

HF 2007 (Robbins) / SF 1975 (Limmer): PERA Statewide Volunteer Firefighter Plan; Assisting Hamel and Loretto Volunteer Firefighter Relief Associations with Joining the SVF Plan and Merging

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Date: March 15, 2023

Introduction

- Affected Plan:** PERA Statewide Volunteer Firefighter Plan (SVF Plan)
- Laws Amended:** Uncodified session law
- Brief Description:** The bill allows the Hamel Volunteer Fire Department Relief Association and the Loretto Firefighters Relief Association to join the SVF Plan mid-year and requires the executive director of the Public Employees Retirement Association (PERA) to merge the assets and liabilities of the Hamel and Loretto fire departments, formerly the assets and liabilities of the two relief associations.

Background

The Hamel Volunteer Fire Department Relief Association and the Loretto Firefighters Relief Association want to join the SVF Plan mid-year and merge. Neither a mid-year effective date nor the merger of two fire department accounts is permitted under current law.

The fire departments of both Hamel and Loretto are operated by independent nonprofit firefighting corporations. Independent nonprofit firefighting corporations are nonprofits governed by Chapter 317A and operate primarily for firefighting purposes. A municipality contracts with the nonprofit to operate the municipality's fire department and provide firefighting personnel.

Section 353G.05, subdivision 5, paragraph (c), states that coverage by the SVF Plan is effective on the January 1 next following the date of approval by the last governing body or, if later, the date of approval by the board of trustees of the relief association. There is no option to join effective as of another date.

Current law does not authorize the merger of the assets and liabilities of two fire departments within the SVF Plan.

The Commission may want to consider legislation that would be generally applicable and allow for the merger of two or more fire departments within the SVF Plan.

Section- by- Section Summary

Section 1 states that, if all requirements for coverage are satisfied, the effective date of coverage of the Hamel Volunteer Fire Department Relief Association by the SVF Plan will be the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the board of trustees of the relief association. A separate paragraph provides the same effective date of coverage for the Loretto Firefighters Relief Association.

Section 2 requires the executive director of PERA to merge the assets and liabilities of the account of the Hamel fire department in the SVF Plan with the assets and liabilities of the account of the Loretto fire department upon receipt of resolutions approved by the governing boards of the two independent nonprofit firefighting corporations directing the merger.

Effective date. The effective date is the day following final enactment.