

..... moves to amend S.F. No. 2884; H.F. No. 1889, the delete-everything amendment (S2884-DE1), as follows:

Page 15, after line 20, insert:

"Section 1. Minnesota Statutes 2024, section 353D.01, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Eligibility to participate in the plan is available to:

(1) any elected or appointed local government official of a governmental subdivision who elects to participate in the plan under section 353D.02, subdivision 1, and who, for the service rendered to a governmental subdivision, is not a member of the association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

(3) basic and advanced life-support emergency medical service personnel who are employed by any public ambulance service that elects to participate under section 353D.02, subdivision 3;

(4) members of a municipal rescue squad associated with the city of Litchfield in Meeker County, or of a county rescue squad associated with Kandiyohi County, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan;

(5) members of the municipal rescue squad associated with the city of Eden Valley in Stearns and Meeker Counties who are not eligible for membership in the police and fire retirement plan or a firefighter relief association affiliated with the city and who elect to participate in the plan under section 353D.02, subdivision 4, paragraph (b);

~~(5)~~ (6) employees of the Port Authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the association under section 353.01, subdivision 7;

~~(6)~~ (7) city managers who elected to be excluded from the general employees retirement plan of the association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

~~(7)~~ (8) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the police and

fire retirement plan and who are not covered by a firefighters relief association and who elect to participate in the public employees defined contribution plan;

~~(8)~~ (9) any elected county sheriff who is a former member of the police and fire plan, is receiving a retirement annuity as provided under section 353.651, ~~who~~ and does not have previous employment with the county for which the sheriff was elected; and

~~(9)~~ (10) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

(b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the ~~public employees defined contribution~~ plan.

(c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

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

Page 16, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2024, section 353D.02, subdivision 4, is amended to read:

Subd. 4. **Eligible rescue squad personnel members.** (a) The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's membership election must be made within 30 days of the service's municipality's or county's election to participate or within 30 days of the date on which the individual first began employment with the rescue squad, whichever is later. Elections under this subdivision by a government unit or individual are irrevocable. The membership election must be received by the association within 60 days of the date on which the individual first began employment, whichever is later. The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the election under this subdivision.

(b) An eligible member under section 353D.01, subdivision 2, paragraph (a), clause (5), may elect to participate or decline to participate in the plan within 30 days of the date on which the member first begins service with the rescue squad.

(c) Elections under this subdivision by a government unit or individual are irrevocable.

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

3.2 Page 66, after line 14, insert:

3.3 "Section 1. Minnesota Statutes 2024, section 353G.08, subdivision 1a, is amended to read:

3.4 Subd. 1a. **Annual funding requirements; monthly division.** (a) Annually, the executive  
3.5 director shall determine the funding requirements of each ~~monthly-benefit~~ fire department  
3.6 account in the ~~statewide-volunteer-firefighter~~ monthly division of the defined benefit plan  
3.7 on or before August 1.

3.8 (b) The executive director must determine the funding requirements of a ~~monthly-benefit~~  
3.9 fire department account under this subdivision from:

3.10 (1) the most recent actuarial valuation normal cost, administrative expense, including  
3.11 the cost of a regular actuarial valuation, and amortization results for the account determined  
3.12 by the approved actuary retained by the retirement association under sections 356.215 and  
3.13 356.216; and

3.14 (2) the standards for actuarial work, utilizing a six percent investment return actuarial  
3.15 assumption~~and~~<sub>2</sub> other actuarial assumptions approved under section 356.215, subdivision  
3.16 18~~;~~, and the amortization periods specified in section 356.215, subdivision 11.

3.17 ~~(i) with that portion of any unfunded actuarial accrued liability attributable to a benefit~~  
3.18 ~~increase to be amortized over a period of 20 years from the date of the benefit change;~~

3.19 ~~(ii) with that portion of any unfunded actuarial accrued liability attributable to an~~  
3.20 ~~assumption change or an actuarial method change to be amortized over a period of 20 years~~  
3.21 ~~from the date of the assumption or method change;~~

3.22 ~~(iii) with that portion of any unfunded actuarial accrued liability attributable to an~~  
3.23 ~~investment loss to be amortized over a period of ten years from the date of investment loss;~~  
3.24 ~~and~~

3.25 ~~(iv) with the balance of any net unfunded actuarial accrued liability to be amortized over~~  
3.26 ~~a period of five years from the date of the actuarial valuation.~~

3.27 (c) The required contributions of the entity or entities associated with the fire department  
3.28 whose active firefighters are covered by the monthly division are the annual financial  
3.29 requirements of the ~~monthly-benefit~~ fire department account ~~of the plan~~ under paragraph  
3.30 (b) reduced by the amount of any fire state aid payable under chapter 477B, or any police  
3.31 and firefighter retirement supplemental state aid payable under section 423A.022, that is  
3.32 reasonably anticipated to be received by the plan attributable to the entity or entities during

the following calendar year. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(d) The required contribution calculated in paragraph (c) must be paid to the plan on or before December 31 of the year for which it was calculated. If the contribution is not received by the plan by December 31, it is payable with interest at an annual compound rate of six percent from the date due until the date payment is received by the plan. If the entity does not pay the full amount of the required contribution, the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the amendment to paragraph (b), clause (2), is effective beginning with actuarial valuations on or after July 1, 2025.

Page 70, line 4, delete "and relief association plans" and insert ", the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer firefighter relief associations"

Page 74, after line 21, insert:

## **"ARTICLE 11**

### **LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT**

Section 1. Minnesota Statutes 2024, section 3.85, subdivision 2, is amended to read:

Subd. 2. **Powers.** The commission shall make a continuing study and investigation of retirement benefit plans applicable to nonfederal government employees in this state. The powers and duties of the commission include, but are not limited to the following:

(a) studying retirement benefit plans applicable to nonfederal government employees in Minnesota, including federal plans available to the employees;

(b) making recommendations within the scope of its study, including attention to financing of the various pension funds and financing of accrued liabilities;

(c) considering all aspects of pension planning and operation and making recommendations designed to establish and maintain sound pension policy for all funds;

(d) analyzing ~~each item of~~ proposed pension and retirement legislation, including amendments ~~to each~~, with particular reference to analysis of ~~their~~ the legislation's cost,

5.1 actuarial soundness, and adherence to sound pension policy,~~and reporting its findings to~~  
 5.2 ~~the legislature;~~

5.3 (e) creating and maintaining a library for reference concerning pension and retirement  
 5.4 matters, including information about laws and systems in other states; and

5.5 (f) studying, analyzing, and preparing reports in regard to subjects certified to the  
 5.6 commission for study.

5.7 Sec. 2. Minnesota Statutes 2024, section 3.85, subdivision 3, is amended to read:

5.8 Subd. 3. **Membership.** The commission consists of seven members of the senate  
 5.9 appointed by the Subcommittee on Committees of the Committee on Rules and  
 5.10 Administration and seven members of the house of representatives appointed by the speaker.  
 5.11 No more than five members from each chamber may be from the majority caucus in that  
 5.12 chamber. Members shall be appointed at the commencement of each regular session of the  
 5.13 legislature for a two-year term beginning January 16 of the first year of the regular session.  
 5.14 ~~Members continue~~ A member continues to serve until ~~their successors are appointed the~~  
 5.15 earlier of the appointment of the member's successor or the end of the member's legislative  
 5.16 term or office. Vacancies that occur while the legislature is in session shall be filled like  
 5.17 regular appointments. If the legislature is not in session, senate vacancies shall be filled by  
 5.18 the last Subcommittee on Committees of the senate Committee on Rules and Administration  
 5.19 or other appointing authority designated by the senate rules, and house of representatives  
 5.20 vacancies shall be filled by the last speaker of the house, or if the speaker is not available,  
 5.21 by the last chair of the house of representatives Rules Committee.

5.22 Sec. 3. Minnesota Statutes 2024, section 3.85, subdivision 10, is amended to read:

5.23 Subd. 10. **Standards for pension valuations and cost estimates.** The commission shall  
 5.24 adopt standards prescribing ~~specific detailed~~ methods to calculate, evaluate, and display  
 5.25 current and ~~proposed law~~ projected liabilities, costs, and actuarial equivalents of ~~all~~ covered  
 5.26 public employee pension plans in Minnesota under section 356.20, subdivision 2, that are  
 5.27 defined benefit plans. These standards ~~shall~~ must be consistent with chapter 356 and be  
 5.28 updated ~~annually~~ periodically. At a minimum, the standards ~~shall~~ must contain requirements  
 5.29 that comply with ~~generally accepted accounting principles~~ actuarial standards of practice  
 5.30 applicable to government pension plans. ~~The standards may include additional financial,~~  
 5.31 ~~funding, or valuation requirements that are not required under generally accepted accounting~~  
 5.32 ~~principles applicable to government pension plans.~~

6.1 Sec. 4. EFFECTIVE DATE.

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

6.3 **ARTICLE 12**

6.4 **STATEWIDE VOLUNTEER FIREFIGHTER PLAN**

6.5 Section 1. Minnesota Statutes 2024, section 353G.08, subdivision 1a, is amended to read:

6.6 Subd. 1a. **Annual funding requirements; monthly division.** (a) Annually, the executive  
6.7 director shall determine the funding requirements of each ~~monthly benefit~~ fire department  
6.8 ~~account in the statewide volunteer firefighter~~ monthly division of the defined benefit plan  
6.9 on or before August 1.

6.10 (b) The executive director must determine the funding requirements of a ~~monthly benefit~~  
6.11 fire department account under this subdivision from:

6.12 (1) the most recent actuarial valuation normal cost, administrative expense, including  
6.13 the cost of a regular actuarial valuation, and amortization results for the account determined  
6.14 by the approved actuary retained by the retirement association under sections 356.215 and  
6.15 356.216; and

6.16 (2) the standards for actuarial work, utilizing a six percent investment return actuarial  
6.17 assumption ~~and~~, other actuarial assumptions approved under section 356.215, subdivision  
6.18 18~~;~~, and the amortization periods specified in section 356.215, subdivision 11.

6.19 ~~(i) with that portion of any unfunded actuarial accrued liability attributable to a benefit~~  
6.20 ~~increase to be amortized over a period of 20 years from the date of the benefit change;~~

6.21 ~~(ii) with that portion of any unfunded actuarial accrued liability attributable to an~~  
6.22 ~~assumption change or an actuarial method change to be amortized over a period of 20 years~~  
6.23 ~~from the date of the assumption or method change;~~

6.24 ~~(iii) with that portion of any unfunded actuarial accrued liability attributable to an~~  
6.25 ~~investment loss to be amortized over a period of ten years from the date of investment loss;~~  
6.26 ~~and~~

6.27 ~~(iv) with the balance of any net unfunded actuarial accrued liability to be amortized over~~  
6.28 ~~a period of five years from the date of the actuarial valuation.~~

6.29 (c) The required contributions of the entity or entities associated with the fire department  
6.30 whose active firefighters are covered by the monthly division are the annual financial  
6.31 requirements of the ~~monthly benefit~~ fire department account of the plan under paragraph

(b) reduced by the amount of any fire state aid payable under chapter 477B, or any police and firefighter retirement supplemental state aid payable under section 423A.022, that is reasonably anticipated to be received by the plan attributable to the entity or entities during the following calendar year. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(d) The required contribution calculated in paragraph (c) must be paid to the plan on or before December 31 of the year for which it was calculated. If the contribution is not received by the plan by December 31, it is payable with interest at an annual compound rate of six percent from the date due until the date payment is received by the plan. If the entity does not pay the full amount of the required contribution, the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

Sec. 2. Minnesota Statutes 2024, section 353G.11, is amended by adding a subdivision to read:

**Subd. 1b. Applicable benefit level.** (a) In determining a member's retirement benefit under section 353G.09, subdivision 1a, the benefit level applicable to the member is the benefit level in effect as of the date the member terminated firefighting services for the fire department of a participating employer.

(b) Except as provided under section 353G.09, subdivision 4:

(1) the benefit level for a member of the lump-sum division is the benefit level selected under section 353G.05, subdivision 1d, by the member's relief association or, if applicable, the municipality or firefighting corporation that employs the member or the benefit level as modified under subdivision 2, whichever is in effect as of the date the member terminated firefighting services; or

(2) the benefit level for a member of the monthly division is the benefit level under the retirement benefit plan document applicable to the member's former relief association or the benefit level under the retirement benefit plan document as modified under subdivision 2a, whichever is in effect as of the date the member terminated firefighting services.

8.1 Sec. 3. Minnesota Statutes 2024, section 353G.11, subdivision 2, is amended to read:

8.2 Subd. 2. **Benefit level changes in the lump-sum division of defined benefit plan.** (a)  
8.3 A fire department's fire chief or the governing body operating a fire department may request  
8.4 an increase in the benefit level as provided in this subdivision.

8.5 (b) The fire chief or governing body must request a cost estimate from the executive  
8.6 director of an increase in the ~~service pension~~ benefit level applicable to the active firefighters  
8.7 of the fire department.

8.8 (c) The executive director must prepare the cost estimate using a procedure certified as  
8.9 accurate by the approved actuary retained by the association.

8.10 (d) Within 120 days after receiving the cost estimate from the executive director, the  
8.11 governing body may approve the benefit level change, effective for January 1 of the following  
8.12 calendar year unless the governing body specifies in the approval document an effective  
8.13 date that is January 1 of the second year following the approval date. If the approval occurs  
8.14 after April 30, the required municipal contribution for the following calendar year must be  
8.15 recalculated and the results reported to the governing body. If not approved within 120 days  
8.16 of the receipt of the cost estimate, the benefit level change is considered to have been  
8.17 disapproved.

8.18 Sec. 4. Minnesota Statutes 2024, section 353G.11, subdivision 2a, is amended to read:

8.19 Subd. 2a. ~~Procedure for changing~~ **Benefit level changes in the monthly division.** (a)  
8.20 ~~The~~ A fire department's fire chief of a fire department or the governing body operating a  
8.21 fire department that has an active membership ~~that is covered by the monthly benefit~~  
8.22 ~~retirement division of the plan may initiate the process of modifying~~ request an increase in  
8.23 the benefit level provided in the retirement benefit plan document under this section  
8.24 subdivision.

8.25 (b) The modification procedure is initiated when the ~~applicable~~ fire chief or governing  
8.26 body files with the executive director ~~of the association~~ a written summary of the desired  
8.27 ~~benefit plan document~~ modification, the proposed ~~benefit plan document~~ modification  
8.28 language, a written request for the preparation of an actuarial cost estimate for the proposed  
8.29 ~~benefit plan document~~ modification, and payment of the estimated cost of the actuarial cost  
8.30 estimate.

8.31 (c) Upon receipt of the modification request and related documents, the executive director  
8.32 ~~shall~~ must review the language of the proposed ~~benefit plan document~~ modification and, if  
8.33 a clarification is needed in the submitted language, ~~shall~~ inform the fire chief or governing

body of the necessary clarification. ~~Once~~ After the ~~proposed benefit plan document~~  
~~modification language~~ fire chief or governing body has ~~been clarified by the fire chief and~~  
~~resubmitted~~ submitted the clarified language to the executive director, the executive director  
~~shall arrange for the approved actuary retained by the association to prepare a benefit plan~~  
~~document modification cost estimate under the applicable provisions of section 356.215~~  
~~and of the standards for actuarial work adopted by the Legislative Commission on Pensions~~  
~~and Retirement~~ must prepare the cost estimate using a procedure certified as accurate by  
the approved actuary retained by the association. Upon completion of the ~~benefit plan~~  
~~document modification~~ cost estimate, the executive director ~~shall~~ must forward the estimate  
to the fire chief ~~who requested it~~ and to the chief financial officer of the municipality or  
entity with which the fire department is primarily associated.

(d) The fire chief, upon receipt of the cost estimate, ~~shall circulate~~ must distribute the  
cost estimate ~~with~~ to the active firefighters in the fire department and ~~shall~~ take reasonable  
steps to provide the cost estimate ~~results~~ to any affected retired members of the fire  
department and their beneficiaries. The chief financial officer of the municipality or entity  
associated with the fire department ~~shall~~ must present the proposed modification language  
and the cost estimate to the governing body of the municipality or entity for its consideration  
at a public hearing held for that purpose.

(e) If the governing body of the municipality or entity approves the modification language,  
the chief administrative officer of the municipality or entity ~~shall~~ must notify the executive  
director ~~of the association~~ of that approval. The ~~benefit plan document~~ modification is  
effective on ~~the~~ January 1 following the date of filing the approval with the association.

Sec. 5. Minnesota Statutes 2024, section 353G.17, subdivision 4, is amended to read:

Subd. 4. **Transfer process.** (a) Upon completion of the actions required under  
subdivisions 1 to 3, the plan shall transfer to the relief association as of the effective date  
identified in the notice under subdivision 1, the records, assets, and liabilities related to the  
former and current firefighters with benefits under the plan, along with any assets in excess  
of liabilities ~~credited to the lump-sum account or the monthly benefit retirement account~~  
~~attributable to the firefighters and the municipality.~~

(b) The executive director:

(1) ~~shall~~ must transfer the assets in cash;

(2) ~~shall~~ must transfer any accounts receivable ~~associated with the lump-sum account~~  
~~or monthly benefit retirement account;~~

10.1 (3) ~~shall~~ must settle any accounts payable ~~from the account~~ before the transfer; and

10.2 (4) may deduct from the assets to be transferred reasonable costs incurred by the plan  
10.3 to conduct the voting process and complete the transfer.

10.4 Sec. 6. Minnesota Statutes 2024, section 353G.17, subdivision 5, is amended to read:

10.5 Subd. 5. **Relief association obligations and rights upon transfer from the plan.** (a)

10.6 Upon transfer of the assets of the ~~lump-sum account or monthly benefit retirement~~ fire  
10.7 department account, the pension liabilities attributable to the benefits for the former and  
10.8 current firefighters ~~shall~~ become the obligation of the special fund of the relief association.

10.9 (b) Upon the transfer of the assets of the ~~lump-sum account or monthly benefit retirement~~  
10.10 fire department account, the board of trustees of the relief association has legal title to and  
10.11 management responsibility for the transferred assets as trustees for persons having a beneficial  
10.12 interest in those assets arising out of the benefit coverage provided by the account.

10.13 (c) The relief association is the successor in interest with respect to all claims against  
10.14 the plan relating to the transferred ~~lump-sum account or monthly benefit retirement~~ fire  
10.15 department account, except for claims alleging any act or acts by the plan or its fiduciaries  
10.16 that were not done in good faith or that constituted a breach of fiduciary responsibility under  
10.17 chapter 356A.

10.18 (d) The value of each volunteer firefighter's benefit in the plan on the day before the  
10.19 asset transfer shall be no less than the value of the volunteer firefighter's benefit on the day  
10.20 after the asset transfer. The relief association shall give credit, with respect to each firefighter  
10.21 whose benefit is being transferred, for all past service, including service credit with the plan  
10.22 and with any predecessor relief association, to the extent credit is given for such service in  
10.23 the records of the plan for that firefighter.

10.24 (e) Upon completion of the transfer of records, assets, and liabilities, the executive  
10.25 director shall provide written notice to the state auditor, the commissioner of revenue, and  
10.26 the secretary of state that the transfer is complete.

10.27 Sec. 7. Minnesota Statutes 2024, section 353G.19, subdivision 1, is amended to read:

10.28 Subdivision 1. **Authority to initiate conversion.** (a) A participating employer associated  
10.29 with a fire department covered by the defined benefit plan, including an entity previously  
10.30 affiliated with a defined benefit relief association when the entity made a request for coverage  
10.31 by the defined contribution plan under section 353G.05, subdivision 1b, paragraph (c), may  
10.32 convert to coverage by the defined contribution plan in accordance with this section.

11.1 (b) Conversion from coverage by the defined benefit plan to coverage by the defined  
11.2 contribution plan consists of:

11.3 (1) a resolution by the governing body of the participating employer;

11.4 (2) notice to all former and active volunteer firefighters of the fire department;

11.5 (3) full vesting on the conversion effective date of all active and former volunteer  
11.6 firefighters with an accrued benefit in the defined benefit plan attributable to service with  
11.7 the fire department, to the extent funded as of the conversion effective date; and

11.8 (4) allocation of surplus over full funding, if any, to individual accounts in the fire  
11.9 department's new account in the defined contribution plan.

11.10 (c) For an entity previously affiliated with a defined benefit relief association when the  
11.11 entity made a request for coverage by the defined contribution plan under section 353G.05,  
11.12 subdivision 1b, paragraph (c), a conversion must occur under paragraph (b) immediately  
11.13 after coverage by the retirement plan of the entity's fire department and the entity's volunteer  
11.14 firefighters takes effect.

11.15 Sec. 8. Minnesota Statutes 2024, section 353G.19, subdivision 2, is amended to read:

11.16 Subd. 2. **Resolutions by the governing body.** To initiate a conversion, the governing  
11.17 body of the participating employer must file with the executive director at least 30 days  
11.18 before the end of a calendar year:

11.19 (1) a resolution that states that the fire department elects to participate in the defined  
11.20 contribution plan effective on the conversion effective date, which is the first day of the  
11.21 next calendar year; and

11.22 (2) if, as of the valuation immediately preceding the conversion effective date, the fire  
11.23 department account had a deficit from full funding as defined under section 353G.08,  
11.24 subdivision 1, paragraph (c), or the special fund of the defined benefit relief association had  
11.25 a deficit from full funding as defined in section 424A.092, subdivision 3, paragraph (b), a  
11.26 resolution approving a contribution to the retirement plan in the amount necessary to  
11.27 eliminate the deficit, which is to be paid within 30 days of the filing of the resolution or in  
11.28 installments over three years, with the first payment to be made within 30 days of the filing  
11.29 of the resolution.

12.1 Sec. 9. Minnesota Statutes 2024, section 353G.19, subdivision 3, is amended to read:

12.2 Subd. 3. **Notice to participants.** The participating employer must provide notice to all  
12.3 active and former volunteer firefighters in the fire department at least 30 days before the  
12.4 conversion effective date. The notice must include:

12.5 (1) an explanation that the plan is converting from a defined benefit plan to a defined  
12.6 contribution plan, including definitions of those terms, on the conversion effective date and  
12.7 that the active and former volunteer firefighters will become ~~fully~~ vested in their accrued  
12.8 benefit to the extent funded as of the conversion effective date;

12.9 (2) a summary of the terms of the defined contribution plan;

12.10 (3) a section tailored to each volunteer firefighter that provides an estimate of the present  
12.11 value of the participant's ~~fully~~ vested accrued benefit and the calculation that resulted in  
12.12 that value;

12.13 (4) an estimate of any anticipated surplus and an explanation of the allocation of the  
12.14 surplus; and

12.15 (5) contact information for the chief administrative officer or chief financial officer of  
12.16 the participating employer and the designated staff member of the retirement plan who will  
12.17 answer questions and directions to a website.

12.18 Sec. 10. Minnesota Statutes 2024, section 353G.19, subdivision 4, is amended to read:

12.19 Subd. 4. **Full vesting and determination of accrued benefit.** (a) On the conversion  
12.20 effective date, each active or former volunteer firefighter with a retirement benefit under  
12.21 the defined benefit plan, except any retiree in pay status who is receiving a monthly benefit,  
12.22 becomes 100 percent vested or, if the defined benefit plan does not have sufficient assets  
12.23 to fund 100 percent vesting, as close to 100 percent vested as the funding permits, as of the  
12.24 conversion effective date in the firefighter's retirement benefit, without regard to the number  
12.25 of years of vesting service credit.

12.26 (b) The executive director must determine the present value of each active or former  
12.27 firefighter's accrued benefit as of the conversion effective date, taking into account the full  
12.28 vesting requirement under paragraph (a).

12.29 Sec. 11. Minnesota Statutes 2024, section 353G.19, subdivision 5, is amended to read:

12.30 Subd. 5. **Surplus over full funding.** If the fire department account has a surplus over  
12.31 full funding, as defined under section 353G.08, subdivision 1, paragraph (c), the executive

13.1 director must allocate the surplus over full funding to the individual account of each active  
13.2 ~~and former~~ volunteer firefighter, ~~except any former volunteer firefighter receiving an annuity,~~  
13.3 in the same proportion that the volunteer firefighter's accrued benefit bears to the total  
13.4 accrued benefits of all active ~~and former~~ volunteer firefighters.

13.5 Sec. 12. **EFFECTIVE DATE.**

13.6 Sections 1 to 11 are effective the day following final enactment, except the amendment  
13.7 to section 1, paragraph (b), clause (2), is effective beginning with actuarial valuations on  
13.8 or after July 1, 2025.

13.9 **ARTICLE 13**  
13.10 **IRAP TO TRA TRANSFERS**

13.11 Section 1. Minnesota Statutes 2024, section 354B.215, subdivision 3, is amended to read:

13.12 Subd. 3. **Eligible person.** (a) An eligible person is a person who:

13.13 (1) is employed by Minnesota State;

13.14 (2) has an account in the individual retirement account plan; ~~and~~

13.15 (3) ~~satisfies~~ was previously eligible to elect coverage by the Teachers Retirement  
13.16 Association under one or more sections of chapter 354B or any prior version of chapter  
13.17 354B; and

13.18 (4) is not disqualified because Minnesota State produces one or more of the items listed  
13.19 in paragraph (b).

13.20 (b) A person ~~satisfies this paragraph~~ is not an eligible person if Minnesota State ~~is not~~  
13.21 ~~able to produce~~ produces at least one of the following items by the end of the ~~60-day~~ 75-day  
13.22 period under subdivision 4, paragraph (b):

13.23 (1) a record indicating that the person received notice regarding the person's eligibility  
13.24 to elect ~~prospective~~ coverage by the Teachers Retirement Association ~~within the election~~  
13.25 ~~period under section 354B.211, subdivision 4 or 6, or its predecessor~~ during the person's  
13.26 first year of eligibility to participate in the individual retirement account plan;

13.27 (2) a record indicating that the person received notice regarding the person's eligibility  
13.28 to elect coverage by the Teachers Retirement Association during the person's first year after  
13.29 attaining tenure or comparable permanent status;

13.30 ~~(2)~~ (3) a record that the person elected retirement coverage by the individual retirement  
13.31 account plan; or

14.1 ~~(3)~~ (4) other credible documentation demonstrating that the person was aware of the  
14.2 person's right to elect retirement coverage by the Teachers Retirement Association.

14.3 (c) The record described in paragraph (b), clause (1), is not effective to disqualify a  
14.4 person if the person was eligible to elect coverage by the Teachers Retirement Association  
14.5 during the person's first year after attaining tenure or comparable permanent status.

14.6 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2025.

14.7 Sec. 2. Minnesota Statutes 2024, section 354B.215, subdivision 4, is amended to read:

14.8 Subd. 4. **Eligible person application; information required from Minnesota State.** (a)  
14.9 To elect coverage by the Teachers Retirement Association, an eligible person must submit  
14.10 a written application to the chancellor on a form provided by Minnesota State. The application  
14.11 must include:

14.12 (1) an attestation that the person was not informed of the right to elect a transfer from  
14.13 the individual retirement account plan to the Teachers Retirement Association and the person  
14.14 was unaware of the right to elect such a transfer;

14.15 (2) the date on which the person first became a participant in the individual retirement  
14.16 account plan;

14.17 (3) a signed release authorizing Minnesota State to provide employment and other  
14.18 personnel information to the Teachers Retirement Association; and

14.19 (4) any other information that Minnesota State may require.

14.20 (b) No later than ~~60~~ 75 days after receipt of the application under paragraph (a), Minnesota  
14.21 State must verify the information provided by the person in the application, determine  
14.22 whether the person is an eligible person under subdivision 3, and provide a written response  
14.23 to the person regarding the determination of eligibility. If Minnesota State determines that  
14.24 the person is not an eligible person, Minnesota State must specify the reason or reasons for  
14.25 its determination and, if applicable, include a copy of any documentation identified in  
14.26 subdivision 3, paragraph (b), in its written response to the person.

14.27 (c) If Minnesota State determines that the person is an eligible person under subdivision  
14.28 3, Minnesota State must forward to the executive director:

14.29 (1) the application;

14.30 (2) confirmation or modification of the information provided by the eligible person in  
14.31 the application;

- 15.1 (3) salary history for the eligible person;
- 15.2 (4) an estimate of the amount available for transfer from the eligible person's account
- 15.3 in the individual retirement account plan to the Teachers Retirement Association; and
- 15.4 (5) any other relevant information.

15.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2025.

15.6 **ARTICLE 14**

15.7 **FIRE AND POLICE STATE AID**

15.8 Section 1. Minnesota Statutes 2024, section 423A.022, subdivision 2, is amended to read:

15.9 Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

15.10 (1) 58.064 percent must be paid to the executive director of the Public Employees

15.11 Retirement Association for deposit in the public employees police and fire retirement fund

15.12 established by section 353.65, subdivision 1;

15.13 (2) 35.484 percent must be allocated and paid as required by paragraphs (b) and (c),

15.14 respectively, to or on behalf of municipalities other than municipalities solely employing

15.15 firefighters with retirement coverage provided by the public employees police and fire

15.16 retirement plan which qualified to receive fire state aid in that calendar year, allocated in

15.17 proportion to the most recent amount of fire state aid paid under section 477B.04, for the

15.18 municipality bears to the most recent total fire state aid for all municipalities other than the

15.19 municipalities solely employing firefighters with retirement coverage provided by the

15.20 Public Employees police and fire Retirement plan paid under section 477B.04, with the

15.21 allocated amount for fire departments participating in the statewide lump-sum volunteer

15.22 firefighter plan paid to the executive director of the Public Employees Retirement Association

15.23 for deposit in the fund established by section 353G.02, subdivision 3, and credited to the

15.24 respective account and with the balance paid to the treasurer of each municipality for

15.25 transmittal within 30 days of receipt to the treasurer of the applicable firefighters relief

15.26 association for deposit in its special fund who qualify for supplemental state aid under

15.27 paragraph (d); and

15.28 (3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement

15.29 System for deposit in the state patrol retirement fund.

15.30 (b) Supplemental state aid under paragraph (a), clause (2), must be allocated to each

15.31 municipality that qualifies for supplemental state aid under paragraph (d) in the same

15.32 proportion that the most recent amount of fire state aid paid under section 477B.04 for the

16.1 municipality bears to the most recent total fire state aid paid under section 477B.04 for all  
16.2 municipalities other than municipalities solely employing firefighters with retirement  
16.3 coverage by one or more pension plans under chapter 353.

16.4 (c) Supplemental state aid under paragraph (a), clause (2), must be paid:

16.5 (1) to the executive director of the Public Employees Retirement Association for each  
16.6 municipality with a fire department that participates in the statewide volunteer firefighter  
16.7 plan for deposit in the fund established by section 352G.02, subdivision 3, and credited to  
16.8 the fire department's account; and

16.9 (2) with the balance to the treasurer of each municipality for transmittal within 30 days  
16.10 of receipt to the treasurer of the applicable firefighters relief association for deposit in its  
16.11 special fund.

16.12 (d) A municipality qualifies for supplemental state aid under paragraph (a), clause (2)  
16.13 if the municipality:

16.14 (1) does not solely employ firefighters with retirement coverage provided by one or  
16.15 more pension plans established under chapter 353; and

16.16 (2) qualified to receive fire state aid in that calendar year.

16.17 ~~(b)~~ (e) For purposes of this section, the term "municipalities" includes independent  
16.18 nonprofit firefighting corporations that participate in the statewide ~~lump-sum~~ volunteer  
16.19 firefighter plan under chapter 353G or with subsidiary ~~volunteer~~ firefighter relief associations  
16.20 operating under chapter 424A.

16.21 Sec. 2. Minnesota Statutes 2024, section 423A.022, subdivision 3, is amended to read:

16.22 Subd. 3. **Reporting.** On or before September 1, annually, the executive director of the  
16.23 Public Employees Retirement Association shall report to the commissioner of revenue the  
16.24 following:

16.25 (1) the municipalities ~~which~~ that employ firefighters with retirement coverage by the  
16.26 public employees police and fire retirement plan;

16.27 (2) the municipalities that employ firefighters with retirement coverage by the general  
16.28 employees retirement plan;

16.29 ~~(2)~~ (3) the fire departments covered by the statewide ~~lump-sum~~ volunteer firefighter  
16.30 plan; and

17.1 ~~(3)~~ (4) any other information requested by the commissioner to administer the police  
17.2 and firefighter retirement supplemental state aid program.

17.3 Sec. 3. Minnesota Statutes 2024, section 424A.014, subdivision 5, is amended to read:

17.4 Subd. 5. **Report by certain municipalities; exceptions.** (a) The chief administrative  
17.5 officer of each municipality that has a fire department but does not have a relief association  
17.6 governed by sections 424A.091 to 424A.095 or Laws 2014, chapter 275, article 2, section  
17.7 23, and that is not exempted under paragraph (b) or (c) must annually prepare a detailed  
17.8 financial report of the receipts and disbursements by the municipality for fire protection  
17.9 service during the preceding calendar year on a form prescribed by the state auditor. The  
17.10 financial report must contain any information that the state auditor deems necessary to  
17.11 disclose the sources of receipts and the purpose of disbursements for fire protection service.  
17.12 The financial report must be signed by the municipal clerk or clerk-treasurer with the state  
17.13 auditor on or before July 1 annually. The municipality does not qualify initially to receive,  
17.14 and is not entitled subsequently to retain, any fire state aid and police and firefighter  
17.15 retirement supplemental state aid payable under chapter 477B and section 423A.022 if the  
17.16 financial reporting requirement or the applicable requirements of any other statute or special  
17.17 law have not been complied with or are not fulfilled.

17.18 (b) Each municipality that has a fire department and provides retirement coverage to its  
17.19 firefighters through the statewide volunteer firefighter plan under chapter 353G qualifies  
17.20 to have fire state aid transmitted to and retained in the statewide volunteer firefighter  
17.21 retirement fund without filing a detailed financial report if the executive director of the  
17.22 Public Employees Retirement Association certifies compliance by the municipality with  
17.23 the requirements of sections 353G.04 and 353G.08, subdivision 1, paragraph (e), and certifies  
17.24 compliance by the applicable fire chief with the requirements of section 353G.07.

17.25 (c) Each municipality qualifies to receive fire state aid under chapter 477B without filing  
17.26 a financial report under paragraph (a) if the municipality:

17.27 (1) has a fire department;

17.28 (2) does not have a firefighters relief association directly associated with its fire  
17.29 department;

17.30 (3) does not participate in the statewide volunteer firefighter retirement plan under  
17.31 chapter 353G;

(4) provides retirement coverage to its firefighters through the general employees retirement plan under chapter 353 or the public employees police and fire retirement plan under sections 353.63 to 353.68; and

(5) is certified by the executive director of the Public Employees Retirement Association to the state auditor to have had an employer contribution under section 353.27, subdivisions 3 and 3a, or 353.65, subdivision 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire state aid for the immediately prior calendar year.

Sec. 4. Minnesota Statutes 2024, section 424A.08, is amended to read:

**424A.08 MUNICIPALITY WITHOUT RELIEF ASSOCIATION; AUTHORIZED DISBURSEMENTS.**

(a) ~~Any~~ A municipality ~~which that~~ is entitled to receive fire state aid ~~but which has no~~ must deposit the fire state aid in a special account established for that purpose in the municipal treasury and disburse the fire state aid in accordance with paragraph (b) or (c), as applicable, if the municipality's fire department is not directly associated with a firefighters relief association directly associated with its fire department and which is not a participating employer in the statewide volunteer firefighter plan under chapter 353G.

(b) ~~If the municipality has no full-time~~ firefighters with retirement coverage by the public employees police and fire retirement plan ~~shall deposit the fire state aid in a special account established for that purpose in the municipal treasury. Disbursement and no part-time~~ firefighters with retirement coverage by the general employees retirement plan under chapter 353, the municipality must not disburse fire state aid from the special account ~~may not be made~~ for any purpose except:

(1) payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the state Volunteer Firefighters Benefit Association in order to entitle its firefighters to membership in and the benefits of these state associations;

(2) payment of the cost of purchasing and maintaining needed equipment for the fire department; and

(3) payment of the cost of construction, acquisition, repair, or maintenance of buildings or other premises to house the equipment of the fire department.

~~(b) A (c) If the municipality which is entitled to receive fire state aid, which has no firefighters relief association directly associated with its fire department, which does not participate in the statewide volunteer firefighter plan under chapter 353G, and which has full-time~~ firefighters with retirement coverage by the public employees police and fire

19.1 retirement plan or part-time firefighters with retirement coverage by the general employees  
19.2 retirement plan or both full-time and part-time firefighters with the applicable retirement  
19.3 coverage, the municipality may disburse the fire state aid as:

19.4 (1) as provided in paragraph (a); (b);

19.5 (2) for the payment of the employer contribution requirement with respect to contributions  
19.6 under section 353.65, subdivision 3, for any firefighters covered by the public employees  
19.7 police and fire retirement plan under section 353.65, subdivision 3;

19.8 (3) for the payment of employer contributions for any firefighters covered by the general  
19.9 employees retirement plan under section 353.27, subdivisions 3 and 3a; or

19.10 (4) for a combination of the two types of disbursements payments authorized under  
19.11 clauses (1) to (3).

19.12 ~~(e)~~ (d) A municipality that has no firefighters relief association directly associated with  
19.13 it and that participates in the statewide volunteer firefighter plan under chapter 353G shall  
19.14 transmit any fire state aid that it receives to the statewide volunteer firefighter fund.

19.15 Sec. 5. Minnesota Statutes 2024, section 477B.02, subdivision 3, is amended to read:

19.16 Subd. 3. **Benefits requirements.** (a) The fire department must:

19.17 (1) be associated with a firefighters relief association that provides retirement benefits;

19.18 (2) participate in and have firefighters receiving credit for service toward a retirement  
19.19 benefit under the statewide volunteer firefighter plan;

19.20 (3) have retirement coverage under the public employees police and fire retirement plan  
19.21 or the Public Employees Retirement Association general employees retirement plan for the  
19.22 fire department's full-time firefighters, as defined in section 299N.03, subdivision 5, or the  
19.23 fire department's part-time firefighters, or the fire department's both full-time firefighters  
19.24 and part-time firefighters; or

19.25 (4) satisfy either clauses (1) and (3) or clauses (2) and (3).

19.26 (b) For purposes of retirement benefits, a fire department may be associated with only  
19.27 one firefighters relief association or one account in the statewide firefighters retirement plan  
19.28 at one time.

19.29 (c) Notwithstanding paragraph (a), a municipality without a relief association as described  
19.30 under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other  
19.31 requirements of this section are met.

20.1 Sec. 6. Minnesota Statutes 2024, section 477B.02, subdivision 8, is amended to read:

20.2 Subd. 8. **PERA certification to commissioner.** (a) On or before February 1 each year,  
20.3 the executive director of the Public Employees Retirement Association must certify to the  
20.4 commissioner the fire departments that transferred retirement coverage to, or terminated  
20.5 participation in, the ~~voluntary~~ statewide volunteer firefighter retirement plan since the  
20.6 previous certification under this paragraph. This certification must include the number of  
20.7 active ~~volunteer~~ firefighters under section 477B.03, subdivision 5, paragraph (e).

20.8 (b) On or before February 1 each year, the executive director of the Public Employees  
20.9 Retirement Association must certify to the commissioner:

20.10 (1) the fire departments that participate in the statewide volunteer firefighter plan and  
20.11 have no firefighters receiving credit for service toward a retirement benefit under the  
20.12 statewide volunteer firefighter plan; and

20.13 (2) the fire departments that employ part-time firefighters who are covered by the general  
20.14 employees retirement plan.

20.15 Sec. 7. Minnesota Statutes 2024, section 477B.03, subdivision 5, is amended to read:

20.16 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid  
20.17 allocation amount is the amount derived from any additional funding amount to support a  
20.18 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire  
20.19 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting  
20.20 corporations with ~~volunteer~~ firefighters' relief associations or covered by the statewide  
20.21 volunteer firefighter plan. The amount is based on the number of active ~~volunteer~~ firefighters  
20.22 who are (1) members of the relief association as reported to the Office of the State Auditor  
20.23 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)  
20.24 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

20.25 (b) For relief associations established in calendar year 1993 or a prior year, the number  
20.26 of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who were  
20.27 members of the relief association as reported in the annual financial reporting for calendar  
20.28 year 1993, but not to exceed 30 active ~~volunteer~~ firefighters.

20.29 (c) For relief associations established in calendar year 1994 through calendar year 1999,  
20.30 the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters  
20.31 who were members of the relief association as reported in the annual financial reporting for  
20.32 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active ~~volunteer~~  
20.33 firefighters.

(d) For relief associations established after calendar year 1999, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who are members of the relief association as reported in the first annual financial reporting submitted to the Office of the State Auditor, but not to exceed 20 active ~~volunteer~~ firefighters.

(e) For a municipality or independent nonprofit firefighting corporation that is providing retirement coverage for ~~volunteer~~ firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters of the municipality or independent nonprofit firefighting corporation covered by the statewide plan as certified by the executive director of the Public Employees Retirement Association to the commissioner and the state auditor within 30 days of the date the municipality or independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed 30 active firefighters.

Sec. 8. Minnesota Statutes 2024, section 477B.03, subdivision 7, is amended to read:

Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a ~~fire~~ firefighter relief association, or the statewide volunteer firefighter plan may object to the amount of fire state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds within the state. The objection of a municipality, an independent nonprofit firefighting corporation, a ~~fire~~ firefighter relief association, or the ~~voluntary~~ statewide volunteer firefighter retirement plan must be filed with the commissioner within 60 days of the date the amount of apportioned fire state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality or independent nonprofit firefighting corporation is located or by the Ramsey County District Court with respect to the statewide volunteer firefighter plan.

Sec. 9. Minnesota Statutes 2024, section 477B.04, subdivision 3, is amended to read:

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

22.1 plan under section 477B.041, the executive director must allocate fire state aid in the manner  
22.2 described under section 477B.041.

22.3 (b) If (1) the municipality or the independent nonprofit firefighting corporation ~~is~~ does  
22.4 not have firefighters covered by the statewide volunteer firefighter plan and is affiliated  
22.5 with a duly incorporated firefighters relief association, (2) the relief association has filed a  
22.6 financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2,  
22.7 whichever applies, and (3) there is not an aid allocation agreement under section 477B.042  
22.8 in effect, then the treasurer of the municipality must, within 30 days after receipt, transmit  
22.9 the fire state aid to the treasurer of the relief association. If clauses (1) and (2) are satisfied  
22.10 and there is an aid allocation agreement under section 477B.042 in effect, then fire state aid  
22.11 must be transmitted as described in that section. If the relief association has not filed a  
22.12 financial report with the municipality, then, regardless of whether an aid allocation agreement  
22.13 is in effect, the treasurer of the municipality must delay transmission of the fire state aid to  
22.14 the relief association until the complete financial report is filed.

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

22.23 Sec. 10. Minnesota Statutes 2024, section 477B.04, subdivision 4, is amended to read:

22.24 Subd. 4. **Aid amount corrections.** (a) ~~An~~ The commissioner must make any adjustment  
22.25 needed to correct a fire state aid overpayment or underpayment due to a clerical error ~~must~~  
22.26 ~~be made~~ to subsequent fire state aid payments as provided in paragraphs (b) and (c). The  
22.27 commissioner's authority to correct an aid payment under this subdivision is limited to three  
22.28 years after the payment was issued.

22.29 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,  
22.30 the commissioner must reduce the aid a municipality or independent nonprofit firefighting  
22.31 corporation is to receive by the amount overpaid over a period of no more than three years.  
22.32 If an overpayment equals or is less than ten percent of the most recently paid aid amount,  
22.33 the commissioner must reduce the next aid payment occurring in 30 days or more by the  
22.34 amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective beginning with aids payable in 2026.

**ARTICLE 15**

**STATE BOARD OF INVESTMENT**

Section 1. Minnesota Statutes 2024, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Management and Budget;

(3) employ professional and clerical staff as necessary;

(4) report to the state board on all operations under the director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy, which is subject to state board approval, relating to the purchase and sale of securities on the basis of competitive offerings or bids;

(7) cause securities acquired to be kept in the custody of the commissioner of management and budget or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library, ~~by December 31 of each year,~~ a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year;

24.1 (9) include on the state board's website its annual report and an executive summary of  
24.2 its quarterly reports;

24.3 (10) require state officials from any department or agency to produce and provide access  
24.4 to any financial documents the state board deems necessary in the conduct of its investment  
24.5 activities;

24.6 (11) receive and expend legislative appropriations; and

24.7 (12) undertake any other activities necessary to implement the duties and powers set  
24.8 forth in this subdivision consistent with chapter 356A.

24.9 Sec. 2. Minnesota Statutes 2024, section 11A.07, subdivision 4b, is amended to read:

24.10 Subd. 4b. **Annual report.** The report required under subdivision 4, clause (8), must  
24.11 include an executive summary, must be prepared and filed after the completion of the  
24.12 applicable fiscal year audit but no later than March 31 of each year, and must be prepared  
24.13 so as to provide the legislature and the people of the state with:

24.14 (1) a clear, comprehensive summary of the portfolio composition, the transactions, the  
24.15 total annual rate of return, and the yield to the state treasury and to each of the funds with  
24.16 assets invested by the state board; and

24.17 (2) the recipients of business placed or commissions allocated among the various  
24.18 commercial banks, investment bankers, money managers, and brokerage organizations and  
24.19 the amount of these commissions or other fees.

24.20 Sec. 3. **REPEALER.**

24.21 Minnesota Statutes 2024, section 11A.27, is repealed.

24.22 Sec. 4. **EFFECTIVE DATE.**

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

## 24.24 ARTICLE 16

### 24.25 MISCELLANEOUS TECHNICAL CORRECTIONS

24.26 Section 1. Minnesota Statutes 2024, section 124E.12, subdivision 4, is amended to read:

24.27 Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school  
24.28 must be public school teachers for the purposes of chapters 354 and 354A ~~governing the~~  
24.29 ~~Teacher Retirement Act.~~

25.1 (b) Except for teachers under paragraph (a), employees in a charter school must be public  
25.2 employees for the purposes of chapter 353 ~~governing the Public Employees Retirement~~  
25.3 ~~Act.~~

25.4 Sec. 2. Minnesota Statutes 2024, section 124E.12, subdivision 6, is amended to read:

25.5 Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district makes  
25.6 a written request for an extended leave of absence to teach at a charter school, the district  
25.7 must grant the leave. The district must grant a leave not to exceed a total of five years. Any  
25.8 request to extend the leave shall be granted only at the discretion of the school board. The  
25.9 district may require a teacher to make the request for a leave or extension of leave before  
25.10 February 1 in the school year preceding the school year in which the teacher intends to  
25.11 leave, or February 1 of the calendar year in which the teacher's leave is scheduled to  
25.12 terminate. Except as otherwise provided in this subdivision and section 122A.46, subdivision  
25.13 7, governing employment in another district, the leave is governed by section 122A.46,  
25.14 including, but not limited to, reinstatement, notice of intention to return, seniority, salary,  
25.15 and insurance.

25.16 During a leave, the teacher may continue to ~~aggregate benefits and credits~~ earn service  
25.17 and salary credit toward a pension in the Teachers' Retirement Association account or the  
25.18 St. Paul Teachers Retirement Fund Association under chapters 354 and 354A, respectively,  
25.19 consistent with subdivision 4.

25.20 Sec. 3. Minnesota Statutes 2024, section 181.101, is amended to read:

25.21 **181.101 WAGES; HOW OFTEN PAID.**

25.22 (a) Except as provided in paragraph (b), every employer must pay all wages, including  
25.23 salary, earnings, and gratuities earned by an employee at least once every 31 days and all  
25.24 commissions earned by an employee at least once every three months, on a regular payday  
25.25 designated in advance by the employer regardless of whether the employee requests payment  
25.26 at longer intervals. Unless paid earlier, the wages earned during the first half of the first  
25.27 31-day pay period become due on the first regular payday following the first day of work.  
25.28 If wages or commissions earned are not paid, the commissioner of labor and industry or the  
25.29 commissioner's representative may serve a demand for payment on behalf of an employee.  
25.30 In addition to other remedies under section 177.27, if payment of wages is not made within  
25.31 ten days of service of the demand, the commissioner may charge and collect the wages  
25.32 earned at the employee's rate or rates of pay or at the rate or rates required by law, including  
25.33 any applicable statute, regulation, rule, ordinance, government resolution or policy, contract,

or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the employee's average daily earnings at the same rate or rates for each day beyond the ten-day limit following the demand. If payment of commissions is not made within ten days of service of the demand, the commissioner may charge and collect the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid for each day beyond the ten-day limit. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district, other public school entity, or other school, as defined under section 120A.22, from paying any wages earned by its employees during a school year on regular paydays in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works. This section provides a substantive right for employees to the payment of wages, including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.

(b) An employer of a volunteer or paid on-call firefighter, as defined in section 424A.001, subdivision 10, a member of an organized first responder squad that is formally recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant at least once every 31 days, unless the employer and the employee mutually agree upon payment at longer intervals.

Sec. 4. Minnesota Statutes 2024, section 356.633, subdivision 1, is amended to read:

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

(b) "Covered retirement plan" means a pension or retirement plan listed in section 356.611, subdivision 6, and the Minnesota deferred compensation plan established under section 352.965.

~~(b)~~ (c) "Distributee" means:

(1) a member of or participant in a covered retirement plan ~~listed in section 356.611, subdivision 6;~~

(2) the surviving spouse of a member of or participant in a covered retirement plan;

(3) the former spouse of ~~the~~ a member of or participant in a covered retirement plan who is the alternate payee under a qualified domestic relations order as defined in section 414(p) of the Internal Revenue Code, or who is a recipient of a court-ordered equitable distribution of marital property, as provided in section 518.58; or

(4) a nonspousal beneficiary of a member of or participant in a covered retirement plan who qualifies for a distribution under the plan and is a designated beneficiary as defined in section 401(a)(9)(E) of the Internal Revenue Code.

~~(e)~~ (d) "Eligible retirement plan" means:

(1) an individual retirement account under section 408(a) or 408A of the Internal Revenue Code;

(2) an individual retirement annuity plan under section 408(b) of the Internal Revenue Code;

(3) an annuity plan under section 403(a) of the Internal Revenue Code;

(4) a qualified trust plan under section 401(a) of the Internal Revenue Code that accepts ~~the distributee's eligible rollover distribution~~ distributions;

(5) an annuity contract under section 403(b) of the Internal Revenue Code;

(6) an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code, ~~which~~ including the Minnesota deferred compensation plan, that is maintained by a state or local government, accepts eligible rollover distributions, and which agrees to separately account for the amounts transferred into the plan;

~~(7) in the case of an eligible rollover distribution to a~~ if the distributee is a surviving spouse or nonspousal beneficiary, an individual account or annuity treated as an inherited individual retirement account under section 402(c)(11) of the Internal Revenue Code; or

(8) a savings incentive match plan for employees of small employers (SIMPLE) individual retirement account under section 408(p) of the Internal Revenue Code, provided that the rollover distribution is made after the two-year period beginning on the date the distributee first participated in any qualified salary reduction arrangement maintained by the distributee's employer under section 408(p)(2) of the Internal Revenue Code, as described in section 72(t)(6) of the Internal Revenue Code.

~~(d)~~ (e) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee. An eligible rollover distribution does not include:

(1) a distribution that is one of a series of substantially equal periodic payments, receivable annually or more frequently, that is made for the life or life expectancy of the distributee, the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more;

(2) a distribution that is required under section 401(a)(9) of the Internal Revenue Code; or

(3) a distribution that is less than \$200; or

~~(3)~~ (4) any other exception required by law or the Internal Revenue Code.

Sec. 5. Minnesota Statutes 2024, section 356.633, subdivision 2, is amended to read:

Subd. 2. **Right to elect direct rollover.** Except as provided in subdivision 3 for after-tax contributions, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have all or any portion of an eligible rollover distribution from a covered retirement plan paid directly to an eligible retirement plan as specified by the distributee.

Sec. 6. Minnesota Statutes 2024, section 356.633, is amended by adding a subdivision to read:

Subd. 4. **Notice.** A covered retirement plan must provide the distributee of an eligible rollover distribution from the covered retirement plan with the notice required by section 402(f) of the Internal Revenue Code within the time period prior to making the eligible rollover distribution, as required by regulations issued pursuant to section 402(f) of the Internal Revenue Code.

Sec. 7. **[356.638] MILITARY SERVICE.**

A covered retirement plan as defined in section 356.633, subdivision 1, paragraph (b), must require contributions and provide benefits, including death and disability benefits under section 401(a)(37) of the Internal Revenue Code, and service credit with respect to qualified military service according to section 414(u) of the Internal Revenue Code. If a member dies while the member is performing qualified military service as defined in United States Code, title 38, chapter 43, to the extent required by section 401(a)(37) of the Internal Revenue Code, survivors of the member are entitled to any additional benefits that the covered retirement plan would have provided if the member had resumed employment and then died, including but not limited to accelerated vesting or survivor benefits that are contingent on the member's death while employed. A deceased member's period of qualified military service must be counted for vesting purposes.

29.1 Sec. 8. Minnesota Statutes 2024, section 424B.22, subdivision 1, is amended to read:

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

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

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

29.8 (b) This section does not apply to the dissolution of a relief association or the termination  
29.9 of a retirement plan that occurs due to the change in retirement coverage from a retirement  
29.10 plan administered by a relief association to the Public Employees Retirement Association  
29.11 statewide volunteer firefighter plan under section 353G.06.

29.12 ~~(b) To terminate a retirement plan, the board of trustees must comply with subdivisions~~  
29.13 ~~3, 5 to 11, and, if desired, subdivision 4.~~

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

29.15 ~~(1) terminate the retirement plan in accordance with paragraph (b);~~

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

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

29.19 ~~(4) comply with the requirements governing dissolution of nonprofit corporations under~~  
29.20 ~~chapter 317A.~~

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

29.24 Sec. 9. Minnesota Statutes 2024, section 424B.22, is amended by adding a subdivision to  
29.25 read:

29.26 Subd. 1a. **Voluntary dissolution and termination.** (a) To terminate a retirement plan,  
29.27 the board of trustees must comply with subdivisions 3, 5 to 11, and, if desired, subdivision  
29.28 4.

29.29 (b) To dissolve a relief association, the board of trustees of the relief association must:

29.30 (1) terminate the retirement plan in accordance with paragraph (a);

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

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

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

30.6 (c) A relief association that terminates its retirement plan must liquidate its special fund  
30.7 as provided in subdivision 8, but need not liquidate its general fund if the relief association  
30.8 is not being dissolved.

30.9 Sec. 10. Minnesota Statutes 2024, section 424B.22, subdivision 2, is amended to read:

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

30.13 (1) the fire department affiliated with a relief association is dissolved by action of the  
30.14 governing body of the municipality in which the fire department is located or by the  
30.15 governing body of the independent nonprofit firefighting corporation, whichever applies;  
30.16 ~~or~~

30.17 (2) the fire department affiliated with a relief association has terminated the employment  
30.18 or services of all active members of the relief association; or

30.19 (3) the governing body with which the fire department is affiliated has resolved to transfer  
30.20 the fire department's active firefighters who are members of the relief association to one or  
30.21 more pension plans established under chapter 353 and has filed the resolution, if applicable,  
30.22 with the Public Employees Retirement Association, and the relief association's retirement  
30.23 plan will have no remaining active firefighters earning service toward a retirement benefit  
30.24 when the transfer is completed.

30.25 (b) An involuntary termination of a relief association under this subdivision is effective  
30.26 on the December 31 that is at least eight months after the date on which the fire department  
30.27 is dissolved or the termination of employment or services of all active members of the relief  
30.28 association occurs.

30.29 (c) The board of trustees must comply with subdivisions 3 and 5 to 12. The board of  
30.30 trustees may comply with subdivision 4. The state auditor has the discretion to waive these  
30.31 requirements if the board of trustees requests a waiver in advance and provides adequate  
30.32 demonstration that meeting these requirements is not practicable.

31.1        ~~(e)~~ (d) The retirement plan administered by a relief association is terminated automatically  
31.2 if the relief association is dissolved, effective on the date of the dissolution of the relief  
31.3 association.

31.4        Sec. 11. Minnesota Statutes 2024, section 424B.22, subdivision 3, is amended to read:

31.5        Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless  
31.6 subdivision 2 applies, the effective date of the termination of a retirement plan is the date  
31.7 approved by the board of trustees of the relief association. If the board of trustees does not  
31.8 approve a termination date, the effective date of the termination of a retirement plan is the  
31.9 effective date of the dissolution of the relief association or, if the relief association is not  
31.10 being dissolved, the end of the calendar year in which the termination of employment or  
31.11 services of all active members of the relief association occurs.

31.12        (b) ~~As of the earlier of the retirement plan termination date or the date on which the~~  
31.13 ~~termination of employment or services of all active members of the relief association occurs~~  
31.14 required by section 356.001, subdivision 3, each participant becomes fully (100 percent)  
31.15 member must become 100 percent vested in the participant's member's retirement benefit  
31.16 under accrued and funded to the earlier of the retirement plan termination date or the date  
31.17 on which the termination of employment or services of all active members of the relief  
31.18 association occurs, notwithstanding any bylaws or laws to the contrary, ~~except for.~~ For  
31.19 purposes of this paragraph:

31.20        (1) "member" does not mean any retiree in pay status who is receiving a monthly service  
31.21 pension from a relief association described in section 424A.093; and

31.22        (2) crediting of interest on deferred service pensions under the terms of the bylaws of a  
31.23 defined benefit relief association and section 424A.02, subdivision 7, ends on the retirement  
31.24 plan termination date.

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

32.1      Sec. 12. **REPEALER.**

32.2      Minnesota Statutes 2024, section 356.635, subdivision 9, is repealed.

32.3      Sec. 13. **EFFECTIVE DATE.**

32.4      Sections 1 to 12 are effective the day following final enactment."

32.5      Page 75, line 5, after "associations;" insert " making technical changes, clarifications,  
32.6      and corrections to the statutes governing the Legislative Commission on Pensions and  
32.7      Retirement, the statewide volunteer firefighter plan, IRAP to TRA transfers, fire state aid  
32.8      and police and firefighter retirement supplemental state aid, and the public employees  
32.9      defined contribution plan; modifying practices for expenses and reporting and repealing  
32.10      certain reporting requirements for the State Board of Investment; eliminating obsolete  
32.11      provisions;"

32.12      Renumber the articles and sections in sequence