



2025 Omnibus Pension and Retirement Bill: Delete-Everything Amendment S2884-DE1 to SF 2884 (Frentz); HF 1889 (O'Driscoll/Lillie)

Section- by- Section Summary

May 12, 2025

Article 1: Minnesota State Retirement System (MSRS)

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	1.5	HF2237-O'Driscoll/ Lillie	352.115, Subd. 3	MSRS General Plan	Increases the multiplier used to calculate the annuity amount from 1.7% to 1.9% percent for years of service earned after June 30, 2025; effective July 1, 2025.
2	2.6	SF2884-Frentz; HF1889-O'Driscoll/ Lillie	352.22, Subd. 2b	MSRS General and Correctional Plans	Incorporates a reference to the Correctional Plan into the statute authorizing repayment of a refund; effective the day following final enactment.
3	2.15	SF2884/HF1889	352.22, Subd. 3	MSRS General and Correctional Plans	Updates vesting language and incorporates a reference to the Correctional Plan into the statute authorizing deferred annuities; effective July 1, 2023.
4	3.12	HF2237	356.415, Subd. 1	MSRS General Plan Legislators Plan Unclassified Plan	Increases the post-retirement adjustment (COLA) from 1.5% to 1.75%, beginning January 1, 2026; effective for COLAs beginning on or after January 1, 2026.

Article 2: Public Employees Retirement Association (PERA)

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	4.15	SF2980-Seeberger; HF2386-O'Driscoll/ Lillie	353.01, Subd. 2a	PERA General Plan Police & Fire Plan Correctional Plan	Clarifies that an employee is a public employee and must participate in a PERA plan if the employee's salary is expected to exceed \$425 per month; effective July 1, 2025.
2	6.7	SF2980/HF2386	353.01, Subd. 2b	PERA General Plan Police & Fire Plan Correctional Plan	Clarifies that an employee is not eligible to participate in a PERA plan if the employee's salary is never expected to exceed \$425 per month; effective July 1, 2025.

Article 2: Public Employees Retirement Association (PERA)

Sec.	Pg.Ln	Source	Statute	Plan	Summary
3	10.15	SF2980/HF2386	353.01, Subd. 2d	PERA General Plan	Adds timing requirements to the right of elected or appointed officeholders to elect coverage by the General Plan: 30 days to sign the election; 60 days to file it with the association; effective July 1, 2025.
4	11.31	SF2980/HF2386	353.028, Subd. 2	PERA General Plan	Adds the requirement that a city manager who elects to be excluded from the General Plan must file the election with PERA within 60 days of commencing employment; effective July 1, 2025.
5	12.18	SF2980/HF2386	353.028, Subd. 3	PERA General Plan	Clarifies that the agreement between a city and city manager to contribute employer contributions to the PERA Defined Contribution Plan must be entered into within 30 days of commencing employment (same as the exclusion election); effective July 1, 2025.
6	13.2	SF3192-Frentz; HF2821-O'Driscoll/ Lillie	353.27, Subd. 3a	PERA General Plan	Repeals the additional 1% employer contribution when the General Plan is 98% funded instead of 100% funded; effective the day following final enactment.
7	13.26	SF2980/HF2386 Am. H2386-1A	353.34, Subd. 5	PERA General Plan Police & Fire Plan Correctional Plan	Clarifies that a member's right to take a refund of accumulated employee deductions does not expire; effective the day following final enactment.
8	14.1	SF2980/HF2386	353E.06, Subd. 1	PERA Correctional Plan	Updates the multiplier for calculating the duty disability benefit from 1.9% to 2.2% to incorporate the multiplier change made in 2024, applicable to years of covered service after June 30, 2025; effective the day following final enactment.
9	14.11	SF3192/HF2821	356.415, Subd. 1b	PERA General Plan	For COLAs beginning on or after January 1, 2026, the maximum COLA is increased to 1.75% but decreases to 1.5% when the Plan's funded status is 85% for two years or 80% for one year; effective for COLAs beginning on or after January 1, 2026.

Article 3: Public Employees Defined Contribution Plan (PERA DC Plan)

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	15.21	SF2980-Seeberger; HF2386-O'Driscoll/ Lillie	353D.02, Subd. 1	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for eligible elected or appointed local government officials.
2	16.1	SF2980/HF2386	353D.02, Subd. 2	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for eligible physicians, including adding a 60-day requirement for filing the election with PERA.
3	16.11	SF2980/HF2386 Am. H2386-1A	353D.02, Subd. 3	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for eligible ambulance service personnel, including adding a 60-day requirement for filing an election.
4	16.22	SF2980/HF2386	353D.02, Subd. 4	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for eligible rescue squad personnel, including adding a 60-day requirement for filing an election with PERA.
5	17.4	SF2980/HF2386	353D.02, Subd. 5	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for St. Paul Port Authority employees.
6	17.17	SF2980/HF2386	353D.02, Subd. 6	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for city managers who elected to be excluded from the General Plan and signed an agreement with the city to make contributions to the DC Plan.
7	17.3	SF2980/HF2386	353D.02, Subd. 7	PERA DC Plan	Clarifies the election period and timing to file an election to participate in the DC Plan for volunteer firefighters with no other retirement coverage, including adding a 60-day requirement for filing an election with PERA.
	Each section	SF2980/HF2386	Effective date	PERA DC Plan	Effective date for sections 1-7 is July 1, 2025.

Article 4: PERA Privatization

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
1	18.14	SF3355-Pappas	353F.01	PERA Privatizations	Expands the scope of Chapter 353F from applying only to medical facilities to applying to all governmental entities that privatize.
2	18.23	SF3355	353F.02, New Subd. 2a	PERA Privatizations	Adds a new definition for "Association."
3	18.27	SF3355	353F.02, Subd. 3	PERA Privatizations	Clarifies the definition of "effective date of privatization" and replaces references to "medical facility" with "governmental subdivision."

Article 4: PERA Privatization

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
4	19.1	SF3355	353F.02, New Subd. 3b	PERA Privatizations	Adds a new definition for “funding ratio.”
5	19.6	SF3355	353F.02, New Subd. 3c	PERA Privatizations	Adds a new definition for “general employees retirement fund.”
6	19.11	SF3355	353F.02, New Subd. 3d	PERA Privatizations	Adds a new definition for “general employees retirement plan.”
7	19.16	SF3355	353F.02, New Subd. 3e	PERA Privatizations	Adds a new definition for “governmental subdivision.”
8	19.20	SF3355	353F.02, Subd. 4b	PERA Privatizations	Revises the definition of “privatization” to replace references to “medical facility” with “governmental subdivision.”
9	20.25	SF3355	353F.02, New Subd. 4c	PERA Privatizations	Adds a new definition for “privatize” or “privatizing.”
10	20.3	SF3355	353F.02, New Subd. 5a	PERA Privatizations	Shortens the defined term, “privatized former public employer,” to “privatized employer” and replaces references to “medical facility” with “governmental subdivision.”
11	20.9	SF3355	353F.02, Subd. 6	PERA Privatizations	Shortens the defined term, “privatized former public employee,” to “privatized employee” and simplifies the definition of the term.
12	20.27	SF3355	353F.02, New Subd. 6a	PERA Privatizations	Adds a new definition for “privatizing active employee.”
13	21.1	SF3355	353F.025	PERA Privatizations	<ul style="list-style-type: none"> Replaces the current title of the section with “Withdrawal liability;” changes a voluntary process for informing PERA that an entity will be privatizing to a required process, including a requirement that the entity must pay the cost of calculating withdrawal liability; defines how withdrawal liability will be calculated; requires the entity to pay PERA the withdrawal liability within six months of the privatization or in installments for no longer than 10 years; requires PERA to report on the withdrawal liability to the PERA board, the Commission, and legislative leadership; and requires PERA to include in its public annual financial report a list of privatized employers and the amount of withdrawal liability.

Article 4: PERA Privatization

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
14	23.25	SF3355	353F.03	PERA	Replaces current defined terms with the new defined terms.
15	24.1		353F.04	Privatizations	
16	25.11		353F.05		
17	25.30		353F.051, Subd. 1		
18	26.3	SF3355	353F.051, Subd. 2	PERA Privatizations	Removes obsolete language.
19	26.8	SF3355	353F.052	PERA	Replaces current defined terms with new defined terms.
20	26.16		353F.057	Privatizations	
21	26.22		353F.06		
22	27.1		353F.07		
23	27.10		353F.08		
24	27.17		353F.09		
25	27.27	SF3355	Repealer: 353F.02, Subd. 4a	PERA Privatizations	Repeals the definition of “medical facility.”
26	27.29	SF3355	Effective Date	PERA Privatizations	Sections 1 to 25 are effective July 1, 2027.

Article 5: MSRS Correctional Plan Eligibility Work Group

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
1	28.3	SF 3464-Rasmusson; HF 3269-Nadeau	352.01, New Subd. 28	MSRS General and Correctional Plans	Adds a new definition for “Executive director” to the definitions that apply to both MSRS General and Correctional Plans.
2	28.7	SF3464/HF3269	352.029, Subd. 3	MSRS General and Correctional	Replaces references to repealed section 352.91 with references to new section 352.905.
3	28.16	SF3464/HF3269	352.03, Subd. 5	MSRS	Deletes or revises references to “director” to use the new defined term “executive director.”
4	29.1	SF3464/HF3269	352.90	MSRS Correctional	Updates terminology and facility or program names in the statute that provides the policy reason for establishing the MSRS Correctional Plan.
5	29.11	SF3464/HF3269	New Sec. 352.901	MSRS Correctional	Adds a new definitions section for terms used in the statutes governing the MSRS Correctional Plan, including “direct contact requirement,” “eligible facility,” “eligible program,” and “working time.”

Article 5: MSRS Correctional Plan Eligibility Work Group

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
6	31.11	SF3464/HF3269	New Sec. 352.905	MSRS Correctional	Updates the lists of employment positions that are covered correctional service, all but 8 of which also require satisfying the 75% direct contact requirement; employment positions listed match the employment position of every member of the MSRS Correctional Plan.
7	37.18	SF3464/HF3269	New Sec. 352.907	MSRS Correctional	<p>New section titled “Plan coverage changes”:</p> <ul style="list-style-type: none"> Establishes the “Correctional Plan membership committee,” which will decide whether to add covered employment positions and whether an employee satisfies the direct contact requirement; adds new procedures for determining continued or new coverage by the Plan when the title of an employment position changes, an employee transfers to a new eligible facility or program, or an employment position is to be added or removed, and deciding requests for coverage of an employee or the cessation of coverage; and adds the right to an appeal a committee determination.
8	42.11	SF3464/HF3269	New Sec. 352.908	MSRS Correctional	Moves subdivision 6 of repealed section 352.91 to its own new section; addresses the correction of plan coverage errors.
9	42.18	SF3464/HF3269	352.93, Subd. 1	MSRS Correctional	Replaces a reference to repealed section 352.91 with a reference to new section 352.905.
10	42.25	SF3464/HF3269	352.955, Subd. 1	MSRS Correctional	Bases eligibility to transfer past service with the MSRS General Plan to the Correctional Plan on a determination of coverage by the new membership committee, rather than on legislation; replaces a reference to repealed section 352.91 with a reference to new section 352.905.
11	43.15	SF3464/HF3269	Repealer: 352.91	MSRS Correctional	Repeals section 352.91, which has been entirely replaced by new sections 352.901, 352.905, 352.907, and 352.908.
12	43.18	SF3464/HF3269	Effective Date	MSRS Correctional	Sections 1 to 11 are effective January 1, 2026.

Article 6: Higher Education Supplemental Retirement Plan

Sec.	Pg. Ln	Source	Statute	Plan	Summary
1	43.22	SF2379-Rasmusson; HF2022-Berg	356.24, Subd. 1	Higher Ed Supplemental Retirement Plan	Increases the limit on employer matching contributions to the higher education supplemental retirement plan from \$2,700 to \$4,300 per year; effective the day following final enactment.

Article 7: State Auditor's Fire Relief Association Working Group

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
1	45.17	SF1341-Pappas; HF1828-Cha	424A.014, Subd. 2	Firefighters Relief Associations (FRAs)	Moves the current March 31 deadline for filing annual financial statements with the State Auditor to June 30; effective January 1, 2026.
2	46.22	SF1341/HF1828	424A.015, Subd. 4	FRAs	Expands the retirement accounts or plans to which a direct rollover may be made at the election of the member or surviving spouse, to comply with the federal Internal Revenue Code and Section 356.633; effective the day following final enactment.
3	47.4	SF1341/HF1828	424A.016, Subd. 2	FRAs	Permits a relief association with a defined contribution plan to amend the relief association's bylaws to permit immediate distribution of retirement benefits following a member's separation from active service, rather than waiting to age 50; effective January 1, 2026.
4	48.1	SF1341/HF1828	424A.016, Subd. 6	FRAs	Permits a relief association with a defined contribution plan to amend the relief association's bylaws to permit immediate distribution to deferred members (i.e., members who left active service before age 50); authorizes a bylaws amendment allowing for immediate distribution to deferred members to apply to deferred members who left active service before the date of the bylaws amendment; effective January 1, 2026.
5	49.11	SF1341/HF1828	424A.05, Subd. 3	FRAs	Removes restriction on making direct rollovers only to an IRA or the Minnesota Deferred Compensation Plan to permit direct rollovers under section 356.633 of lump sum pensions and disability, survivor, or former spouse benefits; effective the day following final enactment.

Article 7: State Auditor's Fire Relief Association Working Group

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
6	50.18	SF1341/HF1828	424A.06, Subd. 2	FRAs	Removes language that could be interpreted to permit relief associations to deposit firefighter contributions and dues into a relief association's special fund; effective January 1, 2026.
7	51.2	SF1341/HF1828	424A.092, Subd. 2	FRAs	Removes an obsolete table used in calculating the accrued liability of active members of a lump sum defined benefit relief association for calendar years before 2022; effective the day following final enactment.
8	52.17	SF1341/HF1828	424A.092, Subd. 3	FRAs	Removes language that reduces a municipality's financial obligation to the special fund of a lump sum relief association by member contributions and dues; effective January 1, 2026.
9	54.18	SF1341/HF1828	424A.092, Subd. 4	FRAs	Moves the current March 31 reporting deadline for filing annual financial statements with the State Auditor to June 30; effective January 1, 2026.
10	55.21	SF1341/HF1828	424A.093, Subd. 5	FRAs	Removes language that reduces a municipality's financial obligation to the special fund of a monthly relief association by member contributions and dues, effective January 1, 2026.
11	57.1	SF1341/HF1828	Repealer: 424A.015, Subd. 5	FRAs	Repeals section authorizing direct rollovers to the Minnesota Deferred Compensation Plan but applies conditions that are not permitted under the federal Internal Revenue Code and Section 356.633; effective the day following final enactment.

Article 8: Firefighters Relief Associations (FRAs)

Sec.	Pg.Ln	Source	Statute/Law	Plan	Summary
1	57.6	SF2752-Maye Quade; HF2395-Huot	424A.02, Subd. 3	FRAs	Increases the maximum lump sum pension amount for each year of service from \$15,000 to \$20,000 per year; effective the day following final enactment.
2	58.9	SF3454-Frentz; HF3278-Lillie/O'Driscoll	Repealer: 356A.06, Subd. 5	FRAs	Repeals the requirement that firefighters relief associations annually file an Investment Business Recipient Disclosure form with the Commission; effective August 1, 2025.

Article 9: Minnesota Secure Choice Retirement Program (Secure Choice or Program)

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	58.13	SF2985-Pappas; HF2942-Nadeau/Lillie, Am. 25-04680-1A	116J.401 New Subd. 4	Secure Choice	Requires the Department of Employment and Economic Development (DEED) to disclose information about Minnesota employers to the Program's executive director within 30 days of receiving the request.
2	59.4	SF2985/HF2942, Am. 25-04680-1A	187.03, Subd. 5	Secure Choice	Adds temporary or seasonal employees to the list of persons who are not "covered employees," but allows them to participate in the Program if the person's employer is a "covered employer."
3	59.21	SF2985/HF2942	187.03, New Subd. 6a	Secure Choice	Adds a new definition for "enrollment window."
4	60.1	SF2985/HF2942	187.03, Subd. 7	Secure Choice	Revises the definition of "executive director" to include the interim executive director.
5	60.5	SF2985/HF2942	187.05 New Subd. 1a	Secure Choice	Provides a process for any entity or person to certify to the Program's executive director that the entity or person is not a covered employer.
6	60.24	SF2985/HF2942	187.05, Subd. 4	Secure Choice	Allows the Secure Choice Board to change the contribution rates and the escalation schedule but must provide covered employers with at least six months of notice before the effective date of the change.
7	61.4	SF2985/HF2942	187.05, Subd. 6	Secure Choice	Requires the Secure Choice Board to include lifetime income options as a distribution alternative by July 1, 2028, rather than immediately.
8	61.10	SF2985/HF2942	187.07, Subd. 1	Secure Choice	Establishes the employee contribution rates, starting at 5% for the first year and increasing by 1% each year to 8% in the fourth year; requires covered employers to deduct contributions from an employee's paycheck by the 30 th day of employment or the 30 th day after the enrollment window opens for the covered employer.
9	61.27	SF2985/HF2942	187.07, Subd. 2	Secure Choice	Requires covered employers to transmit an employee's payroll deduction contribution by the 30 th day after the date of the paycheck.
10	62.1	SF2985/HF2942	187.07, Subd. 3	Secure Choice	Requires covered employers to distribute information about the Program to covered employees by the 14 th day of employment or no later than 14 days before the first paycheck from which a contribution could be deducted after the opening of the enrollment window for the covered employer.

Article 9: Minnesota Secure Choice Retirement Program (Secure Choice or Program)

Sec.	Pg.Ln	Source	Statute	Plan	Summary
11	62.13	SF2985/HF2942, Am. 25-04680-1A, Oral amendment	187.07, Subd. 6	Secure Choice	Gives the Secure Choice Board discretion to impose criminal or civil penalties against a covered employer that fails to comply with the enrollment, information distribution, or transmittal of contributions requirements, but must provide written warnings for the first two years of noncompliance with the enrollment and information distribution requirements.
12	62.29	SF2985/HF2942	187.08, Subd. 3	Secure Choice	Sets the initial term of two of the Secure Choice Board members as three years, rather than the current two years.
13	63.9	SF2985/HF2942	187.07, Subd. 7	Secure Choice	Prohibits the executive director from voting in meetings of the Secure Choice Board and from participating in matters involving a conflict of interest; requires the executive director to file with the campaign finance board.
14	63.24	SF2985/HF2942	187.11	Secure Choice	Adds the Department of Employment and Economic Development (DEED) to the agencies with which the Secure Choice Board may enter into an intergovernmental agreement.
15	64.5	SF2984-Pappas; HF2943-Nadeau/Lillie, Am. 25-04681-1A, Oral Amendment	New Sec. 187.12	Secure Choice	<ul style="list-style-type: none"> • Adds penalties applicable to covered employers for noncompliance with the enrollment, information distribution, and transmittal of contributions requirements; • Authorizes a covered employee or the attorney general to sue a covered employer for noncompliance; • Authorizes the attorney general to file a criminal action against a covered employer for failure to transmit contributions; • Requires the court to order a covered employer who is found in violation to pay attorney fees.
16	66.10	SF2985/HF2942	Effective Date	Secure Choice	Sections 1 to 15 are effective the day following final enactment.

Article 10: Public Pension Plans: Amortization of Liabilities; Correction of Errors

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	66.15	SF3453-Pappas; HF3249-Lillie	356.215, Subd. 1	All Plans	Deletes the definition of “pension benefit obligation” and adds a definition for “standards for actuarial work” to the statute that governs the contents of and assumptions used in actuarial valuations of public pension plans; effective the day following final enactment.
2	68.15	SF3453/HF3249	356.215, Subd. 4	All Plans	Deletes language made unnecessary by the new defined term for “standards for actuarial work;” effective the day following final enactment.
3	68.26	SF3453/HF3249	356.215, Subd. 8	All Plans	Deletes language made unnecessary by the new defined term for “standards for actuarial work;” effective the day following final enactment.
4	70.1	SF3453/HF3249	356.215, Subd. 11	All Plans	Replaces current provisions regarding amortization of unfunded actuarial liability, including the established date for full funding for each public pension plan; inserts layered amortization provisions by which unfunded liability resulting from a change in assumptions, benefits, or investment gains or losses is amortized over a specified period of time; effective beginning with the July 1, 2025, actuarial valuation.
5	73.3	SF3453/HF3249	356.215, Subd. 17	All Plans	Deletes language made unnecessary by the new defined term for “standards for actuarial work;” effective the day following final enactment; effective the day following final enactment.
6	73.15	SF2884-Frentz; HF1889-O’Driscoll/Lillie	356.636, Subd. 2	All Plans	Revises language that defined the types of errors that may be corrected by the executive director of a public pension or retirement plan to clarify that any error may be corrected if made by the plan and if needed to preserve the plan’s tax-qualification; effective the day following final enactment.
7	74.6	SF2884-Frentz; HF1889-O’Driscoll/Lillie SF2980-Seeberger; HF2386-O’Driscoll and Am. H2386-1A	356.636, Subd. 3	All Plans	Exempts errors corrected in the ordinary course and correction authorized by law from the annual reporting requirement, which requires the executive director of each pension fund to report to the Commission errors corrected during the preceding year; effective the day following enactment.