

MINUTES
Minnesota State Retirement System
Board of Directors
January 15, 2026

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, January 15, 2026 at 9:00 a.m., in the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 117, Saint Paul, Minnesota.

Members Present

All members attended in-person, unless noted otherwise.

Mary Benner, Chair [attended via video]; Wes Skoglund, Vice Chair; Amanda Biggins; Chet Jorgenson [attended via video]; Jacqueline Terry; Jason Bonnett; Joseph Sullivan [attended via video]; Michael Roelofs; Richard Orpen; Thomas Carr (representative for Erin Campbell, Commissioner of Minnesota Management & Budget); and David Stiggers (representative for Amalgamated Transit Union, Local 1005).

Others Present

All attended in-person, unless noted otherwise.

Frank Langan, the Office of Minnesota Attorney General; Bonnie Wurst, GRS Consulting; Sherri Christensen, GRS Consulting; Michael Wroblewski, GRS Consulting; Shaun Van Vark, University of Minnesota [attended via video]; and Mike Landers, Minnesota Retired State Employees Association [attended via video].

MSRS Staff

All staff attended in-person, unless noted otherwise.

Erin Leonard (Executive Director); Linda Henderson; Mark Manion; Tim Rekow; Jackie Reckmann; Kurt Augustin [attended via video]; Chad Burkitt; and Sallie Rasmussen.

Call to Order

Chair Benner called the meeting to order at 9:01 a.m. The agenda items were taken in the order as shown below.

Approval of Minutes of the Regular Board Meeting

The minutes of the regular Board meeting held Thursday, November 20, 2025, were submitted for approval.

Carr moved approval of the minutes of the regular meeting held November 20, 2025. Motion was seconded by Stiggers and carried unanimously by roll call vote.

Jacqueline Terry and Frank Langan joined the meeting at 9:05am.

FY 2025 Final Actuarial Results

Bonnie Wurst and Sherri Christensen from Gabriel, Roeder, Smith and Company (GRS), presented the *Minnesota State Retirement System Actuarial Update*, with

results of the July 1, 2025 Actuarial Valuation dated January 15, 2026. A summary of results, asset performance, legislative changes and impacts (amortization method for all plans and plan provisions) and assumption changes were presented for the following funds: State Employees Retirement Fund, Correctional Employees Retirement Fund, State Patrol Retirement Fund, and Judges Retirement Fund.

No action was needed on this item.

Mid-Year Budget Review

Jackie Reckmann, Chief Financial Officer, presented *Mid-Year Administrative and Facilities Budget Review*, dated January 2, 2026. The 2026 fiscal year budget of \$32,265,604 approved by the Board in May 2025, includes both the administrative, and record-keeping and custodial budget. This mid-year budget review also included the facilities management budget of \$1,202,625, which was approved by the Facilities Management Committee in March 2025. The mid-year review indicated there will be a surplus in the administrative budget of \$1,010,966, and a surplus in the facilities budget of \$580,543.

Due to the surplus, no action was needed from the Board.

Minnesota Paid Leave Program

Erin Leonard shared presentation *Minnesota Paid Leave Overview & Impact on MSRS Retirement Benefits*, dated January 1, 2026. Minnesota Paid Leave is a new leave program for nearly all Minnesota workers that was effective January 1, 2026. It provides payments and job protections for people needing time away for medical reasons, or to care for a family member. Details were relayed about leave types and duration, benefit details and job protections, funding and premiums, and salary and service credit impacts.

No action was needed on this item.

Disability Process Overview

Leonard shared presentation *Disability Process Overview*, dated January 15, 2026. A summary of benefits and definitions, required forms, the medical review process, additional documentation or independent exams that may be needed, the approval and/or denial process, and appeal processes were shared.

No action was needed on this item.

Recordkeeper Update

Erin Leonard shared that the recordkeeper transition is making progress. Voya has added staff, made improvement in their request management processing, worked through the back-log in a timelier manner, and continues to work on efficiencies in their demographic files using automation. Despite the improvements, incoming call volume continues to be unprecedented with double and triple what is typical.

The contract with Voya includes specific Service Level Agreements (SLAs) that include financial penalties for not meeting service levels. MSRS staff is monitoring the various services provided by Voya to ensure SLAs are being met, and fee adjustments being recognized accordingly. MSRS will continue to work closely with Voya in order to hold them accountable and continue to make improvements for both staff and participants.

No action was needed on this item.

Executive Director Performance Review

All Board members were asked to review and provide input into a draft performance review for Executive Director Erin Leonard. After all input was gathered, Mary Benner completed the review with Leonard on December 30, 2025.

Consistent with the MSRS executive director salary policy and due to the outstanding performance documented in her review for calendar year 2025, Skoglund moved that Erin Leonard be granted a 3.5% performance-based salary increase, retroactive to January 1, 2026. Seconded by Roelofs and passed unanimously by roll call vote.

Consistent with the wage increase patterns granted to state employees, Skoglund moved that Erin Leonard be granted across-the-board salary increases as follows. Seconded by Carr and passed unanimously by roll call vote.

- *For FY July 1, 2025 through June 30, 2026, a general wage increase of 1.5% retroactive to July 1, 2025.*
- *For FY July 1, 2026 through June 30, 2027, a general wage increase of 1.75% effective July 1, 2026.*

Reports from Standing Committees

The Board Governance Manual Committee will meet again in February 2026 to review the appeals policy, and executive director salary policy.

The Facilities Management Committee continues to work through some challenges with the co-tenancy agreement. The window project for the retirement services building is complete. The chiller project is suspended for the winter and will resume in the spring. Parking lot improvements and a building roof assessment are expected to be discussed at the next meeting.

The Building Security Assessment Committee completed a request for proposal and awarded the bid to the Axtell Group. The assessment will cover the first-floor spaces, and at the request of individual agencies in the building, additional assessments can be done at their own expense.

The approved audits that were approved by the Audit Committee in 2025 are expected to be completed and ready for review in April. A meeting will be held once those findings are available.

Other Business

Leonard shared the unaudited fiscal year-to-date rate of return as of December 31, 2026 was 7.6%.

There is a new cafeteria provider called *Chopped and Served*, which has been very well received by building staff.

Next Meeting Date

The next meeting is tentatively scheduled for March 26, 2026. The following meeting is tentatively set for May 21, 2026.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 11:34 a.m.

Stiggers moved to adjourn. Motion was seconded by Terry and carried unanimously by roll call vote.

Informational Items:

Financial Reporting and Audit Update

Summary Financial Information (unaudited)

Contracts Summary

Security Report – Protected Non-Public Data

Retiree Lists

Rate of Return –presented at meeting