

**CHAPTER 47--H.F.No. 2950**

*An act relating to retirement; making administrative changes to the statutes governing the retirement plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association; amending eligibility to permit appointed local government officials to participate in the public employees defined contribution plan; permitting the transfer of service credit from the general public employees retirement plan to the public employees police and fire retirement plan for two employees of the Metropolitan Airports Commission; permitting eligible retired teachers in the St. Paul Teachers Retirement Fund Association to change the teacher's retirement annuity to an annuity that will pay a survivor annuity to a same-sex spouse; authorizing certain members of the higher education individual retirement account plan to elect Teachers Retirement Association coverage and receive retroactive service credit; extending the payment period for the purchase of service credit for periods of military service; increasing the cap on the employer contribution to certain trades' multiemployer pension plans; Public Employees Retirement Association statewide volunteer firefighter plan; modifying service counted in determining vesting in a retirement benefit, amending requirements applicable to a relief association after the affiliated fire department joins the statewide plan, and authorizing the Hamel and Loretto volunteer firefighter relief associations to join the statewide plan mid-year and merge; increasing the dollar threshold for requiring audited financial reports for volunteer firefighter relief associations; amending Minnesota Statutes 2022, sections 352B.08, subdivision 1; 353.01, subdivisions 2a, 2b, 15; 353.0162; 353.031, subdivision 10; 353.32, subdivision 1c; 353D.01, subdivision 2, by adding a subdivision; 353D.02, subdivision 1; 353D.03, subdivision 1; 353E.001, by adding subdivisions; 353E.07, subdivisions 3, 4, 5; 353G.01, subdivisions 8, 15, by adding subdivisions; 353G.06, subdivisions 2, 3; 353G.09, subdivisions 1, 2, by adding a subdivision; 353G.14; 354.06, subdivision 2; 354.53, subdivision 3; 354A.093, subdivision 4; 356.24, subdivision 1; 356.551, subdivision 2; 424A.014, subdivision 1; 490.1211; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Minnesota Statutes 2022, sections 353.01, subdivision 15a; 353G.01, subdivision 7; 353G.13; 490.124, subdivision 10.*

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

**ARTICLE 1****MINNESOTA STATE RETIREMENT SYSTEM**

Section 1. Minnesota Statutes 2022, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; when to apply; accrual.** (a) Every member who is credited with three or more years of allowable service if first employed before July 1, 2013, or with at least ten years of allowable service if first employed after June 30, 2013, is entitled to separate from state service and upon becoming 50 years old, is entitled to receive a life annuity, upon separation from state service.

(b) Members must apply for an annuity in a form and manner prescribed by the executive director.

(c) No application may be made more than ~~90~~ 60 days before the date the member is eligible to retire by reason of both age and service requirements.

(d) An annuity begins to accrue no earlier than 180 days before the date the application is filed with the executive director.

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

Sec. 2. Minnesota Statutes 2022, section 356.551, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) Unless the minimum purchase amount set forth in paragraph (c) applies, the prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed by the actuary retained under section 356.214, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section.

(b) Calculation of this amount must be made using the investment return assumption applicable to the public pension plan specified in section 356.215, subdivision 8, and the mortality table adopted for the public pension plan.

(1) Unless clause (2) applies, the calculation must assume continuous future service in the public pension plan until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(2) This clause applies when the calculation is being done for purposes of section 352.272; 352B.087; 353.0141, subdivision 3; 354.544; ~~or~~ 354A.0961; or 490.1211, subdivision 2. The calculation must include continuous future service in the public pension plan until, and retirement at, any age at or after which the minimum requirements of the fund for early retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must be determined using the retirement age that provides the most valuable benefit to the member. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(c) The prior service credit purchase amount may not be less than the amount determined by applying, for each year or fraction of a year being purchased, the sum of the employee contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, applicable during that period, to the person's annual salary during that period, or fractional portion of a year's salary, if applicable, plus 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 end of the year in which contributions would otherwise have been made to the date on which the payment is received.

(d) Unless otherwise provided by statutes governing a specific plan, payment must be made in one lump sum within one year of the prior service credit authorization or prior to the member's effective date of retirement, whichever is earlier. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus 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 date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

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

Sec. 3. Minnesota Statutes 2022, section 490.1211, is amended to read:

**490.1211 UNIFORMED SERVICE.**

**Subdivision 1. Federal uniformed service protections.** (a) A judge who is absent from employment by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), and who returns to state employment as a judge upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, section 4312(e), may obtain service credit for the period of the uniformed service, provided that the judge did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(b) The judge may obtain credit by paying into the fund equivalent member contribution based on the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the judge would have received if the judge had continued to provide employment services to the state rather than to provide uniformed service, or if the determination of that rate is not reasonably certain, the annual salary rate is the judge's average salary rate during the 12-month period of judicial employment rendered immediately preceding the purchase period of the uniformed service.

(c) The equivalent employer contribution and, if applicable, the equivalent employer additional contribution, must be paid by the employing unit, using the employer and employer additional contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent member contribution.

(d) If the member equivalent contributions provided for in this section are not paid in full, the judge's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total member contributions received by the total member contributions otherwise required under this section.

(e) To receive allowable service credit under this section, the contributions specified in this section ~~and section 490.121~~ must be transmitted to the fund during the period which begins with the date on which the individual returns to judicial employment and which has a duration of three times the length of the uniformed service period, but not to exceed five years. If the determined payment period is calculated to be less than ~~one year~~ three years, the contributions required under this section to receive service credit ~~may~~ must be transmitted to the fund within one year three years from the discharge date.

(f) The amount of allowable service credit obtainable under this section and section 490.121 may not exceed five years, unless a longer purchase period is required under United States Code, title 38, section 4312.

(g) The state court administrator shall pay interest on all equivalent member and employer contribution amounts payable under this section. Interest must be at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually, from the end of each fiscal year of the leave or break in service to the end of the month in which payment is received.

**Subd. 2. State-authorized purchase of service credit for periods of military service.** (a) Unless prohibited under paragraph (b), a judge is eligible to purchase service credit, not to exceed five cumulative years of service credit, for one or more periods of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), if:

(1) the judge has at least three years of service credit with the judges retirement plan under this chapter;

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

(3) the judge did not obtain service credit for a period of military service under subdivision 1.

(b) A service credit purchase is prohibited if:

(1) the judge separated from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions;

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

(3) the judge's service in the uniformed services occurred before the judge was first appointed or elected as a judge.

(c) When purchasing a period of service, if the period of service in the uniformed services is one year or less, the judge must purchase the full period of service. If the period of service in the uniformed services is longer than one year, the judge may purchase the full period, not to exceed five cumulative years, or may purchase a portion of the period of service. If the judge purchases a portion of the period of service in the uniformed services, the portion must: (1) not be less than one year; and (2) be in increments of six months of service.

**Subd. 3. Application and documentation.** To purchase service credit under subdivision 2, a judge must apply to the executive director of the Minnesota State Retirement System to make the purchase. The application must include all necessary documentation of the judge's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

**Subd. 4. Purchase payment amount; service credit grant.** (a) The purchase payment amount for a purchase under subdivision 2 is the amount determined under section 356.551 for the period or periods of service requested, except that, for purposes of calculating the purchase payment amount to purchase service credit for service in the uniformed services between periods of employment as a judge, section 356.551, subdivision 2, paragraph (c), does not apply.

(b) Service credit must be granted by the judges retirement plan to the purchasing judge upon the executive director's receipt of the purchase payment amount. The service credit purchased under this section may not be used for the purpose of determining a disability benefit under section 490.124, subdivision 4.

(c) Payment must be made before the effective date of the judge's retirement.

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

Sec. 4. **REPEALER.**

Minnesota Statutes 2022, section 490.124, subdivision 10, is repealed.

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

**ARTICLE 2**

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION  
ADMINISTRATIVE PROVISIONS**

Section 1. Minnesota Statutes 2022, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees; mandatory membership.** (a) Public employees whose ~~annual salary from one governmental subdivision is stipulated in advance to exceed \$5,100 if the person is not a school year employee or \$3,800 if the person is a school year employee~~ exceeds \$425 in any month and who are not specifically excluded under subdivision 2b or ~~who~~ have not been provided an option to participate under subdivision 2d, whether individually or by action of the governmental subdivision, must participate as members of the association with retirement coverage by the general employees retirement plan under this chapter, the public employees police and fire ~~retirement~~ plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies. Membership commences as a condition of ~~their~~ employment on the first day of ~~their~~ employment or on the first day that the eligibility criteria are met, whichever is later. Public employees include but are not limited to:

(1) persons whose salary meets the threshold in this paragraph from employment in one or more positions within one governmental subdivision;

(2) elected county sheriffs;

(3) persons who are appointed, employed, or contracted to perform governmental functions that by law or local ordinance are required of a public officer, including, but not limited to:

(i) town and city clerk or treasurer;

(ii) county auditor, treasurer, or recorder;

(iii) city manager as defined in section 353.028 who does not exercise the option provided under subdivision 2d; or

(iv) emergency management director, as provided under section 12.25;

(4) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(5) full-time employees of the Dakota County Agricultural Society;

(6) employees of the Red Wing Port Authority who were first employed by the Red Wing Port Authority before May 1, 2011, and who are not excluded employees under subdivision 2b;

(7) employees of the Seaway Port Authority of Duluth who are not excluded employees under subdivision 2b;

(8) employees of the Stevens County Housing and Redevelopment Authority who were first employed by the Stevens County Housing and Redevelopment Authority before May 1, 2014, and who are not excluded employees under subdivision 2b;

(9) employees of the Minnesota River Area Agency on Aging who were first employed by a Regional Development Commission before January 1, 2016, and who are not excluded employees under subdivision 2b; and

(10) employees of the Public Employees Retirement Association.

(b) A public employee or elected official who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) ~~If in any subsequent year the annual salary of an included public employee is less than the minimum salary threshold specified in this subdivision~~ \$425 in any subsequent month, the member retains membership eligibility.

(d) For the purpose of participation in the general employees retirement plan, public employees include employees who were members of the former Minneapolis Employees Retirement Fund on June 29, 2010.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 353.01, subdivision 2b, is amended to read:

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

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

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

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

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

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

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

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

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

(9) persons who are:

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

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

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

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

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

(i) H-1B, H-1B1, and E-3 status holders;

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

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

(iv) employees otherwise required to participate under federal law;

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

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

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

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

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

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

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

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

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

(vi) laborers and associated trades personnel employed by the city of St. Paul or Independent School District No. 625, St. Paul, who are designated as temporary employees with coverage under a collective bargaining agreement by a multiemployer plan as defined in section 356.27, subdivision 1, who were either



first employed on or after June 1, 2018, or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter 211, article 16, section 13; and

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

(16) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to a period of six months or less in each year of employment with the governmental subdivision;

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

(18) independent contractors and the employees of independent contractors;

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

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

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

(22) persons employed by the Duluth Transit Authority or any subdivision thereof who are members of the Teamsters General Local Union 346 and who are, by virtue of that employment, members of the Central States Southeast and Southwest Areas Pension Fund.

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

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 353.01, subdivision 15, is amended to read:

Subd. 15. **Dependent child.** For the purpose of survivor benefit eligibility ~~under sections 353.31, subdivision 1, and 353.657, subdivision 3,~~ "dependent child" means:

(1) a biological or adopted child of a deceased member who is unmarried; and ~~under~~ has not reached the age of 18, or age 18 to 23, so long as the child submits evidence of full-time enrollment in an accredited educational institution. "Dependent child" also includes;

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

~~(3) a dependent child who has not reached the age of 23 and is the subject of adoption proceedings filed by a member; and who, within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member; subject, however, to the qualifying conditions of age and dependency under this subdivision. The dependency of the child dates from is a dependent child effective on the date of the decree of adoption. "Dependent child" also includes a child age 18 to 23 who had submitted evidence of full-time enrollment in an accredited educational institution but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.~~

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 353.0162, is amended to read:

**353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED SALARY.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them, unless the context clearly indicates another meaning is intended.

(b) "Differential salary credit" is the difference between the salary received by the member during a period of reduced salary as described in subdivision 2 and the salary of the member, excluding overtime, on which contributions to the applicable plan would have been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.

(c) "Reporting period" means a school year, for school year employees, or a calendar year, for all other employees, during which a member has a period of reduced salary.

Subd. 2. **Salary credit purchase permitted.** ~~(a)~~ A member may purchase differential salary credit as described in paragraph ~~(e)~~ for a period of reduced salary as described in paragraph ~~(b)~~.

~~(b)~~ The period of reduced salary must be a period occurring entirely within one school year, for school year employees, or one calendar year, for all other employees, during which the member receives no salary or a reduced salary from the employer while the member is:

(1) receiving workers' compensation payments related to the member's service to the public employer;

(2) on an authorized leave of absence;

(3) on an authorized leave of absence as a result of a budgetary or salary savings program offered or mandated by a governmental subdivision, if certified to the executive director by the governmental subdivision; or

(4) on a periodic, repetitive leave that is offered to all employees of a governmental subdivision where the leave program is certified by the employer to the association as one that does not exceed 208 hours during the school year or calendar year, as applicable.

~~(e) Differential salary credit is the difference between the salary received by the member during a period of reduced salary specified in paragraph (b) and the salary of the member, excluding overtime, on which contributions to the applicable plan would have been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.~~

Subd. 3. **Payment amount.** ~~(d)~~ (a) To receive differential salary credit, the member shall pay the plan, by delivering payment to the executive director, an amount equal to:

(1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary amount;

(2) plus an employer equivalent payment equal to the applicable employer contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as applicable, multiplied by the differential salary amount;

(3) plus, if applicable, an equivalent employer additional amount equal to the additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary amount.

~~(e)~~ (b) The employer, by appropriate action of its governing body and documented in its official records, may pay on behalf of the member the amounts determined under paragraph ~~(d)~~ (a), clauses (2) and (3), as applicable, plus interest under paragraph ~~(f)~~ (c). However, if the period of reduced salary is a periodic, repetitive leave under ~~paragraph (b)~~ subdivision 2, clause (4), then the employer must pay on behalf of the member the amount determined under paragraph ~~(d)~~ (a), clauses (2) and (3), as applicable, plus interest under paragraph ~~(f)~~ (c).

~~(f)~~ (c) Payment under this section must include interest on the contribution amount or amounts, whichever applies, at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, prorated for the number of months, if less than 12 months, from the end of the school year or calendar year, as applicable, until full payment is received by the executive director.

Subd. 4. **Timing of required payment.** Payment under this section must be completed ~~by the earliest of: (1) six months after termination of public service by the employee under section 353.01, subdivision 11a; (2) no later than one year after the termination end of the each reporting period of reduced salary specified in paragraph (b); or (3) six months after the commencement of a disability benefit.~~

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 353.031, subdivision 10, is amended to read:

Subd. 10. **Restoring forfeited service and salary credit.** ~~(a)~~ To restore forfeited service and salary credit, a repayment of a refund must be made within six months after the effective date of disability benefits or within six months after the date of the filing of the disability application, whichever is later:

~~(b)~~, except for that the salary credit purchase for periods of reduced salary must be made as authorized under section 353.0162, paragraph (b), clause (1), ~~no purchase of prior service or payment made in lieu of salary deductions otherwise authorized under section 353.01 or 353.0162 may be made after the occurrence of the disability for which an application is filed under this section.~~

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 353.32, subdivision 1c, is amended to read:

Subd. 1c. **Dependent child survivor coverage.** ~~If there is a deceased member has no surviving spouse eligible for benefits under subdivision 1a, a the member's dependent child or children as defined in section 353.01, subdivision 45a 15, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 1a using the age of the member and the age of the dependent child at the date of the member's~~

death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child ~~shall~~ must receive a proportionate share of the actuarial value of the ~~employee's account~~ 100 percent optional annuity.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 1a. **Fund.** "Fund" means the public employees local government correctional service retirement fund.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 8. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 2a. **Member.** "Member" means an individual identified as a member under section 353E.02, for whom retirement coverage is provided by the plan.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 9. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 3a. **Plan.** "Plan" means the public employees local government correctional service retirement plan.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 10. Minnesota Statutes 2022, section 353E.07, subdivision 3, is amended to read:

Subd. 3. **Election; accrual.** A surviving spouse election under subdivisions 1 and 2 may be made at any time after the date of death of ~~the local government correctional service employee~~ a member. The surviving spouse benefit begins to accrue as of the first of the next month following the date on which the application for the benefit was filed.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 11. Minnesota Statutes 2022, section 353E.07, subdivision 4, is amended to read:

Subd. 4. **Surviving spouse coverage; term certain.** In lieu of the 100 percent optional annuity under subdivision 1, the surviving spouse of a deceased ~~local government correctional service employee~~ member may elect to receive survivor coverage in a term certain of ten, 15, or 20 years. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1 and must be based on tables approved by the actuary retained under section 356.214. The optional annuity ceases upon the expiration of the term certain period. If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 12. Minnesota Statutes 2022, section 353E.07, subdivision 5, is amended to read:

Subd. 5. **Dependent child survivor coverage.** ~~If there is a deceased member has no surviving spouse eligible for benefits under subdivisions 1, 2, and 4, a the member's dependent child as defined in section 353.01, subdivision 15a 15, is eligible for a dependent child survivor benefit. Benefits to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age 20 if the child is under age 15 on the date of death. If the child is 15 years or older on the date of death, the benefit is payable for five years 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent joint and survivor optional annuity using the age of the employee member and the age of the dependent child at the date of the member's death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall must receive a proportionate share of the actuarial value of the employee's account 100 percent joint and survivor optional annuity, with the amount of the benefit payable to each child to be determined based on the portion of the total eligibility period that each child is eligible. The process for calculating the dependent child survivor benefit must be approved by the actuary retained under section 356.214.~~

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 13. **REVISOR INSTRUCTION.**

In Minnesota Statutes, sections 353E.01 to 353E.08, the revisor of statutes shall change the terms "public employees local government correctional service retirement fund" to "fund" and "an employee covered under section 353E.02" to "member" and "local government correctional employee" to "member" and "public employees local government correctional service retirement plan" to "plan" wherever the terms appear in statutes. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 353.01, subdivision 15a, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

### ARTICLE 3

#### PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 2022, section 353D.01, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** Unless the context clearly indicates that a different meaning is intended, the terms defined in this subdivision, for the purposes of this chapter, have the meanings given:

- (1) "association" means the public employees retirement association; and
- (2) "plan" means the public employees defined contribution plan.

Sec. 2. Minnesota Statutes 2022, section 353D.01, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Eligibility to participate in the ~~defined contribution~~ plan is available to:

(1) ~~any elected or appointed local government officials~~ official of a governmental subdivision who ~~elect~~ elects to participate in the plan under section 353D.02, subdivision 1, and who, for the ~~elected~~ service rendered to a governmental subdivision, ~~are~~ is not ~~members~~ a member of the ~~Public Employees Retirement~~ association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

(3) basic and advanced life-support emergency medical service personnel who are employed by any public ambulance service that elects to participate under section 353D.02, subdivision 3;

(4) members of a municipal rescue squad associated with the city of Litchfield in Meeker County, or of a county rescue squad associated with Kandiyohi County, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan;

(5) employees of the Port Authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the ~~Public Employees Retirement~~ association under section 353.01, subdivision 7;

(6) city managers who elected to be excluded from the general employees retirement plan of the ~~Public Employees Retirement~~ association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

(7) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the ~~public employees~~ police and fire retirement plan and who are not covered by a volunteer firefighters relief association and who elect to participate in the public employees defined contribution plan;

(8) elected county sheriffs who are former members of the police and fire plan and who are receiving a retirement annuity as provided under section 353.651; and

(9) ~~persons who are excluded from membership under section 353.01, subdivision 2b, paragraph (a), clause (23)~~ appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

~~(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was elected by the public at large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff who must be a member of the police and fire plan as provided under chapter 353.~~

~~(e)~~ (b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

~~(d)~~ (c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 3. Minnesota Statutes 2022, section 353D.02, subdivision 1, is amended to read:

Subdivision 1. **Elected Local government officials.** Eligible elected or appointed local government officials may elect to participate in the defined contribution plan after being elected or appointed to ~~elective~~ public office by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the ~~elected~~ official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or contributions are received in the office of the association, whichever is received first, provided further that the membership application is received by the association within 60 days of the receipt of the contributions. An election to participate in the plan is revocable during incumbency.

Sec. 4. Minnesota Statutes 2022, section 353D.03, subdivision 1, is amended to read:

Subdivision 1. **Contributions for eligible participants.** (a) The following classes of eligible participants who elect to participate in the public employees defined contribution plan under section 353D.02 shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10:

- (1) ~~elected~~ local government officials;
  - (2) physicians; and
  - (3) persons who are excluded from membership under section 353.01, subdivision 2b, paragraph (a), clause (23).
- (b) A participant's governmental subdivision shall contribute a matching amount.

Sec. 5. **REINSTATEMENT OF APPOINTED OFFICIALS; RESUMPTION OF CONTRIBUTIONS.**

Subdivision 1. **Reinstatement of appointed officials, election not to participate, and make-up contributions.** (a) Any local government official whose participation in the public employees defined contribution plan under Minnesota Statutes, chapter 353D, ceased on or after January 1, 2020, and before the effective date of this section because the official's position changed from an elected position to an appointed position, may participate in the plan upon the effective date of this section by providing notice to the governing body of the local government no later than 30 days after the effective date of this section.

(b) For any official who elects to participate under paragraph (a):

(1) the local government must contribute, no later than 60 days after the effective date of this section, the matching amount that the local government would have contributed under Minnesota Statutes, section 353D.03, subdivision 1, paragraph (b), for the period during which the official's participation ceased; and

(2) the official may contribute, no later than 60 days after the effective date of this section, any amount the official elects, but not to exceed the amount that the official would have contributed under Minnesota Statutes, section 353D.03, subdivision 1, paragraph (a), for the period during which the official's participation ceased.

**Subd. 2. Resumption of contributions by and for appointed officials.** Contributions required under Minnesota Statutes, section 353D.03, subdivision 1, must be made by the local government official and the local government beginning with the first full pay period following the effective date of this section for any official who resumes participation under subdivision 1, paragraph (a).

**Sec. 6. EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

**ARTICLE 4****PERA SERVICE CREDIT FOR TWO METROPOLITAN AIRPORT POLICE OFFICERS****Section 1. TRANSFER OF PAST PERA GENERAL PLAN SERVICE CREDIT TO THE POLICE AND FIRE PLAN.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Executive director" means the executive director of the Public Employees Retirement Association.

(c) "General plan" means the general employees retirement plan of the Public Employees Retirement Association.

(d) "Police and fire plan" means the police and fire retirement plan of the Public Employees Retirement Association.

(e) "Service credit" means time credited as allowable service under Minnesota Statutes, section 353.01, subdivision 16, and credit for salary earned during that time.

(f) "Transfer period" means the period beginning May 2, 2005, and ending October 28, 2005.

Subd. 2. **Authorization.** Notwithstanding any state law to the contrary, an eligible person described in subdivision 3 who makes a payment to the police and fire retirement fund, as permitted under subdivision 4, on or before one year following the effective date of this section is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and

(2) applicable past service credit transferred from the general plan to the police and fire plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** (a) An eligible person is a person described in paragraph (b) or (c).

(b) An eligible person is a person who:

(1) was born on July 2, 1982;

(2) was hired as a full-time police officer by the Metropolitan Airports Commission on May 2, 2005; and

(3) was erroneously credited with allowable service in the general plan instead of the police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

(c) An eligible person is a person who:

(1) was born on April 18, 1982;

(2) was hired as a full-time police officer by the Metropolitan Airports Commission on May 2, 2005; and



(3) was erroneously credited with allowable service in the general plan instead of the police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the police and fire plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the police and fire plan for the transfer period. The payment must include interest at the applicable annual interest rate or rates that applied for each period listed in Minnesota Statutes, section 354.49, subdivision 2, calculated from the date that each contribution would have been deducted to the date that payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of payment, the executive director must notify the Metropolitan Airports Commission that the payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Metropolitan Airports Commission.** If an eligible person makes the payment under subdivision 4, the Metropolitan Airports Commission, on behalf of the eligible person, must pay to the Public Employees Retirement Association the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the department in a lump sum within 30 days after the date on which the executive director notifies the Metropolitan Airports Commission under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general employees retirement fund to the police and fire retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon transfer of the assets under paragraph (a), the eligible person shall have service credit in the police and fire plan and no service credit in the general plan for the transfer period.

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

## ARTICLE 5

### TEACHERS RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2022, section 354.06, subdivision 2, is amended to read:

Subd. 2. **President; executive director.** The board ~~shall~~ must annually elect one of its members as president. It ~~shall~~ must elect an executive director. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The salary of the executive director must not exceed the limit for a position listed in section 15A.0815, subdivision 2. The executive director shall serve ~~during~~ at the pleasure of the board and be the executive officer of the board, with ~~such~~ the duties prescribed in subdivision 2a and any additional duties as that the board shall may prescribe. The board ~~shall~~ must employ all other clerks and employees necessary to properly administer the association. ~~The cost and expense of administering the provisions of this chapter shall be paid by the association.~~ The board ~~shall~~ must appoint an executive director on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director ~~shall~~ must have had at least five years of experience ~~on the administrative staff of a major~~ in either an executive-level management

position or in a position with responsibility for the governance, management, or administration of a retirement system plan.

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

## ARTICLE 6

### ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION

#### Section 1. **[354A.25] AUTHORITY TO ELECT A SURVIVOR ANNUITY FOR A SAME-SEX SPOUSE.**

Subdivision 1. **Authorization.** Notwithstanding any law or bylaws to the contrary, an eligible person, as defined in subdivision 2, is authorized to file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity and designate a beneficiary who is the same sex as the eligible person if the eligible person had not previously been allowed to designate a same-sex spouse because the law or bylaws did not permit the designation of a same-sex spouse.

Subd. 2. **Definitions.** For the purposes of this section, the following definitions apply, unless the context clearly indicates another meaning is intended.

(a) "Eligible person" means a person who:

(1) was formerly a basic member as defined under section 354A.011, subdivision 8, or a coordinated member, as defined under section 354A.011, subdivision 11, of the St. Paul Teachers Retirement Fund Association;

(2) retired before August 1, 2013, and is receiving a retirement annuity;

(3) was unmarried at the time of retirement due to the lack of full recognition of same sex marriages under state law; and

(4) had a same-sex spouse at the time of retirement who has continued to be the eligible person's same-sex spouse until the time of the filing of the amended benefit election under subdivision 3.

(b) "Same-sex spouse" means a spouse of the same sex as the eligible person who otherwise satisfies the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association. Before August 1, 2013, a same-sex spouse is an individual in a relationship with the eligible person that would have caused the individual to satisfy the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association had the individual and eligible person been permitted to marry under state law.

Subd. 3. **Right to elect a joint and survivor annuity for a same-sex spouse.** (a) An eligible person may file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity that will pay an annuity for the life of the eligible person and a survivor annuity for the life of the eligible person's same-sex spouse.

(b) To file an amended benefit election, the eligible person must file an election in the form requested by the executive director of the St. Paul Teachers Retirement Fund Association and must designate the same-sex spouse as the primary designated beneficiary.

Subd. 4. **Eligible persons who are members of the coordinated plan.** If the eligible person is a member of the coordinated plan of the St. Paul Teachers Retirement Fund Association, the executive director will recalculate the eligible person's benefit based on the amended benefit election and notify the eligible person of the amount that was overpaid plus interest since the commencement of the retirement annuity. The overpayment plus interest must be recovered in accordance with section 354A.12, subdivision 7, by reducing future monthly pension payments.

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

## ARTICLE 7

### TRANSFERS FROM THE MINNESOTA STATE IRAP TO TRA

#### Section 1. **ALLOWING TRANSFERS FROM THE IRAP TO TRA FOR FOUR FOND DU LAC COLLEGE EMPLOYEES.**

Subdivision 1. **Authorization.** Notwithstanding any provision of law to the contrary, an eligible person described in subdivision 2 is authorized to become a member of the Teachers Retirement Association and to receive service and salary credit in the Teachers Retirement Association upon making an election and the contribution required under subdivision 3.

Subd. 2. **Eligible person.** (a) An eligible person is a person described in paragraph (b), (c), (d), or (e).

(b) An eligible person is a person who:

(1) was born on June 14, 1969;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on December 13, 2017, by the Fond du Lac Tribal and Community College as an eLearning support specialist, with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2017, section 354B.21.

(c) An eligible person is a person who:

(1) was born on October 9, 1992;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on June 12, 2019, by the Fond du Lac Tribal and Community College as the Nandagikendan (Seek to Learn) Academy director with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2019, section 354B.211.

(d) An eligible person is a person who:

(1) was born on November 12, 1983;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on February 18, 2020, by the Fond du Lac Tribal and Community College as a youth education outreach coordinator with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2020, section 354B.211.

(e) An eligible person is a person who:

(1) was born on September 3, 1982;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on June 11, 2018, by the Fond du Lac Tribal and Community College as a farm manager with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2018, section 354B.21.

Subd. 3. **Election, transfer, and payment.** (a) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include documentation demonstrating that the person is an eligible person under subdivision 2 and any other relevant information that the executive director may require.

(b) Membership in the Teachers Retirement Association commences after the date the executive director receives the retirement coverage election and information described under paragraph (a) and the contribution specified under paragraph (c), if any. Upon membership commencement, the executive director must grant past service and salary credit for employment with a Minnesota state college or university from the date the eligible person was first employed as described under subdivision 2.

(c) If the eligible person makes the retirement coverage election under paragraph (a), the eligible person must make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if covered by the Teachers Retirement Association for the period of past service and salary for which credit is to be granted under paragraph (b) over the employee contributions that the eligible person made to the higher education individual retirement account plan for the same period of past service and salary. The executive director of the Teachers Retirement Association must determine the amount to be contributed under this paragraph and notify the eligible person of the amount required and options for making the payment.

(d) Upon the election of retirement coverage under paragraph (a) and payment of the contribution under paragraph (c), if a contribution is required, the value of the eligible person's account in the higher education individual retirement account plan must be transferred to the Teachers Retirement Association.

(e) Upon receipt of the amount transferred under paragraph (d), the Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, as if the coverage election was a prior service credit purchase.

(f) From the amount calculated under paragraph (e), the executive director of the Teachers Retirement Association must subtract the amounts received under paragraphs (c) and (d). The Board of Trustees of the Minnesota State Colleges and Universities must transmit the remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the amount transferred under paragraph (d).

Subd. 4. **Expiration.** The authority to make a retirement coverage election under this section expires one year from the effective date of this section.

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

**Sec. 2. ALLOWING TRANSFER FROM THE IRAP TO TRA FOR ONE MINNESOTA STATE EMPLOYEE.**

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is authorized to become a member of the Teachers Retirement Association and to receive service and salary credit in the Teachers Retirement Association from May 28, 2008, upon making an election under paragraph (c) and upon making the required contribution under paragraph (e).

(b) An eligible person is a person who:

(1) was born on July 11, 1950;

(2) was first employed on May 28, 2008, in the Minnesota State system office in the city of St. Paul as an academic program director and, on December 31, 2022, was employed as the system director for Academic Programs, Planning, and Transfer, with retirement coverage in the higher education individual retirement account plan; and

(3) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2008, section 354B.21.

(c) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include documentation demonstrating that the person is an eligible person under paragraph (b) and any other relevant information that the executive director may require.

(d) Membership in the Teachers Retirement Association commences after the date the executive director receives (1) the retirement coverage election, including information described in paragraph (c), and (2) the contribution specified in paragraph (e). Upon membership commencement, the executive director must grant past service and salary credit for employment with Minnesota State from May 28, 2008.

(e) If the eligible person makes the retirement coverage election under paragraph (c), the eligible person must make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if covered by the Teachers Retirement Association for the period of past service and salary for which credit is to be granted under paragraph (d) over the employee contributions that the eligible person made to the higher education individual retirement account plan for the same period of past service and salary. The executive director of the Teachers Retirement Association must determine the amount to be contributed under this paragraph and notify the eligible person of the amount required and options for making the payment.

(f) If payment is made under paragraph (e), the value of the eligible person's account in the higher education individual retirement account plan must be transferred to the Teachers Retirement Association.

(g) Upon receipt of the amount transferred under paragraph (f), the Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, as if the coverage election was a purchase of prior service credit.

(h) From the amount calculated under paragraph (g), the executive director of the Teachers Retirement Association must subtract the amounts received under paragraphs (e) and (f). The Board of Trustees of the Minnesota State Colleges and Universities must transmit the remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the amount transferred under paragraph (f).

(i) An eligible person's authority to make a retirement coverage election under this section expires one year from the effective date of this section.

(j) An eligible person may elect coverage by the Teachers Retirement Association under paragraph (c) during or after the eligible person's employment with the Minnesota State Colleges and Universities, as long as the eligible person has not withdrawn or taken a distribution of all or any portion of the eligible person's account in the higher education individual retirement account plan.

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

### **Sec. 3. WORK GROUP ON IRAP TO TRA TRANSFERS.**

**Subdivision 1. Work group established.** The executive director of the Legislative Commission on Pensions and Retirement must convene a work group for the purpose of recommending legislation to end the need for special legislation permitting participants in the higher education individual retirement account plan to transfer to the Teachers Retirement Association because the participant was not aware or did not receive notice of the right to elect a transfer when the participant was eligible to elect a transfer under applicable law.

**Subd. 2. Membership.** (a) The work group must consist of at least the following:

(1) representatives from Minnesota State Colleges and Universities;

(2) representatives from the Teachers Retirement Association;

(3) one representative from the Inter Faculty Organization (IFO);

(4) one representative from the Minnesota State College Faculty (MSCF); and

(5) one representative from the Minnesota Association of Professional Employees (MAPE).

(b) The executive director may invite others to participate in one or more meetings of the work group.

(c) The organizations specified in paragraph (a) must provide the executive director with the names and contact information for the representatives who will serve on the work group by June 15, 2023.

**Subd. 3. Scope.** (a) The work group must recommend legislation or alternatives for legislation that:

(1) address the cost of the transfers to the Teachers Retirement Association and the Minnesota State Colleges and Universities;

(2) end the need for participants in the higher education individual retirement account plan to seek special legislation permitting them to transfer to the Teachers Retirement Association;

(3) would have authorized the transfer election by all individuals covered by special legislation in the last ten legislative sessions had the recommended legislation been enacted 11 years ago;

(4) require the administration of Minnesota State Colleges and Universities to conduct outreach to all facilities and plan participants to inform them about the opportunity to transfer to the Teachers Retirement Association and the procedure for doing so;

(5) require an annual report to the Legislative Commission on Pensions and Retirement from the appropriate human resources manager at Minnesota State Colleges and Universities and the executive director of the Teachers Retirement Association on the number of employees who elected a transfer during the prior twelve-month period under the legislation and, for each employee, the cost of the transfer to the employee and Minnesota State Colleges and Universities and the actuarial cost of the employee's pension benefit at the time of the transfer as calculated by the Teachers Retirement Association; and

(6) must not increase the unfunded liability of the Teachers Retirement Association.

(b) The recommendation must be accompanied by estimates prepared by representatives of the Minnesota State Colleges and Universities of the number of participants in the higher education individual retirement account plan who are eligible for a transfer under the recommended legislation and the cost to the Minnesota State Colleges and Universities if the eligible participants elect the transfer.

Subd. 4. **Due date for submitting recommendation to the commission.** The executive director must submit the recommendation of the work group to the chair of the Legislative Commission on Pensions and Retirement by January 5, 2024.

Subd. 5. **Meetings.** (a) The executive director must convene the first meeting of the work group by August 1, 2023, and will serve as chair.

(b) Meetings may be conducted remotely or in-person or a combination of remote and in-person.

(c) In-person meetings will be held in the offices of the Legislative Coordinating Commission.

Subd. 6. **Compensation; lobbying; retaliation.** (a) Members of the work group serve without compensation.

(b) Participation in the work group is not lobbying under Minnesota Statutes, chapter 10A.

(c) An individual's employer or an association of which an individual is a member must not retaliate against the individual because of the individual's participation in the work group.

Subd. 7. **Administrative support.** Commission staff must provide administrative support for the work group.

Subd. 8. **Expiration.** The work group expires June 30, 2024.

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

**ARTICLE 8****SERVICE CREDIT PURCHASES FOR PERIODS OF MILITARY LEAVE**

Section 1. Minnesota Statutes 2022, section 354.53, subdivision 3, is amended to read:

Subd. 3. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the Teachers Retirement Association during the period which begins with the date on which the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than ~~one year~~ three years, the contributions required under this section to receive service credit may be made within ~~one year~~ three years from the discharge date.

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

Sec. 2. Minnesota Statutes 2022, section 354A.093, subdivision 4, is amended to read:

Subd. 4. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the St. Paul Teachers Retirement Fund Association during the period which begins with the date the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than ~~one year~~ three years, the contributions required under this section to receive service credit may be made within ~~one year~~ three years from the discharge date.

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

**ARTICLE 9****ANNUAL LIMIT ON PUBLIC FUNDS CONTRIBUTED TO TWO MULTIEMPLOYER PENSION PLANS**

Section 1. Minnesota Statutes 2022, section 356.24, subdivision 1, is amended to read:

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

- (1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;
- (2) to a plan that provides solely for group health, hospital, disability, or death benefits;
- (3) to the individual retirement account plan established by chapter 354B;
- (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;
- (5) to a deferred compensation plan defined in subdivision 3;



(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;

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

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$7,000~~ \$10,000 per year per employee;

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

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

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

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

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

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

## ARTICLE 10

### VESTING UNDER THE PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2022, section 353G.01, subdivision 8, is amended to read:

Subd. 8. **Member.** "Member" means an individual who is or was a volunteer firefighter who provides active providing service to a municipal fire department municipality or an independent nonprofit firefighting

corporation ~~where the applicable municipality or corporation~~ that has elected coverage by the retirement plan under section 353G.05, and ~~which~~ whose service is covered by the retirement plan.

Sec. 2. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to read:

Subd. 12a. **Service credit.** "Service credit" means the period of service rendered by a volunteer firefighter that is certified under section 353G.07 by the fire chief of the fire department in which the volunteer firefighter serves. A volunteer firefighter's service credit equals all periods of service with any fire department covered by the plan.

Sec. 3. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to read:

Subd. 14a. **Vesting service credit.** "Vesting service credit" means service credit plus any earlier period of service rendered as a volunteer firefighter in a fire department in the state that was not covered by the plan at the time the service was rendered. The earlier period of service must be certified by the fire chief of the fire department covered by the plan in a manner similar to the requirements of section 353G.07. The volunteer firefighter must provide documentation in a form acceptable to the executive director regarding the earlier period of service.

Sec. 4. Minnesota Statutes 2022, section 353G.01, subdivision 15, is amended to read:

Subd. 15. **Volunteer firefighter.** "Volunteer firefighter" means a person who is an active member of ~~a municipal~~ the fire department of a municipality or an independent nonprofit firefighting corporation and who, in that capacity, engages in fire suppression activities, provides emergency response services, or delivers fire education or prevention services on an on-call basis.

Sec. 5. Minnesota Statutes 2022, section 353G.09, subdivision 1, is amended to read:

Subdivision 1. **Entitlement.** (a) A member ~~of~~ with at least one year of service credit with a fire department with active firefighters that are covered by the retirement plan is entitled to a ~~service pension~~ retirement benefit as defined in subdivision 1a from the ~~retirement~~ fire department's account in the plan if the member:

- (1) has separated from active service with the fire department for at least 30 days;
- (2) has attained the age of at least 50 years;
- (3) has satisfied the minimum service requirement in paragraph (b) or (c), as applicable; and
- (4) applies in a manner prescribed by the executive director ~~for the service pension~~.

(b) ~~A~~ If the member is a member of the lump-sum division, the member satisfies the minimum service requirement if the member meets at least one of the following requirements: is at least 40 percent vested as determined under subdivision 2.

~~(1) the member is at least 40 percent vested based on years of service as a member of the retirement plan;~~

~~(2) the member is at least 40 percent vested based on years of service with the fire department and the total number of years of service as a member of the former affiliated relief association plus years of service as a member of the retirement plan is at least five; or~~

~~(3) (c) If the member is a member of the monthly benefit division, the member satisfies the minimum service requirement if the member has completed at least the minimum number of years of service as a member of the retirement plan specified in the retirement benefit plan document attributable to the applicable fire department if the person is a member of the monthly benefit retirement division applicable to the member.~~

Sec. 6. Minnesota Statutes 2022, section 353G.09, is amended by adding a subdivision to read:

Subd. 1a. **Retirement benefit.** (a) A volunteer firefighter who is entitled to a service pension under subdivision 1 must receive a retirement benefit under subdivision 1, paragraph (a) or (b), as applicable.

(b) The retirement benefit of a member of the lump-sum division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the service pension level applicable to the member under section 353G.11, multiplied by the member's vested percentage under subdivision 2.

(c) The retirement benefit of a member of the monthly benefit division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the service pension level applicable to the member under section 353G.112, multiplied by the member's vested percentage under subdivision 2.

Sec. 7. Minnesota Statutes 2022, section 353G.09, subdivision 2, is amended to read:

Subd. 2. ~~Vesting schedule; nonforfeitable portion of service pension~~ **Vested percentage.** A member of the plan has a nonforfeitable right to a retirement benefit, up to the percent vested. The member's vested percentage is determined under paragraph (a), (b), or (c), as applicable.

(a) ~~Except as provided in paragraphs (c) and (d), an active~~ If the member is a member of the lump-sum retirement division is entitled to a service pension and employed in a fire department that joined the plan before January 1, 2023, the member's vested percentage is equal to the ~~nonforfeitable~~ percentage that corresponds to the number of the applicable service pension amount, taking into account years of vesting service as a member of the retirement plan plus years of service as a member of the former affiliated relief association, if any, credit, as follows:

Completed years of service credit	<del>Nonforfeitable</del> <u>Vested percentage of the service pension</u>
less than 5	0 percent
5	40 percent
6	44 percent
7	48 percent
8	52 percent
9	56 percent
10	60 percent
11	64 percent
12	68 percent

13	72 percent
14	76 percent
15	80 percent
16	84 percent
17	88 percent
18	92 percent
19	96 percent

(b) If the member is a member of the lump-sum division and employed in a fire department that joined the retirement plan on or after January 1, 2023, the member's vested percentage is equal to the percentage determined by applying the vesting schedule selected in the request for coverage under section 353G.05, subdivision 1a, taking into account years of vesting service credit.

(c) If ~~an active~~ the member is a member of the monthly benefit retirement division and has completed 20 years of service as a member of the plan, the member is 100 percent vested. If the member has completed less than 20 years of service ~~credit as a member of the monthly benefit retirement division of the plan, the person's entitlement to a service pension must be governed by~~ member's vested percentage is equal to the percentage determined under the retirement benefit plan document attributable to the applicable fire department applicable to the member.

~~(e) A person described in paragraph (d) is entitled to the vested portion of the service pension as determined by applying the vesting schedule selected in the request for coverage under section 353G.05, subdivision 1a, taking into account years of service as a member of the retirement plan plus years of service as a member of the former affiliated relief association, if any.~~

~~(d) A person is described in this paragraph if the person becomes a member of the lump-sum retirement division in connection with the transfer of coverage from a relief association to the retirement plan on or after January 1, 2023, or in connection with a municipality or independent nonprofit firefighting corporation joining the retirement plan on or after January 1, 2023.~~

Sec. 8. Minnesota Statutes 2022, section 353G.14, is amended to read:

**353G.14 PURCHASE OF ANNUITY CONTRACTS DISTRIBUTIONS FROM LUMP-SUM DIVISION.**

Subdivision 1. **Lump sum.** Unless a volunteer firefighter requests an annuity under subdivision 2, the executive director must distribute a lump-sum service pension in the form of a single payment from the account of each fire department covered by the plan in which the volunteer firefighter earned a retirement benefit under section 353G.09.

Subd. 2. **Annuity.** The executive director may purchase an annuity contract on behalf of a ~~retiring~~ volunteer firefighter retiring from the lump-sum retirement division of the statewide retirement plan with a total premium payment in an amount equal to the lump-sum service pension payable under section 353G.09 if the purchase was requested by the ~~retiring~~ volunteer firefighter in a manner prescribed by the executive director. The annuity contract must be purchased from an insurance carrier that is licensed to do business in this state. If purchased, the annuity contract is in lieu of any service pension or other benefit from the

lump-sum retirement plan of the retirement plan. The annuity contract may be purchased at any time after the volunteer firefighter discontinues active service, but the annuity contract must stipulate that no annuity amounts are payable before the ~~former~~ volunteer firefighter attains the age of 50.

Sec. 9. **REVISOR INSTRUCTION.**

In Minnesota Statutes, chapter 353G, the revisor of statutes shall change the terms in column A to the terms in column B wherever the terms appear.

Column A

lump-sum retirement division

monthly benefit retirement division

retirement plan

Column B

lump-sum division

monthly benefit division

plan

Sec. 10. **REPEALER.**

Minnesota Statutes 2022, sections 353G.01, subdivision 7; and 353G.13, are repealed.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective January 1, 2024.

**ARTICLE 11**

**RELIEF ASSOCIATION REQUIREMENTS AFTER JOINING THE PERA STATEWIDE  
VOLUNTEER FIREFIGHTER PLAN**

Section 1. Minnesota Statutes 2022, section 353G.06, subdivision 2, is amended to read:

Subd. 2. **Other relief association changes.** In addition to the transfer and disestablishment of the special fund under subdivision 1, notwithstanding any provisions of chapter 424A or 424B to the contrary, upon the effective date of the change in ~~volunteer firefighter retirement~~ coverage, if the relief association membership elects to retain the relief association as a ~~fraternal~~ nonprofit organization after the ~~benefit~~ coverage election, the following changes must be implemented with respect to the ~~applicable volunteer firefighter~~ relief association:

~~(1) the relief association board of trustees membership is reduced to five, comprised of the fire chief of the fire department and four trustees elected by and from the relief association membership;~~

~~(2) the relief association may only maintain a general fund, which continues to be governed by section 424A.06;~~

~~(3) (1) the relief association is not authorized to receive the proceeds of any state aid or to receive any municipal funds; and~~

~~(4) (2) the relief association may not pay any service pension or benefit that was not authorized as a general fund disbursement under the articles of incorporation or bylaws of the relief association in effect immediately prior to the plan coverage election process.~~

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

Sec. 2. Minnesota Statutes 2022, section 353G.06, subdivision 3, is amended to read:

Subd. 3. **Successor in interest.** Upon the disestablishment of the special fund of the ~~volunteer firefighter~~ relief association under this section, the ~~statewide volunteer firefighter retirement plan~~ is the successor in interest of the special fund of the ~~volunteer firefighter~~ relief association for all claims against the special fund other than a claim against the special fund, the ~~volunteer firefighter~~ relief association, the municipality, the fire department, or any person connected with the ~~volunteer firefighter~~ relief association in a fiduciary capacity under chapter 356A or common law that was based on any act or acts which were not performed in good faith and which constituted a breach of a fiduciary obligation. As the successor in interest of the special fund of the ~~volunteer firefighter~~ relief association, the ~~statewide volunteer firefighter retirement plan~~ may assert any applicable defense in any judicial proceeding which the board of trustees of the ~~volunteer firefighter~~ relief association or the municipality would have been entitled to assert.

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

## ARTICLE 12

### THRESHOLD FOR REQUIRING RELIEF ASSOCIATIONS TO FILE AUDITED FINANCIAL STATEMENTS

Section 1. Minnesota Statutes 2022, section 424A.014, subdivision 1, is amended to read:

Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited financial statements in accordance with paragraphs (c) to (e) must be submitted by the board of trustees of the Bloomington Fire Department Relief Association and the board of trustees of each ~~volunteer~~ firefighters relief association with special fund assets of at least ~~\$500,000~~ \$750,000 or special fund liabilities of at least ~~\$500,000~~ \$750,000, according to any previous year's financial report.

(b) The board of trustees of a ~~volunteer~~ firefighters relief association with special fund assets of less than ~~\$500,000~~ \$750,000 and special fund liabilities of less than ~~\$500,000~~ \$750,000, according to each previous year's financial report, may submit an annual financial report and audited financial statements in accordance with paragraphs (c) to (e).

(c) The financial report must cover the relief association's special fund and general fund and be in the style and form prescribed by the state auditor. The financial report must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is directly associated with a municipal fire department;

(2) the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The financial report must be retained in the office of the Bloomington Fire Department Relief Association or the volunteer firefighter relief association for public inspection and must be filed with the governing body of the government subdivision in which the associated fire department is located after the close of the fiscal year. One copy of the financial report must be furnished to the state auditor on or before June 30 after the close of the fiscal year.

(e) Audited financial statements that present the true financial condition of the relief association's special fund and general fund must be attested to by a certified public accountant or by the state auditor and must be filed with the state auditor on or before June 30 after the close of the fiscal year. Audits must be conducted in compliance with generally accepted auditing standards and section 6.65 governing audit procedures. The state auditor may accept audited financial statements in lieu of the financial report required in paragraph (a).

## Sec. 2. **EFFECTIVE DATE; APPLICATION.**

This article is effective on December 31, 2023, and applies to audited financial statements for calendar year 2023 and thereafter. A relief association with special fund assets of less than \$750,000 and special fund liabilities of less than \$750,000 on December 31, 2023, is not required to submit audited financial statements under Minnesota Statutes, section 424A.014, subdivision 1, unless and until the association's special fund assets or special fund liabilities exceed \$750,000, even if audited financial statements were required on the date immediately prior to the effective date.

## **ARTICLE 13**

### **HAMEL AND LORETTO RELIEF ASSOCIATIONS**

#### **Section 1. STATEWIDE VOLUNTEER FIREFIGHTER PLAN COVERAGE FOR HAMEL AND LORETTO FIREFIGHTERS; MERGER OF ASSETS AND LIABILITIES.**

Subdivision 1. **Mid-year effective date for coverage by the statewide volunteer firefighter plan.** (a) If the requirements of paragraph (b) and all other requirements for coverage by the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05, are satisfied by the governing boards of the independent nonprofit firefighting corporation and the affiliated relief associations, the effective date of coverage is as provided in paragraph (c) or (d), as applicable, notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c).

(b) The Hamel Volunteer Fire Department Relief Association and the Loretto Firefighters Relief Association must submit to the state auditor detailed investment or financial statements in a format satisfactory to the state auditor that confirm transfer of all special fund assets to the State Board of Investment.

(c) Coverage of the volunteer firefighters employed by the independent nonprofit firefighting corporation that operates the fire department that serves the community of Hamel is effective on the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the Board of Trustees of the Hamel Volunteer Fire Department Relief Association.

(d) Coverage of the volunteer firefighters employed by the independent nonprofit firefighting corporation that operates the fire department that serves the city of Loretto is effective on the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the Board of Trustees of the Loretto Firefighters Relief Association.

**Subd. 2. Merger of retirement accounts in the statewide volunteer firefighter plan for the Hamel and Loretto firefighters.** (a) The executive director of the public employees retirement association must merge the assets and liabilities of the lump-sum retirement plan account for the fire department that serves the community of Hamel with the assets and liabilities of the lump-sum retirement plan account for the fire department that serves the city of Loretto upon receipt of the following:

(1) resolutions approved by the governing board of the independent nonprofit firefighting corporation associated with the fire department that serves the community of Hamel approving the merger and directing the executive director to merge the lump-sum plan accounts and take any other action determined necessary by the executive director to effectuate the merger; and

(2) resolutions approved by the governing board of the independent nonprofit firefighting corporation associated with the fire department that serves the city of Loretto approving the merger and directing the executive director to merge the lump-sum plan accounts and take any other action determined necessary by the executive director to effectuate the merger.

(b) The executive director is authorized to take whatever actions deemed necessary to effectuate the merger, notwithstanding any state laws to the contrary.

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

## ARTICLE 14

### SERVICE CREDIT TRANSFER FROM THE GENERAL STATE EMPLOYEES PLAN TO THE CORRECTIONAL STATE EMPLOYEES PLAN

#### Section 1. **TRANSFER OF PAST SERVICE CREDIT FROM THE MINNESOTA STATE RETIREMENT SYSTEM GENERAL PLAN TO THE MINNESOTA STATE RETIREMENT SYSTEM CORRECTIONAL PLAN.**

**Subdivision 1. Definitions.** The following terms as used in this section have the meanings given in this subdivision.

(1) "Correctional plan" means the correctional employees retirement plan of the Minnesota State Retirement System.

(2) "Executive director" means the executive director of the Minnesota State Retirement System.

(3) "General plan" means the general state employees retirement plan of the Minnesota State Retirement System.

(4) "Service credit" means time credited as allowable service under Minnesota Statutes, section 352.01, subdivision 11, to an eligible person described in subdivision 3.

(5) "Transfer period" means the period from July 8, 1998, to August 5, 2001.

**Subd. 2. Transfer of past service credit authorized.** Notwithstanding any state law to the contrary, an eligible person described in subdivision 3 who makes a payment to the correctional employees retirement fund, as permitted under subdivision 4, on or before one year following the effective date of this section is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and



(2) applicable past service credit transferred from the general plan to the correctional plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** An eligible person is a person who:

(1) is an employee of the Department of Corrections;

(2) on July 8, 1998, was appointed to a position with MinnCor, a position eligible to participate in the correctional plan; and

(3) from July 8, 1998, to August 5, 2001, was erroneously covered by the general plan because the department misreported the person's retirement plan eligibility to the Minnesota State Retirement System.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the correctional plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the correctional plan for the transfer period. The payment must include interest at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 2, calculated from the date that each contribution would have been deducted to the date that the payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of the payment, the executive director must notify the commissioner of corrections that the payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Department of Corrections.** If an eligible person makes the payment under subdivision 4, the Department of Corrections, on behalf of the eligible person, shall pay to the Minnesota State Retirement System the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the department in a lump sum within 30 days after the date on which the executive director notifies the commissioner of corrections under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general state employees retirement fund to the correctional employees retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon the transfer of the assets under paragraph (a), the eligible person shall have service credit in the correctional plan and no service credit in the general plan for the transfer period.

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

Presented to the governor May 18, 2023

Signed by the governor May 19, 2023, 1:04 p.m.