

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1122

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DATE
02/06/2025

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Introduction and first reading
Referred to State and Local Government

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to retirement; public employees police and fire retirement plan; state patrol

1.3 retirement plan; increasing postretirement adjustments; decreasing the waiting

1.4 period for a postretirement adjustment for the public employees police and fire

1.5 retirement plan; amending Minnesota Statutes 2024, section 356.415, subdivisions

1.6 1c, 1e.

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

1.8 Section 1. Minnesota Statutes 2024, section 356.415, subdivision 1c, is amended to read:

1.9 Subd. 1c. **Annual postretirement adjustments; ~~PERA-police~~ public employees police**

1.10 **and fire retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit

1.11 recipients of the public employees police and fire retirement plan are entitled to an annual

1.12 postretirement adjustment, effective as of each January 1, ~~as follows:~~ equal to the percentage

1.13 of increase determined under this subdivision. The increase to the annuity or benefit must

1.14 be determined by multiplying the monthly amount of the annuity or benefit by the percentage

1.15 of increase specified in paragraph (b), after taking into account any reduction to the

1.16 percentage of increase required under paragraph (c).

1.17 (b) The percentage of increase must be one percent unless the federal Social Security

1.18 Administration has announced a cost-of-living adjustment pursuant to United States Code,

1.19 title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than

1.20 two percent. If the cost-of-living adjustment announced by the federal Social Security

1.21 Administration is greater than two percent, the percentage of increase must be 50 percent

1.22 of the cost-of-living adjustment announced by the federal Social Security Administration,

1.23 except the percentage of increase must not exceed 1.5 percent.

~~(c)(1) for each annuitant or benefit~~ If the recipient who will have of an annuity, a disability benefit, or a survivor's benefit has been receiving an the annuity or benefit for at least 36 12 full months as of the immediate preceding June 30, a postretirement of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase of one percent must be applied each year to the amount of the monthly annuity or benefit of the annuitant or benefit recipient; or.

~~(2) for each annuitant or benefit~~ If the recipient who of an annuity, a disability benefit, or a survivor's benefit has been receiving the annuity or benefit for at least 25 full months one full month, but less than 36 12 full months as of the immediate preceding June 30, a postretirement increase of 1/12 of one percent for each full month that the person has been receiving an of the calendar year immediately before the effective date of the increase, the percentage of the increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit during was received as of June 30 of the fiscal preceding calendar year in which the annuity or benefit was effective must be applied each year to the amount of the monthly annuity or benefit of the annuitant or benefit recipient and the denominator of which is 12.

~~(b)~~ (d) An increase in annuity or benefit payments under this section subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 356.415, subdivision 1e, is amended to read:

Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) a postretirement increase of ~~one~~ 1.5 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar

3.1 year immediately before the adjustment, an annual postretirement increase of 1/12 of ~~one~~
3.2 1.5 percent for each month that the person has been receiving an annuity or benefit must
3.3 be applied to the amount of the monthly annuity or benefit of each annuitant or benefit
3.4 recipient.

3.5 (b) An increase in annuity or benefit payments under this subdivision must be made
3.6 automatically unless written notice is filed by the annuitant or benefit recipient with the
3.7 executive director of the ~~applicable covered~~ Minnesota State Retirement plan System
3.8 requesting that the increase not be made.

3.9 **EFFECTIVE DATE.** This section is effective for postretirement adjustments beginning
3.10 on or after January 1, 2026.