



PERA

NEWS

Assets Over \$35 Billion

Serving over 450,000 public employees in Minnesota

SUMMER 2024

GENERAL

POLICE & FIRE

CORRECTIONAL

# 2024 Legislative Update

The Minnesota Legislature approved the 2024 Pension and Retirement Policy and Supplemental Budget Bill, House File 5040, and Governor Walz signed the Bill on May 15.

## WHAT'S CHANGING

### Defined Contribution Plan (DCP) Irrevocable Election

Effective August 1, 2024, new DCP participants must make a one-time irrevocable election into the plan within 30 days of hire. All provisions permitting different election periods are removed from statute. To learn more about this upcoming change, refer to the DCP article in this newsletter.

### Correctional Plan Multiplier and Contribution Rates

The Correctional Plan multiplier increases from 1.9% to 2.2% for service credit earned on or after July 1, 2025. Contribution rates increase July 1, 2025 at the following rates:

- » **Members:** 6.83%
- » **Employers:** 10.25%

### Coordinated and Correctional Plans Workers' Compensation Offsets

Effective January 1, 2025, Coordinated and Correctional disability benefits are not reduced by workers' compensation payments.

### Police & Fire Plan Firefighter Definition

The Bill updates the definition of firefighter to include certain employees who work in fire service and are engaged in or exposed to hazardous conditions resulting from firefighting or fire prevention, suppression, or investigation.

### Statewide Volunteer Firefighter Plan Structure

The Bill modifies the structure of 353G, updates definitions, changes administrative requirements, and establishes a defined contribution plan.

### Administrative Changes

The Bill updates language to ensure consistency in qualification requirements and compensation across fund executive directors. The Bill also modifies provisions in Minnesota Statutes Chapter 356 relating to amortization, correction of errors, and federal compliance.

PERA will provide more information to impacted membership groups as we implement these changes.

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

## ATTENTION COORDINATED MEMBERS:

The Coordinated Plan's actuarial factors are updated for benefit effective dates on or after July 1, 2024. For active and inactive members, these changes may impact your current retirement planning. **These changes do not impact members already receiving benefits.**

Actuarial factors are used to determine benefits when a member elects early retirement, designates a survivor option, or purchases military service credit earned before public employment. Factors are subject to change when investment return or mortality rate assumptions change. They may also change when plan provisions change.

**For the Coordinated Plan, the factor changes include these updated assumptions:**

- » Legislation change of the assumed rate of return from 7.5% to 7.0%,
- » Updated mortality assumptions based on a recent actuarial study for the Coordinated Plan, and
- » Legislation change of the removal of the delayed annual increase from statute.

Review your myPERA account for updated estimates with benefit effective dates on or after July 1, 2024. Your next annual personal benefit statement will include updated estimates reflecting this change.

At this time, there are no factor changes to the Police & Fire Plan or the Correctional Plan. Factors for these two plans will be reviewed after actuarial experience studies are completed later this year.

# Upcoming Defined Contribution Plan Changes

The PERA Defined Contribution Plan (DCP) was established in 1987 for local government officials, physicians, city managers, public ambulance service personnel, and other categories of employees listed under Minnesota Statutes Chapter 353D.

The DCP differs from PERA's defined benefit plans in that employer and employee contributions are deposited in each member's account and invested by the Minnesota State Board of Investment. Accounts are 100% vested immediately and can be distributed as a lump-sum payment after termination of employment. DCP members do not receive monthly pension benefits from this plan.

PERA's tax counsel recently reviewed PERA's DCP and identified areas within the plan that need to be updated to ensure the plan meets federal Internal Revenue Service (IRS) requirements.

## WHAT'S CHANGING

### New Hires

Effective August 1, 2024, all individuals newly hired or elected to a position eligible for DCP participation must make a one-time irrevocable election within 30 days of hire. All provisions permitting individuals

to make an election more than 30 days after hire or to revoke an election to participate are removed.

This change may impact:

- » Elected officials,
- » City managers,
- » Physicians,
- » Public ambulance service personnel, and
- » Volunteer firefighters.

### Elected or Hired February 1, 2024–July 31, 2024

Individuals who were hired or took office between February 1, 2024 and July 31, 2024 can make a one-time irrevocable election during the month of October 2024. This includes city managers choosing to revoke participation in the PERA Coordinated Plan.

### Elected or Hired Before Feb. 1, 2024

Individuals who were elected, hired, or appointed before February 1, 2024 and had an unlimited or revocable election period have until July 31, 2024 to make a final election before the new law takes effect.

More information will be provided to employers and members throughout the summer and early fall.

## Ready to Retire Webinar Now On-Demand

PERA is now offering an on-demand version of our Ready to Retire program!

Ready to Retire is designed for PERA members who are 6–12 months from starting their benefit and walks them through the application process. View the program right now on the [Member Programs](#) page on our website.

# Welcome to govDelivery



PERA is now using govDelivery, a new communications tool that allows you to receive updates on PERA topics that interest you.

With govDelivery, you will receive current news and information about PERA-related topics. You may customize and manage your profile to receive information you want, and you can opt out of emails at any time. By using govDelivery, you will quickly know when updates are available and learn relevant information about PERA membership and resources.

## What types of emails will I receive?

You can choose specific topics to receive information about via email or text message, including our newsletters, plan updates, and education. In addition, you can sign up for content specific to members, benefit recipients, and employers.

### Examples include:

- » Legislative updates impacting PERA benefits,
- » Annual increase amounts for benefit recipients, and
- » Upcoming PERA programs and webinars.

## How do I subscribe to govDelivery?

It's easy to subscribe! Visit [PERA's govDelivery Sign Up page](#) to set up your subscription. You can also access the link on our website at [mnpera.org/about/contact](https://mnpera.org/about/contact).

## GovDelivery is separate from PERA

GovDelivery is NOT connected to PERA's database and does not have access to your individual account, myPERA, or member information. It is a separate communications tool and only contains your name and email address (and phone number if you elect to receive SMS/text messages). PERA will only use your email address (or phone number) to send news about the topics selected in the govDelivery system. PERA will not use govDelivery to gather personal information about you.

## Can I unsubscribe or update my preferences?

Of course! You can change your subscription preferences on [PERA's gov-Delivery Sign Up page](#).

Visit PERA's website at [mnpera.org](https://mnpera.org) to find more helpful tips and information about govDelivery.

# PERA Programs Near You

PERA is hosting member education programs in cities throughout Minnesota. We are presenting the From Hire to Retire program, which will include retirement application process information. The content will apply to all PERA members. There will be time allotted at the end of the presentation to answer questions.

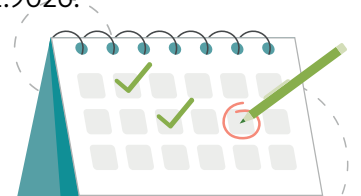
## LOCATIONS AND DATES

- » Fergus Falls: July 10
- » Moorhead: July 11
- » Mankato: August 8
- » Faribault: August 15
- » Red Wing: September 12
- » Cloquet: September 18
- » Hibbing: September 19

Registration is now open for webinars in July, August, and September. Visit the [program calendar](#) on our website for webinar dates and times.

## How to register

You can register using your myPERA account or by calling our Member Service Center at 651.296.7460 or 1.800.652.9026.



# Authorizing PERA to Share Your Account Information

Generally, the only information in your PERA account that is considered public data is your name, gross pension (must be in payment status), and the type of benefit awarded. The remaining data in your PERA account is protected under state and federal privacy regulations.

We cannot share your protected data with your spouse, children, family members, friends, or other third parties without your written authorization.

To give another individual or a third party information about your PERA account,

complete the *Consent for Release of Information* form on the Forms and Publications page of our website. In addition to the completed form, you must submit proof of identity before we can respond to your request for data.



Public Employees Retirement Association  
60 Empire Drive, Suite 200  
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## BOARD OF TRUSTEES UPDATE

In February 2024, Trustee Jenni Konigsburg was elected to fill the remainder of Thomas Rupp's term. Trustee Konigsburg is serving as PERA's general membership representative.

In April 2024, Trustee Thomas Thornberg was reappointed to PERA's Board by the governor. Trustee Thornberg is serving as PERA's retired annuitant representative.

To learn more about PERA's Board, visit our [Board of Trustees](#) page on our website.

## LAST PRINTED SUMMER NEWSLETTER

PERA is updating our newsletter delivery options based on member feedback, our upgrade to the govDelivery platform, and our continued goal to save paper and reduce waste.

Starting in 2025, our digital newsletter will be published three times per year: spring, summer, and fall.

The Fall newsletter will be printed and sent to members who elect a mailed copy. This newsletter is the last Summer newsletter that will be printed and mailed.