



Messenger

WINTER 2026

Vote 2026: MSRS Board Election

The Minnesota State Retirement System (MSRS) Board of Directors election begins soon. Eligible voters will receive a ballot in the mail by early February. In addition, if we have an active business email in our records, we will email you a ballot.

Three positions are up for election in 2026:



General Employees or Unclassified Retirement Plans – **2 positions**



State Patrol Retirement Plan – **1 position**

Retirees and Correctional Retirement Plan members will not vote in this year's election. The election for those positions will be held in 2028.

The deadline to vote is **Monday, March 2, 2026**.

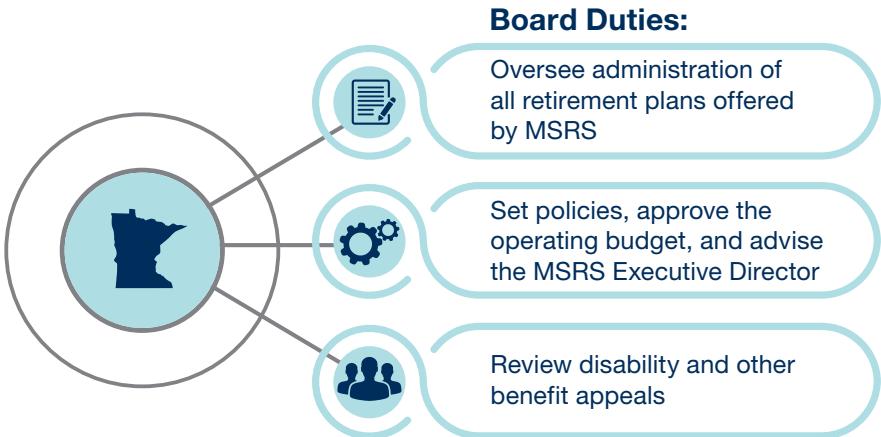
- **If voting by mail**, the ballot must be postmarked by that date.
- **If voting online**, the ballot must be submitted by midnight on that date.

Ballots will be tabulated on March 19, 2026. Winners will be announced on the MSRS website following the election certification at the March Board of Directors meeting. New Board members begin their four-year terms on Monday, May 4, 2026.

To learn more about the election, visit www.mnretire.gov/board-election-2026.

Board Governance & Responsibilities

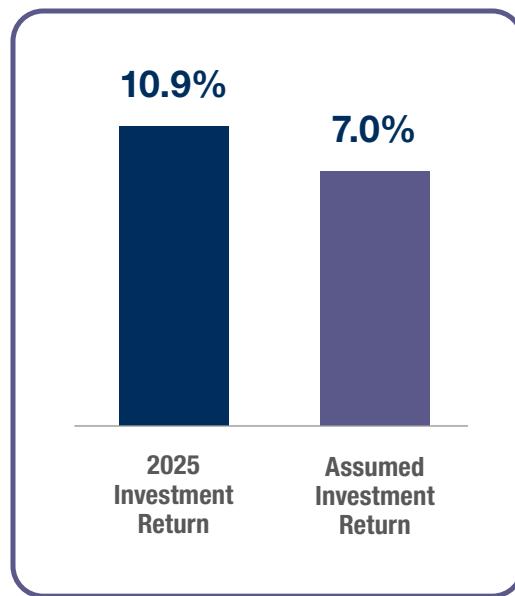
Membership, elections, duties and powers of the MSRS Board of Directors are specified in Minn. Stat. § 352.03



Pension Plans: 2025 Funding Update

The State Board of Investment (SBI) reported a 10.9% investment return on market value of assets for the fiscal year ending June 30, 2025. This return exceeds the assumed rate of return of 7.0% and continues the positive funding progress of the MSRS pension plans.

At the January 2026 MSRS Board of Directors meeting, our actuaries presented the results of the most recent valuation for fiscal year 2025. After reviewing the funded health and projections of the plans, the Board determined no benefit or contribution rate changes are needed this upcoming legislative session.



MSRS's 2025 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) are available on our website at:
www.mnretire.gov/annual-reports-fy-2025

2025 Was a Busy Year for MSRS

Here is a brief description of some of the things we worked on during 2025.

Legislative changes to enhance pension benefits

The benefit multiplier used to calculate monthly retirement benefits for the General Plan increased from 1.7% to 1.9% for prospective service earned beginning July 1, 2025.

Post-retirement benefit increase for current and future retirees: Effective January 1, 2026, eligible General Plan retirees will receive a 1.75% annual increase (up from 1.5%). This change also applies to Legislators and Unclassified Plans. Eligible State Patrol Plan retirees will receive a 1.25% increase (up from 1.0%).

Recordkeeper transition completed in July

Voya Financial® (Voya) became the recordkeeper for plans administered by MSRS, including the Minnesota Deferred Compensation Plan (MNDCP), Health Care Savings Plan (HCSP) and Unclassified Retirement Plan. This change did not affect MSRS pension plans. Thank you for your understanding and patience both during and after the transition period.

MSRS web address change

The MSRS website URL is now www.mnretire.gov. For the near future, you may continue to access your account using the previous URL, www.msrs.state.mn.us, but if you bookmarked this web address, we recommend that you change it to www.mnretire.gov.

Funding Summaries (actuarial value of assets)

Current Financial Health

Current financial health is measured by the funded ratio on June 30 of each year. This measurement is a ratio of the calculated liabilities versus assets on hand. Another way to think of this measurement is having enough money to pay your current bills and those you expect to pay in the future. For example, the General Employees Retirement Plan (General Plan) has \$18.9 billion held in trust to pay \$19.8 billion in liabilities, resulting in a funded ratio of 95%. For comparison, the national average of public pension plan funded ratio is 77.8%.

Contribution Sufficiency/Deficiency

Pension plans are designed to be “pre-funded,” which means that current contributions to the plan are enough to pre-fund benefits earned by current workers. A contribution **sufficiency** means that current contributions are enough to pre-fund future benefits within the funding period. Having a sufficiency provides a cushion to absorb potential market downturns or future assumption changes. When there is a contribution **deficiency**, benefits must be reduced or contributions must be increased to ensure future benefits are properly funded. The good news for MSRS members is that all plans currently have a contribution sufficiency.

Current Funding Projections

Current projections indicate that MSRS plans are heading toward the goal of 100% funding before the 2048 deadline in Minnesota law. Legislation passed in 2018, positive market returns, and prudent benefit changes have improved the funding outlook for MSRS plans over the last decade.

	Funded Ratio	Contribution Sufficiency	Full Funding Date
General Plan	95.0%	0.61%	2029
Correctional Plan	79.9%	2.97%	2037
State Patrol Plan	84.7%	10.50%	2032



Sources for the Funding Update:

Actuarial Valuation Reports as of July 1, 2025
Public Plans Data (publicplansdata.org)



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Mid-Career & Pre-Retirement Seminars

Now Available for Registration through June 2026!

MSRS offers educational opportunities to help you better understand your retirement plan accounts. These FREE webinars are intended to help you make informed savings decisions as you prepare for retirement.

Pre-Retirement Webinar: This half-day retirement planning webinar provides those within five years of retirement with valuable information about retirement planning strategies, retirement income needs and plan payout options. Learn about the benefits and features of your retirement plans:

- Minnesota Deferred Compensation Plan (MNDCP)
- Health Care Savings Plan (HCSP)
- State employees' pension
- Social Security benefits

Mid-Career Webinar: This 90-minute webinar will help you examine your retirement income sources, how your retirement plans work together and how much you may need to save for your desired retirement lifestyle. Learn about tools available to help you achieve your retirement goals. The webinar dives deeper into basic investing topics, market risk and volatility, plan investments and strategies, and your income replacement needs in retirement.



Register Today: www.mnretire.gov/webinar-opportunities