Suggested GASB 68 Pension Footnotes for Employers Financial Statements for the Fiscal Year Ended June 30, 2025

 [Using PERA Valuation/Measurement Date 6/30/2024]

**Summary of Significant Accounting Policies**

*Pensions.* For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note X. Defined Benefit Pension Plans**

*[Include information for the specific plans that apply to your entity]*

1. **Plan Description**The [entity] participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan’s financial reporting requirements. PERA’s defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.
2. **General Employees Retirement Plan** **(General Plan)**

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

1. **Public Employees Police and Fire Retirement Plan (Police and Fire Plan)**

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity’s governing body. The resolution must state that the position meets plan requirements.

1. **Public Employees Local Government Correctional Service Retirement Plan (Correctional Plan)**

Membership in the Correctional Plan includes correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody, and control of the facilities and their inmates.

1. **Benefits Provided**
PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.
2. **General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. Benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

1. **Police and Fire Plan Benefits**
Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police & Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

1. **Correctional Plan Benefits**
Benefits for Correctional Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Correctional Plan members receive 1.9 percent of highest average salary for each year of service. Correctional Plan members receive a full retirement benefit when they are age 55 and vested or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement begins at age 50 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100 percent of the COLA announced by SSA, with a minimum increase of 1 percent and a maximum of 2.5 percent. The 2024 annual increase was 2.5 percent. If the plan’s funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

1. **Contributions***Minnesota Statutes* chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.
2. **General Employees Fund Contributions**
General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the [entity] was required to contribute 7.50 percent for General Plan members. The [entity’s] contributions to the General Employees Fund for the year ended June 30, 2025, were $\_\_\_\_\_\_. The [entity’s] contributions were equal to the required contributions as set by state statute.
3. **Police and Fire Fund Contributions**
 Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary and the [entity] was required to contribute 17.70 percent of pay for plan members in fiscal year 2025. The [entity’s] contributions to the Police and Fire Fund for the year ended June 30, 2025, were $\_\_\_\_\_\_. The [entity’s] contributions were equal to the required contributions as set by state statute.
4. **Correctional Fund Contributions**
Correctional Plan members were required to contribute 5.83 percent of their annual covered salary and the [entity] was required to contribute 8.75 percent of pay for plan members in fiscal year 2025. The [entity’s] contributions to the Correctional Fund for the year ended June 30, 2025, were $\_\_\_\_\_\_. The [entity’s] contributions were equal to the required contributions as set by state statute.
5. **Pension Costs**
6. **General Employees Fund Pension Costs**

At June 30, 2025, the [entity] reported a liability of $\_\_\_\_\_\_ for its proportionate share of the General Employees Fund’s net pension liability. The [entity’s] net pension liability reflected a reduction due to the State of Minnesota’s contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state’s contribution meets the definition of a special funding situation. The State of Minnesota’s proportionate share of the net pension liability associated with the [entity] totaled $\_\_\_\_\_\_.

[Entity’s] proportionate share of the net pension liability $x,xxx,xxx

State of Minnesota’s proportionate share of the net pension

 liability associated with the [Entity] xx,xxx

 Total $x,xxx,xxx

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The [entity’s] proportion of the net pension liability was based on the [entity’s] contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The [entity’s] proportionate share was \_\_\_ percent at the end of the measurement period and \_\_\_ percent for the beginning of the period.

[Benefit provision changes disclosed here.]

[If changes expected to have a significant effect on the measurement of the net pension liability had occurred between the measurement date and the reporting date, the entity would include a brief description of the nature of those changes.]

For the year ended June 30, 2025, the [entity] recognized pension expense of $\_\_\_\_\_\_ for its proportionate share of the General Employees Plan’s pension expense. In addition, the [entity] recognized $\_\_\_\_\_\_ as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the annual $16 million contribution.

During the plan year ended June 30, 2024, the State of Minnesota contributed $170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The [entity] recognized $\_\_\_\_\_\_ for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the General Employees Fund.

At June 30, 2025, the [entity] reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  |  |  |
| --- | --- | --- |
|  | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
| **Differences between expected and actual economic experience** | $x,xxx | $x,xxx |
| **Changes in actuarial assumptions** | $x,xxx | $x,xxx |
| **Net difference between projected and actual earnings on pension plan investments** | [Here] $x,xxx | [Or here]$x,xxx |
| **Changes in proportion** | $x,xxx | $x,xxx |
| **Employer contributions subsequent to the measurement date [to be calculated by employer]** | $x,xxx |  |
|  **Total** | $xxx,xxx | $xxx,xxx |

The $x,xxx reported as deferred outflows of resources related to pensions resulting from [entity] contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|  |  |
| --- | --- |
| **Year ended June 30:** | **Pension Expense Amount** |
| 2026 | $x,xxx |
| 2027 | $x,xxx |
| 2028 | $x,xxx |
| 2029 | $x,xxx |

1. **Police and Fire Fund Pension Costs**

At June 30, 2025, the [entity] reported a liability of $\_\_\_\_\_\_ for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The [entity’s] proportionate share of the net pension liability was based on the [entity’s] contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The [entity’s] proportionate share was \_\_\_ percent at the end of the measurement period and \_\_\_ percent for the beginning of the period.

The State of Minnesota contributed $37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of $19.4 million, and $9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, $9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay $9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The $9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the [entity] totaled $\_\_\_\_\_\_.

[Entity’s] proportionate share of the net pension liability $x,xxx,xxx

State of Minnesota’s proportionate share of the net pension

 liability associated with the [Entity] xx,xxx

 Total $x,xxx,xxx

For the year ended June 30, 2025, the [entity] recognized pension expense of $\_\_\_\_\_\_ for its proportionate share of the Police and Fire Plan’s pension expense. The [entity] recognized $\_\_\_\_\_\_ as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the contribution of $9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The [entity] recognized $\_\_\_\_\_\_ for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

[Benefit provision changes would be disclosed here.]

 [If changes expected to have a significant effect on the measurement of the net pension liability had occurred between the measurement date and the reporting date, the entity would include a brief description of the nature of those changes.]

At June 30, 2025, the [entity] reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  |  |  |
| --- | --- | --- |
|  | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
| **Differences between expected and actual economic experience** | $x,xxx | $x,xxx |
| **Changes in actuarial assumptions** | $x,xxx | $x,xxx |
| **Net difference between projected and actual earnings on pension plan investments** |  [Here] $x,xxx  | [Or here]$x,xxx |
| **Changes in proportion** | $x,xxx | $x,xxx |
| **Employer contributions subsequent to the measurement date [to be calculated by employer]** | $x,xxx |  |
|  **Total** | $xxx,xxx | $xxx,xxx |

The $x,xxx reported as deferred outflows of resources related to pensions resulting from [entity] contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

|  |  |
| --- | --- |
| **Year ended June 30:** | **Pension Expense Amount** |
| 2026 | $x,xxx |
| 2027 | $x,xxx |
| 2028 | $x,xxx |
| 2029 | $x,xxx |
| 2030 | $x,xxx  |

**3. Correctional Plan Pension Costs**

At June 30, 2025, the [entity] reported a liability of $\_\_\_\_\_\_ for its proportionate share of the Correctional Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The [entity’s] proportionate share of the net pension liability was based on the [entity’s] contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The [entity’s] proportionate share was \_\_\_ percent at the end of the measurement period and \_\_\_ percent for the beginning of the period.

[Benefit provision changes would be disclosed here.]

[If changes expected to have a significant effect on the measurement of the net pension liability had occurred between the measurement date and the reporting date, the entity would include a brief description of the nature of those changes.]

For the year ended June 30, 2025 the [entity] recognized pension expense of $\_\_\_\_\_\_ for its proportionate share of the Correctional Plan’s pension expense.

During the plan year ended June 30, 2024, the State of Minnesota contributed $5.3 million to the Correctional Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the Correctional Plan pension allocation schedules for the $5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The [entity] recognized $\_\_\_\_\_\_ for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Correctional Employees Fund.

At June 30, 2025, the [entity] reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  |  |  |
| --- | --- | --- |
|  | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
| **Differences between expected and actual economic experience** | $x,xxx | $x,xxx |
| **Changes in actuarial assumptions** | $x,xxx | $x,xxx |
| **Net difference between projected and actual earnings on pension plan investments** |  [Here] $x,xxx  | [Or here]$x,xxx |
| **Changes in proportion** | $x,xxx | $x,xxx |
| **Employer contributions subsequent to the measurement date [to be calculated by employer]** | $x,xxx |  $x,xxx |
|  **Total** | $xxx,xxx | $xxx,xxx |

The $x,xxx reported as deferred outflows of resources related to pensions resulting from [entity] contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

|  |  |
| --- | --- |
| **Year ended June 30:** | **Pension Expense Amount** |
| 2026 | $x,xxx |
| 2027 | $x,xxx |
| 2028 | $x,xxx |

4. Aggregate Pension Expense

The total pension expense for all plans recognized by the [entity type] for the year ended June 30, 2025 was $\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. **Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

|  |  |  |
| --- | --- | --- |
| **Asset Class**  | **Target Allocation** | **Long-Term Expected Real Rate of Return** |
| Domestic Equity | 33.5% | 5.10% |
| International Equity | 16.5% | 5.30% |
| Fixed Income | 25.0% | 0.75% |
| Private Markets | 25.0% | 5.90% |
|  Total | 100% |  |

1. **Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

* Inflation is assumed to be 2.25% for the General Employees Plan, Police & Fire Plan, and the Correctional Plan.
* Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1% for the Police & Fire Plan, and 2% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11% at age 20 to 3% at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police & Fire Plan and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA’s experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan and Correctional Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**General Employees Fund**

Changes in Actuarial Assumptions:

* Rates of merit and seniority were adjusted, resulting in slightly higher rates.
* Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
* Minor increase in assumed withdrawals for males and females.
* Lower rates of disability.
* Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
* Minor changes to form of payment assumptions for male and female retirees.
* Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

* The workers’ compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**Police and Fire Fund**

Changes in Plan Provisions:

* The State contribution of $9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
* The additional $9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**Correctional Fund**

Changes in Plan Provisions:

* Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
* Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
* The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.
1. **Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

1. **Pension Liability Sensitivity**The following presents the [entity’s] proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the [entity’s] proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

|  |
| --- |
| **Sensitivity Analysis (In Thousands)** |
| *Net Pension Liability (Asset) at Different Discount Rates* |
|  | General Employees Fund | Police and Fire Fund | Correctional Fund |
| 1% Lower | 6.00% | $x,xxx,xxx | 6.00% | $x,xxx,xxx | 6.00% | $x,xxx,xxx |
| Current Discount Rate | 7.00% | $x,xxx,xxx | 7.00% |  $x,xxx,xxx | 7.00% | $x,xxx,xxx |
| 1% Higher | 8.00% | $x,xxx,xxx | 8.00% |  $x,xxx,xxx | 8.00% | $x,xxx,xxx |

1. **Pension Plan Fiduciary Net Position**

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org) .

**Note XI. Public Employees Defined Contribution Plan** **(Defined Contribution Plan)**

[types of entity employees, e.g. council members, school district board members, of the City or Any Town] are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356 specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the [entity] during fiscal year 2025 were:

|  |  |  |
| --- | --- | --- |
| Contribution Amount | Percentage of Covered Payroll | Required |
| Employee | Employer | Employee | Employer | Rate |
| $XXX | $XXX | 5% | 5% | 5% |