



## LCPR26-013; LCPR26-017; LCPR26-012:

### Legislation Recommended by the Probation Officers and 911 Telecommunicators Pension Plans Work Group

Prepared by: Aleena Wilson, Analyst

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## Introduction

**Laws Amended:** LCPR26-013: Minnesota Statutes, sections 352.75, 352.951, 356.30, and 356.315; Proposed coding for new law in Chapter 352  
LCPR26-017: Minnesota Statutes, sections 356.30 and 356.415; Proposed coding for new law in Chapter 353H  
LCPR26-012: Minnesota Statutes, sections 353.01, 353.0141, 353.031, 353.15, 353.27, 353.30, 353.33, 353.34, 353.37, 353.46, 356.20, 356.214, 356.215, 356.302, 356.303, 356.315, 356.32, 356.401, 356.415, 356.461, 356.465, 356.47, 356.48, and 356.611

## Background

The 2025 Omnibus Pension and Retirement Bill ([Laws 2025, Chapter 37, Article 17](#)) required LCPR staff to convene a work group for the purpose of determining the terms and conditions of new pension plans to be established for probation officers and 911 telecommunicators and recommending legislation to the Legislative Commission on Pensions and Retirement (LCPR or Commission) that would establish those plans. The Probation Officers and 911 Telecommunicators Pension Plans Work Group (Work Group) met nine times in 2025. As a result of the meetings, the Work Group decided on several recommendations, including legislation and an appendix to the Standards on Actuarial Work. This memo provides a summary of the draft bills that incorporate the recommendations of the Work Group.

## General Summary

LCPR26-013 establishes the Probation and Telecommunicator Retirement Subplan administered by the Minnesota State Retirement System (MSRS Probation and Telecommunicator Subplan). LCPR26-013 has some blank appropriations. One appropriation would be for an account that would be used to offset the price of purchasing past service. The other appropriation would be to cover the cost of the additional employer contributions, which has an estimated cost of \$707,540.

LCPR26-017 establishes the Local Government Probation and Telecommunicator Retirement Plan administered by the Public Employees Retirement Association (PERA Probation and Telecommunicator Plan). LCPR26-017 also has a blank appropriation, which would be for an account that would be used to offset the price of purchasing past service.

LCPR26-012 is a technical bill that revises various statutes to incorporate references to the new PERA Local Government Probation and Telecommunicator Retirement Plan. This bill is only effective upon the enactment of LCPR26-017. LCPR26-012 was drafted separately from LCPR26-017 to keep LCPR26-017, the substantive bill, a reasonable length and give readers the option not to review (and print) the technical changes if review time is short.

## Section- by- Section Summary of LCPR26- 013

### Article 1: Establishing the Probation and Telecommunicator Retirement Subplan

#### Section 1: Adding new section 352.88, titled “Probation Officers and Public Safety Telecommunicators”

Section 1 adds a section to Chapter 352, which is the chapter that governs the MSRS General Employees Retirement Plan (MSRS General Plan), the special coverage subplans, the MSRS Correctional Employees Retirement Plan (MSRS Correctional Plan), the Minnesota State Deferred Compensation Plan, and the Health Care Savings Plan. Section 1 consists of 8 subdivisions.

Subdivision 1 (“Policy”) is a policy statement that sets forth why special consideration and provisions should be provided for employees of the state and governmental subdivisions who devote their time and skills to assisting the community and the courts as probation officers or serving the public and the public safety partners as telecommunicators. Subdivision 1 states that the additional cost of the earlier full retirement is to be split between the employees and employers.

Subdivision 2 (“Definitions”) defines multiple terms. Some definitions of note are normal retirement age, offset amount, past service, probation officer, public safety telecommunicator, and vesting.

- “Normal retirement age” means age 60.
- “Offset amount” means the lesser of \$... or ... percent of the cost to purchase the amount of past service elected by a member, except that the offset amount must not exceed the cost to purchase the amount of past service elected. The blanks could be filled in with a dollar amount and percentage based on how much, if any, the legislature wishes to offset the cost for an member to purchase past service. The funding for the offset amount would come from an appropriation.
- “Past service” means allowable service credited to a member before January 1, 2027, and covered by the MSRS General Plan that would have been service covered by section 352.88 had it been in effect before January 1, 2027.
- “Probation officer” means a state employee employed by the Department of Corrections
  - as
    - a corrections agent;
    - a corrections agent career;
    - a corrections agent senior;
    - a corrections field service district supervisor;

- a corrections community services regional director;
  - a corrections field services director; or
  - a corrections field services program director; or
  - whom the commissioner of corrections or the commissioner's delegate certifies, in the manner prescribed by the executive director, as having substantial responsibility for:
    - providing community supervision services or overseeing the delivery of probation services; or
    - supervising employees eligible under the above subitem.
- “Public safety telecommunicator” means a state employee employed by the Department of Public Safety or Metropolitan Council:
  - as:
    - a radio communications operator;
    - a radio communications supervisor;
    - a public safety answering point (PSAP) manager, as defined in Minnesota Rules, part 7580.0100, subpart 12; or
    - a supervisor, transit control center; or
  - whom the commissioner of public safety, the commissioner's delegate, the Metro Transit general manager, or the general manager's delegate, as applicable, certifies, in the manner prescribed by the executive director, as having substantial responsibility for:
    - receiving, processing, transmitting, or dispatching emergency and nonemergency calls for law enforcement, fire, emergency medical, or other public safety services; or
    - supervising employees eligible under the above subitem.
- “Vesting” or “vested” means obtaining or having obtained a nonforfeitable entitlement to an annuity or benefit under section 352.88 by having earned credit for not less than three years of allowable service covered by section 352.88 or the MSRS General Plan.

Subdivision 3 (“Eligibility”) states whom section 352.88 applies to. The section applies to probation officers and public safety telecommunicators, which are defined terms, unless the probation officer or public safety telecommunicator is age 60 or older with at least three years of allowable service in the general plan on January 1, 2027.

Subdivision 4 (“Retirement annuity”) explains how a member’s retirement annuity will be calculated if the member retires at the normal retirement age of age 60 or at the early retirement age of age 55. A member who retires at the normal retirement age and is vested, will have the member’s annuity calculated by multiplying the member’s average salary by 1.9% for each year of allowable service.

The benefit formula for employees who have service covered by the MSRS General Plan and the MSRS Probation and Telecommunicator Subplan would be following:

Benefit = (1.7% \* (years of service as an employee covered by the MSRS General Plan through June 30, 2025) \* (high-five average salary)) + (1.9% \* (years of service as an employee covered by the MSRS General Plan after June 30, 2025, to December 31, 2026, and years of service as an employee covered by the MSRS Probation and Telecommunicator Subplan) \* (high-five average salary)).

A member who has attained at least 55 years old and is vested is entitled to an early retirement annuity that is actuarially equivalent to the normal retirement annuity.

Subdivision 5 (“Additional contributions”) sets the additional employer and employee contributions. A member must make an additional employee contribution of 2.71% of salary, meaning the total employee contribution rate will be 8.71% of pay. The employer of a member must make an additional employer contribution of 2% of salary, meaning the total employer contribution rate will be 8.25% of pay. The contributions must be made in the manner provided in section 352.04.

Subdivision 6 (“Purchase or credit for past service”) entitles a member to elect a one-time purchase of credit for periods of past service to be added to the member's allowable service covered by section 352.88 and used in calculating the member's retirement annuity. Prior to choosing how much past service a member would like to purchase, the member can request that MSRS prepare an estimate of the purchase price for up to three different periods of past service. The purchase price will be calculated by MSRS as described in subdivision 7. MSRS will assess a \$250 administrative fee to perform the estimates or cost calculation, which will be applied toward the total cost if the member elects to proceed with the purchase. The payment must be made in a single lump sum with funds from another pre-tax retirement plan. Upon receipt of the payment, the executive director of MSRS must grant the member service credit for the period of past service purchased.

Subdivision 7 (“Determination of past service purchase price”) explains how MSRS will calculate the cost to purchase the requested amount of past service. The purchase price would be an amount equal to the actuarial present value, on the date of payment, of the amount of the additional retirement annuity obtained by the additional service credit being purchased minus the offset amount. The offset amount is a defined term and would be the amount determined by the legislature and put into section 352.88, subdivision 2.

Subdivision 8 (“State probation and telecommunicator past service account established”) establishes the state probation and telecommunicator past service account in the special revenue fund. The executive director of MSRS must use the money in the account to transfer the offset amounts until the balance in the account is zero.

## **Section 2: Adding new section 352.881, titled “Subplan Coverage Changes”**

Section 2 adds a section to Chapter 352. Section 2 consists of 4 subdivisions.

Subdivision 1 (“Standing review committees”) requires the commissioner of corrections, commissioner of public safety, and the Metro Transit general manager to each appoint a standing review committee. The Department of Corrections (DOC), Department of Public Safety (DPS), and Metropolitan Council (Met. Council) must each establish a procedure to evaluate coverage, but each committee must follow subdivision 2 when evaluating a change in the title of an employment position and subdivision 3 when evaluating requests to start or cease coverage.

A committee is required to convene at least once every calendar quarter to consider applicable requests for changes to the employment positions or starting or ceasing subplan coverage of an employee. No meeting is required if there have been no requests for changes. Each committee must retain all

documents related to the request and determination. Meetings of a standing review committee are not subject to the open meeting laws in Chapter 13D. The committees are also not agencies for the purposes of sections 15.0597 and 15.0599, which require agencies to report to the Secretary of State and follow certain appointment procedures.

Subdivision 2 (“Procedures for evaluating a change in the title of an employment position”) applies to changes made by the DOC, DPS, or Met. Council in the title of an employment position. The applicable standing review committee must review a change in the title of an employment position and determine whether the responsibilities of the employment position have changed. The committee must determine an effective date for either a change or removal of an employment position.

If the committee determines that the responsibilities have not changed or not changed enough to pull them from the lists of covered employment positions, the DOC, DPS, or Met. Council must:

- submit the title change to the executive director of the LCPR and request legislation to change the title; and
- notify each employee in the employment position within 30 days after the effective date of the title change that the title change will not affect coverage by the MSRS Probation and Telecommunicator Subplan.

If the committee determines that the responsibilities have changed and the change results in a loss of coverage, the DOC, DPS, or Met. Council must:

- notify all affected employees of the committee’s determination within 10 days after the meeting of the committee at which the determination was made and inform the employee of the right to appeal the determination; and
- request the executive director of the LCPR remove a title with legislation if an employee appeals the determination to remove a title and the determination is upheld or an employee does not appeal the determination.

Subdivision 3 (“Procedures for starting or ceasing coverage”) provides the procedure for making requests to provide or cease coverage to an employee who satisfies or no longer satisfies the definition of probation officer or public safety telecommunicator. An employee, employee organization, or manager may submit a request to the committee to provide coverage to an employee. The request must include the position description and a statement describing the extent to which the employee’s job duties meet the requirements of section 352.88, subdivision 2, paragraphs (i) or (j). An employer may submit a request to the committee to cease coverage. The request must include a position description and a statement explaining how the employee no longer meets the requirements of section 352.88, subdivision 2, paragraphs (i) or (j).

The committee must notify the affected employee of the determination within 10 days after the meeting of the committee at which the determination was made. If after making a determination of coverage, the committee determines that an employment position should be added to the list of employment positions, the DOC, DPS, or Met. Council must submit the employment position addition to the executive director of the LCPR and request legislation to add the title. The committee must determine an effective date for either the addition or cessation of coverage.

Subdivision 4 (“Right to appeal”) provides the affected employee the right to appeal a determination of the committee by filing the appeal with the employee’s human resources director. The appeal must be decided by the commissioner of corrections, the commissioner of public safety, or the Metro Transit general manager, as applicable.

### **Section 3: Effective date**

Sections 1 and 2 of Article 1 are effective January 1, 2027.

## **Article 2: Establishing the Mixed Service Approach for Calculating Annuities**

### **Section 1: Establishing the mixed service approach and who may use the mixed service approach**

Section 1 amends section 356.30, by adding subdivision 1a (“Exceptions for certain covered plans”) to section 356.30. Section 356.30 is the statute that includes the combined service annuity (CSA) provisions. Under the CSA approach, each annuity is calculated using the person’s highest average salary for 5 consecutive years during the entire period of public service covered by the plans if the person meets the following conditions:

- has service in two or more pension plans;
- has at least 6 months of service in each plan;
- is vested overall across all applicable plans; and
- the annuity starting dates of each plan is within 12 months of each other.

New subdivision 1a establishes the mixed service approach for calculating annuities when a person is eligible to receive annuities from certain pension plans. New subdivision 1a would apply if a person is eligible to receive annuities from:

- the MSRS General Plan and the MSRS Correctional Plan;
- the MSRS General Plan and a subplan of the MSRS General Plan; or
- the PERA Probation and Telecommunicator Plan for allowable service earned under the PERA General Employees Retirement Plan (PERA General Plan) and the PERA Probation and Telecommunicator Plan but only if the person was transferred from the PERA General Plan to the PERA Probation and Telecommunicator Plan on January 1, 2027.

For a person who is eligible to receive annuities from the MSRS General Plan and the MSRS Probation and Telecommunicator Subplan, the mixed service approach would allow a member to start receiving a retirement annuity from the MSRS Probation and Telecommunicator Subplan at age 60 and wait until the full retirement age of 66 to receive an unreduced retirement annuity from the MSRS General Plan, with both annuities being calculated based on the member’s highest average salary for 5 consecutive years under either plan.

**Section 2: Adding plans to list of covered plans**

Section 2 amends section 356.30, subdivision 3, which is the list of covered plans that section 356.30 applies to. Section 2 adds the PERA Probation and Telecommunicator Plan and the subplans of the MSRS General Plan to the list of covered plans.

**Section 3: Effective date**

Sections 1 and 2 of Article 2 are effective January 1, 2027.

**Article 3: Changes to Current Statutes to Incorporate References to the Probation and Telecommunicator Retirement Subplan****Section 1: Clarifying membership for employees of the Met. Council Transit Operating Division**

Section 1 amends section 352.75, subdivision 2, to state that all persons employed by the Metropolitan Council as employees of the Transit Operating Division are members of the MSRS General Plan unless specifically covered by the MSRS Probation and Telecommunicator Subplan under 352.88.

**Section 2: Adding that Chapter 352 applies to probation officers and public safety telecommunicators**

Section 2 amends section 352.951, to add that Chapter 352 applies to probation officers and public safety telecommunicators covered under section 352.88.

**Section 3: Adding reference to section 352.88, subdivision 4, in the future benefit accrual rate increases section**

Section 3 amends section 356.315, subdivision 9, which states that after January 2, 1998, benefit accrual rate increases under certain sections must apply only to allowable service or formula service rendered after the effective date of the benefit accrual rate increase. Section 3 adds a reference to section 352.88, subdivision 4, which is the benefit accrual rate increase section for the MSRS Probation and Telecommunicator Subplan.

**Section 4: Effective date**

Sections 1 through 3 of Article 3 are effective January 1, 2027.

**Article 4: Appropriations and Fund Transfer****Section 1: One-time Appropriation and Fund Transfer**

Section 1 contains an unspecified appropriation in fiscal year 2027 from the general fund to the state probation and telecommunicator past service account. As mentioned above, the money in the account

would be used to offset the cost of the service credit purchases by eligible persons in the MSRS Probation and Telecommunicator Plan who elect to purchase past service credit.

### **Section 2: Appropriations; pension contributions increases**

Section 2 provides for an appropriation, in an unspecified amount, from the general fund for fiscal year 2027. The appropriation would offset the additional employer contributions to the MSRS General Plan for the MSRS Probation and Telecommunicator Plan. The amount of the appropriation would be allocated between the DOC, DPS, and Met. Council. The amount of the appropriation is left blank, but based on the cost estimate provided by MSRS, the appropriation would be approximately \$707,540.

## **Section- by- Section Summary of LCPR26- 017**

### **Article 1: Establishing the Local Government Probation and Telecommunicator Retirement Plan**

Article 1 is the proposed coding for new Chapter 353H. Chapter 353H consists of 10 sections.

#### **Section 1: Adding new section 353H.001, titled “Application of Chapter 353”**

Section 1 states that the general provisions of Chapter 353 apply to the PERA Probation and Telecommunicator Plan except where otherwise specifically provided in Chapter 353H.

#### **Section 2: Adding new section 353H.002, titled “Policy”**

Section 2 is a policy statement that sets forth why special consideration and provisions should be provided for employees of governmental subdivisions who devote their time and skills to assisting the community and the courts as probation officers or serving the public and the public safety partners as telecommunicators. Section 2 states that additional cost of the earlier full retirement and larger retirement annuities are to be initially borne by the employees.

#### **Section 3: Adding new section 353H.01, titled “Definitions”**

Section 3 defines multiple terms. Some definitions of note are normal retirement age, offset amount, past service, probation officer, public safety telecommunicator, and vesting.

- “Normal retirement age” means age 60.
- “Offset amount” means the lesser of \$... or ... percent of the cost to purchase the amount of past service elected by a member, except that the offset amount must not exceed the cost to purchase the amount of past service elected. The blanks could be filled in with a dollar amount and percentage based on how much, if any, the legislature wishes to offset the cost for a member to purchase past service. The funding for the offset amount would come from an appropriation.

- “Past service” means allowable service credited to a member before January 1, 2027, and covered by the PERA General Plan that would have been service covered by the PERA Probation and Telecommunicator Plan had it been in effect before January 1, 2027.
- “Probation officer” means a person whom the employer certifies in the form prescribed by the executive director is a public employee as defined in section 353.01 and
  - is employed as a probation officer by a county, community corrections agency, or state probation agency, and provides community supervision services with direct offender contact; or
  - directly supervises one or more persons described in the above clause.
- “Public safety telecommunicator” means a person whom the employer certifies in the form prescribed by the executive director is a public employee as defined in section 353.01 employed by a primary or secondary public safety answering point, and
  - serves as a first responder by receiving, assessing, or processing requests for assistance from public and other public safety partners, and coordinates the appropriate public safety response; or
  - as part of the person's employment position, is assigned less than 50% of the time to perform employment duties that are other than duties described in the above clause; or
  - directly supervises one or more persons described in the above clauses.
- “Vesting” or “vested” means obtaining or having obtained a nonforfeitable entitlement to an annuity or benefit under the PERA Probation and Telecommunicator Plan by having earned credit for not less than three years of allowable service covered by section the PERA Probation and Telecommunicator Plan or the PERA General Plan.

#### **Section 4: Adding new section 353H.02, titled “Administration and Fund Disbursement”**

Section 4 consists of 3 subdivisions.

Subdivision 1 (“Plan administration; fund”) establishes the PERA Probation and Telecommunicator Plan as a separate plan and states that it must be administered by the PERA Board of Trustees and the PERA executive director. Subdivision 1 also requires that PERA maintain a special fund to be known as the local government probation and telecommunicator retirement fund.

Subdivision 2 (“Investment”) requires that the assets in the fund be deposited in the Minnesota combined fund or otherwise invested under section 11A.23, which is the section on the investment of retirement funds and plans.

Subdivision 3 (“Fund disbursement restricted”) specifies the purposes for which the fund may be disbursed, which includes the payments of administrative expenses, benefits, and refunds. The amounts necessary to make the payments from the fund are annually appropriated from the fund.

#### **Section 5: Adding new section 353H.03, titled “Membership”**

Section 5 establishes the membership in the PERA Probation and Telecommunicator Plan. Section 5 states that probation officers and public safety telecommunicators, which are defined terms, are

members of the PERA Probation and Telecommunicator Plan. A probation officer or public safety telecommunicator who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, is not eligible to participate as a member of the PERA Probation and Telecommunicator Plan.

### **Section 6: Adding new section 353H.04, titled “Contributions”**

Section 6 consists of 4 subdivisions.

Subdivision 1 (“Member contributions”) requires that a member make employee contributions at a rate of 8.82% of pay, which is an increase of 2.32% when compared to the employee contributions members make to the PERA General Plan.

Subdivision 2 (“Employer contributions”) requires that the employer of a member make employer contributions at a rate of 7.5% of pay, which is the same percentage for employers of members in the PERA General Plan.

Subdivision 3 (“Deposit of contributions”) requires that the contributions and other amounts authorized by law, including investment return on invested fund assets, be deposited in the local government probation and telecommunicator retirement fund.

Subdivision 4 (“Collection, correction, and reporting of contributions”) states that the requirements and procedures of sections 353.27 and 353.28 apply to employee and employer contributions.

### **Section 7: Adding new section 353H.05, titled “Retirement Annuity”**

Section 7 consists of 7 subdivisions.

Subdivision 1 (“Normal retirement annuity”) states that a member who retires at the normal retirement age of age 60, and is vested, will have the member’s annuity calculated by multiplying the member’s average salary by 1.9% for each year of allowable service.

The benefit formula for employees who have service covered by the PERA General Plan and the PERA Probation and Telecommunicator Plan would be following:

$$\text{Benefit} = (1.7\% * (\text{years of service as an employee covered by the PERA General Plan}) * (\text{high-five average salary})) + (1.9\% * (\text{years of service as an employee covered by the PERA Probation and Telecommunicator Plan}) * (\text{high-five average salary})).$$

Subdivision 2 (“Optional annuity; bounce-back annuity”) allows a member to receive an optional annuity under section 353.30, subdivision 3. Subdivision 2 also states that a bounce-back annuity applies to an annuity under this section or a disability benefit under section 353H.06.

Subdivision 3 (“Early retirement annuity”) states that that a member who has attained at least 55 years old and is vested is entitled, upon application, to an early retirement annuity that is actuarially equivalent to the normal retirement annuity.

Subdivision 4 (“Allowable service in other retirement plans”) requires that retirement annuities from other PERA pension plans must be computed in accordance with the formula specified in the statute applicable to that pension plan.

Subdivision 5 (“Application, annuity, starting date, and duration”) refers to section 353.29 for the application provisions and retirement annuity starting date. Subdivision 5 states that the retirement annuity is payable for the life of the recipient or in accordance with the terms of any optional annuity form selected by the member.

Subdivision 6 (“Payment of annuities and benefits earned under the general plan”) requires the executive director to pay a retirement annuity or benefit as provided under Chapter 353 from the assets of the local government probation and telecommunicator retirement fund if the member was transferred from the PERA General Plan to the PERA Probation and Telecommunicator Plan on January 1, 2027, and had allowable service under the PERA General Plan. This subdivision is necessary because the assets in the PERA general employees retirement fund that are attributable to the probation officers and public safety telecommunicators who become members of the PERA Probation and Telecommunicator Plan will transfer to the PERA local government probation and telecommunicator retirement fund. See Article 4, Section 2, in LCPR26-017, for the provisions transferring the assets between the funds.

Subdivision 7 (“Postretirement adjustment eligibility”) states that annuity under this section is eligible for postretirement adjustments under section 356.415.

#### **Section 8: Adding new section 353H.06, titled “Disability Benefits”**

Section 8 states that a vested member who becomes totally and permanently disabled before normal retirement age is entitled to a disability benefit on the same basis as a member of the PERA General Plan.

#### **Section 9: Adding new section 353H.07, titled “Survivor Benefits”**

Section 9 states that upon the death of a member, survivor benefits are payable as provided under section 353.32 on the same basis as a member of the PERA General Plan.

#### **Section 10: Adding new section 353H.08, titled “Purchase of Credit for Past Service”**

Section 10 consists of 3 subdivisions.

Subdivision 1 (“Purchase or credit for past service”) sets out the process for requesting estimates for the cost of purchasing different periods of past service and electing to purchase credit for past service. This subdivision is essentially the same as the “Purchase of credit for past service” provision in LCPR26-013. For a summary of that provision, see Article 1, Section 1, Subdivision 6, in the Section-by-Section Summary of LCPR26-013, above.

Subdivision 2 (“Determination of past service purchase price”) explains how PERA will calculate the cost to purchase the requested amount of past service. This subdivision is essentially the same as the “Determination of past service purchase price” provision in LCPR26-013. For a summary of that provision, see Article 1, Section 1, Subdivision 7, in the Section-by-Section Summary of LCPR26-013, above.

Subdivision 3 (“Local government probation and telecommunicator past service account established”) establishes the local government probation and telecommunicator past service account in the special revenue fund. The executive director of PERA must use the money in the account to transfer the offset amounts until the balance in the account is zero.

### **Section 11: Effective date**

Sections 1 through 10 of Article 1 are effective January 1, 2027.

## **Article 2: Establishing the Mixed Service Approach for Calculating Annuities**

### **Sections 1–2: Establishing the mixed service approach and who may use the mixed service approach**

Section 1 amends section 356.30, subdivision 1, which sets for the eligibility for and how to compute an annuity under the CSA approach. Section 1 adds “except as provided in subdivision 1a,” to the sentence that allows a person to elect to receive a retirement annuity from each covered retirement plan subject to the combined service annuity provisions. Subdivision 1a sets out the provisions of the mixed service approach.

Section 2 adds subdivision 1a to section 356.30, and the new subdivision establishes the mixed service approach for calculating annuities when a person is eligible to receive annuities from certain pension plans. Article 2, Section 2, of LCPR26-017 is the exact language that is used Article 2, Section 1 of LCPR26-013. For a summary of the mixed service provisions, see Article 2, Section 1, in the Section-by-Section Summary of LCPR26-013, above.

For a person who (1) transferred from the PERA General Plan to the PERA Probation and Telecommunicator Plan on January 1, 2027, and (2) is eligible to receive annuities from the PERA Probation and Telecommunicator Plan for allowable service earned under the PERA General Plan and the PERA Probation and Telecommunicator Plan, the mixed service approach would allow a member to start receiving a retirement annuity from the PERA Probation and Telecommunicator Plan at age 60 and wait until the full retirement age of 66 to receive an unreduced retirement annuity from the PERA General Plan, with both annuities being calculated based on the member’s highest average salary for 5 consecutive years under either plan.

### **Section 3: Adding plans to list of covered plans**

Section 3 amends section 356.30, subdivision 3, which is the list of covered plans that section 356.30 applies to. Section 2 adds the PERA Probation and Telecommunicator Plan and the subplans of the MSRS General Plan to the list of covered plans.

**Section 4: Effective date**

Sections 1 through 3 of Article 2 are effective January 1, 2027.

**Article 3: Postretirement Adjustments****Section 1: Annual postretirement adjustments for the PERA Probation and Telecommunicator Plan**

Section 1 provides the annual postretirement adjustments, often referred to as cost-of-living adjustments or COLAs, for retired members of PERA Probation and Telecommunicator Plan. The COLA will be 1% unless the Social Security COLA (sometimes referred to as the Consumer Price Index (CPI)) is greater than 1%, in which case the COLA is the same as the Social Security COLA, not to exceed 1.75%.

An automatic decrease to the COLA maximum in effect on January 1, from 1.75% to 1.5%, is required if the funded status for the PERA Probation and Telecommunicator Plan reaches either of the following:

- 85% or less in the most recent two consecutive annual actuarial valuations; or
- 80% or less in the most recent annual actuarial valuation.

**Section 2: Effective date**

Section 1 of Article 3 is effective for postretirement adjustments beginning on or after January 1, 2027.

**Article 4: Transfer of Assets from the General Plan to the Local Government Probation and Telecommunicator Retirement Plan****Section 1: Transfer of Assets**

Section 1 is an uncoded session law, which consists of 2 subdivisions.

Subdivision 1 (“Definitions”) defines the following terms: executive director, general plan, and probation and telecommunicator plan.

Subdivision 2 (“Transfer of assets”) requires that no later than 15 days after January 1, 2027, the assets attributable to the members of the PERA General Plan whose retirement plan coverage is transferred from the PERA General Plan to the PERA Probation and Telecommunicator Plan on January 1, 2027, must be transferred from the general employees retirement fund to the local government probation and telecommunicator retirement fund. Subdivision 2 requires that the executive director of PERA direct PERA’s actuary to calculate the amount of assets to be transferred and that the calculation must be done in the manner provided in the applicable appendix to the Standards for Actuarial Work.

**Section 2: Effective date**

Section 1 of Article 4 is effective January 1, 2027.

## Article 5: One- time Appropriation and Fund Transfer

### Section 1: One-time Appropriation and Fund Transfer

Section 1 contains an unspecified appropriation in fiscal year 2027 from the general fund to the local government probation and telecommunicator past service account. As mentioned above, the money in the account would be used to offset the cost of the service credit purchases by eligible persons in the PERA Probation and Telecommunicator Plan who elect to purchase past service credit.

### Section- by- Section Summary of LCPR26- 012

LCPR26-012 is a technical bill that revises various sections in Chapter 353 and Chapter 356 to incorporate references to the new PERA Probation and Telecommunicator Plan and new sections of new Chapter 353H.

**Sections 1** amends section 353.01, subdivision 2a, which describes the circumstances under which a public employee must participate in the PERA General Plan, PERA Public Employees Police and Fire Plan (PERA P&F Plan), or PERA Local Government Correctional Service Retirement Plan (PERA Correctional Plan), as applicable. The section is amended to add the PERA Probation and Telecommunicator Plan to the plans that a public employee must be a member of, as applicable.

**Sections 2** amends section 353.01, subdivision 2b, which describes the circumstances under which a public employee is not eligible to participate in the PERA General Plan, PERA P&F Plan, or PERA Correctional Plan, as applicable. The section is amended to add the PERA Probation and Telecommunicator Plan to the plans that a public employee may not be a member of.

**Section 3** amends section 353.01, subdivision 16, which is the definition of “allowable service.” The definition is amended to include service during years of actual membership in the course of which employee deductions were withheld from salary and contributions were made at the applicable rates under section 353H.04.

**Section 4** amends section 353.01, subdivision 37, which is the definition of “normal retirement age.” The definition is amended to add paragraph (c), which states that “normal retirement age” for a member of the PERA Probation and Telecommunicator Plan is the age stated in section 353H.01, which is age 60.

**Section 5** amends section 353.0141, subdivision 1, so that a member with three years of allowable service in the PERA Probation and Telecommunicator Plan can purchase service credit for periods of military leave.

**Sections 6–8** amend section 353.031, subdivisions 1–3, which are the disability determination procedures for the PERA General Plan, PERA P&F Plan, or PERA Correctional Plan. Sections 6–8 add references to the PERA Probation and Telecommunicator Plan and section 353H.06 so that the applicable disability determination procedures of section 353.031 will apply to the PERA Probation and Telecommunicator Plan.

**Section 9** amends section 353.15, subdivision 1, so that section 356.401 applies to the PERA Probation and Telecommunicator Plan. Section 356.401, subdivision 1, states, “None of the money, annuities, or other benefits provided for in the governing law of a covered retirement plan is assignable either in law or in equity or subject to state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 2 or section 518.58, 518.581, or 518A.53.”

**Section 10** amends section 353.27, subdivision 4, which sets the employer’s reporting requirements for contributions and member status. Section 10 adds a reference to the PERA Probation and Telecommunicator Plan and section 353H.04, so that the employers must:

- deduct employee contributions from the salary of each public employee who qualifies for membership in the PERA Probation and Telecommunicator Plan at the rate under section 353H.04; and
- furnish the data required for enrollment for each new or reinstated employee who qualifies for membership in PERA Probation and Telecommunicator Plan.

**Sections 11–17** amend section 353.27, subdivisions 7b, 11, 12, 12a, 12b, 13, and 14, to add references to the PERA Probation and Telecommunicator Plan in the provisions governing:

- the recovery of an overpaid annuity or benefit;
- PERA’s ability to compute the obligations of the employee and the employer in the event payroll abstract records have been lost or destroyed;
- omitted salary deductions;
- cancelling certain unpaid warrants; and
- periods before the initial coverage date.

**Section 18** amends section 353.30, subdivision 3, which governs optional retirement annuities, by adding reference to section 353H.05.

**Sections 19–21** amend section 353.33 subdivisions 3, 7a, and 11, which are various provisions of the section governing total and permanent disability benefits. Sections 19–21 add references to the PERA Probation and Telecommunicator Plan and section 353H.05 so that the total and permanent disability benefits of section 353.33 will apply to the PERA Probation and Telecommunicator Plan.

**Sections 22–23** amend section 353.34, subdivisions 1 and 3, by adding a reference to the PERA Probation and Telecommunicator Plan, section 353H.01, and section 353H.05, so that the refund and deferred annuity provisions of section 353.34 will apply to the PERA Probation and Telecommunicator Plan.

**Section 24** amends section 353.37, subdivision 5, which states that public service performed by an annuitant subsequent to retirement from a PERA pension plan does not increase or decrease the amount of an annuity. Section 24 adds a reference to the PERA Probation and Telecommunicator Plan.

**Section 25** amends section 353.46, subdivision 2, which preserves the ability of a deferred annuitant or other former member of a PERA pension plan to receive an annuity under the law in effect at the time

the person terminated public service. Section 25 adds a reference to the PERA Probation and Telecommunicator Plan.

**Section 28** amends section 356.215, subdivision 8, by adding that the investment return assumption for the PERA Probation and Telecommunicator Plan is 7%.

**Section 29** amends section 356.302, subdivision 1. The changes in Section 29 are technical or conforming changes based on the changes made by Section 30.

**Section 32** amends section 356.315, subdivision 9, which states that after January 2, 1998, benefit accrual rate increases under certain sections must apply only to allowable service or formula service rendered after the effective date of the benefit accrual rate increase. Section 3 adds a reference to section 352H.05, subdivision 1, which is the benefit accrual rate increase section for the PERA Probation and Telecommunicator Plan.

**Sections 26, 27, 30–31 and 33–40** amend various sections in Chapter 356 by adding the PERA Probation and Telecommunicator Plan to lists of public pension plans that occur throughout Chapter 356. The specific sections that are amended and the titles of those sections are:

- section 356.20 (“Public Pension Fund Financial Reporting Requirement”);
- section 356.214 (“Actuarial Valuation Preparation”);
- section 356.302 (“Disability Benefit with Combined Service”);
- section 356.303 (“Survivor Benefit with Combined Service”);
- section 356.32 (“Proportionate Annuity at Age 65”);
- section 356.401 (“Exemption from Process”);
- section 356.415 (“Postretirement Adjustments; Statewide Retirement Plans”);
- section 356.461 (“Various Retirement Systems; Joint and Survivor Annuity Computation”);
- section 356.465 (“Supplemental Needs Trust as Optional Annuity Form Recipient”);
- section 356.47 (“Disposition of Amount in Excess of Reemployed Annuitant Earnings Limitations”);
- section 356.48 (“Revocation of Optional Annuity due to Marriage Dissolution or Annulment”);  
and
- section 356.611 (“Limitation on Public Employees Salaries for Pension Purposes”).

**Section 41** is the effective date. The bill is effective upon enactment of LCPR26-017 in the 2026 regular or special session.