

To: Members of the Work Group on Duty Disability and the Public Safety Officer's Benefit Account

From: Co-Chairs Representative Terry Stier and Shane Myre

Date: October 22, 2026

Subject: Stakeholder Recommendations for Legislation

This memo lists possible changes to statutes that we and LCPR staff have heard from stakeholders or generated ourselves.

We've compiled this list so that the Work Group can begin reaching consensus on specific recommendations for legislation. To meet Co-Chair Stier's proposed timeline, recommendations need to be formulated no later than early November to provide LCPR staff time to draft the bill and circulate it to the members of the Work Group for review and comment before the bill is sent to the Revisor's Office in December.

The changes described in this memo are meant to be a starting point, but if they are close enough to where the Work Group expects to eventually find consensus, LCPR staff can begin drafting the bill now, knowing that these can be revised before the recommendation and proposed legislation is presented to the Legislative Commission on Pensions and Retirement. The due date for that is March 1, 2027, or the date all members of the Commission have been appointed for the 2027-2028 biennium, whichever is later.

Some of these items make changes to specific statutes where staff could identify the statute and draft changes. Other changes to statutes are more complicated and involve more than a single statute or two. For those, we explain the intended statutory change, which will eventually be translated into specific changes to statutes.

Italicized text is the current statutory language. Underlined text is the proposed change to current statutory language or new language.

Funding Health Insurance Coverage for Duty Disabled Members and Retirees

1. **Require the PSOB Account to be invested by SBI.** Add the following subdivision to section 299A.42:

Subd. 3. **Investment.** The principal amount in the public safety officer's benefit account must be invested by the state board of investment. The state board of investment must credit income and losses attributable to investment of the principal amount to the public safety officer's benefit account.

2. **Require P&F Plan members and employers to contribute to the Health Care Savings Plan—3% of pay from members and 1.5% of pay from employers.** Revise section 352.98, subdivision 3, as follows:

(a) Unless otherwise required by this section, contributions to the plan must be defined in a personnel policy or in a collective bargaining agreement of a public employer or political subdivision. The executive director may offer different types of trusts permitted under the Internal Revenue Code to best meet the needs of different employer units.

(b)... [no change to this paragraph proposed].

(c)... [no change to this paragraph proposed].

(d) Each employee covered by the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353, must contribute three percent of salary to the plan or any greater percentage defined in a personnel policy or collective bargaining agreement to which the employee is subject. The employer of each employee covered by the public employees police and fire retirement plan must contribute 1.5 percent of the employee's salary to the plan or any greater percentage defined in a personnel policy or collective bargaining agreement to which the employer is a party.

3. **Require reimbursement of public employers by DPS when the PSOB Account runs dry.** Revise section 299A.465, subdivision 4, as follows:

(a) A public employer may annually apply by August 1 for the preceding fiscal year to the commissioner of public safety for reimbursement of its costs of complying with this section and sections 352B.102 and 353.032. Except as provided for in paragraph (b), the commissioner ~~shall~~ must provide reimbursement to the public employer out of the public safety officer's benefit account or, if there is no money in the public safety officer's benefit account, from any of the accounts or grant programs for which the department of public service is responsible under chapter 299A.

(b) Beginning on January 1, 2024, a public employer is not eligible for reimbursement under paragraph (a) unless the employer provides at least one of the following:

- (1) annual wellness training to peace officers and firefighters who either are employed or volunteer for the employer; or*
(2) an employee assistance program or peer support program.

(c) Wellness training for peace officers under paragraph (b), clause (1), must incorporate the learning objectives established by the Peace Officer Standards and Training Board under section 626.8478. No later than February 1, 2024, the Minnesota Fire Initiative must create a wellness training program for public employers to offer to firefighters to satisfy the requirements of paragraph (b). Training programs established in the

Hometown Heroes Assistance Program under section 299A.477, subdivision 2, clause (4), satisfy the requirements of paragraph (b).

4. Require DPS to determine eligibility for reimbursement from the PSOB Account.

Amend section 299A.465, subdivision 1, to require DPS to investigate (1) whether the peace officer or firefighter has other health insurance coverage available from the employer of the officer's or firefighter's spouse and (2) whether the officer or firefighter has funds set aside in an HCSP account to cover the cost of the health insurance coverage and the number of months of coverage. If the first is true, DPS must inform the employer that it is not obligated to provide and pay for health insurance coverage and the employer is relieved of that obligation. If the second is true, DPS must inform the employer that it must provide coverage but at the member's expense and the employer is relieved of the obligation to pay for the coverage.

5. Require the DPS to provide more detail in the annual report on the PSOB Account.

Amend section 299A.42, subdivision 2, to supplement the topics that must be included in the annual report to require reporting on:

- the number of employers who received reimbursements;
- the reimbursement amounts for cities, counties, and state agencies;
- the reimbursement amounts for health insurance premiums and treatment program costs for the cities, counties, and state agencies who are the 10 largest recipients of total reimbursement from the PSOB Account; and
- anticipated increases in reimbursement amounts for health insurance premiums, treatment programs, and salary increases.

*Subd. 2. **Annual report.** The commissioner of public safety must annually report, no later than 30 days after the end of each fiscal year, to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and pensions regarding the financial status of the public safety officer's benefit account; the reimbursements paid by the commissioner during the preceding fiscal year under sections 299A.465, 352B.102, and 353.032; and payments, if any, made during the preceding fiscal year under sections 352B.103 and 353.033 [insert additional requirements noted above]. If the commissioner anticipates, based on historical averages, that the public safety officer's benefit account will not have enough money to fund all reimbursements the commissioner reasonably anticipates will be requested under sections 299A.465, 352B.102, and 353.032 and payments for which invoices will be received under sections 352B.103 and 353.033 for the current and next fiscal year, the commissioner must include in the report the amounts the commissioner believes are necessary to fund the anticipated reimbursements and payments.*

Duty Disability Reform

1. **Require the member to be in good standing to be eligible for duty disability benefits.**
Revise Chapter 353 so that a member of the PERA Police & Fire Plan must be in good standing to be eligible for a duty disability benefit. See the document dated 8/26/2026 from Mark Schneider for what “in good standing” means and how the good standing standard would apply to a duty disability benefit. If included in recommended legislation, the good standing requirement must retain the provision stating that a disqualifying disciplinary proceeding will cause a member to fail to be in good standing only if the alleged misconduct would result in discharge or termination of employment.
2. **Revise definition of PTSD.** Revise Chapter 353 so that a member of the PERA Police & Fire Plan who applies for a duty disability benefit based on a psychological condition is not eligible for duty disability benefits unless the psychological condition resulted from an unexpected and unforeseen situation that goes beyond the day-to-day emotional strain and tension which all police officers or firefighters experience. The employer must certify to PERA that the member has met this standard to the satisfaction of the employer.

Specifically, language could be taken from Iowa Code section 411.6, paragraph 5, clause d:

To establish that a mental incapacity occurred as the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty or arising out of and in the course of the employment, or while acting, pursuant to order, outside of the city by which the member is regularly employed, the member must demonstrate that the mental incapacity is traceable to a readily identifiable work event constituting a manifest happening of a sudden traumatic nature from an unexpected cause or unusual strain in the workplace. Whether an incident is traumatic, unexpected, or unusual is determined by comparing the incident, and not the effect on the member, to the experiences of other police officers or fire fighters in Iowa. A member must be able to trace the member’s mental injury to a specific event or events in the workplace to be eligible for accidental disability benefits.

OR language could be taken from the Wisconsin Supreme Court decision cited by the presenters from Wisconsin:

Mental injury non-traumatically caused must have resulted from a situation of greater dimensions than the day-to-day emotional strain and tension which all employees must experience. Only if the fortuitous event unexpected and unforeseen [the accident or accidental result] can be said to be so out of the ordinary from the countless emotional strains and differences that employees encounter daily without serious mental injury will liability under ch. 102, Wis. Stats., be found.

3. **Revise definition of duty disability.** Revise Section 353.01, subdivision 41, to require that the injury or illness prevents the member from ever being able to perform the member's job and/or that the illness or injury resulted from an egregiously dangerous activity.

*Subd. 41. **Duty disability.***

"Duty disability," physical or psychological, means a condition that is expected to prevent a member, ~~for a period of not less than 12 months,~~ from performing the normal duties of the ~~member's position held by a person who is a member of the public employees police and fire retirement plan,~~ and that is the direct result of an injury incurred during, or a disease arising out of, the performance of ~~inherently dangerous duties that are specific to the positions covered by the public employees police and fire retirement plan~~ an egregiously dangerous activity.

4. **Require information from a member's tax returns be submitted to show earnings; no retroactivity in benefit payments; indefinite suspension if due date not met.** Revise section 353.335, as follows:

(a) Unless waived by the executive director, a disability benefit recipient must report all earnings from reemployment to the association annually by May 15. The recipient must report earnings from reemployment by providing the executive director, in a format prescribed by the executive director, dollar amounts from specified lines in the recipient's federal Form 1040 filed for the most recent tax year. The executive director may request verification of the dollar amounts. If the ~~form~~ earnings information is not submitted by May 15, benefits must be suspended effective June 1. If, upon receipt of the ~~form~~ earnings information, the executive director determines that the disability benefit recipient is eligible for continued payment, ~~benefits must be reinstated retroactive to June 1~~ payment of the benefit must be recommenced, but the executive director must not pay any missed benefit payments due to the suspension. If earnings information is not submitted by September 15, benefit payments must be suspended indefinitely.

(b) Working with the executive director, the bureau of criminal apprehension must open an anonymous tip line to receive calls regarding reemployment by members of the police and fire plan who are on duty disability leave, are reemployed, and are suspected of not having reported earnings from reemployment to the executive director.

(c) The executive director may waive the requirements in this section if the medical evidence supports that the disability benefit recipient will not have earnings from reemployment.

5. **Repeal the psychological condition treatment requirement.** Revise sections 353.031, 353.032, and 353.033 to repeal the psychological condition treatment requirements for members of the police and fire plan and the account established to pay PERA's administrative costs of administering the psychological condition treatment.

6. **Expand the scope and fund Hometown Heroes Assistance Program to add police officers.** Revise the Hometown Heroes Assistance Program in 299A.477 to include police officers.

\$..... appropriation each year from the general fund is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

7. **Reduce the length of time a duty disability benefit is paid and reduce the amount of the duty disability benefit.** Revise section 353.656, subdivisions 1 and 5a, to cap the length of time the benefit is paid and reduce the benefit amount after 3 years.

Subdivision 1. Duty disability; computation of benefits.

(a) A member of the police and fire plan who (1) is not a firefighter covered by section 353.6511, or a police officer covered by section 353.6512, (2) has a condition that meets the definition of a duty disability under section 353.01, subdivision 41, and (3) has filed an application under section 353.031 that was approved by the executive director is entitled to receive disability benefits during for the first 36 months of the period of disability in an amount equal to 60 percent of the member's average salary as defined under section 353.01, subdivision 17a, plus an additional 3.0 percent of that average salary for each year of service in excess of 20 years. After the first 36 months of benefit payments, the amount of the benefit is reduced to 45 percent of the member's average salary, plus an additional 3.0 percent of that average salary for each year of service.

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

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

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

(c) If paragraph (b), clause (1), applies, the association must pay the disability benefit for 120 months or the date the disability benefit ceases under subdivision 5a, if earlier. If a member's disability benefit has not ceased as a result of subdivision 5a, the member may elect either to receive a benefit equal to a retirement benefit based on service and salary as of the date of the date of the disability with a reduction for early retirement or may wait to receive a retirement benefit at age 55 based on service and salary as of the date of the date of the disability.

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

8. **Changes to application process:**

- a. **Require support for all disabling conditions if a member applies for duty disability benefits with more than one disabling condition.**
- b. **Require the psychological report on a member's PTSD to include analysis of clinical testing.**
- c. **Reduce duty disability by 50% if member is represented by legal counsel in the duty disability application process.**

Revise section 353.031, subdivision 3, and add new subdivision 11:

Subd. 3. Procedure to determine eligibility; generally.

(a) Every claim for a disability benefit must be initiated in writing on an application form and in the manner prescribed by the executive director and filed with the executive director. To be valid, an application for disability benefits must be made within 18 months following termination of public service as defined under section 353.01, subdivision 11a, and include the required application form and the medical reports required by paragraph (c).

(b) All medical reports must support a finding that the disability arose before the employee was placed on any paid or unpaid leave of absence or terminated public service, as defined under section 353.01, subdivision 11a.

(c) For a disabling condition that is a physical injury or illness, the applicant must ~~An applicant for disability shall~~ provide a detailed report signed by a licensed medical doctor and at least one additional report signed by a medical doctor, ~~psychiatrist, psychologist,~~ APRN, or chiropractor for each disabling condition.

(d) For a disabling condition that is a psychological condition, an applicant must provide a detailed report signed by a licensed psychiatrist or psychologist. The report must include an analysis of clinical testing. The applicant must also submit to a psychological examination by a licensed psychiatrist or psychologist retained by the executive director.

(e) The applicant must authorize the release of all medical and health care evidence, including all medical records and relevant information from any source, to support the application for initial, or the continuing payment of, disability benefits.

~~(d)~~ (f) All reports must contain an opinion regarding the applicant's prognosis, the duration of the disability, and the expectations for improvement for each disabling condition. Any report that does not contain and support a finding that the disability will last for at least one year may not be relied upon to support eligibility for benefits.

~~(e)~~ (g) Where the medical evidence supports the expectation that at some point in time the applicant will no longer be disabled, any decision granting disability may provide for a termination date upon which disability can be expected to no longer exist. In the event

a termination date is made part of the decision granting benefits, prior to the actual termination of benefits, the applicant shall have the opportunity to show that the disabling condition for which benefits were initially granted continues. In the event the benefits terminate in accordance with the original decision, the applicant may petition for review under section 356.96 or may reapply for disability in accordance with these procedures and section 353.33, 353.656, or 353E.06, as applicable.

~~(f)~~ (h) *Upon receipt of a valid application, the executive director must notify the employer. No later than 30 days after receiving the notification, the employer must provide a report to the executive director indicating that there is no available work that the applicant can perform in the applicant's disabled condition and that all reasonable accommodations have been considered. Upon request of the executive director, an employer shall provide evidence of the steps the employer has taken to attempt to provide reasonable accommodations and continued employment to the applicant. The employer shall also provide a certification of the applicant's past public service; the dates of any paid sick leave, vacation, or any other employer-paid salary continuation plan beyond the last working day; and whether or not any sick or annual leave has been allowed.*

Subd. 11. **Benefit reduction if applicant represented by legal counsel.** If an applicant is represented by legal counsel in the duty disability application process, the disability benefit to which the applicant would otherwise be entitled must be reduced by 50 percent.

- 9. Require the duty disability application process and the workers compensation application process to occur simultaneously.** Provide for automatic disqualification from receiving either the workers' compensation or duty disability benefit if one process is suspended to wait for the conclusion of the other process.

Workers' Compensation Changes

LCPR staff will need to enlist the assistance of House Research or Senate Counsel or Fiscal staff experts to draft these changes. Consider presenting these changes as a bill that is separate from the bill making the changes described above for the PSOB Account and duty disability.

1. **Define and incorporate references to “date of injury” in the workers compensation chapter.** In Chapter 176, define the “date of injury” for PTSD claims as the date on which a qualified mental health professional provides a formal diagnosis and use the definition throughout the statutes. Then use “date of injury” throughout Chapter 176 as necessary for timelines that involve PTSD claims.
2. **Require the notice period for PTSD claims to start on the date of injury.** In section 176.141, add that the notice period for PTSD claims starts on the date of injury.
3. **Revise timing requirements for notice.** Revise section 176.221, subdivision 1, as follows:

Within ~~14~~ 30 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within ~~14~~ 30 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this ~~14-day~~ 30-day period, in which case the compensation need not commence within the ~~14-day~~ 30-day period but shall commence no later than ~~30~~ 60 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner and served on the employee within ~~14~~ 30 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within 60 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within 60 days of notice or knowledge. After the 60-day period, payment may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail the facts forming

the basis for the denial and specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Note: This extension of the payment deadlines may not be necessary if the period to commence of payment for PTSD claims does not start until the date of injury. That is because the “date of injury” for PTSD claims would be defined as the date on which a qualified mental health professional provides a formal diagnosis, and a formal diagnosis PTSD requires at least one month of persistent systems (pursuant to the DSM-5).

Note also: This extension could be applied only to a claim of PTSD by members of the Police and Fire Plan.

4. **Prohibit settlement of a workers compensation claim.** Revise Chapter 176 to either remove the ability to settle workers’ compensation claims or if workers’ compensation claims can be settled, the maximum settlement payment is \$.....
5. **Require the workers compensation application process and the duty disability application process to occur simultaneously.** Provide for automatic disqualification from receiving either the workers compensation or duty disability benefit if one process is suspended to wait for the conclusion of the other process.
6. **Require use of workers compensation insurance organizations codes to identify mental injury claims on the first report of injury.** Failure to use these codes invalidates the application.
7. **Expand list of qualified providers for diagnosing PTSD.** Allow for diagnostic assessments to be made by licensed master’s-level mental health clinicians.