

# Legislative Update

Signed by the Governor on May 25, the 2021 Pension and Retirement Bill includes changes to the administration of leave purchases and updates to fire state aid allocations. It also establishes a working group to study pension options for 911 telecommunicators.

## PERA ADMINISTRATIVE CHANGES

PERA's 2021 provisions are minimal, but allow us to effectively and efficiently administer our statutes. The most significant change addresses how PERA administers leave purchases. The changes will enable a smoother process for both members and employers.

### Highlights of the new leave provisions:

- Extends the length of time to purchase any type of leave after terminating from 30 days to six months;
- Modifies the leave period to a calendar year (for non-school employees) and school year (for school employees) for reporting purposes;
- Extends the minimum time period to purchase federally protected military leaves from one year to three years from the date of discharge. This allows members more time to purchase this type of leave when the military period is less than one year.

The rest of the provisions make minor changes to clarify or correct language or simplify administration.

### Highlights of other provisional changes:

- Authorizes members active under another Minnesota public pension plan who retire with a phased retirement agreement to be eligible for a combined service annuity;
- Corrects language for the required federal minimum distribution age in the Defined Contribution Plan statute.

## STATEWIDE VOLUNTEER FIRE-FIGHTER (SVF) FIRE STATE AID

Currently, entities within the Statewide Volunteer Firefighter (SVF) Plan are not eligible to allocate fire state aid towards employer contributions to the Police & Fire Plan.

The Omnibus Retirement Bill allows for an entity with a combination fire department to propose a fire state aid allocation plan for up to three years. A combination fire department consists of at least one career firefighter and one volunteer firefighter.

The amount of fire state aid that can be allocated cannot exceed the entity's employer contributions for their career firefighters in the Police & Fire Plan. The amount allocated cannot jeopardize the 100 percent funding status of the SVF Plan.

The entity must notify the volunteer firefighters and PERA of the fire

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

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## PRESIDENT'S MESSAGE



**Thomas Stanley**  
President  
PERA Board of Trustees

The goals for a healthy pension fund include not only achieving a 100 percent funding ratio, but sustaining it. Meeting these two goals has been elusive for PERA's plans over the past generation. In recent years, however, PERA's stakeholders and Board advocated for—and achieved—structural changes that improve our long-term plan sustainability. The plan modifications for which we fought, along with positive investment returns, have resulted in the healthiest plan funding balances in decades. As a result, we shifted the forecast from plans in decline to plans on a path to improvement.

This upward funding trajectory corresponds with the funding values adopted by the Board of Trustees in December 2019. First and

foremost was Value #1—Funding Status: “The Plan’s funding ratio (Market Value of Assets/Actuarial Accrued Liability), determined using approved assumptions, should project to achieve and sustain a level of at least 100 percent within a reasonable period of time.” While it is too early to rely on the positive returns from an always volatile investment market, we are making progress toward full funding in the General Employees Retirement Plan and the Police & Fire Plan. The Correctional Plan—the most recently created of the three—has already achieved 100 percent funding.

Although positive market returns are currently decreasing our liabilities, we continue to monitor the plans and will seek adjustments as necessary to maintain the growth and stability we see now. As each plan’s funding status improves, we hope to shift the focus away from the shared sacrifices of active employees, retirees and employers to meet a particular goal, towards risk management and intergenerational equity to fairly sustain the plans at fully funded levels. This will take time, but we think we are on the right path.

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state aid allocation plan. The volunteer firefighters have a period of time to file a petition to stop the proposed fire state aid allocation plan. If no petition is filed, the fire state aid allocation plan goes into effect for the next calendar year.

### **WORKING GROUP FOR 911 TELECOMMUNICATORS**

A working group will be established to study whether 911 telecommunicators should be eligible to participate in the PERA Correctional Plan instead of the PERA General Plan. The group will also review this recommendation for related MSRS Plans.

The working group includes five members representing local government employers, two active 911 telecommunicator employees, one member from each of the PERA and MSRS Correctional Plans, and the Executive Directors of PERA and MSRS. They will report their study to the Legislative Commission on Pensions and Retirement by March 1, 2022.

PERA’s Board of Trustees will select a representative from the members of the PERA Correctional Plan this summer. More information on the selection process will be communicated in the coming months.

## Questions about completing your retirement application?

Find our new ‘How To’ video and other tools to prepare for retirement on our [Education](#) page



# Expanded educational opportunities for members

The shift to remote work in the spring of 2020 posed a challenge to the way we serve and educate our members. With in-person seminars and counseling unavailable, PERA re-envisioned the way we connect with our members and communicate important information.

We are pleased to report that the transition to service-from-a-distance has been very successful. We are currently offering two live webinars for members—our *Ready to Retire* and *From Hire to Retire* programs. The shift to the webinar format has allowed us to offer more sessions and serve a much larger audience across the state of Minnesota.

We are also offering individual counseling by phone to members who are ready to apply for retirement and need one-on-one assistance. Phone counseling sessions are also valuable for members who have unique situations, such as service with more than one fund, disability, or when divorce impacts their pension.

Visit our [Education](#) page to learn more about our educational opportunities, see our program calendar, and register for an upcoming webinar.

## Plan for retirement with myPERA

Here at PERA, we are committed to providing you with the resources you need to plan for retirement—whether it’s quickly approaching or years away.

myPERA is your personal link to your benefit information. Here you can:

- View and download your Personal Benefit Statement (PBS)
- Create and view custom estimates based on variable retirement ages
- Add or update beneficiaries
- Review and update your personal information (e.g. mailing and email addresses)
- Upload important documents:
  - *Verification of Termination form*
  - Birth Certificate
  - Identification
  - Marriage Certificate
  - *Annual Earnings Form*
- Register for webinars
- As a benefit recipient, you can adjust tax withholding and direct deposit; you can also access tax form 1099R and proof of income reports

Visit our [website](#) and click the “myPERA Login” button

## COLA Notices

A valuable feature of your PERA benefit is that it increases annually to help offset inflation. Cost of living adjustments (COLAs) are effective in January of each year for eligible benefit recipients. Annual increases are updated in the Benefit Recipients section of our website every December, and member-specific increases can be viewed in myPERA accounts in late December.

We do not mail COLA letters annually unless you specifically request it. If you wish to receive an annual COLA notice by mail, please contact the Member Services Center at [benefits@mnpera.org](mailto:benefits@mnpera.org).

## EDUCATION BY THE NUMBERS

April 2020 — April 2021



**3,929** members attended a webinar



**1,130** members had a phone counseling session



Webinars averaged **20** participants per session



**85,311** calls answered by our Member Service Center



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## BOARD DIRECTORY

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The PERA Board of Trustees consists of 11 members. The State Auditor is a member of the Board by statute. Five trustees are appointed by the Governor to represent cities, counties, school boards, retirees and the public, respectively. The remaining five members are elected by the PERA membership at large to represent the general active membership, Police & Fire Plan members, and all benefit recipients. Board members serve four-year terms.



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[mnpera.org](http://mnpera.org)

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