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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2145

03/11/2021 Authored by Nelson, M., The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to retirement; State Auditor's fire relief association working group
1.3 recommendations; amending Minnesota Statutes 2020, sections 424A.001, by
1.4 adding a subdivision; 424A.014, subdivisions 1, 2; 424A.015, subdivision 7;
1.5 424A.016, subdivisions 4, 6; 424A.02, subdivision 3; 424A.05, subdivision 3b;
1.6 424A.10, subdivision 2.

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

1.8 Section 1. Minnesota Statutes 2020, section 424A.001, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 2b. **Municipal clerk.** "Municipal clerk" means the person elected or appointed
1.11 to the position of municipal clerk, the chief financial official or chief administrative official
1.12 designated to perform such function, or, if there is no such person or designation, the chief
1.13 financial official, the chief administrative official, or the person primarily responsible for
1.14 managing the finances of a municipality.

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

1.16 Sec. 2. Minnesota Statutes 2020, section 424A.014, subdivision 1, is amended to read:

1.17 Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited
1.18 financial statements in accordance with paragraphs (c) to (e) must be submitted by the board
1.19 of trustees of the Bloomington Fire Department Relief Association and the board of trustees
1.20 of each volunteer firefighters relief association with special fund assets of at least \$500,000
1.21 or special fund liabilities of at least \$500,000 in the prior year or in any previous year,
1.22 according to the applicable actuarial valuation or according to the financial report if no
1.23 valuation is required, must prepare a financial report covering the special and general funds

2.1 ~~of the relief association for the preceding fiscal year, file the any previous year's financial~~  
 2.2 ~~report, and submit financial statements.~~

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

2.7 ~~(b) (c) The financial report must contain financial statements and disclosures that present~~  
 2.8 ~~the true financial condition of the relief association and the results of relief association~~  
 2.9 ~~operations in conformity with generally accepted accounting principles and in compliance~~  
 2.10 ~~with the regulatory, financing, and funding provisions of this chapter and any other applicable~~  
 2.11 ~~laws~~ cover the relief association's special fund and general fund and be in the style and form  
 2.12 prescribed by the state auditor. The financial report must be countersigned by:

2.13 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief  
 2.14 association is located if the relief association is a ~~firefighters' relief association~~ that is directly  
 2.15 associated with a municipal fire department;

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

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

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

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

3.1 ~~this report~~ audited financial statements in lieu of the financial report required in paragraph  
3.2 ~~(e)~~ (a).

3.3 **EFFECTIVE DATE.** This section is effective January 1, 2022.

3.4 Sec. 3. Minnesota Statutes 2020, section 424A.014, subdivision 2, is amended to read:

3.5 Subd. 2. **Financial statement.** (a) The board of trustees of each volunteer firefighter  
3.6 relief association that is not required to and does not choose to file a financial report and  
3.7 audit under subdivision 1 must prepare a detailed statement of the financial affairs for the  
3.8 preceding fiscal year of the relief association's special and general funds in the style and  
3.9 form prescribed by the state auditor. The detailed statement must show:

3.10 (1) the sources and amounts of all money received;

3.11 (2) all disbursements, accounts payable, and accounts receivable;

3.12 (3) the amount of money remaining in the treasury;

3.13 (4) total assets, including a listing of all investments;

3.14 (5) the accrued liabilities; and

3.15 (6) all other items necessary to show accurately the revenues and expenditures and  
3.16 financial position of the relief association.

3.17 (b) The detailed financial statement of the special and general funds required under  
3.18 paragraph (a) must be certified by a certified public accountant or by the state auditor in  
3.19 accordance with agreed-upon procedures and forms prescribed by the state auditor. The  
3.20 accountant must have at least five years of public accounting, auditing, or similar experience  
3.21 and must not be an active, inactive, or retired member of the relief association or the fire  
3.22 department.

3.23 (c) The detailed financial statement required under paragraph (a) must be countersigned  
3.24 by:

3.25 (1) the municipal clerk or clerk-treasurer of the municipality;

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

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

4.4 (d) The volunteer firefighters relief association board must submit a copy of the detailed  
 4.5 financial statement required under paragraph (a) that has been certified by the governing  
 4.6 body of the municipality to the state auditor on or before March 31 after the close of the  
 4.7 fiscal year.

4.8 (e) A certified public accountant or auditor who performs the agreed-upon procedures  
 4.9 under paragraph (b) is subject to the reporting requirement of section 6.67.

4.10 **EFFECTIVE DATE.** This section is effective January 1, 2022.

4.11 Sec. 4. Minnesota Statutes 2020, section 424A.015, subdivision 7, is amended to read:

4.12 Subd. 7. **Combined service pensions.** (a) A ~~volunteer firefighter~~ member with credit  
 4.13 for service as an active firefighter in more than one volunteer firefighters relief association  
 4.14 is entitled to a ~~prorated~~ service pension from each participating relief association if:

4.15 (1) the articles of incorporation or bylaws of the relief associations provide for such  
 4.16 combined service pensions;

4.17 (2) the applicable requirements of paragraphs (b) ~~and (e)~~ to (e) are met; and

4.18 (3) the ~~volunteer firefighter~~ member otherwise qualifies.

4.19 (b) A ~~volunteer firefighter~~ member receiving a ~~prorated~~ service pension under this  
 4.20 subdivision must ~~have a total combined amount of service credit from the two or more relief~~  
 4.21 ~~associations of ten years or more, unless the bylaws of every affected relief association~~  
 4.22 ~~specify less than a ten-year service vesting requirement, in which case, the total amount of~~  
 4.23 ~~required service credit is the longest service vesting requirement of the relief associations~~  
 4.24 be at least partially vested under the bylaws of the first participating relief association on  
 4.25 the date on which the member terminates active service with that relief association. The  
 4.26 service pension paid from the first participating relief association shall be based on the years  
 4.27 of active service accrued in the first relief association and the vesting percentage applicable  
 4.28 to those years of active service.

4.29 (c) To receive a service pension from each subsequent relief association, the member  
 4.30 must be at least partially vested under the bylaws of the subsequent relief association, taking  
 4.31 into consideration the member's total service credit accrued in all participating relief  
 4.32 associations to the date the member terminates active service with the subsequent relief

5.1 association. The service pension paid from each subsequent relief association shall be based  
 5.2 on the years of active service accrued solely in that relief association and the vesting  
 5.3 percentage applicable to the combined amount of total service credit accrued in all of the  
 5.4 participating relief associations.

5.5 (d) The member must have one ~~year~~ or more years of service credit in each participating  
 5.6 relief association. The ~~prorated~~ service pension must be based on:

5.7 (1) for defined benefit relief associations, the service pension amount in effect for the  
 5.8 relief association on the date on which the member's active volunteer firefighting services  
 5.9 covered by that relief association terminate; and

5.10 (2) for defined contribution relief associations, the member's individual account balance  
 5.11 on the date on which the member's active volunteer firefighting services covered by that  
 5.12 relief association terminate.

5.13 ~~(e)~~ (e) To receive a ~~prorated~~ service pension under this subdivision, the ~~firefighter~~  
 5.14 member must become a member of the ~~second or succeeding~~ subsequent relief association  
 5.15 ~~and must give notice of membership to the prior association~~ within two years of the date of  
 5.16 termination of active service with the prior relief association. ~~The second or~~ If requested  
 5.17 by the member or a subsequent relief association, the secretary of each prior relief association  
 5.18 ~~must certify the~~ provide written notice to the member and the subsequent relief association  
 5.19 regarding the amount of active service accrued by the member in the prior relief association.

5.20 **EFFECTIVE DATE.** This section is effective January 1, 2022.

5.21 Sec. 5. Minnesota Statutes 2020, section 424A.016, subdivision 4, is amended to read:

5.22 Subd. 4. **Individual accounts.** (a) An individual account must be established for each  
 5.23 firefighter who is a member of the relief association.

5.24 (b) To each individual active member account must be credited an equal share of:

5.25 (1) any amounts of fire state aid and police and firefighter retirement supplemental state  
 5.26 aid received by the relief association;

5.27 (2) any amounts of municipal contributions to the relief association raised from levies  
 5.28 on real estate or from other available municipal revenue sources exclusive of fire state aid;  
 5.29 and

5.30 (3) any amounts equal to the share of the assets of the special fund to the credit of:

5.31 (i) any former member who terminated active service with the fire department to which  
 5.32 the relief association is associated before meeting the minimum service requirement provided

6.1 for in subdivision 2, paragraph (b), and either has not returned to active service with the  
6.2 fire department for a period no shorter than five years or has died and no survivor benefit  
6.3 or death benefit is payable; or

6.4 (ii) any ~~retired~~ member who ~~retired~~ terminated active service before ~~obtaining a full~~  
6.5 ~~nonforfeitable interest in the amounts credited to~~ becoming 100 percent vested in the  
6.6 ~~individual member~~ member's account under subdivision 2, paragraph (b), and any applicable  
6.7 provision of the bylaws of the relief association.

6.8 (c) In addition, any investment return on the assets of the special fund must be credited  
6.9 in proportion to the share of the assets of the special fund to the credit of each individual  
6.10 active member account and inactive member account, unless the inactive member is a  
6.11 deferred member as defined in subdivision 6.

6.12 (d) Administrative expenses of the relief association payable from the special fund may  
6.13 be deducted from individual accounts in a manner specified in the bylaws of the relief  
6.14 association.

6.15 (e) Amounts to be credited to individual accounts under paragraph (b) must be allocated  
6.16 uniformly for all years of active service and allocations must be made for all years of service,  
6.17 except for caps on service credit if so provided in the bylaws of the relief association.  
6.18 Amounts forfeited under paragraph (b), clause (3), before a resumption of active service  
6.19 and membership under section 424A.01, subdivision 6, remain forfeited and may not be  
6.20 reinstated upon the resumption of active service and membership. The allocation method  
6.21 may utilize monthly proration for fractional years of service, as the bylaws or articles of  
6.22 incorporation of the relief association so provide. The bylaws or articles of incorporation  
6.23 may define a "month," but the definition must require a calendar month to have at least 16  
6.24 days of active service. If the bylaws or articles of incorporation do not define a "month," a  
6.25 "month" is a completed calendar month of active service measured from the member's date  
6.26 of entry to the same date in the subsequent month.

6.27 (f) At the time of retirement under subdivision 2 and any applicable provision of the  
6.28 bylaws of the relief association, a retiring member is entitled to that portion of the assets of  
6.29 the special fund to the credit of the member in the individual member account which is  
6.30 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief  
6.31 association based on the number of years of service to the credit of the retiring member.

6.32 (g) Annually, the secretary of the relief association shall certify the individual account  
6.33 allocations to the state auditor at the same time that the annual financial statement or financial  
6.34 report and audit of the relief association, whichever applies, is due under section 424A.014.

7.1 **EFFECTIVE DATE.** This section is effective January 1, 2022.

7.2 Sec. 6. Minnesota Statutes 2020, section 424A.016, subdivision 6, is amended to read:

7.3 Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a  
7.4 relief association who has separated from active service and membership and has completed  
7.5 the minimum service and membership requirements in subdivision 2. The requirement that  
7.6 a member separate from active service and membership is waived for persons who have  
7.7 discontinued their volunteer firefighter duties and who are employed on a full-time basis  
7.8 under section 424A.015, subdivision 1.

7.9 (b) A deferred member is entitled to receive a deferred service pension when the member  
7.10 reaches at least age 50, or at least the minimum age specified in the bylaws governing the  
7.11 relief association if that age is greater than age 50, and makes a valid written application.

7.12 (c) A defined contribution relief association must credit interest or additional investment  
7.13 performance on the deferred lump-sum service pension during the period of deferral for all  
7.14 deferred members on or after January 1, 2021. ~~Interest must be credited using one of the~~  
7.15 ~~following methods, as provided for in the~~ A defined contribution relief association may  
7.16 specify in its bylaws the method by which it will credit interest or additional investment  
7.17 performance to the accounts of deferred members. Such method shall be limited to one of  
7.18 the three methods provided in this paragraph. In the event the bylaws do not specify a  
7.19 method, the interest or additional investment performance must be credited using the method  
7.20 defined in clause (3). The permissible methods are:

7.21 (1) at the investment performance rate actually earned on that portion of the assets if the  
7.22 deferred benefit amount is invested by the relief association in a separate account established  
7.23 and maintained by the relief association;

7.24 (2) at the investment performance rate actually earned on that portion of the assets if the  
7.25 deferred benefit amount is invested in a separate investment vehicle held by the relief  
7.26 association; or

7.27 (3) at the investment return on the assets of the special fund of the defined contribution  
7.28 volunteer firefighters relief association in proportion to the share of the assets of the special  
7.29 fund to the credit of each individual deferred member account through the accounting date  
7.30 on which the investment return is recognized by and credited to the special fund.

7.31 (d) Notwithstanding the requirements of section 424A.015, subdivision 6, bylaw  
7.32 amendments made in accordance with paragraph (c) on or before January 1, 2022, shall  
7.33 apply to members already in deferred status as of January 1, 2021.

8.1 ~~(d)~~ (e) Unless the bylaws ~~of~~ provide differently, the dates that will be used by a relief  
 8.2 association ~~that has elected to pay interest or additional investment performance on deferred~~  
 8.3 ~~lump-sum service pensions under paragraph (c) specifies a different interest or additional~~  
 8.4 ~~investment performance method, including the interest or additional investment performance~~  
 8.5 ~~period starting date and ending date, the~~ in determining the creditable amount of interest or  
 8.6 additional investment performance on a deferred service pension ~~is creditable~~ shall be as  
 8.7 follows:

8.8 (1) for a relief association that has elected to credit interest or additional investment  
 8.9 performance under paragraph (c), clause (1) or (3), beginning on the date that the member  
 8.10 separates from active service and membership and ending on the accounting date immediately  
 8.11 before the deferred member commences receipt of the deferred service pension; or

8.12 (2) for a relief association that has elected to credit interest or additional investment  
 8.13 performance under paragraph (c), clause (2), beginning on the date that the member separates  
 8.14 from active service and membership and ending on the date that the separate investment  
 8.15 vehicle is valued immediately before the date on which the deferred member commences  
 8.16 receipt of the deferred service pension.

8.17 ~~(e) If the bylaws do not define a method for crediting interest or additional investment~~  
 8.18 ~~performance, the interest or additional investment performance must be credited using the~~  
 8.19 ~~method defined in paragraph (c), clause (3).~~

8.20 ~~(f) Until December 31, 2020, a defined contribution relief association is permitted, if its~~  
 8.21 ~~governing bylaws so provide, to credit interest or additional investment performance on the~~  
 8.22 ~~deferred lump-sum service pension during the period of deferral using the method set forth~~  
 8.23 ~~in the bylaws applicable on the date on which each deferred member separated from active~~  
 8.24 ~~service.~~

8.25 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2021.

8.26 Sec. 7. Minnesota Statutes 2020, section 424A.02, subdivision 3, is amended to read:

8.27 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as  
 8.28 part of the certification of the financial requirements and minimum municipal obligation  
 8.29 determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable,  
 8.30 the secretary or some other official of the relief association designated in the bylaws of each  
 8.31 defined benefit relief association shall calculate and certify to the governing body of the  
 8.32 applicable municipality the average amount of available financing per active covered  
 8.33 firefighter for the most recent three-year period.

9.1 The amount of available financing includes any amounts of fire state aid and police and  
 9.2 firefighter retirement supplemental state aid received or receivable by the relief association,  
 9.3 any amounts of municipal contributions to the relief association raised from levies on real  
 9.4 estate or from other available revenue sources exclusive of fire state aid, and one-tenth of  
 9.5 the amount of assets in excess of the accrued liabilities of the relief association calculated  
 9.6 under section 424A.092, subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094,  
 9.7 subdivision 2, if any.

9.8 (b) The maximum service pension which the defined benefit relief association has  
 9.9 authority to provide for in its bylaws for payment to a member retiring after the calculation  
 9.10 date when the minimum age and service requirements specified in subdivision 1 are met  
 9.11 must be determined using the table in paragraph (c) or (d), whichever applies.

9.12 (c) For a defined benefit relief association where the governing bylaws provide for a  
 9.13 monthly service pension to a retiring member, the maximum monthly service pension amount  
 9.14 per month for each year of service credited that may be provided for in the bylaws is the  
 9.15 greater of the service pension amount provided for in the bylaws on the date of the calculation  
 9.16 of the average amount of the available financing per active covered firefighter or the  
 9.17 maximum service pension figure corresponding to the average amount of available financing  
 9.18 per active covered firefighter:

9.19	Minimum Average Amount of Available	Maximum Service Pension Amount
9.20	Financing per Firefighter	Payable per Month for Each Year of
9.21		Service
9.22	\$ ...	\$ .25
9.23	41	.50
9.24	81	1.00
9.25	122	1.50
9.26	162	2.00
9.27	203	2.50
9.28	243	3.00
9.29	284	3.50
9.30	324	4.00
9.31	365	4.50
9.32	405	5.00
9.33	486	6.00
9.34	567	7.00
9.35	648	8.00
9.36	729	9.00
9.37	810	10.00

10.1	891	11.00
10.2	972	12.00
10.3	1053	13.00
10.4	1134	14.00
10.5	1215	15.00
10.6	1296	16.00
10.7	1377	17.00
10.8	1458	18.00
10.9	1539	19.00
10.10	1620	20.00
10.11	1701	21.00
10.12	1782	22.00
10.13	1823	22.50
10.14	1863	23.00
10.15	1944	24.00
10.16	2025	25.00
10.17	2106	26.00
10.18	2187	27.00
10.19	2268	28.00
10.20	2349	29.00
10.21	2430	30.00
10.22	2511	31.00
10.23	2592	32.00
10.24	2673	33.00
10.25	2754	34.00
10.26	2834	35.00
10.27	2916	36.00
10.28	2997	37.00
10.29	3078	38.00
10.30	3159	39.00
10.31	3240	40.00
10.32	3321	41.00
10.33	3402	42.00
10.34	3483	43.00
10.35	3564	44.00
10.36	3645	45.00
10.37	3726	46.00
10.38	3807	47.00

11.1	3888	48.00
11.2	3969	49.00
11.3	4050	50.00
11.4	4131	51.00
11.5	4212	52.00
11.6	4293	53.00
11.7	4374	54.00
11.8	4455	55.00
11.9	4536	56.00
11.10	4617	57.00
11.11	4698	58.00
11.12	4779	59.00
11.13	4860	60.00
11.14	4941	61.00
11.15	5022	62.00
11.16	5103	63.00
11.17	5184	64.00
11.18	5265	65.00
11.19	5346	66.00
11.20	5427	67.00
11.21	5508	68.00
11.22	5589	69.00
11.23	5670	70.00
11.24	5751	71.00
11.25	5832	72.00
11.26	5913	73.00
11.27	5994	74.00
11.28	6075	75.00
11.29	6156	76.00
11.30	6237	77.00
11.31	6318	78.00
11.32	6399	79.00
11.33	6480	80.00
11.34	6561	81.00
11.35	6642	82.00
11.36	6723	83.00
11.37	6804	84.00
11.38	6885	85.00

12.1	6966	86.00
12.2	7047	87.00
12.3	7128	88.00
12.4	7209	89.00
12.5	7290	90.00
12.6	7371	91.00
12.7	7452	92.00
12.8	7533	93.00
12.9	7614	94.00
12.10	7695	95.00
12.11	7776	96.00
12.12	7857	97.00
12.13	7938	98.00
12.14	8019	99.00
12.15	8100	100.00
12.16	any amount in excess of	
12.17	8100	100.00

12.18 (d) For a defined benefit relief association in which the governing bylaws provide for a  
 12.19 lump-sum service pension to a retiring member, the maximum lump-sum service pension  
 12.20 amount for each year of service credited that may be provided for in the bylaws is the greater  
 12.21 of the service pension amount provided for in the bylaws on the date of the calculation of  
 12.22 the average amount of the available financing per active covered firefighter or the maximum  
 12.23 service pension figure corresponding to the average amount of available financing per active  
 12.24 covered firefighter for the applicable specified period:

12.25	Minimum Average Amount of Available	Maximum Lump-Sum Service Pension
12.26	Financing per Firefighter	Amount Payable for Each Year of Service
12.27	\$ ...	\$ 10
12.28	11	20
12.29	16	30
12.30	23	40
12.31	27	50
12.32	32	60
12.33	43	80
12.34	54	100
12.35	65	120
12.36	77	140
12.37	86	160

13.1	97	180
13.2	108	200
13.3	131	240
13.4	151	280
13.5	173	320
13.6	194	360
13.7	216	400
13.8	239	440
13.9	259	480
13.10	281	520
13.11	302	560
13.12	324	600
13.13	347	640
13.14	367	680
13.15	389	720
13.16	410	760
13.17	432	800
13.18	486	900
13.19	540	1000
13.20	594	1100
13.21	648	1200
13.22	702	1300
13.23	756	1400
13.24	810	1500
13.25	864	1600
13.26	918	1700
13.27	972	1800
13.28	1026	1900
13.29	1080	2000
13.30	1134	2100
13.31	1188	2200
13.32	1242	2300
13.33	1296	2400
13.34	1350	2500
13.35	1404	2600
13.36	1458	2700
13.37	1512	2800
13.38	1566	2900

14.1	1620	3000
14.2	1672	3100
14.3	1726	3200
14.4	1753	3250
14.5	1780	3300
14.6	1820	3375
14.7	1834	3400
14.8	1888	3500
14.9	1942	3600
14.10	1996	3700
14.11	2023	3750
14.12	2050	3800
14.13	2104	3900
14.14	2158	4000
14.15	2212	4100
14.16	2265	4200
14.17	2319	4300
14.18	2373	4400
14.19	2427	4500
14.20	2481	4600
14.21	2535	4700
14.22	2589	4800
14.23	2643	4900
14.24	2697	5000
14.25	2751	5100
14.26	2805	5200
14.27	2859	5300
14.28	2913	5400
14.29	2967	5500
14.30	3021	5600
14.31	3075	5700
14.32	3129	5800
14.33	3183	5900
14.34	3237	6000
14.35	3291	6100
14.36	3345	6200
14.37	3399	6300
14.38	3453	6400

15.1	3507	6500
15.2	3561	6600
15.3	3615	6700
15.4	3669	6800
15.5	3723	6900
15.6	3777	7000
15.7	3831	7100
15.8	3885	7200
15.9	3939	7300
15.10	3993	7400
15.11	4047	7500
15.12	4101	7600
15.13	4155	7700
15.14	4209	7800
15.15	4263	7900
15.16	4317	8000
15.17	4371	8100
15.18	4425	8200
15.19	4479	8300
15.20	4533	8400
15.21	4587	8500
15.22	4641	8600
15.23	4695	8700
15.24	4749	8800
15.25	4803	8900
15.26	4857	9000
15.27	4911	9100
15.28	4965	9200
15.29	5019	9300
15.30	5073	9400
15.31	5127	9500
15.32	5181	9600
15.33	5235	9700
15.34	5289	9800
15.35	5343	9900
15.36	5397	10,000
15.37	5451	10,100
15.38	5505	10,200

16.1	5559	10,300
16.2	5613	10,400
16.3	5667	10,500
16.4	5721	10,600
16.5	5775	10,700
16.6	5829	10,800
16.7	5883	10,900
16.8	5937	11,000
16.9	5991	11,100
16.10	6045	11,200
16.11	6099	11,300
16.12	6153	11,400
16.13	6207	11,500
16.14	6261	11,600
16.15	6315	11,700
16.16	6369	11,800
16.17	6423	11,900
16.18	6477	12,000
16.19	6531	12,100
16.20	6585	12,200
16.21	6639	12,300
16.22	6693	12,400
16.23	6747	12,500
16.24	6801	12,600
16.25	6855	12,700
16.26	6909	12,800
16.27	6963	12,900
16.28	7017	13,000
16.29	7071	13,100
16.30	7125	13,200
16.31	7179	13,300
16.32	7233	13,400
16.33	7287	13,500
16.34	7341	13,600
16.35	7395	13,700
16.36	7449	13,800
16.37	7503	13,900
16.38	7557	14,000

17.1	7611	14,100
17.2	7665	14,200
17.3	7719	14,300
17.4	7773	14,400
17.5	7827	14,500
17.6	7881	14,600
17.7	7935	14,700
17.8	7989	14,800
17.9	8043	14,900
17.10	8097	15,000
17.11	any amount in excess of	
17.12	8097	15,000

17.13 (e) For a defined benefit relief association in which the governing bylaws provide for a  
 17.14 monthly benefit service pension as an alternative form of service pension payment to a  
 17.15 lump-sum service pension, the maximum service pension amount for each pension payment  
 17.16 type must be determined using the applicable table contained in this subdivision.

17.17 (f) If a defined benefit relief association establishes a service pension in compliance  
 17.18 with the applicable maximum contained in paragraph (c) or (d) and the minimum average  
 17.19 amount of available financing per active covered firefighter is subsequently reduced because  
 17.20 of a reduction in fire state aid or because of an increase in the number of active firefighters,  
 17.21 the relief association may continue to provide the prior service pension amount specified  
 17.22 in its bylaws, but may not increase the service pension amount until the minimum average  
 17.23 amount of available financing per firefighter under the table in paragraph (c) or (d), whichever  
 17.24 applies, permits.

17.25 (g) No defined benefit relief association is authorized to provide a service pension in an  
 17.26 amount greater than the largest applicable flexible service pension maximum amount even  
 17.27 if the amount of available financing per firefighter is greater than the financing amount  
 17.28 associated with the largest applicable flexible service pension maximum.

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

17.32 (1) years of active service in excess of caps on service credit if so provided in the bylaws  
 17.33 of the relief association; or

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

18.1 (i) has ceased duties as a volunteer firefighter with the fire department before becoming  
18.2 vested under subdivision 2; and

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

18.6 **EFFECTIVE DATE.** This section is effective January 1, 2022.

18.7 Sec. 8. Minnesota Statutes 2020, section 424A.05, subdivision 3b, is amended to read:

18.8 Subd. 3b. **Authorized administrative expenses from special fund.** (a) Notwithstanding  
18.9 any provision of law to the contrary, the payment of the following necessary, reasonable,  
18.10 and direct expenses of maintaining, protecting, and administering the special fund, when  
18.11 provided for in the bylaws of the association and approved by the board of trustees,  
18.12 constitutes authorized administrative expenses of a volunteer firefighters relief association  
18.13 organized under any law of the state or the Bloomington Fire Department Relief Association:

18.14 (1) office expenses, including but not limited to rent, utilities, equipment, supplies,  
18.15 postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;

18.16 (2) salaries of the officers of the association or their designees, and salaries of the  
18.17 members of the board of trustees of the association if the salary amounts are approved by  
18.18 the governing body of the entity that is responsible for meeting any minimum obligation  
18.19 under section 424A.092 or 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to  
18.20 42, and the itemized expenses of relief association officers and board members that are  
18.21 incurred as a result of fulfilling their responsibilities as administrators of the special fund;

18.22 (3) tuition, registration fees, organizational dues, and other authorized expenses of the  
18.23 officers or members of the board of trustees incurred in attending educational conferences,  
18.24 seminars, or classes relating to the administration of the relief association;

18.25 (4) audit and audit-related services, accounting and accounting-related services, and  
18.26 actuarial, medical, legal, and investment and performance evaluation expenses;

18.27 (5) filing and application fees necessary to administer the special fund payable by the  
18.28 relief association to federal or other government entities;

18.29 (6) reimbursement to the officers and members of the board of trustees or their designees,  
18.30 for reasonable and necessary expenses actually paid and incurred in the performance of  
18.31 their duties as officers or members of the board; and

19.1 (7) premiums on fiduciary liability insurance and official bonds for the officers, members  
19.2 of the board of trustees, and employees of the relief association.

19.3 (b) All other expenses of the relief association must be paid from the general fund of  
19.4 the association if one exists. If a relief association has only one fund, that fund is the special  
19.5 fund for purposes of this subdivision. If a relief association has a special fund and a general  
19.6 fund, the payment of any expense of the relief association that is directly related to the  
19.7 purposes for which both funds were established must be apportioned between the two funds  
19.8 on the basis of the benefits derived by each fund.

19.9 **EFFECTIVE DATE.** This section is effective January 1, 2022.

19.10 Sec. 9. Minnesota Statutes 2020, section 424A.10, subdivision 2, is amended to read:

19.11 Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a volunteer  
19.12 firefighters relief association or by the statewide lump-sum volunteer firefighter plan of a  
19.13 lump-sum distribution to a qualified recipient, the association must pay a supplemental  
19.14 benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief  
19.15 association must pay the supplemental benefit out of its special fund and the statewide  
19.16 lump-sum volunteer firefighter plan must pay the supplemental benefit out of the statewide  
19.17 lump-sum volunteer firefighter plan. This benefit is an amount equal to ten percent of the  
19.18 regular lump-sum distribution that is paid on the basis of the recipient's service as a volunteer  
19.19 firefighter. In no case may the amount of the supplemental benefit exceed \$1,000. A  
19.20 supplemental benefit under this paragraph may not be paid to a survivor of a deceased active  
19.21 or deferred volunteer firefighter in that capacity.

19.22 (b) Upon the payment by a relief association or the retirement plan of a lump-sum  
19.23 survivor benefit to a survivor of a deceased active volunteer firefighter or of a deceased  
19.24 deferred volunteer firefighter, the association must pay a supplemental survivor benefit to  
19.25 the survivor of the deceased active or deferred volunteer firefighter from the special fund  
19.26 of the relief association and the retirement plan must pay a supplemental survivor benefit  
19.27 to the survivor of the deceased active or deferred volunteer firefighter from the retirement  
19.28 fund if chapter 353G so provides. The amount of the supplemental survivor benefit is 20  
19.29 percent of the survivor benefit, but not to exceed \$2,000.

19.30 (c) For purposes of this section, the term "regular lump-sum distribution" means the  
19.31 pretax lump-sum distribution excluding any interest that may have been credited on a service  
19.32 pension under a defined benefit relief association during a volunteer firefighter's period of  
19.33 deferral.

20.1 (d) An individual may receive a supplemental benefit under paragraph (a) or under  
20.2 paragraph (b), but not under both paragraphs with respect to one lump-sum volunteer  
20.3 firefighter benefit.

20.4 (e) If a qualified recipient receives more than one lump-sum distribution, the qualified  
20.5 recipient is eligible to receive a supplemental benefit or supplemental survivor benefit,  
20.6 whichever is applicable, with each lump-sum distribution. Each supplemental benefit shall  
20.7 be calculated under paragraph (a) or (b), as applicable, and shall be subject to a separate  
20.8 limit.

20.9 (f) A qualified recipient who elects to receive a lump-sum distribution in installments  
20.10 under section 424A.016, subdivision 5, or 424A.02, subdivision 8, is eligible to receive one  
20.11 supplemental benefit calculated on the total lump-sum distribution amount under paragraph  
20.12 (a) or (b), as applicable.

20.13 **EFFECTIVE DATE.** This section is effective retroactively for supplemental benefits  
20.14 paid in 2018 and thereafter.