

1.1 moves to amend S.F. No. 3540; H.F. No. 4017, as follows:

1.2 Page 3, line 15, after "in" insert "paragraph (b) and"

1.3 Page 3, line 22, after "is" insert "the lesser of" and before the semicolon insert "or the
1.4 maximum monthly service pension amount that could be adopted by the relief association
1.5 as a bylaws amendment that satisfies section 424A.093, subdivision 6, paragraph (d)"

1.6 Page 3, line 25, after "is" insert "the lesser of" and before the period insert "or the
1.7 maximum lump-sum service pension amount that could be adopted by the relief association
1.8 as a bylaws amendment that satisfies section 424A.092, subdivision 6, paragraph (e)"

1.9 Page 4, after line 4, insert:

1.10 "(b) A defined benefit relief association may set in its bylaws a service pension amount
1.11 that is not greater than the maximum amounts in clause (1) or (2), as applicable, but only
1.12 if the service pension amount has been ratified by the municipality.

1.13 (1) For a defined benefit relief association that pays a monthly service pension, the
1.14 maximum monthly service pension amount per month for each year of service credited is
1.15 \$100.

1.16 (2) For a defined benefit relief association that pays a lump-sum service pension, the
1.17 maximum lump-sum service pension amount for each year of service credited is \$15,000."

1.18 Page 4, line 5, delete "(b)" and insert "(c)"

1.19 Page 4, after line 14, insert:

1.20 "(d) Nothing in this subdivision shall be construed to override or conflict with section
1.21 424A.092, subdivision 6, or section 424A.093, subdivision 6."

1.22 Page 4, line 24, strike "shall" and insert "must notify the relief association that the service
1.23 pension paid is greater than the applicable maximum service pension and that the penalty
1.24 under this subdivision will be imposed, unless the relief association reduces the service
1.25 pension amount to an amount that is not greater than the applicable maximum service
1.26 pension amount and recovers the overpaid service pension. If the service pension amount
1.27 is not reduced and the overpayment is not recovered, the state auditor must"

1.28 Page 9, after line 26, insert:

1.29 "Sec. 9. Minnesota Statutes 2020, section 424A.092, subdivision 6, is amended to read:

1.30 Subd. 6. **Municipal ratification for ~~plan~~ bylaws amendments.** (a) The board of trustees
1.31 of a relief association may adopt an amendment to the articles of incorporation or bylaws

2.1 that increases the coverage, service pensions, or retirement benefits provided by the relief
 2.2 association only after preparing an estimate of the expected increase in the financial
 2.3 requirements and the accrued liability resulting from the amendment.

2.4 (b) For purposes of this subdivision, "financial requirements" means the amount calculated
 2.5 under subdivision 3, paragraph (c). "Accrued liability" means the amount calculated under
 2.6 subdivision 2 or 2a, as applicable. "Estimate" means the estimate required in paragraph (a).

2.7 (c) If the special fund of the a relief association to which this section applies does not
 2.8 have a surplus over full funding under subdivision 3, paragraph (c), clause (5), and if the
 2.9 municipality is required to provide financial support to the special fund of the relief
 2.10 association under this section, the adoption of or any board of trustees of the relief association
 2.11 may adopt an amendment to the articles of incorporation or bylaws of a relief association
 2.12 which that increases or otherwise affects the retirement coverage provided by or the, service
 2.13 pensions, or retirement benefits payable from the special fund of any provided by the relief
 2.14 association to which this section applies. The amendment is not effective until it is ratified
 2.15 by the governing body of the affiliated municipality served by the fire department to which
 2.16 the relief association is directly associated or by the independent nonprofit firefighting
 2.17 corporation, as applicable, and. The governing body may ratify such amendment only if the
 2.18 officers of a relief association shall not seek municipal ratification prior to preparing and
 2.19 certifying an estimate of the expected increase in the accrued liability and annual accruing
 2.20 liability of the relief association attributable to the amendment has delivered to the governing
 2.21 body the estimate described in paragraphs (a) and (b), certified by an officer of the relief
 2.22 association.

2.23 (d) If the special fund of the a relief association to which this section applies has a surplus
 2.24 over full funding under subdivision 3, paragraph (c), clause (5), and if the municipality is
 2.25 not required to provide financial support to the special fund of the relief association under
 2.26 this section, the relief association may adopt or amend its an amendment to the articles of
 2.27 incorporation or bylaws which increase or otherwise affect that increases the retirement
 2.28 coverage provided by or the, service pensions, or retirement benefits payable from the
 2.29 special fund of provided by the relief association which are.

2.30 (1) The amendment is effective if the municipality ratifies the amendment.

2.31 (2) The amendment is effective without municipal ratification so long as this does if the
 2.32 amendment satisfies paragraph (e).

2.33 (e) An amendment satisfies this paragraph if the estimate described in paragraphs (a)
 2.34 and (b) demonstrates that the amendment will not cause:

3.1 (1) the amount of the resulting increase in the accrued liability of the special fund of the
 3.2 relief association to exceed 90 percent of the amount of the surplus over full funding reported
 3.3 in the prior year; and ~~this does not result in~~

3.4 (2) the financial requirements of the special fund of the relief association ~~exceeding to~~
 3.5 exceed the expected amount of the future fire state aid and police and firefighter retirement
 3.6 supplemental state aid to be received by the relief association ~~as determined by the board~~
 3.7 ~~of trustees following the preparation of an estimate of the expected increase in the accrued~~
 3.8 ~~liability and annual accruing liability of the relief association attributable to the change.~~

3.9 (f) If a relief association ~~adopts or amends its~~ the articles of incorporation or bylaws
 3.10 without municipal ratification under this subdivision, and, subsequent to the amendment ~~or~~
 3.11 ~~adoption~~, the financial requirements of the special fund of the relief association under this
 3.12 section are such so as to require financial support from the municipality, the provision which
 3.13 was implemented without municipal ratification is no longer effective ~~without municipal~~
 3.14 ~~ratification~~ and any service pensions or retirement benefits payable after that date may be
 3.15 paid only in accordance with the articles of incorporation or bylaws as amended ~~or adopted~~
 3.16 with municipal ratification.

3.17 **EFFECTIVE DATE.** This section is effective January 1, 2023."

3.18 Page 10, after line 14, insert:

3.19 "Sec. 11. Minnesota Statutes 2020, section 424A.093, subdivision 6, is amended to read:

3.20 Subd. 6. **Municipal ratification for plan bylaws amendments.** (a) The board of trustees
 3.21 of a relief association may adopt an amendment to the articles of incorporation or bylaws
 3.22 that increases the coverage, service pensions, or retirement benefits provided by the relief
 3.23 association only after the board of trustees has had an updated actuarial valuation including
 3.24 the proposed change or an estimate of the expected actuarial impact of the proposed change
 3.25 prepared by the actuary of the relief association.

3.26 (b) If the special fund of the a relief association to which this section applies does not
 3.27 have a surplus over full funding under subdivision 4, and if the municipality is required to
 3.28 provide financial support to the special fund ~~of the relief association~~ under this section, the
 3.29 ~~adoption of or any~~ board of trustees of the relief association may adopt an amendment to
 3.30 the articles of incorporation or bylaws of a relief association which that increases or otherwise
 3.31 affects the retirement coverage provided by or the, service pensions, or retirement benefits
 3.32 payable from the special fund of any provided by the relief association to which this section
 3.33 applies. The amendment is not effective until it is ratified by the governing body of the

4.1 ~~affiliated municipality served by the fire department to which the relief association is directly~~
 4.2 ~~associated or by the independent nonprofit firefighting corporation, as applicable. The~~
 4.3 ~~governing body may ratify such amendment only if the relief association has delivered to~~
 4.4 ~~the governing body the actuarial valuation or estimate described in paragraph (a), certified~~
 4.5 ~~by an officer of the relief association.~~

4.6 (c) If the special fund of the a relief association to which this section applies has a surplus
 4.7 over full funding under subdivision 4, and if the municipality is not required to provide
 4.8 financial support to the special fund of the relief association under this section, the relief
 4.9 association may adopt or amend its an amendment to the articles of incorporation or bylaws
 4.10 which increase or otherwise affect that increases the retirement coverage provided by or
 4.11 the, service pensions, or retirement benefits payable from the special fund of provided by
 4.12 the relief association which are.

4.13 (1) The amendment is effective if the municipality ratifies the amendment.

4.14 (2) The amendment is effective without municipal ratification so long as this does if the
 4.15 amendment satisfies paragraph (d).

4.16 (d) An amendment satisfies this paragraph if the actuarial valuation or estimate described
 4.17 in paragraph (a) demonstrates that the amendment will not cause:

4.18 (1) the amount of the resulting increase in the accrued liability of the special fund of
 4.19 the relief association to exceed 90 percent of the amount of the surplus over full funding
 4.20 reported in the prior year; and this does not result in

4.21 (2) the financial requirements of the special fund of the relief association exceeding to
 4.22 exceed the expected amount of the future fire state aid and police and firefighter retirement
 4.23 supplemental state aid to be received by the relief association as determined by the board
 4.24 of trustees following the preparation of an updated actuarial valuation including the proposed
 4.25 change or an estimate of the expected actuarial impact of the proposed change prepared by
 4.26 the actuary of the relief association.

4.27 (e) If a relief association adopts or amends its articles of incorporation or bylaws without
 4.28 municipal ratification pursuant to this subdivision, and, subsequent to the amendment or
 4.29 adoption, the financial requirements of the special fund of the relief association under this
 4.30 section are such so as to require financial support from the municipality, the provision which
 4.31 was implemented without municipal ratification is no longer effective without municipal
 4.32 ratification and any service pensions or retirement benefits payable after that date may be
 4.33 paid only in accordance with the articles of incorporation or bylaws as amended or adopted
 4.34 with municipal ratification.

- 5.1 **EFFECTIVE DATE.** This section is effective January 1, 2023."
- 5.2 Renumber the sections in sequence
- 5.3 Amend the title accordingly