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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3903

- 02/27/2020 Authored by Murphy and Nelson, M.,
The bill was read for the first time and referred to the Committee on Government Operations
- 05/14/2020 Adoption of Report: Placed on the General Register as Amended
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
Adoption of Report: Placed on the General Register
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
Read for the Second Time
Referred to the Chief Clerk for Comparison with S. F. No. 3808
- 05/15/2020 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to retirement; authorizing new categories of investments for the State

1.3 Board of Investment; excluding new trades employees from Public Employees

1.4 Retirement Association general plan coverage and grandfathering currently covered

1.5 members; permitting contributions to multiemployer plans for employees in the

1.6 building and constructions trades by the city of St. Paul and the St. Paul School

1.7 District; revising augmentation for certain privatized medical facilities and their

1.8 employees; amending requirements for reporting by pension funds to the state

1.9 auditor; making changes of an administrative nature for the Minnesota State

1.10 Retirement System, the Public Employees Retirement Association, the statewide

1.11 volunteer firefighter plan, and the Teachers Retirement Association; authorizing

1.12 the purchase of service credit for a certain Maplewood firefighter; increasing the

1.13 maximum for lump sum pensions for volunteer firefighter relief associations;

1.14 revising the allocation of fire state aid; assigning fire state aid to the city of Eagan;

1.15 providing new procedures for volunteer firefighter relief association dissolution

1.16 and termination of its retirement plan; providing for the dissolution of the Brooklyn

1.17 Park Firefighter Relief Association and the termination of the retirement plan;

1.18 providing for the division of the Ramsey Volunteer Firefighters' Relief Association

1.19 and the transfer of accounts to a relief association affiliated with the city of

1.20 Nowthen; authorizing relief associations to convert from a defined benefit plan to

1.21 a defined contribution plan; implementing the recommendations of the state

1.22 auditor's volunteer firefighter working group; temporarily extending the grandfather

1.23 provision regarding actuarial assumptions used to compute an annuity in the

1.24 Minnesota State Retirement System unclassified plan; amending Minnesota Statutes

1.25 2018, sections 11A.24, subdivisions 1, 6; 352.01, subdivision 26; 352.04,

1.26 subdivisions 4, 8, by adding a subdivision; 352.113, subdivision 4; 352.95,

1.27 subdivision 3; 352B.011, subdivisions 6, 10; 352B.10, subdivision 2a; 352D.06,

1.28 subdivision 1; 353.29, subdivisions 1, 7; 353.30, subdivision 3c; 353.31, subdivision

1.29 8; 353.32, subdivision 4; 353.651, subdivision 1; 353.656, subdivisions 1, 3;

1.30 353.657, subdivision 1; 353F.02, by adding subdivisions; 353F.04; 353G.01, by

1.31 adding a subdivision; 353G.05, subdivisions 1, 5, by adding a subdivision; 353G.09,

1.32 subdivision 3, by adding a subdivision; 353G.11, subdivision 2; 353G.121; 354.05,

1.33 subdivisions 2, 41; 354.44, subdivisions 4, 6; 354.46, subdivision 2; 354.49,

1.34 subdivision 2; 354.543, subdivision 3; 356.219, subdivisions 1, 6, 7; 356.24,

1.35 subdivision 1, by adding a subdivision; 424A.003; 424A.02, subdivision 3;

1.36 424A.03, as amended; 424A.092, subdivisions 1, 2; 424B.01, by adding

1.37 subdivisions; 490.121, subdivision 7c; 490.123, subdivision 5; 490.124, subdivision

1.38 1; Minnesota Statutes 2019 Supplement, sections 352.04, subdivision 9; 352.113,

2.1 subdivision 2; 352.23; 353.01, subdivision 2b; 353.0141, subdivision 1; 353.34,
 2.2 subdivision 3; 353.371, subdivisions 1, 2, by adding a subdivision; 356.219,
 2.3 subdivisions 3, 8; 424A.014, subdivision 1; 424A.016, subdivisions 4, 6; 477B.04,
 2.4 subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 356;
 2.5 424B; 477B; repealing Minnesota Statutes 2018, sections 353.30, subdivision 4;
 2.6 354.55, subdivision 10; 356.24, subdivision 2; 356.44; 424B.20; 424B.21; Laws
 2.7 1980, chapter 607, section 13; Laws 2018, chapter 211, article 14, section 29.

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

2.9 **ARTICLE 1**

2.10 **STATE BOARD OF INVESTMENT PROVISIONS**

2.11 Section 1. Minnesota Statutes 2018, section 11A.24, subdivision 1, is amended to read:

2.12 Subdivision 1. **Securities generally.** (a) Pursuant to an investment policy adopted by
 2.13 the state board, the state board is authorized to purchase, sell, lend, and exchange the
 2.14 securities specified in this section, for funds or accounts specifically made subject to this
 2.15 section. This authority includes puts and call options, future contracts, and swap contracts
 2.16 marked to market, if these options and contracts are traded on a contract market regulated
 2.17 by a governmental agency or by a financial institution regulated by a governmental agency.
 2.18 These securities may be owned directly or through shares in exchange-traded or mutual
 2.19 funds, or as units in commingled trusts, subject to any limitations as specified in this section.

2.20 (b) Any agreement to lend securities must be concurrently collateralized with cash or
 2.21 securities with a market value of not less than 100 percent of the market value of the loaned
 2.22 securities at the time of the agreement. Any agreement for put and call options and futures
 2.23 contracts may only be entered into with a fully offsetting amount of cash or securities. Only
 2.24 securities authorized by this section, excluding those under subdivision 6, paragraph (a),
 2.25 clauses (1) to ~~(3)~~ (5), may be accepted as collateral or offsetting securities.

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

2.27 Sec. 2. Minnesota Statutes 2018, section 11A.24, subdivision 6, is amended to read:

2.28 Subd. 6. **Other investments.** (a) In addition to the investments authorized in subdivisions
 2.29 1 to 5, and subject to the provisions in paragraph (b), the state board is authorized to invest
 2.30 funds in:

2.31 (1) equity and debt investment businesses through participation in limited partnerships,
 2.32 trusts, private placements, limited liability corporations, limited liability companies, limited
 2.33 liability partnerships, and corporations;

3.1 (2) real estate ownership interests or loans secured by mortgages or deeds of trust or
3.2 shares of real estate investment trusts through investment in limited partnerships,
3.3 bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance
3.4 company commingled accounts, ~~including separate accounts;~~

3.5 (3) resource investments through limited partnerships, trusts, private placements, limited
3.6 liability corporations, limited liability companies, limited liability partnerships, and
3.7 corporations; ~~and~~

3.8 (4) investment vehicles that are co-investments or separate accounts;

3.9 (5) liquid alternatives;

3.10 (6) bank loans; and

3.11 ~~(4)~~ (7) international securities.

3.12 (b) The investments authorized in paragraph (a) must conform to the following ~~provisions~~
3.13 clauses:

3.14 (1) the aggregate value of all investments made under paragraph (a), clauses (1) to ~~(3)~~
3.15 (4), may not exceed 35 percent of the market value of the fund for which the state board is
3.16 investing;

3.17 (2) there must be at least four unrelated owners of the investment other than the state
3.18 board for investments made under paragraph (a), clause (1), (2), or (3);

3.19 (3) state board participation in an investment vehicle is limited to 20 percent thereof for
3.20 investments made under paragraph (a), clause (1), (2), or (3); and

3.21 (4) state board participation in ~~a limited partnership~~ an investment vehicle does not
3.22 include a general partnership interest or other interest involving general liability. The state
3.23 board may not ~~engage~~ participate in any ~~activity as a limited partner~~ investment vehicle in
3.24 a manner which creates general liability.

3.25 (c) All financial, business, or proprietary data collected, created, received, or maintained
3.26 by the state board in connection with investments authorized by paragraph (a), ~~clause~~ clauses
3.27 ~~(1), (2), or (3)~~ to (6), are nonpublic data under section 13.02, subdivision 9. As used in this
3.28 paragraph, "financial, business, or proprietary data" means data, as determined by the
3.29 responsible authority for the state board, that is of a financial, business, or proprietary nature,
3.30 the release of which could cause competitive harm to the state board, the legal entity in
3.31 which the state board has invested or has considered an investment, the managing entity of
3.32 an investment, or a portfolio company in which the legal entity holds an interest. As used

4.1 in this section, "business data" is data described in section 13.591, subdivision 1. Regardless
 4.2 of whether they could be considered financial, business, or proprietary data, the following
 4.3 data received, prepared, used, or retained by the state board in connection with investments
 4.4 authorized by paragraph (a), ~~clause~~ clauses (1), (2), or (3) to (6), are public at all times:

4.5 (1) the name and industry group classification of the legal entity in which the state board
 4.6 has invested or in which the state board has considered an investment;

4.7 (2) the state board commitment amount, if any;

4.8 (3) the funded amount of the state board's commitment to date, if any;

4.9 (4) the market value of the investment by the state board;

4.10 (5) the state board's internal rate of return for the investment, including expenditures
 4.11 and receipts used in the calculation of the investment's internal rate of return; and

4.12 (6) the age of the investment in years.

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

4.14

ARTICLE 2

4.15

ST. PAUL CITY AND SCHOOL DISTRICT CONTRIBUTIONS TO MULTIEMPLOYER PLANS

4.16

4.17 Section 1. Minnesota Statutes 2019 Supplement, section 353.01, subdivision 2b, is amended
 4.18 to read:

4.19 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to
 4.20 participate as members of the association with retirement coverage by the general employees
 4.21 retirement plan, the local government correctional employees retirement plan under chapter
 4.22 353E, or the public employees police and fire retirement plan:

4.23 (1) persons whose annual salary from one governmental subdivision never exceeds an
 4.24 amount, stipulated in writing in advance, of \$5,100 if the person is not a school district
 4.25 employee or \$3,800 if the person is a school year employee. If annual compensation from
 4.26 one governmental subdivision to an employee exceeds the stipulated amount in a calendar
 4.27 year or a school year, whichever applies, after being stipulated in advance not to exceed the
 4.28 applicable amount, the stipulation is no longer valid and contributions must be made on
 4.29 behalf of the employee under section 353.27, subdivision 12, from the first month in which
 4.30 the employee received salary exceeding \$425 in a month;

5.1 (2) public officers who are elected to a governing body, city mayors, or persons who
5.2 are appointed to fill a vacancy in an elected office of a governing body, whose term of office
5.3 commences on or after July 1, 2002, for the service to be rendered in that elected position;

5.4 (3) election judges and persons employed solely to administer elections;

5.5 (4) patient and inmate personnel who perform services for a governmental subdivision;

5.6 (5) except as otherwise specified in subdivision 12a, employees who are employed solely
5.7 in a temporary position as defined under subdivision 12a, and employees who resign from
5.8 a nontemporary position and accept a temporary position within 30 days of that resignation
5.9 in the same governmental subdivision;

5.10 (6) employees who are employed by reason of work emergency caused by fire, flood,
5.11 storm, or similar disaster, but if the person becomes a probationary or provisional employee
5.12 within the same pay period, other than on a temporary basis, the person is a "public
5.13 employee" retroactively to the beginning of the pay period;

5.14 (7) employees who by virtue of their employment in one governmental subdivision are
5.15 required by law to be a member of and to contribute to any of the plans or funds administered
5.16 by the Minnesota State Retirement System, the Teachers Retirement Association, or the St.
5.17 Paul Teachers Retirement Fund Association, but this exclusion must not be construed to
5.18 prevent a person from being a member of and contributing to the Public Employees
5.19 Retirement Association and also belonging to and contributing to another public pension
5.20 plan or fund for other service occurring during the same period of time, and a person who
5.21 meets the definition of "public employee" in subdivision 2 by virtue of other service occurring
5.22 during the same period of time becomes a member of the association unless contributions
5.23 are made to another public retirement plan on the salary based on the other service or to the
5.24 Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

5.25 (8) persons who are members of a religious order and are excluded from coverage under
5.26 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance
5.27 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if
5.28 no irrevocable election of coverage has been made under section 3121(r) of the Internal
5.29 Revenue Code of 1954, as amended;

5.30 (9) persons who are:

5.31 (i) employed by a governmental subdivision who have not reached the age of 23 and
5.32 who are enrolled on a full-time basis to attend or are attending classes on a full-time basis

6.1 at an accredited school, college, or university in an undergraduate, graduate, or
6.2 professional-technical program, or at a public or charter high school;

6.3 (ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist
6.4 interns and are serving in a degree or residency program in a public hospital or in a public
6.5 clinic; or

6.6 (iii) students who are serving for a period not to exceed five years in an internship or a
6.7 residency program that is sponsored by a governmental subdivision, including an accredited
6.8 educational institution;

6.9 (10) persons who hold a part-time adult supplementary technical college license who
6.10 render part-time teaching service in a technical college;

6.11 (11) for the first three years of employment, foreign citizens who are employed by a
6.12 governmental subdivision, except that the following foreign citizens are included employees
6.13 under subdivision 2a:

6.14 (i) employees of Hennepin County or Hennepin Healthcare System, Inc.;

6.15 (ii) employees legally authorized to work in the United States for three years or more;
6.16 and

6.17 (iii) employees otherwise required to participate under federal law;

6.18 (12) public hospital employees who elected not to participate as members of the
6.19 association before 1972 and who did not elect to participate from July 1, 1988, to October
6.20 1, 1988;

6.21 (13) except as provided in section 353.86, volunteer ambulance service personnel, as
6.22 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel
6.23 may still qualify as public employees under subdivision 2 and may be members of the Public
6.24 Employees Retirement Association and participants in the general employees retirement
6.25 plan or the public employees police and fire plan, whichever applies, on the basis of
6.26 compensation received from public employment service other than service as volunteer
6.27 ambulance service personnel;

6.28 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision
6.29 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person
6.30 who is a volunteer firefighter may still qualify as a public employee under subdivision 2
6.31 and may be a member of the Public Employees Retirement Association and a participant
6.32 in the general employees retirement plan or the public employees police and fire plan,

7.1 whichever applies, on the basis of compensation received from public employment activities
7.2 other than those as a volunteer firefighter;

7.3 (15) employees in the building and construction trades, as follows:

7.4 (i) pipefitters and associated trades personnel employed by Independent School District
7.5 No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters
7.6 local 455 pension plan who were either first employed after May 1, 1997, or, if first employed
7.7 before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section
7.8 12;

7.9 ~~(16)~~ (ii) electrical workers, plumbers, carpenters, and associated trades personnel ~~who~~
7.10 ~~are~~ employed by Independent School District No. 625, St. Paul, or the city of St. Paul, ~~who~~
7.11 ~~have retirement~~ with coverage under a collective bargaining agreement by the electrical
7.12 workers local 110 pension plan, the ~~United Association~~ plumbers local 34 pension plan, or
7.13 the ~~pension plan applicable to~~ carpenters local 322 pension plan who were either first
7.14 employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded
7.15 under Laws 2000, chapter 461, article 7, section 5;

7.16 ~~(17)~~ (iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters,
7.17 allied tradesworkers, and plasterers ~~who are~~ employed by the city of St. Paul or Independent
7.18 School District No. 625, St. Paul, with coverage under a collective bargaining agreement
7.19 by the bricklayers and allied craftworkers local 1 pension plan, the cement masons local
7.20 633 pension plan, the glaziers and glassworkers local ~~1-1324~~ 1324 pension plan, the painters
7.21 and allied trades local 61 pension plan, or the ~~twin cities~~ plasterers local 265 pension plan
7.22 who were either first employed after May 1, 2001, or if first employed before May 2, 2001,
7.23 elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section
7.24 6;

7.25 ~~(18)~~ (iv) plumbers ~~who are~~ employed by the Metropolitan Airports Commission, with
7.26 coverage under a collective bargaining agreement by the plumbers local 34 pension plan,
7.27 who were either ~~were~~ first employed after May 1, 2001, or if first employed before May 2,
7.28 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10,
7.29 section 6;

7.30 (v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation
7.31 Board, with coverage under a collective bargaining agreement by the electrical workers
7.32 local 292 pension plan or the pipefitters local 539 pension plan, who were first employed
7.33 before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11,
7.34 section 5;

8.1 (vi) laborers and associated trades personnel employed by the city of St. Paul or
8.2 Independent School District No. 625, St. Paul, who are designated as temporary employees
8.3 with coverage under a collective bargaining agreement by a multiemployer plan as defined
8.4 in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018,
8.5 or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter
8.6 211, article 16, section 13; and

8.7 (vii) employees who are trades employees as defined in section 356.27, subdivision 1,
8.8 first hired on or after July 1, 2020, by the city of St. Paul or Independent School District
8.9 No. 625, St. Paul, except for any trades employee for whom contributions are made under
8.10 section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer
8.11 plan as defined in section 356.27, subdivision 1;

8.12 ~~(19)~~ (16) employees who are hired after June 30, 2002, solely to fill seasonal positions
8.13 under subdivision 12b which are limited in duration by the employer to 185 consecutive
8.14 calendar days or less in each year of employment with the governmental subdivision;

8.15 ~~(20)~~ (17) persons who are provided supported employment or work-study positions by
8.16 a governmental subdivision and who participate in an employment or industries program
8.17 maintained for the benefit of these persons where the governmental subdivision limits the
8.18 position's duration to up to five years, including persons participating in a federal or state
8.19 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment
8.20 relief program where the training or work experience is not provided as a part of, or for,
8.21 future permanent public employment;

8.22 ~~(21)~~ (18) independent contractors and the employees of independent contractors;

8.23 ~~(22)~~ (19) reemployed annuitants of the association during the course of that
8.24 reemployment;

8.25 ~~(23)~~ (20) persons appointed to serve on a board or commission of a governmental
8.26 subdivision or an instrumentality thereof; and

8.27 ~~(24)~~ (21) persons employed as full-time fixed-route bus drivers by the St. Cloud
8.28 Metropolitan Transit Commission who are members of the International Brotherhood of
8.29 Teamsters Local 638 and who are, by virtue of that employment, members of the International
8.30 Brotherhood of Teamsters Central States pension plan;

8.31 ~~(25) electricians or pipefitters employed by the Minneapolis Park and Recreation Board,~~
8.32 ~~with coverage under a collective bargaining agreement by the IBEW local 292, or pipefitters~~

9.1 ~~local 539 pension plan, who were first employed before May 2, 2015, and who elected to~~
9.2 ~~be excluded under Laws 2015, chapter 68, article 11, section 5; and~~

9.3 ~~(26) laborers and associated trades personnel employed by the city of St. Paul or~~
9.4 ~~Independent School District No. 625, St. Paul, who are designated as temporary employees~~
9.5 ~~under a collective bargaining agreement and have retirement coverage by the Minnesota~~
9.6 ~~Laborers Pension Fund who were either first employed on or after June 1, 2018, or, if first~~
9.7 ~~employed before June 1, 2018, who elected to be excluded under Laws 2018, chapter 211,~~
9.8 ~~article 16, section 13.~~

9.9 (b) Any person performing the duties of a public officer in a position defined in
9.10 subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an
9.11 employee of an independent contractor.

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

9.13 Sec. 2. **[356.27] CITY OF ST. PAUL AND INDEPENDENT SCHOOL DISTRICT**
9.14 **NO. 625, ST. PAUL; CONTRIBUTIONS TO MULTIEMPLOYER PLANS.**

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

9.17 (b) "Building and construction trades" means categories of employees who perform
9.18 building construction, maintenance, or inspection services, including:

9.19 (1) bricklayers;

9.20 (2) carpenters;

9.21 (3) cement masons;

9.22 (4) electricians;

9.23 (5) elevator constructors;

9.24 (6) glaziers;

9.25 (7) laborers;

9.26 (8) operating engineers;

9.27 (9) painters;

9.28 (10) pipefitters;

9.29 (11) plasterers;

9.30 (12) plumbers;

10.1 (13) roofers;

10.2 (14) sheet metal workers; and

10.3 (15) sprinkler fitters.

10.4 Building and construction trades does not include machinists or teamsters.

10.5 (c) "Employers" means the city of St. Paul and Independent School District No. 625,
10.6 St. Paul.

10.7 (d) "Grandfathered trades employees" means trades employees on whose behalf an
10.8 employer made contributions on or before June 30, 2020, to PERA and to one or more
10.9 multiemployer plans other than as provided in section 356.24, subdivision 1, clause (8), (9),
10.10 or (10).

10.11 (e) "Multiemployer plan" means a plan or fund subject to the federal Employee
10.12 Retirement Income Security Act of 1974, as amended, to which more than one employer
10.13 is required to contribute and that is maintained pursuant to one or more collective bargaining
10.14 agreements between one or more labor organizations and more than one employer. For
10.15 purposes of this section, a multiemployer plan may be: (1) either a defined benefit pension
10.16 plan or a defined contribution retirement plan; and (2) either a plan that covers employees
10.17 in one or more local units in the state of Minnesota or a plan that covers union employees
10.18 nationwide.

10.19 (f) "PERA" means the Public Employees Retirement Association general plan established
10.20 under chapter 353.

10.21 (g) "Trades employees" means employees principally employed in one of the building
10.22 and construction trades.

10.23 Subd. 2. **Negotiating over contributions to multiemployer plans authorized.** The
10.24 employers are authorized to negotiate, with labor organizations representing trades
10.25 employees, collective bargaining agreements that provide for contributions to multiemployer
10.26 plans on the basis of hours worked or paid. Any provision must identify each multiemployer
10.27 plan to which contributions are to be made and, beginning with any such collective bargaining
10.28 agreement or renewal thereof entered into after June 30, 2020, must include the employer
10.29 identification number and plan number unique to the plan.

10.30 Subd. 3. **Participation in PERA.** (a) In connection with services performed for an
10.31 employer under a collective bargaining agreement authorized by subdivision 2, a trades
10.32 employee first hired by the employer on or after July 1, 2020, shall not participate in PERA,
10.33 except for a trades employee whose employer makes contributions on behalf of the trades

11.1 employee to PERA and to one or more multiemployer plans as provided in section 356.24,
11.2 subdivision 1, clause (8), (9), or (10).

11.3 (b) Grandfathered trades employees shall continue to participate in PERA according to
11.4 chapter 353 and in one or more multiemployer plans pursuant to a collective bargaining
11.5 agreement authorized by subdivision 2. Participation shall not be subject to section 356.24.

11.6 Subd. 4. **Employer's reporting obligation.** (a) If an employer negotiates a collective
11.7 bargaining agreement authorized by subdivision 2 that covers grandfathered trades
11.8 employees, the employer shall annually submit a report that satisfies the requirements of
11.9 paragraph (b) to the executive director of the Legislative Commission on Pensions and
11.10 Retirement annually, no later than 60 days after the end of the employer's fiscal year.

11.11 (b) The report shall provide for each labor organization the number of grandfathered
11.12 trades employees for whom the employer made contributions during the prior fiscal year.

11.13 (c) After receiving a report from an employer, the executive director of the Legislative
11.14 Commission on Pensions and Retirement may request additional information that the
11.15 employer shall promptly provide.

11.16 (d) The reporting obligation expires upon submission of a report for the last fiscal year
11.17 in which the employer makes a contribution to PERA with respect to a grandfathered trades
11.18 employee.

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

11.20 **Sec. 3. REPEALER.**

11.21 Minnesota Statutes 2018, section 356.24, subdivision 2, is repealed.

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

11.23 **ARTICLE 3**

11.24 **MODIFICATIONS TO PERA PROVISIONS RELATING TO** 11.25 **PRIVATIZATION OF MEDICAL FACILITIES**

11.26 Section 1. Minnesota Statutes 2018, section 353F.02, is amended by adding a subdivision
11.27 to read:

11.28 Subd. 3a. **Executive director.** "Executive director" means the executive director of the
11.29 Public Employees Retirement Association.

11.30 **EFFECTIVE DATE.** This section is effective July 1, 2020.

12.1 Sec. 2. Minnesota Statutes 2018, section 353F.02, is amended by adding a subdivision to
12.2 read:

12.3 Subd. 4a. **Medical facility.** "Medical facility" means a facility that has the primary
12.4 purpose of providing medical care and that satisfies the definition of governmental
12.5 subdivision under section 353.01, subdivision 6.

12.6 **EFFECTIVE DATE.** This section is effective July 1, 2020.

12.7 Sec. 3. Minnesota Statutes 2018, section 353F.02, is amended by adding a subdivision to
12.8 read:

12.9 Subd. 4b. **Privatization.** "Privatization" means a medical facility that privatizes when
12.10 the facility ceases to be a governmental subdivision for any reason other than that the medical
12.11 facility closes or permanently ceases to operate.

12.12 **EFFECTIVE DATE.** This section is effective July 1, 2020.

12.13 Sec. 4. Minnesota Statutes 2018, section 353F.04, is amended to read:

12.14 **353F.04 AUGMENTATION INTEREST RATES FOR PRIVATIZED FORMER**
12.15 **PUBLIC EMPLOYEES.**

12.16 Subdivision 1. **Enhanced augmentation rates.** (a) The deferred annuity of a privatized
12.17 former public employee is subject to augmentation under section ~~353.71, subdivision 2, of~~
12.18 ~~the edition of Minnesota Statutes published in the year in which the privatization occurred~~
12.19 353.34, subdivision 3, except that the rate of augmentation is as specified in this ~~subdivision~~
12.20 section.

12.21 (b) This paragraph applies if the effective date of privatization was on or before January
12.22 1, 2007, and also applies to Hutchinson Area Health Care with a privatization effective date
12.23 of January 1, 2008. For a privatized former public employee, the augmentation rate is 5.5
12.24 percent compounded annually until January 1 following the year in which the person attains
12.25 age 55. ~~From~~ After that date ~~to the effective date of retirement~~, the augmentation rate is 7.5
12.26 percent compounded annually.

12.27 (c) If paragraph (b) is not applicable, and if the effective date of the privatization is after
12.28 January 1, 2007, and before January 1, 2011, then the augmentation rate is four percent
12.29 compounded annually until January 1, following the year in which the person attains age
12.30 55. ~~From~~ After that date ~~to the effective date of retirement~~, the augmentation rate is six
12.31 percent compounded annually.

13.1 (d) If the effective date of the privatization is after December 31, 2010, the applicable
13.2 augmentation rate depends on the result of computations specified in section 353F.025,
13.3 subdivision 1. If those computations indicate no loss or a net gain to the fund of the general
13.4 employees retirement plan of the Public Employees Retirement Association, the augmentation
13.5 rate is two percent compounded annually ~~until the effective date of retirement~~. If the
13.6 computations under that subdivision indicate a net loss to the fund if a two percent
13.7 augmentation rate is used, but a net gain or no loss if a one percent rate is used, then the
13.8 augmentation rate is one percent compounded annually ~~until the effective date of retirement~~.

13.9 (e) Notwithstanding paragraphs (b) to (d), after June 30, 2020, and before January 1,
13.10 2024, the augmentation rate for all privatized former public employees under paragraphs
13.11 (b) to (d) is two percent compounded annually. After December 31, 2023, no additional
13.12 augmentation is applied to the privatized former public employee's deferred annuity.

13.13 Subd. 2. **Exceptions.** The ~~increased~~ augmentation rates specified in subdivision 1 do
13.14 not apply to a privatized former public employee:

13.15 (1) beginning the first of the month in which the privatized former public employee
13.16 becomes covered again by a retirement plan enumerated in section 356.30, subdivision 3,
13.17 if the employee accrues at least six months of credited service in any single plan enumerated
13.18 in section 356.30, subdivision 3, except clause (6);

13.19 (2) beginning the first of the month in which the privatized former public employee
13.20 becomes covered again by the general employees retirement plan of the Public Employees
13.21 Retirement Association;

13.22 (3) beginning the first of the month after a privatized former public employee terminates
13.23 service with the privatized former public employer; ~~or~~

13.24 (4) if the ~~person~~ privatized former public employee begins receipt of a retirement annuity
13.25 while employed by the ~~employer which assumed operations of or purchased the~~ privatized
13.26 former public employer; or

13.27 (5) if the effective date of privatization occurs after June 30, 2020.

13.28 **EFFECTIVE DATE.** This section is effective July 1, 2020.

14.1

ARTICLE 4

14.2

MODIFICATIONS TO STATE AUDITOR REPORTING
REQUIREMENTS FOR PENSION PLANS

14.3

14.4 Section 1. Minnesota Statutes 2018, section 356.219, subdivision 1, is amended to read:

14.5 Subdivision 1. **Report required.** (a) ~~The State Board of Investment, on behalf of the~~
14.6 ~~public pension funds and programs for which it is the investment authority, and any~~
14.7 ~~Minnesota public pension plan that is not fully invested through the State Board of~~
14.8 ~~Investment, including the Bloomington Fire Department Relief Association and a local,~~
14.9 ~~volunteer firefighters relief association~~ associations governed by sections 424A.091 to
14.10 424A.095, shall the St. Paul Teachers Retirement Fund Association, and any Minnesota
14.11 public pension plan that is not fully invested through the State Board of Investment, must
14.12 report the information specified in subdivision 3 to the state auditor. The state auditor may
14.13 prescribe a form or forms for the purposes of the reporting requirements contained in this
14.14 section.

14.15 ~~(b) The Bloomington Fire Department Relief Association and a local volunteer firefighters~~
14.16 ~~relief association governed by sections 424A.091 to 424A.095 is fully invested during a~~
14.17 ~~given calendar year for purposes of this section if all assets of the applicable pension plan~~
14.18 ~~beyond sufficient cash equivalent investments to cover six months expected expenses are~~
14.19 ~~invested under section 11A.17. The board of any fully invested public pension plan remains~~
14.20 ~~responsible for submitting investment policy statements and subsequent revisions as required~~
14.21 ~~by subdivision 3, paragraph (a).~~

14.22 ~~(c) For purposes of this section, the State Board of Investment is considered to be the~~
14.23 ~~investment authority for any Minnesota public pension fund required to be invested by the~~
14.24 ~~State Board of Investment under section 11A.23, or for any Minnesota public pension fund~~
14.25 ~~authorized to invest in the supplemental investment fund under section 11A.17 and which~~
14.26 ~~is fully invested by the State Board of Investment.~~

14.27 (b) For purposes of this section, a pension plan is fully invested through the State Board
14.28 of Investment during a given calendar year if all assets of the pension plan beyond sufficient
14.29 cash equivalent investments to cover six months of expected expenses are invested under
14.30 section 11A.17.

14.31 (c) A public pension plan to which subdivision 3, paragraph (b) or (c), applies is not
14.32 required to file the report required by this subdivision for a given calendar year if the pension
14.33 plan's most recent annual financial audit was conducted by the state auditor.

14.34 (d) This section does not apply to the following plans:

- 15.1 (1) the Minnesota unclassified employees retirement program under chapter 352D;
- 15.2 (2) the public employees defined contribution plan under chapter 353D;
- 15.3 (3) the individual retirement account plans under chapters 354B and 354D;
- 15.4 (4) the higher education supplemental retirement plan under chapter 354C;
- 15.5 (5) any alternative retirement benefit plan established under section 383B.914; ~~and~~
- 15.6 (6) the University of Minnesota faculty retirement plan- and supplemental plan; and
- 15.7 (7) any other statewide plan required to be invested by the State Board of Investment
- 15.8 under section 11A.23.

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

15.10 Sec. 2. Minnesota Statutes 2019 Supplement, section 356.219, subdivision 3, is amended

15.11 to read:

15.12 Subd. 3. **Content of reports.** (a) The report required by subdivision 1 must include a

15.13 written statement of the investment policy. Following that initial report, subsequent reports

15.14 must include investment policy changes and the effective date of each policy change rather

15.15 than a complete statement of investment policy, unless the state auditor requests submission

15.16 of a complete current statement. The report must also include the information required by

15.17 the following paragraphs, as applicable.

15.18 (b) ~~If, after four years of reporting under this paragraph, the total portfolio time weighted~~

15.19 ~~rate of return, net of all investment related costs and fees, provided by the public pension~~

15.20 ~~plan differs by no more than 0.1 percent from the comparable return for the plan calculated~~

15.21 ~~by the Office of the State Auditor, and if a public pension plan has a total market value of~~

15.22 ~~\$50,000,000 or more as of the beginning of the calendar year, and if the public pension~~

15.23 ~~plan's annual audit is performed by the state auditor or by the legislative auditor, For public~~

15.24 ~~pension plans not fully invested through the State Board of Investment with assets having~~

15.25 ~~a market value of \$50,000,000 or more as of the beginning of the calendar year, or that had~~

15.26 ~~a market value of \$50,000,000 or more in a prior calendar year, the report required by~~

15.27 ~~subdivision 1 must include the market value of the total portfolio and the market value of~~

15.28 ~~each asset class included in the pension fund as of the beginning of the calendar year and~~

15.29 ~~as of the end of the calendar year. At the discretion of the state auditor, the public pension~~

15.30 ~~plan may be required to submit~~ the following:

16.1 (1) the market value of the total portfolio and the market value of each investment
16.2 account, investment portfolio, or asset class included in the pension fund for each month;
16.3 ~~and;~~

16.4 (2) the amount and date of each injection and withdrawal to the total portfolio and to
16.5 each investment account, investment portfolio, or asset class. ~~If the market value of a public
16.6 pension plan's fund drops below \$50,000,000 in a subsequent year, it must continue reporting
16.7 under this paragraph for any subsequent year in which the public pension plan is not fully
16.8 invested as specified in subdivision 1, paragraph (b), except that if the public pension plan's
16.9 annual audit is not performed by the state auditor or legislative auditor, paragraph (c) applies.;~~

16.10 ~~(e) If paragraph (b) would apply if the annual audit were provided by the state auditor
16.11 or legislative auditor, the report required by subdivision 1 must include the market value
16.12 of the total portfolio and the market value of each asset class included in the pension fund
16.13 as of the beginning of the calendar year and for each month, and the amount and date of
16.14 each injection and withdrawal to the total portfolio and to each investment account,
16.15 investment portfolio, or asset class.~~

16.16 ~~(d) For public pension plans to which paragraph (b) or (c) applies, the report required
16.17 by subdivision 1 must also include (3) a calculation of the total time-weighted rate of return
16.18 available from index-matching investments, assuming the asset class performance targets
16.19 and target asset mix indicated in the written statement of investment policy. ~~The provided
16.20 information must include;~~~~

16.21 (4) a description of indices used in the analyses and an explanation of why those indices
16.22 are appropriate. ~~This paragraph does not apply to any fully invested plan, as defined by
16.23 subdivision 1, paragraph (b). Reporting by the State Board of Investment under this paragraph
16.24 is limited to information on the Minnesota public pension plans required to be invested by
16.25 the State Board of Investment under section 11A.23.;~~

16.26 (5) computed time-weighted rates of return; and

16.27 (6) any other information required by the state auditor.

16.28 (c) For public pension plans fully invested through the State Board of Investment with
16.29 assets having a market value of \$50,000,000 or more as of the beginning of the calendar
16.30 year, or that had a market value of \$50,000,000 or more in a prior calendar year, the report
16.31 required by subdivision 1 must be in the form required by the state auditor and include the
16.32 information needed by the state auditor to supplement the reporting available from the State
16.33 Board of Investment.

17.1 ~~(e)~~ (d) If a public pension plan has assets with a total market value of less than
17.2 \$50,000,000 as of the beginning of the calendar year and was never required to file under
17.3 paragraph (b) or (c), the report required by subdivision 1 must include the following:

17.4 (1) unless paragraph (f) applies, the amount and date of each total portfolio injection
17.5 and withdrawal. ~~In addition, the report must include; and~~

17.6 (2) the market value of the total portfolio as of the beginning of the calendar year and
17.7 for each quarter.

17.8 ~~(f) Any public pension plan reporting under paragraph (b) or (c) must include computed~~
17.9 ~~time-weighted rates of return with the report, in addition to all other required information,~~
17.10 ~~as applicable. The chief administrative officer of the public pension plan submitting the~~
17.11 ~~returns must certify, on a form prescribed by the state auditor, that the returns have been~~
17.12 ~~computed by the pension plan's investment performance consultant or custodial bank. The~~
17.13 ~~chief administrative officer of the public pension plan submitting the returns also must~~
17.14 ~~certify that the returns are net of all costs and fees, including investment management fees,~~
17.15 ~~and that the procedures used to compute the returns are consistent with Bank Administration~~
17.16 ~~Institute studies of investment performance measurement and presentation standards set by~~
17.17 ~~the CFA Institute. If the certifications required under this paragraph are not provided, the~~
17.18 ~~reporting requirements of paragraph (e) apply.~~

17.19 ~~(g)~~ (e) For public pension plans reporting under paragraph ~~(e)~~ (d), the public pension
17.20 plan must retain supporting information specifying the date and amount of each injection
17.21 and withdrawal to each investment account and investment portfolio. The public pension
17.22 plan must also retain the market value of each investment account and investment portfolio
17.23 at the beginning of the calendar year and for each quarter. Information that is required to
17.24 be collected and retained for any given year or years under this paragraph must be submitted
17.25 to the ~~Office of the state auditor if the Office of the state auditor requests in writing that the~~
17.26 ~~information be submitted by a~~ the public pension plan or plans, ~~or be submitted by the State~~
17.27 ~~Board of Investment for any plan or plans for which the State Board of Investment is the~~
17.28 ~~investment authority under this section.~~ If the state auditor requests information under this
17.29 subdivision, and the public pension plan fails to comply, the pension plan is subject to
17.30 penalties under subdivision 5, unless penalties are waived by the state auditor under that
17.31 subdivision.

17.32 (f) A public pension plan reporting under paragraph (d) that is fully invested through
17.33 the State Board of Investment for the given calendar year is required to report the market

18.1 value of the total portfolio as of the beginning of the calendar year and for each quarter, but
18.2 need not report the amount and date of each total portfolio injection and withdrawal.

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

18.4 Sec. 3. Minnesota Statutes 2018, section 356.219, subdivision 6, is amended to read:

18.5 Subd. 6. **Investment disclosure report.** (a) The state auditor shall prepare an annual
18.6 report to the legislature on the investment performance of the ~~various~~ public pension plans
18.7 subject to this section. The content of the report is specified in paragraphs (b) to ~~(f)~~ (d).

18.8 (b) For each public pension plan reporting under subdivision 3, paragraph (b), the state
18.9 auditor shall compute and report total portfolio and asset class time-weighted rates of return,
18.10 net of all investment-related costs and fees. ~~If the state auditor has required a plan to submit~~
18.11 ~~the market value of the total portfolio and the market value of each investment account,~~
18.12 ~~investment portfolio, or asset class included in the pension fund for each month, and the~~
18.13 ~~amount and date of each injection and withdrawal to the total portfolio and to each investment~~
18.14 ~~account, investment portfolio, or asset class as prescribed under subdivision 3, paragraph~~
18.15 ~~(b), the state auditor shall also compute and report total portfolio and asset class~~
18.16 ~~time-weighted rates of return, net of all costs and fees. The report by the state auditor must~~
18.17 ~~also include the information submitted by the pension plans under subdivision 3 or a summary~~
18.18 ~~of that information.~~

18.19 ~~(e) For each public pension plan reporting under subdivision 3, paragraph (e), the state~~
18.20 ~~auditor shall compute and report total portfolio and asset class time-weighted rates of return,~~
18.21 ~~net of all costs and fees.~~

18.22 ~~(d) (c) For each public pension plan reporting under subdivision 3, paragraph (e) (d),~~
18.23 ~~the state auditor shall compute and report total portfolio time-weighted rates of return, net~~
18.24 ~~of all costs and fees. ~~If the state auditor has requested data for a plan under subdivision 3,~~~~
18.25 ~~paragraph (g), the state auditor may also compute and report asset class time-weighted rates~~
18.26 ~~of return, net of all costs and fees.~~

18.27 ~~(e) The report by the state auditor must include the information submitted by the pension~~
18.28 ~~plans under subdivision 3, paragraph (d), or a synopsis of that information.~~

18.29 ~~(f) (d) The report by the state auditor may also include a presentation of multiyear~~
18.30 ~~performance, information collected under subdivision 4, and any other information or~~
18.31 ~~analysis deemed appropriate by the state auditor.~~

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

19.1 Sec. 4. Minnesota Statutes 2018, section 356.219, subdivision 7, is amended to read:

19.2 Subd. 7. **Expense of report.** All administrative expenses incurred relating to the
 19.3 investment report by the state auditor described in subdivision 6 must be borne by the Office
 19.4 of the state auditor and may not be charged back to the entities described in subdivisions 1
 19.5 or 4.

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

19.7 Sec. 5. Minnesota Statutes 2019 Supplement, section 356.219, subdivision 8, is amended
 19.8 to read:

19.9 Subd. 8. **Timing of reports.** (a) For the Bloomington Fire Department Relief Association
 19.10 and the volunteer ~~firefighter~~ firefighters relief associations, the information required under
 19.11 this section must be submitted by the due date for reports required under section 424A.014,
 19.12 subdivision 1 or 2, as applicable. ~~If a relief association satisfies the definition of a fully~~
 19.13 ~~invested plan under subdivision 1, paragraph (b), for the calendar year covered by the report~~
 19.14 ~~required under section 424A.014, subdivision 1 or 2, as applicable, the chief administrative~~
 19.15 ~~officer of the covered pension plan shall certify that compliance on a form prescribed by~~
 19.16 ~~the state auditor. The state auditor shall transmit annually to the State Board of Investment~~
 19.17 ~~a list or lists of covered pension plans which submitted certifications in order to facilitate~~
 19.18 ~~reporting by the State Board of Investment under paragraph (c).~~

19.19 (b) For the St. Paul Teachers Retirement Fund Association ~~and the University of~~
 19.20 ~~Minnesota faculty supplemental retirement plan~~, the information required under this section
 19.21 must be submitted to the state auditor by June 1 of each year.

19.22 (c) ~~The State Board of Investment, on behalf of~~ Any public pension funds specified in
 19.23 ~~subdivision 1, plan required to submit information under this section that is not identified~~
 19.24 ~~in paragraph (c), shall report~~ (a) or (b) must submit the information required under this
 19.25 ~~section to the state auditor by September~~ June 1 of each year.

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

19.27 ARTICLE 5

19.28 MINNESOTA STATE RETIREMENT SYSTEM ADMINISTRATIVE PROVISIONS

19.29 Section 1. Minnesota Statutes 2018, section 352.01, subdivision 26, is amended to read:

19.30 Subd. 26. **Dependent child.** "Dependent child" means an individual who is a biological
 19.31 ~~or adopted child of a deceased employee who,~~ has not reached the age of 20, and is dependent
 19.32 upon the employee for more than one-half of the child's support at the time of the employee's

20.1 death. It also means a child of the member conceived during the member's lifetime and born
20.2 after the member's death, unless a parent-child relationship does not exist under section
20.3 524.2-120, subdivision 10.

20.4 Sec. 2. Minnesota Statutes 2018, section 352.04, subdivision 4, is amended to read:

20.5 Subd. 4. **Payroll deductions.** ~~The head of Each department~~ employing entity shall have
20.6 employee contributions deducted from the salary of each employee covered by the system
20.7 on every payroll abstract and shall approve one voucher payable to the commissioner of
20.8 management and budget for the aggregate amount deducted on the payroll abstract.
20.9 Deductions from salaries of employees paid ~~direct~~ directly by any ~~department, institution,~~
20.10 ~~or agency of the state~~ employing entity must be made by the officer or employee authorized
20.11 by law to pay the salaries. ~~The head of any department or agency~~ Any employing entity
20.12 having authority to appoint any employee who receives fees as compensation or who receives
20.13 compensation on federal payrolls shall collect as the required employee contribution the
20.14 applicable amounts required in subdivision 2. Deductions from salary and amounts collected
20.15 must be remitted to the director with a statement showing the amount of earnings or fees,
20.16 and in the case of fees, the number of transactions, ~~and~~ the amount of each of the deductions
20.17 and collections, and the names of the employees on whose account they have been made.

20.18 Sec. 3. Minnesota Statutes 2018, section 352.04, subdivision 8, is amended to read:

20.19 Subd. 8. **Department Employing entity required to pay omitted salary deductions.** (a)
20.20 ~~If a department~~ an employing entity fails to take deductions past due for a period of 60 days
20.21 or less from an employee's salary as provided in this section, those deductions must be taken
20.22 on later payroll abstracts.

20.23 (b) ~~If a department~~ an employing entity fails to take deductions past due for a period in
20.24 excess of 60 days from an employee's salary as provided in this section, the ~~department~~
20.25 employing entity, and not the employee, must pay on later payroll abstracts the employee
20.26 and employer contributions and interest at the applicable annual rate or rates specified in
20.27 section 356.59, subdivision 2, compounded annually, from the date the employee and
20.28 employer contributions should have been deducted to the date payment of the total amount
20.29 due is paid by the ~~department~~ employing entity.

20.30 (c) ~~If a department~~ an employing entity fails to take deductions past due for a period of
20.31 60 days or less and the employee is no longer in state service so that the required deductions
20.32 cannot be taken from the salary of the employee, the ~~department~~ employing entity must
20.33 nevertheless pay the required employer contributions. If any ~~department~~ employing entity

21.1 fails to take deductions past due for a period in excess of 60 days and the employee is no
21.2 longer in state service, the omitted contributions must be recovered under paragraph (b).

21.3 (d) If an employee from whose salary required deductions were past due for a period of
21.4 60 days or less leaves state service before the payment of the omitted deductions and
21.5 subsequently returns to state service, the unpaid amount is considered the equivalent of a
21.6 refund. The employee accrues no right by reason of the unpaid amount, except that the
21.7 employee may pay the amount of omitted deductions as provided in section 352.23.

21.8 Sec. 4. Minnesota Statutes 2019 Supplement, section 352.04, subdivision 9, is amended
21.9 to read:

21.10 Subd. 9. **Erroneous deductions, canceled payments.** (a) Deductions taken from the
21.11 salary of an employee for the retirement fund in excess of required amounts must, upon
21.12 discovery and verification by the ~~department~~ employing entity making the deduction, be
21.13 refunded to the employee. Employer contributions made in excess of required amounts must
21.14 be refunded or credited to the employing entity that made the contribution.

21.15 (b) If a deduction for the retirement fund is taken from a salary payment, and the payment
21.16 is canceled or the amount of the payment returned to the funds of the ~~department~~ employing
21.17 entity making the payment, the sum deducted, or the part of it required to adjust the
21.18 deductions, must be refunded or credited to the ~~department or institution~~ employing entity
21.19 if the ~~department~~ employing entity applies for the refund on a form furnished by the director.
21.20 ~~The department's payments must likewise be refunded to the department.~~

21.21 (c) If erroneous employee deductions and employer contributions are caused by an error
21.22 in plan coverage involving the plan and any other plans specified in section 356.99, that
21.23 section applies. If the employee should have been covered by the plan governed by chapter
21.24 352D, 353D, 354B, or 354D, the employee deductions and employer contributions taken
21.25 in error must be directly transferred to the applicable employee's account in the correct
21.26 retirement plan, with interest at the applicable monthly rate or rates specified in section
21.27 356.59, subdivision 2, compounded annually, from the first day of the month following the
21.28 month in which coverage should have commenced in the correct defined contribution plan
21.29 until the end of the month in which the transfer occurs.

21.30 Sec. 5. Minnesota Statutes 2018, section 352.04, is amended by adding a subdivision to
21.31 read:

21.32 Subd. 13. **"Employing entity" defined.** In this section, "employing entity" means the
21.33 entity that pays a state employee's salary and remits retirement contributions.

22.1 Sec. 6. Minnesota Statutes 2019 Supplement, section 352.113, subdivision 2, is amended
22.2 to read:

22.3 Subd. 2. **Application; accrual of benefits.** (a) An employee making claim for a total
22.4 and permanent disability benefit, or someone acting on behalf of the employee upon proof
22.5 of authority satisfactory to the director, shall file a written application for benefits in ~~the~~ an
22.6 office of the system ~~on or before the deadline specified in subdivision 4, paragraph (g) or~~
22.7 with a person authorized by the director.

22.8 (b) The application must be in a form and manner prescribed by the ~~executive~~ director
22.9 ~~and include the medical reports required by subdivision 4, paragraph (b).~~ The completed
22.10 application form and supporting documents must be received in an office of the system or
22.11 by an authorized person before the expiration of the period specified in subdivision 4,
22.12 paragraph (g). In this paragraph, "supporting documents" means:

22.13 (1) two medical reports as required by subdivision 4, paragraph (b); and

22.14 (2) a written certification by the employing entity as required by subdivision 4, paragraph
22.15 (e).

22.16 Supporting documents are not required to be original documents except as determined
22.17 by the director.

22.18 (c) The benefit shall begin to accrue the day following the start of disability or the day
22.19 following the last day paid, whichever is later, but not earlier than 180 days before the date
22.20 the application is and supporting documents are filed in an office of the system or with an
22.21 authorized person.

22.22 Sec. 7. Minnesota Statutes 2018, section 352.113, subdivision 4, is amended to read:

22.23 Subd. 4. **Medical or psychological examinations; authorization for payment of**
22.24 **benefit.** (a) Any physician, psychologist, chiropractor, physician assistant, podiatrist, or
22.25 nurse practitioner providing any service specified in this section must be licensed.

22.26 (b) An applicant shall provide a detailed report signed by a physician, and at least one
22.27 additional report signed by a physician, psychologist, chiropractor, physician assistant,
22.28 podiatrist, or nurse practitioner with evidence to support an application for total and
22.29 permanent disability. The reports must include an expert opinion regarding whether the
22.30 employee is permanently and totally disabled within the meaning of section 352.01,
22.31 subdivision 17, and that the disability arose before the employee was placed on any paid or
22.32 unpaid leave of absence or terminated public service.

23.1 (c) If there is medical evidence that supports the expectation that at some point the person
23.2 applying for the disability benefit will no longer be disabled, the decision granting the
23.3 disability benefit may provide for a termination date upon which the total and permanent
23.4 disability can be expected to no longer exist. When a termination date is part of the decision
23.5 granting benefits, prior to the benefit termination the executive director shall review any
23.6 evidence provided by the disabled employee to show that the disabling condition for which
23.7 benefits were initially granted continues. If the benefits cease, the disabled employee may
23.8 follow the appeal procedures described in section 356.96 or may reapply for disability
23.9 benefits using the process described in this subdivision.

23.10 (d) Any claim to disability must be supported by a report from the employer indicating
23.11 that there is no available work that the employee can perform with the disabling condition
23.12 and that all reasonable accommodations have been considered. Upon request of the executive
23.13 director, an employer shall provide evidence of the steps the employer has taken to attempt
23.14 to provide reasonable accommodations and continued employment to the claimant.

23.15 (e) The director shall also obtain written certification from the employer stating whether
23.16 the employment has ceased or whether the employee is on sick leave of absence because
23.17 of a disability that will prevent further service to the employer and that the employee is not
23.18 entitled to compensation from the employer.

23.19 (f) The medical adviser shall consider the reports of the physician, psychologist,
23.20 chiropractor, physician assistant, podiatrist, or nurse practitioner and any other evidence
23.21 supplied by the employee or other interested parties. If the medical adviser finds the employee
23.22 totally and permanently disabled, the adviser shall make appropriate recommendation to
23.23 the director in writing together with the date from which the employee has been totally
23.24 disabled. The director shall then determine if the disability occurred while still in the
23.25 employment of the state and constitutes a total and permanent disability as defined in section
23.26 352.01, subdivision 17.

23.27 (g) A terminated employee may apply for a disability benefit within 18 months of
23.28 termination as long as the disability occurred while in the employment of the state. The fact
23.29 that an employee is placed on leave of absence without compensation because of disability
23.30 does not bar that employee from receiving a disability benefit.

23.31 (h) Upon appeal, the board of directors may extend the disability benefit application
23.32 deadline in paragraph (g) by an additional 18 months if the terminated employee is
23.33 determined by the board of directors to have a cognitive impairment that made it unlikely

24.1 that the terminated employee understood that there was an application deadline or that the
24.2 terminated employee was able to meet the application deadline.

24.3 (i) Unless the payment of a disability benefit has terminated because the employee is
24.4 no longer totally disabled, or because the employee has reached normal retirement age as
24.5 provided in this section, the disability benefit must cease with the last payment received by
24.6 the disabled employee or which had accrued during the lifetime of the employee unless
24.7 there is a spouse surviving. In that event, the surviving spouse is entitled to the disability
24.8 benefit for the calendar month in which the disabled employee died.

24.9 Sec. 8. Minnesota Statutes 2019 Supplement, section 352.23, is amended to read:

24.10 **352.23 TERMINATION OF RIGHTS; REPAYMENT OF REFUND.**

24.11 (a) When any employee accepts a refund as provided in section 352.22, all existing
24.12 allowable service credits and all rights and benefits to which the employee was entitled
24.13 before accepting the refund terminate.

24.14 (b) Terminated service credits and rights must not again be restored until the former
24.15 employee acquires at least six months of allowable service credit after taking the last refund
24.16 and repays all refunds previously taken from the retirement fund with interest as provided
24.17 in paragraph (d). ~~If an employee repays only part of a refund or repays a refund in partial~~
24.18 ~~payments as permitted under paragraph (d), service credit will be restored in accordance~~
24.19 ~~with section 356.44.~~ An employee will not be considered as entitled to any other benefit,
24.20 including benefits for which the employee may be eligible because of the employee's original
24.21 hire date into public employment, until full repayment of all refunds has been made.

24.22 (c) Repayment of refunds entitles the employee only to credit for service covered by (1)
24.23 salary deductions; (2) payments previously made in lieu of salary deductions as permitted
24.24 under law in effect when the payment in lieu of deductions was made; (3) payments made
24.25 to obtain credit for service as permitted by laws in effect when payment was made; and (4)
24.26 allowable service previously credited while receiving temporary workers' compensation as
24.27 provided in section 352.01, subdivision 11, paragraph (a), clause (3).

24.28 (d) Payments under this section for repayment of refunds are to be paid with interest at
24.29 the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded
24.30 annually, from the date the refund was taken until the date the refund is repaid. Repayment
24.31 may be made ~~in partial payments consistent with section 356.44 during employment or in~~
24.32 a lump sum during employment or up to six months after termination from service.

25.1 Sec. 9. Minnesota Statutes 2018, section 352.95, subdivision 3, is amended to read:

25.2 Subd. 3. **Applying for benefits; accrual.** No application for disability benefits may be
25.3 made until after the last day physically on the job. The disability benefit begins to accrue
25.4 the day following the last day for which the employee is paid sick leave or annual leave,
25.5 but not earlier than 180 days before the date the application is filed. A terminated employee
25.6 must file a written application ~~within the time frame specified under section 352.113,~~
25.7 ~~subdivision 4, paragraph (g) in an office of the system or with a person authorized by the~~
25.8 executive director. Applications must comply with section 352.113, subdivision 2, paragraph
25.9 (b).

25.10 Sec. 10. Minnesota Statutes 2018, section 352B.011, subdivision 6, is amended to read:

25.11 Subd. 6. **Dependent child.** "Dependent child" means an individual who is a natural or
25.12 adopted unmarried child of a deceased member and is under the age of 18 years, including
25.13 any child of the member conceived during the lifetime of the member and born after the
25.14 death of the member unless a parent-child relationship does not exist under section 524-2.120,
25.15 subdivision 10.

25.16 Sec. 11. Minnesota Statutes 2018, section 352B.011, subdivision 10, is amended to read:

25.17 Subd. 10. **Member.** "Member" means:

25.18 (1) a State Patrol member currently employed under section 299D.03 by the state, who
25.19 is a peace officer under section 626.84, and whose salary or compensation is paid out of
25.20 state funds;

25.21 (2) a conservation officer employed under section 97A.201, currently employed by the
25.22 state, whose salary or compensation is paid out of state funds;

25.23 (3) a crime bureau officer who was employed by the crime bureau and was a member
25.24 of the Highway Patrolmen's retirement fund on July 1, 1978, whether or not that person has
25.25 the power of arrest by warrant after that date, or who is employed as police personnel, with
25.26 powers of arrest by warrant under Minnesota Statutes 2009, section 299C.04, and who is
25.27 currently employed by the state, and whose salary or compensation is paid out of state funds;

25.28 ~~(4) a person who is employed by the state in the Department of Public Safety in a data~~
25.29 ~~processing management position with salary or compensation paid from state funds, who~~
25.30 ~~was a crime bureau officer covered by the State Patrol retirement plan on August 15, 1987,~~
25.31 ~~and who was initially hired in the data processing management position within the department~~
25.32 ~~during September 1987, or January 1988, with membership continuing for the duration of~~

26.1 ~~the person's employment in that position, whether or not the person has the power of arrest~~
26.2 ~~by warrant after August 15, 1987;~~

26.3 ~~(5)~~ (4) a public safety employee who is a peace officer under section 626.84, subdivision
26.4 1, paragraph (c), and who is employed by the Division of Alcohol and Gambling Enforcement
26.5 under section 299L.01;

26.6 ~~(6)~~ (5) a Fugitive Apprehension Unit officer after October 31, 2000, who is employed
26.7 by the Office of Special Investigations of the Department of Corrections and who is a peace
26.8 officer under section 626.84;

26.9 ~~(7)~~ (6) an employee of the Department of Commerce defined as a peace officer in section
26.10 626.84, subdivision 1, paragraph (c), who is employed by the Commerce Fraud Bureau
26.11 under section 45.0135 after January 1, 2005, and who has not attained the mandatory
26.12 retirement age specified in section 43A.34, subdivision 4; and

26.13 ~~(8)~~ (7) an employee of the Department of Public Safety, who is a licensed peace officer
26.14 under section 626.84, subdivision 1, paragraph (c), and is employed as the statewide
26.15 coordinator of the Violent Crime Coordinating Council.

26.16 Sec. 12. Minnesota Statutes 2018, section 352B.10, subdivision 2a, is amended to read:

26.17 Subd. 2a. **Applying for benefits; accrual.** No application for disability benefits shall
26.18 be made until after the last day physically on the job. The disability benefit begins to accrue
26.19 the day following the last day for which the employee is paid sick leave or annual leave but
26.20 not earlier than 180 days before the date the application is filed. A member who is terminated
26.21 must file a written application ~~within the time frame specified under section 352.113,~~
26.22 ~~subdivision 4, paragraph (g)~~ in an office of the system or with a person authorized by the
26.23 executive director. Applications must comply with section 352.113, subdivision 2, paragraph
26.24 (b).

26.25 Sec. 13. Minnesota Statutes 2018, section 356.24, subdivision 1, is amended to read:

26.26 Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other
26.27 governmental subdivision or state agency to levy taxes for or to contribute public funds to
26.28 a supplemental pension or deferred compensation plan that is established, maintained, and
26.29 operated in addition to a primary pension program for the benefit of the governmental
26.30 subdivision employees other than:

26.31 (1) to a supplemental pension plan that was established, maintained, and operated before
26.32 May 6, 1971;

- 27.1 (2) to a plan that provides solely for group health, hospital, disability, or death benefits;
- 27.2 (3) to the individual retirement account plan established by chapter 354B;
- 27.3 (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or
27.4 terminating employee;
- 27.5 ~~(5) for employees other than personnel employed by the Board of Trustees of the~~
27.6 ~~Minnesota State Colleges and Universities and covered under the Higher Education~~
27.7 ~~Supplemental Retirement Plan under chapter 354C, but including city managers covered~~
27.8 ~~by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph~~
27.9 ~~(a), or by the defined contribution plan of the Public Employees Retirement Association~~
27.10 ~~under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is~~
27.11 ~~provided for in a personnel policy of the public employer or in the collective bargaining~~
27.12 ~~agreement between the public employer and the exclusive representative of public employees~~
27.13 ~~in an appropriate unit or in the individual employment contract between a city and a city~~
27.14 ~~manager, and if for each available investment all fees and historic rates of return for the~~
27.15 ~~prior one-, three-, five-, and ten-year periods, or since inception, are disclosed in an easily~~
27.16 ~~comprehended document not to exceed two pages, in an amount matching employee~~
27.17 ~~contributions on a dollar for dollar basis, but not to exceed an employer contribution of~~
27.18 ~~one-half of the available elective deferral permitted per year per employee, under the Internal~~
27.19 ~~Revenue Code:~~
- 27.20 ~~(i) to the state of Minnesota deferred compensation plan under section 352.965;~~
- 27.21 ~~(ii) in payment of the applicable portion of the contribution made to any investment~~
27.22 ~~eligible under section 403(b) of the Internal Revenue Code, if the employing unit has~~
27.23 ~~complied with any applicable pension plan provisions of the Internal Revenue Code with~~
27.24 ~~respect to the tax-sheltered annuity program during the preceding calendar year; or~~
- 27.25 ~~(iii) any other deferred compensation plan offered by the employer under section 457~~
27.26 ~~of the Internal Revenue Code;~~
- 27.27 (5) to a deferred compensation plan defined in subdivision 3;
- 27.28 (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges
27.29 and Universities and not covered by clause (5), to the supplemental retirement plan under
27.30 chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in
27.31 the collective bargaining agreement of the public employer with the exclusive representative
27.32 of the covered employees in an appropriate unit, in an amount matching employee

28.1 contributions on a dollar for dollar basis, but not to exceed an employer contribution of
28.2 \$2,700 a year for each employee;

28.3 (7) to a supplemental plan or to a governmental trust to save for postretirement health
28.4 care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the
28.5 supplemental plan coverage is provided for in a personnel policy or in the collective
28.6 bargaining agreement of a public employer with the exclusive representative of the covered
28.7 employees in an appropriate unit;

28.8 (8) to the laborers national industrial pension fund or to a laborers local pension fund
28.9 for the employees of a governmental subdivision who are covered by a collective bargaining
28.10 agreement that provides for coverage by that fund and that sets forth a fund contribution
28.11 rate, but not to exceed an employer contribution of \$7,000 per year per employee;

28.12 (9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters
28.13 local pension fund for the employees of a governmental subdivision who are covered by a
28.14 collective bargaining agreement that provides for coverage by that fund and that sets forth
28.15 a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per
28.16 employee;

28.17 (10) to the international union of operating engineers pension fund for the employees
28.18 of a governmental subdivision who are covered by a collective bargaining agreement that
28.19 provides for coverage by that fund and that sets forth a fund contribution rate, but not to
28.20 exceed an employer contribution of \$5,000 per year per employee;

28.21 ~~(11) to a supplemental plan organized and operated under the federal Internal Revenue~~
28.22 ~~Code, as amended, that is wholly and solely funded by the employee's accumulated sick~~
28.23 ~~leave, accumulated vacation leave, and accumulated severance pay;~~

28.24 ~~(12)~~ (11) to the International Association of Machinists national pension fund for the
28.25 employees of a governmental subdivision who are covered by a collective bargaining
28.26 agreement that provides for coverage by that fund and that sets forth a fund contribution
28.27 rate, but not to exceed an employer contribution of \$5,000 per year per employee;

28.28 ~~(13)~~ (12) for employees of United Hospital District, Blue Earth, to the state of Minnesota
28.29 deferred compensation program, if the employee makes a contribution, in an amount that
28.30 does not exceed the total percentage of covered salary under section 353.27, subdivisions
28.31 3 and 3a;

28.32 ~~(14)~~ (13) to the alternative retirement plans established by the Hennepin County Medical
28.33 Center under section 383B.914, subdivision 5; or

29.1 ~~(15)~~ (14) to the International Brotherhood of Teamsters Central States pension plan for
29.2 fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who
29.3 are members of the International Brotherhood of Teamsters Local 638 by virtue of that
29.4 employment.

29.5 Sec. 14. Minnesota Statutes 2018, section 356.24, is amended by adding a subdivision to
29.6 read:

29.7 Subd. 3. **Deferred compensation plan.** (a) As used in this section, a "deferred
29.8 compensation plan" means a plan that satisfies the requirements in this subdivision.

29.9 (b) The plan is:

29.10 (1) the Minnesota deferred compensation plan under section 352.965;

29.11 (2) a tax-sheltered annuity program under section 403(b) of the federal Internal Revenue
29.12 Code; or

29.13 (3) a deferred compensation plan under section 457(b) of the federal Internal Revenue
29.14 Code.

29.15 (c) The plan administrator or custodian discloses at least annually to participants (1) all
29.16 fees, including administrative, maintenance, and investment fees, that impact the rate of
29.17 return on each investment fund available under the plan, and (2) for each investment fund,
29.18 the rates of return for the prior one-, three-, five-, and ten-year periods or for the life of the
29.19 fund, if shorter, in an easily understandable document. The plan administrator or custodian
29.20 must file a copy of this document with the executive director of the Legislative Commission
29.21 on Pensions and Retirement within 30 days of the end of each fiscal year of the plan.

29.22 (d) Enrollment in the plan is provided for in:

29.23 (1) a personnel policy of the public employer;

29.24 (2) a collective bargaining agreement between the public employer and the exclusive
29.25 representative of public employees in an appropriate unit; or

29.26 (3) an individual employment contract between a city and a city manager.

29.27 (e) The plan covers employees of a school district, state agency, or other governmental
29.28 subdivision. The plan may cover city managers covered by an alternative retirement
29.29 arrangement under section 353.028, subdivision 3, paragraph (a) or (b), but must not cover
29.30 employees of the Board of Trustees of Minnesota State who are covered by the Higher
29.31 Education Supplemental Retirement Plan under chapter 354C.

30.1 (f) Public funds are contributed to the plan only in an amount that matches employee
 30.2 contributions on a dollar for dollar basis, but not to exceed the lesser of (1) the maximum
 30.3 authorized under the policy described in paragraph (d) that provides for enrollment in the
 30.4 plan or program, or (2) one-half of the annual limit on elective deferrals under section 402(g)
 30.5 of the federal Internal Revenue Code.

30.6 (g) Contributions to the plan may include contributions deducted from an employee's
 30.7 sick leave, accumulated vacation leave, or accumulated severance pay.

30.8 Sec. 15. Minnesota Statutes 2018, section 490.121, subdivision 7c, is amended to read:

30.9 Subd. 7c. **Dependent surviving child.** "Dependent surviving child" means ~~any~~ an
 30.10 individual who is an unmarried natural or adopted child of a deceased judge who, has not
 30.11 reached the age of 18 years; or, having reached the age of 18, is under age 22 and who is a
 30.12 full-time student throughout the normal school year, ~~is unmarried,~~ and is actually
 30.13 dependent for more than one-half of the child's support upon the judge for a period of at
 30.14 least 90 days immediately before the judge's death. It also ~~includes~~ means any natural child
 30.15 of the judge who was born after the death of the judge unless a parent-child relationship
 30.16 does not exist under section 524.2-120, subdivision 10.

30.17 Sec. 16. Minnesota Statutes 2018, section 490.123, subdivision 5, is amended to read:

30.18 Subd. 5. **Direct state aid.** (a) The state shall pay \$6,000,000 annually to the judges'
 30.19 retirement fund. The aid is payable each ~~October~~ July 1. ~~The commissioner of management~~
 30.20 ~~and budget shall pay the aid specified in this subdivision.~~ The amount required is annually
 30.21 appropriated from the general fund to the ~~commissioner of management and budget~~ judges'
 30.22 retirement fund.

30.23 (b) The aid under paragraph (a) continues until the earlier of:

30.24 (1) the first day of the fiscal year following the fiscal year in which the actuarial value
 30.25 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as
 30.26 reported by the actuary retained under section 356.214 in the annual actuarial valuation
 30.27 prepared under section 356.215; or

30.28 (2) July 1, 2048.

30.29 Sec. 17. Minnesota Statutes 2018, section 490.124, subdivision 1, is amended to read:

30.30 Subdivision 1. **Retirement annuity.** (a) Except as qualified hereinafter from and after
 30.31 the mandatory retirement date, the normal retirement date, the early retirement date, or one

31.1 year from the disability retirement date, as the case may be, a retiring judge is eligible to
31.2 receive a retirement annuity from the judges' retirement fund.

31.3 (b) For a tier I program judge, the retirement annuity is an amount equal to:

31.4 (1) 2.7 percent multiplied by the judge's final average compensation with that result then
31.5 multiplied by the number of years and fractions of years of allowable service rendered
31.6 before July 1, 1980; plus

31.7 (2) 3.2 percent multiplied by the judge's final average compensation with that result then
31.8 multiplied by the number of years and fractions of years of allowable service rendered after
31.9 June 30, 1980.

31.10 (c) For a tier II program judge who was first appointed or elected as a judge before July
31.11 1, 2013, the retirement annuity is an amount equal to:

31.12 (1) 3.2 percent multiplied by the judge's final average compensation with that result then
31.13 multiplied by the number of years and fractions of years of allowable service rendered
31.14 before January 1, 2014; plus

31.15 (2) 2.5 percent multiplied by the judge's final average compensation with that result then
31.16 multiplied by the number of years and fractions of years of allowable service rendered after
31.17 December 31, 2013.

31.18 (d) For a tier II program judge who was first appointed or elected as a judge after June
31.19 30, 2013, the retirement annuity is an amount equal to ~~the 2.5 percent specified in section~~
31.20 ~~356.315, subdivision 8a,~~ multiplied by the judge's final average compensation with that
31.21 result then multiplied by the number of years and fractions of years of allowable service.

31.22 (e) For a judge in the tier I program, service that exceeds the service credit limit in section
31.23 490.121, subdivision 22, must be excluded in calculating the retirement annuity, but the
31.24 compensation earned by the judge during this period of judicial service must be used in
31.25 determining a judge's final average compensation and calculating the retirement annuity.

31.26 Sec. 18. **REPEALER.**

31.27 Minnesota Statutes 2018, section 356.44, is repealed.

31.28 Sec. 19. **EFFECTIVE DATE.**

31.29 Sections 1 to 18 are effective July 1, 2020.

ARTICLE 6

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
ADMINISTRATIVE PROVISIONS32.1
32.2
32.3

32.4 Section 1. Minnesota Statutes 2019 Supplement, section 353.01, subdivision 2b, is amended
32.5 to read:

32.6 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to
32.7 participate as members of the association with retirement coverage by the general employees
32.8 retirement plan, the local government correctional employees retirement plan under chapter
32.9 353E, or the public employees police and fire retirement plan:

32.10 (1) persons whose annual salary from one governmental subdivision never exceeds an
32.11 amount, stipulated in writing in advance, of \$5,100 if the person is not a school district
32.12 employee or \$3,800 if the person is a school year employee. If annual compensation from
32.13 one governmental subdivision to an employee exceeds the stipulated amount in a calendar
32.14 year or a school year, whichever applies, after being stipulated in advance not to exceed the
32.15 applicable amount, the stipulation is no longer valid and contributions must be made on
32.16 behalf of the employee under section 353.27, subdivision 12, from the first month in which
32.17 the employee received salary exceeding \$425 in a month;

32.18 (2) public officers who are elected to a governing body, city mayors, or persons who
32.19 are appointed to fill a vacancy in an elected office of a governing body, whose term of office
32.20 commences on or after July 1, 2002, for the service to be rendered in that elected position;

32.21 (3) election judges and persons employed solely to administer elections;

32.22 (4) patient and inmate personnel who perform services for a governmental subdivision;

32.23 (5) except as otherwise specified in subdivision 12a, employees who are employed solely
32.24 in a temporary position as defined under subdivision 12a, and employees who resign from
32.25 a nontemporary position and accept a temporary position within 30 days of that resignation
32.26 in the same governmental subdivision;

32.27 (6) employees who are employed by reason of work emergency caused by fire, flood,
32.28 storm, or similar disaster, but if the person becomes a probationary or provisional employee
32.29 within the same pay period, other than on a temporary basis, the person is a "public
32.30 employee" retroactively to the beginning of the pay period;

32.31 (7) employees who by virtue of their employment in one governmental subdivision are
32.32 required by law to be a member of and to contribute to any of the plans or funds administered
32.33 by the Minnesota State Retirement System, the Teachers Retirement Association, or the St.

33.1 Paul Teachers Retirement Fund Association, but this exclusion must not be construed to
33.2 prevent a person from being a member of and contributing to the Public Employees
33.3 Retirement Association and also belonging to and contributing to another public pension
33.4 plan or fund for other service occurring during the same period of time, and a person who
33.5 meets the definition of "public employee" in subdivision 2 by virtue of other service occurring
33.6 during the same period of time becomes a member of the association unless contributions
33.7 are made to another public retirement plan on the salary based on the other service or to the
33.8 Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

33.9 (8) persons who are members of a religious order and are excluded from coverage under
33.10 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance
33.11 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if
33.12 no irrevocable election of coverage has been made under section 3121(r) of the Internal
33.13 Revenue Code of 1954, as amended;

33.14 (9) persons who are:

33.15 (i) employed by a governmental subdivision who have not reached the age of 23 and
33.16 who are enrolled on a full-time basis to attend or are attending classes on a full-time basis
33.17 at an accredited school, college, or university in an undergraduate, graduate, or
33.18 professional-technical program, or at a public or charter high school;

33.19 (ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist
33.20 interns and are serving in a degree or residency program in a public hospital or in a public
33.21 clinic; or

33.22 (iii) students who are serving for a period not to exceed five years in an internship or a
33.23 residency program that is sponsored by a governmental subdivision, including an accredited
33.24 educational institution;

33.25 (10) persons who hold a part-time adult supplementary technical college license who
33.26 render part-time teaching service in a technical college;

33.27 (11) for the first three years of employment, foreign citizens who are employed by a
33.28 governmental subdivision, except that the following foreign citizens are included employees
33.29 under subdivision 2a:

33.30 (i) employees of Hennepin County or Hennepin Healthcare System, Inc.;

33.31 (ii) employees legally authorized to work in the United States for three years or more;
33.32 and

33.33 (iii) employees otherwise required to participate under federal law;

34.1 (12) public hospital employees who elected not to participate as members of the
34.2 association before 1972 and who did not elect to participate from July 1, 1988, to October
34.3 1, 1988;

34.4 (13) except as provided in section 353.86, volunteer ambulance service personnel, as
34.5 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel
34.6 may still qualify as public employees under subdivision 2 and may be members of the Public
34.7 Employees Retirement Association and participants in the general employees retirement
34.8 plan or the public employees police and fire plan, whichever applies, on the basis of
34.9 compensation received from public employment service other than service as volunteer
34.10 ambulance service personnel;

34.11 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision
34.12 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person
34.13 who is a volunteer firefighter may still qualify as a public employee under subdivision 2
34.14 and may be a member of the Public Employees Retirement Association and a participant
34.15 in the general employees retirement plan or the public employees police and fire plan,
34.16 whichever applies, on the basis of compensation received from public employment activities
34.17 other than those as a volunteer firefighter;

34.18 (15) pipefitters and associated trades personnel employed by Independent School District
34.19 No. 625, St. Paul, with coverage under a collective bargaining agreement by the Pipefitters
34.20 Local 455 pension plan who were either first employed after May 1, 1997, or, if first
34.21 employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article
34.22 2, section 12;

34.23 (16) electrical workers, plumbers, carpenters, and associated trades personnel who are
34.24 employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who
34.25 have retirement coverage under a collective bargaining agreement by the Electrical Workers
34.26 Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the
34.27 pension plan applicable to Carpenters Local 322 who were either first employed after May
34.28 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000,
34.29 chapter 461, article 7, section 5;

34.30 (17) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters,
34.31 allied tradesworkers, and plasterers who are employed by the city of St. Paul or Independent
34.32 School District No. 625, St. Paul, with coverage under a collective bargaining agreement
34.33 by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local
34.34 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters

35.1 and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension
35.2 plan who were either first employed after May 1, 2001, or if first employed before May 2,
35.3 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10,
35.4 section 6;

35.5 (18) plumbers who are employed by the Metropolitan Airports Commission, with
35.6 coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan,
35.7 who either were first employed after May 1, 2001, or if first employed before May 2, 2001,
35.8 elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section
35.9 6;

35.10 (19) employees who are hired after June 30, 2002, solely to fill seasonal positions under
35.11 subdivision 12b which are limited in duration by the employer to ~~185 consecutive calendar~~
35.12 days a period of six months or less in each year of employment with the governmental
35.13 subdivision;

35.14 (20) persons who are provided supported employment or work-study positions by a
35.15 governmental subdivision and who participate in an employment or industries program
35.16 maintained for the benefit of these persons where the governmental subdivision limits the
35.17 position's duration to up to five years, including persons participating in a federal or state
35.18 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment
35.19 relief program where the training or work experience is not provided as a part of, or for,
35.20 future permanent public employment;

35.21 (21) independent contractors and the employees of independent contractors;

35.22 (22) reemployed annuitants of the association during the course of that reemployment;

35.23 (23) persons appointed to serve on a board or commission of a governmental subdivision
35.24 or an instrumentality thereof;

35.25 (24) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan
35.26 Transit Commission who are members of the International Brotherhood of Teamsters Local
35.27 638 and who are, by virtue of that employment, members of the International Brotherhood
35.28 of Teamsters Central States pension plan;

35.29 (25) electricians or pipefitters employed by the Minneapolis Park and Recreation Board,
35.30 with coverage under a collective bargaining agreement by the IBEW local 292, or pipefitters
35.31 local 539 pension plan, who were first employed before May 2, 2015, and who elected to
35.32 be excluded under Laws 2015, chapter 68, article 11, section 5; and

36.1 (26) laborers and associated trades personnel employed by the city of St. Paul or
36.2 Independent School District No. 625, St. Paul, who are designated as temporary employees
36.3 under a collective bargaining agreement and have retirement coverage by the Minnesota
36.4 Laborers Pension Fund who were either first employed on or after June 1, 2018, or, if first
36.5 employed before June 1, 2018, who elected to be excluded under Laws 2018, chapter 211,
36.6 article 16, section 13.

36.7 (b) Any person performing the duties of a public officer in a position defined in
36.8 subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an
36.9 employee of an independent contractor.

36.10 **EFFECTIVE DATE.** This section is effective July 1, 2020.

36.11 Sec. 2. Minnesota Statutes 2019 Supplement, section 353.0141, subdivision 1, is amended
36.12 to read:

36.13 Subdivision 1. **Service credit purchase authorized.** (a) Unless prohibited under
36.14 paragraph (b), a member is eligible to purchase allowable service credit, not to exceed five
36.15 cumulative years of allowable service credit, for one or more periods of service in the
36.16 uniformed services, as defined in United States Code, title 38, section 4303(13), if:

36.17 (1) the member has at least three years of allowable service credit with the general
36.18 employees retirement plan, the local government correctional employees retirement plan
36.19 under chapter 353E, or the public employees police and fire retirement plan;

36.20 (2) the member's current period of employment is at least six months; and

36.21 (3) one of the following applies:

36.22 ~~(1)~~ (i) the member's service in the uniformed services occurred before becoming a public
36.23 employee as defined in section 353.01, subdivision 2; or

36.24 ~~(2)~~ (ii) the member failed to obtain service credit for a uniformed services leave of
36.25 absence under section 353.01, subdivision 16, paragraph (a), clause (8).

36.26 (b) A service credit purchase is prohibited if:

36.27 (1) the member separated from service in the uniformed services with a dishonorable
36.28 or bad conduct discharge or under other than honorable conditions; or

36.29 (2) the member has purchased or otherwise received service credit from any Minnesota
36.30 public employee pension plan for the same period of service in the uniformed services.

37.1 (c) When purchasing a period of service, if the period of service in the uniformed services
37.2 is one year or less, then the member must purchase the full period of service. If the period
37.3 of service in the uniformed services is longer than one year, the member may purchase the
37.4 full period, not to exceed five cumulative years, or may purchase a portion of the period of
37.5 service. If a member wishes to purchase a portion of the period of service, the portion must:

37.6 (1) not be less than one year; and

37.7 (2) be in increments of six months of service.

37.8 **EFFECTIVE DATE.** This section is effective July 1, 2020.

37.9 Sec. 3. Minnesota Statutes 2018, section 353.29, subdivision 1, is amended to read:

37.10 Subdivision 1. **Age and allowable service requirements.** Upon termination of
37.11 ~~membership public service, a person~~ member who has attained normal retirement age and
37.12 who is vested under section 353.01, subdivision 47, is entitled upon application to a
37.13 retirement annuity. The retirement annuity is known as the "normal" retirement annuity.

37.14 **EFFECTIVE DATE.** This section is effective July 1, 2020.

37.15 Sec. 4. Minnesota Statutes 2018, section 353.29, subdivision 7, is amended to read:

37.16 Subd. 7. **Annuity starting date.** (a) Except as specified in paragraph (b), a retirement
37.17 annuity granted under this chapter begins on the first day of the first calendar month after
37.18 the date of termination of public service or up to ~~six~~ five months before the first of the month
37.19 in which a complete application is received by the executive director under subdivision 4,
37.20 whichever is later. The annuity must be paid in equal monthly installments, ~~unless suspended~~
37.21 ~~or reduced under section 353.37.~~ Annuity payments shall not be paid beyond the end of the
37.22 month in which entitlement to the annuity has terminated.

37.23 (b) An annuity granted to an elected public official may begin on the day following the
37.24 expiration of the public office that qualified the elected official for membership under section
37.25 353.01, subdivision 2a or 2d, if a complete application is received by the executive director
37.26 under subdivision 4 within six months of the date of termination of public service. The
37.27 annuity for the month during which the expiration occurred is prorated accordingly.

37.28 (c) An annuity, once granted, must not be increased, decreased, or revoked except under
37.29 this chapter.

38.1 (d) If an annuitant dies before negotiating the check for the month in which death occurs,
38.2 payment must first be made to the surviving spouse, or if none, then to the designated
38.3 beneficiary, or if none, lastly to the estate.

38.4 **EFFECTIVE DATE.** This section is effective July 1, 2020.

38.5 Sec. 5. Minnesota Statutes 2018, section 353.30, subdivision 3c, is amended to read:

38.6 Subd. 3c. **Effective date of bounce-back annuity.** In the event of the death of the
38.7 designated optional annuity beneficiary before the retired employee or disabilitant, the
38.8 restoration of the normal single life annuity under subdivision 3a or 3b will take effect on
38.9 the first of the month following the date of death of the designated optional annuity
38.10 beneficiary or ~~on~~ up to five months before the first of the month ~~following six months before~~
38.11 in which satisfactory verification of the death is established by the executive director,
38.12 whichever date is later.

38.13 **EFFECTIVE DATE.** This section is effective July 1, 2020.

38.14 Sec. 6. Minnesota Statutes 2018, section 353.31, subdivision 8, is amended to read:

38.15 Subd. 8. **Accrual of benefits.** All benefits under this section and survivor benefits
38.16 otherwise provided in this chapter when payable to persons qualifying therefor shall accrue
38.17 on the ~~first day following the date of death of a "basic member"~~ basic member or the first
38.18 day of the month following the death of an annuitant or disabilitant. No payment may be
38.19 made retroactively for more than ~~12~~ five months ~~prior to that~~ before the first of the month
38.20 in which the a complete application is filed received by the executive director, and no benefit
38.21 shall accrue beyond the end of the month in which entitlement to such benefits has terminated.

38.22 **EFFECTIVE DATE.** This section is effective July 1, 2020.

38.23 Sec. 7. Minnesota Statutes 2018, section 353.32, subdivision 4, is amended to read:

38.24 Subd. 4. **Lack, or death, of beneficiary.** If a member or former member dies without
38.25 having designated a beneficiary or if the beneficiary should die before making application
38.26 for refund, and if there is no surviving spouse, and if the legal representative of such member
38.27 or former member does not apply for refund within five years from the date of death of the
38.28 member or former member, the accumulated deductions to the member or former member's
38.29 credit at the time of death shall be disposed of in the manner provided in section ~~356.631~~
38.30 356.65, unless subdivision 5 applies.

38.31 **EFFECTIVE DATE.** This section is effective July 1, 2020.

39.1 Sec. 8. Minnesota Statutes 2019 Supplement, section 353.34, subdivision 3, is amended
39.2 to read:

39.3 Subd. 3. **Deferred annuity; eligibility; computation.** (a) A member who is partially
39.4 or 100 percent vested under section 353.01, subdivision 47, when termination of public
39.5 service or termination of membership occurs has the option of leaving the member's
39.6 accumulated deductions in the fund and being entitled to a deferred retirement annuity
39.7 commencing at normal retirement age or to a deferred early retirement annuity under section
39.8 353.30, subdivision 1a, 1b, 1c, or 5.

39.9 (b) The deferred annuity must be computed under section 353.29, subdivision 3, on the
39.10 basis of the law in effect on the date of termination of public service or termination of
39.11 membership, whichever is ~~earlier~~ later, and, if the later of termination of public service or
39.12 termination of membership is on or before December 31, 2011, the deferred annuity must
39.13 be augmented as provided in ~~paragraph~~ paragraphs (c) to (e).

39.14 (c) The deferred annuity of any former member must be augmented from the first day
39.15 of the month following the termination of active service, or July 1, 1971, whichever is later,
39.16 to the effective date of retirement or, if earlier, December 31, 2018.

39.17 (d) For a person who became a public employee before July 1, 2006, and who has a
39.18 termination of public service before January 1, 2012, the deferred annuity must be augmented
39.19 at the following rate or rates, compounded annually:

39.20 (1) five percent until January 1, 1981;

39.21 (2) three percent from January 1, 1981, until January 1 of the year following the year in
39.22 which the former member attains age 55 or December 31, 2011, whichever is earlier;

39.23 (3) five percent from January 1 of the year following the year in which the former member
39.24 attains age 55, or December 31, 2011, whichever is earlier;

39.25 (4) one percent from January 1, 2012, until December 31, 2018; and

39.26 (5) after December 31, 2018, the deferred annuity must not be augmented.

39.27 (e) For a person who became a public employee after June 30, 2006, and who has a
39.28 termination of public service before January 1, 2012, the deferred annuity must be augmented
39.29 at the following rate or rates, compounded annually:

39.30 (1) 2.5 percent until December 31, 2011;

39.31 (2) one percent from January 1, 2012, until December 31, 2018; and

39.32 (3) after December 31, 2018, the deferred annuity must not be augmented.

40.1 (f) For a person who has a termination of public service after December 31, 2011, the
40.2 deferred annuity must not be augmented.

40.3 (g) The retirement annuity or disability benefit of, or the survivor benefit payable on
40.4 behalf of, a former member who terminated service before July 1, 1997, or the survivor
40.5 benefit payable on behalf of a basic or police and fire member who was receiving disability
40.6 benefits before July 1, 1997, which is first payable after June 30, 1997, must be increased
40.7 on an actuarial equivalent basis to reflect the change in the investment return actuarial
40.8 assumption under section 356.215, subdivision 8, from five percent to six percent under a
40.9 calculation procedure and tables adopted by the board and approved by the actuary retained
40.10 under section 356.214.

40.11 (h) A former member qualified to apply for a deferred retirement annuity may revoke
40.12 this option at any time before the commencement of deferred annuity payments by making
40.13 application for a refund. The person is entitled to a refund of accumulated member
40.14 contributions within 30 days following date of receipt of the application by the executive
40.15 director.

40.16 **EFFECTIVE DATE.** This section is effective July 1, 2020.

40.17 Sec. 9. Minnesota Statutes 2019 Supplement, section 353.371, subdivision 1, is amended
40.18 to read:

40.19 Subdivision 1. **Eligibility.** ~~(a)~~ This section applies to a basic or coordinated member of
40.20 the general employees retirement plan of the Public Employees Retirement Association
40.21 who:

40.22 (1) for at least the five years immediately preceding separation under clause (2), was
40.23 regularly scheduled to work 1,044 or more hours per year in a position covered by the
40.24 general employees retirement plan of the Public Employees Retirement Association not
40.25 including positions that are elected offices;

40.26 (2) ~~terminates~~ has a termination of membership as defined under section 353.01,
40.27 subdivision 11b;

40.28 (3) at the time of termination under clause (2), was at least age 62 and met the age and
40.29 service requirements necessary to receive a retirement annuity from the plan and satisfied
40.30 requirements for the commencement of the retirement annuity in the month following
40.31 termination;

41.1 (4) accepts a phased retirement agreement to continue employment in the same position
41.2 with the same governmental subdivision, ~~working~~ that the member held before the date of
41.3 the member's termination of membership and to work a reduced schedule that is both:

41.4 (i) a reduction of at least 25 percent from the employee's number of previously regularly
41.5 scheduled work hours per pay period; and

41.6 (ii) 1,044 hours per year or less in public service; and

41.7 (5) is not eligible for participation in the state employee postretirement option program
41.8 under section 43A.346.

41.9 ~~(b) For purposes of this section, the length of separation requirement and termination~~
41.10 ~~of public service requirement prohibiting return to work agreements under section 353.01,~~
41.11 ~~subdivisions 11a and 28, are not applicable except as specified in subdivision 7, paragraph~~
41.12 ~~(a).~~

41.13 **EFFECTIVE DATE.** This section is effective July 1, 2020.

41.14 Sec. 10. Minnesota Statutes 2019 Supplement, section 353.371, subdivision 2, is amended
41.15 to read:

41.16 Subd. 2. **Termination and annuity reduction requirements not**
41.17 **applicable.** Notwithstanding sections 353.29 and 353.30, an employee covered by a phased
41.18 retirement agreement need not have a termination of public service to be eligible for a
41.19 retirement annuity. The provisions of section 353.37 governing annuities of reemployed
41.20 annuitants do not apply to employment under a phased retirement agreement.

41.21 **EFFECTIVE DATE.** This section is effective July 1, 2020.

41.22 Sec. 11. Minnesota Statutes 2019 Supplement, section 353.371, is amended by adding a
41.23 subdivision to read:

41.24 Subd. 9. **Termination upon excess hours worked.** If an employee works more hours
41.25 under a phased retirement agreement than is permitted under subdivision 1, paragraph (a),
41.26 clause (4), then, effective on the first of the month following the date on which the permitted
41.27 number of hours was exceeded:

41.28 (1) the phased retirement agreement is terminated; and

41.29 (2) the employee's retirement annuity is suspended until the employee meets the
41.30 termination and length of service requirement in section 353.01, subdivisions 11a and 28.

41.31 **EFFECTIVE DATE.** This section is effective July 1, 2020.

42.1 Sec. 12. Minnesota Statutes 2018, section 353.651, subdivision 1, is amended to read:

42.2 Subdivision 1. **Age and allowable service requirements.** Upon separation from public
42.3 service, any police officer or firefighter member, other than a firefighter covered by section
42.4 353.6511, or a police officer covered by section 353.6512, who has attained the age of at
42.5 least 55 years and who is partially or 100 percent vested under section 353.01, subdivision
42.6 47, is entitled upon application to a retirement annuity, known as the "~~normal~~" normal
42.7 retirement annuity.

42.8 **EFFECTIVE DATE.** This section is effective July 1, 2020.

42.9 Sec. 13. Minnesota Statutes 2018, section 353.656, subdivision 1, is amended to read:

42.10 Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the police
42.11 and fire plan, other than a firefighter covered by section 353.6511, or a police officer covered
42.12 by section 353.6512, who is determined to qualify for duty disability as defined in section
42.13 353.01, subdivision 41, is entitled to receive disability benefits during the period of such
42.14 disability in an amount equal to 60 percent of the average salary as defined in section 353.01,
42.15 subdivision 17a, plus an additional 3.0 percent of that average salary for each year of service
42.16 in excess of 20 years.

42.17 (b) To be eligible for a benefit under paragraph (a), the member must have:

42.18 (1) not met the age and vesting requirements for a retirement annuity under section
42.19 353.651, subdivision 1; or

42.20 (2) met the age and vesting requirements under that subdivision, but does not have at
42.21 least 20 years of allowable service credit.

42.22 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period
42.23 of 60 months from the disability benefit accrual date and at the end of that period is subject
42.24 to provisions of subdivision 5a.

42.25 (d) If the disability under this subdivision occurs before the member has at least five
42.26 years of allowable service credit in the police and fire plan, the disability benefit must be
42.27 computed on the average salary from which deductions were made for contribution to the
42.28 police and fire fund.

42.29 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020.

43.1 Sec. 14. Minnesota Statutes 2018, section 353.656, subdivision 3, is amended to read:

43.2 Subd. 3. **Regular disability benefit.** (a) A member of the police and fire plan, other
43.3 than a firefighter covered by section 353.6511, or a police officer covered by section
43.4 353.6512, who qualifies for a regular disability benefit as defined in section 353.01,
43.5 subdivision 46, is entitled to receive a disability benefit, after filing a valid application, in
43.6 an amount equal to 45 percent of the average salary as defined in section 353.01, subdivision
43.7 17a.

43.8 (b) To be eligible for a benefit under paragraph (a), the member must have at least one
43.9 year of allowable service credit and have:

43.10 (1) not met the age and vesting requirements for a retirement annuity under section
43.11 353.651, subdivision 1, or

43.12 (2) met the age and vesting requirements under that subdivision, but does not have at
43.13 least 15 years of allowable service credit.

43.14 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period
43.15 of 60 months from the disability benefit accrual date and, at the end of that period, is subject
43.16 to provisions of subdivision 5a.

43.17 (d) For a member who is employed as a full-time firefighter by the Department of Military
43.18 Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs
43.19 Department firefighter credited by the Minnesota State Retirement System may be used in
43.20 meeting the minimum allowable service requirement of this subdivision.

43.21 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020.

43.22 Sec. 15. Minnesota Statutes 2018, section 353.657, subdivision 1, is amended to read:

43.23 Subdivision 1. **Generally.** (a) In the event that a member of the police and fire fund,
43.24 other than a firefighter covered by section 353.6511, or a police officer covered by section
43.25 353.6512, dies from any cause before retirement or before ~~becoming disabled~~ and receiving
43.26 disability benefits, the association shall grant survivor benefits to a surviving spouse, as
43.27 defined in section 353.01, subdivision 20, and to a dependent child or children, as defined
43.28 in section 353.01, subdivision 15, except that if the death is not a line of duty death, the
43.29 member must be partially or 100 percent vested under section 353.01, subdivision 47.

43.30 (b) Notwithstanding the definition of surviving spouse, a former spouse of the member,
43.31 if any, is entitled to a portion of the monthly surviving spouse benefit if stipulated under
43.32 the terms of a marriage dissolution decree filed with the association. If there is no surviving

44.1 spouse or child or children, a former spouse may be entitled to a lump-sum refund payment
44.2 under section 353.32, subdivision 1, if provided for in a marriage dissolution decree but not
44.3 a monthly surviving spouse benefit despite the terms of a marriage dissolution decree filed
44.4 with the association.

44.5 (c) The spouse and dependent child or children are entitled to monthly benefits as
44.6 provided in subdivisions 2 to 4.

44.7 **EFFECTIVE DATE.** This section is effective July 1, 2020.

44.8 Sec. 16. **POLICE AND FIRE PLAN; RETROACTIVE CLARIFICATION**
44.9 **RELATING TO DURATION OF A DISABILITY BENEFIT.**

44.10 Minnesota Statutes, section 353.656, subdivision 1, paragraph (c), shall be read as "(c)
44.11 The disability benefit must be paid for a period of 60 months from the disability benefit
44.12 accrual date and at the end of that period is subject to provisions of subdivision 5a."

44.13 **EFFECTIVE DATE; EXPIRATION.** This section is effective retroactively from July
44.14 1, 2007, and expires December 31, 2019.

44.15 Sec. 17. **REPEALER.**

44.16 Minnesota Statutes 2018, section 353.30, subdivision 4, is repealed.

44.17 **EFFECTIVE DATE.** This section is effective July 1, 2020.

44.18 **ARTICLE 7**

44.19 **PERA STATEWIDE VOLUNTEER**
44.20 **FIREFIGHTER PLAN ADMINISTRATIVE PROVISIONS**

44.21 Section 1. Minnesota Statutes 2018, section 353G.01, is amended by adding a subdivision
44.22 to read:

44.23 Subd. 6a. **Governing body.** "Governing body" means the governing body of a
44.24 municipality or independent nonprofit firefighting corporation or, in the case of a joint
44.25 powers entity, the governing bodies of the municipalities associated with the joint powers
44.26 entity.

44.27 Sec. 2. Minnesota Statutes 2018, section 353G.05, subdivision 1, is amended to read:

44.28 Subdivision 1. **Coverage.** ~~Any~~ (a) A relief association or a municipality or independent
44.29 nonprofit firefighting corporation affiliated with a relief association may elect to have its

45.1 volunteer firefighters covered by the lump-sum retirement division or the monthly benefit
45.2 retirement division of the retirement plan, ~~whichever applies.~~

45.3 (b) A municipality or independent nonprofit firefighting corporation that is not affiliated
45.4 with a relief association may elect to have its volunteer firefighters covered by the lump-sum
45.5 retirement division of the retirement plan.

45.6 Sec. 3. Minnesota Statutes 2018, section 353G.05, subdivision 5, is amended to read:

45.7 Subd. 5. **Finalization; coverage transfer.** ~~Upon receipt of~~ (a) The executive director
45.8 shall deliver the cost analysis requested under subdivision 2 or 3, to the board of trustees
45.9 of the relief association, if one exists, and the governing body of the municipality or
45.10 independent nonprofit firefighting corporation associated with the fire department shall
45.11 either approve or disapprove the retirement coverage change.

45.12 (b) The transfer of coverage to the retirement plan is considered approved if, within 120
45.13 days of receipt of the cost analysis, the transfer is approved by both (1) the board of trustees
45.14 of the relief association, if one exists, and (2) the governing body. If either the retirement
45.15 coverage change is not acted upon governing body or the board of trustees of the relief
45.16 association does not take action to approve the transfer within 120 days, it is deemed to be
45.17 disapproved of receipt of the cost analysis, the transfer is not approved.

45.18 (c) If the retirement coverage change transfer is approved by the applicable governing
45.19 body, coverage by the voluntary statewide volunteer firefighter retirement plan is effective
45.20 on the January 1 next following the approval date of approval by the last governing body
45.21 or, if later, the date of approval by the board of trustees of the relief association.

45.22 Sec. 4. Minnesota Statutes 2018, section 353G.05, is amended by adding a subdivision to
45.23 read:

45.24 Subd. 6. **Joint powers entities.** If transfer of coverage to the retirement plan is being
45.25 requested for volunteer firefighters that provide services to a fire department operated as
45.26 or by a joint powers entity, whenever an election or approval by or delivery to the governing
45.27 body of a municipality is required under this section, all municipalities that executed the
45.28 joint powers agreement must execute the election or approval or receive delivery, unless
45.29 the joint powers agreement specifies another process be followed in order for the action of
45.30 a joint powers entity to be effective.

46.1 Sec. 5. Minnesota Statutes 2018, section 353G.09, subdivision 3, is amended to read:

46.2 Subd. 3. **Alternative lump-sum pension eligibility and computation.** (a) An active
46.3 member of the lump-sum retirement division of the retirement plan is entitled to an alternative
46.4 lump-sum service pension from the retirement plan if the person:

46.5 (1) has separated from active service with the fire department for at least 30 days;

46.6 (2) has attained the age of at least 50 years or the age for receipt of a service pension
46.7 under the benefit plan of the applicable former volunteer firefighter relief association as of
46.8 the date immediately before the election of the retirement coverage change, whichever is
46.9 later;

46.10 (3) has completed at least five years of active service with the fire department and at
46.11 least five years in total as a member of the applicable former volunteer firefighter relief
46.12 association or of the lump-sum retirement division of the retirement plan, but has not rendered
46.13 at least five years of good time service credit as a member of the lump-sum retirement
46.14 division of the plan; and

46.15 (4) applies in a manner prescribed by the executive director for the service pension.

46.16 (b) If retirement coverage before statewide retirement plan coverage was provided to
46.17 an active member by a defined benefit ~~lump-sum retirement plan~~ ~~volunteer firefighter~~ relief
46.18 association, as defined in section 424A.001, subdivision 1b, the alternative lump-sum service
46.19 pension is:

46.20 (1) the service pension amount level specified in the bylaws of the applicable former
46.21 volunteer firefighter relief association ~~either as of the date immediately before the election~~
46.22 ~~of the retirement coverage change or as of the date immediately before the termination of~~
46.23 ~~firefighting services, whichever is earlier;~~ multiplied by ~~the total number of~~

46.24 (2) either full years of service or years and months of service, as specified in the bylaws,
46.25 as a member of that volunteer firefighter relief association and as a member of the retirement
46.26 plan; multiplied by

46.27 (3) the non-forfeitable percentage of the service pension to which the member is entitled
46.28 under subdivision 2.

46.29 (c) If retirement coverage before statewide retirement plan coverage was provided to an
46.30 active member by a defined contribution ~~plan~~ ~~volunteer firefighter~~ relief association, as
46.31 defined in section 424A.001, subdivision 1c, the alternative lump-sum service pension is
46.32 an amount equal to that portion of:

47.1 ~~(1) the person's account balance that the person was vested for~~ as of the date immediately
 47.2 ~~before the date on which statewide retirement plan coverage was first provided to the person~~
 47.3 election of the retirement coverage change; multiplied by

47.4 (2) the non-forfeitable percentage of the account balance to which the person is entitled
 47.5 under subdivision 2; plus

47.6 (3) six percent annual compound interest from that the date immediately before the
 47.7 election of the retirement coverage change until the date immediately before the date of
 47.8 retirement.

47.9 Sec. 6. Minnesota Statutes 2018, section 353G.09, is amended by adding a subdivision to
 47.10 read:

47.11 **Subd. 4. Deferred service pensions from former volunteer firefighter relief**
 47.12 **association.** A person who (1) had the status of deferred member with a former volunteer
 47.13 firefighter relief association as of the date immediately before the election of the retirement
 47.14 coverage change, and (2) is eligible for a service pension under the former relief association's
 47.15 bylaws is entitled to receive a service pension from the retirement plan. Eligibility for and
 47.16 calculation of the service pension are determined under the former relief association's bylaws
 47.17 as of the date the person terminated firefighting services and under chapter 424A.

47.18 Sec. 7. Minnesota Statutes 2018, section 353G.11, subdivision 2, is amended to read:

47.19 **Subd. 2. Lump-sum retirement division level selection.** ~~After the transfer of retirement~~
 47.20 ~~coverage to the lump-sum retirement division of the retirement plan, the governing body~~
 47.21 ~~or bodies of the entity or entities operating the fire department whose firefighters are covered~~
 47.22 ~~by the retirement plan may request~~ A cost estimate from the executive director of an increase
 47.23 in the service pension level applicable to the active firefighters of the fire department may
 47.24 be requested by: (1) the fire chief of a department that has active membership covered by
 47.25 the lump-sum retirement division; or (2) the governing body operating a fire department
 47.26 that has active membership covered by the lump-sum retirement division. Within 120 days
 47.27 of the receipt of the cost estimate prepared by the executive director using a procedure
 47.28 certified as accurate by the approved actuary retained by the Public Employees Retirement
 47.29 Association, the governing body ~~or bodies~~ may approve the service pension level change,
 47.30 effective for January 1 of the following calendar year unless the governing body ~~or bodies~~
 47.31 ~~specify~~ specifies in the ~~approved~~ approval document an effective date ~~as the that is~~ January
 47.32 1 of the second year following the level increase approval date. If the approval occurs after
 47.33 April 30, the required municipal contribution for the following calendar year must be

48.1 recalculated and the results reported to the ~~municipality or municipalities~~ governing body.
48.2 If not approved ~~in a timely fashion~~ within 120 days of the receipt of the cost estimate, the
48.3 service pension level change is considered to have been disapproved.

48.4 Sec. 8. Minnesota Statutes 2018, section 353G.121, is amended to read:

48.5 **353G.121 MONTHLY BENEFIT RETIREMENT DIVISION; POST-TRANSFER**
48.6 **BENEFIT PLAN DOCUMENT MODIFICATIONS.**

48.7 (a) The fire chief of a fire department that has an active membership who are covered
48.8 by the monthly benefit retirement division of the ~~statewide retirement~~ plan may initiate the
48.9 process of modifying the retirement benefit plan document under this section.

48.10 (b) The modification procedure is initiated when the applicable fire chief files with the
48.11 executive director of the Public Employees Retirement Association a written summary of
48.12 the desired benefit plan document modification, the proposed benefit plan document
48.13 modification language, a written request for the preparation of an actuarial cost estimate
48.14 for the proposed benefit plan document modification, and payment of the estimated cost of
48.15 the actuarial cost estimate.

48.16 (c) Upon receipt of the modification request and related documents, the executive director
48.17 shall review the language of the proposed benefit plan document modification and, if a
48.18 clarification is needed in the submitted language, shall inform the fire chief of the necessary
48.19 clarification. Once the proposed benefit plan document modification language has been
48.20 clarified by the fire chief and resubmitted to the executive director, the executive director
48.21 shall arrange for the approved actuary retained by the Public Employees Retirement
48.22 Association to prepare a benefit plan document modification cost estimate under the
48.23 applicable provisions of section 356.215 and of the standards for actuarial work adopted
48.24 by the Legislative Commission on Pensions and Retirement. Upon completion of the benefit
48.25 plan document modification cost estimate, the executive director shall forward the estimate
48.26 to the fire chief who requested it and to the chief financial officer of the municipality or
48.27 entity with which the fire department is primarily associated.

48.28 (d) The fire chief, upon receipt of the cost estimate, shall circulate the cost estimate with
48.29 the active firefighters in the fire department and shall take reasonable steps to provide the
48.30 estimate results to any affected retired members of the fire department and their beneficiaries.
48.31 The chief financial officer of the municipality or entity associated with the fire department
48.32 shall present the proposed modification language and the cost estimate to the governing
48.33 body of the municipality or entity for its consideration at a public hearing held for that
48.34 purpose.

49.1 (e) If the governing body of the municipality or entity approves the modification language,
 49.2 the chief administrative officer of the municipality or entity shall notify the executive director
 49.3 of the Public Employees Retirement Association of that approval. The benefit plan document
 49.4 modification is effective on the January 1 next following the date of filing the approval with
 49.5 the Public Employees Retirement Association ~~and the state auditor.~~

49.6 Sec. 9. **REVISOR INSTRUCTION.**

49.7 In Minnesota Statutes, the revisor of statutes shall substitute the term "statewide volunteer
 49.8 firefighter plan" for "voluntary statewide volunteer firefighter retirement plan" and the term
 49.9 "statewide volunteer firefighter fund" for "voluntary statewide volunteer firefighter retirement
 49.10 fund" wherever the terms refer to the retirement plan and fund established under Minnesota
 49.11 Statutes, chapter 353G.

49.12 Sec. 10. **EFFECTIVE DATE.**

49.13 Sections 1 to 9 are effective the day following final enactment.

49.14 **ARTICLE 8**

49.15 **TEACHERS RETIREMENT ASSOCIATION ADMINISTRATIVE PROVISIONS**

49.16 Section 1. Minnesota Statutes 2018, section 354.05, subdivision 2, is amended to read:

49.17 Subd. 2. **Teacher.** (a) "Teacher" means:

49.18 (1) a person who renders service as a teacher, supervisor, principal, superintendent,
 49.19 librarian, nurse, counselor, social worker, therapist, or psychologist in:

49.20 (i) a public school of the state other than in Independent School District No. 625;

49.21 (ii) a charter school; or

49.22 ~~(iii) a charitable, penal, or correctional institution of a governmental subdivision; or~~

49.23 ~~(iv)~~ (iii) the Perpich Center for Arts Education, except that any employee of the Perpich
 49.24 Center for Arts Education who was covered by the Minnesota State Retirement System
 49.25 general state employees retirement plan as of July 1, 2018, shall continue to be covered by
 49.26 that plan and not by the Teachers Retirement Association;

49.27 (2) a person who is engaged in educational administration in connection with the state
 49.28 public school system, whether the position be a public office or as employment;

49.29 (3) a person who renders service as a charter school director or chief administrative
 49.30 officer; provided, however, that if the charter school director or chief administrative officer

50.1 is covered by the Public Employees Retirement Association general employees retirement
50.2 plan on July 1, 2018, the charter school director or chief administrative officer shall continue
50.3 to be covered by that plan and not by the Teachers Retirement Association;

50.4 (4) an employee of the Teachers Retirement Association;

50.5 (5) a person who renders teaching service on a part-time basis and who also renders
50.6 other services for a single employing unit where the teaching service comprises at least 50
50.7 percent of the combined employment salary is a member of the association for all services
50.8 with the single employing unit or, if less than 50 percent of the combined employment
50.9 salary, the executive director determines all of the combined service is covered by the
50.10 association; or

50.11 (6) a person who is not covered by the plans established under chapter 352D, 354A, or
50.12 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and
50.13 Universities system in an unclassified position as:

50.14 (i) a president, vice-president, or dean;

50.15 (ii) a manager or a professional in an academic or an academic support program other
50.16 than specified in item (i);

50.17 (iii) an administrative or a service support faculty position; or

50.18 (iv) a teacher or a research assistant.

50.19 (b) "Teacher" does not mean:

50.20 (1) a person who works for a school or institution as an independent contractor as defined
50.21 by the Internal Revenue Service;

50.22 (2) annuitants of the teachers retirement plan who are employed after retirement by an
50.23 employing unit that participates in the teachers retirement plan during the course of that
50.24 reemployment;

50.25 (3) a person who is employed by the University of Minnesota;

50.26 (4) a member or an officer of any general governing or managing board or body of an
50.27 employing unit that participates in the teachers retirement plan; or

50.28 (5) a person employed by Independent School District No. 625 as a teacher as defined
50.29 in section 354A.011, subdivision 27.

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

51.1 Sec. 2. Minnesota Statutes 2018, section 354.05, subdivision 41, is amended to read:

51.2 Subd. 41. **Annual base salary.** (a) "Annual base salary" means:

51.3 (1) for an independent school district or educational cooperative, the lowest full-time
51.4 Bachelor of Arts (BA) base contract salary for the previous fiscal year for that employing
51.5 unit;

51.6 (2) for a charter school, the lowest starting annual salary for a full-time ~~licensed~~ teacher
51.7 employed during the previous fiscal year for that employing unit; and

51.8 (3) for a state agency or professional organization, the lowest starting annual salary for
51.9 a full-time Teachers Retirement Association covered position for the previous fiscal year
51.10 for that employing unit.

51.11 (b) If there is no previous fiscal year data because an employer unit is new and paragraph
51.12 (c) does not apply, the annual base salary for the first year of operation will be as provided
51.13 in paragraph (a), except that the base contract salary for the current fiscal year, rather than
51.14 the previous fiscal year, must be used.

51.15 (c) For a new employer unit created as a result of a merger or consolidation, the annual
51.16 base salary must be the lowest annual base salary as specified in paragraph (a) for any of
51.17 the employer units involved in the merger or consolidation.

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

51.19 Sec. 3. Minnesota Statutes 2018, section 354.44, subdivision 4, is amended to read:

51.20 Subd. 4. **Retirement annuity accrual date.** (a) ~~An annuity payment begins to accrue,~~
51.21 ~~provided that~~ If the applicable age and service requirements under subdivision 1 this section
51.22 ~~are satisfied, after the termination of teaching service, or after the application for retirement~~
51.23 ~~has been filed with the executive director,~~ an annuity payment begins to accrue as follows:

51.24 (1) on the day after the termination of teaching service;

51.25 (2) on the day of receipt of application if the application is filed with the executive
51.26 director after the six-month period that occurs immediately following the termination of
51.27 teaching service; or

51.28 (3) on July 1 for all school principals and other administrators who receive a full annual
51.29 contract salary during the fiscal year for performance of a full year's contract duties; ~~or,~~

51.30 ~~(4) if an application for retirement is filed with the executive director during the six-month~~
51.31 ~~period that occurs immediately following the termination of teaching service, the annuity~~

52.1 ~~may begin to accrue as if the application for retirement had been filed with the board on the~~
 52.2 ~~date teaching service terminated.~~

52.3 (b) A member, or a person authorized to act on behalf of the member, may specify a
 52.4 different date of retirement from that determined in paragraph (a), as follows:

52.5 (1) if the application is filed on or before the date of termination of teaching service, the
 52.6 accrual date ~~may be a date no~~ must not be earlier than the day after the termination of
 52.7 teaching service and no later than six months after the termination date; or

52.8 (2) if the application is filed during the six-month period that occurs immediately
 52.9 following the termination of teaching service, the ~~accrual date~~ annuity may begin to accrue
 52.10 retroactively, but no earlier than the day after termination of teaching service ~~terminated~~
 52.11 and no later than six months after the termination date.

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

52.13 Sec. 4. Minnesota Statutes 2018, section 354.44, subdivision 6, is amended to read:

52.14 Subd. 6. **Computation of formula program retirement annuity.** (a) The formula
 52.15 retirement annuity must be computed in accordance with the applicable provisions of the
 52.16 formulas stated in paragraph (b) or (d) on the basis of each member's average salary under
 52.17 section 354.05, subdivision 13a, for the period of the member's formula service credit.

52.18 (b) This paragraph, in conjunction with paragraph (c), applies to a person who first
 52.19 became a member of the association or a member of a pension fund listed in section 356.30,
 52.20 subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e),
 52.21 produces a higher annuity amount, in which case paragraph (d) applies. The average salary
 52.22 as defined in section 354.05, subdivision 13a, multiplied by the following percentages per
 52.23 year of formula service credit shall determine the amount of the annuity to which the member
 52.24 qualifying therefor is entitled for service rendered before July 1, 2006:

52.25	Period	Coordinated Member	Basic Member
52.26	Each year of service	1.2 percent per year	2.2 percent per year
52.27	during first ten		
52.28	Each year of service	1.7 percent per year	2.7 percent per year
52.29	thereafter		

52.30 For service rendered on or after July 1, 2006, by a member other than a member who
 52.31 was a member of the former Duluth Teachers Retirement Fund Association between January
 52.32 1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member
 52.33 who was a member of the former Duluth Teachers Retirement Fund Association between

53.1 January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05,
 53.2 subdivision 13a, multiplied by the following percentages per year of service credit, determines
 53.3 the amount the annuity to which the member qualifying therefor is entitled:

53.4	Period	Coordinated Member	Basic Member
53.5	Each year of service	1.4 percent per year	2.2 percent per year
53.6	during first ten		
53.7	Each year of service after	1.9 percent per year	2.7 percent per year
53.8	ten years of service		

53.9 (c)(1) This paragraph applies only to a person who first became a member of the
 53.10 association or a member of a pension fund listed in section 356.30, subdivision 3, before
 53.11 July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction
 53.12 with this paragraph than when calculated under paragraph (d), in conjunction with paragraph
 53.13 (e).

53.14 (2) Where any member retires prior to normal retirement age under a formula annuity,
 53.15 the member shall be paid a retirement annuity in an amount equal to the normal annuity
 53.16 provided in paragraph (b) reduced by one-quarter of one percent for each month that the
 53.17 member is under normal retirement age at the time of retirement except that for any member
 53.18 who has 30 or more years of allowable service credit, the reduction shall be applied only
 53.19 for each month that the member is under age 62.

53.20 (3) Any member whose attained age plus credited allowable service totals 90 years is
 53.21 entitled, upon application, to a retirement annuity in an amount equal to the normal annuity
 53.22 provided in paragraph (b), without any reduction by reason of early retirement.

53.23 (d) This paragraph applies to a member who has become at least 55 years old and first
 53.24 became a member of the association after June 30, 1989, and to any other member who has
 53.25 become at least 55 years old and whose annuity amount when calculated under this paragraph
 53.26 and in conjunction with paragraph (e), is higher than it is when calculated under paragraph
 53.27 (b), in conjunction with paragraph (c).

53.28 (1) For a basic member, the average salary, as defined in section 354.05, subdivision
 53.29 13a, multiplied by 2.7 percent for each year of service for a basic member determines the
 53.30 amount of the retirement annuity to which the basic member is entitled. The annuity of a
 53.31 basic member who was a member of the former Minneapolis Teachers Retirement Fund
 53.32 Association as of June 30, 2006, must be determined according to the annuity formula under
 53.33 the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association
 53.34 in effect as of that date.

54.1 (2) For a coordinated member, the average salary, as defined in section 354.05,
54.2 subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1,
54.3 2006, and by 1.9 percent for each year of service rendered on or after July 1, 2006, for a
54.4 member other than a member who was a member of the former Duluth Teachers Retirement
54.5 Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each
54.6 year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers
54.7 Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the
54.8 amount of the retirement annuity to which the coordinated member is entitled.

54.9 ~~(e) This paragraph applies to a member who has become at least 55 years old and first~~
54.10 ~~becomes a member of the association after June 30, 1989, and to any other member who~~
54.11 ~~has become at least 55 years old and whose annuity is higher when calculated under~~
54.12 ~~paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b),~~
54.13 ~~in conjunction with paragraph (c). An employee who retires under the formula annuity~~
54.14 ~~before the normal retirement age shall be paid the normal annuity provided in paragraph~~
54.15 ~~(d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would~~
54.16 ~~be payable to the employee if the employee deferred receipt of the annuity and the annuity~~
54.17 ~~amount were augmented at an annual rate of three percent compounded annually from the~~
54.18 ~~day the annuity begins to accrue until the normal retirement age if the employee became~~
54.19 ~~an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee~~
54.20 ~~becomes an employee after June 30, 2006. Except in regards to section 354.46, this paragraph~~
54.21 ~~remains in effect until June 30, 2015.~~

54.22 ~~(f) Until June 30, 2019, this paragraph applies to a member who has become at least 55~~
54.23 ~~years old and first becomes a member of the association after June 30, 1989, and to any~~
54.24 ~~other member who has become at least 55 years old and whose annuity is higher when~~
54.25 ~~calculated under paragraph (d) in conjunction with this paragraph than when calculated~~
54.26 ~~under paragraph (b) in conjunction with paragraph (c). An employee who retires under the~~
54.27 ~~formula annuity before the normal retirement age is entitled to receive the normal annuity~~
54.28 ~~provided in paragraph (d), reduced as described in clause (1) or (2), as applicable.~~

54.29 (1) For a member who is at least age 62 and has at least 30 years of service, the annuity
54.30 shall be reduced by an early reduction factor of six percent for each year that the member's
54.31 age of retirement precedes normal retirement age. The resulting reduced annuity shall be
54.32 further adjusted to take into account the increase in the monthly amount that would have
54.33 occurred had the member retired early and deferred receipt of the annuity until normal
54.34 retirement age and the annuity was augmented during the deferral period at 2.5 percent, if

55.1 ~~the member commenced employment after June 30, 2006, or at three percent, if the member~~
55.2 ~~commenced employment before July 1, 2006, compounded annually.~~

55.3 ~~(2) For a member who has not attained age 62 or has fewer than 30 years of service, the~~
55.4 ~~annuity shall be reduced for each year that the member's age of retirement precedes the~~
55.5 ~~normal retirement age by the following early reduction factors:~~

55.6 ~~(i) for the period during which the member is age 55 through age 59, the factor is four~~
55.7 ~~percent; and~~

55.8 ~~(ii) for the period during which the member is age 60 but not yet normal retirement age,~~
55.9 ~~the factor is seven percent.~~

55.10 ~~The resulting reduced annuity shall be further adjusted to take into account the increase~~
55.11 ~~in the monthly amount that would have occurred had the member retired early and deferred~~
55.12 ~~receipt of the annuity until normal retirement age and the annuity was augmented during~~
55.13 ~~the deferral period at 2.5 percent, if the member commenced employment after June 30,~~
55.14 ~~2006, or at three percent, if the member commenced employment before July 1, 2006,~~
55.15 ~~compounded annually.~~

55.16 ~~(g) For members who retire on or after July 1, 2019, (c)~~ This paragraph applies to a
55.17 person who has become at least 55 years old and first becomes a member of the association
55.18 after June 30, 1989, and to any other member who has become at least 55 years old and
55.19 whose annuity is higher when calculated under paragraph (d) in conjunction with this
55.20 paragraph than when calculated under paragraph (b) in conjunction with paragraph (c). An
55.21 employee who retires under the formula annuity before the normal retirement age is entitled
55.22 to receive the normal annuity provided in paragraph (d), reduced as described in clause (1)
55.23 or (2), as applicable.

55.24 (1) For a member who is at least age 62 and has at least 30 years of service, the annuity
55.25 shall be reduced by an early reduction factor of six percent for each year that the member's
55.26 age of retirement precedes the normal retirement age. The resulting reduced annuity shall
55.27 be further adjusted to take into account the increase in the monthly amount that would have
55.28 occurred had the member retired early and deferred receipt of the annuity until normal
55.29 retirement age and the annuity was augmented during the deferral period at 2.5 percent, if
55.30 the member commenced employment after June 30, 2006, or at three percent, if the member
55.31 commenced employment before July 1, 2006, compounded annually.

55.32 (2) For a member who has not attained age 62 or has fewer than 30 years of service, the
55.33 annuity shall be reduced for each year that the member's age of retirement precedes normal
55.34 retirement age by the following early reduction factors:

56.1 (i) for the period during which the member is age 55 through age ~~59~~ 58, the factor is
56.2 four percent; and

56.3 (ii) for the period during which the member is at least age ~~60~~ 59 but not yet normal
56.4 retirement age, the factor is seven percent.

56.5 The resulting annuity shall be further adjusted to take into account the increase in the
56.6 monthly amount that would have occurred had the member retired early and deferred receipt
56.7 of the annuity until normal retirement age and the annuity was augmented during the deferral
56.8 period at the applicable annual rate, compounded annually. The applicable annual rate is
56.9 the rate in effect for the month that includes the member's effective date of retirement and
56.10 shall be considered as fixed for the member for the period until the member reaches normal
56.11 retirement age. The applicable annual rate for June 2019 is 2.5 percent, if the member
56.12 commenced employment after June 30, 2006, or three percent, if the member commenced
56.13 employment before July 1, 2006, compounded annually, and decreases each month beginning
56.14 July 2019 in equal monthly increments over the five-year period that begins July 1, 2019,
56.15 and ends June 30, 2024, to zero percent effective for July 2024 and thereafter.

56.16 After June 30, 2024, the reduced annuity commencing before normal retirement age
56.17 under this clause shall not take into account any augmentation.

56.18 ~~(h) After June 30, 2015, and before July 1, 2019, for a person who would have a reduced~~
56.19 ~~retirement annuity under either paragraph (e) or (f) if they were applicable, the employee~~
56.20 ~~is entitled to receive a reduced annuity which must be calculated using a blended reduction~~
56.21 ~~factor augmented monthly by 1/60 of the difference between the reduction required under~~
56.22 ~~paragraph (e) and the reduction required under paragraph (f).~~

56.23 ~~(i)~~ (f) No retirement annuity is payable to a former employee with a salary that exceeds
56.24 95 percent of the governor's salary unless and until the salary figures used in computing the
56.25 highest five successive years average salary under paragraph (a) have been audited by the
56.26 Teachers Retirement Association and determined by the executive director to comply with
56.27 the requirements and limitations of section 354.05, subdivisions 35 and 35a.

56.28 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
56.29 the amendment to paragraph (g), clause (2), is effective retroactively from June 30, 2018.

56.30 Sec. 5. Minnesota Statutes 2018, section 354.46, subdivision 2, is amended to read:

56.31 Subd. 2. **Surviving spouse survivor coverage.** (a) If the active or deferred member was
56.32 at least age 55 and had credit for at least three years of allowable service on the date of
56.33 death, the surviving spouse is entitled to the second portion of a 100 percent joint and

57.1 survivor annuity specified under section 354.45, based on the age of the active or deferred
57.2 member at the time of death and the age of the surviving spouse at the time the benefit
57.3 accrues.

57.4 (b) If the active or deferred member was under age 55 and had credit for at least 30 years
57.5 of allowable service on the date of death, the surviving spouse may elect to receive the
57.6 second portion of a 100 percent joint and survivor annuity based on the age of the active or
57.7 deferred member on the date of death and the age of the surviving spouse at the time the
57.8 benefit accrues. If section 354.44, subdivision 6, applies, the annuity is payable using the
57.9 full early retirement reduction under section 354.44, subdivision 6, paragraph (c), clause
57.10 ~~(3)(ii)~~ (2), to age 55 and one-half of the early retirement reduction from age 55 to the age
57.11 payment begins.

57.12 (c) If the active or deferred member was under age 55 and had credit for at least three
57.13 years of allowable service on the date of death, but did not yet qualify for retirement, the
57.14 surviving spouse may elect to receive the second portion of a 100 percent joint and survivor
57.15 annuity based on the age of the active or deferred member at the time of death and the age
57.16 of the surviving spouse at the time the benefit accrues. If section 354.44, subdivision 6,
57.17 applies, the annuity is calculated using the full early retirement reduction under section
57.18 354.44, subdivision 6, to age 55 and one-half of the early retirement reduction from age 55
57.19 to the age the annuity begins.

57.20 (d) The surviving spouse eligible for surviving spouse benefits under this subdivision
57.21 may apply for the annuity any time after the member's death. The benefit may not begin to
57.22 accrue more than six months before the date the application is filed with the executive
57.23 director and may not accrue before the member's death. The benefit is payable for life. Any
57.24 benefit under this subdivision is in lieu of benefits under subdivision 1, if applicable, and
57.25 in lieu of a refund of accumulated member contributions under section 354.47, subdivision
57.26 1.

57.27 (e) For purposes of this subdivision, a designated beneficiary must be a former spouse
57.28 or a biological or adopted child of the member.

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

57.30 Sec. 6. Minnesota Statutes 2018, section 354.49, subdivision 2, is amended to read:

57.31 Subd. 2. **Calculation.** (a) Except as provided in section 354.44, subdivision 1, any person
57.32 who ceases to be a member by reason of termination of teaching service, is entitled to receive

58.1 a refund in an amount equal to the accumulated deductions credited to the account plus
58.2 interest compounded annually using the following interest rates:

58.3 (1) before July 1, 1957, no interest accrues;

58.4 (2) July 1, 1957, to June 30, 2011, six percent;

58.5 (3) July 1, 2011, to June 30, 2018, four percent; and

58.6 (4) after June 30, 2018, three percent.

58.7 For the purpose of this subdivision, interest must be computed on fiscal year end balances
58.8 ~~to~~ through the first last day of the month prior to the month in which the refund is issued.

58.9 (b) If the person has received permanent disability payments under section 354.48, the
58.10 refund amount must be reduced by the amount of those payments.

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

58.12 Sec. 7. Minnesota Statutes 2018, section 354.543, subdivision 3, is amended to read:

58.13 Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase
58.14 period must be granted by the Teachers Retirement Association to the purchasing teacher
58.15 upon receipt of the purchase payment amount. Payment must be made before the teacher's
58.16 termination of teaching service. Purchasing allowable and formula service credit under this
58.17 section does not change the date the teacher first became a member of the association for
58.18 the purpose of computing an annuity under section 354.44, subdivision 6.

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

58.20 Sec. 8. **RETROACTIVE CLARIFICATION RELATING TO THE EARLY**
58.21 **RETIREMENT REDUCTION.**

58.22 Notwithstanding Minnesota Statutes, section 354.44, subdivision 6, paragraph (f), the
58.23 references in Minnesota Statutes, section 354.44, subdivision 6, paragraph (f), to "age 59"
58.24 shall be read as "age 58" and to "age 60" shall be read as "at least age 59."

58.25 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013, to the
58.26 day of enactment.

58.27 Sec. 9. **REPEALER.**

58.28 Minnesota Statutes 2018, section 354.55, subdivision 10, is repealed.

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

ARTICLE 9

SESSION LAW FOR ONE PERSON

Section 1. CREDIT FOR SERVICE IN PERA POLICE AND FIRE PLAN.

Subdivision 1. Service credit purchase. (a) Notwithstanding Minnesota Statutes, section 353.27, subdivision 12, an eligible person described in paragraph (b) is entitled to purchase allowable service in the public employees police and fire retirement plan under Minnesota Statutes, sections 353.63 to 353.68, for the period described in paragraph (b), clause (3), upon making the payment described in subdivision 2 to the public employees police and fire fund.

(b) An eligible person is a person who:

(1) was hired by the city of Maplewood as a casual part-time firefighter, firefighter/EMT, or firefighter/paramedic after February 14, 2011, the effective date of resolutions approved by the city council of the city of Maplewood requesting coverage by the public employees police and fire retirement plan for casual part-time firefighters, as permitted by Minnesota Statutes, section 353.64, subdivision 2;

(2) received salary in excess of the monthly threshold then in effect under Minnesota Statutes, section 353.01, subdivision 2b, paragraph (a), clause (1), so was not excluded from coverage by the public employees police and fire retirement plan under this provision or any other provision of Minnesota Statutes, section 353.01, subdivision 2b;

(3) received salary for a period of service for the city of Maplewood from which the city of Maplewood failed to deduct employee contributions as required by Minnesota Statutes, section 353.65, subdivision 2;

(4) has not accepted payment from the city of Maplewood in lieu of service credit under the public employees police and fire retirement plan for the period described in clause (3); and

(5) no later than December 31, 2018, has made a request to the executive director of the Public Employees Retirement Association to purchase allowable service pursuant to this section for the period of service described in clause (3).

(c) Upon receiving the payment described in subdivision 2, the executive director shall credit the eligible person with allowable service for the period of service described in paragraph (b), clause (3). The allowable service credit purchased under this section shall not be used for the purpose of determining a disability benefit under Minnesota Statutes, section 353.656.

60.1 Subd. 2. **Payment by eligible person.** If the eligible person elects to purchase allowable
60.2 service credit as described in subdivision 1, the eligible person shall pay to the public
60.3 employees police and fire fund an amount equal to the total amount of the employee
60.4 contributions that the eligible person would have made to the public employees police and
60.5 fire fund based on the eligible person's total salary for the period of service described in
60.6 subdivision 1, paragraph (b), clause (3), plus interest, compounded annually, at the applicable
60.7 annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 3, from the
60.8 end of the year in which the contributions would have been made to the date on which the
60.9 payment is made. The amount of the required payment shall be determined by the executive
60.10 director of the Public Employees Retirement Association, who shall notify the eligible
60.11 person regarding the amount and the basis for determining the amount. Payment must be
60.12 made by the eligible person in a lump sum within 90 days of the effective date of this
60.13 subdivision.

60.14 Subd. 3. **Payment by city of Maplewood.** Upon payment by the eligible person of the
60.15 amount required by subdivision 2, the city of Maplewood shall pay to the public employees
60.16 police and fire fund an amount equal to the total amount of the employer contributions that
60.17 would have been made to the public employees police and fire fund based on the eligible
60.18 person's total salary for the period of service described in subdivision 1, paragraph (b),
60.19 clause (3), plus interest, compounded annually, at the applicable annual rate or rates specified
60.20 in Minnesota Statutes, section 356.59, subdivision 3, from the end of the year in which the
60.21 contributions would have been made to the date on which the payment is made. The executive
60.22 director shall notify the city of Maplewood regarding the amount and the basis for
60.23 determining the amount. The payment shall be made within 60 days following receipt by
60.24 the public employees police and fire fund of the eligible person's payment under subdivision
60.25 2.

60.26 Subd. 4. **Collection of unpaid amounts.** If the city of Maplewood fails to make all or
60.27 any portion of the payment required by subdivision 3, the executive director of the Public
60.28 Employees Retirement Association shall follow the procedures in Minnesota Statutes,
60.29 section 353.28, subdivision 6, to collect the amount not paid.

60.30 **EFFECTIVE DATE; LOCAL APPROVAL.** Subdivisions 1, 2, and 4 are effective
60.31 the day following final enactment. Subdivision 3 is effective the day after the governing
60.32 body of the city of Maplewood and its chief clerical officer timely complete their compliance
60.33 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 10

**VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS
 MAXIMUM LUMP-SUM PENSION AMOUNT INCREASE**

61.4 Section 1. Minnesota Statutes 2018, section 424A.02, subdivision 3, is amended to read:

61.5 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as
 61.6 part of the certification of the financial requirements and minimum municipal obligation
 61.7 determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable,
 61.8 the secretary or some other official of the relief association designated in the bylaws of each
 61.9 defined benefit relief association shall calculate and certify to the governing body of the
 61.10 applicable municipality the average amount of available financing per active covered
 61.11 firefighter for the most recent three-year period. The amount of available financing includes
 61.12 any amounts of fire state aid and police and firefighter retirement supplemental state aid
 61.13 received or receivable by the relief association, any amounts of municipal contributions to
 61.14 the relief association raised from levies on real estate or from other available revenue sources
 61.15 exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued
 61.16 liabilities of the relief association calculated under section 424A.092, subdivision 2;
 61.17 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

61.18 (b) The maximum service pension which the defined benefit relief association has
 61.19 authority to provide for in its bylaws for payment to a member retiring after the calculation
 61.20 date when the minimum age and service requirements specified in subdivision 1 are met
 61.21 must be determined using the table in paragraph (c) or (d), whichever applies.

61.22 (c) For a defined benefit relief association where the governing bylaws provide for a
 61.23 monthly service pension to a retiring member, the maximum monthly service pension amount
 61.24 per month for each year of service credited that may be provided for in the bylaws is the
 61.25 greater of the service pension amount provided for in the bylaws on the date of the calculation
 61.26 of the average amount of the available financing per active covered firefighter or the
 61.27 maximum service pension figure corresponding to the average amount of available financing
 61.28 per active covered firefighter:

	Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
61.32	\$...	\$.25
61.33	41	.50
61.34	81	1.00
61.35	122	1.50
61.36	162	2.00

62.1	203	2.50
62.2	243	3.00
62.3	284	3.50
62.4	324	4.00
62.5	365	4.50
62.6	405	5.00
62.7	486	6.00
62.8	567	7.00
62.9	648	8.00
62.10	729	9.00
62.11	810	10.00
62.12	891	11.00
62.13	972	12.00
62.14	1053	13.00
62.15	1134	14.00
62.16	1215	15.00
62.17	1296	16.00
62.18	1377	17.00
62.19	1458	18.00
62.20	1539	19.00
62.21	1620	20.00
62.22	1701	21.00
62.23	1782	22.00
62.24	1823	22.50
62.25	1863	23.00
62.26	1944	24.00
62.27	2025	25.00
62.28	2106	26.00
62.29	2187	27.00
62.30	2268	28.00
62.31	2349	29.00
62.32	2430	30.00
62.33	2511	31.00
62.34	2592	32.00
62.35	2673	33.00
62.36	2754	34.00
62.37	2834	35.00
62.38	2916	36.00

63.1	2997	37.00
63.2	3078	38.00
63.3	3159	39.00
63.4	3240	40.00
63.5	3321	41.00
63.6	3402	42.00
63.7	3483	43.00
63.8	3564	44.00
63.9	3645	45.00
63.10	3726	46.00
63.11	3807	47.00
63.12	3888	48.00
63.13	3969	49.00
63.14	4050	50.00
63.15	4131	51.00
63.16	4212	52.00
63.17	4293	53.00
63.18	4374	54.00
63.19	4455	55.00
63.20	4536	56.00
63.21	4617	57.00
63.22	4698	58.00
63.23	4779	59.00
63.24	4860	60.00
63.25	4941	61.00
63.26	5022	62.00
63.27	5103	63.00
63.28	5184	64.00
63.29	5265	65.00
63.30	5346	66.00
63.31	5427	67.00
63.32	5508	68.00
63.33	5589	69.00
63.34	5670	70.00
63.35	5751	71.00
63.36	5832	72.00
63.37	5913	73.00
63.38	5994	74.00

64.1	6075	75.00
64.2	6156	76.00
64.3	6237	77.00
64.4	6318	78.00
64.5	6399	79.00
64.6	6480	80.00
64.7	6561	81.00
64.8	6642	82.00
64.9	6723	83.00
64.10	6804	84.00
64.11	6885	85.00
64.12	6966	86.00
64.13	7047	87.00
64.14	7128	88.00
64.15	7209	89.00
64.16	7290	90.00
64.17	7371	91.00
64.18	7452	92.00
64.19	7533	93.00
64.20	7614	94.00
64.21	7695	95.00
64.22	7776	96.00
64.23	7857	97.00
64.24	7938	98.00
64.25	8019	99.00
64.26	8100	100.00
64.27	any amount in excess of	
64.28	8100	100.00

64.29 (d) For a defined benefit relief association in which the governing bylaws provide for a
 64.30 lump-sum service pension to a retiring member, the maximum lump-sum service pension
 64.31 amount for each year of service credited that may be provided for in the bylaws is the greater
 64.32 of the service pension amount provided for in the bylaws on the date of the calculation of
 64.33 the average amount of the available financing per active covered firefighter or the maximum
 64.34 service pension figure corresponding to the average amount of available financing per active
 64.35 covered firefighter for the applicable specified period:

65.1 65.2 65.3 65.4 65.5 65.6 65.7 65.8 65.9 65.10 65.11 65.12 65.13 65.14 65.15 65.16 65.17 65.18 65.19 65.20 65.21 65.22 65.23 65.24 65.25 65.26 65.27 65.28 65.29 65.30 65.31 65.32 65.33 65.34 65.35 65.36 65.37 65.38	Minimum Average Amount of Available Financing per Firefighter	Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service
	\$...	\$ 10
	11	20
	16	30
	23	40
	27	50
	32	60
	43	80
	54	100
	65	120
	77	140
	86	160
	97	180
	108	200
	131	240
	151	280
	173	320
	194	360
	216	400
	239	440
	259	480
	281	520
	302	560
	324	600
	347	640
	367	680
	389	720
	410	760
	432	800
	486	900
	540	1000
	594	1100
	648	1200
	702	1300
	756	1400
	810	1500
	864	1600

66.1	918	1700
66.2	972	1800
66.3	1026	1900
66.4	1080	2000
66.5	1134	2100
66.6	1188	2200
66.7	1242	2300
66.8	1296	2400
66.9	1350	2500
66.10	1404	2600
66.11	1458	2700
66.12	1512	2800
66.13	1566	2900
66.14	1620	3000
66.15	1672	3100
66.16	1726	3200
66.17	1753	3250
66.18	1780	3300
66.19	1820	3375
66.20	1834	3400
66.21	1888	3500
66.22	1942	3600
66.23	1996	3700
66.24	2023	3750
66.25	2050	3800
66.26	2104	3900
66.27	2158	4000
66.28	2212	4100
66.29	2265	4200
66.30	2319	4300
66.31	2373	4400
66.32	2427	4500
66.33	2481	4600
66.34	2535	4700
66.35	2589	4800
66.36	2643	4900
66.37	2697	5000
66.38	2751	5100

67.1	2805	5200
67.2	2859	5300
67.3	2913	5400
67.4	2967	5500
67.5	3021	5600
67.6	3075	5700
67.7	3129	5800
67.8	3183	5900
67.9	3237	6000
67.10	3291	6100
67.11	3345	6200
67.12	3399	6300
67.13	3453	6400
67.14	3507	6500
67.15	3561	6600
67.16	3615	6700
67.17	3669	6800
67.18	3723	6900
67.19	3777	7000
67.20	3831	7100
67.21	3885	7200
67.22	3939	7300
67.23	3993	7400
67.24	4047	7500
67.25	4101	7600
67.26	4155	7700
67.27	4209	7800
67.28	4263	7900
67.29	4317	8000
67.30	4371	8100
67.31	4425	8200
67.32	4479	8300
67.33	4533	8400
67.34	4587	8500
67.35	4641	8600
67.36	4695	8700
67.37	4749	8800
67.38	4803	8900

68.1	4857	9000
68.2	4911	9100
68.3	4965	9200
68.4	5019	9300
68.5	5073	9400
68.6	5127	9500
68.7	5181	9600
68.8	5235	9700
68.9	5289	9800
68.10	5343	9900
68.11	5397	10,000
68.12	<u>5451</u>	<u>10,100</u>
68.13	<u>5505</u>	<u>10,200</u>
68.14	<u>5559</u>	<u>10,300</u>
68.15	<u>5613</u>	<u>10,400</u>
68.16	<u>5667</u>	<u>10,500</u>
68.17	<u>5721</u>	<u>10,600</u>
68.18	<u>5775</u>	<u>10,700</u>
68.19	<u>5829</u>	<u>10,800</u>
68.20	<u>5883</u>	<u>10,900</u>
68.21	<u>5937</u>	<u>11,000</u>
68.22	<u>5991</u>	<u>11,100</u>
68.23	<u>6045</u>	<u>11,200</u>
68.24	<u>6099</u>	<u>11,300</u>
68.25	<u>6153</u>	<u>11,400</u>
68.26	<u>6207</u>	<u>11,500</u>
68.27	<u>6261</u>	<u>11,600</u>
68.28	<u>6315</u>	<u>11,700</u>
68.29	<u>6369</u>	<u>11,800</u>
68.30	<u>6423</u>	<u>11,900</u>
68.31	<u>6477</u>	<u>12,000</u>
68.32	<u>6531</u>	<u>12,100</u>
68.33	<u>6585</u>	<u>12,200</u>
68.34	<u>6639</u>	<u>12,300</u>
68.35	<u>6693</u>	<u>12,400</u>
68.36	<u>6747</u>	<u>12,500</u>
68.37	<u>6801</u>	<u>12,600</u>
68.38	<u>6855</u>	<u>12,700</u>

69.1	<u>6909</u>	<u>12,800</u>
69.2	<u>6963</u>	<u>12,900</u>
69.3	<u>7017</u>	<u>13,000</u>
69.4	<u>7071</u>	<u>13,100</u>
69.5	<u>7125</u>	<u>13,200</u>
69.6	<u>7179</u>	<u>13,300</u>
69.7	<u>7233</u>	<u>13,400</u>
69.8	<u>7287</u>	<u>13,500</u>
69.9	<u>7341</u>	<u>13,600</u>
69.10	<u>7395</u>	<u>13,700</u>
69.11	<u>7449</u>	<u>13,800</u>
69.12	<u>7503</u>	<u>13,900</u>
69.13	<u>7557</u>	<u>14,000</u>
69.14	<u>7611</u>	<u>14,100</u>
69.15	<u>7665</u>	<u>14,200</u>
69.16	<u>7719</u>	<u>14,300</u>
69.17	<u>7773</u>	<u>14,400</u>
69.18	<u>7827</u>	<u>14,500</u>
69.19	<u>7881</u>	<u>14,600</u>
69.20	<u>7935</u>	<u>14,700</u>
69.21	<u>7989</u>	<u>14,800</u>
69.22	<u>8043</u>	<u>14,900</u>
69.23	<u>8097</u>	<u>15,000</u>
69.24	any amount in excess of	
69.25	5397	10,000
69.26	<u>8097</u>	<u>15,000</u>

69.27 (e) For a defined benefit relief association in which the governing bylaws provide for a
 69.28 monthly benefit service pension as an alternative form of service pension payment to a
 69.29 lump-sum service pension, the maximum service pension amount for each pension payment
 69.30 type must be determined using the applicable table contained in this subdivision.

69.31 (f) If a defined benefit relief association establishes a service pension in compliance
 69.32 with the applicable maximum contained in paragraph (c) or (d) and the minimum average
 69.33 amount of available financing per active covered firefighter is subsequently reduced because
 69.34 of a reduction in fire state aid or because of an increase in the number of active firefighters,
 69.35 the relief association may continue to provide the prior service pension amount specified
 69.36 in its bylaws, but may not increase the service pension amount until the minimum average

70.1 amount of available financing per firefighter under the table in paragraph (c) or (d), whichever
70.2 applies, permits.

70.3 (g) No defined benefit relief association is authorized to provide a service pension in an
70.4 amount greater than the largest applicable flexible service pension maximum amount even
70.5 if the amount of available financing per firefighter is greater than the financing amount
70.6 associated with the largest applicable flexible service pension maximum.

70.7 (h) The method of calculating service pensions must be applied uniformly for all years
70.8 of active service. Credit must be given for all years of active service except for caps on
70.9 service credit if so provided in the bylaws of the relief association.

70.10 **EFFECTIVE DATE.** This section is effective January 1, 2021.

70.11 Sec. 2. **REPEALER.**

70.12 Laws 2018, chapter 211, article 14, section 29, is repealed.

70.13 **EFFECTIVE DATE.** This section is effective January 1, 2021.

70.14 **ARTICLE 11**

70.15 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS** 70.16 **ALLOCATION OF FIRE STATE AID**

70.17 Section 1. Minnesota Statutes 2019 Supplement, section 477B.04, subdivision 3, is amended
70.18 to read:

70.19 Subd. 3. **Deposit of state aid.** (a) If the municipality or the independent nonprofit
70.20 firefighting corporation is covered by the voluntary statewide volunteer firefighter retirement
70.21 plan under chapter 353G, the executive director of the Public Employees Retirement
70.22 Association must credit the fire state aid against future municipal contribution requirements
70.23 under section 353G.08 and must notify the municipality or the independent nonprofit
70.24 firefighting corporation of the fire state aid so credited at least annually.

70.25 (b) If (1) the municipality or the independent nonprofit firefighting corporation is not
70.26 covered by the voluntary statewide volunteer firefighter retirement plan; and is affiliated
70.27 with a duly incorporated firefighters relief association, (2) the relief association has filed a
70.28 financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2,
70.29 whichever applies, and (3) there is not an aid allocation agreement under section 477B.042
70.30 in effect, then the treasurer of the municipality must, within 30 days after receipt, transmit
70.31 the fire state aid to the treasurer of the ~~duly incorporated firefighters' relief association if~~
70.32 ~~there is one organized and the association has filed a financial report with the municipality~~

71.1 ~~pursuant to section 424A.014, subdivision 1 or 2, whichever applies.~~ relief association. If
71.2 clauses (1) and (2) are satisfied and there is an aid allocation agreement under section
71.3 477B.042 in effect, then fire state aid must be transmitted as described in that section. If
71.4 the relief association has not filed a financial report with the municipality, then, regardless
71.5 of whether an aid allocation agreement is in effect, the treasurer of the municipality must
71.6 delay transmission of the fire state aid to the relief association until the complete financial
71.7 report is filed.

71.8 (c) The treasurer of the municipality must deposit the fire state aid money in the municipal
71.9 treasury if (1) the municipality or independent nonprofit firefighting corporation is not
71.10 covered by the voluntary statewide volunteer firefighter retirement plan, (2) there is no
71.11 relief association organized, (3) the association has dissolved, or (4) the association has
71.12 been removed as trustees of state aid. The money may be disbursed from the municipal
71.13 treasury only for the purposes and in the manner set forth in section 424A.08 or for the
71.14 payment of the employer contribution requirement with respect to firefighters covered by
71.15 the public employees police and fire retirement plan under section 353.65, subdivision 3.

71.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2021 and thereafter.

71.17 **Sec. 2. [477B.042] ALLOCATION OF FIRE STATE AID FOR RELIEF**
71.18 **ASSOCIATIONS.**

71.19 Subdivision 1. **Applicability.** (a) This section applies to fire state aid payable each year
71.20 under section 477B.04, subdivision 3, paragraph (b), if, during the prior year, the municipality
71.21 or independent nonprofit firefighting corporation:

71.22 (1) employs one or more volunteer firefighters covered by the relief association affiliated
71.23 with the municipality or independent nonprofit firefighting corporation under chapter 424A;
71.24 and

71.25 (2) contributes on behalf of one or more firefighters to the public employees police and
71.26 fire retirement plan under chapter 353.

71.27 (b) This section does not apply to police and firefighter supplemental state aid under
71.28 section 423A.022.

71.29 Subd. 2. **Allocation of fire state aid.** (a) The municipality or independent nonprofit
71.30 firefighting corporation and the affiliated relief association may agree to allocate fire state
71.31 aid between the relief association and the public employees police and fire retirement plan
71.32 by entering into an aid allocation agreement described in subdivision 3.

72.1 (b) If an aid allocation agreement has been filed with the state auditor and is in effect,
72.2 then within 30 days of receipt of the fire state aid the treasurer of the municipality must
72.3 transmit to the relief association the amount of the fire state aid as determined in the aid
72.4 allocation agreement. If a municipality receives fire state aid on behalf of an independent
72.5 nonprofit firefighting corporation, the municipality must also transmit any remaining fire
72.6 state aid to the independent nonprofit firefighting corporation.

72.7 (c) The fire state aid allocated to the municipality or independent nonprofit firefighting
72.8 corporation may only be disbursed for the payment of employer contributions for firefighters
72.9 covered by the public employees police and fire retirement plan or for contributions to the
72.10 relief association and must be disbursed within 18 months of receipt by the municipality or
72.11 independent nonprofit firefighting corporation.

72.12 Subd. 3. **Aid allocation agreement.** (a) An aid allocation agreement is a written
72.13 agreement that meets the following requirements:

72.14 (1) the agreement specifies:

72.15 (i) the percentage of the fire state aid, a dollar amount, or a formula for determining the
72.16 amount of fire state aid that will be transmitted to the relief association annually; and

72.17 (ii) the period of time covered by the agreement and the date on which the agreement
72.18 expires; and

72.19 (2) the agreement has been signed by:

72.20 (i) an individual authorized to sign on behalf of the municipality or independent nonprofit
72.21 firefighting corporation; and

72.22 (ii) the president of the relief association or its representative duly appointed for the
72.23 purposes of this section.

72.24 (b) An aid allocation agreement is not effective unless filed with the state auditor under
72.25 subdivision 5.

72.26 Subd. 4. **Modifying or terminating the aid allocation agreement.** (a) The parties to
72.27 the agreement may modify or terminate the aid allocation agreement, provided that the
72.28 modification or termination is in writing and signed by the parties.

72.29 (b) If the amount of fire state aid paid to a municipality or independent nonprofit
72.30 firefighting corporation by the commissioner changes by an amount greater than 50 percent
72.31 of the prior year's amount, then the aid allocation agreement may be terminated by either
72.32 party to the agreement by providing written notice of termination to the other party.

73.1 (c) Unless the aid allocation agreement provides otherwise, termination is effective for
73.2 the fire state aids payable in the calendar year after notice of termination has been given.

73.3 Subd. 5. **Filing requirement and remedy.** (a) By March 1 of each year in which fire
73.4 state aid is to be allocated, the municipality or independent nonprofit firefighting corporation
73.5 must file a copy of the aid allocation agreement or modified agreement with the state auditor.

73.6 (b) If an aid allocation agreement terminates by its own terms or for any other reason,
73.7 the municipality or independent nonprofit firefighting corporation must notify the Office
73.8 of the State Auditor in writing within 30 days after the termination date.

73.9 (c) If the municipality or independent nonprofit firefighting corporation fails to file by
73.10 the deadline in paragraph (a), fire state aid payments must not be allocated, but must be
73.11 transmitted to the relief association until the agreement has been filed. If the state auditor
73.12 determines that an aid allocation agreement does not meet the requirements of subdivision
73.13 3, any future fire state aid payments must be transmitted to the relief association by the
73.14 municipality until the municipality files with the state auditor an aid allocation agreement
73.15 that satisfies the requirements under subdivision 3.

73.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2021 and thereafter.

73.17 Sec. 3. **GRANDFATHERING EXISTING AID ALLOCATION AGREEMENTS.**

73.18 (a) Notwithstanding Minnesota Statutes, section 477B.042, subdivision 3, a written
73.19 document is an aid allocation agreement for the purposes of Minnesota Statutes, sections
73.20 477B.04, subdivision 3, and 477B.042, and remains effective as an aid allocation agreement
73.21 until the document ceases to be effective according to its own terms or is modified, if the
73.22 document:

73.23 (1) determines the amount of fire state aid that will be transmitted by a municipality to
73.24 its affiliated fire relief association;

73.25 (2) is effective under existing law on the day before the effective date of this section;
73.26 and

73.27 (3) is a provision of a relief association's bylaws that was jointly approved by the relief
73.28 association and its affiliated municipality or a court-ordered settlement agreement entered
73.29 into by a relief association and its affiliated municipality.

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

74.1 **Sec. 4. CITY OF EAGAN; ALLOCATION OF FIRE STATE AID.**

74.2 **Subdivision 1. Definitions.** (a) For purposes of this section, the terms defined in this
74.3 subdivision have the meanings given them unless the context clearly indicates otherwise.

74.4 (b) "Agreement" means an agreement or contract between the city of Eagan and the
74.5 Eagan Firefighters Relief Association which specifies an amount of money that the city will
74.6 contribute to the relief association annually and permits the city to deposit fire state aid in
74.7 the city treasury.

74.8 (c) "Fire state aid" means fire state aid paid to the city of Eagan by the commissioner of
74.9 revenue under Minnesota Statutes, section 477B.04, and does not include supplemental aid.

74.10 (d) "Relief association" means the Eagan Firefighters Relief Association.

74.11 (e) "Supplemental aid" means police and firefighter retirement supplemental state aid
74.12 under Minnesota Statutes, section 423A.022.

74.13 **Subd. 2. City of Eagan permitted to allocate.** (a) Notwithstanding any law to the
74.14 contrary, if an agreement is in effect, then for the term of the agreement the city of Eagan
74.15 is not required to transmit fire state aid to the relief association except as provided for in
74.16 this section. Following receipt from the commissioner of revenue of fire state aid, the city
74.17 of Eagan must:

74.18 (1) disburse fire state aid only as provided in clause (2) or for the payment of the employer
74.19 contribution requirement with respect to firefighters covered by the public employees police
74.20 and fire retirement plan under Minnesota Statutes, section 353.65; and

74.21 (2) by the date required under the agreement, transmit to the relief association no less
74.22 than the amount required under the agreement.

74.23 (b) The city of Eagan must transmit any supplemental aid it receives to the relief
74.24 association as required under Minnesota Statutes, section 423A.022. Supplemental aid
74.25 transmitted to the relief association may be credited against the amount the city is obligated
74.26 to pay under the agreement.

74.27 (c) If any fire state aid is received by the city of Eagan and an agreement is not in effect,
74.28 then the fire state aid must be transmitted to the relief association in a manner consistent
74.29 with Minnesota Statutes, section 477B.04, and other applicable law.

74.30 **Subd. 3. Expiration.** This section expires June 30, 2022.

74.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
74.32 applies retroactively from January 1, 2020.

75.1 Sec. 5. **REPEALER.**

75.2 Laws 1980, chapter 607, article xv, section 13, is repealed.

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

75.4

ARTICLE 12

75.5

VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS

75.6

RELIEF ASSOCIATION DISSOLUTION

75.7

AND RETIREMENT PLAN TERMINATION

75.8 Section 1. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision

75.9 to read:

75.10 Subd. 2a. **Board of trustees.** "Board of trustees" means the governing board of a relief

75.11 association.

75.12 Sec. 2. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to

75.13 read:

75.14 Subd. 3a. **Defined benefit plan.** "Defined benefit plan" means a retirement plan that

75.15 provides a retirement benefit that is a lump sum, the amount of which is determined by

75.16 multiplying the applicable lump-sum service pension amount under section 424A.02,

75.17 subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which

75.18 is determined by multiplying the applicable monthly pension amount under section 424A.02,

75.19 subdivision 3, paragraph (c), by years of service. A defined benefit plan may provide both

75.20 a lump sum and a monthly pension.

75.21 Sec. 3. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to

75.22 read:

75.23 Subd. 3b. **Defined benefit relief association.** "Defined benefit relief association" means

75.24 a relief association that has established and administers a retirement plan that is a defined

75.25 benefit plan.

75.26 Sec. 4. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to

75.27 read:

75.28 Subd. 3c. **Defined contribution plan.** "Defined contribution plan" means a retirement

75.29 plan that provides a retirement benefit based on the member's individual account balance.

76.1 Sec. 5. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
76.2 read:

76.3 Subd. 3d. **Defined contribution relief association.** "Defined contribution relief
76.4 association" means a relief association that has established and administers a retirement
76.5 plan that is a defined contribution plan.

76.6 Sec. 6. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
76.7 read:

76.8 Subd. 3e. **Member.** (a) "Member" means a person:

76.9 (1) who is a member of a fire department or independent nonprofit firefighting
76.10 corporation;

76.11 (2) who has been credited with at least one year of service toward a retirement benefit
76.12 under the retirement plan of a relief association that is affiliated with the fire department or
76.13 independent nonprofit firefighting corporation; and

76.14 (3) whose retirement benefit under the retirement plan has not yet been distributed in a
76.15 lump sum or has not yet begun to be distributed in periodic installments or as a monthly
76.16 pension.

76.17 (b) A member may be an active firefighter, an inactive firefighter, or a former firefighter
76.18 who has a benefit under the retirement plan but has not become eligible to receive the benefit.

76.19 Sec. 7. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
76.20 read:

76.21 Subd. 3f. **Municipality.** "Municipality" means a city or township that has established a
76.22 fire department with which the relief association is affiliated, a city or township that has
76.23 entered into a contract with an independent nonprofit firefighting corporation with which
76.24 the relief association is affiliated, or a city or township that has entered into a joint powers
76.25 agreement under section 471.59 with one or more cities or townships to operate a fire
76.26 department with which the relief association is affiliated. A reference in chapter 424B to
76.27 municipality in connection with a power that may be exercised by or a requirement that is
76.28 imposed on the municipality means each city or township that is party to a joint powers
76.29 agreement, unless the joint powers agreement identifies one city or township with the
76.30 authority to act on behalf of the other parties to the agreement or with the responsibility for
76.31 fulfilling requirements imposed on the other parties to the agreement.

77.1 Sec. 8. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
77.2 read:

77.3 Subd. 3g. **Other benefit recipient.** "Other benefit recipient" means:

77.4 (1) a person who is entitled to receive all or a portion of the benefit of a member under
77.5 a retirement plan due to the person having one of the following relationships to the member:

77.6 (i) the member's surviving spouse;

77.7 (ii) the member's former spouse who is the alternate payee under a state domestic relations
77.8 order that meets the requirements of section 414(p) of the Internal Revenue Code or who
77.9 is a recipient of a court-ordered distribution of marital property, as provided in section
77.10 518.58; or

77.11 (iii) a nonspousal beneficiary of the member; or

77.12 (2) the member's estate.

77.13 Sec. 9. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
77.14 read:

77.15 Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief
77.16 association" means a nonprofit corporation incorporated under or governed by chapter 317A
77.17 that is a governmental entity that receives and manages public money to provide retirement
77.18 benefits for individuals providing the governmental services of firefighting and emergency
77.19 first response, is subject to chapter 424A, and is affiliated with:

77.20 (1) a fire department established by municipal ordinance;

77.21 (2) an independent nonprofit firefighting corporation incorporated under chapter 317A;

77.22 or

77.23 (3) a fire department operated as or by a joint powers entity.

77.24 (b) Relief association or volunteer firefighters relief association does not mean the
77.25 voluntary statewide volunteer firefighter retirement plan governed by chapter 353G.

77.26 Sec. 10. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
77.27 to read:

77.28 Subd. 5a. **Required contribution.** "Required contribution" means a contribution made
77.29 by the municipality to the special fund of a relief association in satisfaction of a minimum
77.30 municipal obligation required under section 424A.092 or 424A.093.

78.1 Sec. 11. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
78.2 to read:

78.3 Subd. 5b. **Retiree in pay status.** "Retiree in pay status" means a former member who
78.4 left employment or service as an active firefighter, has reached at least age 50, and is
78.5 receiving a monthly pension or periodic installment payments from a retirement plan.

78.6 Sec. 12. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
78.7 to read:

78.8 Subd. 5c. **Retirement benefit.** "Retirement benefit" means the benefit to which a member
78.9 is entitled under a retirement plan.

78.10 Sec. 13. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
78.11 to read:

78.12 Subd. 5d. **Retirement plan.** "Retirement plan" means the defined benefit plan or defined
78.13 contribution plan established and administered by a relief association.

78.14 Sec. 14. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
78.15 to read:

78.16 Subd. 7. **Surplus.** "Surplus" means the amount by which the assets in a defined benefit
78.17 plan exceed accrued liabilities.

78.18 Sec. 15. **[424B.22] RELIEF ASSOCIATION DISSOLUTION AND RETIREMENT**
78.19 **PLAN TERMINATION.**

78.20 Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section
78.21 applies to:

78.22 (1) the termination of a retirement plan established and administered by a relief
78.23 association, whether or not the relief association is also dissolved or eliminated; and

78.24 (2) the dissolution of a relief association that is not consolidating with another relief
78.25 association under sections 424B.01 to 424B.10.

78.26 This section does not apply to the dissolution of a relief association or the termination
78.27 of a retirement plan that occurs due to the change in retirement coverage from a retirement
78.28 plan administered by a relief association to the Public Employees Retirement Association
78.29 statewide volunteer firefighter plan under section 353G.06.

79.1 (b) To terminate a retirement plan, the board of trustees must comply with subdivisions
79.2 3, 5 to 11, and, if desired, subdivision 4.

79.3 (c) To dissolve a relief association, the board of trustees of the relief association must:

79.4 (1) terminate the retirement plan in accordance with this section;

79.5 (2) determine all legal obligations of the special and general funds of the relief association,
79.6 as required by subdivision 5;

79.7 (3) take the actions required by subdivision 12; and

79.8 (4) comply with the requirements governing dissolution of nonprofit corporations under
79.9 chapter 317A.

79.10 (d) A relief association that terminates its retirement plan must liquidate its special fund
79.11 as provided in subdivision 8, but need not liquidate its general fund if the relief association
79.12 is not being dissolved.

79.13 Subd. 2. **Involuntary dissolution and termination.** (a) A relief association is dissolved
79.14 and the retirement plan administered by the relief association is terminated automatically
79.15 if:

79.16 (1) the fire department affiliated with a relief association is dissolved by action of the
79.17 governing body of the municipality in which the fire department is located or by the
79.18 governing body of the independent nonprofit firefighting corporation, whichever applies;
79.19 or

79.20 (2) the fire department affiliated with a relief association has terminated the employment
79.21 or services of all active firefighters covered by the relief association.

79.22 (b) An involuntary termination of a relief association under this subdivision is effective
79.23 on the December 31 that is at least eight months after the date on which the fire department
79.24 is dissolved or the termination of employment or services of all active firefighters occurs.

79.25 (c) The retirement plan administered by a relief association is terminated automatically
79.26 if the relief association is dissolved, effective on the date of the dissolution of the relief
79.27 association.

79.28 Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless
79.29 subdivision 2 applies, the effective date of the termination of a retirement plan is the effective
79.30 date of the dissolution of the relief association or, if the relief association is not being
79.31 dissolved, the end of the calendar year in which the employment or services of all active

80.1 firefighters has been terminated, unless the board of trustees of the relief association approves
80.2 a different termination date.

80.3 (b) As of the earlier of the retirement plan termination date or the date on which the
80.4 employment or services of all active firefighters have been terminated, each member becomes
80.5 fully (100 percent) vested in the member's retirement benefit under the retirement plan,
80.6 notwithstanding any bylaws or laws to the contrary, except as provided in paragraph (c).

80.7 (c) If the relief association is a defined contribution relief association, the account of
80.8 each member who becomes 100 percent vested under paragraph (b) shall include an allocation
80.9 of any forfeiture that is required, under the bylaws of the relief association, to occur on or
80.10 as of the end of the calendar year during which the termination of the retirement plan is
80.11 effective, if the member is entitled to an allocation of forfeitures under the bylaws. Any
80.12 account so forfeited shall not be included in the retirement benefits that become 100 percent
80.13 vested under paragraph (b).

80.14 Subd. 4. **Benefit increase.** (a) Notwithstanding section 424A.02, subdivision 10, the
80.15 board of trustees of a relief association may increase the benefit amount under a defined
80.16 benefit relief association without the consent of the affiliated municipality or independent
80.17 nonprofit firefighting corporation, as provided in this subdivision.

80.18 (b) If the retirement plan being terminated is a defined benefit plan, the board of trustees
80.19 may approve an amendment to the bylaws of the relief association to increase the lump-sum
80.20 or monthly pension amount or both the lump and monthly pension amount, if the relief
80.21 association offers both, up to 125 percent of the largest maximum lump-sum service pension
80.22 amount or service pension amount payable per month in effect under paragraphs (c) or (d),
80.23 respectively, of section 424A.02, subdivision 3, without regard to the relief association's
80.24 minimum average amount of available financing per firefighter. The amount by which the
80.25 lump-sum or monthly pension amount is increased must not cause the liabilities of the
80.26 retirement plan to exceed the value of the assets, after taking into account full vesting as
80.27 required under subdivision 3 and any administrative expenses.

80.28 (c) The board of trustees shall specify whether the benefit increase will apply to only
80.29 members active as of the date of the termination of the retirement plan or whether the benefit
80.30 increase will apply to all members, including members who are not active as of the plan
80.31 termination date.

80.32 Subd. 5. **Determination of assets and liabilities.** (a) The board of trustees shall determine
80.33 the following as of the date of termination of the retirement plan:

80.34 (1) the fair market value of the assets of the special fund;

81.1 (2) the present value of each member's accrued benefit, taking into account full vesting
81.2 under subdivision 3 and any increased lump-sum or monthly benefit level approved under
81.3 subdivision 4;

81.4 (3) the present value of any benefit remaining to be paid to each retiree in pay status, if
81.5 any; and

81.6 (4) administrative expenses incurred or reasonably anticipated to be incurred through
81.7 the date on which all retirement benefits have been distributed or transferred or, if later, the
81.8 effective date of the dissolution of the relief association.

81.9 (b) The board of trustees shall compile a schedule that includes the following information:

81.10 (1) the name of each member and retiree in pay status to whom a benefit or pension is
81.11 or will be owed;

81.12 (2) the name of each other benefit recipient to whom a benefit or pension is or will be
81.13 owed; and

81.14 (3) for each individual described in clauses (1) and (2), the amount of the benefit or
81.15 pension to which the individual is entitled under the bylaws of the relief association, taking
81.16 into account the changes required or permitted by this section, the corresponding number
81.17 of years of service on which the benefit or pension is based, and the earliest date on which
81.18 the benefit or pension would have been payable under the bylaws of the relief association.

81.19 (c) If the relief association is dissolving, in addition to the determination under paragraph
81.20 (a) for the retirement plan, the board of trustees shall determine, as of the effective date of
81.21 the dissolution of the relief association, the legal obligations of the general fund of the relief
81.22 association.

81.23 Subd. 6. **Investment of assets while termination is pending.** To minimize the risk of
81.24 investment losses between the termination date and the date benefits will begin to be
81.25 distributed, the board of trustees shall invest the assets in the special fund in low-risk
81.26 investments, to the extent consistent with its fiduciary duty under chapter 356A.

81.27 Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and
81.28 if, after completing the determination of assets, liabilities, and administrative expenses under
81.29 subdivision 5, there is a surplus, the board of trustees shall transfer to the affiliated
81.30 municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required
81.31 contributions, without investment earnings or interest thereon, made by the municipality to
81.32 the relief association during the year in which the termination of the retirement plan occurs
81.33 or during the preceding nine years.

82.1 (b) If the affiliated municipality did not make any required contributions to the relief
82.2 association during the current or preceding nine years or if, after the transfer described in
82.3 paragraph (a), there is surplus remaining, the relief association and the municipality will
82.4 mutually agree on an allocation between them of the remaining surplus.

82.5 (c) If, within 180 days of the date of termination of the retirement plan, the municipality
82.6 and relief association have not reached an agreement on the allocation of the surplus under
82.7 paragraph (b), then 50 percent of the surplus shall be retained by the relief association and
82.8 50 percent of the surplus shall be transferred to the affiliated municipality.

82.9 (d) Any surplus retained by the relief association under paragraph (c) shall be allocated
82.10 among all members eligible to share in the surplus in the same proportion that the present
82.11 value of the accrued benefit for each eligible member bears to the total present value of the
82.12 accrued benefits of all members eligible to share in the surplus, and each eligible member's
82.13 benefit, as determined under subdivision 5, paragraph (a), clause (2), shall be increased by
82.14 the member's share of the surplus. The board of trustees shall determine eligibility to share
82.15 in the surplus, which may include any of the following, in addition to firefighters active as
82.16 of the date on which members became 100 percent vested:

82.17 (1) inactive firefighters;

82.18 (2) former firefighters with a deferred benefit under the retirement plan; and

82.19 (3) retirees in pay status and any other firefighters who, within the last three years or
82.20 such other number of years as determined by the board of trustees, separated from active
82.21 service and (i) received their retirement benefit, or (ii) began to receive distribution of a
82.22 retirement benefit in installments or as a monthly pension.

82.23 If the board of trustees decides to include the individuals described in clause (3) in the
82.24 allocation of the surplus, the board of trustees shall modify the method for allocating the
82.25 surplus to take into account such individuals.

82.26 (e) Any amount of surplus transferred to the affiliated municipality under this subdivision
82.27 may only be used for the purposes described in section 424A.08, paragraph (a) or (b).

82.28 **Subd. 8. Immediate distribution of retirement benefits and payment of all other**
82.29 **obligations.** (a) The board of trustees shall liquidate the assets of the special fund and pay
82.30 retirement benefits and administrative expenses under the retirement plan within 210 days
82.31 after the effective date of the termination of the retirement plan.

82.32 (b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a
82.33 defined contribution plan, without regard to whether the member has attained age 50, each

83.1 member and other benefit recipient shall be permitted to elect an immediate distribution or
83.2 a direct rollover of the member's benefit to an eligible retirement plan as permitted under
83.3 section 356.635, subdivisions 3 to 7, if the benefit is an eligible rollover distribution as
83.4 defined in section 356.635, subdivisions 4 and 5.

83.5 (c) If the retirement plan is a defined benefit plan that pays monthly pension benefits,
83.6 the board of trustees shall, at the election of the member or other benefit recipient, purchase
83.7 an annuity contract under section 424A.015, subdivision 3, naming the member or other
83.8 benefit recipient, as applicable, as the insured or distribute a lump sum amount that is equal
83.9 to the present value of the monthly pension benefits to which the member or other benefit
83.10 recipient is entitled. If an annuity is elected by the member or other benefit recipient, the
83.11 annuity shall provide for commencement at a date elected by the insured, to be paid as an
83.12 annuity for the life of the insured. Legal title to the annuity contract shall be transferred to
83.13 the insured. If a lump sum is elected, the option under paragraph (b) to take an immediate
83.14 distribution or a direct rollover shall apply.

83.15 (d) The board of trustees shall complete the distribution of all assets of the special fund
83.16 by making any remaining distributions or transfers as required under subdivision 9 on behalf
83.17 of members or other benefit recipients who cannot be located or are unresponsive and paying
83.18 any remaining administrative expenses related to the termination of the plan.

83.19 Subd. 9. **Missing members.** (a) For purposes of this subdivision, the terms defined in
83.20 this subdivision have the meanings given them.

83.21 (b) "Retirement benefit" means:

83.22 (1) the member's account balance if the retirement plan is a defined contribution plan;

83.23 (2) the member's lump sum benefit if the retirement plan is a defined benefit plan that
83.24 pays a lump sum; or

83.25 (3) an amount equal to the present value of the member's benefit if the retirement plan
83.26 is a defined benefit plan that pays a monthly annuity.

83.27 (c) "Individual retirement account" means an account that satisfies the requirements of
83.28 section 408(a) of the Internal Revenue Code which is established by an officer of the relief
83.29 association in the name of the member or other benefit recipient at a federally insured
83.30 financial institution.

83.31 (d) If the board of trustees cannot locate a member or other benefit recipient or receives
83.32 no response to an offer to distribute a retirement benefit, the board of trustees shall make a
83.33 diligent effort to obtain a current address or other contact information as follows:

84.1 (1) send a notice to the address on file for the member or other benefit recipient using
84.2 certified mail;

84.3 (2) check with the Minnesota State Fire Department Association, the municipality, and
84.4 any other employer of the member;

84.5 (3) check with the member's designated beneficiary on file with the relief association;
84.6 and

84.7 (4) use one or more of the Internet search tools that are free of charge.

84.8 (e) If the board of trustees is unable to locate the member or other benefit recipient after
84.9 taking actions described in paragraph (d), the board of trustees shall transfer the retirement
84.10 benefit to an individual retirement account or consider the retirement benefit abandoned
84.11 and deposit funds in the amount of the retirement benefit with the commissioner of commerce
84.12 under chapter 345. The board of trustees may deposit a retirement benefit with the
84.13 commissioner of commerce under chapter 345, notwithstanding any laws to the contrary,
84.14 including Minnesota Statutes, section 345.381.

84.15 Subd. 10. **Supplemental benefits.** Within 60 days after the distribution of benefits under
84.16 subdivision 8, the municipality or independent nonprofit firefighting corporation with which
84.17 the fire department is affiliated shall pay supplemental benefits under section 424A.10 to
84.18 each member and survivor who satisfies the requirements of section 424A.10, subdivision
84.19 2, if the member is at least age 50. The commissioner of revenue shall reimburse the
84.20 municipality or independent nonprofit firefighting corporation for all supplemental benefits
84.21 paid as provided in section 424A.10, subdivision 3.

84.22 Subd. 11. **Notice of retirement plan termination.** The board of trustees shall notify
84.23 the commissioner of revenue and the state auditor that the retirement plan is being terminated
84.24 no later than 30 days before the effective date of the termination of the retirement plan and
84.25 provide any information the commissioner or state auditor may require.

84.26 Subd. 12. **Wind-up of the relief association.** The relief association is dissolved effective
84.27 on the date that the board of trustees completes the following actions:

84.28 (1) prepares and files with the state auditor final audited financial statements, pursuant
84.29 to section 424A.014, subdivision 1, or, if applicable, the certified financial statement,
84.30 pursuant to section 424A.014, subdivision 2;

84.31 (2) liquidates the general fund and settles all legal obligations of the general fund as
84.32 determined under subdivision 5;

85.1 (3) transfers the records of the relief association to the chief administrative officer of
85.2 the affiliated municipality; and

85.3 (4) notifies the commissioner of revenue, the state auditor, and the secretary of state of
85.4 the dissolution no later than 30 days before the effective date of the dissolution.

85.5 Sec. 16. **REPEALER.**

85.6 Minnesota Statutes 2018, sections 424B.20; and 424B.21, are repealed.

85.7 Sec. 17. **EFFECTIVE DATE.**

85.8 Sections 1 to 16 are effective the day following final enactment.

85.9 **ARTICLE 13**

85.10 **BROOKLYN PARK FIREFIGHTERS' RELIEF ASSOCIATION**
85.11 **DISSOLUTION OF THE RELIEF ASSOCIATION AND PLAN TERMINATION**

85.12 Section 1. **BROOKLYN PARK FIREFIGHTERS' RELIEF ASSOCIATION**
85.13 **DISSOLUTION AND PLAN TERMINATION.**

85.14 (a) Notwithstanding any provision of Minnesota Statutes, chapters 424A, 424B, or any
85.15 other law to the contrary, the retirement plan administered by the Brooklyn Park Firefighters'
85.16 Relief Association is terminated and the relief association is dissolved in accordance with
85.17 the provisions of this section following the payment by the relief association of all benefits,
85.18 the settlement of all legal obligations, and the distribution of all remaining assets of the
85.19 relief association.

85.20 (b) For the purposes of this section:

85.21 (1) "alternate payee" means a spouse, former spouse, child, or other dependent of a
85.22 volunteer firefighter, who is recognized by a divorce decree or domestic relations order as
85.23 having a right to receive all or a portion of the volunteer firefighter's account;

85.24 (2) "city" means the city of Brooklyn Park;

85.25 (3) "relief association" means the Brooklyn Park Firefighters' Relief Association;

85.26 (4) "retirement plan" means the defined contribution retirement plan sponsored,
85.27 administered, and maintained by the relief association; and

85.28 (5) "volunteer firefighter" means a volunteer firefighter, as defined in Minnesota Statutes,
85.29 section 424A.001, subdivision 10, employed or previously employed by the city and who
85.30 has an account in the retirement plan.

86.1 (c) The retirement plan is terminated and the volunteer firefighters become 100 percent
86.2 vested in their accounts in the retirement plan effective on December 31, 2019, or, if earlier,
86.3 the date that the city terminates the employment of the last of its volunteer firefighters. For
86.4 purposes of this section, the city will be considered to have terminated the employment of
86.5 a volunteer firefighter even if the city hires or continues to employ the volunteer firefighter
86.6 as a part-time or full-time city employee performing firefighting or other services.

86.7 (d) The account of each volunteer firefighter who becomes fully vested under paragraph
86.8 (c) shall include an allocation of any forfeiture that is required to occur on December 31,
86.9 2019, if the volunteer firefighter is entitled to such allocation under the bylaws of the relief
86.10 association. Any account so forfeited shall not be included in the accounts that become fully
86.11 vested under paragraph (c).

86.12 (e) The relief association is dissolved effective on the date that the relief association
86.13 completes the following actions:

86.14 (1) prepares and files with the Office of the State Auditor final audited financial
86.15 statements, pursuant to Minnesota Statutes, section 424A.014, subdivision 1;

86.16 (2) satisfies the requirements of Minnesota Statutes, section 424B.20, subdivision 3,
86.17 including the settlement of legal obligations owed to any party to the extent authorized by
86.18 Minnesota Statutes, section 424A.05, subdivision 3;

86.19 (3) distributes the account of each volunteer firefighter, regardless of the age of the
86.20 volunteer firefighter, and each alternate payee as soon as possible after enactment.

86.21 Distribution must be made in the form of a lump sum payment or direct rollover, at the
86.22 election of the volunteer firefighter or alternate payee; and

86.23 (4) satisfies the requirements of Minnesota Statutes, section 424B.20, subdivision 5,
86.24 including the transfer of records to the city and notice to the commissioner of revenue, the
86.25 state auditor, and the secretary of state.

86.26 (f) Within 60 days after the distribution of the accounts under paragraph (e), clause (3),
86.27 the city shall (i) pay a supplemental lump sum benefit to each volunteer firefighter and
86.28 survivor who satisfies the requirements of Minnesota Statutes, section 424A.10, subdivision
86.29 2, if the volunteer firefighter is at least age 50, and (ii) reimburse the relief association for
86.30 any supplemental lump sum benefits paid by the relief association during 2020.

86.31 (g) The city shall file for and the commissioner of revenue shall reimburse the city
86.32 pursuant to Minnesota Statutes, section 424A.10, subdivision 3, for the supplemental benefits
86.33 paid or reimbursed under paragraph (f).

87.1 (h) The city is subject to Minnesota Statutes, section 477B.04, subdivision 3, paragraph
87.2 (c), for calendar year 2020 with respect to any fire state aid it receives, including the
87.3 requirement that it disburse the fire state aid solely for the purposes authorized by Minnesota
87.4 Statutes, section 424A.08.

87.5 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
87.6 the Brooklyn Park City Council and its chief clerical officer timely complete their compliance
87.7 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

87.8 **ARTICLE 14**

87.9 **RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION** 87.10 **DIVISION OF THE RELIEF ASSOCIATION**

87.11 Section 1. **DIVISION OF RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF**
87.12 **ASSOCIATION.**

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

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

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

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

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

87.30 (f) "Nowthen relief association" means a volunteer firefighters relief association to be
87.31 established by the city of Nowthen or a volunteer firefighters relief association affiliated
87.32 with a municipality with which the city of Nowthen enters into a joint powers agreement
87.33 or a volunteer firefighters relief association affiliated with an independent nonprofit

88.1 firefighting corporation that provides firefighting services to the city of Nowthen or an
88.2 account in the Public Employees Retirement Association statewide volunteer firefighter
88.3 plan, as directed by the city of Nowthen.

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

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

88.8 (i) surviving spouse;

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

88.13 (iii) nonspousal beneficiary; or

88.14 (2) the estate of a Nowthen firefighter.

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

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

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

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

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

88.27 (3) the city of Nowthen establishes a volunteer firefighters relief association or the
88.28 municipality with which the city of Nowthen enters into a joint powers agreement is affiliated
88.29 with a volunteer firefighters relief association or the independent nonprofit firefighting
88.30 corporation with which the city of Nowthen enters into an agreement to provide firefighting
88.31 services for the city of Nowthen is affiliated with a volunteer firefighters relief association

89.1 or the city of Nowthen joins the Public Employees Retirement Association statewide
89.2 volunteer firefighter plan; and

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

89.6 (i) the city of Nowthen;

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

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

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

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

89.27 (c) If the city of Ramsey terminates the employment of one or more firefighters who
89.28 become Nowthen firefighters during 2021, the Ramsey relief association shall transfer, by
89.29 the end of February 2022, the account balances for each Nowthen firefighter and for any
89.30 inactive or deferred Nowthen firefighter and any other benefit recipient of a Nowthen
89.31 firefighter whose account balance was not transferred under paragraph (b) in 2021. The
89.32 transfers shall occur after the accounting has been completed for the 2021 calendar year
89.33 and all fire state aid, contributions, forfeitures, net investment income, and administrative
89.34 expenses during 2021 and as of the 2021 calendar year end have been credited, in accordance

90.1 with the bylaws of the Ramsey relief association. Notwithstanding any provision in the
90.2 bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is
90.3 terminated during 2021 shall be considered for purposes of allocating fire state aid,
90.4 contributions, and forfeitures as having worked 12 active service months for 2021.

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

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

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

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

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

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

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

91.4 (2) whose employment is terminated by the city of Ramsey on or before December 31,
 91.5 2021; and

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

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

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

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

91.14 **ARTICLE 15**

91.15 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS**
 91.16 **CONVERSIONS FROM DEFINED BENEFIT PLAN**
 91.17 **TO DEFINED CONTRIBUTION PLAN**

91.18 Section 1. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
 91.19 to read:

91.20 Subd. 2a. Board of trustees. "Board of trustees" means the governing board of a relief
 91.21 association.

91.22 Sec. 2. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
 91.23 read:

91.24 Subd. 3a. Conversion effective date. "Conversion effective date" means the date on
 91.25 which the assets of the defined benefit plan have been allocated to accounts under the defined
 91.26 contribution plan.

91.27 Sec. 3. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
 91.28 read:

91.29 Subd. 3b. Defined benefit plan. "Defined benefit plan" means a retirement plan that
 91.30 provides a retirement benefit that is a lump sum, the amount of which is determined by
 91.31 multiplying the applicable lump-sum service pension amount under section 424A.02,

92.1 subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which
92.2 is determined by multiplying the applicable monthly pension amount under section 424A.02,
92.3 subdivision 3, paragraph (c), by years of service. A defined benefit plan may provide both
92.4 a lump-sum benefit and a monthly pension.

92.5 Sec. 4. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
92.6 read:

92.7 Subd. 3c. **Defined benefit relief association.** "Defined benefit relief association" means
92.8 a relief association that has established and administers a retirement plan that is a defined
92.9 benefit plan.

92.10 Sec. 5. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
92.11 read:

92.12 Subd. 3d. **Defined contribution plan.** "Defined contribution plan" means a retirement
92.13 plan that provides a retirement benefit based on the member's individual account balance.

92.14 Sec. 6. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
92.15 read:

92.16 Subd. 3e. **Defined contribution relief association.** "Defined contribution relief
92.17 association" means a relief association that has established and administers a retirement
92.18 plan that is a defined contribution plan.

92.19 Sec. 7. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
92.20 read:

92.21 Subd. 3f. **Firefighting corporation.** "Firefighting corporation" means an independent
92.22 nonprofit firefighting corporation that is organized under chapter 317A and that operates
92.23 primarily for firefighting purposes.

92.24 Sec. 8. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
92.25 read:

92.26 Subd. 3g. **Member.** (a) "Member" means a person:

92.27 (1) who is a member of a fire department or independent nonprofit firefighting
92.28 corporation;

93.1 (2) who has been credited with at least one year of service toward a retirement benefit
93.2 under the retirement plan of a relief association that is affiliated with the fire department or
93.3 independent nonprofit firefighting corporation; and

93.4 (3) whose retirement benefit under the retirement plan has not yet been distributed in a
93.5 lump sum or has not yet begun to be distributed in periodic installments or as a monthly
93.6 pension.

93.7 (b) A member may be an active firefighter, an inactive firefighter, or a former firefighter
93.8 who has a benefit under the retirement plan but has not become eligible to receive the benefit.

93.9 Sec. 9. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to
93.10 read:

93.11 Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief
93.12 association" means a nonprofit corporation incorporated under or governed by chapter 317A
93.13 that is a governmental entity that receives and manages public money to provide retirement
93.14 benefits for individuals providing the governmental services of firefighting and emergency
93.15 first response, is subject to chapter 424A, and is affiliated with:

93.16 (1) a fire department established by municipal ordinance;

93.17 (2) an independent nonprofit firefighting corporation incorporated under chapter 317A;
93.18 or

93.19 (3) a fire department operated as or by a joint powers entity.

93.20 (b) Relief association or volunteer firefighters relief association does not mean the
93.21 voluntary statewide volunteer firefighter retirement plan governed by chapter 353G.

93.22 Sec. 10. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
93.23 to read:

93.24 Subd. 5a. **Retirement benefit.** "Retirement benefit" means the benefit to which a member
93.25 is entitled under a retirement plan.

93.26 Sec. 11. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
93.27 to read:

93.28 Subd. 5b. **Retirement plan.** "Retirement plan" means the defined benefit plan or defined
93.29 contribution plan established and administered by a relief association.

94.1 Sec. 12. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision
94.2 to read:

94.3 Subd. 7. **Surplus.** "Surplus" means the amount by which the assets in a defined benefit
94.4 plan exceed accrued liabilities.

94.5 Sec. 13. [424B.13] **CONVERSION OF RELIEF ASSOCIATION DEFINED BENEFIT**
94.6 **PLAN TO DEFINED CONTRIBUTION PLAN.**

94.7 Subdivision 1. **Authority to initiate conversion.** (a) The board of trustees of a defined
94.8 benefit relief association may convert the defined benefit plan to a defined contribution plan
94.9 in accordance with this section.

94.10 (b) A conversion consists of:

94.11 (1) termination of the defined benefit plan;

94.12 (2) establishment of a defined contribution plan; and

94.13 (3) transfer and allocation of the assets of the defined benefit plan to accounts under the
94.14 defined contribution plan.

94.15 (c) The termination of the defined benefit plan does not dissolve the relief association,
94.16 which is an ongoing nonprofit corporation under chapter 317A, unless dissolved under
94.17 chapter 317A and section 424B.22.

94.18 Subd. 2. **Board of trustees.** To initiate and complete a conversion, the board of trustees
94.19 must:

94.20 (1) approve resolutions that:

94.21 (i) state that the defined benefit plan is being converted to a defined contribution plan;

94.22 (ii) designate a conversion effective date;

94.23 (iii) fully vest all members as of the conversion effective date in each member's lump-sum
94.24 benefit or monthly pension, such that each member is 100 percent vested in the member's
94.25 lump-sum benefit or monthly pension;

94.26 (iv) if the relief association has a surplus as of the end of the relief association's most
94.27 recent fiscal year before the conversion effective date, at the option of the board of trustees,
94.28 conditionally increase the lump-sum benefit or monthly pension amount under the defined
94.29 benefit plan, as provided under subdivision 4;

94.30 (v) determine the method for allocating a surplus;

95.1 (vi) adopt a defined contribution plan and approve a plan document that complies with
95.2 section 424A.016 and states the terms and conditions for eligibility, vesting, allocation of
95.3 contributions, distribution of retirement benefits, and any ancillary benefits; and

95.4 (vii) authorize any bylaws amendments needed to incorporate items (i) to (vi) into the
95.5 bylaws;

95.6 (2) obtain the consent of the municipality or firefighting corporation if required by
95.7 subdivision 3;

95.8 (3) determine the present value of each member's accrued benefit as of the conversion
95.9 effective date as required by subdivision 5;

95.10 (4) if there is a surplus, allocate the surplus under a method that complies with subdivision
95.11 6;

95.12 (5) if there is not a surplus, take the actions required under subdivision 7;

95.13 (6) provide the notices required under subdivisions 8 and 9; and

95.14 (7) implement the conversion, including the requirements under subdivision 10.

95.15 Subd. 3. **Consent of municipality or firefighting corporation.** The consent of the
95.16 affiliated municipality, all municipalities if more than one municipality operates the fire
95.17 department pursuant to a joint powers agreement, or firefighting corporation to a relief
95.18 association's conversion of its defined benefit plan to a defined contribution plan is required
95.19 as provided under subdivision 7 only if the relief association does not have a surplus as of
95.20 the end of the relief association's most recent fiscal year before the conversion effective
95.21 date.

95.22 Subd. 4. **Benefit increase.** (a) If the relief association has a surplus as of the end of the
95.23 relief association's most recent fiscal year before the conversion effective date, the board
95.24 of trustees may approve a resolution that increases the lump-sum benefit or monthly pension
95.25 amount or both the lump sum and monthly pension amount, if the relief association offers
95.26 both, and amends the relief association bylaws without the consent of the affiliated
95.27 municipality or firefighting corporation, notwithstanding section 424A.02, subdivision 10.
95.28 The resulting lump-sum benefit or monthly pension amount is not limited to the maximum
95.29 lump-sum benefit or monthly pension amounts under section 424A.02, subdivision 3.

95.30 (b) The benefit increase must not cause the liabilities of the retirement plan to exceed
95.31 the value of the assets, after taking into account full vesting as required under subdivision
95.32 2 and any administrative expenses arising from the conversion.

96.1 (c) The board of trustees shall specify whether the benefit increase will apply only to
96.2 members active as of the conversion effective date or whether the benefit increase will apply
96.3 to all members, including members who are not active as of the conversion effective date,
96.4 notwithstanding section 424A.015, subdivision 6.

96.5 (d) The board of trustees' resolution approving an increase in the benefit level must be
96.6 considered conditional on there being sufficient assets to fund the increase and must state
96.7 that if, as of the date benefits are transferred to the defined contribution plan, there are not
96.8 sufficient assets to cover all benefit liabilities at the new higher benefit level, the benefit
96.9 level will be reduced until assets equal or are greater than liabilities. The resolution must
96.10 state that the new lower benefit level will be considered approved by the board of trustees
96.11 without further action by the board.

96.12 Subd. 5. **Determination of value of pension benefits and distribution to former**
96.13 **members in pay status.** (a) The board of trustees shall determine the present value of each
96.14 member's accrued benefit, taking into account the full vesting requirement under subdivision
96.15 2 and any increase in the lump-sum benefit or monthly pension amount approved under
96.16 subdivision 4:

96.17 (1) using the method set forth in section 424A.092, subdivision 2, for determining a
96.18 plan's funded status by calculating the value of each firefighter's accrued benefit; or

96.19 (2) as determined by an actuary retained by the relief association, who meets the definition
96.20 of approved actuary under section 356.215, subdivision 1, paragraph (c).

96.21 (b) If the retirement plan pays a monthly pension, the board of trustees shall determine
96.22 the present value of the remaining payments to any former member or beneficiary who is
96.23 receiving an annuity. Present value shall be determined by an actuary who meets the
96.24 definition of approved actuary under section 356.215, subdivision 1, paragraph (c), retained
96.25 by the relief association. The relief association shall offer the former member or beneficiary
96.26 receiving the annuity:

96.27 (1) an immediate lump sum distribution of an amount equal to the present value of the
96.28 remaining payments as determined by the actuary and permit the former member or
96.29 beneficiary to elect a lump sum payment or a direct rollover of the amount to an eligible
96.30 retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the distribution
96.31 is an eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5; or

96.32 (2) continued payments in the same monthly amount, under an annuity to be purchased
96.33 by the board of trustees from a reputable insurance company licensed to do business in the
96.34 state.

97.1 Subd. 6. Allocation of surplus. (a) If, as of the conversion effective date, the defined
97.2 benefit plan has a surplus, the board of trustees shall allocate the surplus as follows:

97.3 (1) per capita method: each member's account will receive the same dollar amount;

97.4 (2) service-based method: each member's account will receive a share of the surplus
97.5 based on the ratio of the member's years of service to the total years of service for all
97.6 members; or

97.7 (3) member and municipality sharing method under paragraph (b).

97.8 (b) The board of trustees may allocate the surplus using the member and municipality
97.9 sharing method in accordance with this paragraph.

97.10 (1) For this purpose, "municipality" means "municipality" or "firefighting corporation,"
97.11 as applicable.

97.12 (2) If the fire department is operated by more than one municipality under a joint powers
97.13 agreement:

97.14 (i) any consent by the municipality under this paragraph requires consent by each
97.15 municipality that is party to the joint powers agreement;

97.16 (ii) any payment of surplus to the municipality under this paragraph requires a payment
97.17 of a pro rata share of surplus to each municipality that is party to the joint powers agreement;
97.18 and

97.19 (iii) any restrictions on the use of surplus applies to each municipality that is party to
97.20 the joint powers agreement.

97.21 (3) Under the member and municipality sharing method:

97.22 (i) first, the municipality will receive a share of the surplus based on the ratio of the
97.23 municipal contributions made to the defined benefit relief association over a specified period
97.24 of years to the total of fire state aid paid and municipal contributions made to the defined
97.25 benefit relief association over the same period; and

97.26 (ii) second, any remaining surplus will be allocated to accounts of members using the
97.27 per capita or service-based method.

97.28 (4) The board of trustees may impose conditions on the use of the surplus by the
97.29 municipality, as follows:

98.1 (i) all or a specified portion of the surplus must be contributed back to the defined
98.2 contribution relief association over a specified number of future years for allocation to the
98.3 accounts of members eligible for an allocation;

98.4 (ii) all or a specified portion of the surplus must be used by the municipality for the
98.5 purposes described in section 424A.08, paragraph (a) or (b); or

98.6 (iii) all or a specified portion of the surplus must be used by the municipality to provide
98.7 health insurance or other welfare benefits for the members.

98.8 (c) The board of trustees shall specify whether the surplus will be allocated only to
98.9 members who are active firefighters as of the conversion effective date or whether the
98.10 surplus will be allocated to all members, including members who are not active firefighters
98.11 as of the conversion effective date.

98.12 Subd. 7. **Conversion without surplus.** If the relief association does not have a surplus
98.13 as of the end of the relief association's most recent fiscal year before the conversion effective
98.14 date, the board of trustees shall:

98.15 (1) obtain the consent of the municipality, of each municipality, if more than one
98.16 municipality operates the fire department pursuant to a joint powers agreement, or of the
98.17 firefighting corporation to the conversion and bylaws amendments under subdivision 2; and

98.18 (2) either:

98.19 (i) include with the resolutions of the board of trustees under subdivision 2 a resolution
98.20 amending the relief association bylaws to decrease the lump-sum or monthly pension benefit
98.21 level as necessary to reduce benefit liabilities until plan assets are sufficient to fund all
98.22 benefit liabilities, taking into account full vesting under subdivision 2 and the payment of
98.23 administrative expenses arising from the conversion; or

98.24 (ii) enter into an agreement with the municipality, each municipality, if more than one
98.25 municipality operates the fire department pursuant to a joint powers agreement, or the
98.26 firefighting corporation, as applicable, that requires the municipality, municipalities, or
98.27 firefighting corporation, as applicable, to make a contribution in an amount sufficient to
98.28 cover all benefit liabilities at the current benefit level, taking into account full vesting under
98.29 subdivision 2 and the payment of administrative expenses arising from the conversion.

98.30 Subd. 8. **Notice to members.** The board of trustees shall provide notice to all members
98.31 at least 90 days before the conversion effective date. The notice shall include:

98.32 (1) an explanation that the plan is converting from a defined benefit plan to a defined
98.33 contribution plan and provide definitions for those terms, the reasons for the conversion,

99.1 the conversion effective date, and the procedure to be followed, including fully vesting all
99.2 members;

99.3 (2) a summary of the terms of the newly adopted defined contribution plan;

99.4 (3) information about any increase in the benefit level and whether the increase applies
99.5 to all members or only active firefighters;

99.6 (4) a section tailored to each member that provides an estimate of the present value of
99.7 the member's fully vested accrued benefit and the calculation that resulted in that value;

99.8 (5) an estimate of any anticipated surplus and an explanation of the disposition of the
99.9 surplus, including, as applicable, a description of the method allocating the surplus among
99.10 members' accounts and whether the municipality, each municipality, if more than one
99.11 municipality operates the fire department pursuant to a joint powers agreement, or firefighting
99.12 corporation will receive any of the surplus and any conditions on its use; and

99.13 (6) contact information for one or more members of the board of trustees who will answer
99.14 questions and provide a copy of the new defined contribution plan document or a summary,
99.15 if requested, or directions to a website for viewing and printing the plan document or
99.16 summary.

99.17 Subd. 9. **Notice to municipality and state auditor.** The relief association shall provide
99.18 notice to the municipality, each municipality, if more than one municipality operates the
99.19 fire department pursuant to a joint powers agreement, or firefighting corporation affiliated
99.20 with the relief association and the state auditor at the same time as the notice required under
99.21 subdivision 8. The notice must include the information required under subdivision 8, except
99.22 that the individualized information will be provided as a spreadsheet listing the name of
99.23 each firefighter and the corresponding accrued benefit amount.

99.24 Subd. 10. **Implementation.** (a) A record-keeping account shall be established for each
99.25 member under the defined contribution plan to which is recorded the value of the firefighter's
99.26 fully vested accrued benefit as determined as of the conversion effective date and the amount
99.27 of any surplus allocated to the firefighter's account.

99.28 (b) In no event may the value of a member's account in the defined contribution plan be
99.29 less as of the day following the conversion effective date than the present value of the
99.30 member's accrued benefit as of the day before the conversion effective date.

99.31 Sec. 14. **EFFECTIVE DATE.**

99.32 Sections 1 to 13 are effective the day following final enactment.

100.1

ARTICLE 16

100.2

**STATE AUDITOR VOLUNTEER FIREFIGHTER
WORKING GROUP RECOMMENDATIONS**

100.3

100.4 Section 1. Minnesota Statutes 2018, section 424A.003, is amended to read:

100.5

424A.003 CERTIFICATION OF SERVICE CREDIT.

100.6

100.7 (a) When a municipal fire department, a joint powers fire department, or an independent

100.8 nonprofit firefighting corporation is directly associated with the volunteer firefighters relief

100.9 association, the fire chief shall certify annually by March 31 the service credit for the

100.10 previous calendar year of each volunteer firefighter rendering active service with the fire

100.11 (b) The certification shall be made to an officer of the relief association's board of trustees

100.12 and to the municipal clerk or clerk-treasurer of the largest municipality in population served

100.13 by the associated fire department.

100.14 (c) The fire chief shall notify each volunteer firefighter rendering active service with

100.15 the fire department of the amount of service credit rendered by the firefighter for the previous

100.16 calendar year. The service credit notification and a description of the process and deadlines

100.17 for the firefighter to challenge the fire chief's determination of service credit must be provided

100.18 to the firefighter ~~60~~ at least 21 days prior to its certification to the relief association and

100.19 municipality. If the service credit amount is challenged, the fire chief shall accept and

100.20 consider any additional pertinent information and shall make a final determination of service

100.21 credit.

100.22 (d) The service credit certification must be expressed as the number of completed months

100.23 of the previous year during which an active volunteer firefighter rendered at least the

100.24 minimum level of duties as specified and required by the fire department under the rules,

100.25 regulations, and policies applicable to the fire department. No more than one year of service

100.26 credit may be certified for a calendar year.

100.27 (e) If a volunteer firefighter who is a member of the relief association leaves active

100.28 firefighting service to render active military service that is required to be governed by the

100.29 federal Uniformed Services Employment and Reemployment Rights Act, as amended, the

100.30 firefighter must be certified as providing service credit for the period of the military service,

100.31 up to the applicable limit of the federal Uniformed Services Employment and Reemployment

100.32 Rights Act. If the volunteer firefighter does not return from the military service in compliance

100.33 with the federal Uniformed Services Employment and Reemployment Rights Act, the service

101.1 credits applicable to that military service credit period are forfeited and canceled at the end
101.2 of the calendar year in which the time limit set by federal law occurs.

101.3 **EFFECTIVE DATE.** This section is effective January 1, 2021.

101.4 Sec. 2. Minnesota Statutes 2019 Supplement, section 424A.014, subdivision 1, is amended
101.5 to read:

101.6 Subdivision 1. **Financial report and audit.** (a) The board of the Bloomington Fire
101.7 Department Relief Association and each volunteer firefighters relief association with assets
101.8 of at least \$500,000 or liabilities of at least \$500,000 in the prior year or in any previous
101.9 year, according to the applicable actuarial valuation or according to the financial report if
101.10 no valuation is required, must prepare a financial report covering the special and general
101.11 funds of the relief association for the preceding fiscal year, file the financial report, and
101.12 submit financial statements.

101.13 (b) The financial report must contain financial statements and disclosures that present
101.14 the true financial condition of the relief association and the results of relief association
101.15 operations in conformity with generally accepted accounting principles and in compliance
101.16 with the regulatory, financing, and funding provisions of this chapter and any other applicable
101.17 laws. The financial report must be countersigned by:

101.18 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief
101.19 association is located if the relief association is a firefighters' relief association that is directly
101.20 associated with a municipal fire department;

101.21 (2) the municipal clerk or clerk-treasurer of the largest municipality in population that
101.22 contracts with the independent nonprofit firefighting corporation if the volunteer firefighter
101.23 relief association is a subsidiary of an independent nonprofit firefighting corporation, and
101.24 by the secretary of the independent nonprofit firefighting corporation; or

101.25 (3) the chief financial official of the county in which the volunteer firefighter relief
101.26 association is located or primarily located if the relief association is associated with a fire
101.27 department that is not located in or associated with an organized municipality.

101.28 (c) The financial report must be retained in the office of the Bloomington Fire Department
101.29 Relief Association or the volunteer firefighter relief association for public inspection and
101.30 must be filed with the governing body of the government subdivision in which the associated
101.31 fire department is located after the close of the fiscal year. One copy of the financial report
101.32 must be furnished to the state auditor after the close of the fiscal year.

102.1 (d) Audited financial statements must be attested to by a certified public accountant or
102.2 by the state auditor and must be filed with the state auditor on or before June 30 after the
102.3 close of the fiscal year. Audits must be conducted in compliance with generally accepted
102.4 ~~governmental~~ auditing standards and section 6.65 governing audit procedures. The state
102.5 auditor may accept this report in lieu of the report required in paragraph (c).

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

102.7 Sec. 3. Minnesota Statutes 2019 Supplement, section 424A.016, subdivision 4, is amended
102.8 to read:

102.9 Subd. 4. **Individual accounts.** (a) An individual account must be established for each
102.10 firefighter who is a member of the relief association.

102.11 (b) To each individual active member account must be credited an equal share of:

102.12 (1) any amounts of fire state aid and police and firefighter retirement supplemental state
102.13 aid received by the relief association;

102.14 (2) any amounts of municipal contributions to the relief association raised from levies
102.15 on real estate or from other available municipal revenue sources exclusive of fire state aid;
102.16 and

102.17 (3) any amounts equal to the share of the assets of the special fund to the credit of:

102.18 (i) any former member who terminated active service with the fire department to which
102.19 the relief association is associated before meeting the minimum service requirement provided
102.20 for in subdivision 2, paragraph (b), and has not returned to active service with the fire
102.21 department for a period no shorter than five years; or

102.22 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the
102.23 amounts credited to the individual member account under subdivision 2, paragraph (b), and
102.24 any applicable provision of the bylaws of the relief association.

102.25 (c) In addition, any investment return on the assets of the special fund must be credited
102.26 in proportion to the share of the assets of the special fund to the credit of each individual
102.27 active member account and inactive member account, unless the inactive member is a
102.28 deferred member as defined in subdivision 6.

102.29 (d) Administrative expenses of the relief association payable from the special fund may
102.30 be deducted from individual accounts in a manner specified in the bylaws of the relief
102.31 association.

103.1 ~~(e) If the bylaws so permit and as the bylaws define, the relief association may credit~~
103.2 ~~any investment return on the assets of the special fund to the accounts of inactive members.~~

103.3 ~~(d)~~ (e) Amounts to be credited to individual accounts must be allocated uniformly for
103.4 all years of active service and allocations must be made for all years of service, except for
103.5 caps on service credit if so provided in the bylaws of the relief association. Amounts forfeited
103.6 under paragraph (b), clause (3), before a resumption of active service and membership under
103.7 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the
103.8 resumption of active service and membership. The allocation method may utilize monthly
103.9 proration for fractional years of service, as the bylaws or articles of incorporation of the
103.10 relief association so provide. The bylaws or articles of incorporation may define a "month,"
103.11 but the definition must require a calendar month to have at least 16 days of active service.
103.12 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed
103.13 calendar month of active service measured from the member's date of entry to the same date
103.14 in the subsequent month.

103.15 ~~(e)~~ (f) At the time of retirement under subdivision 2 and any applicable provision of the
103.16 bylaws of the relief association, a retiring member is entitled to that portion of the assets of
103.17 the special fund to the credit of the member in the individual member account which is
103.18 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief
103.19 association based on the number of years of service to the credit of the retiring member.

103.20 ~~(f)~~ (g) Annually, the secretary of the relief association shall certify the individual account
103.21 allocations to the state auditor at the same time that the annual financial statement or financial
103.22 report and audit of the relief association, whichever applies, is due under section 424A.014.

103.23 Sec. 4. Minnesota Statutes 2019 Supplement, section 424A.016, subdivision 6, is amended
103.24 to read:

103.25 **Subd. 6. Deferred service pensions.** (a) A "deferred member" means a member of a
103.26 relief association ~~is entitled to a deferred service pension if the member separates~~ who has
103.27 separated from active service and membership and has completed the minimum service and
103.28 membership requirements in subdivision 2. The requirement that a member separate from
103.29 active service and membership is waived for persons who have discontinued their volunteer
103.30 firefighter duties and who are employed on a full-time basis under section 424A.015,
103.31 subdivision 1.

103.32 (b) ~~The~~ A deferred member is entitled to receive a deferred service pension is payable
103.33 ~~when the former member reaches at least age 50, or at least the minimum age specified in~~

104.1 the bylaws governing the relief association if that age is greater than age 50, and ~~when the~~
104.2 ~~former member~~ makes a valid written application.

104.3 (c) A defined contribution relief association ~~may, if its governing bylaws so provide,~~
104.4 must credit interest or additional investment performance on the deferred lump-sum service
104.5 pension during the period of deferral for all deferred members on or after January 1, 2021.
104.6 ~~If provided for in the bylaws, the~~ Interest must be credited using one of the following
104.7 methods, as provided for in the bylaws:

104.8 (1) at the investment performance rate actually earned on that portion of the assets if the
104.9 deferred benefit amount is invested by the relief association in a separate account established
104.10 and maintained by the relief association;

104.11 (2) at the investment performance rate actually earned on that portion of the assets if the
104.12 deferred benefit amount is invested in a separate investment vehicle held by the relief
104.13 association; or

104.14 (3) at the investment return on the assets of the special fund of the defined contribution
104.15 volunteer firefighters relief association in proportion to the share of the assets of the special
104.16 fund to the credit of each individual deferred member account through the accounting date
104.17 on which the investment return is recognized by and credited to the special fund.

104.18 (d) Unless the bylaws of a relief association that has elected to pay interest or additional
104.19 investment performance on deferred lump-sum service pensions under paragraph (c) specifies
104.20 a different interest or additional investment performance method, including the interest or
104.21 additional investment performance period starting date and ending date, the interest or
104.22 additional investment performance on a deferred service pension is creditable as follows:

104.23 (1) for a relief association that has elected to credit interest or additional investment
104.24 performance under paragraph (c), clause (1) or (3), beginning on the date that the member
104.25 separates from active service and membership and ending on the accounting date immediately
104.26 before the deferred member commences receipt of the deferred service pension; or

104.27 (2) for a relief association that has elected to credit interest or additional investment
104.28 performance under paragraph (c), clause (2), beginning on the date that the member separates
104.29 from active service and membership and ending on the date that the separate investment
104.30 vehicle is valued immediately before the date on which the deferred member commences
104.31 receipt of the deferred service pension.

105.1 (e) If the bylaws do not define a method for crediting interest or additional investment
 105.2 performance, the interest or additional investment performance must be credited using the
 105.3 method defined in paragraph (c), clause (3).

105.4 (f) Until December 31, 2020, a defined contribution relief association is permitted, if its
 105.5 governing bylaws so provide, to credit interest or additional investment performance on the
 105.6 deferred lump-sum service pension during the period of deferral using the method set forth
 105.7 in the bylaws applicable on the date on which each deferred member separated from active
 105.8 service.

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

105.10 Sec. 5. Minnesota Statutes 2018, section 424A.03, as amended by Laws 2019, First Special
 105.11 Session chapter 6, article 22, section 20, is amended to read:

105.12 **424A.03 UNIFORMITY OF VOLUNTEER FIREFIGHTER SERVICE PENSION**
 105.13 **AND RETIREMENT BENEFITS BASED ON SERVICE.**

105.14 Subdivision 1. ~~Limitation on nonuniformity of Service pensions based on years of~~
 105.15 ~~service.~~ Every partially salaried and partially volunteer firefighters A relief association must
 105.16 provide service pensions or retirement benefits to volunteer firefighter its members based
 105.17 on the years of service of the members, not on the compensation paid to the members for
 105.18 firefighting services. Each relief association must provide service pensions to salaried
 105.19 members as set forth in chapter 424 and applicable special laws their service.

105.20 Subd. 2. ~~Penalties~~ **Penalty for violations violation.** A municipality which has a fire
 105.21 department associated with If a relief association which violates the provisions of subdivision
 105.22 1 is directly associated or which contracts with an independent nonprofit firefighting
 105.23 corporation associated with a relief association which violates the provisions of subdivision
 105.24 1 is a subsidiary may, the affiliated municipality or municipalities must not be included in
 105.25 the apportionment of fire state aid and police and firefighter retirement supplemental state
 105.26 aid payable under chapter 477B and section 423A.022 and ~~may not be included~~ in the
 105.27 apportionment of fire state aid to the various municipalities under section 477B.03.

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

105.29 Sec. 6. Minnesota Statutes 2018, section 424A.092, subdivision 1, is amended to read:

105.30 Subdivision 1. **Application.** This section shall apply to any firefighters relief association
 105.31 specified in section 424A.091, subdivision 1, which pays a lump-sum service pension, but
 105.32 which does not pay a monthly service pension, to a retiring firefighter when at least the

106.1 minimum requirements for entitlement to a service pension specified in section 424A.02;
 106.2 or any applicable special legislation and the articles of incorporation or bylaws of the relief
 106.3 association have been met. Each firefighters relief association to which this section applies
 106.4 shall determine the accrued liability of the special fund of the relief association in accordance
 106.5 with ~~the accrued liability table set forth in subdivision~~ subdivisions 2 and 2a, if applicable,
 106.6 and the financial requirements of the relief association and the minimum obligation of the
 106.7 municipality in accordance with the procedure set forth in subdivision 3.

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

106.9 Sec. 7. Minnesota Statutes 2018, section 424A.092, subdivision 2, is amended to read:

106.10 **Subd. 2. Determination of accrued liability.** (a) Beginning with the calculation
 106.11 performed in 2021 for the 2022 calendar year each firefighters relief association which pays
 106.12 a lump-sum service pension ~~when a retiring firefighter meets the minimum requirements~~
 106.13 ~~for entitlement to a service pension specified in section 424A.02 and which in its articles~~
 106.14 ~~of incorporation or bylaws requires service credit for a period of service of at least 20 years~~
 106.15 ~~of active service for a totally nonforfeitable service pension~~ shall determine the accrued
 106.16 liability of the special fund of the firefighters relief association relative to each active member
 106.17 of the relief association, calculated using the applicable appendix to the standards for actuarial
 106.18 work established by the Legislative Commission on Pensions and Retirement under section
 106.19 3.85, subdivision 10.

106.20 (b) For calendar years before 2022, each firefighters relief association shall determine
 106.21 the accrued liability of the special fund of the firefighters relief association relative to each
 106.22 active member of the relief association, calculated individually using the following table:

106.23	Cumulative	Accrued
106.24	Year	Liability
106.25
106.26	1	\$ 60
106.27	2	124
106.28	3	190
106.29	4	260
106.30	5	334
106.31	6	410
106.32	7	492
106.33	8	576
106.34	9	666
106.35	10	760

107.1	11	858
107.2	12	962
107.3	13	1070
107.4	14	1184
107.5	15	1304
107.6	16	1428
107.7	17	1560
107.8	18	1698
107.9	19	1844
107.10	20	2000
107.11	21 and thereafter	100 additional per year

107.12 ~~(b)~~ As set forth in the table the accrued liability for each member of the relief association
 107.13 corresponds to the cumulative years of active service to the credit of the member. The
 107.14 accrued liability of the special fund for each active member is determined by multiplying
 107.15 the accrued liability from the chart by the ratio of the lump-sum service pension amount
 107.16 currently provided for in the bylaws of the relief association to a service pension of \$100
 107.17 per year of service.

107.18 (c) If a member has fractional service as of December 31, the figure for service credit
 107.19 to be used for the determination of accrued liability pursuant to this section shall be rounded
 107.20 to the nearest full year of service credit. The total accrued liability of the special fund as of
 107.21 December 31 shall be the sum of the accrued liability attributable to each active member
 107.22 of the relief association.

107.23 ~~(e)~~ (d) To the extent that the state auditor considers it to be necessary or practical, the
 107.24 state auditor may specify and issue procedures, forms, or mathematical tables for use in
 107.25 performing the calculations of the accrued liability for deferred members pursuant to this
 107.26 subdivision.

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

107.28 **ARTICLE 17**

107.29 **MSRS UNCLASSIFIED PLAN**
 107.30 **ANNUITY RATE GRANDFATHER PROVISION EXTENSION**

107.31 Section 1. Minnesota Statutes 2018, section 352D.06, subdivision 1, is amended to read:

107.32 Subdivision 1. **Annuity; reserves.** (a) When a participant attains at least age 55,
 107.33 terminates from covered service, and applies for a retirement annuity, the cash value of the
 107.34 participant's shares must be transferred to the general state employees retirement fund and

108.1 be used to provide an annuity for the participant based upon the participant's age when the
108.2 benefit begins to accrue.

108.3 (b) Except for participants described in paragraph (c), the monthly amount of the annuity
108.4 must be determined using the actuarial assumptions in effect for the general state employees
108.5 retirement plan under section 356.215 on the accrual date.

108.6 (c) For any participant who retires on or after July 1, 2017, and before July 1, 2020,
108.7 when the participant is at least age 63 or has had at least 26 years of covered service, the
108.8 monthly amount of the annuity must be determined using the actuarial assumptions in effect
108.9 for the general state employees retirement plan under section 356.215 on June 30, 2016.

108.10 (d) For any participant who terminates employment on or after July 1, 2020, and before
108.11 July 1, 2021, if the participant was at least age 63 or had at least 26 years of covered service
108.12 as of June 30, 2020, the monthly amount of the annuity must be determined using the
108.13 actuarial assumptions in effect for the general state employees retirement plan under section
108.14 356.215 on June 30, 2016.

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

353.30 ANNUITIES UPON RETIREMENT.

Subd. 4. **Reduction in monthly payments.** Monthly payments to which any person may be entitled under this chapter may be reduced upon application to the association, provided that the person shall first relinquish in writing all claim to that part of the full monthly payment which is the difference between the monthly payment which that person would be otherwise entitled to receive and the monthly payment which that person will receive. The reduced monthly payment shall be payment in full of all amounts due under this chapter for the month for which the payment is made and acceptance of the reduced monthly payment releases the retirement association from all obligation to pay to the person the difference between the amount of the reduced monthly payment and the full amount of the monthly payment which the person would otherwise have received. Upon application of the person who is entitled to such monthly payment, it may be increased prospectively to not more than the amount to which the person would have been entitled had no portion thereof been waived.

354.55 OPTIONS TO CERTAIN MEMBERS.

Subd. 10. **Reduced benefits.** Any benefit to which any person may be entitled under this chapter may be reduced in amount upon application of the person entitled thereto to the executive director if the person relinquishes in writing all claim to that part of the full benefit which is the difference between the benefit which the person would be otherwise entitled to receive and the benefit which the person will receive after the benefit reduction. The reduced benefit is payment in full of all amounts due under this chapter for the month for which the payment is made and acceptance of the reduced benefit releases the retirement association from all obligation to pay to the person the difference between the amount of the reduced benefit and the full amount of the benefit which the person would otherwise have received. Any benefit reduced under the provisions of this subdivision may not again be restored.

356.24 SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.

Subd. 2. **Limit on certain contributions or benefit changes.** No change in benefits or employer contributions in a supplemental pension plan to which this section applies that occurs after May 6, 1971, is effective without prior legislative authorization.

356.44 PARTIAL PAYMENT OF PENSION PLAN REFUND.

(a) Notwithstanding any provision of law to the contrary, a member of a pension plan listed in section 356.30, subdivision 3, with at least two years of forfeited service taken from a single pension plan, may repay a portion of all refunds. A partial refund repayment must comply with this section.

(b) The minimum portion of a refund repayment is one-third of the total service credit period of all refunds taken from a single plan.

(c) The cost of the partial refund repayment is the product of the cost of the total repayment multiplied by the ratio of the restored service credit to the total forfeited service credit. The total repayment amount includes interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the refund date to the date repayment is received.

(d) The restored service credit must be allocated based on the relationship the restored service bears to the total service credit period for all refunds taken from a single pension plan.

(e) This section does not authorize a public pension plan member to repay a refund if the law governing the plan does not authorize the repayment of a refund of member contributions.

424B.20 DISSOLUTION WITHOUT CONSOLIDATION.

Subdivision 1. **Applicable dissolutions.** This section applies if the fire department associated with a volunteer firefighters relief association is dissolved or eliminated by action of the governing body of the municipality in which the fire department was located or by the independent nonprofit firefighting corporation, whichever applies, and no consolidation with another volunteer firefighters relief association under sections 424B.01 to 424B.10 is sought, or if a volunteer firefighters relief association is dissolved or eliminated with municipal approval, but the fire department associated with the volunteer firefighters relief association is not dissolved or eliminated, and no consolidation with another volunteer firefighters relief association under sections 424B.01 to 424B.10 is applicable.

Subd. 2. **Procedures.** As part of the dissolution process, all legal obligations of the relief association other than service pensions and benefits must be settled under subdivision 3, a benefit

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trust must be established under subdivision 4, and the affairs of the relief association must be concluded under subdivision 5.

Subd. 3. Settlement of nonbenefit legal obligations. (a) Prior to the effective date of the dissolution of the volunteer firefighters relief association established by the relief association board of trustees, the board shall determine the following:

(1) the fair market value of the assets of the special fund;

(2) the total amount of the accounts payable and other legal obligations of the special fund, excluding the accrued liability of the special fund for service pensions and other benefits; and

(3) the accrued liability of the special fund for service pensions and other benefits payable or accrued under the applicable bylaws of the relief association and chapter 424A.

(b) On or before the effective date of the dissolution of the volunteer firefighters relief association, the board shall liquidate sufficient special fund assets to pay the legal obligations of the special fund and must settle those legal obligations.

(c) On or before the effective date of the dissolution of the volunteer firefighters relief association, the board shall settle the legal obligations of the general fund of the relief association.

Subd. 4. Benefit trust fund establishment. (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. If the fire department was a joint powers entity, the remaining assets of the special fund shall be transferred to the chief financial official of the municipality designated as the fiscal agent in the joint powers agreement or, if the agreement does not designate a municipality as the fiscal agent, the remaining assets of the special fund shall be transferred to the chief financial official of the municipality with the largest population served by the joint powers fire department. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality receiving the remaining assets of the special fund of a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095. Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel to the general fund of the municipality or, if the fire department was a joint powers entity, any remaining assets in the trust fund cancel to the general fund of each municipality that was a contracting party to the joint powers agreement as specified in the joint powers agreement. If the joint powers agreement does not specify how the remaining assets are to be distributed among the contracting parties, each of the contracting parties shall receive a pro rata share of the remaining assets based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar years. If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability. If the fire department was a joint powers entity, the contracting municipalities are liable for their share of the unfunded actuarial accrued liability as specified in the joint powers agreement. If the joint powers agreement does not specify liability for any unfunded actuarial accrued liability, the contracting municipalities are liable for their pro rata share of the unfunded actuarial accrued liability based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar years.

Subd. 4a. **Disposition of surplus assets upon dissolution of certain volunteer firefighters relief associations.** Notwithstanding any provision to the contrary in subdivision 4, if a volunteer firefighters relief association provides a lump-sum service pension equal to \$9,500 or more for each year of service as of June 1, 2018, upon dissolution under this section and payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel as follows:

(1) if the municipality was required to make contributions to the relief association under chapter 424A at any time during the ten years preceding June 1, 2018, the remaining assets cancel to the general fund of the municipality; or

(2) if the municipality was not required to make contributions to the relief association under chapter 424A at any time during the ten years preceding June 1, 2018, the remaining assets cancel to the general fund of the state.

Subd. 5. **Relief association affairs wind-up.** Upon dissolution, the board of trustees of the volunteer firefighters relief association shall transfer the records of the relief association to the chief administrative officer of the applicable municipality. The board shall also notify the commissioner of revenue, the state auditor, and the secretary of state of the dissolution within 30 days of the effective date of the dissolution.

424B.21 ANNUITY PURCHASES UPON DISSOLUTION.

The board of trustees of a volunteer firefighters relief association that is scheduled for dissolution may purchase annuity contracts under section 424A.015, subdivision 3, instead of transferring special fund assets to a municipal trust fund under section 424B.20, subdivision 4. Payment of an annuity for which a contract is purchased may not commence before the retirement age specified in the relief association bylaws and in compliance with section 424A.016, subdivision 2, or 424A.02, subdivision 1. Legal title to the annuity contract transfers to the municipal trust fund under section 424B.20, subdivision 4.

*Laws 1980, chapter 607, section 13 is not available in xtend
 Laws 2018, chapter 211, article 14, section 29*

Sec. 29. CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION SERVICE PENSIONS.

(a) As used in this section, "qualifying volunteer firefighters relief association" means a volunteer firefighters relief association with a funding ratio of greater than 100 percent as of the most recent fiscal year end, and which provides a lump sum pension benefit based on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this section. For purposes of this section, "qualifying volunteer firefighters relief association" does not include an association whose maximum lump-sum pension amount is specifically established by other provisions of this bill.

(b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of service credited that may be provided for in the bylaws of a qualifying volunteer firefighters relief association is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

<u>Minimum Average Amount of Available Financing per Firefighter</u>	<u>Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service</u>
\$...	\$ 10
<u>11</u>	<u>20</u>
<u>16</u>	<u>30</u>
<u>23</u>	<u>40</u>
<u>27</u>	<u>50</u>
<u>32</u>	<u>60</u>
<u>43</u>	<u>80</u>
<u>54</u>	<u>100</u>
<u>65</u>	<u>120</u>
<u>77</u>	<u>140</u>
<u>86</u>	<u>160</u>
<u>97</u>	<u>180</u>
<u>108</u>	<u>200</u>
<u>131</u>	<u>240</u>
<u>151</u>	<u>280</u>
<u>173</u>	<u>320</u>
<u>194</u>	<u>360</u>
<u>216</u>	<u>400</u>
<u>239</u>	<u>440</u>
<u>259</u>	<u>480</u>
<u>281</u>	<u>520</u>
<u>302</u>	<u>560</u>
<u>324</u>	<u>600</u>
<u>347</u>	<u>640</u>
<u>367</u>	<u>680</u>

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<u>389</u>	<u>720</u>
<u>410</u>	<u>760</u>
<u>432</u>	<u>800</u>
<u>486</u>	<u>900</u>
<u>540</u>	<u>1000</u>
<u>594</u>	<u>1100</u>
<u>648</u>	<u>1200</u>
<u>702</u>	<u>1300</u>
<u>756</u>	<u>1400</u>
<u>810</u>	<u>1500</u>
<u>864</u>	<u>1600</u>
<u>918</u>	<u>1700</u>
<u>972</u>	<u>1800</u>
<u>1026</u>	<u>1900</u>
<u>1080</u>	<u>2000</u>
<u>1134</u>	<u>2100</u>
<u>1188</u>	<u>2200</u>
<u>1242</u>	<u>2300</u>
<u>1296</u>	<u>2400</u>
<u>1350</u>	<u>2500</u>
<u>1404</u>	<u>2600</u>
<u>1458</u>	<u>2700</u>
<u>1512</u>	<u>2800</u>
<u>1566</u>	<u>2900</u>
<u>1620</u>	<u>3000</u>
<u>1672</u>	<u>3100</u>
<u>1726</u>	<u>3200</u>
<u>1753</u>	<u>3250</u>
<u>1780</u>	<u>3300</u>
<u>1820</u>	<u>3375</u>
<u>1834</u>	<u>3400</u>
<u>1888</u>	<u>3500</u>
<u>1942</u>	<u>3600</u>
<u>1996</u>	<u>3700</u>
<u>2023</u>	<u>3750</u>
<u>2050</u>	<u>3800</u>
<u>2104</u>	<u>3900</u>
<u>2158</u>	<u>4000</u>
<u>2212</u>	<u>4100</u>

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<u>2265</u>	<u>4200</u>
<u>2319</u>	<u>4300</u>
<u>2373</u>	<u>4400</u>
<u>2427</u>	<u>4500</u>
<u>2481</u>	<u>4600</u>
<u>2535</u>	<u>4700</u>
<u>2589</u>	<u>4800</u>
<u>2643</u>	<u>4900</u>
<u>2697</u>	<u>5000</u>
<u>2751</u>	<u>5100</u>
<u>2805</u>	<u>5200</u>
<u>2859</u>	<u>5300</u>
<u>2913</u>	<u>5400</u>
<u>2967</u>	<u>5500</u>
<u>3021</u>	<u>5600</u>
<u>3075</u>	<u>5700</u>
<u>3129</u>	<u>5800</u>
<u>3183</u>	<u>5900</u>
<u>3237</u>	<u>6000</u>
<u>3291</u>	<u>6100</u>
<u>3345</u>	<u>6200</u>
<u>3399</u>	<u>6300</u>
<u>3453</u>	<u>6400</u>
<u>3507</u>	<u>6500</u>
<u>3561</u>	<u>6600</u>
<u>3615</u>	<u>6700</u>
<u>3669</u>	<u>6800</u>
<u>3723</u>	<u>6900</u>
<u>3777</u>	<u>7000</u>
<u>3831</u>	<u>7100</u>
<u>3885</u>	<u>7200</u>
<u>3939</u>	<u>7300</u>
<u>3993</u>	<u>7400</u>
<u>4047</u>	<u>7500</u>
<u>4101</u>	<u>7600</u>
<u>4155</u>	<u>7700</u>
<u>4209</u>	<u>7800</u>
<u>4263</u>	<u>7900</u>
<u>4317</u>	<u>8000</u>

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<u>4371</u>	<u>8100</u>
<u>4425</u>	<u>8200</u>
<u>4479</u>	<u>8300</u>
<u>4533</u>	<u>8400</u>
<u>4587</u>	<u>8500</u>
<u>4641</u>	<u>8600</u>
<u>4695</u>	<u>8700</u>
<u>4749</u>	<u>8800</u>
<u>4803</u>	<u>8900</u>
<u>4857</u>	<u>9000</u>
<u>4911</u>	<u>9100</u>
<u>4965</u>	<u>9200</u>
<u>5019</u>	<u>9300</u>
<u>5073</u>	<u>9400</u>
<u>5127</u>	<u>9500</u>
<u>5181</u>	<u>9600</u>
<u>5235</u>	<u>9700</u>
<u>5289</u>	<u>9800</u>
<u>5343</u>	<u>9900</u>
<u>5397</u>	<u>10,000</u>
<u>5451</u>	<u>10,100</u>
<u>5505</u>	<u>10,200</u>
<u>5559</u>	<u>10,300</u>
<u>5613</u>	<u>10,400</u>
<u>5667</u>	<u>10,500</u>
<u>5721</u>	<u>10,600</u>
<u>5775</u>	<u>10,700</u>
<u>5729</u>	<u>10,800</u>
<u>5883</u>	<u>10,900</u>
<u>5937</u>	<u>11,000</u>
<u>5991</u>	<u>11,100</u>
<u>6045</u>	<u>11,200</u>
<u>6099</u>	<u>11,300</u>
<u>6153</u>	<u>11,400</u>
<u>6207</u>	<u>11,500</u>
<u>6261</u>	<u>11,600</u>
<u>6315</u>	<u>11,700</u>
<u>6369</u>	<u>11,800</u>
<u>6423</u>	<u>11,900</u>

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<u>6477</u>	<u>12,000</u>
<u>6531</u>	<u>12,100</u>
<u>6585</u>	<u>12,200</u>
<u>6639</u>	<u>12,300</u>
<u>6693</u>	<u>12,400</u>
<u>6747</u>	<u>12,500</u>
<u>any amount in excess of 6747</u>	<u>12,500</u>

(c) The maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws of the volunteer firefighters relief association must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

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