



Overview of the 2026 Omnibus Pension and Retirement Bill

SF 4276, 2nd Engrossment; HF 4074, 3rd Engrossment

Article 1: Minnesota State Retirement System (MSRS)

- Administrative changes
- Special legislation for 2 deputy state fire marshals who missed electing special coverage

Article 2: Public Employees Retirement Association (PERA)

- P&F Plan: Eliminates one-year waiting period for COLAs in the Police and Fire Plan
 - New direct state aid of **\$8M** (Article 2, Section 1, page 8)
 - Expires July 1, 2042
- Correctional Plan: reduces employee contribution from 6.83 to 6% of pay, reduces employer contributions from 10.25 to 9% of pay; and raises cap on COLAs from 2.5 to 3%

Article 3: Teachers Retirement Association (TRA); St. Paul Teachers Retirement Fund Association (St. Paul Teachers)

- Reduces employee contribution from 9 to 8% of pay for St. Paul Teachers
 - New direct state aid to St. Paul Teachers: **\$3.4M** (Article 3, Section 11, page 15)
 - Expires July 1, 2048
- Administrative changes

Article 4: Probation and Telecommunicator Retirement subplan of the MSRS General State Employees Retirement Plan

- New special coverage that features full retirement at age 60, paid for with increased employee contributions of 2.71% of pay (8.71% total) and increased employer contribution of 2% of pay
- Probation officers and telecommunicators age 60+ on January 1, 2027, stay in the General Plan
- Appropriations from the general fund for the 2% ER contribution increase (Article 4, Section 6, page 27)
 - DOC: year 1 **\$272,000**, next biennium **\$545,000**
 - DPS: year 1 **\$14,000**, next biennium **\$29,000**
 - Met Council: year 1 **\$40,000**, next biennium **\$80,000**
- Appropriation from the trunk highway fund to DPS: year 1 **\$7,000**, next biennium **\$14,000**
- See article 6 for temporary (20 month) reduction in employee contributions

Article 5: Local Government Probation and Telecommunicator Retirement Plan

- New plan that features 1.9% multiplier in the pension formula and full retirement at age 60, paid for with employee contributions of 8.82% of pay (increase from General Plan 6.5%)
- Probation officers and telecommunicators eligible for Rule of 90 stay in the General Plan
- Assets transferred from the General Plan to the new plan, so new plan pays both the General Plan benefit and the new plan benefit

Article 6: Probation and Telecommunicator Plans; Transfers from the General Fund; Temporary Reduction in Employee Contribution Rates

- Employee contribution to each new probation and telecommunicator plan is reduced to 8% for 20 months
- Paid for with transfers from the general fund (page 70)
 - **\$2,610,000** to the PERA local government probation and telecommunicator plan
 - **\$390,000** to the MSRS probation and telecommunicator subplan

Article 7: Volunteer Firefighters

- Administrative changes to the PERA Statewide Volunteer Firefighter Plan and Chapters 424A and 424B governing firefighter relief associations
- Special legislation for the Maple Plain fire department that is leaving the PERA SVF Plan and terminating the affiliated relief association

Article 8: All Public Pension Plans

- Employers of reemployed retirees must pay employer contributions
- “Salary” definitions revised to exclude pay from the State for MN Paid Leave

Article 9: Minnesota Secure Choice Retirement Program

- Administrative changes
- Requirement to provide information shifted from covered employers to the board

Article 10: Supplemental Plans

- Requirement to file investment fee and rates of return with the Commission eliminated

Article 11: Health Care Savings Plan

- Authorizes elected officials to participate in the HCSP

Article 12: Work Groups

- Vesting and Emergency Medical Providers in firefighter relief associations and the SVF Plan
- Duty Disability and Public Safety Officer’s Benefit Account

Article 13: Special Legislation

- Lost IRAP account; MN State must pay former employee \$30,000
- Former city of Mpls employee may buy credit for periods of missed service

Article 14: State Board of Investment (SBI)

- Revises allocation of expenses to require more paid by general fund and less by pensions

Article 15: Administrative, Technical, and Conforming Changes Related to Volunteer and Paid On-Call Firefighters

Article 16: Miscellaneous Technical Corrections

Staff Overview