

1.1 moves to amend S.F. No. 4276; H.F. No. 4074, the delete everything
1.2 amendment (S4276-DE1), as follows:

1.3 Page 64, after line 8, insert:

1.4 "ARTICLE 11

1.5 STATEWIDE VOLUNTEER FIREFIGHTER PLAN

1.6 Section 1. Minnesota Statutes 2024, section 353G.02, subdivision 4, is amended to read:

1.7 Subd. 4. **Periodic audit; biennial actuarial valuation; biennial annual funding**
1.8 **report.** (a) The legislative auditor shall periodically audit the retirement fund.

1.9 (b) The executive director must retain an approved actuary under section 356.214 to
1.10 perform biennial actuarial valuations of each fire department account in the monthly division.
1.11 The actuarial valuation must conform with section 356.215 and the standards for actuarial
1.12 work. The actuarial valuation must contain sufficient detail for each participating employer
1.13 to ascertain the actuarial condition of its account in the retirement fund and the amount of
1.14 its required contribution to the account.

1.15 (c) The executive director must perform biennial annual funding assessments of each
1.16 fire department account in the ~~lump-sum division~~ defined benefit plan. The assessment must
1.17 comply with section 353G.08, subdivision 1 or 1a, as applicable.

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

1.19 Sec. 2. Minnesota Statutes 2024, section 353G.08, subdivision 1, is amended to read:

1.20 Subdivision 1. **Biennial Annual funding reports; lump-sum division.** (a) The executive
1.21 director must annually determine the funding requirements for each fire department account
1.22 in the lump-sum division on or before August 1 ~~every other year~~. The funding requirements
1.23 computed under this subdivision must be determined using a mathematical procedure
1.24 developed and certified as accurate by the approved actuary retained by the association and
1.25 must be based on present value factors using a six percent investment return rate, without
1.26 any decrement assumptions. The executive director must provide written notice of the
1.27 funding requirements to the entity or entities associated with the fire department whose
1.28 active firefighters are covered by the plan.

1.29 (b) The overall funding balance of each fire department account for the current calendar
1.30 year must be determined in the following manner:

2.1 (1) The total accrued liability for all active and deferred members of the fire department
2.2 as of December 31 of the current year must be calculated based on the service credit of
2.3 active and deferred members as of that date.

2.4 (2) The assets of the fire department account projected to December 31 of the current
2.5 year, including receipts by and disbursements from the account anticipated to occur on or
2.6 before December 31, must be calculated. The executive director must begin phasing in the
2.7 use of actuarial value of assets in making this calculation beginning with the funding reports
2.8 for 2026.

2.9 (3) The amount of the assets calculated under clause (2) must be subtracted from the
2.10 amount of the total accrued liability calculated under clause (1). If the amount of the assets
2.11 exceeds the amount of the total accrued liability, then the account is considered to have a
2.12 surplus over full funding. If the amount of the assets is less than the amount of the total
2.13 accrued liability, then the account is considered to have a deficit from full funding. If the
2.14 amount of assets is equal to the amount of the total accrued liability, then the account is
2.15 considered to be fully funded.

2.16 (c) The financial requirements of each fire department for the following calendar year
2.17 must be determined in the following manner:

2.18 (1) The total accrued liability for all active and deferred members of the fire department
2.19 as of December 31 of the calendar year next following the current calendar year must be
2.20 calculated based on the service used in the calculation under paragraph (b), clause (1),
2.21 increased by one year.

2.22 (2) The increase in the total accrued liability of the account for the following calendar
2.23 year over the total accrued liability of the account for the current year must be calculated.

2.24 (3) The amount of administrative expenses of the account must be calculated by
2.25 multiplying the per-person dollar amount of the administrative expenses for the most recent
2.26 prior calendar year by the number of active and deferred firefighters reported to the
2.27 association on the most recent service credit certification form for the account.

2.28 (4) If the account is fully funded, the financial requirement of the account for the
2.29 following calendar year is the total of the amounts calculated under clauses (2) and (3).

2.30 (5) If the account has a deficit from full funding, the financial requirement of the account
2.31 for the following calendar year is the total of the amounts calculated under clauses (2) and
2.32 (3) plus an amount equal to one-tenth of the amount of the deficit from full funding of the
2.33 account.

3.1 (6) If the account has a surplus over full funding, the financial requirement of the account
3.2 for the following calendar year is the financial requirement of the account calculated as
3.3 though the account was fully funded under clause (4) and, if the account has also had a
3.4 surplus over full funding during the prior two years, additionally reduced by an amount
3.5 equal to one-tenth of the amount of the surplus over full funding of the account.

3.6 (d) The required contribution of the entity or entities associated with the fire department
3.7 whose active firefighters are covered by the lump-sum division is the annual financial
3.8 requirements of the fire department account under paragraph (c) reduced by the amount of
3.9 any fire state aid payable under chapter 477B or police and firefighter retirement
3.10 supplemental state aid payable under section 423A.022 that is reasonably anticipated to be
3.11 received by the retirement plan attributable to the entity or entities during the following
3.12 calendar year, and an amount of investment earnings on the assets projected to be received
3.13 during the following calendar year calculated at the rate of six percent per annum. The
3.14 required contribution must be allocated between the entities if more than one entity is
3.15 involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed
3.16 the fire state aid received in the prior year multiplied by the factor 1.035.

3.17 ~~(e) The financial requirement for each fire department account in the lump-sum division~~
3.18 ~~for the second year of the biennial valuation period must be in the amount determined in~~
3.19 ~~paragraph (d) increased by six percent, but no more than the excess, if any, of the amount~~
3.20 ~~determined under paragraph (c), clause (1), less the actual market value of assets in the fire~~
3.21 ~~department account as of that date.~~

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

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

3.29 Renumber the articles in sequence

3.30 Amend the title accordingly