



## Law Enforcement Labor Services, Inc.

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**To:** Duty Disability Work Group

**From:** Mike LeDoux, Mark Schneider, and Jim Mortenson  
Law Enforcement Labor Services, Inc.

**Date:** October 19, 2026

**Re:** Proposals to Address Concerns Regarding Duty Disability and Related Claims

Work Group Duty Disability Members,

In response to Representative Stier's directive for the members of the Duty Disability Work Group to provide specific proposals to address the mandate from the legislature for this group, LELS would propose the following Six-Point Framework:

### **1. Restore Physical Duty-Disability Health Coverage; Retain the Five-Year Mental-Health Framework**

**Recommendation:** Restore the pre-2025 health-insurance protection under Minn. Stat. § 299A.465 for qualifying physical duty disabilities, including coverage through age 65/Medicare eligibility and protection for members age 55 or older with 20 or more years of service. Retain the current five-year health-insurance framework for psychological duty disabilities. As a compromise for psychological cases, create a Net Disability Retirement Allowance (NDRA) after the five-year insurance period ends.

**Rationale:** The surge that prompted the 2023 and 2025 reforms was driven primarily by psychological/PTSD claims, while physical applications remained within a relatively consistent historical range. Physical-injury protections should have remained in place since the concern to be addressed involved primarily psychological claims.

#### **Proposed action:**

- Restore the pre-2025 § 299A.465 health-insurance benefit for qualifying physical duty disabilities.
- Retain the five-year health-insurance limit for psychological duty disabilities.
- After the five-year period, define the NDRA as the disability allowance minus documented health-insurance premiums actually paid by the member for the member and eligible dependents, and apply PERA reemployment offsets to that net amount.
- Eliminate the penalties for physical and psychological injuries for someone that is 55 years of age + 20 years of service.

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## 2. Pathway to Retiree Health Insurance (Expand the Health Care Savings Plan - HCSP)

**Recommendation:** Establish an ongoing, career-long HCSP contribution structure for PERA Police & Fire members, with a statewide mandatory member contribution in the 2% to 3% range. The statewide requirement should be a floor, not a ceiling, and should preserve stronger locally negotiated plans and existing contribution sources.

**Rationale:** Public-safety employees may retire years before Medicare eligibility, creating a significant health-care bridge to age 65. Many law-enforcement and fire groups rely heavily on end-of-career sick-leave or severance deposits to their HCSP, losing out on decades of potential compounding. MSRS already provides the HCSP infrastructure; the opportunity is to improve contribution timing and long-term investment design.

### Proposed action:

- Require ongoing payroll contributions throughout a member's career while preserving collectively bargained employer contributions, unused leave deposits, severance deposits, and other local enhancements.
- Explore state incentives that encourage fixed employer HCSP contributions without imposing a new unfunded mandate on local governments.
- Work with MSRS and the State Board of Investment to establish an SBI-designed diversified long-term default for HCSP accounts, modeled on institutional pension-investment principles but tailored to HCSP's individual-account structure, with risk gradually reduced as members approach retirement and the healthcare drawdown period.
- Preserve all existing participant investment choices, including the money-market option for members who affirmatively select that option.

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## 3. Establish MnCOP - Minnesota Cops Outreach Program

**Recommendation:** Create MnCOP - Minnesota Cops Outreach Program - as a statewide early-intervention and mental-health support program for Minnesota police officers, modeled on the successful early-intervention components of MnFIRE and adapted to the needs of law enforcement.

**Rationale:** Too often the system becomes heavily involved only after an officer is already experiencing significant symptoms, has filed a workers' compensation claim, entered the PERA treatment process, or is considering a duty disability. MnCOP would operate upstream of those systems and provide a confidential place to seek help before an occupational mental-health condition becomes career-ending.

### Proposed action:

- Provide confidential access to clinicians experienced in law-enforcement trauma, peer-support resources, critical-incident response, education, and mental-health navigation. In fact, utilization of the group of professionals already in place thru MnFire would be efficient, reliable and trusted by all parties.
- Consider a limited number of no-cost counseling visits per incident and a defined treatment-assistance benefit for eligible mental-health care, rather than a diagnosis-triggered cash payment.
- Coordinate MnCOP with existing employer, peer-support, workers' compensation, and treatment resources without making MnCOP a substitute for workers' compensation when a compensable occupational injury exists.

- Measure success by earlier treatment, recovery, retention, and return-to-work outcomes - not by the number of disability claims processed.
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## 4. Treat Compensable Work-Related PTSD Through Workers' Compensation and Emphasize Return to Work

**Recommendation:** Treat compensable occupational PTSD through the traditional workers' compensation system in the same general manner as other work-related injuries. The goal should be prompt treatment, recovery, and return to work whenever medically appropriate, with PERA disability serving as the option of last resort when treatment is unsuccessful.

**Rationale:** The current system can place employees into a separate PERA-administered psychological-treatment pathway before a disability application. LELS is concerned that the very high initial denial rate (97+ percent) for PTSD workers' compensation claims, combined with a 14-day pay-or-deny timeline that may arrive before complete diagnostic and causation information is available, can create an adversarial process at the point when treatment should be the priority. The Legislature has already expanded the period for reversing an initial acceptance from 60 to 90 days for injuries on or after October 1, 2026, further supporting the proposition that additional investigation time can coexist with prompt benefit payment.

### Proposed action:

- Transition treatment of compensable occupational PTSD from the separate PSOB/PERA treatment structure to workers' compensation, while keeping PERA focused on pension-disability eligibility.
  - Consider a PTSD-specific modification of the 14-day liability timeline, or an alternative trigger tied to receipt of a formal diagnosis, so the parties have enough time to obtain medical records, diagnostic information, and causation evidence.
  - Allow medically appropriate early treatment to begin without prejudice to the employer or insurer's ultimate right to investigate and contest compensability.
  - Evaluate how the current 24-week PERA treatment protocol, including the possible eight-week extension, could or should be processed thru the workers compensation process, phased out or coordinated as the workers' compensation treatment pathway is strengthened.
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## 5. Adopt a Good Standing and Program-Integrity Standard

**Recommendation:** Adopt an objective good-standing requirement designed to prevent duty disability from being used as a substitute for discharge or termination when a formal, discharge-level disciplinary proceeding predates the disability claim and the misconduct is ultimately substantiated.

**Rationale:** Serious misconduct should not be converted into an enhanced duty-disability benefit. A fair rule, however, cannot allow a complaint or unresolved allegation to defeat a legitimate claim. The appropriate focus is chronology, objective documentation, good-faith discipline, final disposition, and protection of claims that predate the disciplinary matter.

### Proposed action:

- Define a clear Claim Trigger Date based on the earliest objectively documented report, first report of injury, written notice of inability to perform duties, or disability/treatment application.

- Require a formal disciplinary proceeding supported by documented facts and involving alleged misconduct that, if substantiated, would warrant discharge, termination, or loss of required licensure.
  - Allow a member to file a disability application while discipline is pending to preserve filing deadlines but delay final benefit entitlement until the disciplinary matter is resolved.
  - Disqualify only when the preexisting proceeding ultimately results in substantiated discharge-level discipline; if the allegation is not sustained, the claim proceeds normally.
  - Protect legitimate physical or psychological claims that were objectively documented before the disciplinary proceeding and limit the rule to duty-disability benefits and related continued health coverage rather than forfeiting otherwise accrued retirement benefits.
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## **6. Establish Sustainable Ongoing Funding for the Public Safety Officer Benefit Account**

**Recommendation:** Create a reliable, ongoing state funding structure for the Public Safety Officer Benefit Account sufficient to meet continuing statutory health-insurance obligations without shifting those costs to cities and counties.

**Rationale:** DPS projected FY2027 PSOB expenditures of approximately \$27 million to \$35 million, while the recurring base appropriation is only \$1.367 million and the \$100 million FY2024 transfer was a one-time disbursement. Ongoing obligations require ongoing revenue, and any benefit restoration should be separately priced and incorporated into the long-term plan.

### **Proposed Options:**

1. Use ongoing General Fund appropriations tied to DPS claims projections and an appropriate reserve target.
2. Consider expansion of existing insurance-based revenue mechanisms, including a § 297I.10-style property-insurance surcharge outside the four existing first-class cities and/or an expanded automobile-insurance surcharge structure, while preserving existing earmarks and aid.
3. Consider new dedicated public-safety revenue, such as a separate annual PSOB contribution on blackout license plates or similar specialty fees.
4. Use a combination of dedicated receipts and General Fund support if that produces the most stable funding structure.

**The above proposals can protect legitimate duty-disability benefits while improving early treatment, return-to-work opportunities, program integrity, and long-term funding. These six recommendations would offer a balanced approach that addresses the concerns behind recent reforms while preserving appropriate protections for public safety employees injured in the line of duty.**