



SUMMER 2023

2023 Legislative Update

The 2023 legislative session ended on May 22. The Legislative Commission on Pensions and Retirement heard testimony and reviewed proposed legislation on several topics and initiatives related to pension benefits. Several bills were signed at the end of session that impact PERA: the Pension and Retirement Omnibus Policy Bill (SF3016/HF2950), the Pension Omnibus Budget Bill (SF3162/HF3100), and the Public Safety PTSD/Duty Disability Bill (SF1959/HF1234). Legislation changes are effective July 1, 2023, unless noted below. No changes were made to contribution rates for any PERA plan.

Membership eligibility

The defined benefit annual earnings requirement for local government and school employees of \$5,100 and \$3,800, respectively, is now replaced with a monthly threshold of \$425. Current members who qualified for membership under the previous rules are not affected and will retain their membership until termination. For more information, see the *Monthly Salary Threshold* article on page 3 for details.

Vesting

For Coordinated members, three-year vesting now applies to active public employees. Five-year vesting still applies to members who terminated between July 1, 2010 and June 30, 2023. For Police & Fire members, five to 10-year graded vesting now applies to those who became a member of PERA on or after July 1, 2010 and have not taken a refund or started a monthly payment. The previous

10 to 20-year vesting was removed from statutes. There are no vesting changes for Correctional members.

Investment return assumptions

PERA's assumed investment return changes from 7.5% to 7.0% effective June 30, 2023. This is the rate at which PERA assumes we will see a return on the investments made by the State Board of Investment on PERA's behalf. Interest charged by PERA on omitted deductions, delinquent invoices, purchases of service or salary credit, and repayments of refund will be lowered to 7.0% after June 30. Interest accrued prior to that date would remain at 7.5%.

Defined contribution plan

Beginning May 20, 2023, appointed public officials (such as city or township clerks, treasurers, or auditors) who had previously been excluded from the DCP because their position was not elected, are now eligible to participate if their salary remains below the threshold for mandatory Coordinated Plan membership.

Member purchases

Members who terminate employment or start a disability benefit before paying a leave of absence will now have the same period to make a purchase as active members, which is one year after the end of each reporting period. Members who are applying for a disability benefit are now eligible to purchase all leave types. Accrued interest on member purchases (repaying a refund, leave of absence, etc.) will be 7.0% after June 30.

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

UPCOMING EMPLOYER WEBINARS

EMPLOYER LEGISLATIVE UPDATE

Learn about the 2023 Omnibus Retirement Bill and how it will impact the day-to-day administration of PERA benefits.

Topics covered include:

- » Overview of 2023 legislative changes
- » Transition from annual to monthly salary threshold
- » Vesting changes for Coordinated and Police & Fire Plan members
- » Leave purchase period extended for terminated members

When: Thursday, Aug. 10 at 11 a.m., followed by recorded version for on-demand viewing.

WELCOME EMPLOYER:

PERA REPORTING TRAINING

This webinar has been updated to incorporate the 2023 legislative changes. Recommended for payroll, HR, and business managers who are new to PERA reporting.

When:

- » Thursday, July 20 at 11 a.m.
- » Thursday, Oct. 26 at 11 a.m.

ERIS TROUBLESHOOTING

Some employers have experienced ERIS access issues despite recent changes to our server and firewall settings. We apologize for the inconvenience and continue to work with our IT department on a solution.

Here is a list of troubleshooting tips that resolve most issues:

Avoid Bookmarks. Sessions often time out. Accessing through a bookmarked link can store an expired session. Log into ERIS by going to mnpera.org > Employers > ERIS Login.

Cookies and Cache. Clearing cookies and cache browsing history can remove any obstruction in the ERIS connection. The process for clearing these items varies by web browser. If you are unfamiliar, search “how to clear cache on [insert name of your web browser].”

Check for New Devices. Has your agency installed any new hardware, devices, or programs recently? Sometimes those can cause a disruption where least expected. Check with your internal IT Department for assistance.

Use Another Web Browser. Try Google Chrome, Microsoft Edge, or Mozilla Firefox.

Refresh the Page. Press Ctrl + F5. In most browsers, this will retrieve the webpage from the server instead of loading it from the cache.

Provide PERA the IPv4 Address. If none of the above options work, your firewall may be blocked. Locate the IPv4 address of your computer and email to employer. reps@mnpera.org for staff assistance.

To Find Your IPv4 Address: search “what is my IPv4 address” in a web browser. The result will display as ###.##.###.###.

Farewell to Barb Bibeau

After 22 years of outstanding service, Barb Bibeau has resigned from PERA to pursue new opportunities and adventures.

As the supervisor of Employer Services, Barb worked closely with many employer contacts on contribution reporting and reconciliation projects. She is well known by many of you for her helpfulness, optimism, and love of travel.

We at PERA are grateful for her impact as a leader and wish her well in the future.

We are in the process of filling Barb's position. Please direct your questions to employer.reps@mnpera.org or to the employer line at 651.296.3636 or 888.892.7372.

Monthly Salary Threshold

Effective July 1, 2023, the earnings threshold for membership in PERA's Coordinated, Correctional and Police & Fire defined benefit plans (DBP) is \$425 paid in a single month. This applies to all employer types and replaces the annual threshold of \$5,100 (\$3,800 for school-year employees).

When to enroll

Immediately enroll every new hire whose regular earnings will exceed \$425 per month. Membership is mandatory for these individuals, even if they won't receive \$425 in their first month. This applies to all full-time and most part-time employees.

All other employees are eligible for PERA coverage once they are paid at least \$425 in a single month, **if no other exclusion applies**.

Some members who were excluded under the annual threshold may now be eligible under the new monthly threshold.

» Intermittent or on-call eligibility begins the first month that pay is \$425 or more.

» Seasonal and temporary employees remain excluded from PERA membership if the period of work is less than six consecutive months, regardless of earnings. However, if the period is extended beyond six months, the person becomes eligible for membership the next time their monthly pay is at least \$425.

After \$425 is met once, a member's eligibility continues until termination with that employer, even if subsequent earnings never reach \$425 in any other month. A person who meets the threshold but later terminates and has at least a 30-day break before rehire is now considered a new enrollment and must re-establish eligibility.

Transition plan

For those enrolled in PERA membership before July 1, 2023 who did not meet the annual threshold by that date, PERA will compare their year-to-date earnings to a prorated threshold based on the number of months worked. We expect to resolve these records by December 2023.

Here are two transition plan calendar year examples:

- » Person A, hired in January 2023, will be valid if paid at least \$2,550 by June 30, 2023 (\$425 x 6 months).
- » Person B, hired in April 2023, to a calendar year employer will be valid if paid at least \$1,275 by June 30, 2023 (\$425 x 3 months).

Exclusion reports

Schools should still use code 302 for the fiscal year 2023 exclusion reports which are due August 31, 2023.

Effective with calendar year 2023 and fiscal year 2024 reports, exclusion code 301 will replace codes 302 and 303 for all employer types.

Future changes

The monthly rate of \$425 was last set in 1988. PERA is reviewing the amount for the monthly threshold and may bring forward changes to the amount in future legislative sessions.

Designate a PERA Disability Contact

Employers with members in the Police & Fire Plan have the option to designate a police disability contact and a fire disability contact with PERA. This directs Police & Fire disability letters to these individuals instead of the primary payroll contact. This can help employers meet the necessary response timelines.

To update contact roles in ERIS, click on Maintain Employer > Employer Contacts. Search for your employee using the fields or create a new ERIS

Available Roles

Fire Chief
Fire Disability Contact
HR/Personnel Contact
Mail Recipient
Payroll Contact
Police Disability Contact

representative account with the assigned contact role.

If you have any questions or need help designating a representative through ERIS, please feel free to reach out.

EMPLOYER SURVEY

We want to hear your feedback regarding the sex and gender options that are included on your agency forms for employees. Your information will help us understand how to best create gender-inclusive options on PERA's forms for our members. This survey will take about five minutes to complete.



https://www.research.net/r/PERA_Employer_Survey



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Ask PERA!

Have a question for PERA? We'd love to hear from you!
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Our agency would like to schedule the submission of Salary Deduction Reports (SDR) and Demographic Report files so that they are automatically transmitted to PERA each pay period. How can we set this up?

At this time, PERA's ERIS system is not configured to accept files via the File Transfer Protocol (FTP) process. Transmitted files must be uploaded by an active ERIS administrator or representative who has logged into the system.

There are currently no plans to change this requirement. However, PERA will be modernizing our system interfaces in the coming years and may consider this option in the future.