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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1758

03/01/2021 Authored by Nelson, M.,
The bill was read for the first time and referred to the Committee on State Government Finance and Elections

05/10/2021 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
Adoption of Report: Re-referred to the Committee on Ways and Means
Joint Rule 2.03 has been waived for any subsequent committee action on this bill

1.1 A bill for an act

1.2 relating to retirement; temporarily extending the grandfather provision regarding

1.3 actuarial assumptions used to compute an annuity in the unclassified state

1.4 employees retirement plan; reducing the postretirement adjustment and eliminating

1.5 the triggers that would increase the postretirement adjustment upon attainment of

1.6 specified funding thresholds for the Judges Retirement Plan; revising eligibility

1.7 for H-1b visa employees under the Minnesota State Retirement System and the

1.8 Public Employees Retirement Association to comply with federal law and

1.9 permitting the purchase of prior service credit; extending the time period for service

1.10 credit for periods of military leave under the plans administered by the Public

1.11 Employees Retirement Association; making changes of an administrative nature

1.12 to the statutes applicable to the Public Employees Retirement Association and the

1.13 St. Paul Teachers Retirement Fund Association; permitting the allocation of fire

1.14 state aid between the Statewide Volunteer Firefighters Plan and municipalities;

1.15 delaying an increase in the employee contribution rates by one year for the St.

1.16 Paul Teachers Retirement Fund Association; making changes to the statutes

1.17 applicable to volunteer firefighter relief associations recommended by the State

1.18 Auditor's fire relief association working group; providing full vesting and

1.19 distribution of accounts for firefighters assigned to the Nowthen fire station and

1.20 revising applicable law to permit payment of fire state aid to Nowthen and midyear

1.21 participation in the Statewide Volunteer Firefighter Plan; revising the deadline for

1.22 bill drafting requests to commission staff from agencies and pension systems;

1.23 mandating work groups on pension benefits for 911 telecommunicators and

1.24 allocating firefighter supplemental state aid; increasing the benefit for a former

1.25 Department of Labor and Industry employee who retired in reliance on erroneous

1.26 benefit estimates; authorizing the transfer of service credit from the MSRS General

1.27 Plan to the Correctional Plan for a Department of Human Services employee;

1.28 making technical clarifications and corrections to retirement statutes; amending

1.29 Minnesota Statutes 2020, sections 352.01, subdivision 2b; 352D.06, subdivision

1.30 1; 353.01, subdivisions 2b, 16, 28; 353.014, subdivision 4; 353.0162; 353.27,

1.31 subdivision 12; 353.30, subdivisions 1a, 1b, 1c; 353.335; 353.34, subdivision 2;

1.32 353D.071, subdivisions 1, 2; 353E.02, subdivision 2; 354A.12, subdivision 1;

1.33 354A.31, subdivision 7; 356.415, subdivision 1f; 356.635, subdivision 1; 424A.001,

1.34 by adding a subdivision; 424A.01, subdivision 2; 424A.014, subdivisions 1, 2;

1.35 424A.015, subdivision 7; 424A.016, subdivisions 4, 6; 424A.02, subdivision 3;

1.36 424A.05, subdivision 3b; 424A.10, subdivision 2; 424B.01, subdivisions 3a, 3b,

1.37 3d, 3g, 3h, 3i, 4a, 5b, 5c, by adding a subdivision; 424B.04, subdivision 3; 424B.13,

1.38 subdivisions 2, 4, 5, 6, 8, 9, 10; 424B.22, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10;

2.1 477B.01, subdivision 1; 477B.04, subdivision 3; proposing coding for new law in
2.2 Minnesota Statutes, chapters 356B; 424B; 477B; repealing Minnesota Statutes
2.3 2020, section 356B.05; Laws 2020, chapter 108, article 14, section 1.

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

2.5 **ARTICLE 1**

2.6 **MINNESOTA STATE RETIREMENT SYSTEM PROVISIONS**

2.7 Section 1. Minnesota Statutes 2020, section 352D.06, subdivision 1, is amended to read:

2.8 Subdivision 1. **Annuity; reserves.** (a) When a participant attains at least age 55,
2.9 terminates from covered service, and applies for a retirement annuity, the cash value of the
2.10 participant's shares must be transferred to the general state employees retirement fund and
2.11 be used to provide an annuity for the participant based upon the participant's age when the
2.12 benefit begins to accrue.

2.13 (b) Except for participants described in paragraph (c) or (d), the monthly amount of the
2.14 annuity must be determined using the actuarial assumptions in effect for the general state
2.15 employees retirement plan under section 356.215 on the accrual date.

2.16 ~~(e) For any participant who retires on or after July 1, 2017, and before July 1, 2020,~~
2.17 ~~when the participant is at least age 63 or has had at least 26 years of covered service, the~~
2.18 ~~monthly amount of the annuity must be determined using the actuarial assumptions in effect~~
2.19 ~~for the general state employees retirement plan under section 356.215 on June 30, 2016.~~

2.20 ~~(d)~~ (c) For any participant who terminates employment on or after July 1, 2020, and
2.21 before July 1, 2021, if the participant was at least age 63 or had at least 26 years of covered
2.22 service as of June 30, 2020, the monthly amount of the annuity must be determined using
2.23 the actuarial assumptions in effect for the general state employees retirement plan under
2.24 section 356.215 on June 30, 2016.

2.25 (d) For any participant who (1) terminates employment on or after June 1, 2021, and
2.26 before July 1, 2022, (2) is an employee of the house of representatives, the senate, or the
2.27 Legislative Coordinating Commission at the time the employee terminates employment,
2.28 and (3) on June 30, 2020, was at least age 63 or had at least 26 years of covered service,
2.29 the monthly amount of the annuity must be determined using the actuarial assumptions in
2.30 effect for the general state employees retirement plan under section 356.215 on June 30,
2.31 2016.

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

3.1 Sec. 2. Minnesota Statutes 2020, section 356.415, subdivision 1f, is amended to read:

3.2 Subd. 1f. **Annual postretirement adjustments; Minnesota State Retirement System**
3.3 **judges retirement plan.** (a) Recipients of a retirement annuity, disability benefit, or survivor
3.4 benefit recipients of from the judges retirement plan are entitled to an annual postretirement
3.5 adjustment, effective as of each January 1 ~~if the definition of funding stability under~~
3.6 ~~paragraph (b) has not been met~~, as follows:

3.7 (1) through December 31, 2021, a postretirement increase of 1.75 percent must be applied
3.8 each year to the monthly annuity or benefit of each annuitant or benefit recipient who has
3.9 been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the
3.10 calendar year immediately before the adjustment; ~~and~~

3.11 (2) through December 31, 2021, for each annuitant or benefit recipient who has been
3.12 receiving an annuity or a benefit for at least one full month, but less than 12 full months as
3.13 of the June 30 of the calendar year immediately before the adjustment, an annual
3.14 postretirement increase of 1/12 of 1.75 percent for each month that the person has been
3.15 receiving an annuity or benefit must be applied to the amount of the monthly annuity or
3.16 benefit ~~of each annuitant or benefit recipient.~~;

3.17 (3) effective January 1, 2022, and thereafter, a postretirement increase of 1.5 percent
3.18 must be applied each year to the monthly annuity or benefit of each annuitant or benefit
3.19 recipient who has been receiving an annuity or a benefit for at least 12 full months as of the
3.20 June 30 of the calendar year immediately before the adjustment; and

3.21 (4) effective January 1, 2022, and thereafter, for each annuitant or benefit recipient who
3.22 has been receiving an annuity or a benefit for at least one full month, but less than 12 full
3.23 months as of the June 30 of the calendar year immediately before the adjustment, an annual
3.24 postretirement increase of 1/12 of 1.5 percent for each month that the person has been
3.25 receiving an annuity or benefit must be applied to the amount of the monthly annuity or
3.26 benefit.

3.27 (b) ~~Increases under paragraph (a) terminate on December 31 of the calendar year in~~
3.28 ~~which two prior consecutive actuarial valuations prepared by the approved actuary under~~
3.29 ~~sections 356.214 and 356.215 and the standards for actuarial work promulgated by the~~
3.30 ~~Legislative Commission on Pensions and Retirement indicates that the market value of~~
3.31 ~~assets of the judges retirement plan equals or exceeds 70 percent of the actuarial accrued~~
3.32 ~~liability of the retirement plan and increases under paragraph (c) begin after that date.~~

3.33 (c) ~~Retirement annuity, disability benefit, or survivor benefit recipients of the judges~~
3.34 ~~retirement plan are entitled to a postretirement adjustment annually, effective as of each~~

4.1 ~~January 1 if the definition of funding stability under paragraph (d) has not been met, as~~
4.2 ~~follows:~~

4.3 ~~(1) a postretirement increase of two percent must be applied each year to the monthly~~
4.4 ~~annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity~~
4.5 ~~or a benefit for at least 12 full months as of the June 30 of the calendar year immediately~~
4.6 ~~before the adjustment; and~~

4.7 ~~(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit~~
4.8 ~~for at least one full month, but less than 12 full months as of the June 30 of the calendar~~
4.9 ~~year immediately before the adjustment, an annual postretirement increase of 1/12 of two~~
4.10 ~~percent for each month that the person has been receiving an annuity or benefit must be~~
4.11 ~~applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.~~

4.12 ~~(d) Increases under paragraph (c) terminate on December 31 of the calendar year in~~
4.13 ~~which two prior consecutive actuarial valuations prepared by the approved actuary under~~
4.14 ~~section 356.214 and the standards for actuarial work promulgated by the Legislative~~
4.15 ~~Commission on Pensions and Retirement indicate that the market value of assets of the~~
4.16 ~~judges retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the~~
4.17 ~~retirement plan and increases under paragraph (e) begin after that date.~~

4.18 ~~(e) Retirement annuity, disability benefit, or survivor benefit recipients of the judges~~
4.19 ~~retirement plan are entitled to a postretirement adjustment annually, effective as of each~~
4.20 ~~January 1, as follows:~~

4.21 ~~(1) a postretirement increase of 2.5 percent must be applied each year to the monthly~~
4.22 ~~annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity~~
4.23 ~~or a benefit for at least 12 full months as of the June 30 of the calendar year immediately~~
4.24 ~~before the adjustment; and~~

4.25 ~~(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit~~
4.26 ~~for at least one full month, but less than 12 full months as of the June 30 of the calendar~~
4.27 ~~year immediately before the adjustment, an annual postretirement increase of 1/12 of 2.5~~
4.28 ~~percent for each month that the person has been receiving an annuity or benefit must be~~
4.29 ~~applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.~~

4.30 ~~(f) (b) An increase in annuity or benefit payments under this subdivision must be made~~
4.31 ~~automatically unless written notice is filed by the annuitant or benefit recipient with the~~
4.32 ~~executive director of the applicable covered retirement plan requesting that the increase not~~
4.33 ~~be made.~~

5.1 **EFFECTIVE DATE.** This section is effective June 30, 2021.

5.2 **ARTICLE 2**

5.3 **FEDERAL COMPLIANCE AFFECTING MSRS AND PERA ELIGIBILITY FOR**
5.4 **CERTAIN VISA HOLDERS**

5.5 Section 1. Minnesota Statutes 2020, section 352.01, subdivision 2b, is amended to read:

5.6 Subd. 2b. **Excluded employees.** "State employee" does not include:

5.7 (1) persons who are:

5.8 (i) students employed by the University of Minnesota, or within the Minnesota State
5.9 Colleges and Universities system, unless approved for coverage by the Board of Regents
5.10 of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges
5.11 and Universities, whichever applies;

5.12 (ii) employed as interns for a period not to exceed six months unless included under
5.13 subdivision 2a, paragraph (a), clause (8);

5.14 (iii) employed as trainee employees unless included under subdivision 2a, paragraph
5.15 (a), clause (8); or

5.16 (iv) employed in the student worker classification as designated by Minnesota
5.17 Management and Budget;

5.18 (2) employees who are:

5.19 (i) eligible for membership in the state Teachers Retirement Association, unless the
5.20 person is an employee of the Department of Education who elected to be covered by the
5.21 general state employees retirement plan of the Minnesota State Retirement System instead
5.22 of the Teachers Retirement Association;

5.23 (ii) employees of the state who, in any year, were credited with 12 months of allowable
5.24 service as a public school teacher and, as such, are members of a retirement plan governed
5.25 by chapter 354 or 354A unless the employment is incidental employment as a state employee
5.26 that is not covered by a retirement plan governed by chapter 354 or 354A;

5.27 (iii) employees of the state who are employed by the Board of Trustees of the Minnesota
5.28 State Colleges and Universities in an unclassified position that is listed in section 43A.08,
5.29 subdivision 1, clause (9);

5.30 (iv) persons employed by the Board of Trustees of the Minnesota State Colleges and
5.31 Universities who elected retirement coverage other than by the general state employees

6.1 retirement plan of the Minnesota State Retirement System under Minnesota Statutes 1994,
6.2 section 136C.75;

6.3 (v) officers or enlisted personnel in the National Guard or in the naval militia who are
6.4 assigned to permanent peacetime duty and who are or are required to be members of a
6.5 federal retirement system under federal law;

6.6 (vi) persons employed by the Department of Military Affairs as full-time firefighters
6.7 and who, as such, are members of the public employees police and fire retirement plan;

6.8 (vii) members of the State Patrol retirement plan under section 352B.011, subdivision
6.9 10;

6.10 (viii) off-duty police officers while employed by the Metropolitan Council and persons
6.11 employed as full-time police officers by the Metropolitan Council and who, as such, are
6.12 members of the public employees police and fire retirement plan; and

6.13 (ix) employees of the state who have elected to transfer account balances derived from
6.14 state service to the unclassified state employees retirement program under section 352D.02,
6.15 subdivision 1d;

6.16 (3) employees of the University of Minnesota who are excluded from coverage by action
6.17 of the Board of Regents;

6.18 (4) election judges and persons who are employed solely to administer elections;

6.19 (5) persons who are:

6.20 (i) engaged in public work for the state but who are employed by contractors when the
6.21 performance of the contract is authorized by the legislature or other competent authority;

6.22 (ii) employed to perform professional services where the service is incidental to the
6.23 person's regular professional duties and where compensation is paid on a per diem basis;

6.24 or

6.25 (iii) compensated on a fee payment basis or as an independent contractor;

6.26 (6) persons who are employed:

6.27 (i) on a temporary basis by the house of representatives, the senate, or a legislative
6.28 commission or agency under the jurisdiction of the Legislative Coordinating Commission;

6.29 (ii) as a temporary employee on or after July 1 for a period ending on or before October
6.30 15 of that calendar year for the Minnesota State Agricultural Society or the Minnesota State
6.31 Fair, or as an employee at any time for a special event held on the fairgrounds;

7.1 (iii) by the executive branch as a temporary employee in the classified service or as an
7.2 executive branch temporary employee in the unclassified service if appointed for a definite
7.3 period not to exceed six months, and if employment is less than six months, then in any
7.4 12-month period;

7.5 (iv) by the adjutant general if employed on an unlimited intermittent or temporary basis
7.6 in the classified service or in the unclassified service for the support of Army or Air National
7.7 Guard training facilities;

7.8 (v) by a state or federal program for training or rehabilitation as a temporary employee
7.9 if employed for a limited period from an area of economic distress and if other than a skilled
7.10 or supervisory personnel position or other than a position that has civil service status covered
7.11 by the retirement system; and

7.12 (vi) by the Metropolitan Council or a statutory board of the Metropolitan Council where
7.13 the members of the board are appointed by the Metropolitan Council as a temporary employee
7.14 if the appointment does not exceed six months;

7.15 (7) receivers, jurors, notaries public, and court employees who are not in the judicial
7.16 branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed
7.17 by the Department of Labor and Industry;

7.18 (8) patient and inmate help who perform services in state charitable, penal, and
7.19 correctional institutions, including a Minnesota Veterans Home;

7.20 (9) employees of the Sibley House Association;

7.21 (10) persons who are:

7.22 (i) members of any state board or commission who serve the state intermittently and are
7.23 paid on a per diem basis, the secretary, secretary-treasurer, and treasurer of those boards if
7.24 their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving
7.25 more than three years, and the board of managers of the State Agricultural Society and its
7.26 treasurer unless the treasurer is also its full-time secretary;

7.27 (ii) examination monitors employed by a department, agency, commission, or board of
7.28 the state to conduct examinations that are required by law; or

7.29 (iii) appointees serving as a member of a fact-finding commission or an adjustment
7.30 panel, an arbitrator, or a labor referee under chapter 179;

7.31 (11) emergency employees who are in the classified service, but if an emergency
7.32 employee, within the same pay period, becomes a provisional or probationary employee on

8.1 other than a temporary basis, the employee must be considered a "state employee"
8.2 retroactively to the beginning of the pay period;

8.3 (12) persons who are members of a religious order who are excluded from coverage
8.4 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the
8.5 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),
8.6 as amended, if no irrevocable election of coverage has been made under section 3121(r) of
8.7 the Internal Revenue Code of 1986, as amended;

8.8 (13) members of trades who are employed by the successor to the Metropolitan Waste
8.9 Control Commission, who have trade union pension plan coverage under a collective
8.10 bargaining agreement, and who are first employed after June 1, 1977;

8.11 (14) for the first three years of employment, foreign citizens who are ~~employed under~~
8.12 ~~a work permit of less than three years or under an H-1b visa or a J-1 visa that is initially~~
8.13 ~~valid for less than three years of employment, unless notice of a visa extension which allows~~
8.14 ~~them to work for three or more years as of the date that the extension is granted and is~~
8.15 ~~supplied to the retirement plan, in which case the person is eligible for coverage from the~~
8.16 ~~date of the extension~~ state employees under subdivision 2 or included employees under
8.17 subdivision 2a, unless the foreign citizen is:

8.18 (i) an H-1B, H-1B1, or E-3 status holder;

8.19 (ii) an employee legally authorized to work in the United States for three years or more;

8.20 or

8.21 (iii) an employee otherwise required to participate under federal law; and

8.22 (15) reemployed annuitants of the general state employees retirement plan, the military
8.23 affairs personnel retirement plan, the transportation department pilots retirement plan, the
8.24 state fire marshal employees retirement plan, or the correctional state employees retirement
8.25 plan during the course of that reemployment.

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

8.27 Sec. 2. Minnesota Statutes 2020, section 353.01, subdivision 2b, is amended to read:

8.28 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to
8.29 participate as members of the association with retirement coverage by the general employees
8.30 retirement plan, the local government correctional employees retirement plan under chapter
8.31 353E, or the public employees police and fire retirement plan:

9.1 (1) persons whose annual salary from one governmental subdivision never exceeds an
9.2 amount, stipulated in writing in advance, of \$5,100 if the person is not a school district
9.3 employee or \$3,800 if the person is a school year employee. If annual compensation from
9.4 one governmental subdivision to an employee exceeds the stipulated amount in a calendar
9.5 year or a school year, whichever applies, after being stipulated in advance not to exceed the
9.6 applicable amount, the stipulation is no longer valid and contributions must be made on
9.7 behalf of the employee under section 353.27, subdivision 12, from the first month in which
9.8 the employee received salary exceeding \$425 in a month;

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

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

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

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

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

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

9.33 (8) persons who are members of a religious order and are excluded from coverage under
9.34 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance

10.1 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if
10.2 no irrevocable election of coverage has been made under section 3121(r) of the Internal
10.3 Revenue Code of 1954, as amended;

10.4 (9) persons who are:

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

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

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

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

10.17 (11) for the first three years of employment, foreign citizens who are employed by a
10.18 governmental subdivision, except that the following foreign citizens ~~are~~ must be considered
10.19 included employees under subdivision 2a:

10.20 (i) H-1B, H-1B1, and E-3 status holders;

10.21 ~~(i)~~ (ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

10.22 ~~(ii)~~ (iii) employees legally authorized to work in the United States for three years or
10.23 more; and

10.24 ~~(iii)~~ (iv) employees otherwise required to participate under federal law;

10.25 (12) public hospital employees who elected not to participate as members of the
10.26 association before 1972 and who did not elect to participate from July 1, 1988, to October
10.27 1, 1988;

10.28 (13) except as provided in section 353.86, volunteer ambulance service personnel, as
10.29 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel
10.30 may still qualify as public employees under subdivision 2 and may be members of the Public
10.31 Employees Retirement Association and participants in the general employees retirement
10.32 plan or the public employees police and fire plan, whichever applies, on the basis of

11.1 compensation received from public employment service other than service as volunteer
11.2 ambulance service personnel;

11.3 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision
11.4 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person
11.5 who is a volunteer firefighter may still qualify as a public employee under subdivision 2
11.6 and may be a member of the Public Employees Retirement Association and a participant
11.7 in the general employees retirement plan or the public employees police and fire plan,
11.8 whichever applies, on the basis of compensation received from public employment activities
11.9 other than those as a volunteer firefighter;

11.10 (15) employees in the building and construction trades, as follows:

11.11 (i) pipefitters and associated trades personnel employed by Independent School District
11.12 No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters
11.13 local 455 pension plan who were either first employed after May 1, 1997, or, if first employed
11.14 before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section
11.15 12;

11.16 (ii) electrical workers, plumbers, carpenters, and associated trades personnel employed
11.17 by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage
11.18 under a collective bargaining agreement by the electrical workers local 110 pension plan,
11.19 the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either
11.20 first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be
11.21 excluded under Laws 2000, chapter 461, article 7, section 5;

11.22 (iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters,
11.23 allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School
11.24 District No. 625, St. Paul, with coverage under a collective bargaining agreement by the
11.25 bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633
11.26 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied
11.27 trades local 61 pension plan, or the plasterers local 265 pension plan who were either first
11.28 employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded
11.29 under Laws 2001, First Special Session chapter 10, article 10, section 6;

11.30 (iv) plumbers employed by the Metropolitan Airports Commission, with coverage under
11.31 a collective bargaining agreement by the plumbers local 34 pension plan, who were either
11.32 first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be
11.33 excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

12.1 (v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation
12.2 Board, with coverage under a collective bargaining agreement by the electrical workers
12.3 local 292 pension plan or the pipefitters local 539 pension plan, who were first employed
12.4 before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11,
12.5 section 5;

12.6 (vi) laborers and associated trades personnel employed by the city of St. Paul or
12.7 Independent School District No. 625, St. Paul, who are designated as temporary employees
12.8 with coverage under a collective bargaining agreement by a multiemployer plan as defined
12.9 in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018,
12.10 or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter
12.11 211, article 16, section 13; and

12.12 (vii) employees who are trades employees as defined in section 356.27, subdivision 1,
12.13 first hired on or after July 1, 2020, by the city of St. Paul or Independent School District
12.14 No. 625, St. Paul, except for any trades employee for whom contributions are made under
12.15 section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer
12.16 plan as defined in section 356.27, subdivision 1;

12.17 (16) employees who are hired after June 30, 2002, solely to fill seasonal positions under
12.18 subdivision 12b which are limited in duration by the employer to a period of six months or
12.19 less in each year of employment with the governmental subdivision;

12.20 (17) persons who are provided supported employment or work-study positions by a
12.21 governmental subdivision and who participate in an employment or industries program
12.22 maintained for the benefit of these persons where the governmental subdivision limits the
12.23 position's duration to up to five years, including persons participating in a federal or state
12.24 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment
12.25 relief program where the training or work experience is not provided as a part of, or for,
12.26 future permanent public employment;

12.27 (18) independent contractors and the employees of independent contractors;

12.28 (19) reemployed annuitants of the association during the course of that reemployment;

12.29 (20) persons appointed to serve on a board or commission of a governmental subdivision
12.30 or an instrumentality thereof; and

12.31 (21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan
12.32 Transit Commission who are members of the International Brotherhood of Teamsters Local

13.1 638 and who are, by virtue of that employment, members of the International Brotherhood
13.2 of Teamsters Central States pension plan.

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

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

13.7 Sec. 3. **MSRS; SERVICE CREDIT PURCHASE PERMITTED FOR PERIOD OF**
13.8 **EMPLOYMENT AS AN EXCLUDED EMPLOYEE.**

13.9 **Subdivision 1. Definitions.** For purposes of this section, the following definitions shall
13.10 apply, unless the context indicates a different meaning is intended:

13.11 (1) "effective date" means the effective date of section 1;

13.12 (2) "eligible person" means a person who:

13.13 (i) is employed in state service on the effective date or terminated employment in state
13.14 service during the lookback period;

13.15 (ii) was an excluded employee for any period of employment before the effective date;
13.16 and

13.17 (iii) before the effective date, became eligible for coverage under Minnesota Statutes
13.18 2020, section 352.01, subdivision 2b, clause (14), or, on the effective date, became a state
13.19 employee under the amendment made by section 1;

13.20 (3) "excluded employee" means a person who was excluded from coverage under
13.21 Minnesota Statutes 2020, section 352.01, subdivision 2b, clause (14);

13.22 (4) "executive director" means the executive director of the Minnesota State Retirement
13.23 System; and

13.24 (5) "lookback period" means the period that begins twelve months before the effective
13.25 date of section 1 and ends on the effective date.

13.26 **Subd. 2. Authorizing the purchase of service credit.** (a) Notwithstanding any law to
13.27 the contrary, the executive director must credit a person with allowable service credit for
13.28 any period of employment during which contributions were not made for the person because
13.29 the person was considered an excluded employee, if the person is an eligible person and
13.30 the executive director receives the payment described in paragraph (b) or (c), as applicable.

14.1 (b) The eligible person or the employer, on behalf of the eligible person, may, no later
14.2 than August 31, 2021, pay the missed employee contributions for any period of employment
14.3 during which contributions were not made for the person because the person was considered
14.4 an excluded employee, by transmitting the amount of the missed employee contributions
14.5 in a lump sum to the Minnesota State Retirement System.

14.6 (c) The eligible person may elect to pay missed employee contributions for less than the
14.7 entire period of employment during which contributions were not made. The period of
14.8 employment elected must be consecutive payroll periods and may be payroll periods during
14.9 which the eligible person received the lowest salary. Upon payment of the missed employee
14.10 contributions for the period of employment elected, the executive director must credit the
14.11 eligible person with a proportionate amount of allowable service credit.

14.12 (d) If the missed employee contributions are paid, the eligible person's employer must,
14.13 no later than September 30, 2021, pay the missed employer contributions plus interest,
14.14 compounded annually, at the applicable annual rate or rates specified in Minnesota Statutes,
14.15 section 356.59, subdivision 2, on both the employee contributions and the employer
14.16 contributions, from the end of the year in which the contributions would have been made
14.17 to the date on which the payment is made, by transmitting the amount of the missed employer
14.18 contributions plus interest in a lump sum to the Minnesota State Retirement System. If the
14.19 eligible person elects to pay missed employee contributions for less than the entire period
14.20 of employment as permitted under paragraph (c), the employer must pay the missed employer
14.21 contributions plus interest on both the employee contributions and the employer contributions
14.22 for the payroll periods elected by the eligible person.

14.23 (e) The executive director shall notify the eligible person's employer regarding the
14.24 amount required under paragraph (d) and the basis for determining the amount. If the
14.25 employer fails to make all or any portion of the payment required by paragraph (d), the
14.26 executive director shall follow the procedures in Minnesota Statutes, section 352.04,
14.27 subdivision 8, paragraph (b), to collect the unpaid amount.

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

14.29 **ARTICLE 3**

14.30 **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION PROVISIONS**

14.31 Section 1. Minnesota Statutes 2020, section 353.01, subdivision 16, is amended to read:

14.32 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service" means:

15.1 (1) service during years of actual membership in the course of which employee deductions
15.2 were withheld from salary and contributions were made at the applicable rates under section
15.3 353.27, 353.65, or 353E.03;

15.4 (2) periods of service covered by payments in lieu of salary deductions under sections
15.5 353.27, subdivisions 12 and 12a, and 353.35;

15.6 (3) service in years during which the public employee was not a member but for which
15.7 the member later elected, while a member, to obtain credit by making payments to the fund
15.8 as permitted by any law then in effect;

15.9 (4) a period of authorized leave of absence during which the employee receives pay as
15.10 specified in subdivision 10, paragraph (a), clause (4) or (5), from which deductions for
15.11 employee contributions are made, deposited, and credited to the fund;

15.12 (5) a period of authorized leave of absence without pay, or with pay that is not included
15.13 in the definition of salary under subdivision 10, paragraph (a), clause (4) or (5), for which
15.14 salary deductions are not authorized, and for which a member obtained service credit for
15.15 up to 12 months of the authorized leave period by payment under section 353.0162, to the
15.16 fund made in place of salary deductions;

15.17 ~~(6) a periodic, repetitive leave that is offered to all employees of a governmental~~
15.18 ~~subdivision. The leave program may not exceed 208 hours per annual normal work cycle~~
15.19 ~~as certified to the association by the employer. A participating member obtains service credit~~
15.20 ~~by making employee contributions in an amount or amounts based on the member's average~~
15.21 ~~salary, excluding overtime pay, that would have been paid if the leave had not been taken.~~
15.22 ~~The employer shall pay the employer and additional employer contributions on behalf of~~
15.23 ~~the participating member. The employee and the employer are responsible to pay interest~~
15.24 ~~on their respective shares at the applicable rate or rates specified in section 356.59,~~
15.25 ~~subdivision 3, compounded annually, from the end of the normal cycle until full payment~~
15.26 ~~is made. An employer shall also make the employer and additional employer contributions,~~
15.27 ~~plus interest at the applicable rate or rates specified in section 356.59, subdivision 3,~~
15.28 ~~compounded annually, on behalf of an employee who makes employee contributions but~~
15.29 ~~terminates public service. The employee contributions must be made within one year after~~
15.30 ~~the end of the annual normal working cycle or within 30 days after termination of public~~
15.31 ~~service, whichever is sooner. The executive director shall prescribe the manner and forms~~
15.32 ~~to be used by a governmental subdivision in administering a periodic, repetitive leave. Upon~~
15.33 ~~payment, the member must be granted allowable service credit for the purchased period;~~

16.1 ~~(7)~~ (6) an authorized temporary or seasonal layoff under subdivision 12, limited to three
16.2 months allowable service per authorized temporary or seasonal layoff in one calendar year.
16.3 An employee who has received the maximum service credit allowed for an authorized
16.4 temporary or seasonal layoff must return to public service and must obtain a minimum of
16.5 three months of allowable service subsequent to the layoff in order to receive allowable
16.6 service for a subsequent authorized temporary or seasonal layoff;

16.7 ~~(8)~~ (7) a period of uniformed services leave purchased under section 353.014;

16.8 ~~(9)~~ (8) a period of military service purchased under section 353.0141; or

16.9 ~~(10)~~ (9) a period ~~specified~~ of reduced salary purchased under section 353.0162.

16.10 (b) No member may receive more than 12 months of allowable service credit in a year
16.11 either for vesting purposes or for benefit calculation purposes.

16.12 (c) For an active member who was an active member of the former Minneapolis
16.13 Firefighters Relief Association on December 29, 2011, "allowable service" is the period of
16.14 service credited by the Minneapolis Firefighters Relief Association as reflected in the
16.15 transferred records of the association up to December 30, 2011, and the period of service
16.16 credited under paragraph (a), clause (1), after December 30, 2011. For an active member
16.17 who was an active member of the former Minneapolis Police Relief Association on December
16.18 29, 2011, "allowable service" is the period of service credited by the Minneapolis Police
16.19 Relief Association as reflected in the transferred records of the association up to December
16.20 30, 2011, and the period of service credited under paragraph (a), clause (1), after December
16.21 30, 2011.

16.22 **EFFECTIVE DATE.** This section is effective July 1, 2021.

16.23 Sec. 2. Minnesota Statutes 2020, section 353.01, subdivision 28, is amended to read:

16.24 Subd. 28. **Retirement.** (a) "Retirement" means the payment of an annuity by the
16.25 association. A right to retirement is subject to termination of public service under subdivision
16.26 11a. A right to retirement requires a complete and continuous separation for 30 days from
16.27 employment as a public employee.

16.28 (b) Notwithstanding the 30-day separation requirement under paragraph (a), a member
16.29 of a defined benefit plan under this chapter, who also participates in the public employees
16.30 defined contribution plan under chapter 353D for other public service, may be paid, if
16.31 eligible, a retirement annuity from the defined benefit plan while participating in the defined
16.32 contribution plan. A retirement annuity is also payable from a defined benefit plan under

17.1 this chapter to an eligible member who terminates public service and who, within 30 days
17.2 of separation, takes office as an elected official of a governmental subdivision.

17.3 (c) Elected officials included in association membership under subdivisions 2a and 2d
17.4 meet the 30-day separation requirement under this section by resigning from office before
17.5 filing for a subsequent term in the same office and by remaining completely and continuously
17.6 separated from that office for 30 days prior to the date of the election.

17.7 (d) The 30-day separation requirement under paragraph (a) does not apply to a retirement
17.8 annuity payable from a defined benefit plan under this chapter to a public employee if the
17.9 public employee:

17.10 (1) is covered by a covered retirement plan under section 356.30, subdivision 3;

17.11 (2) is eligible for a combined service annuity under section 356.30, subdivision 1; and

17.12 (3) has entered into a phased retirement agreement or its equivalent permitted by the
17.13 laws applicable to the covered retirement plan with coverage of the last period of public
17.14 service.

17.15 **EFFECTIVE DATE.** This section is effective July 1, 2021.

17.16 Sec. 3. Minnesota Statutes 2020, section 353.014, subdivision 4, is amended to read:

17.17 Subd. 4. **Time period for making member's payment.** Payment of the employee
17.18 equivalent contributions must be made during a period that begins with the date on which
17.19 the member returns to public employment and that is three times the length of the military
17.20 leave period, or within five years of the date on which the member returns to public
17.21 employment, whichever is less. If the payment period is less than ~~one year~~ three years,
17.22 payment of the employee equivalent contributions may be made within ~~one year~~ three years
17.23 of the date of the member's discharge from service in the uniformed services. Payment may
17.24 not be accepted after ~~30 days~~ six months following termination of public service under
17.25 section 353.01, subdivision 11a.

17.26 **EFFECTIVE DATE.** This section is effective July 1, 2021, except the amendments
17.27 changing one year to three years are effective the day following final enactment.

18.1 Sec. 4. Minnesota Statutes 2020, section 353.0162, is amended to read:

18.2 **353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED**
18.3 **SALARY.**

18.4 (a) A member may purchase differential salary credit as described in paragraph (c) for
18.5 a period ~~specified~~ of reduced salary as described in paragraph (b).

18.6 (b) ~~The applicable period is~~ of reduced salary must be a period occurring entirely within
18.7 one school year, for school year employees, or one calendar year, for all other employees,
18.8 during which the member is receiving receives no salary or a reduced salary from the
18.9 employer while the member is:

18.10 (1) receiving workers' compensation payments related to the member's service to the
18.11 public employer;

18.12 (2) on an authorized leave of absence, ~~except that if the authorized leave of absence~~
18.13 ~~exceeds 12 months, the period of leave for which differential salary credit may be purchased~~
18.14 ~~is limited to 12 months; or~~

18.15 (3) on an authorized leave of absence as a result of a budgetary or salary savings program
18.16 offered or mandated by a governmental subdivision, if certified to the executive director
18.17 by the governmental subdivision; or

18.18 (4) on a periodic, repetitive leave that is offered to all employees of a governmental
18.19 subdivision where the leave program is certified by the employer to the association as one
18.20 that does not exceed 208 hours during the school year or calendar year, as applicable.

18.21 (c) Differential salary credit is the difference between the salary received by the member
18.22 during a period of reduced salary specified in paragraph (b) and the salary of the member,
18.23 excluding overtime, on which contributions to the applicable plan would have been made
18.24 during the period based on the member's normal employment period, measured in hours or
18.25 otherwise, as applicable, and rate of pay.

18.26 (d) To receive differential salary credit, the member shall pay the plan, by delivering
18.27 payment to the executive director, an amount equal to:

18.28 (1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65,
18.29 subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary
18.30 amount;

19.1 (2) plus an employer equivalent payment equal to the applicable employer contribution
19.2 rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as
19.3 applicable, multiplied by the differential salary amount;

19.4 (3) plus, if applicable, an equivalent employer additional amount equal to the additional
19.5 employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential
19.6 salary amount.

19.7 (e) The employer, by appropriate action of its governing body and documented in its
19.8 official records, may pay ~~the employer equivalent contributions and~~ on behalf of the member
19.9 the amounts determined under paragraph (d), clauses (2) and (3), as applicable, the equivalent
19.10 employer additional contributions on behalf of the member plus interest under paragraph
19.11 (f). However, if the period of reduced salary is a periodic, repetitive leave under paragraph
19.12 (b), clause (4), then the employer must pay on behalf of the member the amount determined
19.13 under paragraph (d), clauses (2) and (3), as applicable, plus interest under paragraph (f).

19.14 (f) Payment under this section must include interest on the contribution amount or
19.15 amounts, whichever applies, at the applicable rate or rates specified in section 356.59,
19.16 subdivision 3, compounded annually, prorated for the number of months, if less than 12
19.17 months, from the ~~date on which the period of reduced salary specified in paragraph (b)~~
19.18 ~~terminates to the date on which the payment or payments are~~ end of the school year or
19.19 calendar year, as applicable, until full payment is received by the executive director. Payment
19.20 under this section must be completed by the earliest of:

19.21 (1) ~~30 days~~ six months after termination of public service by the employee under section
19.22 353.01, subdivision 11a;

19.23 (2) one year after the termination of the period of reduced salary specified in paragraph
19.24 (b); or

19.25 (3) ~~30 days~~ six months after the commencement of a disability benefit.

19.26 ~~(g) If the member has purchased 12 months of differential salary credit, the member~~
19.27 ~~must return to public service and render a minimum of three months of allowable service~~
19.28 ~~to purchase differential salary credit for a subsequent leave of absence.~~

19.29 **EFFECTIVE DATE.** This section is effective July 1, 2021.

19.30 Sec. 5. Minnesota Statutes 2020, section 353.27, subdivision 12, is amended to read:

19.31 Subd. 12. **Omitted salary deductions; obligations.** (a) In the case of omission of
19.32 required deductions for the general employees retirement plan, the public employees police

20.1 and fire retirement plan, or the local government correctional employees retirement plan
20.2 from the salary of an employee, the department head or designee shall immediately, upon
20.3 discovery, report the employee for membership and deduct the employee deductions under
20.4 subdivision 4 during the current pay period or during the pay period immediately following
20.5 the discovery of the omission. Payment for the omitted obligations may only be made in
20.6 accordance with reporting procedures and methods established by the executive director.

20.7 (b) When the entire omission period of an employee does not exceed 60 days, the
20.8 governmental subdivision may report and submit payment of the omitted employee
20.9 deductions and the omitted employer contributions through the reporting processes under
20.10 subdivision 4.

20.11 (c) When the omission period of an employee exceeds 60 days, the governmental
20.12 subdivision shall furnish to the association sufficient data and documentation upon which
20.13 the obligation for omitted employee and employer contributions can be calculated. The
20.14 omitted employee deductions must be deducted from the employee's subsequent salary
20.15 payment or payments and remitted to the association for deposit in the applicable retirement
20.16 fund. The employee shall pay omitted employee deductions due for the 60 days prior to the
20.17 end of the last pay period in the omission period during which salary was earned. The
20.18 employer shall pay any remaining omitted employee deductions and any omitted employer
20.19 contributions, plus cumulative interest at the annual rate of 8.5 percent until June 30, 2015,
20.20 ~~and eight percent thereafter~~ applicable rate or rates specified in section 356.59, subdivision
20.21 3, compounded annually, from the date or dates each omitted employee contribution was
20.22 first payable.

20.23 (d) An employer shall not hold an employee liable for omitted employee deductions
20.24 beyond the pay period dates under paragraph (c), nor attempt to recover from the employee
20.25 those employee deductions paid by the employer on behalf of the employee. Omitted
20.26 deductions due under paragraph (c) which are not paid by the employee constitute a liability
20.27 of the employer that failed to deduct the omitted deductions from the employee's salary.
20.28 The employer shall make payment with interest at the applicable rate or rates specified in
20.29 section 356.59, subdivision 3, compounded annually. Omitted employee deductions are no
20.30 longer due if an employee terminates public service before making payment of omitted
20.31 employee deductions to the association, but the employer remains liable to pay omitted
20.32 employer contributions plus interest at the applicable rate or rates specified in section 356.59,
20.33 subdivision 3, compounded annually, from the date the contributions were first payable.

20.34 (e) The association may not commence action for the recovery of omitted employee
20.35 deductions and employer contributions after the expiration of three calendar years after the

21.1 calendar year in which the contributions and deductions were omitted. Except as provided
21.2 under paragraph (b), no payment may be made or accepted unless the association has already
21.3 commenced action for recovery of omitted deductions. An action for recovery commences
21.4 on the date of the mailing of any written correspondence from the association requesting
21.5 information from the governmental subdivision upon which to determine whether or not
21.6 omitted deductions occurred.

21.7 **EFFECTIVE DATE.** This section is effective July 1, 2021.

21.8 Sec. 6. Minnesota Statutes 2020, section 353.30, subdivision 1a, is amended to read:

21.9 Subd. 1a. **Pre-July 1, 1989, members: rule of 90.** Upon termination of public service
21.10 under section 353.01, subdivision 11a, a person who first became a public employee or a
21.11 member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and
21.12 whose attained age plus credited allowable service totals 90 years is entitled upon application
21.13 to a retirement annuity in an amount equal to the applicable normal annuity provided in
21.14 section 353.29, subdivision 3, paragraph (a), ~~without any~~; section 353.651, subdivision 3;
21.15 or section 353E.04, subdivision 3. Such annuity is not subject to a reduction in annuity due
21.16 ~~to~~ for early retirement.

21.17 **EFFECTIVE DATE.** This section is effective July 1, 2021.

21.18 Sec. 7. Minnesota Statutes 2020, section 353.30, subdivision 1b, is amended to read:

21.19 Subd. 1b. **Pre-July 1, 1989, members: 30 years of service.** Upon termination of public
21.20 service under section 353.01, subdivision 11a, a person who first became a public employee
21.21 or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989,
21.22 ~~with~~ and has 30 years or more of allowable service credit, and who elects to retire prior to
21.23 normal retirement age, shall receive an annuity in an amount equal to the normal annuity
21.24 provided under section 353.29, subdivision 3, paragraph (a), reduced by one-quarter of one
21.25 percent for each month that the member is under age 62 at the time of retirement.

21.26 **EFFECTIVE DATE.** This section is effective July 1, 2021.

21.27 Sec. 8. Minnesota Statutes 2020, section 353.30, subdivision 1c, is amended to read:

21.28 Subd. 1c. **Pre-July 1, 1989, members: early retirement.** Upon termination of public
21.29 service under section 353.01, subdivision 11a, a person who first became a public employee
21.30 or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989,
21.31 ~~who has become~~ and is at least 55 years old but ~~not~~ is younger than normal retirement age,
21.32 and who is vested under section 353.01, subdivision 47, is entitled, upon application, to a

22.1 retirement annuity in an amount equal to the applicable normal annuity provided in section
22.2 353.29, subdivision 3, paragraph (a); Such annuity must be reduced by one-quarter of one
22.3 percent for each month that the member is under normal retirement age at the time of
22.4 retirement.

22.5 **EFFECTIVE DATE.** This section is effective July 1, 2021.

22.6 Sec. 9. Minnesota Statutes 2020, section 353.335, is amended to read:

22.7 **353.335 DISABILITANT EARNINGS REPORTS.**

22.8 Unless waived by the executive director, a disability benefit recipients recipient must
22.9 report all earnings from reemployment and from income from workers' compensation to
22.10 the association annually by May 15 in a format prescribed by the executive director. If the
22.11 form is not submitted by May 15, benefits must be suspended effective June 1. Upon receipt
22.12 of the form by the association, if the disability benefit recipient is deemed by the executive
22.13 director to be eligible for continued payment, benefits must be reinstated retroactive to June
22.14 1. The executive director may waive the requirements in this section if the medical evidence
22.15 supports that the disability benefit recipient will not have earnings from reemployment.

22.16 **EFFECTIVE DATE.** This section is effective July 1, 2021.

22.17 Sec. 10. Minnesota Statutes 2020, section 353.34, subdivision 2, is amended to read:

22.18 Subd. 2. **Refund with interest.** (a) Except as provided in subdivision 1, any person who
22.19 ceases to be a member is entitled to receive a refund in an amount equal to accumulated
22.20 deductions, less the sum of any disability benefits that have been paid by the fund, plus
22.21 annual compound interest at the applicable rate or rates under paragraph (b) to the first day
22.22 of the month in which the refund is processed.

22.23 (b) Annual compound interest rates ~~on a refund under paragraph (a)~~ shall be as follows:

22.24 (1) six percent to June 30, 2011;

22.25 (2) four percent after June 30, 2011, to June 30, 2018; and

22.26 (3) three percent after June 30, 2018.

22.27 (c) If a person repays a refund and subsequently applies for another refund, the repayment
22.28 amount, including interest, is added to the fiscal year balance in which the repayment was
22.29 made.

22.30 (d) If the refund payable to a member is based on employee deductions that are
22.31 determined to be invalid under section 353.27, subdivision 7, the interest payable on the

23.1 invalid employee deductions is ~~three percent~~ annual compound interest at the applicable
23.2 rate or rates under paragraph (b).

23.3 **EFFECTIVE DATE.** This section is effective July 1, 2021.

23.4 Sec. 11. Minnesota Statutes 2020, section 353D.071, subdivision 1, is amended to read:

23.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
23.6 the meanings given them.

23.7 (b) "Designated beneficiary" means the person designated as the beneficiary under
23.8 section 353D.07, subdivision 5, and who is the designated beneficiary under section 401(a)(9)
23.9 of the Internal Revenue Code and section 1.401 (a)(9)-1, Q&A-4 of the Treasury regulations.

23.10 (c) "Distribution calendar year" means a calendar year for which a minimum distribution
23.11 is required. For distributions beginning before the ~~member's~~ participant's death, the first
23.12 distribution calendar year is the calendar year immediately preceding the calendar year
23.13 which contains the ~~member's~~ participant's required beginning date. For distributions beginning
23.14 after the ~~member's~~ participant's death, the first distribution calendar year is the calendar
23.15 year in which distributions are required to begin under subdivision 2, paragraph (c). The
23.16 required minimum distribution for the ~~member's~~ participant's first distribution calendar year
23.17 shall be made on or before the ~~member's~~ participant's required beginning date.

23.18 (d) "~~Member's~~ Participant's account balance" means the account balance as of the last
23.19 valuation date in the valuation calendar year increased by the amount of any contributions
23.20 made and allocated to the account balance as of dates in the valuation calendar year after
23.21 the valuation date and decreased by distributions made in the valuation calendar year after
23.22 the valuation date. The account balance for the valuation calendar year includes any amounts
23.23 rolled over or transferred to the plan either in the valuation calendar year or in the distribution
23.24 calendar year if distributed or transferred in the valuation calendar year.

23.25 (e) "Required beginning date" means the ~~later of April 1 of the calendar year following~~
23.26 ~~the calendar year that the member attains age 70 years, six months, or April 1 of the calendar~~
23.27 ~~year following the calendar year in which the member terminates employment~~ date a
23.28 participant's retirement benefit must begin under section 356.635, subdivision 1, paragraph
23.29 (a).

23.30 (f) "Valuation calendar year" means the calendar year immediately preceding the
23.31 distribution calendar year.

23.32 **EFFECTIVE DATE.** This section is effective July 1, 2021.

24.1 Sec. 12. Minnesota Statutes 2020, section 353D.071, subdivision 2, is amended to read:

24.2 Subd. 2. **Required minimum distributions.** (a) The provisions of this subdivision apply
24.3 for purposes of determining required minimum distributions for calendar years and must
24.4 take precedence over any inconsistent provisions of the plan. All distributions required
24.5 under this section must be determined and made in accordance with the treasury regulations
24.6 under section 401(a)(9) of the Internal Revenue Code, including regulations providing
24.7 special rules for governmental plans, as defined under section 414(d) of the Internal Revenue
24.8 Code, that comply with a reasonable good faith interpretation of the minimum distribution
24.9 requirements.

24.10 (b) The ~~member's~~ participant's entire interest must be distributed or begin to the member
24.11 ~~in a lump sum~~ be distributed no later than the ~~member's~~ participant's required beginning
24.12 date.

24.13 (c) If the ~~member~~ participant dies before the required minimum distribution is made or
24.14 begins, the ~~member's entire interest~~ participant's account must be distributed in a lump sum
24.15 no later than as follows:

24.16 (1) if the ~~member's~~ participant's surviving spouse is the ~~member's~~ participant's sole
24.17 designated beneficiary, the distribution must be made by December 31 of the calendar year
24.18 immediately following the calendar year in which the ~~member~~ participant died, or by
24.19 December 31 of the calendar year in which the ~~member~~ participant would have attained ~~age~~
24.20 ~~70 years, six months~~ the participant's required beginning date, whichever is later;

24.21 (2) if the ~~member's~~ participant's surviving spouse is not the ~~member's~~ participant's sole
24.22 beneficiary, or if there is no designated beneficiary as of September 30 of the year following
24.23 the year of the ~~member's~~ participant's death, the ~~member's entire interest~~ participant's account
24.24 must be distributed by December 31 of the calendar year containing the fifth anniversary
24.25 of the ~~member's~~ participant's death as directed under section 353D.07, subdivision 5; or

24.26 (3) if the ~~member's~~ participant's surviving spouse is the ~~member's~~ participant's sole
24.27 designated beneficiary and the surviving spouse dies after the ~~member~~ participant, but before
24.28 the account balance is distributed to the surviving spouse, paragraph (c), clause (2), must
24.29 apply as if the surviving spouse were the ~~member~~ participant.

24.30 (d) For purposes of paragraph (c), unless clause (3) applies, distributions are considered
24.31 to be made on the ~~member's~~ participant's required beginning date. If paragraph (c), clause
24.32 (3), applies, distributions are considered to begin on the date distributions must be made to
24.33 the surviving spouse under paragraph (c), clause (1).

25.1 **EFFECTIVE DATE.** This section is effective July 1, 2021.

25.2 **ARTICLE 4**

25.3 **PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN PROVISIONS**

25.4 Section 1. Minnesota Statutes 2020, section 477B.04, subdivision 3, is amended to read:

25.5 Subd. 3. **Deposit of state aid.** (a) This paragraph applies if the municipality or the
25.6 independent nonprofit firefighting corporation is covered by the statewide volunteer
25.7 firefighter plan ~~under chapter 353G.~~ If this paragraph applies and the executive director of
25.8 the Public Employees Retirement Association has not approved an aid allocation plan under
25.9 section 477B.041, the executive director ~~of the Public Employees Retirement Association~~
25.10 must credit the fire state aid against future municipal contribution requirements under section
25.11 353G.08 and must notify the municipality or the independent nonprofit firefighting
25.12 corporation of the fire state aid so credited at least annually. If this paragraph applies and
25.13 the executive director has approved an aid allocation plan under section 477B.041, the
25.14 executive director must allocate fire state aid in the manner described under section 477B.041.

25.15 (b) If (1) the municipality or the independent nonprofit firefighting corporation is not
25.16 covered by the statewide volunteer firefighter plan and is affiliated with a duly incorporated
25.17 firefighters relief association, (2) the relief association has filed a financial report with the
25.18 municipality pursuant to section 424A.014, subdivision 1 or 2, whichever applies, and (3)
25.19 there is not an aid allocation agreement under section 477B.042 in effect, then the treasurer
25.20 of the municipality must, within 30 days after receipt, transmit the fire state aid to the
25.21 treasurer of the relief association. If clauses (1) and (2) are satisfied and there is an aid
25.22 allocation agreement under section 477B.042 in effect, then fire state aid must be transmitted
25.23 as described in that section. If the relief association has not filed a financial report with the
25.24 municipality, then, regardless of whether an aid allocation agreement is in effect, the treasurer
25.25 of the municipality must delay transmission of the fire state aid to the relief association until
25.26 the complete financial report is filed.

25.27 (c) The treasurer of the municipality must deposit the fire state aid money in the municipal
25.28 treasury if (1) the municipality or independent nonprofit firefighting corporation is not
25.29 covered by the statewide volunteer firefighter plan, (2) there is no relief association organized,
25.30 (3) the association has dissolved, or (4) the association has been removed as trustees of state
25.31 aid. The money may be disbursed from the municipal treasury only for the purposes and in
25.32 the manner set forth in section 424A.08 or for the payment of the employer contribution
25.33 requirement with respect to firefighters covered by the public employees police and fire
25.34 retirement plan under section 353.65, subdivision 3.

26.1 **EFFECTIVE DATE.** This section is effective for aids payable in 2022 and thereafter.

26.2 Sec. 2. **[477B.041] ALLOCATION OF FIRE STATE AID FOR THE STATEWIDE**
26.3 **VOLUNTEER FIREFIGHTER PLAN.**

26.4 Subdivision 1. **Definitions.** For the purposes of this section, unless the language or
26.5 context clearly indicates that a different meaning is intended, the following terms have the
26.6 meanings given to them:

26.7 (1) "Active volunteer firefighter" means a member of the statewide volunteer firefighter
26.8 plan as defined in section 353G.01, subdivision 8.

26.9 (2) "Chief petitioning firefighter" means an active volunteer firefighter who, on behalf
26.10 of petitioning firefighters, submits a petition to stop an aid allocation plan under subdivision
26.11 6 to the executive director.

26.12 (3) "Combination department" means a municipality or independent nonprofit firefighting
26.13 corporation which, during the previous calendar year and on January 1, 2021:

26.14 (i) employed one or more firefighters covered by the statewide volunteer firefighter
26.15 plan; and

26.16 (ii) contributed on behalf of one or more firefighters to the public employees police and
26.17 fire retirement plan under chapter 353.

26.18 (4) "Covered period" means the period covered by the aid allocation plan beginning
26.19 with the calendar year immediately following the calendar year in which the plan is approved
26.20 and continuing for not more than three years.

26.21 (5) "Executive director" means the executive director of the Public Employees Retirement
26.22 Association.

26.23 (6) "Reimbursement amount" means the amount calculated under subdivision 4, which
26.24 reimburses a combination department for employer contributions made to the public
26.25 employees police and fire retirement plan on behalf of covered firefighters.

26.26 (7) "Total state aid" means the combined total of fire state aid and police and firefighter
26.27 supplemental state aid payable to the Public Employees Retirement Association on behalf
26.28 of a combination department on October 1 under sections 477B.04, subdivision 1, and
26.29 423A.022, subdivision 4, respectively.

26.30 Subd. 2. **Submission of an aid allocation plan.** Beginning on March 1 of each year, a
26.31 combination department may submit to the executive director an aid allocation plan that
26.32 conforms with the requirements in this paragraph. The aid allocation plan must:

27.1 (1) be approved by the governing body of the combination department;

27.2 (2) be in writing and specify:

27.3 (i) the percentage of the fire state aid, dollar amount, or formula for determining the
27.4 amount of fire state aid that will be transmitted to the combination department as the
27.5 reimbursement amount; and

27.6 (ii) the covered period;

27.7 (3) be signed by the municipal clerk or secretary; and

27.8 (4) include the date that notice was provided to firefighters under subdivision 7.

27.9 Subd. 3. Approval of aid allocation plan. The executive director shall approve an aid
27.10 allocation plan submitted by a combination department if:

27.11 (1) the aid allocation plan is submitted on or after March 1;

27.12 (2) the aid allocation plan meets the requirements in subdivision 2; and

27.13 (3) within 45 days after receipt of the aid allocation plan, the executive director has not
27.14 received a petition to stop aid allocation described in subdivision 6.

27.15 Subd. 4. Deposit; transfer of fire state aid under aid allocation plan. (a) Fire state
27.16 aid covered by an approved aid allocation plan must be deposited in accordance with this
27.17 subdivision. Within 30 days after receipt of the fire state aid, the executive director must
27.18 transmit the reimbursement amount to the combination department. The reimbursement
27.19 amount must not exceed the smallest of the following amounts:

27.20 (1) the percentage, dollar amount, or formula specified by the combination department
27.21 under subdivision 2;

27.22 (2) the combination department's total employer contribution to the public employees
27.23 police and fire retirement plan on behalf of firefighters during the preceding calendar year;

27.24 (3) the amount of fire state aid payable to the Public Employees Retirement Association
27.25 on behalf of the combination department on October 1 of the current calendar year under
27.26 section 477B.04, subdivision 1;

27.27 (4) the amount determined by subtracting from the combination department's total state
27.28 aid the combination department's annual funding requirement under section 353G.08 as
27.29 calculated on or before August 1 for the current year; or

27.30 (5) the amount determined by subtracting from the combination department's total state
27.31 aid the amount required to increase the funding ratio of the combination department's account

28.1 to not less than 100 percent as of the date of the valuation used to determine the funding
28.2 requirement under clause (4).

28.3 (b) After transmitting the reimbursement amount, the executive director must immediately
28.4 credit any remaining fire state aid against the combination department's annual funding
28.5 requirement under section 353G.08. The executive director must notify the combination
28.6 department of the disposition of fire state aid within 30 days of transmission of the
28.7 reimbursement amount.

28.8 (c) Fire state aids payable before or after the covered period must be credited as if no
28.9 aid allocation plan has been approved under section 477B.04, subdivision 3, paragraph (a).

28.10 Subd. 5. **Termination; modification of aid allocation plan.** (a) The governing body
28.11 of a combination department may terminate an aid allocation plan at any time by submitting
28.12 a notice of termination to the executive director.

28.13 (b) A combination department may modify an aid allocation plan at any time during the
28.14 covered period by submitting a modified aid allocation plan to the executive director. The
28.15 modified aid allocation plan must meet the requirements of an aid allocation plan under
28.16 subdivision 3.

28.17 (c) The termination or modification of an aid allocation plan applies only to subsequent
28.18 fire state aid payments and does not affect any reimbursement amount already transmitted
28.19 to the combination department.

28.20 (d) The combination department must provide notice of any modification or termination
28.21 as required under subdivision 7.

28.22 Subd. 6. **Petition to stop aid allocation.** (a) Within 45 days after a combination
28.23 department submits an aid allocation plan or modified aid allocation plan to the executive
28.24 director, an active volunteer firefighter employed by the combination department may submit
28.25 to the executive director a petition to stop the aid allocation plan. The petition must be in a
28.26 form prescribed by the executive director. The executive director must reject an aid allocation
28.27 plan or modified aid allocation plan as a result of the petition if:

28.28 (1) the executive director receives the petition to stop the aid allocation plan within 45
28.29 days after receiving an aid allocation plan or modified aid allocation plan for the same
28.30 combination department; and

28.31 (2) the petition to stop aid allocation is in writing and includes the names and signatures
28.32 of a majority of the active volunteer firefighters employed by the combination department
28.33 and the name and contact information for the chief petitioning firefighter.

29.1 (b) When determining whether a petition includes the names and signatures of a majority
 29.2 of the active volunteer firefighters affiliated with the combination department, the executive
 29.3 director must verify that the names provided match the active volunteer firefighter records
 29.4 maintained by the Public Employees Retirement Association.

29.5 (c) Upon receipt of a petition to stop aid allocation, the executive director must
 29.6 immediately notify the combination department that a petition was received. Within 15 days
 29.7 after receipt of the petition to stop aid allocation, the executive director must report to the
 29.8 combination department and the chief petitioning firefighter whether the aid allocation plan
 29.9 was rejected as a result of the petition.

29.10 (d) If an aid allocation plan is rejected as a result of a petition, the combination department
 29.11 may revise the aid allocation plan and submit the revised plan, subject to the requirements
 29.12 in this section, including the notice under subdivision 7 and the firefighters' right to petition
 29.13 to stop aid allocation under the revised plan under subdivision 6.

29.14 Subd. 7. **Notice to volunteer firefighters.** Within 30 days before submitting to the
 29.15 executive director an aid allocation plan or modification or termination of an aid allocation
 29.16 plan, the combination department must notify all active volunteer firefighters employed by
 29.17 the combination department in writing. The notice must include a copy of the aid allocation
 29.18 plan, modified aid allocation plan, or notice of termination approved by the governing body
 29.19 of the combination department.

29.20 Subd. 8. **Forms authorized.** The executive director must prescribe a form of petition
 29.21 that satisfies the requirements of subdivision 6 and may prescribe other forms as required
 29.22 for the administration of this section.

29.23 **EFFECTIVE DATE.** This section is effective for aids payable in 2022 and thereafter.

29.24 **ARTICLE 5**

29.25 **ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION PROVISIONS**

29.26 Section 1. Minnesota Statutes 2020, section 354A.12, subdivision 1, is amended to read:

29.27 Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by
 29.28 each member of the St. Paul Teachers Retirement Fund Association is the percentage of
 29.29 total salary specified below for the applicable association and program:

29.30 Program	29.30 Percentage of Total Salary
29.31 St. Paul Teachers Retirement Fund Association	
29.32 basic program after June 30, 2016	10 percent
29.33 basic program after June 30, 2022 <u>2023</u>	10.25 percent

30.1 coordinated program after June 30, 2016 7.5 percent
 30.2 coordinated program after June 30, ~~2022~~ 2023 7.75 percent

30.3 (b) Contributions must be made by deduction from salary and must be remitted directly
 30.4 to the St. Paul Teachers Retirement Fund Association at least once each month.

30.5 (c) When an employee contribution rate changes for a fiscal year, the new contribution
 30.6 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

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

30.8 Sec. 2. Minnesota Statutes 2020, section 354A.31, subdivision 7, is amended to read:

30.9 Subd. 7. **Reduction for early retirement.** (a) This subdivision applies to a person who
 30.10 has become at least 55 years old and first becomes a coordinated member after June 30,
 30.11 1989, and to any other coordinated member who has become at least 55 years old and whose
 30.12 annuity is higher when calculated using the retirement annuity formula percentage in
 30.13 subdivision 4, paragraph (d), in conjunction with this subdivision than when calculated
 30.14 under subdivision 4, paragraph (c), in conjunction with subdivision 6. An employee who
 30.15 retires under the formula annuity before the normal retirement age shall be paid the normal
 30.16 annuity reduced as described in paragraph (b) if the person retires on or after July 1, 2019,
 30.17 or in paragraph (c) if the person retires before July 1, 2019, as applicable.

30.18 (b) A coordinated member who retires before the normal retirement age and on or after
 30.19 July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement
 30.20 annuity formula percentage in subdivision 4, paragraph (d), reduced as described in clause
 30.21 (1) or (2), as applicable.

30.22 (1) If the member retires when the member is younger than age 62 or with fewer than
 30.23 30 years of service, the annuity must be reduced by an early reduction factor for each year
 30.24 that the member's age of retirement precedes normal retirement age. The early reduction
 30.25 factors are four percent per year for ~~ages~~ members whose age at retirement is at least 55
 30.26 ~~through but not yet 59~~ and seven percent per year for ~~ages 60 through~~ members whose age
 30.27 at retirement is at least 59 but not yet normal retirement age. The resulting annuity must be
 30.28 further adjusted to take into account augmentation as if the employee had deferred receipt
 30.29 of the annuity until normal retirement age and the annuity were augmented at the applicable
 30.30 annual rate, compounded annually, from the day the annuity begins to accrue until normal
 30.31 retirement age. The applicable annual rate is the rate in effect on the employee's effective
 30.32 date of retirement and shall be considered as fixed for the employee. The applicable annual
 30.33 rates are the following:

31.1 (i) until June 30, 2019, 2.5 percent;

31.2 (ii) a rate that changes each month, beginning July 1, 2019, through June 30, 2024, which
 31.3 is determined by reducing the rate in item (i) to zero in equal monthly increments over the
 31.4 five-year period; and

31.5 (iii) after June 30, 2024, zero percent.

31.6 After June 30, 2024, the reduced annuity commencing before normal retirement age
 31.7 under this clause shall not take into account any augmentation.

31.8 (2) If the member retires when the member is at least age 62 or older and has at least 30
 31.9 years of service, the member is entitled to receive a retirement annuity calculated using the
 31.10 retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the
 31.11 applicable early retirement factor specified for members "Age 62 or older with 30 years of
 31.12 service" in the table in paragraph (c).

31.13 (c) A coordinated member who retires before the normal retirement age and before July
 31.14 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity
 31.15 formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early
 31.16 retirement factor specified below:

	Under age 62 or less than 30 years of service		Age 62 or older with 30 years of service	
Normal retirement age:	65	66	65	66
Age at retirement				
55	0.5376	0.4592		
56	0.5745	0.4992		
57	0.6092	0.5370		
58	0.6419	0.5726		
59	0.6726	0.6062		
60	0.7354	0.6726		
61	0.7947	0.7354		
62	0.8507	0.7947	0.8831	0.8389
63	0.9035	0.8507	0.9246	0.8831
64	0.9533	0.9035	0.9635	0.9246
65	1.0000	0.9533	1.0000	0.9635
66		1.0000		1.0000

32.1 For normal retirement ages between ages 65 and 66, the early retirement factors must
 32.2 be determined by linear interpolation between the early retirement factors applicable for
 32.3 normal retirement ages 65 and 66.

32.4 **EFFECTIVE DATE.** This section is effective retroactively from June 30, 2018.

32.5 **ARTICLE 6**

32.6 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION PROVISIONS**

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

32.9 Subd. 2b. **Municipal clerk.** "Municipal clerk" means the person elected or appointed
 32.10 to the position of municipal clerk, the chief financial official or chief administrative official
 32.11 designated to perform such function, or, if there is no such person or designation, the chief
 32.12 financial official, the chief administrative official, or the person primarily responsible for
 32.13 managing the finances of a municipality.

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

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

32.16 Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited
 32.17 financial statements in accordance with paragraphs (c) to (e) must be submitted by the board
 32.18 of trustees of the Bloomington Fire Department Relief Association and the board of trustees
 32.19 of each volunteer firefighters relief association with special fund assets of at least \$500,000
 32.20 or special fund liabilities of at least \$500,000 in the prior year or in any previous year,
 32.21 according to the applicable actuarial valuation or according to the financial report if no
 32.22 valuation is required, must prepare a financial report covering the special and general funds
 32.23 of the relief association for the preceding fiscal year, file the any previous year's financial
 32.24 report, and submit financial statements.

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

32.29 ~~(b) (c) The financial report must contain financial statements and disclosures that present~~
 32.30 ~~the true financial condition of the relief association and the results of relief association~~
 32.31 ~~operations in conformity with generally accepted accounting principles and in compliance~~
 32.32 ~~with the regulatory, financing, and funding provisions of this chapter and any other applicable~~

33.1 ~~laws~~ cover the relief association's special fund and general fund and be in the style and form
 33.2 prescribed by the state auditor. The financial report must be countersigned by:

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

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

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

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

33.19 ~~(d)~~ (e) Audited financial statements that present the true financial condition of the relief
 33.20 association's special fund and general fund must be attested to by a certified public accountant
 33.21 or by the state auditor and must be filed with the state auditor on or before June 30 after the
 33.22 close of the fiscal year. Audits must be conducted in compliance with generally accepted
 33.23 auditing standards and section 6.65 governing audit procedures. The state auditor may accept
 33.24 ~~this report~~ audited financial statements in lieu of the financial report required in paragraph
 33.25 ~~(e)~~ (a).

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

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

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

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

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

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

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

34.4 (5) the accrued liabilities; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35.9 (b) A ~~volunteer firefighter~~ member receiving a ~~prorated~~ service pension under this
35.10 subdivision must ~~have a total combined amount of service credit from the two or more relief~~
35.11 ~~associations of ten years or more, unless the bylaws of every affected relief association~~
35.12 ~~specify less than a ten-year service vesting requirement, in which case, the total amount of~~
35.13 ~~required service credit is the longest service vesting requirement of the relief associations~~
35.14 be at least partially vested under the bylaws of the first participating relief association on
35.15 the date on which the member terminates active service with that relief association. The
35.16 service pension paid from the first participating relief association shall be based on the years
35.17 of active service accrued in the first relief association and the vesting percentage applicable
35.18 to those years of active service.

35.19 (c) To receive a service pension from each subsequent relief association, the member
35.20 must be at least partially vested under the bylaws of the subsequent relief association, taking
35.21 into consideration the member's total service credit accrued in all participating relief
35.22 associations to the date the member terminates active service with the subsequent relief
35.23 association. The service pension paid from each subsequent relief association shall be based
35.24 on the years of active service accrued solely in that relief association and the vesting
35.25 percentage applicable to the combined amount of total service credit accrued in all of the
35.26 participating relief associations.

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

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

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

36.4 ~~(e)~~ (e) To receive a ~~prorated~~ service pension under this subdivision, the ~~firefighter~~
 36.5 member must become a member of the ~~second or succeeding~~ subsequent relief association
 36.6 ~~and must give notice of membership to the prior association~~ within two years of the date of
 36.7 termination of active service with the prior relief association. ~~The second or~~ If requested
 36.8 by the member or a subsequent relief association, the secretary of each prior relief association
 36.9 ~~must certify the~~ provide written notice to the member and the subsequent relief association
 36.10 regarding the amount of active service accrued by the member in the prior relief association.

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

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

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

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

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

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

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

36.22 (i) any former member who terminated active service with the fire department to which
 36.23 the relief association is associated before meeting the minimum service requirement provided
 36.24 for in subdivision 2, paragraph (b), and either has not returned to active service with the
 36.25 fire department for a period no shorter than five years or has died and no survivor benefit
 36.26 or death benefit is payable; or

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

36.31 (c) In addition, any investment return on the assets of the special fund must be credited
 36.32 in proportion to the share of the assets of the special fund to the credit of each individual

37.1 active member account and inactive member account, unless the inactive member is a
37.2 deferred member as defined in subdivision 6.

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

37.6 (e) Amounts to be credited to individual accounts under paragraph (b) must be allocated
37.7 uniformly for all years of active service and allocations must be made for all years of service,
37.8 except for caps on service credit if so provided in the bylaws of the relief association.
37.9 Amounts forfeited under paragraph (b), clause (3), before a resumption of active service
37.10 and membership under section 424A.01, subdivision 6, remain forfeited and may not be
37.11 reinstated upon the resumption of active service and membership. The allocation method
37.12 may utilize monthly proration for fractional years of service, as the bylaws or articles of
37.13 incorporation of the relief association so provide. The bylaws or articles of incorporation
37.14 may define a "month," but the definition must require a calendar month to have at least 16
37.15 days of active service. If the bylaws or articles of incorporation do not define a "month," a
37.16 "month" is a completed calendar month of active service measured from the member's date
37.17 of entry to the same date in the subsequent month.

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

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

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

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

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

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

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

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

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

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

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

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

38.33 (1) for a relief association that has elected to credit interest or additional investment
38.34 performance under paragraph (c), clause (1) or (3), beginning on the date that the member

39.1 separates from active service and membership and ending on the accounting date immediately
39.2 before the deferred member commences receipt of the deferred service pension; or

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

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

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

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

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

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

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

39.32 (b) The maximum service pension which the defined benefit relief association has
39.33 authority to provide for in its bylaws for payment to a member retiring after the calculation

40.1 date when the minimum age and service requirements specified in subdivision 1 are met
 40.2 must be determined using the table in paragraph (c) or (d), whichever applies.

40.3 (c) For a defined benefit relief association where the governing bylaws provide for a
 40.4 monthly service pension to a retiring member, the maximum monthly service pension amount
 40.5 per month for each year of service credited that may be provided for in the bylaws is the
 40.6 greater of the service pension amount provided for in the bylaws on the date of the calculation
 40.7 of the average amount of the available financing per active covered firefighter or the
 40.8 maximum service pension figure corresponding to the average amount of available financing
 40.9 per active covered firefighter:

	Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
40.13	\$...	\$.25
40.14	41	.50
40.15	81	1.00
40.16	122	1.50
40.17	162	2.00
40.18	203	2.50
40.19	243	3.00
40.20	284	3.50
40.21	324	4.00
40.22	365	4.50
40.23	405	5.00
40.24	486	6.00
40.25	567	7.00
40.26	648	8.00
40.27	729	9.00
40.28	810	10.00
40.29	891	11.00
40.30	972	12.00
40.31	1053	13.00
40.32	1134	14.00
40.33	1215	15.00
40.34	1296	16.00
40.35	1377	17.00
40.36	1458	18.00
40.37	1539	19.00

41.1	1620	20.00
41.2	1701	21.00
41.3	1782	22.00
41.4	1823	22.50
41.5	1863	23.00
41.6	1944	24.00
41.7	2025	25.00
41.8	2106	26.00
41.9	2187	27.00
41.10	2268	28.00
41.11	2349	29.00
41.12	2430	30.00
41.13	2511	31.00
41.14	2592	32.00
41.15	2673	33.00
41.16	2754	34.00
41.17	2834	35.00
41.18	2916	36.00
41.19	2997	37.00
41.20	3078	38.00
41.21	3159	39.00
41.22	3240	40.00
41.23	3321	41.00
41.24	3402	42.00
41.25	3483	43.00
41.26	3564	44.00
41.27	3645	45.00
41.28	3726	46.00
41.29	3807	47.00
41.30	3888	48.00
41.31	3969	49.00
41.32	4050	50.00
41.33	4131	51.00
41.34	4212	52.00
41.35	4293	53.00
41.36	4374	54.00
41.37	4455	55.00
41.38	4536	56.00

42.1	4617	57.00
42.2	4698	58.00
42.3	4779	59.00
42.4	4860	60.00
42.5	4941	61.00
42.6	5022	62.00
42.7	5103	63.00
42.8	5184	64.00
42.9	5265	65.00
42.10	5346	66.00
42.11	5427	67.00
42.12	5508	68.00
42.13	5589	69.00
42.14	5670	70.00
42.15	5751	71.00
42.16	5832	72.00
42.17	5913	73.00
42.18	5994	74.00
42.19	6075	75.00
42.20	6156	76.00
42.21	6237	77.00
42.22	6318	78.00
42.23	6399	79.00
42.24	6480	80.00
42.25	6561	81.00
42.26	6642	82.00
42.27	6723	83.00
42.28	6804	84.00
42.29	6885	85.00
42.30	6966	86.00
42.31	7047	87.00
42.32	7128	88.00
42.33	7209	89.00
42.34	7290	90.00
42.35	7371	91.00
42.36	7452	92.00
42.37	7533	93.00
42.38	7614	94.00

43.1	7695	95.00
43.2	7776	96.00
43.3	7857	97.00
43.4	7938	98.00
43.5	8019	99.00
43.6	8100	100.00
43.7	any amount in excess of	
43.8	8100	100.00

43.9 (d) For a defined benefit relief association in which the governing bylaws provide for a
 43.10 lump-sum service pension to a retiring member, the maximum lump-sum service pension
 43.11 amount for each year of service credited that may be provided for in the bylaws is the greater
 43.12 of the service pension amount provided for in the bylaws on the date of the calculation of
 43.13 the average amount of the available financing per active covered firefighter or the maximum
 43.14 service pension figure corresponding to the average amount of available financing per active
 43.15 covered firefighter for the applicable specified period:

43.16	Minimum Average Amount of Available	Maximum Lump-Sum Service Pension
43.17	Financing per Firefighter	Amount Payable for Each Year of Service
43.18	\$...	\$ 10
43.19	11	20
43.20	16	30
43.21	23	40
43.22	27	50
43.23	32	60
43.24	43	80
43.25	54	100
43.26	65	120
43.27	77	140
43.28	86	160
43.29	97	180
43.30	108	200
43.31	131	240
43.32	151	280
43.33	173	320
43.34	194	360
43.35	216	400
43.36	239	440
43.37	259	480

44.1	281	520
44.2	302	560
44.3	324	600
44.4	347	640
44.5	367	680
44.6	389	720
44.7	410	760
44.8	432	800
44.9	486	900
44.10	540	1000
44.11	594	1100
44.12	648	1200
44.13	702	1300
44.14	756	1400
44.15	810	1500
44.16	864	1600
44.17	918	1700
44.18	972	1800
44.19	1026	1900
44.20	1080	2000
44.21	1134	2100
44.22	1188	2200
44.23	1242	2300
44.24	1296	2400
44.25	1350	2500
44.26	1404	2600
44.27	1458	2700
44.28	1512	2800
44.29	1566	2900
44.30	1620	3000
44.31	1672	3100
44.32	1726	3200
44.33	1753	3250
44.34	1780	3300
44.35	1820	3375
44.36	1834	3400
44.37	1888	3500
44.38	1942	3600

45.1	1996	3700
45.2	2023	3750
45.3	2050	3800
45.4	2104	3900
45.5	2158	4000
45.6	2212	4100
45.7	2265	4200
45.8	2319	4300
45.9	2373	4400
45.10	2427	4500
45.11	2481	4600
45.12	2535	4700
45.13	2589	4800
45.14	2643	4900
45.15	2697	5000
45.16	2751	5100
45.17	2805	5200
45.18	2859	5300
45.19	2913	5400
45.20	2967	5500
45.21	3021	5600
45.22	3075	5700
45.23	3129	5800
45.24	3183	5900
45.25	3237	6000
45.26	3291	6100
45.27	3345	6200
45.28	3399	6300
45.29	3453	6400
45.30	3507	6500
45.31	3561	6600
45.32	3615	6700
45.33	3669	6800
45.34	3723	6900
45.35	3777	7000
45.36	3831	7100
45.37	3885	7200
45.38	3939	7300

46.1	3993	7400
46.2	4047	7500
46.3	4101	7600
46.4	4155	7700
46.5	4209	7800
46.6	4263	7900
46.7	4317	8000
46.8	4371	8100
46.9	4425	8200
46.10	4479	8300
46.11	4533	8400
46.12	4587	8500
46.13	4641	8600
46.14	4695	8700
46.15	4749	8800
46.16	4803	8900
46.17	4857	9000
46.18	4911	9100
46.19	4965	9200
46.20	5019	9300
46.21	5073	9400
46.22	5127	9500
46.23	5181	9600
46.24	5235	9700
46.25	5289	9800
46.26	5343	9900
46.27	5397	10,000
46.28	5451	10,100
46.29	5505	10,200
46.30	5559	10,300
46.31	5613	10,400
46.32	5667	10,500
46.33	5721	10,600
46.34	5775	10,700
46.35	5829	10,800
46.36	5883	10,900
46.37	5937	11,000
46.38	5991	11,100

47.1	6045	11,200
47.2	6099	11,300
47.3	6153	11,400
47.4	6207	11,500
47.5	6261	11,600
47.6	6315	11,700
47.7	6369	11,800
47.8	6423	11,900
47.9	6477	12,000
47.10	6531	12,100
47.11	6585	12,200
47.12	6639	12,300
47.13	6693	12,400
47.14	6747	12,500
47.15	6801	12,600
47.16	6855	12,700
47.17	6909	12,800
47.18	6963	12,900
47.19	7017	13,000
47.20	7071	13,100
47.21	7125	13,200
47.22	7179	13,300
47.23	7233	13,400
47.24	7287	13,500
47.25	7341	13,600
47.26	7395	13,700
47.27	7449	13,800
47.28	7503	13,900
47.29	7557	14,000
47.30	7611	14,100
47.31	7665	14,200
47.32	7719	14,300
47.33	7773	14,400
47.34	7827	14,500
47.35	7881	14,600
47.36	7935	14,700
47.37	7989	14,800
47.38	8043	14,900

48.1	8097	15,000
48.2	any amount in excess of	
48.3	8097	15,000

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

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

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

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

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

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

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

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

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

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

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

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

49.10 (2) salaries of the officers of the association or their designees, and salaries of the
49.11 members of the board of trustees of the association if the salary amounts are approved by
49.12 the governing body of the entity that is responsible for meeting any minimum obligation
49.13 under section 424A.092 or 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to
49.14 42, and the itemized expenses of relief association officers and board members that are
49.15 incurred as a result of fulfilling their responsibilities as administrators of the special fund;

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

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

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

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

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

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

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

50.2 Sec. 9. **VESTING AND DISTRIBUTION OF NOWTHEN FIREFIGHTERS'**
50.3 **ACCOUNTS IN THE RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF**
50.4 **ASSOCIATION.**

50.5 Subdivision 1. **Definitions.** (a) "Account" means the account established for a member
50.6 under the Ramsey relief association, to which an allocation of fire state aid, supplemental
50.7 aid, contributions, forfeitures, interest, and investment earnings or losses have been credited
50.8 for every year the member was eligible to receive such allocation under the bylaws of the
50.9 Ramsey relief association.

50.10 (b) "Nowthen firefighter" means a firefighter (1) who is or was an employee of the city
50.11 of Ramsey assigned to the Nowthen fire station on March 31, 2021; (2) who has an account
50.12 in the Ramsey relief association; and (3) whose employment is or was terminated by the
50.13 city of Ramsey in 2021.

50.14 (c) "Ramsey relief association" means the Ramsey Volunteer Firefighters' Relief
50.15 Association.

50.16 Subd. 2. **Eligibility for allocation, full vesting, and immediate access to**
50.17 **accounts.** Notwithstanding any laws or provisions in the bylaws or articles of incorporation
50.18 of the Ramsey relief association to the contrary:

50.19 (1) Any Nowthen firefighter whose employment with the city of Ramsey terminates
50.20 during 2021 shall be considered as having worked 12 months of active service for 2021 and
50.21 as having the status of active member of the association in good standing on December 31,
50.22 2021, for purposes of (i) allocating fire state aid, supplemental aid, contributions, forfeitures,
50.23 interest, and investment earnings or losses; and (ii) deducting administrative expenses.

50.24 (2) The account of each Nowthen firefighter in the Ramsey relief association shall
50.25 become 100 percent vested as of the date on which the Nowthen firefighter's employment
50.26 with the city of Ramsey is or was terminated.

50.27 (3) The Nowthen firefighter shall be entitled to elect an immediate distribution of the
50.28 Nowthen firefighter's account in the Ramsey relief association, which distribution may be
50.29 paid, at the election of the Nowthen firefighter, in a lump sum directly to the Nowthen
50.30 firefighter or in a direct rollover to an eligible retirement plan, as defined in Minnesota
50.31 Statutes, section 356.635, subdivision 6, designated by the Nowthen firefighter.

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

51.1 Sec. 10. **FIRE STATE AID FOR NOWTHEN.**

51.2 For the purposes of fire state aid payable in 2022 under Minnesota Statutes, chapter
51.3 477B, the city of Nowthen will be considered as having satisfied the requirement under
51.4 Minnesota Statutes, section 477B.02, subdivision 2, paragraph (b), to have provided
51.5 firefighting services for at least one calendar year, if the city of Nowthen provides
51.6 documentation of its fire department being in operation no later than December 31, 2021,
51.7 to the commissioner of revenue no later than February 1, 2022.

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

51.9 Sec. 11. **PARTICIPATION IN THE PERA STATEWIDE VOLUNTEER**
51.10 **FIREFIGHTER PLAN.**

51.11 Notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c),
51.12 coverage by the statewide volunteer firefighter plan of the volunteer firefighters employed
51.13 by the city of Nowthen shall be effective on the date an election of coverage by the statewide
51.14 volunteer firefighter plan is approved by the governing board of the city of Nowthen or, if
51.15 later, on the date that the city of Nowthen satisfies all other requirements for coverage by
51.16 the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05.

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

51.18 Sec. 12. **REPEALER.**

51.19 Laws 2020, chapter 108, article 14, section 1, is repealed.

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

51.21 **ARTICLE 7**

51.22 **DEADLINE FOR AGENCY REQUESTS TO LCPR STAFF TO DRAFT BILLS**

51.23 Section 1. **[356B.01] DEFINITIONS.**

51.24 (a) For the purposes of this chapter, each of the following terms has the meaning given,
51.25 unless the context of the term indicates otherwise.

51.26 (b) "Agency" means:

51.27 (1) an agency as defined in section 14.02, subdivision 2; or

51.28 (2) the Minnesota state colleges and universities system governed by chapter 136F.

51.29 (c) "Commission" means the Legislative Commission on Pensions and Retirement.

52.1 (d) "Pension system" means:

52.2 (1) the Minnesota State Retirement System;

52.3 (2) the Public Employees Retirement Association;

52.4 (3) the Teachers Retirement Association; or

52.5 (4) the St. Paul Teachers Retirement Fund Association.

52.6 (e) "Volunteer firefighter relief association" has the meaning given to relief association

52.7 in section 424A.001, subdivision 4.

52.8 **Sec. 2. [356B.02] DRAFTING PENSION AND RETIREMENT BILLS.**

52.9 (a) Notwithstanding section 3C.035, an agency or pension system intending to urge the

52.10 legislature to adopt a bill affecting the pension system, one or more plans administered by

52.11 the pension system, or one or more volunteer firefighter relief associations; or relating to

52.12 pensions or retirement shall deliver the drafting request for the bill to the executive director

52.13 of the commission no later than November 1 before the regular session of the legislature at

52.14 which adoption will be urged.

52.15 (b) The executive director of the commission may accept a drafting request from an

52.16 agency or a pension system after November 1 if the executive director of the commission

52.17 determines that the request relates to a matter that could not reasonably have been foreseen

52.18 by November 1 or for which the requester provides other reasonable justification for delay.

52.19 **Sec. 3. REPEALER.**

52.20 Minnesota Statutes 2020, section 356B.05, is repealed.

52.21 **Sec. 4. EFFECTIVE DATE.**

52.22 Sections 1 to 3 are effective the day following final enactment.

52.23 **ARTICLE 8**

52.24 **SESSION LAWS FOR INDIVIDUALS**

52.25 **Section 1. INCREASING THE RETIREMENT BENEFIT FOR CERTAIN RETIRED**

52.26 **STATE EMPLOYEE.**

52.27 Subdivision 1. **Benefit increase authorized.** An eligible person described in subdivision

52.28 2 shall be paid an increased benefit described in subdivision 3 from the general employees

53.1 retirement plan of the Minnesota State Retirement System, notwithstanding any state law
53.2 to the contrary.

53.3 Subd. 2. **Eligible person defined.** An eligible person is a person who:

53.4 (1) was born on June 29, 1955;

53.5 (2) was first covered by the Minnesota unclassified employees retirement program on
53.6 January 12, 1987;

53.7 (3) was employed by the Minnesota House of Representatives from January 12, 1987,
53.8 to January 3, 2011;

53.9 (4) elected to transfer from the unclassified program to the general employees retirement
53.10 plan under Minnesota Statutes, section 352D.02, subdivision 3;

53.11 (5) was employed by the Department of Labor and Industry from April 27, 2011, to June
53.12 1, 2018;

53.13 (6) received a personalized benefit estimate dated November 17, 2017, and multiple
53.14 annual statements from the Minnesota State Retirement System providing estimates of the
53.15 eligible person's monthly retirement benefit that erroneously failed to incorporate a reduction
53.16 for retirement before normal retirement age; and

53.17 (7) retired on June 2, 2018, and began to receive monthly retirement annuity payments
53.18 that were lower than the amount shown in the personalized benefit estimate dated November
53.19 17, 2017.

53.20 Subd. 3. **Calculation of benefit increase.** The increased benefit is equal to the retirement
53.21 annuity calculated under Minnesota Statutes, section 352.115, subdivision 3, paragraph (b),
53.22 without the reduction for retirement before normal retirement age under Minnesota Statutes,
53.23 section 352.116, subdivision 1a. No early retirement factor shall be applied to the eligible
53.24 person's increased benefit. The increased benefit is payable to the eligible person retroactively
53.25 from the eligible person's retirement date. Any postretirement adjustments, optional annuity,
53.26 or reduction for an optional annuity must be calculated based on the increased benefit.

53.27 Subd. 4. **Limited applicability.** This section alters the amount of the benefit the eligible
53.28 person is otherwise entitled to under Minnesota Statutes, section 352.115. This section does
53.29 not otherwise replace general law.

53.30 **EFFECTIVE DATE.** This section is effective July 1, 2021.

54.1 Sec. 2. **TRANSFER OF PAST MSRS GENERAL SERVICE CREDIT TO MSRS**
54.2 **CORRECTIONAL.**

54.3 Subdivision 1. Definitions. The following terms as used in this section have the meanings
54.4 given in this subdivision:

54.5 (1) "Correctional plan" means the correctional employees retirement plan of the
54.6 Minnesota State Retirement System.

54.7 (2) "Executive director" means the executive director of the Minnesota State Retirement
54.8 System.

54.9 (3) "General plan" means the general state employees retirement plan of the Minnesota
54.10 State Retirement System.

54.11 (4) "Service credit" means time credited as allowable service under Minnesota Statutes,
54.12 section 352.01, subdivision 11, to an eligible person described in subdivision 3.

54.13 (5) "Transfer period" means the period from March 2, 2011, to March 19, 2020.

54.14 Subd. 2. Transfer of past service credit authorized. An eligible person described in
54.15 subdivision 3 who makes payment to the correctional employees retirement fund required
54.16 under subdivision 4 on or before one year following the effective date of this section, is
54.17 entitled to have:

54.18 (1) the employer payment made on the eligible person's behalf under subdivision 5; and

54.19 (2) applicable past service credit transferred from the general plan to the correctional
54.20 plan for the transfer period under subdivision 6.

54.21 Subd. 3. Eligible person. An eligible person is a person who meets all of the following
54.22 requirements:

54.23 (1) The person has service credit in the general plan from August 15, 1990, to March
54.24 19, 2020.

54.25 (2) The person was employed by the Department of Human Services at the St. Peter
54.26 State Hospital as a customer services specialist principal from March 2, 2011, until at least
54.27 January 27, 2021.

54.28 (3) The commissioner of human services has certified to the executive director that the
54.29 person spent at least 75 percent of the person's working time in direct contact with patients,
54.30 during the period of the person's employment under clause (2).

54.31 (4) The person has service credit in the correctional plan beginning March 20, 2020.

55.1 Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive
55.2 director the difference between the employee contribution rate for the general plan and the
55.3 employee contribution rate for the correctional plan for the transfer period. The difference
55.4 between the two rates must be applied to the eligible person's salary at the time that each
55.5 contribution would have been deducted from pay if the eligible person had been covered
55.6 by the correctional plan for the transfer period. The payment must include interest at the
55.7 applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision
55.8 2, calculated from the date that each contribution would have been deducted to the date that
55.9 payment is made.

55.10 (b) The payment under paragraph (a) must be made in a lump sum no later than one year
55.11 following the effective date. Upon receipt of the payment, the executive director must notify
55.12 the commissioner of human services that payment was made and of the amount owed under
55.13 subdivision 5.

55.14 Subd. 5. **Payment by the Department of Human Services.** If an eligible person makes
55.15 the payment under subdivision 4, the Department of Human Services, on behalf of the
55.16 eligible person, shall pay to the executive director the actuarial present value of the additional
55.17 benefit resulting from the transferred service credit less the payment made under subdivision
55.18 4. This amount must be paid by the Department of Human Services in a lump sum within
55.19 30 days after the date on which the executive director notifies the commissioner of human
55.20 services under subdivision 4.

55.21 Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions
55.22 4 and 5 are made, the executive director must transfer assets from the general state employees
55.23 retirement fund to the correctional employees retirement fund in an amount equal to the
55.24 actuarial present value of the benefits earned by the eligible person under the general plan
55.25 during the transfer period. The transfer of assets must be made within 15 days after receipt
55.26 of the payments under subdivisions 4 and 5.

55.27 (b) Upon transfer of the assets under paragraph (a), the eligible person shall have service
55.28 credit in the correctional plan and no service credit in the general plan for the transfer period.

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

56.1

ARTICLE 9**WORK GROUPS FOR 911 TELECOMMUNICATORS AND SUPPLEMENTAL
STATE AID**

56.2

56.3

**Section 1. WORKING GROUP TO STUDY 911 TELECOMMUNICATOR PENSION
BENEFITS.**

56.4

56.5 Subdivision 1. **Membership.** (a) The executive director of the Legislative Commission
56.6 on Pensions and Retirement shall convene a working group for the purpose of studying 911
56.7 telecommunicator pension benefits. The working group must consist of the following:
56.8

56.9 (1) a representative from the Association of Minnesota Counties;

56.10 (2) a representative from the League of Minnesota Cities;

56.11 (3) a representative from the Minnesota Inter-County Association;

56.12 (4) a representative from the Department of Public Safety;

56.13 (5) a representative from the Minnesota Association of Public Safety Communications
56.14 Officials (MN APCO) or the National Emergency Number Association of Minnesota (NENA
56.15 of MN);

56.16 (6) the executive director of the Public Employees Retirement Association, or the
56.17 executive director's designee;

56.18 (7) the executive director of the Minnesota State Retirement System, or the executive
56.19 director's designee;

56.20 (8) a 911 telecommunicator who works for a county or municipality;

56.21 (9) a 911 telecommunicator who works for the state;

56.22 (10) a member of the public employees local government correctional service retirement
56.23 plan; and

56.24 (11) a member of the state correctional employees retirement plan.

56.25 (b) In addition to the working group members listed in paragraph (a), the executive
56.26 director may invite any other individuals with expertise or experience that the executive
56.27 director believes will assist the work of the group to participate as members of or advisors
56.28 to the group. The organizations specified in paragraph (a), clauses (1) to (7), must provide
56.29 the executive director with a designated member to serve on the working group by June 15,
56.30 2021.

57.1 Subd. 2. **Duties; report.** The working group must submit a report to the Legislative
57.2 Commission on Pensions and Retirement by March 1, 2022. The report must recommend
57.3 whether changes to the pension plan coverage for 911 telecommunicators are appropriate.
57.4 If the working group finds that such changes are appropriate, the working group must
57.5 recommend changes to the pension plan coverage for 911 telecommunicators. The
57.6 recommended changes may include but are not limited to moving 911 telecommunicators
57.7 to the correctional plans.

57.8 Subd. 3. **First meeting; chair.** The executive director must convene the first meeting
57.9 of the working group by August 1, 2021. At the first meeting, the members must elect a
57.10 chair. The working group may conduct meetings remotely.

57.11 Subd. 4. **Compensation; lobbying; retaliation.** (a) Members serve without
57.12 compensation.

57.13 (b) Participation in the working group shall not be considered lobbying under Minnesota
57.14 Statutes, chapter 10A.

57.15 (c) An individual's employer or an association of which an individual is a member shall
57.16 not retaliate against the individual because of the individual's participation in the working
57.17 group.

57.18 Subd. 5. **Administrative support.** The executive director must provide administrative
57.19 support for the working group.

57.20 Subd. 6. **Expiration.** The working group expires June 30, 2022.

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

57.22 Sec. 2. **SUPPLEMENTAL STATE AID WORK GROUP.**

57.23 (a) The state auditor shall convene a Supplemental State Aid Work Group to discuss
57.24 and articulate options to the Legislative Commission on Pensions and Retirement on changing
57.25 the method of allocating police and firefighter retirement supplemental state aid under
57.26 Minnesota Statutes, section 423A.022.

57.27 (b) The scope of the work group is limited to supplemental state aid paid to municipalities
57.28 other than municipalities solely employing firefighters with retirement coverage provided
57.29 by the public employees police and fire retirement plan.

57.30 (c) The work group must:

57.31 (i) consider 2021 Senate File No. 609; House File No. 419, including the discussion and
57.32 testimony on the bills at the meeting of the commission on March 23, 2021, and

- 58.1 (ii) address the disparities in the allocation of fire state aid among fire departments.
- 58.2 (d) Members of the work group shall include:
- 58.3 (1) two representatives of Minnesota cities, appointed by the League of Minnesota Cities;
- 58.4 (2) two representatives of Minnesota towns, appointed by the Minnesota Association of
- 58.5 Townships;
- 58.6 (3) two representatives of Minnesota fire chiefs, appointed by the Minnesota State Fire
- 58.7 Chiefs Association;
- 58.8 (4) two representatives of Minnesota volunteer firefighters who are active volunteer
- 58.9 firefighters, appointed by the Minnesota State Fire Departments Association;
- 58.10 (5) one representative of the State Fire Marshal Division of the Department of Public
- 58.11 Safety, designated by the commissioner of public safety;
- 58.12 (6) the executive director of the Public Employees Retirement Association or the
- 58.13 executive director's designee; and
- 58.14 (7) one representative of the Department of Revenue, designated by the commissioner
- 58.15 of revenue.
- 58.16 (e) Additionally, a staff member of the Legislative Commission on Pensions and
- 58.17 Retirement shall attend the meetings of the work group to provide background information
- 58.18 as requested by members.
- 58.19 (f) The state auditor shall chair the work group. The work group may conduct meetings
- 58.20 remotely.
- 58.21 (g) The work group shall submit a report by December 31, 2022, to the chair, vice-chair,
- 58.22 and executive director of the Legislative Commission on Pensions and Retirement.
- 58.23 (h) The work group expires on June 30, 2023.
- 58.24 **EFFECTIVE DATE.** This section is effective June 30, 2021.

ARTICLE 10

TECHNICAL CLARIFICATIONS AND CORRECTIONS

- 58.27 Section 1. Minnesota Statutes 2020, section 353E.02, subdivision 2, is amended to read:
- 58.28 Subd. 2. **Local government correctional service employee.** (a) A local government
- 58.29 correctional service employee, for purposes of subdivision 1, is a person whom the employer
- 58.30 certifies:

59.1 (1) is employed in a county correctional institution as a correctional guard or officer, a
 59.2 joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint
 59.3 jailers/dispatchers;

59.4 (2) is directly responsible for the direct security, custody, and control of the county
 59.5 correctional institution and its inmates;

59.6 (3) is expected to respond to incidents within the county correctional institution as part
 59.7 of the person's regular employment duties and is trained to do so; and

59.8 (4) is a "public employee" as defined in section 353.01, but is not a member of the public
 59.9 employees police and fire ~~fund~~ plan.

59.10 (b) The certification required under paragraph (a) must be made in writing on a form
 59.11 prescribed by the executive director of the Public Employees Retirement Association.

59.12 (c) A person who was a member of the local government correctional service retirement
 59.13 plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration
 59.14 of the person's employment in that county correctional institution position, even if the
 59.15 person's subsequent service in this position does not meet the requirements set forth in
 59.16 paragraph (a).

59.17 Sec. 2. Minnesota Statutes 2020, section 356.635, subdivision 1, is amended to read:

59.18 Subdivision 1. **Retirement benefit commencement.** (a) The retirement benefit of a
 59.19 member ~~who has terminated employment or participant~~ must begin to be distributed or, if
 59.20 a lump sum, be distributed no later than the later of the member's or participant's required
 59.21 beginning date. "Required beginning date" means April 1 of the calendar year following
 59.22 the later of (1) the calendar year that in which the member or the participant attains the
 59.23 federal minimum distribution age under specified in section 401(a)(9)(C)(i)(I) of the Internal
 59.24 Revenue Code, or April 1 of (2) the calendar year following the calendar year in which the
 59.25 member terminated or participant terminates employment.

59.26 (b) A pension or defined contribution plan shall not be required to obtain the consent
 59.27 requirements of section 411(a)(11) of the Internal Revenue Code do not apply to the extent
 59.28 that a of a member or participant to a distribution if the distribution is required to satisfy
 59.29 the requirements of section 401(a)(9) of the Internal Revenue Code paragraph (a).

59.30 Sec. 3. Minnesota Statutes 2020, section 424A.01, subdivision 2, is amended to read:

59.31 Subd. 2. **Status of substitute volunteer firefighters.** No person who is serving as a
 59.32 substitute volunteer firefighter may be considered to be a firefighter for purposes of chapter

60.1 ~~69~~ 477B or this chapter and no substitute volunteer firefighter is authorized to be a member
60.2 of any volunteer firefighters relief association governed by chapter ~~69~~ 477B or this chapter.

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

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

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

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

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

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

60.13 (i) any former member who terminated active service with the fire department to which
60.14 the relief association is associated before meeting the minimum service requirement provided
60.15 for in subdivision 2, paragraph (b), and has not returned to active service with the fire
60.16 department for a period no shorter than five years; or

60.17 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the
60.18 amounts credited to the individual member account under subdivision 2, paragraph (b), and
60.19 any applicable provision of the bylaws of the relief association.

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

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

60.27 (e) Amounts to be credited to individual accounts must be allocated uniformly for all
60.28 years of active service and allocations must be made for all years of service, except for caps
60.29 on service credit if so provided in the bylaws of the relief association. Amounts forfeited
60.30 under paragraph (b), clause (3), before a resumption of active service and membership under
60.31 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the
60.32 resumption of active service and membership. The allocation method may utilize monthly

61.1 proration for fractional years of service, as the bylaws or articles of incorporation of the
61.2 relief association so provide. The bylaws or articles of incorporation may define a "month,"
61.3 but the definition must require a calendar month to have at least 16 days of active service.
61.4 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed
61.5 calendar month of active service measured from the member's date of entry to the same date
61.6 in the subsequent month.

61.7 (f) ~~At the time of retirement~~ that the payment of a service pension commences under
61.8 subdivision 2 and any applicable provision of the bylaws of the relief association, a retiring
61.9 member is entitled to that portion of the assets of the special fund to the credit of the member
61.10 in the individual member account which is nonforfeitable under subdivision 3 and any
61.11 applicable provision of the bylaws of the relief association based on the number of years
61.12 of service to the credit of the retiring member.

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

61.16 Sec. 5. Minnesota Statutes 2020, section 424A.10, subdivision 2, is amended to read:

61.17 Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a volunteer
61.18 firefighters relief association or by the statewide lump-sum volunteer firefighter plan of a
61.19 lump-sum distribution to a qualified recipient, the association or retirement plan, as
61.20 applicable, must pay a supplemental benefit to the qualified recipient. Notwithstanding any
61.21 law to the contrary, the relief association must pay the supplemental benefit out of its special
61.22 fund and the statewide lump-sum volunteer firefighter plan must pay the supplemental
61.23 benefit out of the statewide lump-sum volunteer firefighter plan. This benefit is an amount
61.24 equal to ten percent of the regular lump-sum distribution that is paid on the basis of the
61.25 recipient's service as a volunteer firefighter. In no case may the amount of the supplemental
61.26 benefit exceed \$1,000. A supplemental benefit under this paragraph may not be paid to a
61.27 survivor of a deceased active or deferred volunteer firefighter in that capacity.

61.28 (b) Upon the payment by a relief association or the retirement plan of a lump-sum
61.29 survivor benefit to a survivor of a deceased active volunteer firefighter or of a deceased
61.30 deferred volunteer firefighter, the association or retirement plan, as applicable, must pay a
61.31 supplemental survivor benefit to the survivor of the deceased active or deferred volunteer
61.32 firefighter from the special fund of the relief association and the retirement plan must pay
61.33 a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer

62.1 firefighter from the retirement fund if chapter 353G so provides. The amount of the
62.2 supplemental survivor benefit is 20 percent of the survivor benefit, but not to exceed \$2,000.

62.3 (c) For purposes of this section, the term "regular lump-sum distribution" means the
62.4 pretax lump-sum distribution excluding any interest that may have been credited during a
62.5 volunteer firefighter's period of deferral.

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

62.9 Sec. 6. [424B.001] APPLICATION OF CHAPTER 424A.

62.10 This chapter must be read in conjunction with chapter 424A. For the purposes of this
62.11 chapter, the definitions and other provisions of chapter 424A apply where not inconsistent
62.12 with this chapter.

62.13 Sec. 7. Minnesota Statutes 2020, section 424B.01, subdivision 3a, is amended to read:

62.14 Subd. 3a. **Conversion effective date.** "Conversion effective date" means the date
62.15 designated by the board of trustees under section 424B.13, subdivision 2, on which the
62.16 assets of the defined benefit plan have been allocated to accounts under the defined
62.17 contribution plan.

62.18 Sec. 8. Minnesota Statutes 2020, section 424B.01, subdivision 3b, is amended to read:

62.19 Subd. 3b. **Defined benefit plan.** "Defined benefit plan" means a retirement plan that
62.20 provides a retirement benefit ~~that is a lump sum, the amount of which is determined by~~
62.21 ~~multiplying the applicable lump-sum service pension amount under section 424A.02,~~
62.22 ~~subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which~~
62.23 ~~is determined by multiplying the applicable monthly pension amount under section 424A.02,~~
62.24 ~~subdivision 3, paragraph (e), by years of service. A defined benefit plan may provide both~~
62.25 ~~a lump-sum benefit and a monthly pension~~ under section 424A.02.

62.26 Sec. 9. Minnesota Statutes 2020, section 424B.01, subdivision 3d, is amended to read:

62.27 Subd. 3d. **Defined contribution plan.** "Defined contribution plan" means a retirement
62.28 plan that provides a retirement benefit ~~based on the member's individual account balance~~
62.29 under section 424A.016.

63.1 Sec. 10. Minnesota Statutes 2020, section 424B.01, subdivision 3g, is amended to read:

63.2 Subd. 3g. **Member.** (a) "Member" means a person:

63.3 (1) who is ~~a member of~~ or was employed by or who provides or provided services to a
63.4 fire department or independent nonprofit firefighting corporation;

63.5 (2) who has been credited with at least one year of service toward a retirement benefit
63.6 under the retirement plan of a relief association that is affiliated with the fire department or
63.7 independent nonprofit firefighting corporation; and

63.8 (3) whose retirement benefit under the retirement plan has not yet been distributed in a
63.9 lump sum or has not yet begun to be distributed in periodic installments or as a monthly
63.10 pension.

63.11 (b) A member may be an active firefighter, an inactive firefighter, or a former firefighter
63.12 who has a benefit under the retirement plan but has not become eligible to receive the benefit.

63.13 Sec. 11. Minnesota Statutes 2020, section 424B.01, subdivision 3h, is amended to read:

63.14 Subd. 3h. **Municipality.** "Municipality" ~~means a city or township that has established~~
63.15 ~~a fire department with which the relief association is affiliated, a city or township that has~~
63.16 ~~entered into a contract with an independent nonprofit firefighting corporation with which~~
63.17 ~~the relief association is affiliated, or a city or township that has entered into a joint powers~~
63.18 ~~agreement under section 471.59 with one or more cities or townships to operate a fire~~
63.19 ~~department with which the relief association is affiliated~~ has the meaning given in section
63.20 424A.001, subdivision 3. A reference in chapter 424B to municipality in connection with
63.21 a power that may be exercised by or a requirement that is imposed on the municipality
63.22 means each city or township that is party to a joint powers agreement, unless the joint powers
63.23 agreement identifies one city or township with the authority to act on behalf of the other
63.24 parties to the agreement or with the responsibility for fulfilling requirements imposed on
63.25 the other parties to the agreement.

63.26 Sec. 12. Minnesota Statutes 2020, section 424B.01, subdivision 3i, is amended to read:

63.27 Subd. 3i. **Other benefit recipient.** "Other benefit recipient" means:

63.28 (1) a person who is entitled to receive all or a portion of the benefit of a ~~member~~
63.29 participant under a retirement plan due to the person having one of the following relationships
63.30 to the ~~member~~ participant:

63.31 (i) the ~~member's~~ participant's surviving spouse;

64.1 (ii) the ~~member's~~ participant's former spouse who is the alternate payee under a state
64.2 domestic relations order that meets the requirements of section 414(p) of the Internal Revenue
64.3 Code or who is a recipient of a court-ordered distribution of marital property, as provided
64.4 in section 518.58; or

64.5 (iii) a nonspousal beneficiary of the ~~member~~ participant; or

64.6 (2) the ~~member's~~ participant's estate.

64.7 Sec. 13. Minnesota Statutes 2020, section 424B.01, is amended by adding a subdivision
64.8 to read:

64.9 Subd. 3j. **Participant.** (a) Under a defined contribution plan, "participant" means any
64.10 individual who provides services to or is employed by a municipality or firefighting
64.11 corporation and who satisfies the eligibility requirements to receive an allocation to the
64.12 individual's account under the defined contribution plan. An individual who becomes a
64.13 participant and has an account in the plan to which an allocation was credited shall be
64.14 considered a participant until the earlier of the individual's death or the distribution or
64.15 forfeiture of the individual's entire account in the plan.

64.16 (b) Under a defined benefit plan, "participant" means any individual who provides
64.17 services to or is employed by a municipality or firefighting corporation and who satisfies
64.18 the eligibility requirements to begin to accrue a benefit under the defined benefit plan. An
64.19 individual who becomes a participant and has accrued a benefit under the plan shall be
64.20 considered a participant until the earlier of the individual's death or the distribution or
64.21 forfeiture of the individual's entire accrued benefit under the plan.

64.22 (c) If an individual satisfies paragraph (a) or (b), the individual must be considered a
64.23 participant, notwithstanding other terms used in applicable law or the relief association's
64.24 articles or bylaws to describe the individual. A participant includes a member, active member,
64.25 deferred member, inactive member, and retiree in pay status.

64.26 Sec. 14. Minnesota Statutes 2020, section 424B.01, subdivision 4a, is amended to read:

64.27 Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief
64.28 association" means a nonprofit corporation incorporated under or governed by chapter 317A
64.29 that is a governmental entity that receives and manages public money to provide retirement
64.30 benefits for individuals providing the governmental services of firefighting and emergency
64.31 first response, is subject to chapter 424A, and is affiliated with: (1) a fire department
64.32 established by municipal ordinance; (2) an independent nonprofit firefighting corporation

65.1 ~~incorporated under chapter 317A; or (3) a fire department operated as or by a joint powers~~
65.2 ~~entity. (b) Relief association or volunteer firefighters relief association does not mean the~~
65.3 ~~statewide volunteer firefighter plan governed by chapter 353G~~ has the meaning given in
65.4 section 424A.001, subdivision 4.

65.5 Sec. 15. Minnesota Statutes 2020, section 424B.01, subdivision 5b, is amended to read:

65.6 Subd. 5b. **Retiree in pay status.** "Retiree in pay status" means a ~~former member who~~
65.7 ~~left employment or service as an active firefighter, has reached at least age 50, and~~ participant
65.8 who is receiving a monthly pension or periodic installment payments from a retirement
65.9 plan.

65.10 Sec. 16. Minnesota Statutes 2020, section 424B.01, subdivision 5c, is amended to read:

65.11 Subd. 5c. **Retirement benefit.** "Retirement benefit" means the benefit to which a ~~member~~
65.12 participant is entitled under a retirement plan.

65.13 Sec. 17. Minnesota Statutes 2020, section 424B.04, subdivision 3, is amended to read:

65.14 Subd. 3. **Board administration.** The board of trustees must administer the affairs of
65.15 the relief association consistent with this chapter and the applicable provisions of chapters
65.16 ~~69, 356A, and 424A,~~ and 477B.

65.17 Sec. 18. Minnesota Statutes 2020, section 424B.13, subdivision 2, is amended to read:

65.18 Subd. 2. **Board of trustees.** To initiate and complete a conversion, the board of trustees
65.19 must:

65.20 (1) approve resolutions that:

65.21 (i) state that the defined benefit plan is being converted to a defined contribution plan;

65.22 (ii) designate a conversion effective date;

65.23 (iii) direct that each participant, except any retiree in pay status who is receiving a
65.24 monthly service pension from a relief association described in section 424A.093, becomes
65.25 fully vest all members (100 percent) vested as of the conversion effective date in ~~each~~
65.26 ~~member's lump-sum benefit or monthly pension, such that each member is 100 percent~~
65.27 ~~vested in the member's lump-sum~~ the participant's retirement benefit or monthly pension;

65.28 (iv) if the relief association has a surplus as of the end of the relief association's most
65.29 recent fiscal year before the conversion effective date, at the option of the board of trustees,

66.1 conditionally increase the lump-sum benefit or monthly pension amount under the defined
66.2 benefit plan, as provided under subdivision 4;

66.3 (v) determine the method for allocating a surplus;

66.4 (vi) adopt a defined contribution plan and approve a plan document that complies with
66.5 section 424A.016 and states the terms and conditions for eligibility, vesting, allocation of
66.6 contributions, distribution of retirement benefits, and any ancillary benefits; and

66.7 (vii) authorize any bylaws amendments needed to incorporate items (i) to (vi) into the
66.8 bylaws;

66.9 (2) obtain the consent of the municipality or firefighting corporation if required by
66.10 subdivision 3;

66.11 (3) determine the present value of each ~~member's~~ participant's accrued benefit as of the
66.12 conversion effective date as required by subdivision 5;

66.13 (4) if there is a surplus, allocate the surplus under a method that complies with subdivision
66.14 6;

66.15 (5) if there is not a surplus, take the actions required under subdivision 7;

66.16 (6) provide the notices required under subdivisions 8 and 9; and

66.17 (7) implement the conversion, including the requirements under subdivision 10.

66.18 Sec. 19. Minnesota Statutes 2020, section 424B.13, subdivision 4, is amended to read:

66.19 Subd. 4. **Benefit increase.** (a) If the relief association has a surplus as of the end of the
66.20 relief association's most recent fiscal year before the conversion effective date, the board
66.21 of trustees may approve a resolution that increases the lump-sum benefit or monthly pension
66.22 amount or both the lump-sum and monthly pension amount, if the relief association offers
66.23 both, and amends the relief association bylaws without the consent of the affiliated
66.24 municipality or firefighting corporation, notwithstanding section 424A.02, subdivision 10.
66.25 The resulting lump-sum benefit or monthly pension amount is not limited to the maximum
66.26 lump-sum benefit or monthly pension amounts under section 424A.02, subdivision 3.

66.27 (b) The benefit increase must not cause the liabilities of the retirement plan to exceed
66.28 the value of the assets, after taking into account full vesting as required under subdivision
66.29 2 and any administrative expenses arising from the conversion.

66.30 (c) The board of trustees shall specify whether the benefit increase will apply only to
66.31 participants who are members active as of the conversion effective date or whether the

67.1 benefit increase will apply to all ~~members~~ participants, including members who are not
67.2 active as of the conversion effective date, notwithstanding section 424A.015, subdivision
67.3 6.

67.4 (d) The board of trustees' resolution approving an increase in the benefit level must be
67.5 considered conditional on there being sufficient assets to fund the increase and must state
67.6 that if, as of the date benefits are transferred to the defined contribution plan, there are not
67.7 sufficient assets to cover all benefit liabilities at the new higher benefit level, the benefit
67.8 level will be reduced until assets equal or are greater than liabilities. The resolution must
67.9 state that the new lower benefit level will be considered approved by the board of trustees
67.10 without further action by the board.

67.11 Sec. 20. Minnesota Statutes 2020, section 424B.13, subdivision 5, is amended to read:

67.12 Subd. 5. **Determination of value of pension benefits and distribution to ~~former~~**
67.13 **~~members~~ retirees in pay status.** (a) The board of trustees shall determine the present value
67.14 of each ~~member's~~ participant's accrued benefit, taking into account the full vesting
67.15 requirement under subdivision 2 and any increase in the lump-sum benefit or monthly
67.16 pension amount approved under subdivision 4:

67.17 (1) using the method set forth in section 424A.092, subdivision 2, for determining a
67.18 plan's funded status by calculating the value of each ~~firefighter's~~ participant's accrued benefit;
67.19 or

67.20 (2) as determined by an actuary retained by the relief association, who meets the definition
67.21 of approved actuary under section 356.215, subdivision 1, paragraph (c).

67.22 (b) If the retirement plan pays a monthly pension, the board of trustees shall determine
67.23 the present value of the remaining payments to any ~~former member~~ retiree in pay status or
67.24 beneficiary who is receiving an annuity. Present value shall be determined by an actuary
67.25 who meets the definition of approved actuary under section 356.215, subdivision 1, paragraph
67.26 (c), retained by the relief association. The relief association shall offer the ~~former member~~
67.27 retiree in pay status or beneficiary receiving the annuity:

67.28 (1) an immediate lump-sum distribution of an amount equal to the present value of the
67.29 remaining payments as determined by the actuary and permit the ~~former member~~ retiree in
67.30 pay status or beneficiary to elect a lump-sum payment or a direct rollover of the amount to
67.31 an eligible retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the
67.32 distribution is an eligible rollover distribution as defined in section 356.635, subdivisions
67.33 4 and 5; or

68.1 (2) continued payments in the same monthly amount under an annuity to be purchased
68.2 by the board of trustees from a reputable insurance company licensed to do business in the
68.3 state.

68.4 Sec. 21. Minnesota Statutes 2020, section 424B.13, subdivision 6, is amended to read:

68.5 Subd. 6. **Allocation of surplus.** (a) If, as of the conversion effective date, the defined
68.6 benefit plan has a surplus, the board of trustees shall allocate the surplus as follows:

68.7 (1) per capita method: each ~~member's~~ participant's account will receive the same dollar
68.8 amount;

68.9 (2) service-based method: each ~~member's~~ participant's account will receive a share of
68.10 the surplus based on the ratio of the ~~member's~~ participant's years of service to the total years
68.11 of service for all ~~members~~ participants; or

68.12 (3) ~~member~~ participant and municipality sharing method under paragraph (b).

68.13 (b) The board of trustees may allocate the surplus using the ~~member~~ participant and
68.14 municipality sharing method in accordance with this paragraph.

68.15 (1) For this purpose, "municipality" means "municipality" or "firefighting corporation,"
68.16 as applicable.

68.17 (2) If the fire department is operated by more than one municipality under a joint powers
68.18 agreement:

68.19 (i) any consent by the municipality under this paragraph requires consent by each
68.20 municipality that is party to the joint powers agreement;

68.21 (ii) any payment of surplus to the municipality under this paragraph requires a payment
68.22 of a pro rata share of surplus to each municipality that is party to the joint powers agreement;
68.23 and

68.24 (iii) any restrictions on the use of surplus applies to each municipality that is party to
68.25 the joint powers agreement.

68.26 (3) Under the ~~member~~ participant and municipality sharing method:

68.27 (i) first, the municipality will receive a share of the surplus based on the ratio of the
68.28 municipal contributions made to the defined benefit relief association over a specified period
68.29 of years to the total of fire state aid paid and municipal contributions made to the defined
68.30 benefit relief association over the same period; and

69.1 (ii) second, any remaining surplus will be allocated to accounts of ~~members~~ participants
69.2 using the per capita or service-based method.

69.3 (4) The board of trustees may impose conditions on the use of the surplus by the
69.4 municipality, as follows:

69.5 (i) all or a specified portion of the surplus must be contributed back to the defined
69.6 contribution relief association over a specified number of future years for allocation to the
69.7 accounts of ~~members~~ participants eligible for an allocation;

69.8 (ii) all or a specified portion of the surplus must be used by the municipality for the
69.9 purposes described in section 424A.08, paragraph (a) or (b); or

69.10 (iii) all or a specified portion of the surplus must be used by the municipality to provide
69.11 health insurance or other welfare benefits for the ~~members~~ participants.

69.12 (c) The board of trustees shall specify whether the surplus will be allocated only to
69.13 participants who are members who are active firefighters as of the conversion effective date
69.14 or whether the surplus will be allocated to all ~~members~~ participants, including members
69.15 who are not active ~~firefighters~~ as of the conversion effective date.

69.16 Sec. 22. Minnesota Statutes 2020, section 424B.13, subdivision 8, is amended to read:

69.17 Subd. 8. **Notice to ~~members~~ participants**. The board of trustees shall provide notice
69.18 to all ~~members~~ participants at least 90 days before the conversion effective date. The notice
69.19 shall include:

69.20 (1) an explanation that the plan is converting from a defined benefit plan to a defined
69.21 contribution plan and provide definitions for those terms, the reasons for the conversion,
69.22 the conversion effective date, and the procedure to be followed, including fully vesting all
69.23 ~~members~~ participants;

69.24 (2) a summary of the terms of the newly adopted defined contribution plan;

69.25 (3) information about any increase in the benefit level and whether the increase applies
69.26 to all participants or only active members ~~or only active firefighters~~;

69.27 (4) a section tailored to each ~~member~~ participant that provides an estimate of the present
69.28 value of the ~~member's~~ participant's fully vested accrued benefit and the calculation that
69.29 resulted in that value;

69.30 (5) an estimate of any anticipated surplus and an explanation of the disposition of the
69.31 surplus, including, as applicable, a description of the method allocating the surplus among
69.32 ~~members'~~ participants' accounts and whether the municipality, each municipality, if more

70.1 than one municipality operates the fire department pursuant to a joint powers agreement,
70.2 or firefighting corporation will receive any of the surplus and any conditions on its use; and

70.3 (6) contact information for one or more members of the board of trustees who will answer
70.4 questions and provide a copy of the new defined contribution plan document or a summary,
70.5 if requested, or directions to a website for viewing and printing the plan document or
70.6 summary.

70.7 Sec. 23. Minnesota Statutes 2020, section 424B.13, subdivision 9, is amended to read:

70.8 Subd. 9. **Notice to municipality and state auditor.** The relief association shall provide
70.9 notice to the municipality, each municipality, if more than one municipality operates the
70.10 fire department pursuant to a joint powers agreement, or firefighting corporation affiliated
70.11 with the relief association and the state auditor at the same time as the notice required under
70.12 subdivision 8. The notice must include the information required under subdivision 8, except
70.13 that the individualized information will be provided as a spreadsheet listing the name of
70.14 each ~~firefighter~~ participant and the corresponding accrued benefit amount.

70.15 Sec. 24. Minnesota Statutes 2020, section 424B.13, subdivision 10, is amended to read:

70.16 Subd. 10. **Implementation.** (a) A record-keeping account shall be established for each
70.17 ~~member~~ participant under the defined contribution plan to which is recorded the value of
70.18 the ~~firefighter's~~ participant's fully vested accrued benefit as determined as of the conversion
70.19 effective date and the amount of any surplus allocated to the ~~firefighter's~~ participant's account.

70.20 (b) In no event may the value of a ~~member's~~ participant's account in the defined
70.21 contribution plan be less as of the day following the conversion effective date than the
70.22 present value of the ~~member's~~ participant's accrued benefit as of the day before the conversion
70.23 effective date.

70.24 Sec. 25. Minnesota Statutes 2020, section 424B.22, subdivision 1, is amended to read:

70.25 Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section
70.26 applies to:

70.27 (1) the termination of a retirement plan established and administered by a relief
70.28 association, whether or not the relief association is also dissolved or eliminated; and

70.29 (2) the dissolution of a relief association that is not consolidating with another relief
70.30 association under sections 424B.01 to 424B.10.

71.1 This section does not apply to the dissolution of a relief association or the termination of a
 71.2 retirement plan that occurs due to the change in retirement coverage from a retirement plan
 71.3 administered by a relief association to the Public Employees Retirement Association
 71.4 statewide volunteer firefighter plan under section 353G.06.

71.5 (b) To terminate a retirement plan, the board of trustees must comply with subdivisions
 71.6 3, 5 to 11, and, if desired, subdivision 4.

71.7 (c) To dissolve a relief association, the board of trustees of the relief association must:

71.8 (1) terminate the retirement plan in accordance with ~~this section~~ paragraph (b);

71.9 (2) determine all legal obligations of the special and general funds of the relief association,
 71.10 as required by subdivision 5;

71.11 (3) take the actions required by subdivision 12; and

71.12 (4) comply with the requirements governing dissolution of nonprofit corporations under
 71.13 chapter 317A.

71.14 (d) A relief association that terminates its retirement plan must liquidate its special fund
 71.15 as provided in subdivision 8, but need not liquidate its general fund if the relief association
 71.16 is not being dissolved.

71.17 Sec. 26. Minnesota Statutes 2020, section 424B.22, subdivision 2, is amended to read:

71.18 Subd. 2. **Involuntary dissolution and termination.** (a) A relief association is dissolved
 71.19 and the retirement plan administered by the relief association is terminated automatically
 71.20 if:

71.21 (1) the fire department affiliated with a relief association is dissolved by action of the
 71.22 governing body of the municipality in which the fire department is located or by the
 71.23 governing body of the independent nonprofit firefighting corporation, whichever applies;
 71.24 or

71.25 (2) the fire department affiliated with a relief association has terminated the employment
 71.26 or services of all active ~~firefighters covered by~~ members of the relief association.

71.27 (b) An involuntary termination of a relief association under this subdivision is effective
 71.28 on the December 31 that is at least eight months after the date on which the fire department
 71.29 is dissolved or the termination of employment or services of all active ~~firefighters~~ members
 71.30 of the relief association occurs.

72.1 (c) The retirement plan administered by a relief association is terminated automatically
72.2 if the relief association is dissolved, effective on the date of the dissolution of the relief
72.3 association.

72.4 Sec. 27. Minnesota Statutes 2020, section 424B.22, subdivision 3, is amended to read:

72.5 Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless
72.6 subdivision 2 applies, the effective date of the termination of a retirement plan is the date
72.7 approved by the board of trustees of the relief association. If the board of trustees does not
72.8 approve a termination date, the effective date of the termination of a retirement plan is the
72.9 effective date of the dissolution of the relief association or, if the relief association is not
72.10 being dissolved, the end of the calendar year in which the termination of employment or
72.11 services of all active firefighters has been terminated, unless the board of trustees of the
72.12 relief association approves a different termination date members of the relief association
72.13 occurs.

72.14 (b) As of the earlier of the retirement plan termination date or the date on which the
72.15 termination of employment or services of all active firefighters have been terminated
72.16 members of the relief association occurs, each member participant becomes fully (100
72.17 percent) vested in the member's participant's retirement benefit under the retirement plan,
72.18 notwithstanding any bylaws or laws to the contrary, except as provided in paragraph (e) for
72.19 any retiree in pay status who is receiving a monthly service pension from a relief association
72.20 described in section 424A.093.

72.21 (c) If the relief association is a defined contribution relief association, the account of
72.22 each member participant who becomes 100 percent vested under paragraph (b) shall include
72.23 an allocation of any forfeiture that is required, under the bylaws of the relief association, to
72.24 occur on or as of the end of the calendar year during which the termination of the retirement
72.25 plan is effective, if the member participant is entitled to an allocation of forfeitures under
72.26 the bylaws. Any account so forfeited shall not be included in the retirement benefits that
72.27 become 100 percent vested under paragraph (b).

72.28 Sec. 28. Minnesota Statutes 2020, section 424B.22, subdivision 4, is amended to read:

72.29 Subd. 4. **Benefit increase.** (a) Notwithstanding section 424A.02, subdivision 10, the
72.30 board of trustees of a relief association may increase the benefit amount under a defined
72.31 benefit relief association without the consent of the affiliated municipality or independent
72.32 nonprofit firefighting corporation, as provided in this subdivision.

73.1 (b) If the retirement plan being terminated is a defined benefit plan, the board of trustees
73.2 may approve an amendment to the bylaws of the relief association to increase the lump-sum
73.3 or monthly pension amount or both the lump and monthly pension amount, if the relief
73.4 association offers both, up to 125 percent of the largest maximum lump-sum service pension
73.5 amount or service pension amount payable per month in effect under paragraph (c) or (d),
73.6 respectively, of section 424A.02, subdivision 3, without regard to the relief association's
73.7 minimum average amount of available financing per firefighter. The amount by which the
73.8 lump-sum or monthly pension amount is increased must not cause the liabilities of the
73.9 retirement plan to exceed the value of the assets, after taking into account full vesting as
73.10 required under subdivision 3 and any administrative expenses.

73.11 (c) The board of trustees shall specify whether the benefit increase will apply to only
73.12 participants who are members active as of the date of the termination of the retirement plan
73.13 or whether the benefit increase will apply to all ~~members~~ participants, including members
73.14 who are not active as of the plan termination date.

73.15 Sec. 29. Minnesota Statutes 2020, section 424B.22, subdivision 5, is amended to read:

73.16 Subd. 5. **Determination of assets and liabilities.** (a) The board of trustees shall determine
73.17 the following as of the date of termination of the retirement plan:

73.18 (1) the fair market value of the assets of the special fund;

73.19 (2) the present value of each ~~member's~~ participant's accrued benefit, taking into account
73.20 full vesting under subdivision 3 and any increased lump-sum or monthly benefit level
73.21 approved under subdivision 4;

73.22 (3) the present value of any benefit remaining to be paid to each retiree in pay status, if
73.23 any; and

73.24 (4) administrative expenses incurred or reasonably anticipated to be incurred through
73.25 the date on which all retirement benefits have been distributed or transferred or, if later, the
73.26 effective date of the dissolution of the relief association.

73.27 (b) The board of trustees shall compile a schedule that includes the following information:

73.28 (1) the name of each ~~member and~~ participant, including each retiree in pay status to
73.29 whom a benefit or pension is or will be owed;

73.30 (2) the name of each other benefit recipient to whom a benefit or pension is or will be
73.31 owed; and

74.1 (3) for each individual described in clauses (1) and (2), the amount of the benefit or
74.2 pension to which the individual is entitled under the bylaws of the relief association, taking
74.3 into account the changes required or permitted by this section, the corresponding number
74.4 of years of service on which the benefit or pension is based, and the earliest date on which
74.5 the benefit or pension would have been payable under the bylaws of the relief association.

74.6 (c) If the relief association is dissolving, in addition to the determination under paragraph
74.7 (a) for the retirement plan, the board of trustees shall determine, as of the effective date of
74.8 the dissolution of the relief association, the legal obligations of the general fund of the relief
74.9 association.

74.10 Sec. 30. Minnesota Statutes 2020, section 424B.22, subdivision 7, is amended to read:

74.11 Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and
74.12 if, after completing the determination of assets, liabilities, and administrative expenses under
74.13 subdivision 5, there is a surplus, the board of trustees shall transfer to the affiliated
74.14 municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required
74.15 contributions, without investment earnings or interest thereon, made by the municipality to
74.16 the relief association during the year in which the termination of the retirement plan occurs
74.17 or during the preceding nine years.

74.18 (b) If the affiliated municipality did not make any required contributions to the relief
74.19 association during the current or preceding nine years or if, after the transfer described in
74.20 paragraph (a), there is surplus remaining, the relief association and the municipality will
74.21 mutually agree on an allocation between them of the remaining surplus.

74.22 (c) If, within 180 days of the date of termination of the retirement plan, the municipality
74.23 and relief association have not reached an agreement on the allocation of the surplus under
74.24 paragraph (b), then 50 percent of the surplus shall be retained by the relief association and
74.25 50 percent of the surplus shall be transferred to the affiliated municipality.

74.26 (d) Any surplus retained by the relief association under paragraph (c) shall be allocated
74.27 among all ~~members~~ participants eligible to share in the surplus in the same proportion that
74.28 the present value of the accrued benefit for each eligible ~~member~~ participant bears to the
74.29 total present value of the accrued benefits of all ~~members~~ participants eligible to share in
74.30 the surplus, and each eligible ~~member's~~ participant's benefit, as determined under subdivision
74.31 5, paragraph (a), clause (2), shall be increased by the ~~member's~~ participant's share of the
74.32 surplus. The board of trustees shall determine eligibility to share in the surplus, which may
74.33 include ~~any of the following, in addition to firefighters active as of the date on which~~
74.34 ~~members became 100 percent vested: (1) inactive firefighters; (2) former firefighters with~~

75.1 ~~a deferred benefit under the retirement plan; and (3) retirees in pay status~~ all participants
75.2 ~~and any other firefighters~~ former participants who, within the last three years or such other
75.3 number of years as determined by the board of trustees, separated from active service and
75.4 ~~(i) received their retirement benefit, or (ii) began to receive distribution of a retirement~~
75.5 ~~benefit in installments or as a monthly pension.~~

75.6 If the board of trustees decides to include ~~the individuals described in clause (3)~~ former
75.7 participants in the allocation of the surplus, the board of trustees shall modify the method
75.8 for allocating the surplus to take into account ~~such individuals~~ the former participants.

75.9 (e) Any amount of surplus transferred to the affiliated municipality under this subdivision
75.10 may only be used for the purposes described in section 424A.08, paragraph (a) or (b).

75.11 Sec. 31. Minnesota Statutes 2020, section 424B.22, subdivision 8, is amended to read:

75.12 Subd. 8. **Immediate distribution of retirement benefits and payment of all other**
75.13 **obligations.** (a) The board of trustees shall liquidate the assets of the special fund and pay
75.14 retirement benefits and administrative expenses under the retirement plan within 210 days
75.15 after the effective date of the termination of the retirement plan.

75.16 (b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a
75.17 defined contribution plan, without regard to whether the ~~member~~ participant has attained
75.18 age 50, each ~~member~~ participant and other benefit recipient shall be permitted to elect an
75.19 immediate distribution or a direct rollover of the ~~member's~~ participant's benefit to an eligible
75.20 retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the benefit is an
75.21 eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5.

75.22 (c) If the retirement plan is a defined benefit plan that pays monthly pension benefits,
75.23 the board of trustees shall, at the election of the ~~member~~ participant or other benefit recipient,
75.24 purchase an annuity contract under section 424A.015, subdivision 3, naming the ~~member~~
75.25 participant or other benefit recipient, as applicable, as the insured or distribute a lump-sum
75.26 amount that is equal to the present value of the monthly pension benefits to which the
75.27 ~~member~~ participant or other benefit recipient is entitled. If an annuity is elected by the
75.28 ~~member~~ participant or other benefit recipient, the annuity shall provide for commencement
75.29 at a date elected by the insured, to be paid as an annuity for the life of the insured. Legal
75.30 title to the annuity contract shall be transferred to the insured. If a lump sum is elected, the
75.31 option under paragraph (b) to take an immediate distribution or a direct rollover shall apply.

75.32 (d) The board of trustees shall complete the distribution of all assets of the special fund
75.33 by making any remaining distributions or transfers as required under subdivision 9 on behalf

76.1 of ~~members~~ participants or other benefit recipients who cannot be located or are unresponsive
76.2 and paying any remaining administrative expenses related to the termination of the plan.

76.3 Sec. 32. Minnesota Statutes 2020, section 424B.22, subdivision 9, is amended to read:

76.4 Subd. 9. **Missing ~~members~~ participants.** (a) For purposes of this subdivision, the terms
76.5 defined in this subdivision have the meanings given them.

76.6 (b) "Retirement benefit" means:

76.7 (1) the ~~member's~~ participant's account balance if the retirement plan is a defined
76.8 contribution plan;

76.9 (2) the ~~member's~~ participant's lump-sum benefit if the retirement plan is a defined benefit
76.10 plan that pays a lump sum; or

76.11 (3) an amount equal to the present value of the ~~member's~~ participant's benefit if the
76.12 retirement plan is a defined benefit plan that pays a monthly annuity.

76.13 (c) "Individual retirement account" means an account that satisfies the requirements of
76.14 section 408(a) of the Internal Revenue Code which is established by an officer of the relief
76.15 association in the name of the ~~member~~ participant or other benefit recipient at a federally
76.16 insured financial institution.

76.17 (d) If the board of trustees cannot locate a ~~member~~ participant or other benefit recipient
76.18 ~~or receives no response to an offer to distribute a retirement benefit~~, the board of trustees
76.19 shall make a diligent effort to obtain a current address or other contact information as
76.20 follows:

76.21 (1) send a notice to the address on file for the ~~member~~ participant or other benefit recipient
76.22 using certified mail;

76.23 (2) check with the Minnesota State Fire Department Association, the municipality, and
76.24 any other employer of the ~~member~~ participant;

76.25 (3) check with the ~~member's~~ participant's designated beneficiary on file with the relief
76.26 association; and

76.27 (4) use one or more of the Internet search tools that are free of charge.

76.28 (e) ~~If the board of trustees is unable to locate the member or other benefit recipient after~~
76.29 ~~taking the actions described in paragraph (d)~~, The board of trustees shall transfer the
76.30 retirement benefit to an individual retirement account or consider the retirement benefit
76.31 abandoned and deposit funds in the amount of the retirement benefit with the commissioner

77.1 of commerce under chapter 345. ~~The board of trustees may deposit a retirement benefit with~~
 77.2 ~~the commissioner of commerce under chapter 345~~, notwithstanding any laws to the contrary,
 77.3 including section 345.381, if the board of trustees is unable to locate the participant or other
 77.4 benefit recipient after taking the actions described in paragraph (d) or the participant or
 77.5 other benefit recipient does not elect to receive or rollover a retirement benefit to which the
 77.6 participant or other benefit recipient is entitled.

77.7 Sec. 33. Minnesota Statutes 2020, section 424B.22, subdivision 10, is amended to read:

77.8 Subd. 10. **Supplemental benefits.** Within 60 days after the distribution of benefits under
 77.9 subdivision 8, the municipality or ~~independent nonprofit~~ firefighting corporation with which
 77.10 the fire department is affiliated shall pay supplemental benefits under section 424A.10 to
 77.11 each ~~member~~ participant and survivor who satisfies the requirements of section 424A.10,
 77.12 subdivision 2, if the ~~member~~ participant is at least age 50. The commissioner of revenue
 77.13 shall reimburse the municipality or independent nonprofit firefighting corporation for all
 77.14 supplemental benefits paid as provided in section 424A.10, subdivision 3.

77.15 Sec. 34. Minnesota Statutes 2020, section 477B.01, subdivision 1, is amended to read:

77.16 Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different
 77.17 meaning is intended, the following words and terms, for the purposes of this chapter and
 77.18 chapters 423A and 424A, have the meanings given to them. The following definitions shall
 77.19 also apply for the purpose of chapter 424A, unless the word or term is defined in chapter
 77.20 424A, in which case such word or term shall be as defined in chapter 424A for the purpose
 77.21 of chapter 424A.

77.22 Sec. 35. **REVISOR INSTRUCTION.**

77.23 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in
 77.24 column A to the references listed in column B, using the subdivision heading listed in
 77.25 column C. The revisor of statutes may alter the renumbering to incorporate statutory changes
 77.26 made during the 2021 legislative session. The revisor shall also make necessary
 77.27 cross-reference changes in Minnesota Statutes consistent with the renumbering in this
 77.28 instruction.

77.29	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
77.30 77.31	<u>424A.02, subd. 3, paragraphs (a) and (b)</u>	<u>424A.02, subd. 2a, paragraphs (a) and (b)</u>	<u>Average amount of available financing.</u>
77.32 77.33	<u>424A.02, subd. 3, paragraph (c)</u>	<u>424A.02, subd. 2b</u>	<u>Maximum monthly amount.</u>

- 78.1 424A.02, subd. 3,
- 78.2 paragraph (d) 424A.02, subd. 2c Maximum lump-sum amount.
- 78.3 424A.02, subd. 3,
- 78.4 paragraphs (e) to (h) 424A.02, subd. 3, Determining the maximum pension
paragraphs (a) to (d) benefit.

- 78.5 **Sec. 36. EFFECTIVE DATE.**

- 78.6 Sections 1 to 35 are effective the day following final enactment.

356B.05 PUBLIC PENSION ADMINISTRATION LEGISLATION.

(a) Proposed administrative legislation recommended by or on behalf of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the Minneapolis Employees Retirement Fund, or a first class city teachers retirement fund association, and proposed retirement-related legislation recommended by the Minnesota State Colleges and Universities system must be presented to the Legislative Commission on Pensions and Retirement, the State and Local Governmental Operations Committee of the senate, and the Governmental Operations and Veterans Affairs Policy Committee of the house of representatives on or before October 1 of each year in order for the proposed administrative legislation to be acted upon during the upcoming legislative session. The executive director or the deputy executive director of the Legislative Commission on Pensions and Retirement shall provide written comments on the proposed administrative provisions to the public pension plans by November 15 of each year.

(b) Proposed administrative legislation recommended by or on behalf of a public employee pension plan or system under paragraph (a) must address provisions:

- (1) authorizing allowable service credit for leaves of absence and related circumstances;
- (2) governing offsets or deductions from the amount of disability benefits;
- (3) authorizing the purchase of allowable service credit for prior uncredited periods;
- (4) governing subsequent employment earnings by reemployed annuitants; and
- (5) authorizing retroactive effect for retirement annuity or benefit applications.

(c) Where possible and desirable, taking into account the differences among the public pension plans in existing law and the unique characteristics of the individual public pension fund memberships, uniform provisions relating to paragraph (b) for all applicable public pension plans must be presented for consideration during the legislative session. Supporting documentation setting forth the policy rationale for each set of uniform provisions must accompany the proposed administrative legislation.

Laws 2020, chapter 108, article 14, section 1

Section 1. DIVISION OF RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION.

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this section have the meanings given them.

(b) "Account balance" means the account established for a member under the Ramsey relief association, to which an allocation of fire state aid, contributions, forfeitures, and net investment earnings have been credited for every year the member was eligible to receive such funding under the bylaws of the Ramsey relief association.

(c) "Inactive or deferred Nowthen firefighter" means a Ramsey firefighter who, when the firefighter was an active firefighter, was assigned to the Nowthen fire station and whose account in the Ramsey relief association has not yet been distributed or forfeited as provided under the bylaws of the Ramsey relief association.

(d) "Joint powers agreement" means the city of Ramsey and city of Nowthen joint powers fire protection agreement.

(e) "Nowthen firefighter" means a firefighter who is a member of the Ramsey relief association and who is hired to provide firefighting services to the city of Nowthen by the city of Nowthen or a municipality with which the city of Nowthen enters into a joint powers agreement or an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

(f) "Nowthen relief association" means a volunteer firefighters relief association to be established by the city of Nowthen or a volunteer firefighters relief association affiliated with a municipality with which the city of Nowthen enters into a joint powers agreement or a volunteer firefighters relief association affiliated with an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen or an account in the Public Employees Retirement Association statewide volunteer firefighter plan, as directed by the city of Nowthen.

(g) "Other benefit recipient of a Nowthen firefighter" means:

(1) a person who is entitled to receive all or a portion of a Nowthen firefighter's account under the Ramsey relief association due to the person having one of the following relationships to the Nowthen firefighter:

(i) surviving spouse;

(ii) former spouse who is the alternate payee under a state domestic relations order that meets the requirements of section 414(p) of the federal Internal Revenue Code of 1986, as amended, or who is a recipient of a court-ordered distribution of marital property, as provided in Minnesota Statutes, section 518.58; or

(iii) nonspousal beneficiary; or

(2) the estate of a Nowthen firefighter.

(h) "Ramsey firefighter" means a firefighter who is or was an employee of the city of Ramsey, is a member of the Ramsey relief association, and provides or provided firefighting services to the city of Ramsey or the city of Nowthen.

(i) "Ramsey relief association" means the city of Ramsey Volunteer Firefighters' Relief Association.

Subd. 2. Application. This section applies, notwithstanding any provision of Minnesota Statutes, chapter 424A or 424B, if all of the following occurs:

(1) the joint powers agreement expires or is terminated by either party;

(2) the city of Nowthen establishes a fire department or enters into a joint powers agreement with another municipality to provide firefighting services for the city of Nowthen or enters into an agreement with an independent nonprofit firefighting corporation to provide firefighting services to the city of Nowthen;

(3) the city of Nowthen establishes a volunteer firefighters relief association or the municipality with which the city of Nowthen enters into a joint powers agreement is affiliated with a volunteer firefighters relief association or the independent nonprofit firefighting corporation with which the

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city of Nowthen enters into an agreement to provide firefighting services for the city of Nowthen is affiliated with a volunteer firefighters relief association or the city of Nowthen joins the Public Employees Retirement Association statewide volunteer firefighter plan; and

(4) the Nowthen relief association includes as members one or more firefighters whose employment with the city of Ramsey terminates on or before December 31, 2021, and who are hired as firefighters by:

(i) the city of Nowthen;

(ii) a municipality with which the city of Nowthen enters into a joint powers agreement; or

(iii) an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

Subd. 3. Transfer of Nowthen firefighter accounts. (a) By the sixtieth day after the satisfaction of the conditions described in subdivision 2, the Ramsey relief association shall transfer to the Nowthen relief association the account balance for each Nowthen firefighter, each inactive or deferred Nowthen firefighter, and any other benefit recipient of a Nowthen firefighter in accordance with this subdivision.

(b) If the city of Ramsey terminates the employment of one or more firefighters who become Nowthen firefighters during 2020, the Ramsey relief association shall transfer, by the end of February 2021, the account balances for each Nowthen firefighter, each inactive or deferred Nowthen firefighter, and each other benefit recipient of a Nowthen firefighter. The transfers shall occur after the accounting has been completed for the 2020 calendar year and all fire state aid, contributions, forfeitures, net investment income, and administrative expenses during 2020 and as of the 2020 calendar year end have been credited, in accordance with the bylaws of the Ramsey relief association. Notwithstanding any provision in the bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is terminated during 2020 shall be considered for purposes of allocating fire state aid, contributions, and forfeitures as having worked 12 active service months for 2020.

(c) If the city of Ramsey terminates the employment of one or more firefighters who become Nowthen firefighters during 2021, the Ramsey relief association shall transfer, by the end of February 2022, the account balances for each Nowthen firefighter and for any inactive or deferred Nowthen firefighter and any other benefit recipient of a Nowthen firefighter whose account balance was not transferred under paragraph (b) in 2021. The transfers shall occur after the accounting has been completed for the 2021 calendar year and all fire state aid, contributions, forfeitures, net investment income, and administrative expenses during 2021 and as of the 2021 calendar year end have been credited, in accordance with the bylaws of the Ramsey relief association. Notwithstanding any provision in the bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is terminated during 2021 shall be considered for purposes of allocating fire state aid, contributions, and forfeitures as having worked 12 active service months for 2021.

(d) The transfer of account balances under this subdivision shall be considered authorized disbursements from the special fund of the Ramsey relief association for purposes of Minnesota Statutes, section 424A.05, subdivision 3.

(e) The Ramsey relief association shall transfer records to the Nowthen relief association regarding service, vesting service, and account activity for each Nowthen firefighter, inactive or deferred Nowthen firefighter, or other benefit recipient whose account balance is transferred.

Subd. 4. Relief association general fund assets. When the Ramsey relief association transfers the account balances under subdivision 3, the Ramsey relief association shall also transfer a proportionate share of the assets in the general fund of the Ramsey relief association to the general fund of the Nowthen relief association. The proportion shall be equal to the ratio that the total value of the account balances transferred to the Nowthen relief association bears to the total value of all account balances in the Ramsey relief association on the day immediately preceding the date of transfer.

Subd. 5. Fire state aid. If subdivision 3, paragraph (b), applies, the city of Ramsey shall transfer to the city of Nowthen a portion of the 2021 fire state aid received by the city of Ramsey on or about October 1, 2021, based on 2020 property value and population. The portion to be transferred shall be equal to the amount determined by the commissioner of revenue to be attributable to the estimated market value of property and population in the city of Nowthen fire service area, as a percentage of the total fire state aid paid to the city of Ramsey on or about October 1, 2021.

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Subd. 6. **Service credit under the Nowthen relief association.** The Nowthen relief association shall credit each firefighter whose account balance is transferred from the Ramsey relief association to the Nowthen relief association with the same number of years of service credit with which the firefighter had been credited under the Ramsey relief association for vesting and any other purpose for which service credit is granted. Such service credit shall be applied to retain the firefighter's vesting percentage in the account balance that was transferred and shall be applied toward the firefighter's vesting percentage in all funds allocated to the firefighter's account in the Nowthen relief association after the transfer.

Subd. 7. **Full vesting of certain Ramsey firefighters.** (a) This subdivision applies to any Ramsey firefighter:

(1) who is assigned to the Nowthen fire station;

(2) whose employment is terminated by the city of Ramsey on or before December 31, 2021;
and

(3) who is not hired by the city of Nowthen.

(b) Notwithstanding any law or provision in the bylaws of the Ramsey relief association, the Ramsey relief association shall fully (100 percent) vest the Ramsey firefighter in the firefighter's account in the Ramsey relief association as of the date the Ramsey firefighter's employment is terminated.

(c) The Ramsey firefighter shall be considered an inactive or deferred Nowthen firefighter for all purposes under subdivision 3.

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