

This Document can be made available  
in alternative formats upon request

State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
NINETIETH SESSION

**H. F. No. 2236**

03/08/2017 Authored by Thissen  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to retirement; adjusting benefits for certain former members and surviving  
1.3 spouses of former members of a local salaried police and fire relief association;  
1.4 amending Minnesota Statutes 2016, section 353.651, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 353.651, is amended by adding a subdivision  
1.7 to read:

1.8 **Subd. 6. Former local police and paid fire relief association postretirement**  
1.9 **adjustment.** (a) The executive director of the Public Employees Retirement Association  
1.10 shall adjust the service pension, disability benefit, or surviving spouse benefit for any person  
1.11 who was a former member of a local salaried police or firefighters relief association that  
1.12 was governed by Minnesota Statutes 2012, section 69.77, that consolidated with the public  
1.13 employees police and fire retirement plan under Minnesota Statutes 2012, chapters 353A  
1.14 and 353B, and who elected to retain or whose benefit was a result of an election to retain  
1.15 the calculation of the service pension, disability benefit, or surviving spouse benefit under  
1.16 the former local police or firefighters relief association laws, articles of incorporation, and  
1.17 bylaws. The postretirement adjustment must be according to paragraph (b).

1.18 (b) Effective July 1, 2017, the service pension, disability benefit, or surviving spouse  
1.19 benefit of persons described in paragraph (a) must be adjusted as follows:

1.20 (1) all persons receiving a service pension based on 20 years or more of service or a  
1.21 disability benefit must have their benefits increased to \$38,000 annually or by 20 percent,  
1.22 whichever amount is less; and

2.1 (2) all surviving spouses who receive a benefit must have their benefits increased to  
2.2 \$30,000 annually or by 20 percent, whichever is less.

2.3 (c) Benefits as adjusted by paragraph (b) must continue to be adjusted on January 1,  
2.4 2018, and each successive January 1, by the postretirement adjustment rate under section  
2.5 356.451, subdivision 1e.

2.6 (d) The estimated increase in the actuarial accrued liability of the public employees  
2.7 police and fire retirement plan for the postretirement adjustments in this subdivision is  
2.8 \$8,490,000, as of July 1, 2014. The state shall make an annual payment each July 1 to the  
2.9 association in an amount necessary to amortize the actuarial accrued liability in ten  
2.10 substantially equal annual installments, over a period that begins July 1, 2017, and ends  
2.11 with a final payment on July 1, 2026. The actuarial accrued liability and the annual amount  
2.12 shall be redetermined by the executive director of the association to take into account fewer  
2.13 annual payments, changes in actuarial assumptions, and other factors deemed relevant by  
2.14 the executive director. The executive director shall notify the state of the redetermined  
2.15 annual amount by June 1 each year.

2.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
2.17 the postretirement adjustment under paragraph (b) is first payable July 1, 2017.