

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 356

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DATE	D-PG	OFFICIAL STATUS
01/21/2025	121	Introduction and first reading Referred to State and Local Government

1.1 A bill for an act

1.2 relating to retirement; public employees police and fire retirement plan; increasing

1.3 the reemployment earnings limit applicable to disability benefit payments; amending

1.4 Minnesota Statutes 2024, section 353.656, subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2024, section 353.656, subdivision 4, is amended to read:

1.7 Subd. 4. **Limitation on disability benefit payments.** (a) No member is entitled to

1.8 receive a disability benefit payment when there remains to the member's credit unused

1.9 annual leave, sick leave, or any other employer-provided salary continuation plan, or under

1.10 any other circumstances when, during the period of disability, there has been no impairment

1.11 of the person's salary as a police officer, a firefighter, or a paramedic as defined in section

1.12 353.64, subdivision 10, whichever applies.

1.13 (b) This paragraph applies to members who begin disability payments before July 1,

1.14 2023, and either are not required to reapply under section 353.031, subdivision 8, or have

1.15 not reached the end of one year or three years, as applicable, when reapplication under

1.16 section 353.031, subdivision 8, is required. If a disabled member resumes a gainful

1.17 occupation with earnings that, when added to the single life disability benefit, and workers'

1.18 compensation benefit if applicable, exceed the disability benefit recipient's reemployment

1.19 earnings limit, the amount of the disability benefit must be reduced during the months of

1.20 employment and receipt of workers' compensation benefits, if applicable, as provided in

1.21 this paragraph. The disability benefit recipient's reemployment earnings limit is the greater

1.22 of (1) the monthly salary earned at the date of disability, or (2) ~~125~~ 150 percent of the base

2.1 monthly salary currently paid by the employing governmental subdivision for similar
2.2 positions.

2.3 The disability benefit must be reduced by one dollar for each three dollars by which the
2.4 total amount of the current monthly disability benefit, any monthly workers' compensation
2.5 benefits if applicable, and actual monthly earnings exceed the greater disability benefit
2.6 recipient's reemployment earnings limit. In no event may the monthly disability benefit as
2.7 adjusted under this subdivision exceed the disability benefit originally allowed.

2.8 (c) This paragraph applies to members who begin disability payments or are required
2.9 to reapply under section 353.031, subdivision 8, on or after July 1, 2023. Beginning the
2.10 calendar year after application or reapplication, if a disabled member resumes a gainful
2.11 occupation with earnings, the amount of the member's disability benefit must be reduced
2.12 each year until normal retirement age by the sum of clauses (1) and (2), not to exceed the
2.13 amount of the member's disability benefit:

2.14 (1) for members with less than 20 years of service for a duty disability benefit or less
2.15 than 15 years of service for a regular disability benefit, one dollar for each dollar of
2.16 reemployment earnings, but not more than the lesser of (i) and (ii), and not to exceed the
2.17 employee contribution rate as defined under section 353.65, subdivision 2, multiplied by
2.18 the average salary used to determine the amount of the member's disability benefit when
2.19 granted:

2.20 (i) an amount equal to the employee contribution rate as defined under section 353.65,
2.21 subdivision 2, multiplied by the average salary used to determine the amount of the member's
2.22 disability benefit, when granted, multiplied by the difference between 20 for a duty disability
2.23 benefit or 15 for a regular disability benefit and the member's years of service, divided by
2.24 55 minus the member's age at the time of disability; or

2.25 (ii) 50 percent of the member's yearly reemployment earnings; and

2.26 (2) for all members:

2.27 (i) one dollar for every two dollars, up to ~~125~~ 150 percent of the base monthly salary,
2.28 by which the sum exceeds the base monthly salary; and

2.29 (ii) one dollar for each dollar by which the sum exceeds ~~125~~ 150 percent of the base
2.30 monthly salary;

2.31 where "sum" means the sum of the current disability benefit plus actual monthly
2.32 reemployment earnings and "base monthly salary" means the base monthly salary currently
2.33 paid by the employing governmental subdivision for similar positions.

- 3.1 (d) Paragraphs (b) and (c) do not apply to a member receiving total and permanent
- 3.2 disability benefits under section 353.656, subdivision 1a or 3a.
- 3.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.