

1.1 moves to amend S.F. No. 4464; H.F. No. 4988 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 353.656, subdivision 1, is amended to read:

1.4 Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the police
1.5 and fire plan who (1) is not a firefighter covered by section 353.6511, or a police officer
1.6 covered by section 353.6512, (2) has a condition that meets the definition of a duty disability
1.7 under section 353.01, subdivision 41, and (3) has filed an application under section 353.031
1.8 that was approved by the executive director is entitled to receive disability benefits during
1.9 the period of disability in an amount equal to 60 percent of the member's average salary as
1.10 defined under section 353.01, subdivision 17a, plus an additional 3.0 percent of that average
1.11 salary for each year of service in excess of 20 years.

1.12 (b) To be eligible for a benefit under paragraph (a), the member must have:

1.13 (1) not met the age and vesting requirements for a retirement annuity under section
1.14 353.651, subdivision 1;~~or~~

1.15 (2) met the age and vesting requirements under that subdivision, but does not have at
1.16 least 20 years of allowable service credit; or

1.17 (3) met the age and vesting requirements under that subdivision and has at least 20 years
1.18 of allowable service credit.

1.19 (c) If paragraph (b), clause (2) or clause (3), applies, the disability benefit must be paid
1.20 for a period of 60 months from the disability benefit accrual date and at the end of that
1.21 period is subject to provisions of subdivision 5a.

1.22 (d) If the disability under this subdivision occurs before the member has at least five
1.23 years of allowable service credit in the police and fire plan, the disability benefit must be
1.24 computed on the average salary from which deductions were made for contribution to the
1.25 police and fire fund.

1.26 **EFFECTIVE DATE.** This section is retroactively effective from May 24, 2025, and is
1.27 repealed on the effective date of the enactment of legislation that results from the
1.28 recommendation of the work group established under section 2, except that the repeal must
1.29 not affect eligibility for or continuation of benefits for individuals approved for duty disability
1.30 benefits prior to the date of repeal.

2.1 **Sec. 2. WORK GROUP ON DUTY DISABILITY AND THE PUBLIC SAFETY**
2.2 **OFFICER'S BENEFIT ACCOUNT.**

2.3 Subdivision 1. **Definitions.** (a) For purposes of this session law, each of the following
2.4 terms has the meaning given to it.

2.5 (b) "Commission" means the Legislative Commission on Pensions and Retirement.

2.6 (c) "Executive director" means the executive director of the Commission.

2.7 (d) "LCPR account" means the account established in the Legislative Coordinating
2.8 Commission that contains \$26,694, as of April 1, 2026, and was funded in fiscal year 2024
2.9 with a \$100,000 appropriation to the Legislative Coordinating Commission for the Legislative
2.10 Commission on Pensions and Retirement pursuant to Laws 2023, chapter 45, article 6,
2.11 section 3.

2.12 (e) "Maximum benefit" means the duty disability benefit under Minnesota Statutes,
2.13 section 353.656, or the employer's cost to provide the health insurance coverage under
2.14 Minnesota Statutes, section 299A.465.

2.15 (f) "P&F plan" means the public employees police and fire plan administered by the
2.16 Public Employees Retirement Association.

2.17 (g) "Public safety officer's benefit account" means the account established under
2.18 Minnesota Statutes, section 299A.42.

2.19 (h) "VA disability schedule" means the schedule for rating disabilities under Code of
2.20 Federal Regulations, title 38, part 4, published by the Veterans Affairs Department, and
2.21 most recently amended on March 20, 2024.

2.22 Subd. 2. **Need for a work group.** The Commission has identified the following reasons
2.23 for establishing a work group:

2.24 (1) the public safety officer's benefit account is anticipated to be depleted by 2028 based
2.25 on information provided by the Department of Management and Budget;

2.26 (2) the rate of approval by the Public Employees Retirement Association of duty disability
2.27 applications is approximately 100 percent;

2.28 (3) since only one annual report has been filed by the commissioner of public safety
2.29 under Minnesota Statutes, section 299A.42, subdivision 2, and the report contains minimal
2.30 information on reimbursements in the categories for treatment, salary, fringe benefits, and
2.31 health care insurance, it is not possible to use this report to determine trends, per member
2.32 reimbursements, or related information;

3.1 (4) waiting until May 20, 2027, to receive the report from the executive director of the
3.2 Public Employees Retirement Association under Minnesota Statutes, section 353.032,
3.3 subdivision 11, regarding the impact on public safety duty disability trends and costs is too
3.4 late to allow for a legislative solution if trends indicate psychological condition treatment
3.5 is not resulting in P&F plan members being able to return to work, rather than take a leave
3.6 of absence for duty disability;

3.7 (5) minimal information is available regarding whether police officers and firefighters
3.8 who retire under the P&F plan before age 65 are able to obtain health insurance coverage
3.9 at a reasonable cost until age 65 when Medicare is available and whether there are options
3.10 available to them to obtain adequate coverage;

3.11 (6) the over 100 percent increase in the cost of duty disability benefits as reflected in
3.12 the change between the 2024 actuarial valuation of the P&F plan and the 2025 actuarial
3.13 valuation and the effect of this increase on the overall health of the P&F plan; and

3.14 (7) to determine how to formulate solutions to the foregoing, legislators and other
3.15 decision-makers need a better understanding of the interaction of workers' compensation,
3.16 the availability and cost of health insurance coverage upon retirement or reemployment,
3.17 the application process for and amount of duty disability benefits, the ability of public
3.18 employers to continue to offer health insurance coverage to duty disabled and retired
3.19 employees, and federally provided benefits for public safety officers.

3.20 Subd. 3. **Work group established; purpose.** The executive director must convene a
3.21 work group for the purpose of recommending legislation that would:

3.22 (1) reform duty disability for members of the P&F plan; and

3.23 (2) ensure that members of the P&F plan who become duty disabled or retire have access
3.24 to affordable health insurance coverage until Medicare eligibility.

3.25 Subd. 4. **Membership.** (a) The members of the work group are the following:

3.26 (1) one representative from the Minnesota Police and Peace Officers Association;

3.27 (2) one representative from the Minnesota Professional Fire Fighters Association;

3.28 (3) one representative from Law Enforcement Labor Services;

3.29 (4) one representative from the League of Minnesota Cities;

3.30 (5) one representative from the Association of Minnesota Counties;

3.31 (6) one representative from the Minnesota Inter-County Association;

- 4.1 (7) one representative from the Coalition of Greater Minnesota Cities;
- 4.2 (8) one representative from the Minnesota Chiefs of Police Association;
- 4.3 (9) one representative from the Minnesota State Fire Chiefs Association;
- 4.4 (10) one representative from the Minnesota Sheriffs' Association;
- 4.5 (11) the executive director of the Public Employees Retirement Association or the
4.6 executive director's designee;
- 4.7 (12) the commissioner of public safety or the commissioner's designee;
- 4.8 (13) the commissioner of labor and industry or the commissioner's designee;
- 4.9 (14) the assistant commissioner of the Workers' Compensation Division of the Department
4.10 of Labor and Industry or the assistant commissioner's designee;
- 4.11 (15) one designee of the commissioner of management and budget with expertise in the
4.12 public employees insurance program and the state employee group insurance program; and
- 4.13 (16) legislators who are members of the Commission and who commit to attending most
4.14 meetings of the work group.
- 4.15 (b) Each of the organizations or agencies specified in paragraph (a) may designate an
4.16 alternate who is entitled to participate in meetings of the work group along with the
4.17 designated representative. The co-chairs may establish rules regarding the participation of
4.18 alternates in meetings as necessary to ensure that all representatives have the opportunity
4.19 to speak.
- 4.20 (c) The executive director may invite others to participate in one or more meetings of
4.21 the work group.
- 4.22 (d) Each organization and agency specified in paragraph (a) must provide the executive
4.23 director with the names and contact information for the representative and alternate who
4.24 will serve on the work group by June 19, 2026. Legislators who wish to serve on the work
4.25 group must notify the executive director by June 19, 2026.
- 4.26 Subd. 5. **Mandate.** (a) Legislation recommended by the work group must address each
4.27 topic at paragraphs (b) through (k), or the work group must explain in an accompanying
4.28 report the consideration given to the topic and the reasons the legislation does not address
4.29 the topic.

5.1 (b) Benefit adequacy. The work group must address the adequacy of the retirement,
5.2 medical, and other welfare-related benefits to disabled members of the P&F plan with the
5.3 objective of establishing a comprehensive package of benefits.

5.4 (c) Funding of the public safety officer's benefit account. To fund the public safety
5.5 officer's benefit account established under Minnesota Statutes, section 299A.42, the work
5.6 group must recommend options including but not limited to:

5.7 (1) requiring members of the P&F plan to contribute a percentage of pay on a pre-tax
5.8 basis to the account;

5.9 (2) requiring the Department of Public Safety to reimburse public employers under
5.10 Minnesota Statutes, section 299A.465, subdivision 4, if there are not sufficient funds in the
5.11 account to satisfy all requests for reimbursement;

5.12 (3) securing permanent funding for the account; and

5.13 (4) requiring the State Board of Investment to invest the account and credit the account
5.14 with investment earnings and losses.

5.15 (d) Affordable retiree health insurance coverage. To ensure affordable options for
5.16 providing health insurance coverage are available to retirees under the P&F plan during
5.17 retirement, through age 65, the work group must recommend options including but not
5.18 limited to:

5.19 (1) allowing members of the P&F plan during employment to contribute to an account
5.20 on a pre-tax basis to pay premiums, co-pays, and other costs of medical care during
5.21 retirement; and

5.22 (2) allowing retirees to be covered by the state employee group insurance program from
5.23 retirement to age 65.

5.24 (e) Disability benefits and health insurance coverage to age 65. The work group must
5.25 recommend payment of disability benefits to and health insurance coverage of P&F plan
5.26 members to age 65, regardless of whether a member has 20 years of service credit under
5.27 the P&F plan. Specifically, the work group must include in the legislation the requirement
5.28 that a duty disabled member who is at least age 55 and has at least 20 years of service will
5.29 receive continued health insurance coverage under Minnesota Statutes, section 299A.465,
5.30 for at least 60 months.

5.31 (f) Duty disability definition, assessment, and process reform. To restructure the
5.32 procedures for assessing duty disability under the P&F plan and continued health insurance

6.1 coverage during the period of disability, the work group must recommend options including
6.2 but not limited to:

6.3 (1) revising the definition of "duty disability" at Minnesota Statutes, section 353.01,
6.4 subdivision 41, consistent with this paragraph;

6.5 (2) assessing the potential for fraudulent applications for duty disability benefits and
6.6 measures that can be implemented to detect fraud;

6.7 (3) requiring that duty disability applications be assessed by referring to the VA disability
6.8 schedule, which indicates the extent to which a disability impairs a member's ability to
6.9 perform the functions of the member's employment position, such that the percentage derived
6.10 from the VA disability schedule would be applied to both maximum benefits and the resulting
6.11 benefits are the duty disability and health insurance continuation benefits to which the
6.12 member is entitled;

6.13 (4) requiring the decision on whether a member has a duty disability be based on a
6.14 medical assessment from a medical professional who is not treating the member for the
6.15 disability; and

6.16 (5) the establishment of a duty disability review board to consider and determine
6.17 eligibility for duty disability benefits and continued health insurance coverage, which would
6.18 consist of one representative appointed by each of the following organizations:

6.19 (i) Minnesota Chiefs of Police Association;

6.20 (ii) Minnesota State Fire Chiefs Association;

6.21 (iii) Minnesota Sheriffs Association;

6.22 (iv) Minnesota Peace and Police Officers Association;

6.23 (v) Minnesota Professional Fire Fighters Association;

6.24 (vi) Law Enforcement Labor Services;

6.25 (vii) League of Minnesota Cities;

6.26 (viii) Association of Minnesota Counties;

6.27 (ix) Minnesota Board of Psychology; and

6.28 (x) Minnesota Board of Medical Practice.

6.29 The work group must provide a governance structure for the duty disability review board,
6.30 including its leadership, meeting schedule, voting and procedural rules, and a process for
6.31 reviewing cases, and determine the review board's relationship to the Public Employees

7.1 Retirement Association, including the association's transfer of application and supporting
7.2 documentation to the review board on a confidential basis.

7.3 (g) Reemployment. The work group must consider the impact of reemployment on
7.4 continued receipt of a duty disability pension, applying offsets to the duty disability pension
7.5 as in current law for earnings from reemployment in excess of specified limits, and
7.6 procedures for determining ongoing disability when the recipient of a duty disability pension
7.7 is reemployed.

7.8 (h) Report assessment. The work group must consider the following reports and address
7.9 key considerations, challenges, recommendations, and shortcomings identified in the reports
7.10 in the legislation recommended by the work group:

7.11 (1) "Adequacy of Disability Benefits for Minnesota Police Officers-Final Report," dated
7.12 January 2023, presented to the Department of Labor and Industry; and

7.13 (2) "Evaluating PTSD claims in Minnesota's workers' compensation system: Findings
7.14 and recommendations," dated October 2025, prepared by numerous authors in collaboration
7.15 with the Department of Labor and Industry.

7.16 (i) Psychological treatment assessment. The work group must assess the success of the
7.17 psychological condition treatment required under Minnesota Statutes, section 353.032, in
7.18 returning members of the P&F plan to the workforce and whether the requirement should
7.19 be repealed in favor of other treatment options that are likely to have more success. Options
7.20 include but are not limited to contracting with resident treatment programs such as the IAFF
7.21 Center of Excellence for Behavioral Health Treatment and Recovery.

7.22 (j) Differences in benefits. The work group must assess and advise on whether pension
7.23 benefits and health insurance coverage provided to members who suffer from physical
7.24 disabilities can be different than the pension benefits and health insurance coverage provided
7.25 to members who are disabled due to psychological disabilities.

7.26 (k) DPS reporting. The work group must assess the required reporting by the
7.27 commissioner of public safety under Minnesota Statutes, section 299A.42, subdivision 2,
7.28 and provide more specificity regarding the information that must be reported and penalties
7.29 if information is not reported by the due date in section 299A.42, subdivision 2.

7.30 Subd. 6. **Timely response by agencies.** Upon the request of a co-chair of the work group
7.31 or the executive director, the commissioners of public safety, labor and industry, or
7.32 management and budget, or the executive director of the Public Employees Retirement

8.1 Association, as applicable, must promptly furnish the work group with any data requested,
8.2 as the work group determines is necessary to fulfill its purpose.

8.3 Subd. 7. **Retention of experts.** (a) The executive director, working with the co-chairs
8.4 of the work group, may retain the services of experts, including attorneys and consultants,
8.5 to advise the work group on topics on which no state agency personnel have expertise,
8.6 including but not limited to tax-deferred options for setting aside compensation to pay for
8.7 health insurance coverage during periods of duty disability or retirement and the application
8.8 of the VA disability schedule to injuries and illness.

8.9 (b) With the consent of the chair, vice chair, or secretary of the Commission, the executive
8.10 director may pay for the services of experts under paragraph (a) with funds in the LPCR
8.11 account.

8.12 Subd. 8. **Recommendations; proposed legislation.** (a) With the assistance of the
8.13 executive director, the work group must prepare proposed legislation that implements the
8.14 recommendations of the work group. If the work group recommends more than one approach,
8.15 the work group must provide alternative bills.

8.16 (b) The executive director must submit the recommendations of the work group, along
8.17 with proposed legislation that implements the recommendations, to the Commission by
8.18 March 1, 2027, or, if later, the date all members of the Commission have been appointed
8.19 for the 2027-2028 biennium.

8.20 Subd. 9. **Meetings; chair; administrative support.** (a) The executive director must
8.21 convene the first meeting of the work group by June 30, 2026.

8.22 (b) The members of the work group must elect two co-chairs at the first meeting. The
8.23 co-chairs are not required to be members of the work group.

8.24 (c) Meetings may be conducted remotely or in person or a combination of remotely and
8.25 in person.

8.26 (d) Commission staff must provide meeting space, if needed, and administrative support
8.27 to the co-chairs of the work group.

8.28 Subd. 10. **Compensation; lobbying; retaliation.** (a) Members of the work group serve
8.29 without compensation.

8.30 (b) Participation in the work group is not lobbying under Minnesota Statutes, chapter
8.31 10A.

9.1 (c) An individual's employer or an organization or association of which an individual
9.2 is a member must not retaliate against the individual because of the individual's participation
9.3 in the work group.

9.4 Subd. 11. **Expiration.** The work group expires June 30, 2028.

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

9.6 **Sec. 3. AUTHORIZING USE OF FUNDS IN THE LCPR ACCOUNT.**

9.7 (a) For purposes of this section, the terms used in section 1 have the same meaning when
9.8 the terms are used in this section and "work group" means the work group established under
9.9 section 1.

9.10 (b) The LCPR account may be used:

9.11 (1) for independent actuarial cost assessments for the Commission; and

9.12 (2) with the consent of the chair, vice chair, or secretary of the Commission, to pay costs
9.13 incurred by the executive director, on behalf of the Commission, to retain experts, including
9.14 attorneys and consultants, to advise the work group on topics on which no state agency
9.15 personnel have expertise, including but not limited to tax-deferred options for setting aside
9.16 compensation to pay for health insurance coverage during periods of duty disability or
9.17 retirement and the application of the VA disability schedule to injuries and illness based on
9.18 which a member of the P&F plan has applied for duty disability benefits.

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