



Minnesota Municipal Retirement Association
Protecting Your Pension, Your Retirement, Your Future

March 11, 2025

Doug Anderson
Executive Director
Minnesota Public Employees Retirement Association
60 Empire Drive – Suite 200
Saint Paul MN 55103-

Regarding: 2025 PERA Legislative Agenda – PERA General Plan Initiative – Staff Proposal

Mr. Anderson and PERA Trustees:

The Officers and Directors of the Minnesota Municipal Retirement Association (MMRA) support the PERA General Plan Initiative Staff Proposal in the 2025 PERA Legislative Agenda. The proposal will help our almost 1,200 members deal with the significant impacts inflation has had on their pensions over the past few years.

87% of MMRA's members are basic plan members in PERA General. For the fifteenth year in a row, our members have received no-higher-than a 1.5% Cost of Living Adjustment (COLA) and usually only a 1.0% COLA. As a result, the purchasing power of their retirement benefit has eroded significantly.

Basic plan members also receive less inflation protection than coordinated members. These members have received an additional retirement benefit hedge through a Social Security COLA as high as 3.6%, 5.9%, and even 8.7% over the last fifteen years. This is discussed extensively in the Legislative Commission on Pensions and Retirement's December 2020 COLA Study. One of its conclusions: "Basic members, on the other hand, do not receive the Social Security COLA and thus receive less inflation protection." [Minnesota Legislative Commission on Pensions and Retirement -- Report on the LCPR Study of Postretirement Adjustments (COLAs), December 2020]

MMRA appreciates the thorough-explanations and considerations outlined in the staff's March 13, 2025, memo. We also appreciate the dialogue with staff over the past few months and the allowance for significant input from PERA's stakeholders. While we believe PERA needs to continue to address the negative impacts of inflation on member COLAs and the inequities identified in the LCPR study, we believe the staff proposal is a good start, and for that reason we support the staff proposal and urge the PERA Board to approve it.

Thank you for your consideration.

Respectfully,

The Officers and Directors of MMRA