



To: Members of the Legislative Commission on Pensions and Retirement

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## New Mandatory Reporting Requirements

Recently enacted Minnesota statutes and session laws require certain entities to provide reports to the Legislative Commission on Pensions and Retirement on an annual basis. Specifically, in 2025, the Commission received reports for the first time on the following topics:

- (1) the Statewide Volunteer Firefighter Plan incentive program;
- (2) correction of operational errors by the public pension systems; and
- (3) information about the employees who elected a transfer from the Minnesota State Individual Retirement Account Plan (IRAP) to the Teachers Retirement Association (TRA).

All reporting entities have complied with the requirements for 2025.

All reports are available on the LCPR website on the page titled "[Mandatory Reporting to the LCPR](#)."

The following is an overview of each report, including background information, the statutory or session law citation for the requirement, and the specific filing requirements.

### Report on the Statewide Volunteer Firefighter (SVF) Plan Incentive Program

To incentivize firefighter relief associations and their affiliated fire departments to join the Statewide Volunteer Firefighter (SVF) Plan administered by Public Employees Retirement Association (PERA), the legislature provided \$5 million in an appropriation in 2023 for an incentive program that would be designed and operated by the PERA. When a relief association and its fire department join the SVF Plan, PERA will use the appropriation to make an incentive payment to the account that funds retirement benefits for the firefighters in the fire department. The incentive payment is equal to \$10,000 per fire department plus \$1,000 per active member in the fire department.

- **Session Law:** [Laws 2023, Chapter 45, Article 6, Section 2, Paragraph \(c\)](#)
- **Reporting Entity:** PERA
- **What to File:** As stated in the session law cited above: "The executive director of the association must prepare an annual report on the incentive program to be delivered to the commission until the appropriation is expended."

- **When to File:** Annually, until the appropriation is expended
- **Compliance:** Although the legislation funding the incentive program was enacted in 2023, PERA began making incentive payments in 2024, thereby meeting the session law deadline of December 31, 2024, to begin making incentive payments. The report from PERA dated February 24, 2025, is the first report on the program.
- **2025 Report:** [PERA's report](#) was three pages and reported on the background, process, and outline for the incentive program. The report included a list of the fire departments that have joined the SVF Plan since 2023.

## Report on Correction of Plan Operational Errors

Federal and state law has, for many years, permitted the executive director of each of the pension funds to take action to correct errors that occur in the operation of any of the pension plans administered by the fund. The state law that explicitly authorizes the correction of operational errors was amended in 2024 to require the executive directors of the pension funds to report annually to the Commission by February 1 on the operational errors corrected during the preceding calendar year, including the method of correction and any cost incurred to correct the error.

- Statute: [Section 356.636, Subd. 3](#)
- Reporting Entities: Minnesota State Retirement System (MSRS), PERA, TRA, and St. Paul Teachers' Retirement Fund Association (SPTRFA)
- What to File: As stated in the statute cited above: "For each plan, report on whether the executive director of the pension fund corrected any operational, demographic, employer or employee eligibility, or plan document error during the preceding calendar year."
- When to File: Annually, no later than each February 1
- Compliance: The requirement to submit this annual report went into effect on May 16, 2024, so this is the first year the pension funds were required to file the report. Commission staff received the report from MSRS on January 30, 2025; from PERA on January 31, 2025; from SPTRFA on February 7, 2025; and from TRA on February 10, 2025.
- 2025 Reports: MSRS report was two pages and disclosed the correction of one plan error outside the ordinary course of business. PERA report was one page and disclosed that, while PERA corrected errors in accordance with its statutes, the errors corrected did not fall within Section 356.636. SPTRFA report was one page and disclosed the correction of one plan error outside the ordinary course of business. TRA report was one page and disclosed that TRA did not use Section 356.636 to correct any errors.

## Report on Transfers from MN State IRAP to TRA

For many years, nearly every session, the Commission considered legislation to permit one or more participants in the Minnesota State Individual Retirement Account Plan (IRAP) to transfer from the IRAP to TRA because the participant had not received notice of the right to transfer when first employed or granted tenure. A work group was established by the 2023 Pension Policy bill to find a solution that would permit these transfers when appropriate, without having to seek legislation to permit the transfer.

Pursuant to the recommendations of the work group, the law was changed in 2024 to create a new process for participants in the IRAP to apply for a transfer and, if the participant satisfies the eligibility criteria, elect to transfer retirement coverage from the IRAP to TRA. The participant's IRAP account is transferred to purchase past service credit toward the TRA pension and up to \$10,000 (called the "offset amount") will be transferred from a new IRAP to TRA transfer account, funded with an appropriation of approximately \$1.5 million, to TRA to help the participant pay for the service credit purchase. The law also requires MN State and TRA to report annually on the number of employees who elected a transfer and the cost of the related TRA service credit purchases.

- **Statute:** [Section 354B.215, Subd. 10](#)
- **Reporting Entities:** Chancellor of the Minnesota State Colleges and Universities and the executive director of TRA
- **What to File:** Without identifying any eligible person, the report must state the number of employees who elected a transfer from the IRAP to TRA during the prior calendar year and the total amount transferred by the eligible person from the person's IRAP account and other sources to purchase past service credit and any offset amount.
- **When to File:** Annually, no later than each January 31
- **Compliance:** The ability to transfer coverage from the IRAP to the TRA under the new procedures and the corresponding requirement to submit an annual report went into effect on January 1, 2025. Therefore, this is the first year an annual was required. Commission staff received the annual report on February 5, 2025, from MN State.
- **2025 Report:** The [MN State report](#) was one page and stated that there had been no transfers as of January 31, 2025. The report also stated that MN State had received 181 applications seeking transfer eligibility determinations, all of which were being reviewed and verified.