

1.1 moves to amend S.F. No. 3897; H.F. No. 3703, as follows:

1.2 Page 1, after line 5, insert:

1.3 "Section 1. Minnesota Statutes 2024, section 353G.18, subdivision 4, is amended to read:

1.4 Subd. 4. **Termination procedures.** (a) The participation of a departing entity in the plan
1.5 and the coverage of the departing firefighters by the plan shall cease as of the date the
1.6 requirements in this subdivision are completed and all assets credited to the entity's account
1.7 are distributed.

1.8 (b) The governing board of the departing entity shall adopt the resolutions under
1.9 subdivision 5 and deliver the resolutions to the executive director.

1.10 (c) The executive director shall:

1.11 (1) fully vest all departing firefighters as of the termination date and consider each
1.12 departing firefighter 100 percent vested in the pension benefit accrued by the departing
1.13 firefighter under the entity's account as of the termination date;

1.14 (2) determine the present value of each departing firefighter's accrued benefit as of the
1.15 termination date, taking into account the benefit level under section 353G.11 or otherwise
1.16 in effect for the departing firefighter as determined by the executive director;

1.17 (3) determine, as of the termination date, the value of accrued liabilities, including
1.18 administrative expenses incurred or reasonably anticipated to be incurred through the
1.19 distribution date, and the value of assets attributable to the entity's account; and

1.20 (4) to the extent necessary to minimize the risk of investment losses between the
1.21 termination date and the distribution date, reinvest the assets credited to the entity's account
1.22 in low-risk investments.

1.23 (d) If the entity's account has assets in excess of accrued liabilities, the executive director
1.24 shall allocate the excess among all departing firefighters in the same proportion that the
1.25 present value of the accrued benefit for each departing firefighter bears to the total present
1.26 value of the accrued benefits of all departing firefighters, and each departing firefighter's
1.27 benefit, as determined under paragraph (c), clause (2), shall be increased by the departing
1.28 firefighter's share of the excess.

1.29 (e) If the departing entity's account is in the defined benefit plan, the executive director
1.30 ~~shall~~ must, as soon as practicable after the termination date,;

1.31 (1) distribute to each departing firefighter, regardless of whether the departing firefighter
1.32 who has attained at least age 50, the firefighter's benefit as calculated by the executive

2.1 director under paragraphs (c) and (d). The distribution shall be made in a lump sum, either
2.2 as a payment to the departing firefighter or as a direct rollover, if elected by the firefighter;

2.3 (2) retain the benefit of each departing firefighter who has not yet attained age 50 and
2.4 convert the fire department account to a fire department account in the defined contribution
2.5 plan as required under subdivision 6; and

2.6 (3) If the distribute the benefit to the survivor under section 353G.12 of any departing
2.7 firefighter who is deceased, then the firefighter's benefit shall be paid to the firefighter's
2.8 survivor under section 353G.12 in a direct payment or as a direct rollover, if elected by the
2.9 survivor.

2.10 (f) If the departing entity's account is in the defined contribution plan, the executive
2.11 director must, as soon as practicable after the termination date, distribute to each departing
2.12 firefighter, regardless of whether the departing firefighter has attained age 50, the firefighter's
2.13 benefit as calculated by the executive director under paragraphs (c) and (d). The distribution
2.14 must be made in a lump sum, either as a payment to the departing firefighter or as a direct
2.15 rollover, if elected by the firefighter. If the departing firefighter is deceased, then the
2.16 firefighter's benefit must be paid to the firefighter's survivor under section 353G.12 or as a
2.17 direct rollover, if elected by the survivor.

2.18 ~~(f)~~ (g) The executive director shall pay supplemental benefits under section 424A.10,
2.19 but only to the extent that the executive director will be reimbursed under section 424A.10,
2.20 subdivision 3.

2.21 Sec. 2. Minnesota Statutes 2024, section 353G.18, is amended by adding a subdivision to
2.22 read:

2.23 Subd. 6. **Conversion required for terminating defined benefit accounts.** (a) If the
2.24 departing entity's account is in the defined benefit plan and departing firefighters' benefits
2.25 must be retained in the plan under subdivision 4, paragraph (e), clause (ii), the executive
2.26 director and the participating employer must comply with the procedures under section
2.27 353G.19 to convert the fire department account to an account in the defined contribution
2.28 plan.

2.29 (b) The executive director must:

2.30 (1) retain each firefighter's individual account and credit the account with investment
2.31 earnings and losses under section 353G.082, subdivision 4, until distributed; and

3.1 (2) distribute the individual account of each firefighter when the firefighter attains age
3.2 50 or, if elected by the firefighter, directly rollover the account to an eligible retirement
3.3 plan under section 356.633.

3.4 (c) The executive director must maintain the fire department account until the last
3.5 individual account is distributed."

3.6 Page 5, line 24, delete "4" and insert "6"

3.7 Renumber the sections in sequence

3.8 Amend the title accordingly