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State of Minnesota

# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 2395**

03/17/2025 Authored by Huot and Bierman
The bill was read for the first time and referred to the Committee on State Government Finance and Policy

A bill for an act

relating to retirement; firefighters relief associations; increasing the maximum lump-sum service pension amount for each year of service credited; amending Minnesota Statutes 2024, section 424A.02, subdivision 3.

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

Section 1. Minnesota Statutes 2024, section 424A.02, subdivision 3, is amended to read:

Subd. 3. **Determining maximum pension benefit.** (a) Except as provided in paragraph (b) and section 424B.22, subdivision 4, a defined benefit relief association may not set in its bylaws a service pension amount above the following maximum amounts:

(1) for a defined benefit relief association in which the governing bylaws provide for a monthly service pension, the maximum monthly service pension amount per month for each year of service credited is the lesser of $100 or the maximum monthly service pension amount that could be adopted by the relief association as a bylaws amendment that satisfies section 424A.093, subdivision 6, paragraph (d); and

(2) for a defined benefit relief association in which the governing bylaws provide for a lump-sum service pension, the maximum lump-sum service pension amount for each year of service credited is the lesser of ~~$15,000~~ $20,000 or the maximum lump-sum service pension amount that could be adopted by the relief association as a bylaws amendment that satisfies section 424A.092, subdivision 6, paragraph (e).

(b) A defined benefit relief association may set in its bylaws a service pension amount that is not greater than the maximum amounts in clause (1) or (2), as applicable, but only if the service pension amount has been ratified by the municipality.

(1) For a defined benefit relief association that pays a monthly service pension, the maximum monthly service pension amount per month for each year of service credited is $100.

(2) For a defined benefit relief association that pays a lump-sum service pension, the maximum lump-sum service pension amount for each year of service credited is ~~$15,000~~ $20,000.

(c) The method of calculating service pensions must be applied uniformly for all years of active service. Credit must be given for all years of active service, unless the bylaws of the relief association provide that service credit is not given for:

(1) years of active service in excess of caps on service credit; or

(2) years of active service earned by a former member who:

(i) has ceased duties as a volunteer firefighter and paid on-call firefighter with the fire department before becoming vested under subdivision 2; and

(ii) has not resumed active service with the fire department and active membership in the relief association for a period as defined in the relief association's bylaws, of not less than five years.

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