



Date: February 13, 2025
To: PERA Board of Trustees
From: Tracy Gebhard, CFO
Subject: Write Off of Uncollectable Accounts Receivable

As of January 31, 2025, the PERA Finance Division staff have identified 31 uncollectible accounts totaling \$396,007.91. The attached confidential list (distributed to trustees only) identifies those uncollectible accounts and includes:

- 1) Member's name
- 2) Remaining amount due to PERA
- 3) Date of death
- 4) Statutory criteria for writing off uncollectible account

The PERA Finance Division staff attempt to collect on overpaid member accounts through a variety of methods. These methods include:

- 1) Submission of up to three collection letters
- 2) Subpoena of bank records
- 3) Reference to the Minnesota Department of Revenue, Revenue Recovery Program
- 4) Submission to the Attorney General's Office
- 5) Conciliation court

Board policy requires the PERA Finance Division staff to prepare a report for the board about overpaid member accounts that the staff or an outside agency determine to be uncollectible. The board must approve the write-off of uncollectible accounts receivable. Minn. Stat. § 16D.09, subd. 1(a) considers a debt uncollectible when one of the following scenarios is met:

- 1) All reasonable collection efforts have been exhausted.
- 2) The cost of further collection action will exceed the amount recoverable.
- 3) The debt is legally without merit or cannot be substantiated by evidence.
- 4) The debtor cannot be located.
- 5) The available assets or income, current or anticipated, that may be available for payment of the debt are insufficient.
- 6) The debt has been discharged in bankruptcy.
- 7) The applicable statute of limitations for collection of the debt has expired.
- 8) It is not in the public interest to pursue collection of the debt.

Staff Recommendation

Staff recommends that the PERA Board of Trustees approve the write off of 31 uncollectible accounts totaling \$396,007.91.