

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3603

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DATE
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Introduction and first reading
Referred to State Government Finance and Policy and Elections

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to retirement; public employees police and fire plan; reducing vesting
- 1.3 requirements; amending Minnesota Statutes 2020, section 353.01, subdivision 47.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2020, section 353.01, subdivision 47, is amended to read:
- 1.6 Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an
- 1.7 annuity or benefit from a retirement plan administered by the Public Employees Retirement
- 1.8 Association by having credit for sufficient allowable service under paragraph (b), (c), or
- 1.9 (d), whichever applies.
- 1.10 (b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan
- 1.11 member of the general employees retirement plan of the Public Employees Retirement
- 1.12 Association:
- 1.13 (1) a public employee who first became a member of the association before July 1, 2010,
- 1.14 is 100 percent vested when the person has accrued credit for not less than three years of
- 1.15 allowable service in the general employees retirement plan; and
- 1.16 (2) a public employee who first becomes a member of the association after June 30,
- 1.17 2010, is 100 percent vested when the person has accrued credit for not less than five years
- 1.18 of allowable service in the general employees retirement plan.
- 1.19 (c) For purposes of qualifying for an annuity or benefit as a member of the local
- 1.20 government correctional service retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the local government correctional service retirement plan; and

(2) a public employee who first becomes a member of the association after June 30, 2010, is vested at the following percentages when the person has accrued credit for allowable service in the local government correctional service retirement plan, as follows:

(i) 50 percent after five years;

(ii) 60 percent after six years;

(iii) 70 percent after seven years;

(iv) 80 percent after eight years;

(v) 90 percent after nine years; and

(vi) 100 percent after ten years.

(d) For purposes of qualifying for an annuity or benefit as a member of the public employees police and fire retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the public employees police and fire retirement plan; and

(2) a public employee who first becomes a member of the association after June 30, 2010, ~~and before July 1, 2014, is 100 percent vested at the following percentages~~ when the person has accrued ~~credited~~ credit for not less than five years of allowable service in the public employees police and fire retirement plan, ~~as follows:~~

~~(i) 50 percent after five years;~~

~~(ii) 60 percent after six years;~~

~~(iii) 70 percent after seven years;~~

~~(iv) 80 percent after eight years;~~

~~(v) 90 percent after nine years; and~~

~~(vi) 100 percent after ten years; and~~

~~(3) a public employee who first becomes a member of the association after June 30, 2014, is vested at the following percentages when the person has accrued credit for allowable service in the public employees police and fire retirement plan, as follows:~~

- 3.1 ~~(i) 50 percent after ten years;~~
- 3.2 ~~(ii) 55 percent after 11 years;~~
- 3.3 ~~(iii) 60 percent after 12 years;~~
- 3.4 ~~(iv) 65 percent after 13 years;~~
- 3.5 ~~(v) 70 percent after 14 years;~~
- 3.6 ~~(vi) 75 percent after 15 years;~~
- 3.7 ~~(vii) 80 percent after 16 years;~~
- 3.8 ~~(viii) 85 percent after 17 years;~~
- 3.9 ~~(ix) 90 percent after 18 years;~~
- 3.10 ~~(x) 95 percent after 19 years; and~~
- 3.11 ~~(xi) 100 percent after 20 or more years.~~

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