

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

**S.F. No. 4202**

(SENATE AUTHORS: DAHMS and Pappas)

DATE	D-PG	OFFICIAL STATUS
03/09/2020	5352	Introduction and first reading Referred to State Government Finance and Policy and Elections See SF3808, Art.6

1.1 A bill for an act

1.2 relating to retirement; Public Employees Retirement Association; allowing for

1.3 purchases of service credit for less than the entire period of service in the uniformed

1.4 services; clarifying retroactive benefit commencement dates; revising provisions

1.5 related to phased retirement; revising duty disability provisions to comply with

1.6 plan operation; making other changes of an administrative nature; amending

1.7 Minnesota Statutes 2018, sections 353.29, subdivisions 1, 7; 353.30, subdivision

1.8 3c; 353.31, subdivision 8; 353.32, subdivision 4; 353.651, subdivision 1; 353.656,

1.9 subdivisions 1, 3; 353.657, subdivision 1; Minnesota Statutes 2019 Supplement,

1.10 sections 353.01, subdivision 2b; 353.0141, subdivision 1; 353.34, subdivision 3;

1.11 353.371, subdivisions 1, 2, by adding a subdivision; repealing Minnesota Statutes

1.12 2018, section 353.30, subdivision 4.

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

1.14 Section 1. Minnesota Statutes 2019 Supplement, section 353.01, subdivision 2b, is amended

1.15 to read:

1.16 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to

1.17 participate as members of the association with retirement coverage by the general employees

1.18 retirement plan, the local government correctional employees retirement plan under chapter

1.19 353E, or the public employees police and fire retirement plan:

1.20 (1) persons whose annual salary from one governmental subdivision never exceeds an

1.21 amount, stipulated in writing in advance, of \$5,100 if the person is not a school district

1.22 employee or \$3,800 if the person is a school year employee. If annual compensation from

1.23 one governmental subdivision to an employee exceeds the stipulated amount in a calendar

1.24 year or a school year, whichever applies, after being stipulated in advance not to exceed the

1.25 applicable amount, the stipulation is no longer valid and contributions must be made on

2.1 behalf of the employee under section 353.27, subdivision 12, from the first month in which  
2.2 the employee received salary exceeding \$425 in a month;

2.3 (2) public officers who are elected to a governing body, city mayors, or persons who  
2.4 are appointed to fill a vacancy in an elected office of a governing body, whose term of office  
2.5 commences on or after July 1, 2002, for the service to be rendered in that elected position;

2.6 (3) election judges and persons employed solely to administer elections;

2.7 (4) patient and inmate personnel who perform services for a governmental subdivision;

2.8 (5) except as otherwise specified in subdivision 12a, employees who are employed solely  
2.9 in a temporary position as defined under subdivision 12a, and employees who resign from  
2.10 a nontemporary position and accept a temporary position within 30 days of that resignation  
2.11 in the same governmental subdivision;

2.12 (6) employees who are employed by reason of work emergency caused by fire, flood,  
2.13 storm, or similar disaster, but if the person becomes a probationary or provisional employee  
2.14 within the same pay period, other than on a temporary basis, the person is a "public  
2.15 employee" retroactively to the beginning of the pay period;

2.16 (7) employees who by virtue of their employment in one governmental subdivision are  
2.17 required by law to be a member of and to contribute to any of the plans or funds administered  
2.18 by the Minnesota State Retirement System, the Teachers Retirement Association, or the St.  
2.19 Paul Teachers Retirement Fund Association, but this exclusion must not be construed to  
2.20 prevent a person from being a member of and contributing to the Public Employees  
2.21 Retirement Association and also belonging to and contributing to another public pension  
2.22 plan or fund for other service occurring during the same period of time, and a person who  
2.23 meets the definition of "public employee" in subdivision 2 by virtue of other service occurring  
2.24 during the same period of time becomes a member of the association unless contributions  
2.25 are made to another public retirement plan on the salary based on the other service or to the  
2.26 Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

2.27 (8) persons who are members of a religious order and are excluded from coverage under  
2.28 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance  
2.29 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if  
2.30 no irrevocable election of coverage has been made under section 3121(r) of the Internal  
2.31 Revenue Code of 1954, as amended;

2.32 (9) persons who are:

3.1 (i) employed by a governmental subdivision who have not reached the age of 23 and  
3.2 who are enrolled on a full-time basis to attend or are attending classes on a full-time basis  
3.3 at an accredited school, college, or university in an undergraduate, graduate, or  
3.4 professional-technical program, or at a public or charter high school;

3.5 (ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist  
3.6 interns and are serving in a degree or residency program in a public hospital or in a public  
3.7 clinic; or

3.8 (iii) students who are serving for a period not to exceed five years in an internship or a  
3.9 residency program that is sponsored by a governmental subdivision, including an accredited  
3.10 educational institution;

3.11 (10) persons who hold a part-time adult supplementary technical college license who  
3.12 render part-time teaching service in a technical college;

3.13 (11) for the first three years of employment, foreign citizens who are employed by a  
3.14 governmental subdivision, except that the following foreign citizens are included employees  
3.15 under subdivision 2a:

3.16 (i) employees of Hennepin County or Hennepin Healthcare System, Inc.;

3.17 (ii) employees legally authorized to work in the United States for three years or more;  
3.18 and

3.19 (iii) employees otherwise required to participate under federal law;

3.20 (12) public hospital employees who elected not to participate as members of the  
3.21 association before 1972 and who did not elect to participate from July 1, 1988, to October  
3.22 1, 1988;

3.23 (13) except as provided in section 353.86, volunteer ambulance service personnel, as  
3.24 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel  
3.25 may still qualify as public employees under subdivision 2 and may be members of the Public  
3.26 Employees Retirement Association and participants in the general employees retirement  
3.27 plan or the public employees police and fire plan, whichever applies, on the basis of  
3.28 compensation received from public employment service other than service as volunteer  
3.29 ambulance service personnel;

3.30 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision  
3.31 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person  
3.32 who is a volunteer firefighter may still qualify as a public employee under subdivision 2  
3.33 and may be a member of the Public Employees Retirement Association and a participant

4.1 in the general employees retirement plan or the public employees police and fire plan,  
4.2 whichever applies, on the basis of compensation received from public employment activities  
4.3 other than those as a volunteer firefighter;

4.4 (15) pipefitters and associated trades personnel employed by Independent School District  
4.5 No. 625, St. Paul, with coverage under a collective bargaining agreement by the Pipefitters  
4.6 Local 455 pension plan who were either first employed after May 1, 1997, or, if first  
4.7 employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article  
4.8 2, section 12;

4.9 (16) electrical workers, plumbers, carpenters, and associated trades personnel who are  
4.10 employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who  
4.11 have retirement coverage under a collective bargaining agreement by the Electrical Workers  
4.12 Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the  
4.13 pension plan applicable to Carpenters Local 322 who were either first employed after May  
4.14 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000,  
4.15 chapter 461, article 7, section 5;

4.16 (17) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters,  
4.17 allied tradesworkers, and plasterers who are employed by the city of St. Paul or Independent  
4.18 School District No. 625, St. Paul, with coverage under a collective bargaining agreement  
4.19 by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local  
4.20 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters  
4.21 and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension  
4.22 plan who were either first employed after May 1, 2001, or if first employed before May 2,  
4.23 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10,  
4.24 section 6;

4.25 (18) plumbers who are employed by the Metropolitan Airports Commission, with  
4.26 coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan,  
4.27 who either were first employed after May 1, 2001, or if first employed before May 2, 2001,  
4.28 elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section  
4.29 6;

4.30 (19) employees who are hired after June 30, 2002, solely to fill seasonal positions under  
4.31 subdivision 12b which are limited in duration by the employer to ~~185 consecutive calendar~~  
4.32 days a period of six months or less in each year of employment with the governmental  
4.33 subdivision;

5.1 (20) persons who are provided supported employment or work-study positions by a  
5.2 governmental subdivision and who participate in an employment or industries program  
5.3 maintained for the benefit of these persons where the governmental subdivision limits the  
5.4 position's duration to up to five years, including persons participating in a federal or state  
5.5 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment  
5.6 relief program where the training or work experience is not provided as a part of, or for,  
5.7 future permanent public employment;

5.8 (21) independent contractors and the employees of independent contractors;

5.9 (22) reemployed annuitants of the association during the course of that reemployment;

5.10 (23) persons appointed to serve on a board or commission of a governmental subdivision  
5.11 or an instrumentality thereof;

5.12 (24) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan  
5.13 Transit Commission who are members of the International Brotherhood of Teamsters Local  
5.14 638 and who are, by virtue of that employment, members of the International Brotherhood  
5.15 of Teamsters Central States pension plan;

5.16 (25) electricians or pipefitters employed by the Minneapolis Park and Recreation Board,  
5.17 with coverage under a collective bargaining agreement by the IBEW local 292, or pipefitters  
5.18 local 539 pension plan, who were first employed before May 2, 2015, and who elected to  
5.19 be excluded under Laws 2015, chapter 68, article 11, section 5; and

5.20 (26) laborers and associated trades personnel employed by the city of St. Paul or  
5.21 Independent School District No. 625, St. Paul, who are designated as temporary employees  
5.22 under a collective bargaining agreement and have retirement coverage by the Minnesota  
5.23 Laborers Pension Fund who were either first employed on or after June 1, 2018, or, if first  
5.24 employed before June 1, 2018, who elected to be excluded under Laws 2018, chapter 211,  
5.25 article 16, section 13.

5.26 (b) Any person performing the duties of a public officer in a position defined in  
5.27 subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an  
5.28 employee of an independent contractor.

5.29 **EFFECTIVE DATE.** This section is effective July 1, 2020.

6.1 Sec. 2. Minnesota Statutes 2019 Supplement, section 353.0141, subdivision 1, is amended  
6.2 to read:

6.3 Subdivision 1. **Service credit purchase authorized.** (a) Unless prohibited under  
6.4 paragraph (b), a member is eligible to purchase allowable service credit, not to exceed five  
6.5 cumulative years of allowable service credit, for one or more periods of service in the  
6.6 uniformed services, as defined in United States Code, title 38, section 4303(13), if:

6.7 (1) the member has at least three years of allowable service credit with the general  
6.8 employees retirement plan, the local government correctional employees retirement plan  
6.9 under chapter 353E, or the public employees police and fire retirement plan;

6.10 (2) the member's current period of employment is at least six months; and

6.11 (3) one of the following applies:

6.12 ~~(1)~~ (i) the member's service in the uniformed services occurred before becoming a public  
6.13 employee as defined in section 353.01, subdivision 2; or

6.14 ~~(2)~~ (ii) the member failed to obtain service credit for a uniformed services leave of  
6.15 absence under section 353.01, subdivision 16, paragraph (a), clause (8).

6.16 (b) A service credit purchase is prohibited if:

6.17 (1) the member separated from service in the uniformed services with a dishonorable  
6.18 or bad conduct discharge or under other than honorable conditions; or

6.19 (2) the member has purchased or otherwise received service credit from any Minnesota  
6.20 public employee pension plan for the same period of service in the uniformed services.

6.21 (c) When purchasing a period of service, if the period of service in the uniformed services  
6.22 is one year or less, then the member must purchase the full period of service. If the period  
6.23 of service in the uniformed services is longer than one year, the member may purchase the  
6.24 full period, not to exceed five cumulative years, or may purchase a portion of the period of  
6.25 service. If a member wishes to purchase a portion of the period of service, the portion must:

6.26 (1) not be less than one year; and

6.27 (2) be in increments of six months of service.

6.28 **EFFECTIVE DATE.** This section is effective July 1, 2020.

6.29 Sec. 3. Minnesota Statutes 2018, section 353.29, subdivision 1, is amended to read:

6.30 Subdivision 1. **Age and allowable service requirements.** Upon termination of  
6.31 ~~membership~~ public service, a ~~person~~ member who has attained normal retirement age and

7.1 who is vested under section 353.01, subdivision 47, is entitled upon application to a  
7.2 retirement annuity. The retirement annuity is known as the "normal" retirement annuity.

7.3 **EFFECTIVE DATE.** This section is effective July 1, 2020.

7.4 Sec. 4. Minnesota Statutes 2018, section 353.29, subdivision 7, is amended to read:

7.5 Subd. 7. **Annuity starting date.** (a) Except as specified in paragraph (b), a retirement  
7.6 annuity granted under this chapter begins on the first day of the first calendar month after  
7.7 the date of termination of public service or up to ~~six~~ five months before the first of the month  
7.8 in which a complete application is received by the executive director under subdivision 4,  
7.9 whichever is later. The annuity must be paid in equal monthly installments, ~~unless suspended~~  
7.10 ~~or reduced under section 353.37.~~ Annuity payments shall not be paid beyond the end of the  
7.11 month in which entitlement to the annuity has terminated.

7.12 (b) An annuity granted to an elected public official may begin on the day following the  
7.13 expiration of the public office that qualified the elected official for membership under section  
7.14 353.01, subdivision 2a or 2d, if a complete application is received by the executive director  
7.15 under subdivision 4 within six months of the date of termination of public service. The  
7.16 annuity for the month during which the expiration occurred is prorated accordingly.

7.17 (c) An annuity, once granted, must not be increased, decreased, or revoked except under  
7.18 this chapter.

7.19 (d) If an annuitant dies before negotiating the check for the month in which death occurs,  
7.20 payment must first be made to the surviving spouse, or if none, then to the designated  
7.21 beneficiary, or if none, lastly to the estate.

7.22 **EFFECTIVE DATE.** This section is effective July 1, 2020.

7.23 Sec. 5. Minnesota Statutes 2018, section 353.30, subdivision 3c, is amended to read:

7.24 Subd. 3c. **Effective date of bounce-back annuity.** In the event of the death of the  
7.25 designated optional annuity beneficiary before the retired employee or disabilitant, the  
7.26 restoration of the normal single life annuity under subdivision 3a or 3b will take effect on  
7.27 the first of the month following the date of death of the designated optional annuity  
7.28 beneficiary or ~~on~~ up to five months before the first of the month ~~following six months before~~  
7.29 in which satisfactory verification of the death is established by the executive director,  
7.30 whichever date is later.

7.31 **EFFECTIVE DATE.** This section is effective July 1, 2020.

8.1 Sec. 6. Minnesota Statutes 2018, section 353.31, subdivision 8, is amended to read:

8.2 Subd. 8. **Accrual of benefits.** All benefits under this section and survivor benefits  
 8.3 otherwise provided in this chapter when payable to persons qualifying therefor shall accrue  
 8.4 on the ~~first day following the~~ date of death of a "~~basic member~~" basic member or the first  
 8.5 day of the month following the death of an annuitant or disabilitant. No payment may be  
 8.6 made retroactively ~~for more than 12~~ five months prior to that before the first of the month  
 8.7 in which ~~the~~ a complete application is filed received by the executive director, and no benefit  
 8.8 shall accrue beyond the end of the month in which entitlement to such benefits has terminated.

8.9 **EFFECTIVE DATE.** This section is effective July 1, 2020.

8.10 Sec. 7. Minnesota Statutes 2018, section 353.32, subdivision 4, is amended to read:

8.11 Subd. 4. **Lack, or death, of beneficiary.** If a member or former member dies without  
 8.12 having designated a beneficiary or if the beneficiary should die before making application  
 8.13 for refund, and if there is no surviving spouse, and if the legal representative of such member  
 8.14 or former member does not apply for refund within five years from the date of death of the  
 8.15 member or former member, the accumulated deductions to the member or former member's  
 8.16 credit at the time of death shall be disposed of in the manner provided in section ~~356.634~~  
 8.17 356.65, unless subdivision 5 applies.

8.18 **EFFECTIVE DATE.** This section is effective July 1, 2020.

8.19 Sec. 8. Minnesota Statutes 2019 Supplement, section 353.34, subdivision 3, is amended  
 8.20 to read:

8.21 Subd. 3. **Deferred annuity; eligibility; computation.** (a) A member who is vested  
 8.22 under section 353.01, subdivision 47, when termination of public service or termination of  
 8.23 membership occurs has the option of leaving the member's accumulated deductions in the  
 8.24 fund and being entitled to a deferred retirement annuity commencing at normal retirement  
 8.25 age or to a deferred early retirement annuity under section 353.30, subdivision 1a, 1b, 1c,  
 8.26 or 5.

8.27 (b) The deferred annuity must be computed under section 353.29, subdivision 3, on the  
 8.28 basis of the law in effect on the date of termination of public service or termination of  
 8.29 membership, ~~whichever is earlier~~ later, and, if the later of termination of public service or  
 8.30 termination of membership is on or before December 31, 2011, the deferred annuity must  
 8.31 be augmented as provided in ~~paragraph~~ paragraphs (c) to (e).

9.1 (c) The deferred annuity of any former member must be augmented from the first day  
9.2 of the month following the termination of active service, or July 1, 1971, whichever is later,  
9.3 to the effective date of retirement or, if earlier, December 31, 2018.

9.4 (d) For a person who became a public employee before July 1, 2006, and who has a  
9.5 termination of public service before January 1, 2012, the deferred annuity must be augmented  
9.6 at the following rate or rates, compounded annually:

9.7 (1) five percent until January 1, 1981;

9.8 (2) three percent from January 1, 1981, until January 1 of the year following the year in  
9.9 which the former member attains age 55 or December 31, 2011, whichever is earlier;

9.10 (3) five percent from January 1 of the year following the year in which the former member  
9.11 attains age 55, or December 31, 2011, whichever is earlier;

9.12 (4) one percent from January 1, 2012, until December 31, 2018; and

9.13 (5) after December 31, 2018, the deferred annuity must not be augmented.

9.14 (e) For a person who became a public employee after June 30, 2006, and who has a  
9.15 termination of public service before January 1, 2012, the deferred annuity must be augmented  
9.16 at the following rate or rates, compounded annually:

9.17 (1) 2.5 percent until December 31, 2011;

9.18 (2) one percent from January 1, 2012, until December 31, 2018; and

9.19 (3) after December 31, 2018, the deferred annuity must not be augmented.

9.20 (f) For a person who has a termination of public service after December 31, 2011, the  
9.21 deferred annuity must not be augmented.

9.22 (g) The retirement annuity or disability benefit of, or the survivor benefit payable on  
9.23 behalf of, a former member who terminated service before July 1, 1997, or the survivor  
9.24 benefit payable on behalf of a basic or police and fire member who was receiving disability  
9.25 benefits before July 1, 1997, which is first payable after June 30, 1997, must be increased  
9.26 on an actuarial equivalent basis to reflect the change in the investment return actuarial  
9.27 assumption under section 356.215, subdivision 8, from five percent to six percent under a  
9.28 calculation procedure and tables adopted by the board and approved by the actuary retained  
9.29 under section 356.214.

9.30 (h) A former member qualified to apply for a deferred retirement annuity may revoke  
9.31 this option at any time before the commencement of deferred annuity payments by making  
9.32 application for a refund. The person is entitled to a refund of accumulated member

10.1 contributions within 30 days following date of receipt of the application by the executive  
10.2 director.

10.3 **EFFECTIVE DATE.** This section is effective July 1, 2020.

10.4 Sec. 9. Minnesota Statutes 2019 Supplement, section 353.371, subdivision 1, is amended  
10.5 to read:

10.6 Subdivision 1. **Eligibility.** (a) This section applies to a basic or coordinated member of  
10.7 the general employees retirement plan of the Public Employees Retirement Association  
10.8 who:

10.9 (1) for at least the five years immediately preceding separation under clause (2), was  
10.10 regularly scheduled to work 1,044 or more hours per year in a position covered by the  
10.11 general employees retirement plan of the Public Employees Retirement Association not  
10.12 including positions that are elected offices;

10.13 (2) ~~terminates~~ has a termination of membership as defined under section 353.01,  
10.14 subdivision 11b;

10.15 (3) at the time of termination under clause (2), was at least age 62 and met the age and  
10.16 service requirements necessary to receive a retirement annuity from the plan and satisfied  
10.17 requirements for the commencement of the retirement annuity in the month following  
10.18 termination;

10.19 (4) accepts a phased retirement agreement to continue employment in the same position  
10.20 with the same governmental subdivision, working that the member held before the date of  
10.21 the member's termination of membership and to work a reduced schedule that is both:

10.22 (i) a reduction of at least 25 percent from the employee's number of previously regularly  
10.23 scheduled work hours per pay period; and

10.24 (ii) 1,044 hours per year or less in public service; and

10.25 (5) is not eligible for participation in the state employee postretirement option program  
10.26 under section 43A.346.

10.27 ~~(b) For purposes of this section, the length of separation requirement and termination~~  
10.28 ~~of public service requirement prohibiting return to work agreements under section 353.01,~~  
10.29 ~~subdivisions 11a and 28, are not applicable except as specified in subdivision 7, paragraph~~  
10.30 ~~(a).~~

10.31 **EFFECTIVE DATE.** This section is effective July 1, 2020.

11.1 Sec. 10. Minnesota Statutes 2019 Supplement, section 353.371, subdivision 2, is amended  
11.2 to read:

11.3 Subd. 2. **Termination and annuity reduction requirements not**  
11.4 **applicable.** Notwithstanding sections 353.29 and 353.30, an employee covered by a phased  
11.5 retirement agreement need not have a termination of public service to be eligible for a  
11.6 retirement annuity. The provisions of section 353.37 governing annuities of reemployed  
11.7 annuitants do not apply to employment under a phased retirement agreement.

11.8 **EFFECTIVE DATE.** This section is effective July 1, 2020.

11.9 Sec. 11. Minnesota Statutes 2019 Supplement, section 353.371, is amended by adding a  
11.10 subdivision to read:

11.11 Subd. 9. **Termination upon excess hours worked.** If an employee works more hours  
11.12 under a phased retirement agreement than is permitted under subdivision 1, paragraph (a),  
11.13 clause (4), then, effective on the first of the month following the date on which the permitted  
11.14 number of hours was exceeded:

11.15 (1) the phased retirement agreement is terminated; and

11.16 (2) the employee's retirement annuity is suspended until the employee meets the  
11.17 termination and length of service requirement in section 353.01, subdivisions 11a and 28.

11.18 **EFFECTIVE DATE.** This section is effective July 1, 2020.

11.19 Sec. 12. Minnesota Statutes 2018, section 353.651, subdivision 1, is amended to read:

11.20 Subdivision 1. **Age and allowable service requirements.** Upon separation from public  
11.21 service, any police officer or firefighter member, other than a firefighter covered by section  
11.22 353.6511, or a police officer covered by section 353.6512, who has attained the age of at  
11.23 least 55 years and who is partially or totally vested under section 353.01, subdivision 47,  
11.24 is entitled upon application to a retirement annuity, known as the "~~normal~~" normal retirement  
11.25 annuity.

11.26 **EFFECTIVE DATE.** This section is effective July 1, 2020.

11.27 Sec. 13. Minnesota Statutes 2018, section 353.656, subdivision 1, is amended to read:

11.28 Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the police  
11.29 and fire plan, other than a firefighter covered by section 353.6511, or a police officer covered  
11.30 by section 353.6512, who is determined to qualify for duty disability as defined in section  
11.31 353.01, subdivision 41, is entitled to receive disability benefits during the period of such

12.1 disability in an amount equal to 60 percent of the average salary as defined in section 353.01,  
12.2 subdivision 17a, plus an additional 3.0 percent of that average salary for each year of service  
12.3 in excess of 20 years.

12.4 (b) To be eligible for a benefit under paragraph (a), the member must have:

12.5 (1) not met the age and vesting requirements for a retirement annuity under section  
12.6 353.651, subdivision 1; or

12.7 (2) met the age and vesting requirements under that subdivision, but does not have at  
12.8 least 20 years of allowable service credit.

12.9 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period  
12.10 of 60 months from the disability benefit accrual date and at the end of that period is subject  
12.11 to provisions of subdivision 5a.

12.12 (d) If the disability under this subdivision occurs before the member has at least five  
12.13 years of allowable service credit in the police and fire plan, the disability benefit must be  
12.14 computed on the average salary from which deductions were made for contribution to the  
12.15 police and fire fund.

12.16 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020.

12.17 Sec. 14. Minnesota Statutes 2018, section 353.656, subdivision 3, is amended to read:

12.18 Subd. 3. **Regular disability benefit.** (a) A member of the police and fire plan, other  
12.19 than a firefighter covered by section 353.6511, or a police officer covered by section  
12.20 353.6512, who qualifies for a regular disability benefit as defined in section 353.01,  
12.21 subdivision 46, is entitled to receive a disability benefit, after filing a valid application, in  
12.22 an amount equal to 45 percent of the average salary as defined in section 353.01, subdivision  
12.23 17a.

12.24 (b) To be eligible for a benefit under paragraph (a), the member must have at least one  
12.25 year of allowable service credit and have:

12.26 (1) not met the age and vesting requirements for a retirement annuity under section  
12.27 353.651, subdivision 1, or

12.28 (2) met the age and vesting requirements under that subdivision, but does not have at  
12.29 least 15 years of allowable service credit.

12.30 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period  
12.31 of 60 months from the disability benefit accrual date and, at the end of that period, is subject  
12.32 to provisions of subdivision 5a.

13.1 (d) For a member who is employed as a full-time firefighter by the Department of Military  
13.2 Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs  
13.3 Department firefighter credited by the Minnesota State Retirement System may be used in  
13.4 meeting the minimum allowable service requirement of this subdivision.

13.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020.

13.6 Sec. 15. Minnesota Statutes 2018, section 353.657, subdivision 1, is amended to read:

13.7 Subdivision 1. **Generally.** (a) In the event that a member of the police and fire fund,  
13.8 other than a firefighter covered by section 353.6511, or a police officer covered by section  
13.9 353.6512, dies from any cause before retirement or before ~~becoming disabled and~~ receiving  
13.10 disability benefits, the association shall grant survivor benefits to a surviving spouse, as  
13.11 defined in section 353.01, subdivision 20, and to a dependent child or children, as defined  
13.12 in section 353.01, subdivision 15, except that if the death is not a line of duty death, the  
13.13 member must be partially or totally vested under section 353.01, subdivision 47.

13.14 (b) Notwithstanding the definition of surviving spouse, a former spouse of the member,  
13.15 if any, is entitled to a portion of the monthly surviving spouse benefit if stipulated under  
13.16 the terms of a marriage dissolution decree filed with the association. If there is no surviving  
13.17 spouse or child or children, a former spouse may be entitled to a lump-sum refund payment  
13.18 under section 353.32, subdivision 1, if provided for in a marriage dissolution decree but not  
13.19 a monthly surviving spouse benefit despite the terms of a marriage dissolution decree filed  
13.20 with the association.

13.21 (c) The spouse and dependent child or children are entitled to monthly benefits as  
13.22 provided in subdivisions 2 to 4.

13.23 **EFFECTIVE DATE.** This section is effective July 1, 2020.

13.24 Sec. 16. **POLICE AND FIRE PLAN; RETROACTIVE CLARIFICATION**  
13.25 **RELATING TO DURATION OF A DISABILITY BENEFIT.**

13.26 Minnesota Statutes, section 353.656, subdivision 1, paragraph (c), shall be read as "(c)  
13.27 The disability benefit must be paid for a period of 60 months from the disability benefit  
13.28 accrual date and at the end of that period is subject to provisions of subdivision 5a."

13.29 **EFFECTIVE DATE; EXPIRATION.** This section is effective retroactively from July  
13.30 1, 2007, and expires December 31, 2019.

- 14.1 Sec. 17. **REPEALER.**
- 14.2 Minnesota Statutes 2018, section 353.30, subdivision 4, is repealed.
- 14.3 **EFFECTIVE DATE.** This section is effective July 1, 2020.

**353.30 ANNUITIES UPON RETIREMENT.**

Subd. 4. **Reduction in monthly payments.** Monthly payments to which any person may be entitled under this chapter may be reduced upon application to the association, provided that the person shall first relinquish in writing all claim to that part of the full monthly payment which is the difference between the monthly payment which that person would be otherwise entitled to receive and the monthly payment which that person will receive. The reduced monthly payment shall be payment in full of all amounts due under this chapter for the month for which the payment is made and acceptance of the reduced monthly payment releases the retirement association from all obligation to pay to the person the difference between the amount of the reduced monthly payment and the full amount of the monthly payment which the person would otherwise have received. Upon application of the person who is entitled to such monthly payment, it may be increased prospectively to not more than the amount to which the person would have been entitled had no portion thereof been waived.