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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2386

03/17/2025 Authored by O'Driscoll, Lillie, Cha and Nadeau The bill was read for the first time and referred to the Committee on State Government Finance and Policy

1.1 A bill for an act
1.2 relating to retirement; making administrative changes to statutes governing the
1.3 retirement plans administered by the Public Employees Retirement Association;
1.4 clarifying that the monthly salary threshold for required coverage must be stipulated
1.5 in advance; adding requirements for elected or appointed public officials who wish
1.6 to elect coverage by the general employees retirement plan; clarifying the
1.7 membership election period and timing to file membership election forms; adding
1.8 a 60-day requirement for filing an election with the association; clarifying the
1.9 application of the increased multiplier for members of the local government
1.10 correctional retirement plan who qualify for a duty disability benefit; amending
1.11 Minnesota Statutes 2024, sections 353.01, subdivisions 2a, 2b, 2d; 353.028,
1.12 subdivisions 2, 3; 353.34, subdivision 5; 353D.02, subdivisions 1, 2, 3, 4, 5, 6, 7;
1.13 353E.06, subdivision 1; 356.636, subdivisions 2, 3.

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

1.15 Section 1. Minnesota Statutes 2024, section 353.01, subdivision 2a, is amended to read:

1.16 Subd. 2a. **Included employees; mandatory membership.** (a) Any public employees
1.17 employee whose salary from one governmental subdivision ~~exceeds~~ is expected to exceed
1.18 \$425 in any month and who ~~are~~ is not specifically excluded under subdivision 2b or ~~have~~
1.19 has not been provided an option to participate under subdivision 2d, whether individually
1.20 or by action of the governmental subdivision, must participate beginning on the employee's
1.21 first day of employment as ~~members~~ a member of the association with retirement coverage
1.22 by the general employees retirement plan under this chapter, the public employees police
1.23 and fire plan under this chapter, or the local government correctional employees retirement
1.24 plan under chapter 353E, whichever applies. For any employee whose salary is not expected
1.25 to exceed \$425 in any month, membership commences as a condition of employment on
1.26 ~~the first day of employment or~~ on the first day that the employee's salary exceeds \$425 and

2.1 the other eligibility criteria are met, ~~whichever is later~~. Public employees include but are  
2.2 not limited to:

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

2.5 (2) elected county sheriffs;

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

2.9 (i) town and city clerk or treasurer;

2.10 (ii) county auditor, treasurer, or recorder;

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

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

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

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

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

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

2.22 (8) employees of the Stevens County Housing and Redevelopment Authority who were  
2.23 first employed by the Stevens County Housing and Redevelopment Authority before May  
2.24 1, 2014, and who are not excluded employees under subdivision 2b;

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

2.28 (10) employees of the Public Employees Retirement Association.

2.29 (b) A public employee or elected official who was a member of the association on June  
2.30 30, 2002, based on employment that qualified for membership coverage by the public  
2.31 employees retirement plan or the public employees police and fire plan under this chapter,

3.1 or the local government correctional employees retirement plan under chapter 353E as of  
3.2 June 30, 2002, retains that membership for the duration of the person's employment in that  
3.3 position or incumbency in elected office. Except as provided in subdivision 28, the person  
3.4 shall participate as a member until the employee or elected official terminates public  
3.5 employment under subdivision 11a or terminates membership under subdivision 11b.

3.6 (c) If the salary of an included public employee is less than \$425 in any subsequent  
3.7 month, the member retains membership eligibility.

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

3.11 **EFFECTIVE DATE.** This section is effective July 1, 2025.

3.12 Sec. 2. Minnesota Statutes 2024, section 353.01, subdivision 2b, is amended to read:

3.13 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to  
3.14 participate as members of the association with retirement coverage by the general employees  
3.15 retirement plan, the local government correctional employees retirement plan under chapter  
3.16 353E, or the public employees police and fire plan:

3.17 (1) persons whose salary from one governmental subdivision never exceeds or is never  
3.18 expected to exceed \$425 in a month;

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

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

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

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

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

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

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

4.17 (9) persons who are:

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

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

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

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

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

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

- 5.1 (ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;
- 5.2 (iii) employees legally authorized to work in the United States for three years or more;
- 5.3 and
- 5.4 (iv) employees otherwise required to participate under federal law;
- 5.5 (12) public hospital employees who elected not to participate as members of the
- 5.6 association before 1972 and who did not elect to participate from July 1, 1988, to October
- 5.7 1, 1988;
- 5.8 (13) ~~except as provided in section 353.86~~, volunteer ambulance service personnel, as
- 5.9 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel
- 5.10 may still qualify as public employees under subdivision 2 and may be members of the Public
- 5.11 Employees Retirement Association and participants in the general employees retirement
- 5.12 plan or the public employees police and fire plan, whichever applies, on the basis of
- 5.13 compensation received from public employment service other than service as volunteer
- 5.14 ambulance service personnel;
- 5.15 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision
- 5.16 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person
- 5.17 who is a volunteer firefighter may still qualify as a public employee under subdivision 2
- 5.18 and may be a member of the Public Employees Retirement Association and a participant
- 5.19 in the general employees retirement plan or the public employees police and fire plan,
- 5.20 whichever applies, on the basis of compensation received from public employment activities
- 5.21 other than those as a volunteer firefighter;
- 5.22 (15) employees in the building and construction trades, as follows:
- 5.23 (i) pipefitters and associated trades personnel employed by Independent School District
- 5.24 No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters
- 5.25 local 455 pension plan who were either first employed after May 1, 1997, or, if first employed
- 5.26 before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section
- 5.27 12;
- 5.28 (ii) electrical workers, plumbers, carpenters, and associated trades personnel employed
- 5.29 by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage
- 5.30 under a collective bargaining agreement by the electrical workers local 110 pension plan,
- 5.31 the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either
- 5.32 first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be
- 5.33 excluded under Laws 2000, chapter 461, article 7, section 5;

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

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

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

6.18 (vi) laborers and associated trades personnel employed by the city of St. Paul or  
6.19 Independent School District No. 625, St. Paul, who are designated as temporary employees  
6.20 with coverage under a collective bargaining agreement by a multiemployer plan as defined  
6.21 in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018,  
6.22 or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter  
6.23 211, article 16, section 13; and

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

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

6.32 (17) persons who are provided supported employment or work-study positions by a  
6.33 governmental subdivision and who participate in an employment or industries program  
6.34 maintained for the benefit of these persons where the governmental subdivision limits the

7.1 position's duration to up to five years, including persons participating in a federal or state  
 7.2 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment  
 7.3 relief program where the training or work experience is not provided as a part of, or for,  
 7.4 future permanent public employment;

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

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

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

7.9 (21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan  
 7.10 Transit Commission who are members of the International Brotherhood of Teamsters Local  
 7.11 638 and who are, by virtue of that employment, members of the International Brotherhood  
 7.12 of Teamsters Central States pension plan; and

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

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

7.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

7.20 Sec. 3. Minnesota Statutes 2024, section 353.01, subdivision 2d, is amended to read:

7.21 Subd. 2d. **Optional membership.** (a) Membership in the association is optional by  
 7.22 action of the individual employee for the following public employees who meet the conditions  
 7.23 set forth in subdivision 2a:

7.24 (1) members of the coordinated plan who are also employees of labor organizations as  
 7.25 defined in section 353.017, subdivision 1, for their employment by the labor organization  
 7.26 only, if they elect to have membership under section 353.017, subdivision 2;

7.27 (2) persons who are elected or ~~persons who are~~ appointed to elected positions, other  
 7.28 than local governing body elected positions, and who elect to participate within 30 days of  
 7.29 taking office by filing completing and signing a written election for membership election  
 7.30 on a form prescribed by the executive director of the association and filing the membership  
 7.31 election with the association within 60 days of taking office;

8.1 (3) members of the association who are appointed by the governor to be a state department  
8.2 head and who elect not to be covered by the general state employees retirement plan of the  
8.3 Minnesota State Retirement System under section 352.021;

8.4 (4) city managers as defined in section 353.028, subdivision 1, who do not elect to be  
8.5 excluded from membership in the association under section 353.028, subdivision 2; and

8.6 (5) employees of the Port Authority of the city of St. Paul on January 1, 2003, who were  
8.7 at least age 45 on that date, and who elected to participate by ~~filing a written~~ completing  
8.8 and signing a membership election for membership.

8.9 (b) Membership in the association is optional by action of the governmental subdivision  
8.10 for the employees of the following governmental subdivisions under the conditions specified:

8.11 (1) the Minnesota Association of Townships if the board of that association, at its option,  
8.12 certifies to the executive director that its employees who meet the conditions set forth in  
8.13 subdivision 2a are to be included for purposes of retirement coverage, in which case the  
8.14 status of the association as a participating employer is permanent;

8.15 (2) a county historical society if the county in which the historical society is located, at  
8.16 its option, certifies to the executive director that the employees of the historical society who  
8.17 meet the conditions set forth in subdivision 2a are to be considered county employees for  
8.18 purposes of retirement coverage under this chapter. The status as a county employee must  
8.19 be accorded to all similarly situated county historical society employees and, once established,  
8.20 must continue as long as a person is an employee of the county historical society; and

8.21 (3) Hennepin Healthcare System, Inc., a public corporation, with respect to employees  
8.22 other than paramedics, emergency medical technicians, and protection officers, if the  
8.23 corporate board establishes alternative retirement plans for certain classes of employees of  
8.24 the corporation and certifies to the association the applicable employees to be excluded  
8.25 from future retirement coverage.

8.26 (c) For employees who are covered by paragraph (a), clause (1), (2), or (3), or covered  
8.27 by paragraph (b), clause (1) or (2), if the necessary membership election is not made, the  
8.28 employee is excluded from retirement coverage under this chapter. For employees who are  
8.29 covered by paragraph (a), clause (4), if the necessary election of exclusion is not made, the  
8.30 employee must become a member and have retirement coverage under the applicable  
8.31 provisions of this chapter. For employees specified in paragraph (b), clause (3), membership  
8.32 continues until the exclusion option is exercised for the designated class of employee.

9.1 (d) The option to become a member, once exercised under this subdivision, may not be  
 9.2 withdrawn until the termination of public service as defined under subdivision 11a.

9.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

9.4 Sec. 4. Minnesota Statutes 2024, section 353.028, subdivision 2, is amended to read:

9.5 Subd. 2. **Election.** (a) A city manager first employed by a city may make a onetime,  
 9.6 irrevocable election to be excluded from membership in the general employees retirement  
 9.7 plan of the association. The election of exclusion must be made within 30 days following  
 9.8 the commencement of employment, must be made in writing on a form prescribed by the  
 9.9 executive director, ~~and~~ must be approved by a resolution adopted by the governing body  
 9.10 of the city, and must be filed with the association within 60 days of commencing employment.

9.11 The election of exclusion is not effective until it is filed with the executive director.

9.12 Membership of a city manager in the general employees retirement plan ceases on the date  
 9.13 the written election of exclusion is received by the executive director. Employee and  
 9.14 employer contributions made during the first ~~30~~ 60 days of employment on behalf of a  
 9.15 person exercising the option to be excluded from membership under this paragraph must  
 9.16 be refunded or credited in accordance with section 353.27, subdivision 7.

9.17 (b) A city manager who has previously been an employee in any position covered by  
 9.18 any retirement plan administered by the association to which the city contributed or by any  
 9.19 supplemental pension or deferred compensation plan under section 356.24 sponsored by  
 9.20 the city is not eligible to make the election under paragraph (a).

9.21 (c) Any election under paragraph (a) must include a statement that the individual will  
 9.22 not seek authorization to purchase service credit for any period of excluded service.

9.23 **EFFECTIVE DATE.** This section is effective July 1, 2025.

9.24 Sec. 5. Minnesota Statutes 2024, section 353.028, subdivision 3, is amended to read:

9.25 Subd. 3. **Deferred compensation; city contribution.** (a) If an election of exclusion  
 9.26 under subdivision 2 is made, and if the city manager and the governing body of the city  
 9.27 additionally agree in writing that the additional compensation is to be deferred and is to be  
 9.28 contributed on behalf of the city manager to a deferred compensation program that meets  
 9.29 the requirements of section 457 of the Internal Revenue Code of 1986, as amended, and  
 9.30 section 356.24, the governing body may compensate the city manager, in addition to the  
 9.31 salary allowed under any limitation imposed on salaries by law or charter, in an amount

10.1 equal to the employer contribution that would be required by section 353.27, subdivision  
 10.2 3, if the city manager were a member of the general employees retirement plan.

10.3 (b) Alternatively, if an election of exclusion under subdivision 2 is made, the city manager  
 10.4 and the governing body of the city may agree in writing that the equivalent employer  
 10.5 contribution to the contribution under section 353.27, subdivision 3, be contributed by the  
 10.6 city to the defined contribution plan of the Public Employees Retirement Association under  
 10.7 chapter 353D. ~~Any~~ An election and agreement under this paragraph must be entered into  
 10.8 within 30 days following the commencement of employment.

10.9 **EFFECTIVE DATE.** This section is effective July 1, 2025.

10.10 Sec. 6. Minnesota Statutes 2024, section 353.34, subdivision 5, is amended to read:

10.11 Subd. 5. **Right to a refund generally unlimited.** Notwithstanding section 356.65, the  
 10.12 right to a refund provided in this chapter, and laws amendatory thereof, is not restricted as  
 10.13 to time unless specifically provided and the statute of limitation does not apply thereto.

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

10.15 Sec. 7. Minnesota Statutes 2024, section 353D.02, subdivision 1, is amended to read:

10.16 Subdivision 1. **Local government officials.** Eligible elected or appointed local  
 10.17 government officials may elect to participate in the defined contribution plan within the  
 10.18 first 30 days of ~~being elected or appointed to~~ taking public office by filing completing and  
 10.19 signing a membership application election on a form prescribed by the executive director  
 10.20 of the association authorizing contributions to be deducted from the official's salary.  
 10.21 Participation begins on the first day of the pay period for which the contributions were  
 10.22 deducted or, if pay period coverage dates are not provided, the date on which the membership  
 10.23 ~~application election~~ application election or contributions are received in the office of the association, whichever  
 10.24 is received first, provided further that the membership ~~application election~~ application election is received by  
 10.25 the association within 60 days of ~~the receipt of the contributions~~ taking office. An election  
 10.26 to participate in the plan is irrevocable.

10.27 **EFFECTIVE DATE.** This section is effective July 1, 2025.

10.28 Sec. 8. Minnesota Statutes 2024, section 353D.02, subdivision 2, is amended to read:

10.29 Subd. 2. **Eligible physicians.** Eligible physicians may elect to participate in the defined  
 10.30 contribution plan within the first 30 days of commencing employment with a government  
 10.31 subdivision under section 353.01, subdivision 6, by filing completing and signing a

11.1 membership ~~application~~ election on a form prescribed by the executive director of the  
 11.2 association authorizing contributions to be deducted from the physician's salary and filing  
 11.3 the membership election with the association within 60 days of commencing employment.  
 11.4 Participation begins on the first day of the pay period for which the contributions were  
 11.5 deducted. An election to participate in the defined contribution plan is irrevocable.

11.6 **EFFECTIVE DATE.** This section is effective July 1, 2025.

11.7 Sec. 9. Minnesota Statutes 2024, section 353D.02, subdivision 3, is amended to read:

11.8 Subd. 3. **Eligible ambulance service personnel.** Each public ambulance service with  
 11.9 eligible personnel may elect to participate in the plan. If a service elects to participate, its  
 11.10 eligible personnel may elect to participate or decline to participate. An individual's  
 11.11 membership election must be made within 30 days of the service's election to participate  
 11.12 or within 30 days of the date on which the individual began employment with the service  
 11.13 or began to provide service for it, whichever date is later. The membership election must  
 11.14 be received by the association within 60 days of the service's election to participate or within  
 11.15 60 days of the date on which the individual first began employment, whichever is later. An  
 11.16 election by a service or an individual is irrevocable.

11.17 Sec. 10. Minnesota Statutes 2024, section 353D.02, subdivision 4, is amended to read:

11.18 Subd. 4. **Eligible rescue squad personnel.** The municipality or county, as applicable,  
 11.19 associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause  
 11.20 (4), may elect to participate in the plan. If the municipality or county, as applicable, elects  
 11.21 to participate, the eligible personnel may elect to participate or decline to participate. An  
 11.22 eligible individual's membership election must be made within 30 days of the service's  
 11.23 municipality's or county's election to participate or within 30 days of the date on which the  
 11.24 individual first began employment with the rescue squad, whichever is later. The membership  
 11.25 election must be received by the association within 60 days of the municipality's or county's  
 11.26 election to participate or within 60 days of the date on which the individual first began  
 11.27 employment, whichever is later. Elections under this subdivision by a government unit or  
 11.28 individual are irrevocable. The municipality or county, as applicable, must specify by  
 11.29 resolution eligibility requirements for rescue squad personnel which must be satisfied if the  
 11.30 individual is to be authorized to make the membership election under this subdivision.

11.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

12.1 Sec. 11. Minnesota Statutes 2024, section 353D.02, subdivision 5, is amended to read:

12.2 Subd. 5. **St. Paul Port Authority personnel.** Employees of the Port Authority of the  
 12.3 city of St. Paul who do not elect to participate in the general employees retirement plan may  
 12.4 elect within the first 30 days of commencing employment to participate in the plan by ~~file~~  
 12.5 completing and signing a membership application election on a form prescribed by the  
 12.6 executive director of the association authorizing contributions to be deducted from the  
 12.7 employee's salary. Participation begins on the first day of the pay period for which the  
 12.8 contributions were deducted or, if pay period coverage dates are not provided, the date on  
 12.9 which the membership ~~application~~ election or the contributions are received in the office  
 12.10 of the association, whichever is received first, if provided the membership ~~application~~  
 12.11 election is received by the association within 60 days of ~~the receipt of the contributions~~  
 12.12 commencing employment. An election to participate in the plan is irrevocable.

12.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

12.14 Sec. 12. Minnesota Statutes 2024, section 353D.02, subdivision 6, is amended to read:

12.15 Subd. 6. **City managers.** Any city ~~managers~~ manager who elected to be excluded within  
 12.16 30 days of commencing employment from the general employees retirement plan of the  
 12.17 Public Employees Retirement Association under section 353.028, subdivision 2, and who  
 12.18 ~~elected to participate in the plan~~ entered into an agreement under section 353.028, subdivision  
 12.19 3, paragraph (b), with the governing body of the city by which the city manager is employed  
 12.20 to have the city make contributions to the defined contribution plan under chapter 353D  
 12.21 must file that an election with the ~~executive director~~ association within the first ~~30~~ 60 days  
 12.22 of commencing employment to participate in the defined contribution plan. The city manager  
 12.23 must complete and sign a membership election on a form prescribed by the executive director  
 12.24 of the association. Participation begins on the first day of the pay period next following the  
 12.25 date of the coverage election. An election to participate by a city manager is irrevocable.

12.26 **EFFECTIVE DATE.** This section is effective July 1, 2025.

12.27 Sec. 13. Minnesota Statutes 2024, section 353D.02, subdivision 7, is amended to read:

12.28 Subd. 7. **Certain volunteer firefighters.** Volunteer or on-call firefighters who are serving  
 12.29 as members of a municipal fire department or an independent nonprofit firefighting  
 12.30 corporation and who are not covered for that firefighting service by the public employees  
 12.31 police and fire retirement plan under sections 353.63 to 353.68, by a firefighters relief  
 12.32 association under chapter 424A, or by the statewide volunteer firefighter retirement plan  
 12.33 under chapter 353G may elect to participate in the plan within the first 30 days of

13.1 commencing service by completing and signing a membership election on a form prescribed  
 13.2 by the executive director of the association. The membership election must be filed with  
 13.3 the association within 60 days of commencing service. An eligible firefighter's election is  
 13.4 irrevocable. No employer contribution is payable by the fire department or the firefighting  
 13.5 corporation unless the municipal governing body or the firefighting corporation governing  
 13.6 body, whichever applies, ratifies the membership election.

13.7 **EFFECTIVE DATE.** This section is effective July 1, 2025.

13.8 Sec. 14. Minnesota Statutes 2024, section 353E.06, subdivision 1, is amended to read:

13.9 Subdivision 1. **Duty disability qualification requirements.** A member who is determined  
 13.10 to qualify for a duty disability as defined in section 353E.001, subdivision 1, is entitled to  
 13.11 a disability benefit. The disability benefit must be based on covered service under this  
 13.12 chapter only and is an amount equal to 47.5 percent of the average salary defined in section  
 13.13 353E.04, subdivision 2, plus ~~an additional 1.9 percent,~~ 2 for each year of covered service  
 13.14 under this chapter in excess of 25 years-;

13.15 (1) 1.9 percent for each year of allowable service beginning before July 1, 2025; and

13.16 (2) 2.2 percent for each year of allowable service beginning after June 30, 2025.

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

13.18 Sec. 15. Minnesota Statutes 2024, section 356.636, subdivision 2, is amended to read:

13.19 Subd. 2. **Correction of errors.** (a) The executive director of a pension fund may correct  
 13.20 ~~an operational, demographic, or employer or employee eligibility error;~~ by a pension fund  
 13.21 or an error in a plan document that is not a statute if the executive director determines that  
 13.22 correction is necessary or appropriate to preserve and protect the tax qualification of any  
 13.23 pension or retirement plan listed in section 356.611, subdivision 6, that is ~~part of~~ administered  
 13.24 by the pension fund. The method of correction must comply with the Internal Revenue  
 13.25 Service Employee Plans Compliance Resolution System (EPCRS) or any successor thereto,  
 13.26 if the EPCRS addresses the error and correction.

13.27 (b) To the extent deemed necessary by the executive director to implement correction,  
 13.28 the executive director may:

13.29 (1) make distributions;

13.30 (2) transfer assets;

14.1 (3) recover an overpayment by reducing future benefit payments or designating  
14.2 appropriate revenue or source of funding that will restore to the plan the amount of the  
14.3 overpayment; or

14.4 (4) take any other action that will restore the plan and any affected member or participant  
14.5 to the position the plan, member, or participant would have been in had the error not occurred.

14.6 (c) An executive director may correct an error under paragraph (a) or (b) without regard  
14.7 to any statute that imposes a time limitation on making such correction.

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

14.9 Sec. 16. Minnesota Statutes 2024, section 356.636, subdivision 3, is amended to read:

14.10 Subd. 3. **Annual report.** The executive director of each pension fund must report  
14.11 annually, no later than each February 1, to the chair and executive director of the Legislative  
14.12 Commission on Pensions and Retirement on whether the executive director of the pension  
14.13 fund corrected any operational, ~~demographic, employer or employee eligibility,~~ or plan  
14.14 document error during the preceding calendar year. The report must describe the error, the  
14.15 pension or retirement plan affected by the error, the method of correction, and the cost, if  
14.16 any, to the pension or retirement plan, employee, or employer of the error and correction.

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