THE NCPERS
MONITOR
The Latest in Legislative News December 2025

NCPERS Executive Director's Corner

NCPERS 2025 Year in Review (And What to Watch in 2026)

By Hank Kim, Executive Director and Counsel, NCPERS

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As the holidays approach, I find myself reflecting on what an extraordinary year it has been for NCPERS and the public pension community.

Despite ongoing market volatility and geopolitical uncertainty, public pensions have continued to demonstrate strength and stability. In fact, the Milliman Public Pension Funding Index recently reported an average funded ratio of 86.3%, the highest since the index was created in 2016. That's something to celebrate and a powerful reminder of the resilience and fiscal discipline that define our community.

And at NCPERS, we've worked hard to make sure our members have the tools, resources, and networks they need to thrive. Here's a look back at some of the highlights—and a glimpse of what's ahead.

Expanding Education and Engagement

Education is at the heart of what we do, and in 2025 we expanded our offerings in exciting ways. We hosted 12 webinars and 13 in-person events, welcoming more than 3,900 attendees. Whether you joined us online or in Denver for our Annual Conference & Exhibition (ACE), we hope you walked away with new insights and stronger connections.

To make learning even more accessible, we introduced Callan On Demand Education (CODE) as a new member benefit. Available at no cost to NCPERS members, this online learning platform offers fiduciary and investment coursework designed to strengthen governance and decision-making. If you haven't explored this new resource yet, contact membership@ncpers.org to get started.

We also welcomed Jessica Ransome to the NCPERS team as our Education Associate. She's quickly made an impact on our programs and looks forward to shaping the 2026 Annual Conference & Exhibition agenda—so be sure to submit your speaker proposals by January 31!

What's next?

Join us in Washington, D.C. on January 26-28 for the 2026 Legislative Conference & Policy Day to explore the latest federal and state policy developments that may impact public pensions in 2026. With growing uncertainty around state budgets and economic policy, it's a critical time to stay informed and build relationships with policymakers. Register now.

New Awards Celebrate Industry Excellence

This year, we introduced two new awards at our Annual Conference & Exhibition in Denver to remind us that when we invest in education, we invest in the future of public pensions.

The NCPERS Champions Awards honors pension funds that exemplify a commitment to education, while the Pension Partners of the Year Awards recognizes service providers who have elevated learning experiences for trustees and staff. Congratulations to the inaugural recipients.

What's next?

Nominations are currently open for NCPERS Public Pension Communicator of the Year Award. If you know someone who goes above and beyond to keep members informed and engaged, submit your nomination by December 16.

Record Participation in Annual Studies Provides Actionable Data

Our research program reached new heights in 2025. Participation in our annual surveys—the Public Retirement Systems Study and Public Pension Compensation Survey—hit record levels, providing critical insights to help funds benchmark practices and plan for the future.

This summer, we published the 2025 research update of *Unintended Consequences: How Scaling Back Public Pensions Puts Government Revenues at Risk*, reinforcing the importance of public pensions for the economy and our communities.

What's next?

As the newest addition to our team, Matt Eckel, associate director of research, will help shape our research program in 2026. We look forward to sharing key findings from our 15th annual Public Retirement Systems Study early next year. Should you have any questions, please don't hesitate to reach out at research@ncpers.org.

New Partnerships to Help Shape the Future of Our Industry

Through two new partnerships, we launched initiatives that will help shape the future of public retirement systems.

In February, the Society of Actuaries (SOA) Research Institute and NCPERS announced the development of a new study focusing on U.S. public pension plan mortality data. Sponsored by NCPERS, the study will analyze in-depth data from more than 30 U.S. public pension systems spanning from 2022 to 2026.

NCPERS also partnered with the University of Chicago to engage the next generation of public pension leaders. The Pension Lab: NextGen Competition pairs student teams with pension professionals to explore innovative policy-driven solutions to improve the fiscal sustainability of public pensions. In August, the ideas were put to the test during the inaugural competition held during NCPERS Public Pension Funding Forum.

We look forward to sharing a research brief from the winning team in the coming months.

Looking Ahead: NCPERS Celebrates 85 Years of Serving Public Pensions

Looking ahead, 2026 promises to be a milestone year—NCPERS' 85th anniversary. We're preparing to celebrate with a new website, a modernized database, and a refreshed brand that reflects how far we've come since 1941. These changes aren't just cosmetic; they're part of our commitment to evolve and meet the needs of our members today and tomorrow.

With new challenges and new opportunities ahead, we look forward to celebrating our 85th anniversary with you next year. Thank you for being part of this journey. Here's to an exciting 2026 and beyond! ◆

Near-Term in Washington: Federal Policy Outlook

By: Tony Roda, Williams & Jensen

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Congress will have a brief reprieve over the upcoming holidays from the political and policy wars related to federal spending. All of you know that the recent federal government shutdown ended on November 13, federal spending has resumed, and 670,000 federal workers who were furloughed have returned to work. The budget impasse was the longest in our nation's history when viewed in the context of shutdowns that affected all federal agencies and programs.

While the new end-of-January deadline still is a couple months away, it nonetheless looms over Washington, and we may not be out of the woods on the possibility of future shutdowns. Bear in mind that only three of the 12 annual appropriations bills for fiscal year 2026 have been enacted. The fiscal year began on October 1.

Come late January, we might see an all too familiar situation play out. The House Republican Leadership recently released its floor schedule for 2026. Interestingly, the House is scheduled to not be in session during the week leading up to the new funding deadline. So, it looks like the House leadership may re-run the strategy it used this year. They are likely to pass a new stopgap appropriations bill during the week of January 20 and then leave town to put maximum pressure on the Senate to approve the House-passed bill, as is. However, I'm not sure the Senate will be in a better position to quickly pass a House-passed bill next year than it was in October of this year. We could see another lengthy shutdown as a result .

Part of the reason a sufficient number of Senate Democrats ultimately voted to end the shutdown was because Majority Leader John Thune (R-SD) agreed to schedule a vote on the extension of the expiring tax credits for the Affordable Care Act (ACA) healthcare premiums. Congressional Democrats believe that the issue of healthcare, as it has at times in the past, could propel them to electoral success in next year's mid-term elections.

It is without doubt that Republicans are on the Democrats' playing field when it comes to healthcare. Currently, Congressional Republicans and the Trump Administration are scrambling to put forward proposals on the expiring ACA tax credits and as well as on broader issues related to healthcare. They may use the well-worn procedural tool known as budget reconciliation to avoid a Senate filibuster and pass a healthcare package in early 2026 by simple majority votes. Senate Budget Committee Chairman Lindsey Graham (R-SC) already has begun publicly taking about his desire to do a second reconciliation bill – Reconciliation 2.0 for short.

Now, moving away from the funding and healthcare policy challenges, it's expected that the House and Senate tax-writing Committees – House Ways & Means and Senate Finance – will use 2026 to gather bipartisan proposals that ultimately would comprise a SECURE Act 3.0. Many observers believe that, given the ongoing need for regulatory guidance from the Treasury Department and the Internal Revenue Service (IRS) on the SECURE Act 2.0, which was enacted in December 2022, Congress will allow some time to pass prior to developing new retirement legislation. This approach makes sense given that SECURE 2.0 contained over 90 separate retirement-related tax law changes, some of which were complex and raised many practical implementation questions.

Related to the need for regulatory guidance, the IRS's ability to draft, vet, and issue new tax guidance certainly was slowed down by the federal government shutdown. As the shutdown continued, there were concerns in the retirement plan community that the agency would not be in a position to timely issue cost-of living adjustments (COLAs) to retirement plan limits. However, the IRS moved quickly once the shutdown ended.

On November 13, just hours after the federal shutdown ended, the agency issued Treasury Notice 2025-67, which provides technical guidance regarding COLAs affecting dollar limitations for pension plans and other retirement-related items for tax year 2026. In some closely watched areas, the annual elective salary deferral limit for contributions to 401(k), 457(b) governmental, and 403(b) plans was increased by $1,000 to an annual limit of $24,500. Also, the over age 50 catch up contribution limit was increased by $500 to an $8,000 annual limit. For those public employees who are covered by Social Security, the wage base was increased from $176,100 to $184,500. Numerous additional adjustments are contained in the Treasury Notice.

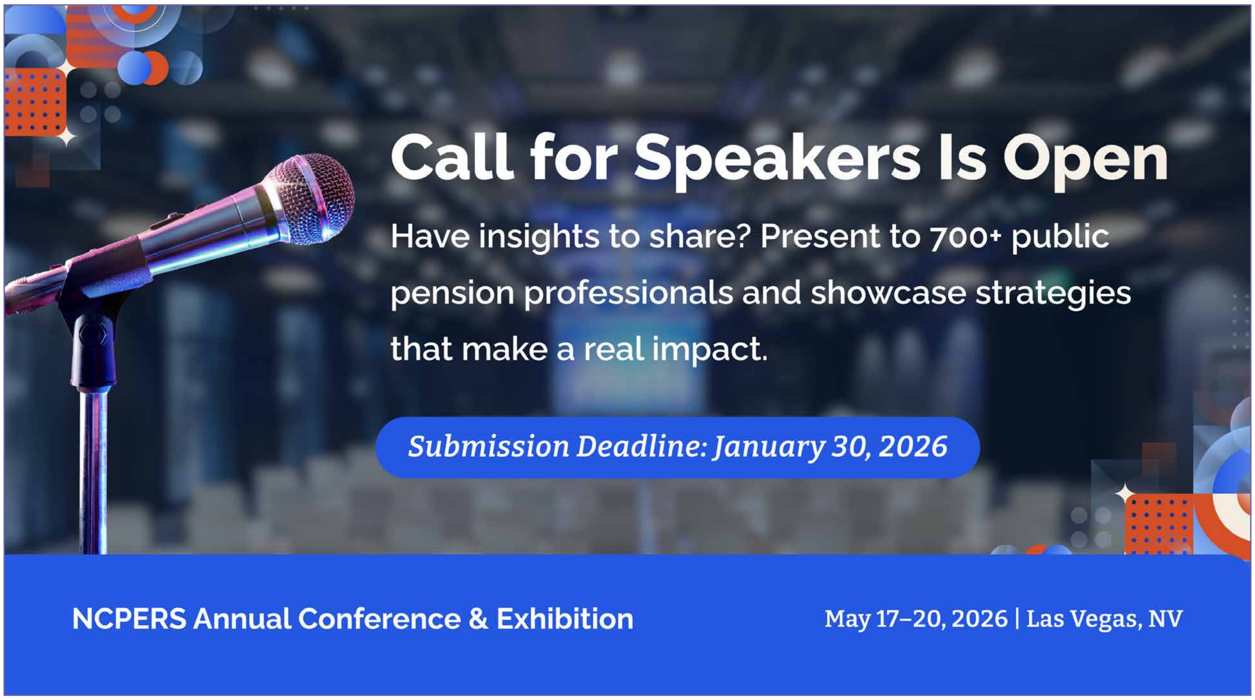
NCPERS Legislative Conference & Policy Day is set to take place in Washington, D.C., from January 26-28. It will be the perfect opportunity for our members to receive the latest news on Congressional and Executive Branch actions affecting public pension plans, and to visit with lawmakers and staff as part of Policy Day. We hope to see many of you there!

In the meantime, please know that NCPERS will keep you updated on any significant policy developments. ◆

Tony Roda is a partner at the Washington, D.C. law and lobbying firm Williams & Jensen, where he specializes in legislative, regulatory, and fiduciary matters affecting state and local retirement plans. He represents the National Conference on Public Employee Retirement Systems and state, county, and municipal retirement plans in California, Colorado, Georgia, Kentucky, Nebraska, Ohio, Tennessee, and Texas. Tony has an undergraduate degree in government and politics from the University of Maryland, J.D. from the Catholic University of America, and LL.M (tax law) from the Georgetown University Law Center.

Call for Speakers Now Open: NCPERS 2026 Annual Conference & Exhibition

By: Jessica Ransome, Education Associate, NCPERS



Help Us Shape the 2026 Annual Conference & Exhibition Educational Agenda

As we prepare to gather in Las Vegas on May 17–20, 2026 for NCPERS Annual Conference and Exhibition (ACE), we invite our members to share their insights and help shape the program. Submit your speaker proposal here.

As the longest-running educational conference for state and local public pensions and our largest event, ACE 2026 carries special meaning. Next year, NCPERS will celebrate its 85th year of serving the public pension community. This is a chance to reflect on the education, research, and advocacy that have defined our work, and to recognize the ongoing commitment of our members who strengthen retirement security for millions. Reaching this milestone underscores the impact of our collective efforts and helps set the stage for a strong future for public pensions.

Why Present at ACE 2026?

Presenting at ACE 2026 offers a meaningful opportunity to connect with a wide audience of public pension trustees, staff, and industry partners. It gives you a platform to share your expertise with professionals across the field, address current challenges and emerging trends, and introduce practical strategies and solutions. It also strengthens your organization's visibility within the industry while contributing to peer learning and collaborative problem solving.

Who Should Submit?

All NCPERS members are encouraged to submit proposals. You don't have to be a professional or frequent speaker. If you have expertise, practical insight, new ideas or data that can help pension systems succeed, your perspective is welcomed.

What Are We Looking For?

We welcome proposals that offer high-impact content and a fresh point of view. High-impact content provides clear value, offers practical takeaways, and leaves participants with ideas they can use right away. Strong sessions often come from presenters who can break down complex topics and give audiences something they can use in their professional lives.

Topics may include pension governance, investments, best practices, technology, cybersecurity and other areas that affect the public pension industry. We are also open to emerging issues. If you're working on something new or developing research that deserves attention, this is an opportunity to share it. Click here to view a list of topics being considered this year.

How to Submit?

Proposals should include an eye-catching title and a clear description of the session, outlining what participants will learn. Please specify the delivery format, whether it is a panel discussion, an individual presentation, or another approach, along with the length of time requested, either 30 or 45 minutes. Include contact details for all presenters and any coordinators involved. If you are proposing a panel discussion, confirm that all suggested speakers are aware of the submission and available to participate on any of the scheduled event dates.

Submit a Proposal Today!

We Invite You to Contribute to ACE 2026

As we celebrate 85 years of advancing public pension excellence, ACE 2026 is set to be one of our most engaging and forward-thinking conferences yet. We encourage you to submit your proposal and join us in shaping conversations that matter to the future of public retirement systems.

Submission Deadline: Friday, January 30 at 5 PM ET

Proposals received after the deadline will be placed on a waiting list.

The NCPERS Education Team is here to help you throughout this process. If you have any questions or need any guidance with your proposal, please reach out to Education Associate Jessica Ransome at education@ncpers.org. ◆

Canadian Public Sector Pensions: Federal & Provincial Updates

By: Neil Hrab

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Changes to the laws and regulations that govern Canada's pension sector, like in other jurisdictions, tend not to come through elaborate government-led attempts at wide-ranging reforms. Elected officials will generally prefer to play it safe, and amend or fix individual parts of the pension policy status quo, rather than propose wholesale change.

For example, the Canadian federal government on November 4th announced a new budget that included some pension-related housekeeping-type initiatives.

One of these is a promise to crack down on the alleged practice of some employers, particularly in the Canadian trucking industry, of deliberately classifying employees as contractors. By doing so, those employers are able to save themselves the trouble of "withholding and remitting the proper amounts of…Canada Pension Plan and employment insurance contributions" on behalf of their workers (CPP is the Canadian equivalent of U.S. Social Security).

For members of the large Canadian public sector pensions, one item of interest in the federal budget was the government's effort to entice those organizations to invest more domestically — specifically in Canada's tech and life sciences sector. There has been an on-again, off-again national debate on whether the Canadians pensions should invest more at home (and how the federal government could promote that objective); Canada's deteriorating trade relations with the U.S. has helped re-energize that debate.

To nudge its domestic investment goal forward, the federal government's November budget announced the creation of a new Venture and Growth Capital Catalyst Initiative, to be overseen by the Business Development Bank of Canada (equivalent to a "government-sponsored enterprise" in the U.S. setting). The government plans to take further steps that it hopes will "incentivis[e] pension funds and other institutional investor[s]" to get more active in the venture capital initiative.

The concept of leaving the final decision on participation up to the pensions is important here. Including it in the budget acknowledges and signals respect for the traditional "arm's length" relationship between the public sector pensions and the levels of government that oversee aspects of the pensions' operations.

One can see a similarly cautious, piecemeal approach to pension issues in the recent Ontario provincial (equivalent to state government) government's Fall Economic Statement. A section of that document labelled "Modernizing Ontario's Pension Sector" covers a grab-bag of pension related initiatives being championed by the government, including:

- Changing relevant legislation to enhance the "governance [and] strengthen transparency and accountability" of the Ontario Municipal Employees Retirement System (OMERS), a public sector pension serving more than 600,000 active and retired members working in Ontario's local government bodies. This followed an approximately year-long review of aspects of OMERS governance and information-sharing with members by an independent reviewer, who has recommended a variety of governance changes after direct discussions with OMERS stakeholders, including many labour organizations.
- A review of Ontario's Pension Benefits Guarantee Fund (PBGF), which "helps protect the pension benefits of the people of Ontario who are members of defined benefit pension plans in the event of employer insolvency" by acting as a financial backstop.
- Looking at ways to assist some smaller workplace pensions in Ontario that may wish to merge with larger pension organizations (helping reduce operational costs) on related issues, including possible governance models. ◆

Neil Hrab worked in the Canadian defined benefit pension sector for 12 years. His views are entirely his own.

Dallas Police and Fire Pension System Accepts City's New Offer, With a Caveat

In a major breakthrough, the Dallas Police and Fire Pension Board voted on November 13 to accept the terms reflected in the city's Sept. 26 offer and move toward a resolution between the two sides. The board's approval came with a caveat. The deal would be subject to "the acceptable finalization and negotiation" as well as the "finalization of a comprehensive settlement agreement" by the city and the pension board.

READ MORE *Source: The Dallas Morning News*

Oklahoma Retirees Say ESG Blacklist Threatens Financial Security

More than a year after an Oklahoma County District Court judge enjoined the state from enforcement of its anti-ESG law and ordered State Treasurer Todd Russ to stop creating a ESG Blacklist, the case remains before the Oklahoma Supreme Court. However, legal friction continues building because this ruling carries national attention. If Oklahoma loses this fight, other states could see similar ESG restriction statutes challenged.

READ MORE *Source: OK Energy Today*

Connecticut Treasurer Transfers $1.5 Billion in Excess Budget Reserves to Pension Funds

Erick Russell, state treasurer and principal fiduciary of the Connecticut Retirement Plans & Trust Funds, Hartford, said that $1.5 billion generated through a budget surplus has been deposited into the pension funds. Specifically, at the direction of the treasurer, $895 million has been deposited into the State Employees Retirement Fund and $593 million into the Teachers Retirement Fund.

READ MORE *Source: Pensions & Investments*

Minnesota Lawmakers Adopt Pension Funding Improvements

Under a new state law, Minnesota officials will use an approach called layered amortization to estimate the annual governmental contributions needed to pay down unfunded public retirement system liabilities. This change reflects recommendations of a working group established by the Minnesota Legislature last year to identify best practices for ensuring that pension funding policies are transparent to policymakers, beneficiaries, and the public.

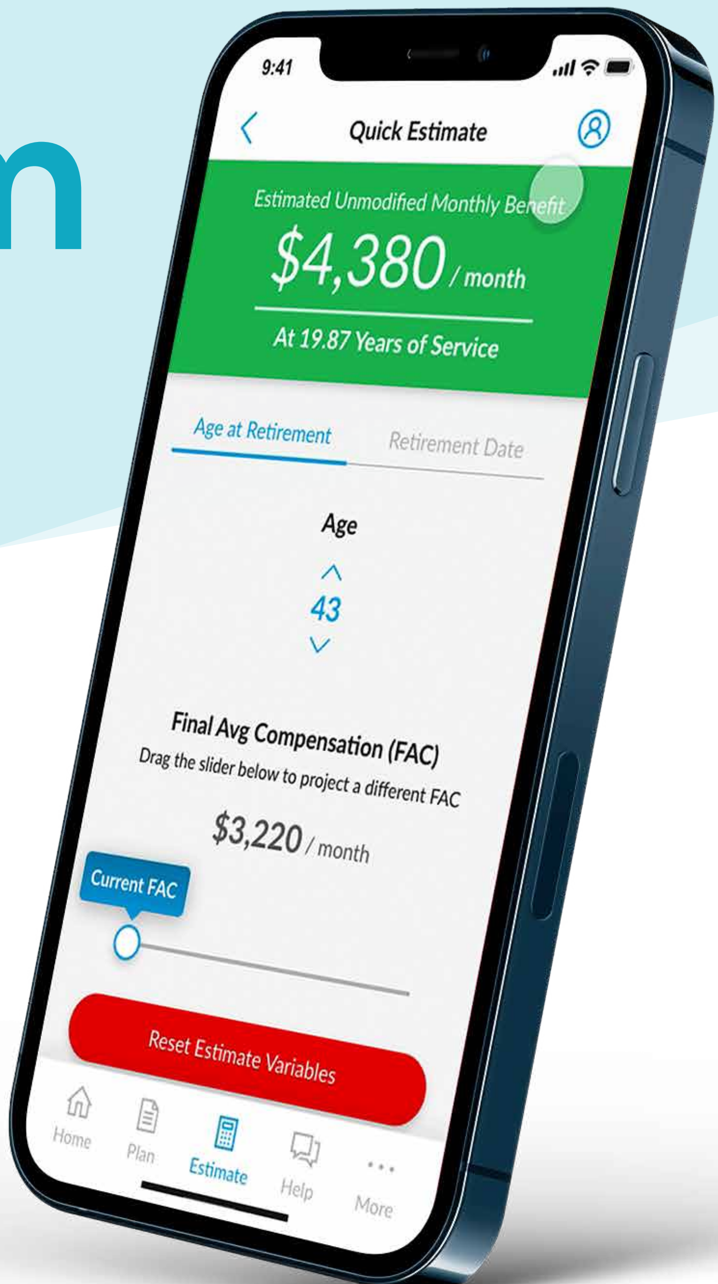
READ MORE *Source: Pew Research*

A Full Benefit Fund Allows Santa Barbara County to Redirect Millions

Santa Barbara County supervisors on November 18 unanimously approved changes to how county employee pensions and retiree health benefits are funded, cutting the Other Post-Employment Benefits (OPEB) contribution rate from 4 percent to 1.5 percent of payroll. Staff said the lower rate is appropriate, with the change taking effect January 1, 2026.

READ MORE *Source: Santa Barbara Independent*

NCPERS PensionX Digital Platform



NCPERS has partnered with Digital Deployment to offer its members a **10% DISCOUNT** on PensionX, the premier digital platform that securely enables pensions to engage with active and retired participants via a mobile self-service app and portal.

NCPERS 1941 | pensionX

Learn more about this new NCPERS member benefit at ncpers.org/pensionx

UPCOMING EVENTS

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January 2026

Legislative Conference & Policy Day

January 26-28
Washington, DC

March 2026

Communications & Member Services Summit

March 2-4
San Diego, CA

May 2026

NCPERS Accredited Fiduciary (NAF) Program

May 16-17
Las Vegas, NV

May 2026

Trustee Educational Seminar (TEDS)

May 16-17
Las Vegas, NV

Annual Conference & Exhibition (ACE)

May 17-20
Las Vegas, NV

June 2026

Chief Officers Summit

June 15-17
Newport Beach, CA

View all upcoming NCPERS conferences at www.ncpers.org/future-conferences.

The Voice for Public Pensions

The Monitor is published by the National Conference on Public Employee Retirement Systems.
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