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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2192

03/15/2021 Authored by Heinrich
The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to retirement; Ramsey Volunteer Firefighters' Relief Association; full
1.3 vesting and distribution of accounts to firefighters assigned to the Nowthen fire
1.4 station; repealing Laws 2020, chapter 108, article 14, section 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. VESTING AND DISTRIBUTION OF NOWTHEN FIREFIGHTERS'
1.7 ACCOUNTS IN THE RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF
1.8 ASSOCIATION.

1.9 Subdivision 1. Definitions. (a) "Account" means the account established for a member
1.10 under the Ramsey relief association, to which an allocation of fire state aid, supplemental
1.11 aid, contributions, forfeitures, interest, and investment earnings or losses have been credited
1.12 for every year the member was eligible to receive such allocation under the bylaws of the
1.13 Ramsey relief association.

1.14 (b) "Nowthen firefighter" means a firefighter (1) who is or was an employee of the city
1.15 of Ramsey assigned to the Nowthen fire station on March 31, 2021; (2) who has an account
1.16 in the Ramsey relief association; and (3) whose employment is or was terminated by the
1.17 city of Ramsey in 2021.

1.18 (c) "Ramsey relief association" means the Ramsey Volunteer Firefighters' Relief
1.19 Association.

1.20 Subd. 2. Eligibility for allocation, full vesting, and immediate access to
1.21 accounts. Notwithstanding any laws or provisions in the bylaws or articles of incorporation
1.22 of the Ramsey relief association to the contrary:

2.1 (1) Any Nowthen firefighter whose employment with the city of Ramsey terminates
 2.2 during 2021 shall be considered as having worked 12 months of active service for 2021 and
 2.3 as having the status of active member of the association in good standing on December 31,
 2.4 2021, for purposes of (i) allocating fire state aid, supplemental aid, contributions, forfeitures,
 2.5 interest, and investment earnings or losses; and (ii) deducting administrative expenses.

2.6 (2) The account of each Nowthen firefighter in the Ramsey relief association shall
 2.7 become 100 percent vested as of the date on which the Nowthen firefighter's employment
 2.8 with the city of Ramsey is or was terminated.

2.9 (3) The Nowthen firefighter shall be entitled to elect an immediate distribution of the
 2.10 Nowthen firefighter's account in the Ramsey relief association, which distribution may be
 2.11 paid, at the election of the Nowthen firefighter, in a lump sum directly to the Nowthen
 2.12 firefighter or in a direct rollover to an eligible retirement plan, as defined in Minnesota
 2.13 Statutes, section 356.635, subdivision 6, designated by the Nowthen firefighter.

2.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.15 Sec. 2. **FIRE STATE AID FOR NOWTHEN.**

2.16 For the purposes of fire state aid payable in 2022 under Minnesota Statutes, chapter
 2.17 477B, the city of Nowthen will be considered as having satisfied the requirement under
 2.18 Minnesota Statutes, section 477B.02, subdivision 2, paragraph (b), to have provided
 2.19 firefighting services for at least one calendar year, if the city of Nowthen provides
 2.20 documentation of its fire department being in operation no later than December 31, 2021,
 2.21 to the commissioner of revenue no later than February 1, 2022.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.23 Sec. 3. **PARTICIPATION IN THE PERA STATEWIDE VOLUNTEER**
 2.24 **FIREFIGHTER PLAN.**

2.25 Notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c),
 2.26 coverage by the statewide volunteer firefighter plan of the volunteer firefighters employed
 2.27 by the city of Nowthen shall be effective on the date an election of coverage by the statewide
 2.28 volunteer firefighter plan is approved by the governing board of the city of Nowthen or, if
 2.29 later, on the date that the city of Nowthen satisfies all other requirements for coverage by
 2.30 the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05.

2.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.1 Sec. 4. **REPEALER.**

3.2 Laws 2020, chapter 108, article 14, section 1, is repealed.

3.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Laws 2020, chapter 108, article 14, section 1

Section 1. DIVISION OF RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION.

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this section have the meanings given them.

(b) "Account balance" means the account established for a member under the Ramsey relief association, to which an allocation of fire state aid, contributions, forfeitures, and net investment earnings have been credited for every year the member was eligible to receive such funding under the bylaws of the Ramsey relief association.

(c) "Inactive or deferred Nowthen firefighter" means a Ramsey firefighter who, when the firefighter was an active firefighter, was assigned to the Nowthen fire station and whose account in the Ramsey relief association has not yet been distributed or forfeited as provided under the bylaws of the Ramsey relief association.

(d) "Joint powers agreement" means the city of Ramsey and city of Nowthen joint powers fire protection agreement.

(e) "Nowthen firefighter" means a firefighter who is a member of the Ramsey relief association and who is hired to provide firefighting services to the city of Nowthen by the city of Nowthen or a municipality with which the city of Nowthen enters into a joint powers agreement or an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

(f) "Nowthen relief association" means a volunteer firefighters relief association to be established by the city of Nowthen or a volunteer firefighters relief association affiliated with a municipality with which the city of Nowthen enters into a joint powers agreement or a volunteer firefighters relief association affiliated with an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen or an account in the Public Employees Retirement Association statewide volunteer firefighter plan, as directed by the city of Nowthen.

(g) "Other benefit recipient of a Nowthen firefighter" means:

(1) a person who is entitled to receive all or a portion of a Nowthen firefighter's account under the Ramsey relief association due to the person having one of the following relationships to the Nowthen firefighter:

(i) surviving spouse;

(ii) former spouse who is the alternate payee under a state domestic relations order that meets the requirements of section 414(p) of the federal Internal Revenue Code of 1986, as amended, or who is a recipient of a court-ordered distribution of marital property, as provided in Minnesota Statutes, section 518.58; or

(iii) nonspousal beneficiary; or

(2) the estate of a Nowthen firefighter.

(h) "Ramsey firefighter" means a firefighter who is or was an employee of the city of Ramsey, is a member of the Ramsey relief association, and provides or provided firefighting services to the city of Ramsey or the city of Nowthen.

(i) "Ramsey relief association" means the city of Ramsey Volunteer Firefighters' Relief Association.

Subd. 2. Application. This section applies, notwithstanding any provision of Minnesota Statutes, chapter 424A or 424B, if all of the following occurs:

(1) the joint powers agreement expires or is terminated by either party;

(2) the city of Nowthen establishes a fire department or enters into a joint powers agreement with another municipality to provide firefighting services for the city of Nowthen or enters into an agreement with an independent nonprofit firefighting corporation to provide firefighting services to the city of Nowthen;

(3) the city of Nowthen establishes a volunteer firefighters relief association or the municipality with which the city of Nowthen enters into a joint powers agreement is affiliated with a volunteer firefighters relief association or the independent nonprofit firefighting corporation with which the

APPENDIX
Repealed Minnesota Session Laws: 21-03410

city of Nowthen enters into an agreement to provide firefighting services for the city of Nowthen is affiliated with a volunteer firefighters relief association or the city of Nowthen joins the Public Employees Retirement Association statewide volunteer firefighter plan; and

(4) the Nowthen relief association includes as members one or more firefighters whose employment with the city of Ramsey terminates on or before December 31, 2021, and who are hired as firefighters by:

(i) the city of Nowthen;

(ii) a municipality with which the city of Nowthen enters into a joint powers agreement; or

(iii) an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

Subd. 3. Transfer of Nowthen firefighter accounts. (a) By the sixtieth day after the satisfaction of the conditions described in subdivision 2, the Ramsey relief association shall transfer to the Nowthen relief association the account balance for each Nowthen firefighter, each inactive or deferred Nowthen firefighter, and any other benefit recipient of a Nowthen firefighter in accordance with this subdivision.

(b) If the city of Ramsey terminates the employment of one or more firefighters who become Nowthen firefighters during 2020, the Ramsey relief association shall transfer, by the end of February 2021, the account balances for each Nowthen firefighter, each inactive or deferred Nowthen firefighter, and each other benefit recipient of a Nowthen firefighter. The transfers shall occur after the accounting has been completed for the 2020 calendar year and all fire state aid, contributions, forfeitures, net investment income, and administrative expenses during 2020 and as of the 2020 calendar year end have been credited, in accordance with the bylaws of the Ramsey relief association. Notwithstanding any provision in the bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is terminated during 2020 shall be considered for purposes of allocating fire state aid, contributions, and forfeitures as having worked 12 active service months for 2020.

(c) If the city of Ramsey terminates the employment of one or more firefighters who become Nowthen firefighters during 2021, the Ramsey relief association shall transfer, by the end of February 2022, the account balances for each Nowthen firefighter and for any inactive or deferred Nowthen firefighter and any other benefit recipient of a Nowthen firefighter whose account balance was not transferred under paragraph (b) in 2021. The transfers shall occur after the accounting has been completed for the 2021 calendar year and all fire state aid, contributions, forfeitures, net investment income, and administrative expenses during 2021 and as of the 2021 calendar year end have been credited, in accordance with the bylaws of the Ramsey relief association. Notwithstanding any provision in the bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is terminated during 2021 shall be considered for purposes of allocating fire state aid, contributions, and forfeitures as having worked 12 active service months for 2021.

(d) The transfer of account balances under this subdivision shall be considered authorized disbursements from the special fund of the Ramsey relief association for purposes of Minnesota Statutes, section 424A.05, subdivision 3.

(e) The Ramsey relief association shall transfer records to the Nowthen relief association regarding service, vesting service, and account activity for each Nowthen firefighter, inactive or deferred Nowthen firefighter, or other benefit recipient whose account balance is transferred.

Subd. 4. Relief association general fund assets. When the Ramsey relief association transfers the account balances under subdivision 3, the Ramsey relief association shall also transfer a proportionate share of the assets in the general fund of the Ramsey relief association to the general fund of the Nowthen relief association. The proportion shall be equal to the ratio that the total value of the account balances transferred to the Nowthen relief association bears to the total value of all account balances in the Ramsey relief association on the day immediately preceding the date of transfer.

Subd. 5. Fire state aid. If subdivision 3, paragraph (b), applies, the city of Ramsey shall transfer to the city of Nowthen a portion of the 2021 fire state aid received by the city of Ramsey on or about October 1, 2021, based on 2020 property value and population. The portion to be transferred shall be equal to the amount determined by the commissioner of revenue to be attributable to the estimated market value of property and population in the city of Nowthen fire service area, as a percentage of the total fire state aid paid to the city of Ramsey on or about October 1, 2021.

APPENDIX
Repealed Minnesota Session Laws: 21-03410

Subd. 6. **Service credit under the Nowthen relief association.** The Nowthen relief association shall credit each firefighter whose account balance is transferred from the Ramsey relief association to the Nowthen relief association with the same number of years of service credit with which the firefighter had been credited under the Ramsey relief association for vesting and any other purpose for which service credit is granted. Such service credit shall be applied to retain the firefighter's vesting percentage in the account balance that was transferred and shall be applied toward the firefighter's vesting percentage in all funds allocated to the firefighter's account in the Nowthen relief association after the transfer.

Subd. 7. **Full vesting of certain Ramsey firefighters.** (a) This subdivision applies to any Ramsey firefighter:

(1) who is assigned to the Nowthen fire station;

(2) whose employment is terminated by the city of Ramsey on or before December 31, 2021;
and

(3) who is not hired by the city of Nowthen.

(b) Notwithstanding any law or provision in the bylaws of the Ramsey relief association, the Ramsey relief association shall fully (100 percent) vest the Ramsey firefighter in the firefighter's account in the Ramsey relief association as of the date the Ramsey firefighter's employment is terminated.

(c) The Ramsey firefighter shall be considered an inactive or deferred Nowthen firefighter for all purposes under subdivision 3.

EFFECTIVE DATE. This section is effective the day following final enactment.