirement plans and provide services that our members value.*



**Thomas Stanley**  
President  
PERA Board of Trustees

The financial health of our plans is measured at the end of June each year. With volatility in the investment markets, the funding ratio has been fluctuating wildly from year to year. Now we are advised by our actuary that future investment returns are, on average, expected to be lower than the 7.5% rate-of-return assumption selected by the legislature. As a PERA Board member, I am often asked who makes the decisions that determine how we invest our funds, and ultimately what we will earn.

The State Board of Investment (SBI) was created by article XI, section 8 of the Minnesota Constitution to administer and

invest state and local employee benefit funds, as well as other state assets. PERA's member and employer contributions are invested by SBI in accordance with Minnesota Statutes, chapters 11A and 356A. Assets from PERA, TRA, and MSRS are invested together in one portfolio known as the Combined Funds.

The SBI seeks to responsibly invest assets to maximize the total rate of return without incurring undue risk. It monitors and evaluates investment programs with the goal of making sound investment decisions. The Board consists of the four state elected officials: the Governor, Secretary of State, Attorney General, and State Auditor. The day-to-day work of the SBI is led by its new Executive Director, Jill Schurtz, who took the helm following the retirement of Mansco Perry III. Ms. Schurtz is supported by a staff of approximately 40 who manage our investments in accordance with their fiduciary duties and expertise. A 17-member Investment Advisory Council (IAC) provides advice and independent review of the investment policies that guide the SBI.

The duty to responsibly invest our assets and ensure your pension plan's long-term stability is one of critical importance. While year-to-year volatility is certain, we are confident that the SBI's strategy to be a long-term investor will help us fulfill our mission.

## COMBINED FUNDS PERFORMANCE

	FY 2022	3 YR	10 YR	30 YR
Rates of Return (Annualized)	-6.4%	8.3%	9.4%	8.6%

## Working After Retirement

If you're considering returning to work for a PERA-covered employer, it's important that you understand the state and federal rules regarding working after retirement.

While there are no earnings limits if you are over Social Security Administration (SSA) full retirement age, if you return to PERA-covered work prior to that age, you must remain within the annual limits. 2023 limits are:

- » \$21,240: under full SSA retirement age
- » \$56,520: if reach full SSA retirement age in 2023
- » No Limit: on or after you reach full SSA retirement age

If these limits are exceeded, your PERA pension may be reduced or suspended. Learn more on our website at [mnpera.org/retirees/working-after-retirement](https://mnpera.org/retirees/working-after-retirement).

### INVESTMENT RESOURCES:

- » SBI's Website: [msbi.us](https://msbi.us)
- » SBI's Combined Funds: [msbi.us/combined-funds](https://msbi.us/combined-funds)
- » PERA's Annual Comprehensive Financial Report: [mnpera.org/financial/annual-comprehensive-financial-report](https://mnpera.org/financial/annual-comprehensive-financial-report)
- » SBI's Environmental, Social and Governance (ESG) and Stewardship: [msbi.us/ESG-stewardship](https://msbi.us/ESG-stewardship)

# Benefit Recipient Information

As we prepare for the 2023 calendar year, there are a few important reminders for members and survivors receiving PERA benefits.

## WHEN WILL I RECEIVE MY JANUARY PAYMENT?

January 2023 payments will be paid on the first banking day of the month: Tuesday, January 3, 2023.

You'll be able to view your new payment amount in your myPERA account as early as December 21.

## PENSION AWARD LETTERS

Income verification reports, also known as pension award letters, may be downloaded on or after December 21 to reflect your 2023 pension benefit information. You may access your report on-demand in your online myPERA account.

## 1099-R TAX FORM

Your 1099-R for tax year 2022 will be available in your myPERA account by January 2 and will be mailed to you by the end of January.

## ANNUAL BENEFIT INCREASE

If you're eligible, your increase will be reflected in your January 2023 payment.

- » Coordinated: 1.5%
- » Police & Fire: 1.0%
- » Correctional: 2.5%

Learn more at [mnpera.org/retirees/annual-increase](https://mnpera.org/retirees/annual-increase)

MERF and Basic benefit recipients receive the same increase amount as Coordinated. Minneapolis Police and Minneapolis Fire benefit recipients receive the same increase amount as Police & Fire.

New to receiving PERA benefits? Your first increase will depend on the type of benefit you are receiving, the plan, and the start date. After your first increase, all future increases will be the full amount.

# UPCOMING EDUCATION PROGRAMS

## WINTER PROGRAMS

Registration is now open for our winter programs from January through March 2023. Whether you're new to PERA or nearing retirement, we have a program for you! Members can view our calendar of events and register for a webinar at [mnpera.org/education](https://mnpera.org/education).

We will be offering the *Ready to Retire* program at our St. Paul office on the following dates:

- » January 13
- » February 17
- » March 10

## SUMMER 2023 ROAD TRIPS

PERA is hitting the road again this summer! From May to September, we will be hosting member education programs in various cities throughout Minnesota. We will be presenting two different programs:

- » *Ready to Retire*, which is intended for members who plan to retire within one year and focuses on the application process step by step.
- » *From Hire to Retire*, which is designed for all members to learn about PERA benefits.

There will also be limited space available for individual counseling sessions, which are intended only for members who are within six months of retirement.

Our schedule is as follows:

- » Mankato – May 4 and September 8
- » Duluth – June 22 and September 21
- » Rochester – May 5
- » Detroit Lakes – August 9
- » St Cloud – May 18 and July 13
- » Alexandria – August 10
- » Worthington – June 7
- » Fairmont – September 7
- » Marshall – June 8

Registration for a program or counseling session at these locations opens February 1, 2023. Members can register via their myPERA account or by calling our Member Service Center at 651.296.7460 or 1.800.652.9026.



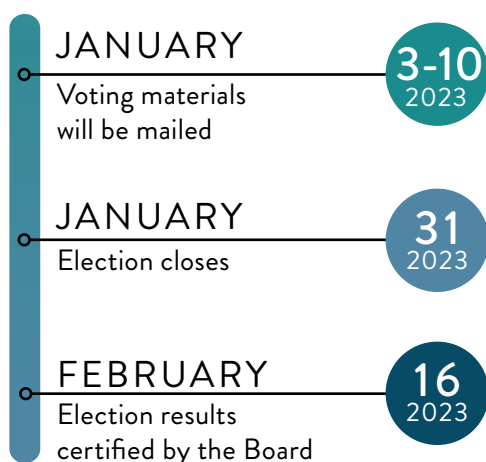


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# January Board Election

In January 2023, our voting process will begin for the election of five Board of Trustee positions. Three seats are to be filled by active (presently working) General, Basic, or Correctional members of PERA. The fourth seat is filled by an active member of the Police & Fire Fund, and the fifth seat is filled by a former member of PERA who is either receiving a retirement annuity or disability benefit.



Voting materials will be sent to eligible members and benefit recipients at the beginning of January and voting will close January 31. Defined Contribution Plan participants are not eligible to vote unless they also participate in a PERA defined benefit plan. For more information, visit our Board of Trustees web page at [mnpera.org/about/board](https://mnpera.org/about/board).

## Governor Appointment

PERA has an opportunity for you to serve on the Board of Trustees to represent the general public. This position is for a four-year term and appointed by the Governor. The Board does not receive compensation for their service to PERA but are reimbursed for necessary expenses incurred while serving the Association. Meetings are held on the second Thursday in February, April, May, June, August, October, and December.

### HOW TO APPLY

Individuals can apply online through the Office of the Secretary of State website, [sos.state.mn.us](https://sos.state.mn.us) under Boards and Commissions. Applicants may submit a cover letter, resume or other information that might be helpful to the appointing authority. Applications become public information once submitted. Applications will be accepted until the Governor appoints a trustee. More information about the Board of Trustees can be found on our website.