

1.1 ..... moves to amend S.F. No. 1712; H.F. No. 1758, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 MINNESOTA STATE RETIREMENT SYSTEM PROVISIONS

1.5 Section 1. Minnesota Statutes 2020, section 352D.06, subdivision 1, is amended to read:

1.6 Subdivision 1. **Annuity; reserves.** (a) When a participant attains at least age 55,  
1.7 terminates from covered service, and applies for a retirement annuity, the cash value of the  
1.8 participant's shares must be transferred to the general state employees retirement fund and  
1.9 be used to provide an annuity for the participant based upon the participant's age when the  
1.10 benefit begins to accrue.

1.11 (b) Except for participants described in paragraph (c) or (d), the monthly amount of the  
1.12 annuity must be determined using the actuarial assumptions in effect for the general state  
1.13 employees retirement plan under section 356.215 on the accrual date.

1.14 ~~(e) For any participant who retires on or after July 1, 2017, and before July 1, 2020,~~  
1.15 ~~when the participant is at least age 63 or has had at least 26 years of covered service, the~~  
1.16 ~~monthly amount of the annuity must be determined using the actuarial assumptions in effect~~  
1.17 ~~for the general state employees retirement plan under section 356.215 on June 30, 2016.~~

1.18 ~~(d)~~ (c) For any participant who terminates employment on or after July 1, 2020, and  
1.19 before July 1, 2021, if the participant was at least age 63 or had at least 26 years of covered  
1.20 service as of June 30, 2020, the monthly amount of the annuity must be determined using  
1.21 the actuarial assumptions in effect for the general state employees retirement plan under  
1.22 section 356.215 on June 30, 2016.

1.23 (d) For any participant who (1) terminates employment on or after June 1, 2021, and  
1.24 before July 1, 2022, (2) is an employee of the house of representatives, the senate, or the  
1.25 Legislative Coordinating Commission at the time the employee terminates employment,  
1.26 and (3) on June 30, 2020, was at least age 63 or had at least 26 years of covered service,  
1.27 the monthly amount of the annuity must be determined using the actuarial assumptions in  
1.28 effect for the general state employees retirement plan under section 356.215 on June 30,  
1.29 2016.

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

2.1 Sec. 2. Minnesota Statutes 2020, section 356.415, subdivision 1f, is amended to read:

2.2 Subd. 1f. **Annual postretirement adjustments; Minnesota State Retirement System**  
2.3 **judges retirement plan.** (a) Recipients of a retirement annuity, disability benefit, or survivor  
2.4 benefit recipients of from the judges retirement plan are entitled to an annual postretirement  
2.5 adjustment, effective as of each January 1 ~~if the definition of funding stability under~~  
2.6 ~~paragraph (b) has not been met~~, as follows:

2.7 (1) through December 31, 2021, a postretirement increase of 1.75 percent must be applied  
2.8 each year to the monthly annuity or benefit of each annuitant or benefit recipient who has  
2.9 been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the  
2.10 calendar year immediately before the adjustment; ~~and~~

2.11 (2) through December 31, 2021, for each annuitant or benefit recipient who has been  
2.12 receiving an annuity or a benefit for at least one full month, but less than 12 full months as  
2.13 of the June 30 of the calendar year immediately before the adjustment, an annual  
2.14 postretirement increase of 1/12 of 1.75 percent for each month that the person has been  
2.15 receiving an annuity or benefit must be applied to the amount of the monthly annuity or  
2.16 benefit ~~of each annuitant or benefit recipient.~~;

2.17 (3) effective January 1, 2022, and thereafter, a postretirement increase of 1.5 percent  
2.18 must be applied each year to the monthly annuity or benefit of each annuitant or benefit  
2.19 recipient who has been receiving an annuity or a benefit for at least 12 full months as of the  
2.20 June 30 of the calendar year immediately before the adjustment; and

2.21 (4) effective January 1, 2022, and thereafter, for each annuitant or benefit recipient who  
2.22 has been receiving an annuity or a benefit for at least one full month, but less than 12 full  
2.23 months as of the June 30 of the calendar year immediately before the adjustment, an annual  
2.24 postretirement increase of 1/12 of 1.5 percent for each month that the person has been  
2.25 receiving an annuity or benefit must be applied to the amount of the monthly annuity or  
2.26 benefit.

2.27 (b) ~~Increases under paragraph (a) terminate on December 31 of the calendar year in~~  
2.28 ~~which two prior consecutive actuarial valuations prepared by the approved actuary under~~  
2.29 ~~sections 356.214 and 356.215 and the standards for actuarial work promulgated by the~~  
2.30 ~~Legislative Commission on Pensions and Retirement indicates that the market value of~~  
2.31 ~~assets of the judges retirement plan equals or exceeds 70 percent of the actuarial accrued~~  
2.32 ~~liability of the retirement plan and increases under paragraph (c) begin after that date.~~

2.33 (c) ~~Retirement annuity, disability benefit, or survivor benefit recipients of the judges~~  
2.34 ~~retirement plan are entitled to a postretirement adjustment annually, effective as of each~~

3.1 ~~January 1 if the definition of funding stability under paragraph (d) has not been met, as~~  
3.2 ~~follows:~~

3.3 ~~(1) a postretirement increase of two percent must be applied each year to the monthly~~  
3.4 ~~annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity~~  
3.5 ~~or a benefit for at least 12 full months as of the June 30 of the calendar year immediately~~  
3.6 ~~before the adjustment; and~~

3.7 ~~(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit~~  
3.8 ~~for at least one full month, but less than 12 full months as of the June 30 of the calendar~~  
3.9 ~~year immediately before the adjustment, an annual postretirement increase of 1/12 of two~~  
3.10 ~~percent for each month that the person has been receiving an annuity or benefit must be~~  
3.11 ~~applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.~~

3.12 ~~(d) Increases under paragraph (c) terminate on December 31 of the calendar year in~~  
3.13 ~~which two prior consecutive actuarial valuations prepared by the approved actuary under~~  
3.14 ~~section 356.214 and the standards for actuarial work promulgated by the Legislative~~  
3.15 ~~Commission on Pensions and Retirement indicate that the market value of assets of the~~  
3.16 ~~judges retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the~~  
3.17 ~~retirement plan and increases under paragraph (e) begin after that date.~~

3.18 ~~(e) Retirement annuity, disability benefit, or survivor benefit recipients of the judges~~  
3.19 ~~retirement plan are entitled to a postretirement adjustment annually, effective as of each~~  
3.20 ~~January 1, as follows:~~

3.21 ~~(1) a postretirement increase of 2.5 percent must be applied each year to the monthly~~  
3.22 ~~annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity~~  
3.23 ~~or a benefit for at least 12 full months as of the June 30 of the calendar year immediately~~  
3.24 ~~before the adjustment; and~~

3.25 ~~(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit~~  
3.26 ~~for at least one full month, but less than 12 full months as of the June 30 of the calendar~~  
3.27 ~~year immediately before the adjustment, an annual postretirement increase of 1/12 of 2.5~~  
3.28 ~~percent for each month that the person has been receiving an annuity or benefit must be~~  
3.29 ~~applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.~~

3.30 ~~(f) (b) An increase in annuity or benefit payments under this subdivision must be made~~  
3.31 ~~automatically unless written notice is filed by the annuitant or benefit recipient with the~~  
3.32 ~~executive director of the applicable covered retirement plan requesting that the increase not~~  
3.33 ~~be made.~~

4.1 **EFFECTIVE DATE.** This section is effective June 30, 2021.

4.2

## ARTICLE 2

4.3

### FEDERAL COMPLIANCE AFFECTING MSRS AND PERA ELIGIBILITY FOR 4.4 CERTAIN VISA HOLDERS

4.5 Section 1. Minnesota Statutes 2020, section 352.01, subdivision 2b, is amended to read:

4.6 Subd. 2b. **Excluded employees.** "State employee" does not include:

4.7 (1) persons who are:

4.8 (i) students employed by the University of Minnesota, or within the Minnesota State  
4.9 Colleges and Universities system, unless approved for coverage by the Board of Regents  
4.10 of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges  
4.11 and Universities, whichever applies;

4.12 (ii) employed as interns for a period not to exceed six months unless included under  
4.13 subdivision 2a, paragraph (a), clause (8);

4.14 (iii) employed as trainee employees unless included under subdivision 2a, paragraph  
4.15 (a), clause (8); or

4.16 (iv) employed in the student worker classification as designated by Minnesota  
4.17 Management and Budget;

4.18 (2) employees who are:

4.19 (i) eligible for membership in the state Teachers Retirement Association, unless the  
4.20 person is an employee of the Department of Education who elected to be covered by the  
4.21 general state employees retirement plan of the Minnesota State Retirement System instead  
4.22 of the Teachers Retirement Association;

4.23 (ii) employees of the state who, in any year, were credited with 12 months of allowable  
4.24 service as a public school teacher and, as such, are members of a retirement plan governed  
4.25 by chapter 354 or 354A unless the employment is incidental employment as a state employee  
4.26 that is not covered by a retirement plan governed by chapter 354 or 354A;

4.27 (iii) employees of the state who are employed by the Board of Trustees of the Minnesota  
4.28 State Colleges and Universities in an unclassified position that is listed in section 43A.08,  
4.29 subdivision 1, clause (9);

4.30 (iv) persons employed by the Board of Trustees of the Minnesota State Colleges and  
4.31 Universities who elected retirement coverage other than by the general state employees

5.1 retirement plan of the Minnesota State Retirement System under Minnesota Statutes 1994,  
5.2 section 136C.75;

5.3 (v) officers or enlisted personnel in the National Guard or in the naval militia who are  
5.4 assigned to permanent peacetime duty and who are or are required to be members of a  
5.5 federal retirement system under federal law;

5.6 (vi) persons employed by the Department of Military Affairs as full-time firefighters  
5.7 and who, as such, are members of the public employees police and fire retirement plan;

5.8 (vii) members of the State Patrol retirement plan under section 352B.011, subdivision  
5.9 10;

5.10 (viii) off-duty police officers while employed by the Metropolitan Council and persons  
5.11 employed as full-time police officers by the Metropolitan Council and who, as such, are  
5.12 members of the public employees police and fire retirement plan; and

5.13 (ix) employees of the state who have elected to transfer account balances derived from  
5.14 state service to the unclassified state employees retirement program under section 352D.02,  
5.15 subdivision 1d;

5.16 (3) employees of the University of Minnesota who are excluded from coverage by action  
5.17 of the Board of Regents;

5.18 (4) election judges and persons who are employed solely to administer elections;

5.19 (5) persons who are:

5.20 (i) engaged in public work for the state but who are employed by contractors when the  
5.21 performance of the contract is authorized by the legislature or other competent authority;

5.22 (ii) employed to perform professional services where the service is incidental to the  
5.23 person's regular professional duties and where compensation is paid on a per diem basis;

5.24 or

5.25 (iii) compensated on a fee payment basis or as an independent contractor;

5.26 (6) persons who are employed:

5.27 (i) on a temporary basis by the house of representatives, the senate, or a legislative  
5.28 commission or agency under the jurisdiction of the Legislative Coordinating Commission;

5.29 (ii) as a temporary employee on or after July 1 for a period ending on or before October  
5.30 15 of that calendar year for the Minnesota State Agricultural Society or the Minnesota State  
5.31 Fair, or as an employee at any time for a special event held on the fairgrounds;

6.1 (iii) by the executive branch as a temporary employee in the classified service or as an  
6.2 executive branch temporary employee in the unclassified service if appointed for a definite  
6.3 period not to exceed six months, and if employment is less than six months, then in any  
6.4 12-month period;

6.5 (iv) by the adjutant general if employed on an unlimited intermittent or temporary basis  
6.6 in the classified service or in the unclassified service for the support of Army or Air National  
6.7 Guard training facilities;

6.8 (v) by a state or federal program for training or rehabilitation as a temporary employee  
6.9 if employed for a limited period from an area of economic distress and if other than a skilled  
6.10 or supervisory personnel position or other than a position that has civil service status covered  
6.11 by the retirement system; and

6.12 (vi) by the Metropolitan Council or a statutory board of the Metropolitan Council where  
6.13 the members of the board are appointed by the Metropolitan Council as a temporary employee  
6.14 if the appointment does not exceed six months;

6.15 (7) receivers, jurors, notaries public, and court employees who are not in the judicial  
6.16 branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed  
6.17 by the Department of Labor and Industry;

6.18 (8) patient and inmate help who perform services in state charitable, penal, and  
6.19 correctional institutions, including a Minnesota Veterans Home;

6.20 (9) employees of the Sibley House Association;

6.21 (10) persons who are:

6.22 (i) members of any state board or commission who serve the state intermittently and are  
6.23 paid on a per diem basis, the secretary, secretary-treasurer, and treasurer of those boards if  
6.24 their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving  
6.25 more than three years, and the board of managers of the State Agricultural Society and its  
6.26 treasurer unless the treasurer is also its full-time secretary;

6.27 (ii) examination monitors employed by a department, agency, commission, or board of  
6.28 the state to conduct examinations that are required by law; or

6.29 (iii) appointees serving as a member of a fact-finding commission or an adjustment  
6.30 panel, an arbitrator, or a labor referee under chapter 179;

6.31 (11) emergency employees who are in the classified service, but if an emergency  
6.32 employee, within the same pay period, becomes a provisional or probationary employee on

7.1 other than a temporary basis, the employee must be considered a "state employee"  
7.2 retroactively to the beginning of the pay period;

7.3 (12) persons who are members of a religious order who are excluded from coverage  
7.4 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the  
7.5 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),  
7.6 as amended, if no irrevocable election of coverage has been made under section 3121(r) of  
7.7 the Internal Revenue Code of 1986, as amended;

7.8 (13) members of trades who are employed by the successor to the Metropolitan Waste  
7.9 Control Commission, who have trade union pension plan coverage under a collective  
7.10 bargaining agreement, and who are first employed after June 1, 1977;

7.11 (14) for the first three years of employment, foreign citizens who are ~~employed under~~  
7.12 ~~a work permit of less than three years or under an H-1b visa or a J-1 visa that is initially~~  
7.13 ~~valid for less than three years of employment, unless notice of a visa extension which allows~~  
7.14 ~~them to work for three or more years as of the date that the extension is granted and is~~  
7.15 ~~supplied to the retirement plan, in which case the person is eligible for coverage from the~~  
7.16 ~~date of the extension~~ state employees under subdivision 2 or included employees under  
7.17 subdivision 2a, unless the foreign citizen is:

7.18 (i) an H-1B, H-1B1, or E-3 status holder;

7.19 (ii) an employee legally authorized to work in the United States for three years or more;

7.20 or

7.21 (iii) an employee otherwise required to participate under federal law; and

7.22 (15) reemployed annuitants of the general state employees retirement plan, the military  
7.23 affairs personnel retirement plan, the transportation department pilots retirement plan, the  
7.24 state fire marshal employees retirement plan, or the correctional state employees retirement  
7.25 plan during the course of that reemployment.

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

7.27 Sec. 2. Minnesota Statutes 2020, section 353.01, subdivision 2b, is amended to read:

7.28 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to  
7.29 participate as members of the association with retirement coverage by the general employees  
7.30 retirement plan, the local government correctional employees retirement plan under chapter  
7.31 353E, or the public employees police and fire retirement plan:

8.1 (1) persons whose annual salary from one governmental subdivision never exceeds an  
8.2 amount, stipulated in writing in advance, of \$5,100 if the person is not a school district  
8.3 employee or \$3,800 if the person is a school year employee. If annual compensation from  
8.4 one governmental subdivision to an employee exceeds the stipulated amount in a calendar  
8.5 year or a school year, whichever applies, after being stipulated in advance not to exceed the  
8.6 applicable amount, the stipulation is no longer valid and contributions must be made on  
8.7 behalf of the employee under section 353.27, subdivision 12, from the first month in which  
8.8 the employee received salary exceeding \$425 in a month;

8.9 (2) public officers who are elected to a governing body, city mayors, or persons who  
8.10 are appointed to fill a vacancy in an elected office of a governing body, whose term of office  
8.11 commences on or after July 1, 2002, for the service to be rendered in that elected position;

8.12 (3) election judges and persons employed solely to administer elections;

8.13 (4) patient and inmate personnel who perform services for a governmental subdivision;

8.14 (5) except as otherwise specified in subdivision 12a, employees who are employed solely  
8.15 in a temporary position as defined under subdivision 12a, and employees who resign from  
8.16 a nontemporary position and accept a temporary position within 30 days of that resignation  
8.17 in the same governmental subdivision;

8.18 (6) employees who are employed by reason of work emergency caused by fire, flood,  
8.19 storm, or similar disaster, but if the person becomes a probationary or provisional employee  
8.20 within the same pay period, other than on a temporary basis, the person is a "public  
8.21 employee" retroactively to the beginning of the pay period;

8.22 (7) employees who by virtue of their employment in one governmental subdivision are  
8.23 required by law to be a member of and to contribute to any of the plans or funds administered  
8.24 by the Minnesota State Retirement System, the Teachers Retirement Association, or the St.  
8.25 Paul Teachers Retirement Fund Association, but this exclusion must not be construed to  
8.26 prevent a person from being a member of and contributing to the Public Employees  
8.27 Retirement Association and also belonging to and contributing to another public pension  
8.28 plan or fund for other service occurring during the same period of time, and a person who  
8.29 meets the definition of "public employee" in subdivision 2 by virtue of other service occurring  
8.30 during the same period of time becomes a member of the association unless contributions  
8.31 are made to another public retirement plan on the salary based on the other service or to the  
8.32 Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

8.33 (8) persons who are members of a religious order and are excluded from coverage under  
8.34 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance



9.1 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if  
9.2 no irrevocable election of coverage has been made under section 3121(r) of the Internal  
9.3 Revenue Code of 1954, as amended;

9.4 (9) persons who are:

9.5 (i) employed by a governmental subdivision who have not reached the age of 23 and  
9.6 who are enrolled on a full-time basis to attend or are attending classes on a full-time basis  
9.7 at an accredited school, college, or university in an undergraduate, graduate, or  
9.8 professional-technical program, or at a public or charter high school;

9.9 (ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist  
9.10 interns and are serving in a degree or residency program in a public hospital or in a public  
9.11 clinic; or

9.12 (iii) students who are serving for a period not to exceed five years in an internship or a  
9.13 residency program that is sponsored by a governmental subdivision, including an accredited  
9.14 educational institution;

9.15 (10) persons who hold a part-time adult supplementary technical college license who  
9.16 render part-time teaching service in a technical college;

9.17 (11) for the first three years of employment, foreign citizens who are employed by a  
9.18 governmental subdivision, except that the following foreign citizens ~~are~~ must be considered  
9.19 included employees under subdivision 2a:

9.20 (i) H-1B, H-1B1, and E-3 status holders;

9.21 ~~(i)~~ (ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

9.22 ~~(ii)~~ (iii) employees legally authorized to work in the United States for three years or  
9.23 more; and

9.24 ~~(iii)~~ (iv) employees otherwise required to participate under federal law;

9.25 (12) public hospital employees who elected not to participate as members of the  
9.26 association before 1972 and who did not elect to participate from July 1, 1988, to October  
9.27 1, 1988;

9.28 (13) except as provided in section 353.86, volunteer ambulance service personnel, as  
9.29 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel  
9.30 may still qualify as public employees under subdivision 2 and may be members of the Public  
9.31 Employees Retirement Association and participants in the general employees retirement  
9.32 plan or the public employees police and fire plan, whichever applies, on the basis of

10.1 compensation received from public employment service other than service as volunteer  
10.2 ambulance service personnel;

10.3 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision  
10.4 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person  
10.5 who is a volunteer firefighter may still qualify as a public employee under subdivision 2  
10.6 and may be a member of the Public Employees Retirement Association and a participant  
10.7 in the general employees retirement plan or the public employees police and fire plan,  
10.8 whichever applies, on the basis of compensation received from public employment activities  
10.9 other than those as a volunteer firefighter;

10.10 (15) employees in the building and construction trades, as follows:

10.11 (i) pipefitters and associated trades personnel employed by Independent School District  
10.12 No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters  
10.13 local 455 pension plan who were either first employed after May 1, 1997, or, if first employed  
10.14 before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section  
10.15 12;

10.16 (ii) electrical workers, plumbers, carpenters, and associated trades personnel employed  
10.17 by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage  
10.18 under a collective bargaining agreement by the electrical workers local 110 pension plan,  
10.19 the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either  
10.20 first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be  
10.21 excluded under Laws 2000, chapter 461, article 7, section 5;

10.22 (iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters,  
10.23 allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School  
10.24 District No. 625, St. Paul, with coverage under a collective bargaining agreement by the  
10.25 bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633  
10.26 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied  
10.27 trades local 61 pension plan, or the plasterers local 265 pension plan who were either first  
10.28 employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded  
10.29 under Laws 2001, First Special Session chapter 10, article 10, section 6;

10.30 (iv) plumbers employed by the Metropolitan Airports Commission, with coverage under  
10.31 a collective bargaining agreement by the plumbers local 34 pension plan, who were either  
10.32 first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be  
10.33 excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

11.1 (v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation  
11.2 Board, with coverage under a collective bargaining agreement by the electrical workers  
11.3 local 292 pension plan or the pipefitters local 539 pension plan, who were first employed  
11.4 before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11,  
11.5 section 5;

11.6 (vi) laborers and associated trades personnel employed by the city of St. Paul or  
11.7 Independent School District No. 625, St. Paul, who are designated as temporary employees  
11.8 with coverage under a collective bargaining agreement by a multiemployer plan as defined  
11.9 in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018,  
11.10 or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter  
11.11 211, article 16, section 13; and

11.12 (vii) employees who are trades employees as defined in section 356.27, subdivision 1,  
11.13 first hired on or after July 1, 2020, by the city of St. Paul or Independent School District  
11.14 No. 625, St. Paul, except for any trades employee for whom contributions are made under  
11.15 section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer  
11.16 plan as defined in section 356.27, subdivision 1;

11.17 (16) employees who are hired after June 30, 2002, solely to fill seasonal positions under  
11.18 subdivision 12b which are limited in duration by the employer to a period of six months or  
11.19 less in each year of employment with the governmental subdivision;

11.20 (17) persons who are provided supported employment or work-study positions by a  
11.21 governmental subdivision and who participate in an employment or industries program  
11.22 maintained for the benefit of these persons where the governmental subdivision limits the  
11.23 position's duration to up to five years, including persons participating in a federal or state  
11.24 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment  
11.25 relief program where the training or work experience is not provided as a part of, or for,  
11.26 future permanent public employment;

11.27 (18) independent contractors and the employees of independent contractors;

11.28 (19) reemployed annuitants of the association during the course of that reemployment;

11.29 (20) persons appointed to serve on a board or commission of a governmental subdivision  
11.30 or an instrumentality thereof; and

11.31 (21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan  
11.32 Transit Commission who are members of the International Brotherhood of Teamsters Local

12.1 638 and who are, by virtue of that employment, members of the International Brotherhood  
12.2 of Teamsters Central States pension plan.

12.3 (b) Any person performing the duties of a public officer in a position defined in  
12.4 subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an  
12.5 employee of an independent contractor.

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

12.7 Sec. 3. **MSRS; SERVICE CREDIT PURCHASE PERMITTED FOR PERIOD OF**  
12.8 **EMPLOYMENT AS AN EXCLUDED EMPLOYEE.**

12.9 **Subdivision 1. Definitions.** For purposes of this section, the following definitions shall  
12.10 apply, unless the context indicates a different meaning is intended:

12.11 (1) "effective date" means the effective date of section 1;

12.12 (2) "eligible person" means a person who:

12.13 (i) is employed in state service on the effective date or terminated employment in state  
12.14 service during the lookback period;

12.15 (ii) was an excluded employee for any period of employment before the effective date;  
12.16 and

12.17 (iii) before the effective date, became eligible for coverage under Minnesota Statutes  
12.18 2020, section 352.01, subdivision 2b, clause (14), or, on the effective date, became a state  
12.19 employee under the amendment made by section 1;

12.20 (3) "excluded employee" means a person who was excluded from coverage under  
12.21 Minnesota Statutes 2020, section 352.01, subdivision 2b, clause (14);

12.22 (4) "executive director" means the executive director of the Minnesota State Retirement  
12.23 System; and

12.24 (5) "lookback period" means the period that begins twelve months before the effective  
12.25 date of section 1 and ends on the effective date.

12.26 **Subd. 2. Authorizing the purchase of service credit.** (a) Notwithstanding any law to  
12.27 the contrary, the executive director must credit a person with allowable service credit for  
12.28 any period of employment during which contributions were not made for the person because  
12.29 the person was considered an excluded employee, if the person is an eligible person and  
12.30 the executive director receives the payment described in paragraph (b) or (c), as applicable.

13.1 (b) The eligible person or the employer, on behalf of the eligible person, may, no later  
13.2 than August 31, 2021, pay the missed employee contributions for any period of employment  
13.3 during which contributions were not made for the person because the person was considered  
13.4 an excluded employee, by transmitting the amount of the missed employee contributions  
13.5 in a lump sum to the Minnesota State Retirement System.

13.6 (c) The eligible person may elect to pay missed employee contributions for less than the  
13.7 entire period of employment during which contributions were not made. The period of  
13.8 employment elected must be consecutive payroll periods and may be payroll periods during  
13.9 which the eligible person received the lowest salary. Upon payment of the missed employee  
13.10 contributions for the period of employment elected, the executive director must credit the  
13.11 eligible person with a proportionate amount of allowable service credit.

13.12 (d) If the missed employee contributions are paid, the eligible person's employer must,  
13.13 no later than September 30, 2021, pay the missed employer contributions plus interest,  
13.14 compounded annually, at the applicable annual rate or rates specified in Minnesota Statutes,  
13.15 section 356.59, subdivision 2, on both the employee contributions and the employer  
13.16 contributions, from the end of the year in which the contributions would have been made  
13.17 to the date on which the payment is made, by transmitting the amount of the missed employer  
13.18 contributions plus interest in a lump sum to the Minnesota State Retirement System. If the  
13.19 eligible person elects to pay missed employee contributions for less than the entire period  
13.20 of employment as permitted under paragraph (c), the employer must pay the missed employer  
13.21 contributions plus interest on both the employee contributions and the employer contributions  
13.22 for the payroll periods elected by the eligible person.

13.23 (e) The executive director shall notify the eligible person's employer regarding the  
13.24 amount required under paragraph (d) and the basis for determining the amount. If the  
13.25 employer fails to make all or any portion of the payment required by paragraph (d), the  
13.26 executive director shall follow the procedures in Minnesota Statutes, section 352.04,  
13.27 subdivision 8, paragraph (b), to collect the unpaid amount.

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

### 13.29 **ARTICLE 3**

#### 13.30 **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION PROVISIONS**

13.31 Section 1. Minnesota Statutes 2020, section 353.01, subdivision 16, is amended to read:

13.32 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service" means:

14.1 (1) service during years of actual membership in the course of which employee deductions  
14.2 were withheld from salary and contributions were made at the applicable rates under section  
14.3 353.27, 353.65, or 353E.03;

14.4 (2) periods of service covered by payments in lieu of salary deductions under sections  
14.5 353.27, subdivisions 12 and 12a, and 353.35;

14.6 (3) service in years during which the public employee was not a member but for which  
14.7 the member later elected, while a member, to obtain credit by making payments to the fund  
14.8 as permitted by any law then in effect;

14.9 (4) a period of authorized leave of absence during which the employee receives pay as  
14.10 specified in subdivision 10, paragraph (a), clause (4) or (5), from which deductions for  
14.11 employee contributions are made, deposited, and credited to the fund;

14.12 (5) a period of authorized leave of absence without pay, or with pay that is not included  
14.13 in the definition of salary under subdivision 10, paragraph (a), clause (4) or (5), for which  
14.14 salary deductions are not authorized, and for which a member obtained service credit for  
14.15 up to 12 months of the authorized leave period by payment under section 353.0162, to the  
14.16 fund made in place of salary deductions;

14.17 ~~(6) a periodic, repetitive leave that is offered to all employees of a governmental~~  
14.18 ~~subdivision. The leave program may not exceed 208 hours per annual normal work cycle~~  
14.19 ~~as certified to the association by the employer. A participating member obtains service credit~~  
14.20 ~~by making employee contributions in an amount or amounts based on the member's average~~  
14.21 ~~salary, excluding overtime pay, that would have been paid if the leave had not been taken.~~  
14.22 ~~The employer shall pay the employer and additional employer contributions on behalf of~~  
14.23 ~~the participating member. The employee and the employer are responsible to pay interest~~  
14.24 ~~on their respective shares at the applicable rate or rates specified in section 356.59,~~  
14.25 ~~subdivision 3, compounded annually, from the end of the normal cycle until full payment~~  
14.26 ~~is made. An employer shall also make the employer and additional employer contributions,~~  
14.27 ~~plus interest at the applicable rate or rates specified in section 356.59, subdivision 3,~~  
14.28 ~~compounded annually, on behalf of an employee who makes employee contributions but~~  
14.29 ~~terminates public service. The employee contributions must be made within one year after~~  
14.30 ~~the end of the annual normal working cycle or within 30 days after termination of public~~  
14.31 ~~service, whichever is sooner. The executive director shall prescribe the manner and forms~~  
14.32 ~~to be used by a governmental subdivision in administering a periodic, repetitive leave. Upon~~  
14.33 ~~payment, the member must be granted allowable service credit for the purchased period;~~

15.1 ~~(7)~~ (6) an authorized temporary or seasonal layoff under subdivision 12, limited to three  
15.2 months allowable service per authorized temporary or seasonal layoff in one calendar year.  
15.3 An employee who has received the maximum service credit allowed for an authorized  
15.4 temporary or seasonal layoff must return to public service and must obtain a minimum of  
15.5 three months of allowable service subsequent to the layoff in order to receive allowable  
15.6 service for a subsequent authorized temporary or seasonal layoff;

15.7 ~~(8)~~ (7) a period of uniformed services leave purchased under section 353.014;

15.8 ~~(9)~~ (8) a period of military service purchased under section 353.0141; or

15.9 ~~(10)~~ (9) a period ~~specified~~ of reduced salary purchased under section 353.0162.

15.10 (b) No member may receive more than 12 months of allowable service credit in a year  
15.11 either for vesting purposes or for benefit calculation purposes.

15.12 (c) For an active member who was an active member of the former Minneapolis  
15.13 Firefighters Relief Association on December 29, 2011, "allowable service" is the period of  
15.14 service credited by the Minneapolis Firefighters Relief Association as reflected in the  
15.15 transferred records of the association up to December 30, 2011, and the period of service  
15.16 credited under paragraph (a), clause (1), after December 30, 2011. For an active member  
15.17 who was an active member of the former Minneapolis Police Relief Association on December  
15.18 29, 2011, "allowable service" is the period of service credited by the Minneapolis Police  
15.19 Relief Association as reflected in the transferred records of the association up to December  
15.20 30, 2011, and the period of service credited under paragraph (a), clause (1), after December  
15.21 30, 2011.

15.22 **EFFECTIVE DATE.** This section is effective July 1, 2021.

15.23 Sec. 2. Minnesota Statutes 2020, section 353.01, subdivision 28, is amended to read:

15.24 Subd. 28. **Retirement.** (a) "Retirement" means the payment of an annuity by the  
15.25 association. A right to retirement is subject to termination of public service under subdivision  
15.26 11a. A right to retirement requires a complete and continuous separation for 30 days from  
15.27 employment as a public employee.

15.28 (b) Notwithstanding the 30-day separation requirement under paragraph (a), a member  
15.29 of a defined benefit plan under this chapter, who also participates in the public employees  
15.30 defined contribution plan under chapter 353D for other public service, may be paid, if  
15.31 eligible, a retirement annuity from the defined benefit plan while participating in the defined  
15.32 contribution plan. A retirement annuity is also payable from a defined benefit plan under

16.1 this chapter to an eligible member who terminates public service and who, within 30 days  
16.2 of separation, takes office as an elected official of a governmental subdivision.

16.3 (c) Elected officials included in association membership under subdivisions 2a and 2d  
16.4 meet the 30-day separation requirement under this section by resigning from office before  
16.5 filing for a subsequent term in the same office and by remaining completely and continuously  
16.6 separated from that office for 30 days prior to the date of the election.

16.7 (d) The 30-day separation requirement under paragraph (a) does not apply to a retirement  
16.8 annuity payable from a defined benefit plan under this chapter to a public employee if the  
16.9 public employee:

16.10 (1) is covered by a covered retirement plan under section 356.30, subdivision 3;

16.11 (2) is eligible for a combined service annuity under section 356.30, subdivision 1; and

16.12 (3) has entered into a phased retirement agreement or its equivalent permitted by the  
16.13 laws applicable to the covered retirement plan with coverage of the last period of public  
16.14 service.

16.15 **EFFECTIVE DATE.** This section is effective July 1, 2021.

16.16 Sec. 3. Minnesota Statutes 2020, section 353.014, subdivision 4, is amended to read:

16.17 Subd. 4. **Time period for making member's payment.** Payment of the employee  
16.18 equivalent contributions must be made during a period that begins with the date on which  
16.19 the member returns to public employment and that is three times the length of the military  
16.20 leave period, or within five years of the date on which the member returns to public  
16.21 employment, whichever is less. If the payment period is less than ~~one year~~ three years,  
16.22 payment of the employee equivalent contributions may be made within ~~one year~~ three years  
16.23 of the date of the member's discharge from service in the uniformed services. Payment may  
16.24 not be accepted after ~~30 days~~ six months following termination of public service under  
16.25 section 353.01, subdivision 11a.

16.26 **EFFECTIVE DATE.** This section is effective July 1, 2021, except the amendments  
16.27 changing one year to three years are effective the day following final enactment.



17.1 Sec. 4. Minnesota Statutes 2020, section 353.0162, is amended to read:

17.2 **353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED**  
17.3 **SALARY.**

17.4 (a) A member may purchase differential salary credit as described in paragraph (c) for  
17.5 a period ~~specified~~ of reduced salary as described in paragraph (b).

17.6 (b) ~~The applicable period is~~ of reduced salary must be a period occurring entirely within  
17.7 one school year, for school year employees, or one calendar year, for all other employees,  
17.8 during which the member is receiving receives no salary or a reduced salary from the  
17.9 employer while the member is:

17.10 (1) receiving workers' compensation payments related to the member's service to the  
17.11 public employer;

17.12 (2) on an authorized leave of absence, ~~except that if the authorized leave of absence~~  
17.13 ~~exceeds 12 months, the period of leave for which differential salary credit may be purchased~~  
17.14 ~~is limited to 12 months; or~~

17.15 (3) on an authorized leave of absence as a result of a budgetary or salary savings program  
17.16 offered or mandated by a governmental subdivision, if certified to the executive director  
17.17 by the governmental subdivision; or

17.18 (4) on a periodic, repetitive leave that is offered to all employees of a governmental  
17.19 subdivision where the leave program is certified by the employer to the association as one  
17.20 that does not exceed 208 hours during the school year or calendar year, as applicable.

17.21 (c) Differential salary credit is the difference between the salary received by the member  
17.22 during a period of reduced salary specified in paragraph (b) and the salary of the member,  
17.23 excluding overtime, on which contributions to the applicable plan would have been made  
17.24 during the period based on the member's normal employment period, measured in hours or  
17.25 otherwise, as applicable, and rate of pay.

17.26 (d) To receive differential salary credit, the member shall pay the plan, by delivering  
17.27 payment to the executive director, an amount equal to:

17.28 (1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65,  
17.29 subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary  
17.30 amount;

18.1 (2) plus an employer equivalent payment equal to the applicable employer contribution  
18.2 rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as  
18.3 applicable, multiplied by the differential salary amount;

18.4 (3) plus, if applicable, an equivalent employer additional amount equal to the additional  
18.5 employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential  
18.6 salary amount.

18.7 (e) The employer, by appropriate action of its governing body and documented in its  
18.8 official records, may pay ~~the employer equivalent contributions and~~ on behalf of the member  
18.9 the amounts determined under paragraph (d), clauses (2) and (3), as applicable, the equivalent  
18.10 employer additional contributions on behalf of the member plus interest under paragraph  
18.11 (f). However, if the period of reduced salary is a periodic, repetitive leave under paragraph  
18.12 (b), clause (4), then the employer must pay on behalf of the member the amount determined  
18.13 under paragraph (d), clauses (2) and (3), as applicable, plus interest under paragraph (f).

18.14 (f) Payment under this section must include interest on the contribution amount or  
18.15 amounts, whichever applies, at the applicable rate or rates specified in section 356.59,  
18.16 subdivision 3, compounded annually, prorated for the number of months, if less than 12  
18.17 months, from the ~~date on which the period of reduced salary specified in paragraph (b)~~  
18.18 ~~terminates to the date on which the payment or payments are~~ end of the school year or  
18.19 calendar year, as applicable, until full payment is received by the executive director. Payment  
18.20 under this section must be completed by the earliest of:

18.21 (1) ~~30 days~~ six months after termination of public service by the employee under section  
18.22 353.01, subdivision 11a;

18.23 (2) one year after the termination of the period of reduced salary specified in paragraph  
18.24 (b); or

18.25 (3) ~~30 days~~ six months after the commencement of a disability benefit.

18.26 ~~(g) If the member has purchased 12 months of differential salary credit, the member~~  
18.27 ~~must return to public service and render a minimum of three months of allowable service~~  
18.28 ~~to purchase differential salary credit for a subsequent leave of absence.~~

18.29 **EFFECTIVE DATE.** This section is effective July 1, 2021.

18.30 Sec. 5. Minnesota Statutes 2020, section 353.27, subdivision 12, is amended to read:

18.31 Subd. 12. **Omitted salary deductions; obligations.** (a) In the case of omission of  
18.32 required deductions for the general employees retirement plan, the public employees police

19.1 and fire retirement plan, or the local government correctional employees retirement plan  
19.2 from the salary of an employee, the department head or designee shall immediately, upon  
19.3 discovery, report the employee for membership and deduct the employee deductions under  
19.4 subdivision 4 during the current pay period or during the pay period immediately following  
19.5 the discovery of the omission. Payment for the omitted obligations may only be made in  
19.6 accordance with reporting procedures and methods established by the executive director.

19.7 (b) When the entire omission period of an employee does not exceed 60 days, the  
19.8 governmental subdivision may report and submit payment of the omitted employee  
19.9 deductions and the omitted employer contributions through the reporting processes under  
19.10 subdivision 4.

19.11 (c) When the omission period of an employee exceeds 60 days, the governmental  
19.12 subdivision shall furnish to the association sufficient data and documentation upon which  
19.13 the obligation for omitted employee and employer contributions can be calculated. The  
19.14 omitted employee deductions must be deducted from the employee's subsequent salary  
19.15 payment or payments and remitted to the association for deposit in the applicable retirement  
19.16 fund. The employee shall pay omitted employee deductions due for the 60 days prior to the  
19.17 end of the last pay period in the omission period during which salary was earned. The  
19.18 employer shall pay any remaining omitted employee deductions and any omitted employer  
19.19 contributions, plus cumulative interest at the annual rate of 8.5 percent until June 30, 2015,  
19.20 ~~and eight percent thereafter~~ applicable rate or rates specified in section 356.59, subdivision  
19.21 3, compounded annually, from the date or dates each omitted employee contribution was  
19.22 first payable.

19.23 (d) An employer shall not hold an employee liable for omitted employee deductions  
19.24 beyond the pay period dates under paragraph (c), nor attempt to recover from the employee  
19.25 those employee deductions paid by the employer on behalf of the employee. Omitted  
19.26 deductions due under paragraph (c) which are not paid by the employee constitute a liability  
19.27 of the employer that failed to deduct the omitted deductions from the employee's salary.  
19.28 The employer shall make payment with interest at the applicable rate or rates specified in  
19.29 section 356.59, subdivision 3, compounded annually. Omitted employee deductions are no  
19.30 longer due if an employee terminates public service before making payment of omitted  
19.31 employee deductions to the association, but the employer remains liable to pay omitted  
19.32 employer contributions plus interest at the applicable rate or rates specified in section 356.59,  
19.33 subdivision 3, compounded annually, from the date the contributions were first payable.

19.34 (e) The association may not commence action for the recovery of omitted employee  
19.35 deductions and employer contributions after the expiration of three calendar years after the

20.1 calendar year in which the contributions and deductions were omitted. Except as provided  
20.2 under paragraph (b), no payment may be made or accepted unless the association has already  
20.3 commenced action for recovery of omitted deductions. An action for recovery commences  
20.4 on the date of the mailing of any written correspondence from the association requesting  
20.5 information from the governmental subdivision upon which to determine whether or not  
20.6 omitted deductions occurred.

20.7 **EFFECTIVE DATE.** This section is effective July 1, 2021.

20.8 Sec. 6. Minnesota Statutes 2020, section 353.30, subdivision 1a, is amended to read:

20.9 Subd. 1a. **Pre-July 1, 1989, members: rule of 90.** Upon termination of public service  
20.10 under section 353.01, subdivision 11a, a person who first became a public employee or a  
20.11 member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and  
20.12 whose attained age plus credited allowable service totals 90 years is entitled upon application  
20.13 to a retirement annuity in an amount equal to the applicable normal annuity provided in  
20.14 section 353.29, subdivision 3, paragraph (a), ~~without any~~; section 353.651, subdivision 3;  
20.15 or section 353E.04, subdivision 3. Such annuity is not subject to a reduction in annuity due  
20.16 ~~to~~ for early retirement.

20.17 **EFFECTIVE DATE.** This section is effective July 1, 2021.

20.18 Sec. 7. Minnesota Statutes 2020, section 353.30, subdivision 1b, is amended to read:

20.19 Subd. 1b. **Pre-July 1, 1989, members: 30 years of service.** Upon termination of public  
20.20 service under section 353.01, subdivision 11a, a person who first became a public employee  
20.21 or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989,  
20.22 ~~with~~ and has 30 years or more of allowable service credit, and who elects to retire prior to  
20.23 normal retirement age, shall receive an annuity in an amount equal to the normal annuity  
20.24 provided under section 353.29, subdivision 3, paragraph (a), reduced by one-quarter of one  
20.25 percent for each month that the member is under age 62 at the time of retirement.

20.26 **EFFECTIVE DATE.** This section is effective July 1, 2021.

20.27 Sec. 8. Minnesota Statutes 2020, section 353.30, subdivision 1c, is amended to read:

20.28 Subd. 1c. **Pre-July 1, 1989, members: early retirement.** Upon termination of public  
20.29 service under section 353.01, subdivision 11a, a person who first became a public employee  
20.30 or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989,  
20.31 ~~who has become~~ and is at least 55 years old but ~~not~~ is younger than normal retirement age,  
20.32 and who is vested under section 353.01, subdivision 47, is entitled, upon application, to a

21.1 retirement annuity in an amount equal to the applicable normal annuity provided in section  
21.2 353.29, subdivision 3, paragraph (a); Such annuity must be reduced by one-quarter of one  
21.3 percent for each month that the member is under normal retirement age at the time of  
21.4 retirement.

21.5 **EFFECTIVE DATE.** This section is effective July 1, 2021.

21.6 Sec. 9. Minnesota Statutes 2020, section 353.335, is amended to read:

21.7 **353.335 DISABILITANT EARNINGS REPORTS.**

21.8 Unless waived by the executive director, a disability benefit recipients recipient must  
21.9 report all earnings from reemployment and from income from workers' compensation to  
21.10 the association annually by May 15 in a format prescribed by the executive director. If the  
21.11 form is not submitted by May 15, benefits must be suspended effective June 1. Upon receipt  
21.12 of the form by the association, if the disability benefit recipient is deemed by the executive  
21.13 director to be eligible for continued payment, benefits must be reinstated retroactive to June  
21.14 1. The executive director may waive the requirements in this section if the medical evidence  
21.15 supports that the disability benefit recipient will not have earnings from reemployment.

21.16 **EFFECTIVE DATE.** This section is effective July 1, 2021.

21.17 Sec. 10. Minnesota Statutes 2020, section 353.34, subdivision 2, is amended to read:

21.18 Subd. 2. **Refund with interest.** (a) Except as provided in subdivision 1, any person who  
21.19 ceases to be a member is entitled to receive a refund in an amount equal to accumulated  
21.20 deductions, less the sum of any disability benefits that have been paid by the fund, plus  
21.21 annual compound interest at the applicable rate or rates under paragraph (b) to the first day  
21.22 of the month in which the refund is processed.

21.23 (b) Annual compound interest rates ~~on a refund under paragraph (a)~~ shall be as follows:

21.24 (1) six percent to June 30, 2011;

21.25 (2) four percent after June 30, 2011, to June 30, 2018; and

21.26 (3) three percent after June 30, 2018.

21.27 (c) If a person repays a refund and subsequently applies for another refund, the repayment  
21.28 amount, including interest, is added to the fiscal year balance in which the repayment was  
21.29 made.

21.30 (d) If the refund payable to a member is based on employee deductions that are  
21.31 determined to be invalid under section 353.27, subdivision 7, the interest payable on the

22.1 invalid employee deductions is ~~three percent~~ annual compound interest at the applicable  
22.2 rate or rates under paragraph (b).

22.3 **EFFECTIVE DATE.** This section is effective July 1, 2021.

22.4 Sec. 11. Minnesota Statutes 2020, section 353D.071, subdivision 1, is amended to read:

22.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
22.6 the meanings given them.

22.7 (b) "Designated beneficiary" means the person designated as the beneficiary under  
22.8 section 353D.07, subdivision 5, and who is the designated beneficiary under section 401(a)(9)  
22.9 of the Internal Revenue Code and section 1.401 (a)(9)-1, Q&A-4 of the Treasury regulations.

22.10 (c) "Distribution calendar year" means a calendar year for which a minimum distribution  
22.11 is required. For distributions beginning before the member's participant's death, the first  
22.12 distribution calendar year is the calendar year immediately preceding the calendar year  
22.13 which contains the member's participant's required beginning date. For distributions beginning  
22.14 after the member's participant's death, the first distribution calendar year is the calendar  
22.15 year in which distributions are required to begin under subdivision 2, paragraph (c). The  
22.16 required minimum distribution for the member's participant's first distribution calendar year  
22.17 shall be made on or before the member's participant's required beginning date.

22.18 (d) "Member's Participant's account balance" means the account balance as of the last  
22.19 valuation date in the valuation calendar year increased by the amount of any contributions  
22.20 made and allocated to the account balance as of dates in the valuation calendar year after  
22.21 the valuation date and decreased by distributions made in the valuation calendar year after  
22.22 the valuation date. The account balance for the valuation calendar year includes any amounts  
22.23 rolled over or transferred to the plan either in the valuation calendar year or in the distribution  
22.24 calendar year if distributed or transferred in the valuation calendar year.

22.25 (e) "Required beginning date" means the ~~later of April 1 of the calendar year following~~  
22.26 ~~the calendar year that the member attains age 70 years, six months, or April 1 of the calendar~~  
22.27 ~~year following the calendar year in which the member terminates employment~~ date a  
22.28 participant's retirement benefit must begin under section 356.635, subdivision 1, paragraph  
22.29 (a).

22.30 (f) "Valuation calendar year" means the calendar year immediately preceding the  
22.31 distribution calendar year.

22.32 **EFFECTIVE DATE.** This section is effective July 1, 2021.

23.1 Sec. 12. Minnesota Statutes 2020, section 353D.071, subdivision 2, is amended to read:

23.2 Subd. 2. **Required minimum distributions.** (a) The provisions of this subdivision apply  
23.3 for purposes of determining required minimum distributions for calendar years and must  
23.4 take precedence over any inconsistent provisions of the plan. All distributions required  
23.5 under this section must be determined and made in accordance with the treasury regulations  
23.6 under section 401(a)(9) of the Internal Revenue Code, including regulations providing  
23.7 special rules for governmental plans, as defined under section 414(d) of the Internal Revenue  
23.8 Code, that comply with a reasonable good faith interpretation of the minimum distribution  
23.9 requirements.

23.10 (b) The ~~member's~~ participant's entire interest must be distributed or begin to the member  
23.11 ~~in a lump sum~~ be distributed no later than the ~~member's~~ participant's required beginning  
23.12 date.

23.13 (c) If the ~~member~~ participant dies before the required minimum distribution is made or  
23.14 begins, the ~~member's entire interest~~ participant's account must be distributed in a lump sum  
23.15 no later than as follows:

23.16 (1) if the ~~member's~~ participant's surviving spouse is the ~~member's~~ participant's sole  
23.17 designated beneficiary, the distribution must be made by December 31 of the calendar year  
23.18 immediately following the calendar year in which the ~~member~~ participant died, or by  
23.19 December 31 of the calendar year in which the ~~member~~ participant would have attained ~~age~~  
23.20 ~~70 years, six months~~ the participant's required beginning date, whichever is later;

23.21 (2) if the ~~member's~~ participant's surviving spouse is not the ~~member's~~ participant's sole  
23.22 beneficiary, or if there is no designated beneficiary as of September 30 of the year following  
23.23 the year of the ~~member's~~ participant's death, the ~~member's entire interest~~ participant's account  
23.24 must be distributed by December 31 of the calendar year containing the fifth anniversary  
23.25 of the ~~member's~~ participant's death as directed under section 353D.07, subdivision 5; or

23.26 (3) if the ~~member's~~ participant's surviving spouse is the ~~member's~~ participant's sole  
23.27 designated beneficiary and the surviving spouse dies after the ~~member~~ participant, but before  
23.28 the account balance is distributed to the surviving spouse, paragraph (c), clause (2), must  
23.29 apply as if the surviving spouse were the ~~member~~ participant.

23.30 (d) For purposes of paragraph (c), unless clause (3) applies, distributions are considered  
23.31 to be made on the ~~member's~~ participant's required beginning date. If paragraph (c), clause  
23.32 (3), applies, distributions are considered to begin on the date distributions must be made to  
23.33 the surviving spouse under paragraph (c), clause (1).

24.1 **EFFECTIVE DATE.** This section is effective July 1, 2021.

24.2 **ARTICLE 4**

24.3 **PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN PROVISIONS**

24.4 Section 1. Minnesota Statutes 2020, section 477B.04, subdivision 3, is amended to read:

24.5 Subd. 3. **Deposit of state aid.** (a) This paragraph applies if the municipality or the  
24.6 independent nonprofit firefighting corporation is covered by the statewide volunteer  
24.7 firefighter plan ~~under chapter 353G~~. If this paragraph applies and the executive director of  
24.8 the Public Employees Retirement Association has not approved an aid allocation plan under  
24.9 section 477B.041, the executive director ~~of the Public Employees Retirement Association~~  
24.10 must credit the fire state aid against future municipal contribution requirements under section  
24.11 353G.08 and must notify the municipality or the independent nonprofit firefighting  
24.12 corporation of the fire state aid so credited at least annually. If this paragraph applies and  
24.13 the executive director has approved an aid allocation plan under section 477B.041, the  
24.14 executive director must allocate fire state aid in the manner described under section 477B.041.

24.15 (b) If (1) the municipality or the independent nonprofit firefighting corporation is not  
24.16 covered by the statewide volunteer firefighter plan and is affiliated with a duly incorporated  
24.17 firefighters relief association, (2) the relief association has filed a financial report with the  
24.18 municipality pursuant to section 424A.014, subdivision 1 or 2, whichever applies, and (3)  
24.19 there is not an aid allocation agreement under section 477B.042 in effect, then the treasurer  
24.20 of the municipality must, within 30 days after receipt, transmit the fire state aid to the  
24.21 treasurer of the relief association. If clauses (1) and (2) are satisfied and there is an aid  
24.22 allocation agreement under section 477B.042 in effect, then fire state aid must be transmitted  
24.23 as described in that section. If the relief association has not filed a financial report with the  
24.24 municipality, then, regardless of whether an aid allocation agreement is in effect, the treasurer  
24.25 of the municipality must delay transmission of the fire state aid to the relief association until  
24.26 the complete financial report is filed.

24.27 (c) The treasurer of the municipality must deposit the fire state aid money in the municipal  
24.28 treasury if (1) the municipality or independent nonprofit firefighting corporation is not  
24.29 covered by the statewide volunteer firefighter plan, (2) there is no relief association organized,  
24.30 (3) the association has dissolved, or (4) the association has been removed as trustees of state  
24.31 aid. The money may be disbursed from the municipal treasury only for the purposes and in  
24.32 the manner set forth in section 424A.08 or for the payment of the employer contribution  
24.33 requirement with respect to firefighters covered by the public employees police and fire  
24.34 retirement plan under section 353.65, subdivision 3.



25.1 **EFFECTIVE DATE.** This section is effective for aids payable in 2022 and thereafter.

25.2 Sec. 2. **[477B.041] ALLOCATION OF FIRE STATE AID FOR THE STATEWIDE**  
25.3 **VOLUNTEER FIREFIGHTER PLAN.**

25.4 Subdivision 1. **Definitions.** For the purposes of this section, unless the language or  
25.5 context clearly indicates that a different meaning is intended, the following terms have the  
25.6 meanings given to them:

25.7 (1) "Active volunteer firefighter" means a member of the statewide volunteer firefighter  
25.8 plan as defined in section 353G.01, subdivision 8.

25.9 (2) "Chief petitioning firefighter" means an active volunteer firefighter who, on behalf  
25.10 of petitioning firefighters, submits a petition to stop an aid allocation plan under subdivision  
25.11 6 to the executive director.

25.12 (3) "Combination department" means a municipality or independent nonprofit firefighting  
25.13 corporation which, during the previous calendar year and on January 1, 2021:

25.14 (i) employed one or more firefighters covered by the statewide volunteer firefighter  
25.15 plan; and

25.16 (ii) contributed on behalf of one or more firefighters to the public employees police and  
25.17 fire retirement plan under chapter 353.

25.18 (4) "Covered period" means the period covered by the aid allocation plan beginning  
25.19 with the calendar year immediately following the calendar year in which the plan is approved  
25.20 and continuing for not more than three years.

25.21 (5) "Executive director" means the executive director of the Public Employees Retirement  
25.22 Association.

25.23 (6) "Reimbursement amount" means the amount calculated under subdivision 4, which  
25.24 reimburses a combination department for employer contributions made to the public  
25.25 employees police and fire retirement plan on behalf of covered firefighters.

25.26 (7) "Total state aid" means the combined total of fire state aid and police and firefighter  
25.27 supplemental state aid payable to the Public Employees Retirement Association on behalf  
25.28 of a combination department on October 1 under sections 477B.04, subdivision 1, and  
25.29 423A.022, subdivision 4, respectively.

25.30 Subd. 2. **Submission of an aid allocation plan.** Beginning on March 1 of each year, a  
25.31 combination department may submit to the executive director an aid allocation plan that  
25.32 conforms with the requirements in this paragraph. The aid allocation plan must:

26.1 (1) be approved by the governing body of the combination department;

26.2 (2) be in writing and specify:

26.3 (i) the percentage of the fire state aid, dollar amount, or formula for determining the  
26.4 amount of fire state aid that will be transmitted to the combination department as the  
26.5 reimbursement amount; and

26.6 (ii) the covered period;

26.7 (3) be signed by the municipal clerk or secretary; and

26.8 (4) include the date that notice was provided to firefighters under subdivision 7.

26.9 Subd. 3. Approval of aid allocation plan. The executive director shall approve an aid  
26.10 allocation plan submitted by a combination department if:

26.11 (1) the aid allocation plan is submitted on or after March 1;

26.12 (2) the aid allocation plan meets the requirements in subdivision 2; and

26.13 (3) within 45 days after receipt of the aid allocation plan, the executive director has not  
26.14 received a petition to stop aid allocation described in subdivision 6.

26.15 Subd. 4. Deposit; transfer of fire state aid under aid allocation plan. (a) Fire state  
26.16 aid covered by an approved aid allocation plan must be deposited in accordance with this  
26.17 subdivision. Within 30 days after receipt of the fire state aid, the executive director must  
26.18 transmit the reimbursement amount to the combination department. The reimbursement  
26.19 amount must not exceed the smallest of the following amounts:

26.20 (1) the percentage, dollar amount, or formula specified by the combination department  
26.21 under subdivision 2;

26.22 (2) the combination department's total employer contribution to the public employees  
26.23 police and fire retirement plan on behalf of firefighters during the preceding calendar year;

26.24 (3) the amount of fire state aid payable to the Public Employees Retirement Association  
26.25 on behalf of the combination department on October 1 of the current calendar year under  
26.26 section 477B.04, subdivision 1;

26.27 (4) the amount determined by subtracting from the combination department's total state  
26.28 aid the combination department's annual funding requirement under section 353G.08 as  
26.29 calculated on or before August 1 for the current year; or

26.30 (5) the amount determined by subtracting from the combination department's total state  
26.31 aid the amount required to increase the funding ratio of the combination department's account

27.1 to not less than 100 percent as of the date of the valuation used to determine the funding  
27.2 requirement under clause (4).

27.3 (b) After transmitting the reimbursement amount, the executive director must immediately  
27.4 credit any remaining fire state aid against the combination department's annual funding  
27.5 requirement under section 353G.08. The executive director must notify the combination  
27.6 department of the disposition of fire state aid within 30 days of transmission of the  
27.7 reimbursement amount.

27.8 (c) Fire state aids payable before or after the covered period must be credited as if no  
27.9 aid allocation plan has been approved under section 477B.04, subdivision 3, paragraph (a).

27.10 Subd. 5. **Termination; modification of aid allocation plan.** (a) The governing body  
27.11 of a combination department may terminate an aid allocation plan at any time by submitting  
27.12 a notice of termination to the executive director.

27.13 (b) A combination department may modify an aid allocation plan at any time during the  
27.14 covered period by submitting a modified aid allocation plan to the executive director. The  
27.15 modified aid allocation plan must meet the requirements of an aid allocation plan under  
27.16 subdivision 3.

27.17 (c) The termination or modification of an aid allocation plan applies only to subsequent  
27.18 fire state aid payments and does not affect any reimbursement amount already transmitted  
27.19 to the combination department.

27.20 (d) The combination department must provide notice of any modification or termination  
27.21 as required under subdivision 7.

27.22 Subd. 6. **Petition to stop aid allocation.** (a) Within 45 days after a combination  
27.23 department submits an aid allocation plan or modified aid allocation plan to the executive  
27.24 director, an active volunteer firefighter employed by the combination department may submit  
27.25 to the executive director a petition to stop the aid allocation plan. The petition must be in a  
27.26 form prescribed by the executive director. The executive director must reject an aid allocation  
27.27 plan or modified aid allocation plan as a result of the petition if:

27.28 (1) the executive director receives the petition to stop the aid allocation plan within 45  
27.29 days after receiving an aid allocation plan or modified aid allocation plan for the same  
27.30 combination department; and

27.31 (2) the petition to stop aid allocation is in writing and includes the names and signatures  
27.32 of a majority of the active volunteer firefighters employed by the combination department  
27.33 and the name and contact information for the chief petitioning firefighter.

28.1 (b) When determining whether a petition includes the names and signatures of a majority  
 28.2 of the active volunteer firefighters affiliated with the combination department, the executive  
 28.3 director must verify that the names provided match the active volunteer firefighter records  
 28.4 maintained by the Public Employees Retirement Association.

28.5 (c) Upon receipt of a petition to stop aid allocation, the executive director must  
 28.6 immediately notify the combination department that a petition was received. Within 15 days  
 28.7 after receipt of the petition to stop aid allocation, the executive director must report to the  
 28.8 combination department and the chief petitioning firefighter whether the aid allocation plan  
 28.9 was rejected as a result of the petition.

28.10 (d) If an aid allocation plan is rejected as a result of a petition, the combination department  
 28.11 may revise the aid allocation plan and submit the revised plan, subject to the requirements  
 28.12 in this section, including the notice under subdivision 7 and the firefighters' right to petition  
 28.13 to stop aid allocation under the revised plan under subdivision 6.

28.14 Subd. 7. **Notice to volunteer firefighters.** Within 30 days before submitting to the  
 28.15 executive director an aid allocation plan or modification or termination of an aid allocation  
 28.16 plan, the combination department must notify all active volunteer firefighters employed by  
 28.17 the combination department in writing. The notice must include a copy of the aid allocation  
 28.18 plan, modified aid allocation plan, or notice of termination approved by the governing body  
 28.19 of the combination department.

28.20 Subd. 8. **Forms authorized.** The executive director must prescribe a form of petition  
 28.21 that satisfies the requirements of subdivision 6 and may prescribe other forms as required  
 28.22 for the administration of this section.

28.23 **EFFECTIVE DATE.** This section is effective for aids payable in 2022 and thereafter.

## 28.24 **ARTICLE 5**

### 28.25 **ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION PROVISIONS**

28.26 Section 1. Minnesota Statutes 2020, section 354A.12, subdivision 1, is amended to read:

28.27 Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by  
 28.28 each member of the St. Paul Teachers Retirement Fund Association is the percentage of  
 28.29 total salary specified below for the applicable association and program:

28.30	Program	Percentage of Total Salary
28.31	St. Paul Teachers Retirement Fund Association	
28.32	basic program after June 30, 2016	10 percent
28.33	basic program after June 30, <del>2022</del> <u>2023</u>	10.25 percent

- 29.1 coordinated program after June 30, 2016 7.5 percent  
 29.2 coordinated program after June 30, ~~2022~~ 2023 7.75 percent

29.3 (b) Contributions must be made by deduction from salary and must be remitted directly  
 29.4 to the St. Paul Teachers Retirement Fund Association at least once each month.

29.5 (c) When an employee contribution rate changes for a fiscal year, the new contribution  
 29.6 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

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

29.8 Sec. 2. Minnesota Statutes 2020, section 354A.31, subdivision 7, is amended to read:

29.9 Subd. 7. **Reduction for early retirement.** (a) This subdivision applies to a person who  
 29.10 has become at least 55 years old and first becomes a coordinated member after June 30,  
 29.11 1989, and to any other coordinated member who has become at least 55 years old and whose  
 29.12 annuity is higher when calculated using the retirement annuity formula percentage in  
 29.13 subdivision 4, paragraph (d), in conjunction with this subdivision than when calculated  
 29.14 under subdivision 4, paragraph (c), in conjunction with subdivision 6. An employee who  
 29.15 retires under the formula annuity before the normal retirement age shall be paid the normal  
 29.16 annuity reduced as described in paragraph (b) if the person retires on or after July 1, 2019,  
 29.17 or in paragraph (c) if the person retires before July 1, 2019, as applicable.

29.18 (b) A coordinated member who retires before the normal retirement age and on or after  
 29.19 July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement  
 29.20 annuity formula percentage in subdivision 4, paragraph (d), reduced as described in clause  
 29.21 (1) or (2), as applicable.

29.22 (1) If the member retires when the member is younger than age 62 or with fewer than  
 29.23 30 years of service, the annuity must be reduced by an early reduction factor for each year  
 29.24 that the member's age of retirement precedes normal retirement age. The early reduction  
 29.25 factors are four percent per year for ~~ages~~ members whose age at retirement is at least 55  
 29.26 ~~through but not yet 59~~ and seven percent per year for ~~ages 60 through~~ members whose age  
 29.27 at retirement is at least 59 but not yet normal retirement age. The resulting annuity must be  
 29.28 further adjusted to take into account augmentation as if the employee had deferred receipt  
 29.29 of the annuity until normal retirement age and the annuity were augmented at the applicable  
 29.30 annual rate, compounded annually, from the day the annuity begins to accrue until normal  
 29.31 retirement age. The applicable annual rate is the rate in effect on the employee's effective  
 29.32 date of retirement and shall be considered as fixed for the employee. The applicable annual  
 29.33 rates are the following:

30.1 (i) until June 30, 2019, 2.5 percent;

30.2 (ii) a rate that changes each month, beginning July 1, 2019, through June 30, 2024, which  
 30.3 is determined by reducing the rate in item (i) to zero in equal monthly increments over the  
 30.4 five-year period; and

30.5 (iii) after June 30, 2024, zero percent.

30.6 After June 30, 2024, the reduced annuity commencing before normal retirement age  
 30.7 under this clause shall not take into account any augmentation.

30.8 (2) If the member retires when the member is at least age 62 or older and has at least 30  
 30.9 years of service, the member is entitled to receive a retirement annuity calculated using the  
 30.10 retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the  
 30.11 applicable early retirement factor specified for members "Age 62 or older with 30 years of  
 30.12 service" in the table in paragraph (c).

30.13 (c) A coordinated member who retires before the normal retirement age and before July  
 30.14 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity  
 30.15 formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early  
 30.16 retirement factor specified below:

	Under age 62		Age 62 or older	
	or less than 30 years of service		with 30 years of service	
Normal retirement age:	65	66	65	66
Age at retirement				
55	0.5376	0.4592		
56	0.5745	0.4992		
57	0.6092	0.5370		
58	0.6419	0.5726		
59	0.6726	0.6062		
60	0.7354	0.6726		
61	0.7947	0.7354		
62	0.8507	0.7947	0.8831	0.8389
63	0.9035	0.8507	0.9246	0.8831
64	0.9533	0.9035	0.9635	0.9246
65	1.0000	0.9533	1.0000	0.9635
66		1.0000		1.0000

31.1 For normal retirement ages between ages 65 and 66, the early retirement factors must  
 31.2 be determined by linear interpolation between the early retirement factors applicable for  
 31.3 normal retirement ages 65 and 66.

31.4 **EFFECTIVE DATE.** This section is effective retroactively from June 30, 2018.

## 31.5 **ARTICLE 6**

### 31.6 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION PROVISIONS**

31.7 Section 1. Minnesota Statutes 2020, section 424A.001, is amended by adding a subdivision  
 31.8 to read:

31.9 Subd. 2b. **Municipal clerk.** "Municipal clerk" means the person elected or appointed  
 31.10 to the position of municipal clerk, the chief financial official or chief administrative official  
 31.11 designated to perform such function, or, if there is no such person or designation, the chief  
 31.12 financial official, the chief administrative official, or the person primarily responsible for  
 31.13 managing the finances of a municipality.

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

31.15 Sec. 2. Minnesota Statutes 2020, section 424A.014, subdivision 1, is amended to read:

31.16 Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited  
 31.17 financial statements in accordance with paragraphs (c) to (e) must be submitted by the board  
 31.18 of trustees of the Bloomington Fire Department Relief Association and the board of trustees  
 31.19 of each volunteer firefighters relief association with special fund assets of at least \$500,000  
 31.20 or special fund liabilities of at least \$500,000 in the prior year or in any previous year,  
 31.21 according to the applicable actuarial valuation or according to the financial report if no  
 31.22 valuation is required, must prepare a financial report covering the special and general funds  
 31.23 of the relief association for the preceding fiscal year, file the any previous year's financial  
 31.24 report, and submit financial statements.

31.25 (b) The board of trustees of a volunteer firefighters relief association with special fund  
 31.26 assets of less than \$500,000 and special fund liabilities of less than \$500,000, according to  
 31.27 each previous year's financial report, may submit an annual financial report and audited  
 31.28 financial statements in accordance with paragraphs (c) to (e).

31.29 ~~(b) (c)~~ The financial report must contain financial statements and disclosures that present  
 31.30 the true financial condition of the relief association and the results of relief association  
 31.31 operations in conformity with generally accepted accounting principles and in compliance  
 31.32 with the regulatory, financing, and funding provisions of this chapter and any other applicable

32.1 ~~laws~~ cover the relief association's special fund and general fund and be in the style and form  
 32.2 prescribed by the state auditor. The financial report must be countersigned by:

32.3 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief  
 32.4 association is located if the relief association is ~~a firefighters' relief association~~ that is directly  
 32.5 associated with a municipal fire department;

32.6 (2) the municipal clerk or clerk-treasurer of the largest municipality in population that  
 32.7 contracts with the independent nonprofit firefighting corporation if the volunteer firefighter  
 32.8 relief association is a subsidiary of an independent nonprofit firefighting corporation, and  
 32.9 by the secretary of the independent nonprofit firefighting corporation; or

32.10 (3) the chief financial official of the county in which the volunteer firefighter relief  
 32.11 association is located or primarily located if the relief association is associated with a fire  
 32.12 department that is not located in or associated with an organized municipality.

32.13 ~~(e)~~ (d) The financial report must be retained in the office of the Bloomington Fire  
 32.14 Department Relief Association or the volunteer firefighter relief association for public  
 32.15 inspection and must be filed with the governing body of the government subdivision in  
 32.16 which the associated fire department is located after the close of the fiscal year. One copy  
 32.17 of the financial report must be furnished to the state auditor on or before June 30 after the  
 32.18 close of the fiscal year.

32.19 ~~(d)~~ (e) Audited financial statements that present the true financial condition of the relief  
 32.20 association's special fund and general fund must be attested to by a certified public accountant  
 32.21 or by the state auditor and must be filed with the state auditor on or before June 30 after the  
 32.22 close of the fiscal year. Audits must be conducted in compliance with generally accepted  
 32.23 auditing standards and section 6.65 governing audit procedures. The state auditor may accept  
 32.24 ~~this report~~ audited financial statements in lieu of the financial report required in paragraph  
 32.25 ~~(e)~~ (a).

32.26 **EFFECTIVE DATE.** This section is effective January 1, 2022.

32.27 Sec. 3. Minnesota Statutes 2020, section 424A.014, subdivision 2, is amended to read:

32.28 Subd. 2. **Financial statement.** (a) The board of trustees of each volunteer firefighter  
 32.29 relief association that is not required to and does not choose to file a financial report and  
 32.30 audit under subdivision 1 must prepare a detailed statement of the financial affairs for the  
 32.31 preceding fiscal year of the relief association's special and general funds in the style and  
 32.32 form prescribed by the state auditor. The detailed statement must show:

32.33 (1) the sources and amounts of all money received;



33.1 (2) all disbursements, accounts payable, and accounts receivable;

33.2 (3) the amount of money remaining in the treasury;

33.3 (4) total assets, including a listing of all investments;

33.4 (5) the accrued liabilities; and

33.5 (6) all other items necessary to show accurately the revenues and expenditures and  
33.6 financial position of the relief association.

33.7 (b) The detailed financial statement of the special and general funds required under  
33.8 paragraph (a) must be certified by a certified public accountant or by the state auditor in  
33.9 accordance with agreed-upon procedures and forms prescribed by the state auditor. The  
33.10 accountant must have at least five years of public accounting, auditing, or similar experience  
33.11 and must not be an active, inactive, or retired member of the relief association or the fire  
33.12 department.

33.13 (c) The detailed financial statement required under paragraph (a) must be countersigned  
33.14 by:

33.15 (1) the municipal clerk or clerk-treasurer of the municipality;

33.16 (2) where applicable, the municipal clerk or clerk-treasurer of the largest municipality  
33.17 in population that contracts with the independent nonprofit firefighting corporation if the  
33.18 relief association is a subsidiary of an independent nonprofit firefighting corporation, and  
33.19 by the secretary of the independent nonprofit firefighting corporation; or

33.20 (3) the chief financial official of the county in which the volunteer firefighter relief  
33.21 association is located or primarily located if the relief association is associated with a fire  
33.22 department that is not located in or associated with an organized municipality.

33.23 (d) The volunteer firefighters relief association board must submit a copy of the detailed  
33.24 financial statement required under paragraph (a) that has been certified by the governing  
33.25 body of the municipality to the state auditor on or before March 31 after the close of the  
33.26 fiscal year.

33.27 (e) A certified public accountant or auditor who performs the agreed-upon procedures  
33.28 under paragraph (b) is subject to the reporting requirement of section 6.67.

33.29 **EFFECTIVE DATE.** This section is effective January 1, 2022.

34.1 Sec. 4. Minnesota Statutes 2020, section 424A.015, subdivision 7, is amended to read:

34.2 Subd. 7. **Combined service pensions.** (a) A ~~volunteer firefighter~~ member with credit  
34.3 for service as an active firefighter in more than one volunteer firefighters relief association  
34.4 is entitled to a ~~prorated~~ service pension from each participating relief association if:

34.5 (1) the articles of incorporation or bylaws of the relief associations provide for such  
34.6 combined service pensions;

34.7 (2) the applicable requirements of paragraphs (b) ~~and (e)~~ to (e) are met; and

34.8 (3) the ~~volunteer firefighter~~ member otherwise qualifies.

34.9 (b) A ~~volunteer firefighter~~ member receiving a ~~prorated~~ service pension under this  
34.10 subdivision must ~~have a total combined amount of service credit from the two or more relief~~  
34.11 ~~associations of ten years or more, unless the bylaws of every affected relief association~~  
34.12 ~~specify less than a ten-year service vesting requirement, in which case, the total amount of~~  
34.13 ~~required service credit is the longest service vesting requirement of the relief associations~~  
34.14 be at least partially vested under the bylaws of the first participating relief association on  
34.15 the date on which the member terminates active service with that relief association. The  
34.16 service pension paid from the first participating relief association shall be based on the years  
34.17 of active service accrued in the first relief association and the vesting percentage applicable  
34.18 to those years of active service.

34.19 (c) To receive a service pension from each subsequent relief association, the member  
34.20 must be at least partially vested under the bylaws of the subsequent relief association, taking  
34.21 into consideration the member's total service credit accrued in all participating relief  
34.22 associations to the date the member terminates active service with the subsequent relief  
34.23 association. The service pension paid from each subsequent relief association shall be based  
34.24 on the years of active service accrued solely in that relief association and the vesting  
34.25 percentage applicable to the combined amount of total service credit accrued in all of the  
34.26 participating relief associations.

34.27 (d) The member must have one year or more years of service credit in each participating  
34.28 relief association. The ~~prorated~~ service pension must be based on:

34.29 (1) for defined benefit relief associations, the service pension amount in effect for the  
34.30 relief association on the date on which the member's active volunteer firefighting services  
34.31 covered by that relief association terminate; and

35.1 (2) for defined contribution relief associations, the member's individual account balance  
 35.2 on the date on which the member's active volunteer firefighting services covered by that  
 35.3 relief association terminate.

35.4 ~~(e)~~ (e) To receive a ~~prorated~~ service pension under this subdivision, the ~~firefighter~~  
 35.5 member must become a member of the second or succeeding subsequent relief association  
 35.6 ~~and must give notice of membership to the prior association~~ within two years of the date of  
 35.7 termination of active service with the prior relief association. ~~The second or~~ If requested  
 35.8 by the member or a subsequent relief association, the secretary of each prior relief association  
 35.9 ~~must certify the~~ provide written notice to the member and the subsequent relief association  
 35.10 regarding the amount of active service accrued by the member in the prior relief association.

35.11 **EFFECTIVE DATE.** This section is effective January 1, 2022.

35.12 Sec. 5. Minnesota Statutes 2020, section 424A.016, subdivision 4, is amended to read:

35.13 Subd. 4. **Individual accounts.** (a) An individual account must be established for each  
 35.14 firefighter who is a member of the relief association.

35.15 (b) To each individual active member account must be credited an equal share of:

35.16 (1) any amounts of fire state aid and police and firefighter retirement supplemental state  
 35.17 aid received by the relief association;

35.18 (2) any amounts of municipal contributions to the relief association raised from levies  
 35.19 on real estate or from other available municipal revenue sources exclusive of fire state aid;  
 35.20 and

35.21 (3) any amounts equal to the share of the assets of the special fund to the credit of:

35.22 (i) any former member who terminated active service with the fire department to which  
 35.23 the relief association is associated before meeting the minimum service requirement provided  
 35.24 for in subdivision 2, paragraph (b), and either has not returned to active service with the  
 35.25 fire department for a period no shorter than five years or has died and no survivor benefit  
 35.26 or death benefit is payable; or

35.27 (ii) any ~~retired~~ member who ~~retired~~ terminated active service before obtaining a full  
 35.28 ~~nonforfeitable interest in the amounts credited to~~ becoming 100 percent vested in the  
 35.29 ~~individual member~~ member's account under subdivision 2, paragraph (b), and any applicable  
 35.30 provision of the bylaws of the relief association.

35.31 (c) In addition, any investment return on the assets of the special fund must be credited  
 35.32 in proportion to the share of the assets of the special fund to the credit of each individual

36.1 active member account and inactive member account, unless the inactive member is a  
36.2 deferred member as defined in subdivision 6.

36.3 (d) Administrative expenses of the relief association payable from the special fund may  
36.4 be deducted from individual accounts in a manner specified in the bylaws of the relief  
36.5 association.

36.6 (e) Amounts to be credited to individual accounts under paragraph (b) must be allocated  
36.7 uniformly for all years of active service and allocations must be made for all years of service,  
36.8 except for caps on service credit if so provided in the bylaws of the relief association.  
36.9 Amounts forfeited under paragraph (b), clause (3), before a resumption of active service  
36.10 and membership under section 424A.01, subdivision 6, remain forfeited and may not be  
36.11 reinstated upon the resumption of active service and membership. The allocation method  
36.12 may utilize monthly proration for fractional years of service, as the bylaws or articles of  
36.13 incorporation of the relief association so provide. The bylaws or articles of incorporation  
36.14 may define a "month," but the definition must require a calendar month to have at least 16  
36.15 days of active service. If the bylaws or articles of incorporation do not define a "month," a  
36.16 "month" is a completed calendar month of active service measured from the member's date  
36.17 of entry to the same date in the subsequent month.

36.18 (f) At the time of retirement under subdivision 2 and any applicable provision of the  
36.19 bylaws of the relief association, a retiring member is entitled to that portion of the assets of  
36.20 the special fund to the credit of the member in the individual member account which is  
36.21 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief  
36.22 association based on the number of years of service to the credit of the retiring member.

36.23 (g) Annually, the secretary of the relief association shall certify the individual account  
36.24 allocations to the state auditor at the same time that the annual financial statement or financial  
36.25 report and audit of the relief association, whichever applies, is due under section 424A.014.

36.26 **EFFECTIVE DATE.** This section is effective January 1, 2022.

36.27 Sec. 6. Minnesota Statutes 2020, section 424A.016, subdivision 6, is amended to read:

36.28 Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a  
36.29 relief association who has separated from active service and membership and has completed  
36.30 the minimum service and membership requirements in subdivision 2. The requirement that  
36.31 a member separate from active service and membership is waived for persons who have  
36.32 discontinued their volunteer firefighter duties and who are employed on a full-time basis  
36.33 under section 424A.015, subdivision 1.

37.1 (b) A deferred member is entitled to receive a deferred service pension when the member  
37.2 reaches at least age 50, or at least the minimum age specified in the bylaws governing the  
37.3 relief association if that age is greater than age 50, and makes a valid written application.

37.4 (c) A defined contribution relief association must credit interest or additional investment  
37.5 performance on the deferred lump-sum service pension during the period of deferral for all  
37.6 deferred members on or after January 1, 2021. ~~Interest must be credited using one of the~~  
37.7 ~~following methods, as provided for in the~~ A defined contribution relief association may  
37.8 specify in its bylaws the method by which it will credit interest or additional investment  
37.9 performance to the accounts of deferred members. Such method shall be limited to one of  
37.10 the three methods provided in this paragraph. In the event the bylaws do not specify a  
37.11 method, the interest or additional investment performance must be credited using the method  
37.12 defined in clause (3). The permissible methods are:

37.13 (1) at the investment performance rate actually earned on that portion of the assets if the  
37.14 deferred benefit amount is invested by the relief association in a separate account established  
37.15 and maintained by the relief association;

37.16 (2) at the investment performance rate actually earned on that portion of the assets if the  
37.17 deferred benefit amount is invested in a separate investment vehicle held by the relief  
37.18 association; or

37.19 (3) at the investment return on the assets of the special fund of the defined contribution  
37.20 volunteer firefighters relief association in proportion to the share of the assets of the special  
37.21 fund to the credit of each individual deferred member account through the accounting date  
37.22 on which the investment return is recognized by and credited to the special fund.

37.23 (d) Notwithstanding the requirements of section 424A.015, subdivision 6, bylaw  
37.24 amendments made in accordance with paragraph (c) on or before January 1, 2022, shall  
37.25 apply to members already in deferred status as of January 1, 2021.

37.26 ~~(d)~~ (e) Unless the bylaws of provide differently, the dates that will be used by a relief  
37.27 association that has elected to pay interest or additional investment performance on deferred  
37.28 lump-sum service pensions under paragraph (c) specifies a different interest or additional  
37.29 investment performance method, including the interest or additional investment performance  
37.30 period starting date and ending date, the in determining the creditable amount of interest or  
37.31 additional investment performance on a deferred service pension is creditable shall be as  
37.32 follows:

37.33 (1) for a relief association that has elected to credit interest or additional investment  
37.34 performance under paragraph (c), clause (1) or (3), beginning on the date that the member

38.1 separates from active service and membership and ending on the accounting date immediately  
38.2 before the deferred member commences receipt of the deferred service pension; or

38.3 (2) for a relief association that has elected to credit interest or additional investment  
38.4 performance under paragraph (c), clause (2), beginning on the date that the member separates  
38.5 from active service and membership and ending on the date that the separate investment  
38.6 vehicle is valued immediately before the date on which the deferred member commences  
38.7 receipt of the deferred service pension.

38.8 ~~(e) If the bylaws do not define a method for crediting interest or additional investment~~  
38.9 ~~performance, the interest or additional investment performance must be credited using the~~  
38.10 ~~method defined in paragraph (c), clause (3).~~

38.11 ~~(f) Until December 31, 2020, a defined contribution relief association is permitted, if its~~  
38.12 ~~governing bylaws so provide, to credit interest or additional investment performance on the~~  
38.13 ~~deferred lump-sum service pension during the period of deferral using the method set forth~~  
38.14 ~~in the bylaws applicable on the date on which each deferred member separated from active~~  
38.15 ~~service.~~

38.16 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2021.

38.17 Sec. 7. Minnesota Statutes 2020, section 424A.02, subdivision 3, is amended to read:

38.18 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as  
38.19 part of the certification of the financial requirements and minimum municipal obligation  
38.20 determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable,  
38.21 the secretary or some other official of the relief association designated in the bylaws of each  
38.22 defined benefit relief association shall calculate and certify to the governing body of the  
38.23 applicable municipality the average amount of available financing per active covered  
38.24 firefighter for the most recent three-year period.

38.25 The amount of available financing includes any amounts of fire state aid and police and  
38.26 firefighter retirement supplemental state aid received or receivable by the relief association,  
38.27 any amounts of municipal contributions to the relief association raised from levies on real  
38.28 estate or from other available revenue sources exclusive of fire state aid, and one-tenth of  
38.29 the amount of assets in excess of the accrued liabilities of the relief association calculated  
38.30 under section 424A.092, subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094,  
38.31 subdivision 2, if any.

38.32 (b) The maximum service pension which the defined benefit relief association has  
38.33 authority to provide for in its bylaws for payment to a member retiring after the calculation

39.1 date when the minimum age and service requirements specified in subdivision 1 are met  
 39.2 must be determined using the table in paragraph (c) or (d), whichever applies.

39.3 (c) For a defined benefit relief association where the governing bylaws provide for a  
 39.4 monthly service pension to a retiring member, the maximum monthly service pension amount  
 39.5 per month for each year of service credited that may be provided for in the bylaws is the  
 39.6 greater of the service pension amount provided for in the bylaws on the date of the calculation  
 39.7 of the average amount of the available financing per active covered firefighter or the  
 39.8 maximum service pension figure corresponding to the average amount of available financing  
 39.9 per active covered firefighter:

39.10	Minimum Average Amount of Available	Maximum Service Pension Amount
39.11	Financing per Firefighter	Payable per Month for Each Year of
39.12		Service
39.13	\$ ...	\$ .25
39.14	41	.50
39.15	81	1.00
39.16	122	1.50
39.17	162	2.00
39.18	203	2.50
39.19	243	3.00
39.20	284	3.50
39.21	324	4.00
39.22	365	4.50
39.23	405	5.00
39.24	486	6.00
39.25	567	7.00
39.26	648	8.00
39.27	729	9.00
39.28	810	10.00
39.29	891	11.00
39.30	972	12.00
39.31	1053	13.00
39.32	1134	14.00
39.33	1215	15.00
39.34	1296	16.00
39.35	1377	17.00
39.36	1458	18.00
39.37	1539	19.00

40.1	1620	20.00
40.2	1701	21.00
40.3	1782	22.00
40.4	1823	22.50
40.5	1863	23.00
40.6	1944	24.00
40.7	2025	25.00
40.8	2106	26.00
40.9	2187	27.00
40.10	2268	28.00
40.11	2349	29.00
40.12	2430	30.00
40.13	2511	31.00
40.14	2592	32.00
40.15	2673	33.00
40.16	2754	34.00
40.17	2834	35.00
40.18	2916	36.00
40.19	2997	37.00
40.20	3078	38.00
40.21	3159	39.00
40.22	3240	40.00
40.23	3321	41.00
40.24	3402	42.00
40.25	3483	43.00
40.26	3564	44.00
40.27	3645	45.00
40.28	3726	46.00
40.29	3807	47.00
40.30	3888	48.00
40.31	3969	49.00
40.32	4050	50.00
40.33	4131	51.00
40.34	4212	52.00
40.35	4293	53.00
40.36	4374	54.00
40.37	4455	55.00
40.38	4536	56.00



41.1	4617	57.00
41.2	4698	58.00
41.3	4779	59.00
41.4	4860	60.00
41.5	4941	61.00
41.6	5022	62.00
41.7	5103	63.00
41.8	5184	64.00
41.9	5265	65.00
41.10	5346	66.00
41.11	5427	67.00
41.12	5508	68.00
41.13	5589	69.00
41.14	5670	70.00
41.15	5751	71.00
41.16	5832	72.00
41.17	5913	73.00
41.18	5994	74.00
41.19	6075	75.00
41.20	6156	76.00
41.21	6237	77.00
41.22	6318	78.00
41.23	6399	79.00
41.24	6480	80.00
41.25	6561	81.00
41.26	6642	82.00
41.27	6723	83.00
41.28	6804	84.00
41.29	6885	85.00
41.30	6966	86.00
41.31	7047	87.00
41.32	7128	88.00
41.33	7209	89.00
41.34	7290	90.00
41.35	7371	91.00
41.36	7452	92.00
41.37	7533	93.00
41.38	7614	94.00

42.1	7695	95.00
42.2	7776	96.00
42.3	7857	97.00
42.4	7938	98.00
42.5	8019	99.00
42.6	8100	100.00
42.7	any amount in excess of	
42.8	8100	100.00

42.9 (d) For a defined benefit relief association in which the governing bylaws provide for a  
 42.10 lump-sum service pension to a retiring member, the maximum lump-sum service pension  
 42.11 amount for each year of service credited that may be provided for in the bylaws is the greater  
 42.12 of the service pension amount provided for in the bylaws on the date of the calculation of  
 42.13 the average amount of the available financing per active covered firefighter or the maximum  
 42.14 service pension figure corresponding to the average amount of available financing per active  
 42.15 covered firefighter for the applicable specified period:

42.16	Minimum Average Amount of Available	Maximum Lump-Sum Service Pension
42.17	Financing per Firefighter	Amount Payable for Each Year of Service
42.18	\$ ...	\$ 10
42.19	11	20
42.20	16	30
42.21	23	40
42.22	27	50
42.23	32	60
42.24	43	80
42.25	54	100
42.26	65	120
42.27	77	140
42.28	86	160
42.29	97	180
42.30	108	200
42.31	131	240
42.32	151	280
42.33	173	320
42.34	194	360
42.35	216	400
42.36	239	440
42.37	259	480

43.1	281	520
43.2	302	560
43.3	324	600
43.4	347	640
43.5	367	680
43.6	389	720
43.7	410	760
43.8	432	800
43.9	486	900
43.10	540	1000
43.11	594	1100
43.12	648	1200
43.13	702	1300
43.14	756	1400
43.15	810	1500
43.16	864	1600
43.17	918	1700
43.18	972	1800
43.19	1026	1900
43.20	1080	2000
43.21	1134	2100
43.22	1188	2200
43.23	1242	2300
43.24	1296	2400
43.25	1350	2500
43.26	1404	2600
43.27	1458	2700
43.28	1512	2800
43.29	1566	2900
43.30	1620	3000
43.31	1672	3100
43.32	1726	3200
43.33	1753	3250
43.34	1780	3300
43.35	1820	3375
43.36	1834	3400
43.37	1888	3500
43.38	1942	3600

44.1	1996	3700
44.2	2023	3750
44.3	2050	3800
44.4	2104	3900
44.5	2158	4000
44.6	2212	4100
44.7	2265	4200
44.8	2319	4300
44.9	2373	4400
44.10	2427	4500
44.11	2481	4600
44.12	2535	4700
44.13	2589	4800
44.14	2643	4900
44.15	2697	5000
44.16	2751	5100
44.17	2805	5200
44.18	2859	5300
44.19	2913	5400
44.20	2967	5500
44.21	3021	5600
44.22	3075	5700
44.23	3129	5800
44.24	3183	5900
44.25	3237	6000
44.26	3291	6100
44.27	3345	6200
44.28	3399	6300
44.29	3453	6400
44.30	3507	6500
44.31	3561	6600
44.32	3615	6700
44.33	3669	6800
44.34	3723	6900
44.35	3777	7000
44.36	3831	7100
44.37	3885	7200
44.38	3939	7300

45.1	3993	7400
45.2	4047	7500
45.3	4101	7600
45.4	4155	7700
45.5	4209	7800
45.6	4263	7900
45.7	4317	8000
45.8	4371	8100
45.9	4425	8200
45.10	4479	8300
45.11	4533	8400
45.12	4587	8500
45.13	4641	8600
45.14	4695	8700
45.15	4749	8800
45.16	4803	8900
45.17	4857	9000
45.18	4911	9100
45.19	4965	9200
45.20	5019	9300
45.21	5073	9400
45.22	5127	9500
45.23	5181	9600
45.24	5235	9700
45.25	5289	9800
45.26	5343	9900
45.27	5397	10,000
45.28	5451	10,100
45.29	5505	10,200
45.30	5559	10,300
45.31	5613	10,400
45.32	5667	10,500
45.33	5721	10,600
45.34	5775	10,700
45.35	5829	10,800
45.36	5883	10,900
45.37	5937	11,000
45.38	5991	11,100

46.1	6045	11,200
46.2	6099	11,300
46.3	6153	11,400
46.4	6207	11,500
46.5	6261	11,600
46.6	6315	11,700
46.7	6369	11,800
46.8	6423	11,900
46.9	6477	12,000
46.10	6531	12,100
46.11	6585	12,200
46.12	6639	12,300
46.13	6693	12,400
46.14	6747	12,500
46.15	6801	12,600
46.16	6855	12,700
46.17	6909	12,800
46.18	6963	12,900
46.19	7017	13,000
46.20	7071	13,100
46.21	7125	13,200
46.22	7179	13,300
46.23	7233	13,400
46.24	7287	13,500
46.25	7341	13,600
46.26	7395	13,700
46.27	7449	13,800
46.28	7503	13,900
46.29	7557	14,000
46.30	7611	14,100
46.31	7665	14,200
46.32	7719	14,300
46.33	7773	14,400
46.34	7827	14,500
46.35	7881	14,600
46.36	7935	14,700
46.37	7989	14,800
46.38	8043	14,900

47.1	8097	15,000
47.2	any amount in excess of	
47.3	8097	15,000

47.4 (e) For a defined benefit relief association in which the governing bylaws provide for a  
 47.5 monthly benefit service pension as an alternative form of service pension payment to a  
 47.6 lump-sum service pension, the maximum service pension amount for each pension payment  
 47.7 type must be determined using the applicable table contained in this subdivision.

47.8 (f) If a defined benefit relief association establishes a service pension in compliance  
 47.9 with the applicable maximum contained in paragraph (c) or (d) and the minimum average  
 47.10 amount of available financing per active covered firefighter is subsequently reduced because  
 47.11 of a reduction in fire state aid or because of an increase in the number of active firefighters,  
 47.12 the relief association may continue to provide the prior service pension amount specified  
 47.13 in its bylaws, but may not increase the service pension amount until the minimum average  
 47.14 amount of available financing per firefighter under the table in paragraph (c) or (d), whichever  
 47.15 applies, permits.

47.16 (g) No defined benefit relief association is authorized to provide a service pension in an  
 47.17 amount greater than the largest applicable flexible service pension maximum amount even  
 47.18 if the amount of available financing per firefighter is greater than the financing amount  
 47.19 associated with the largest applicable flexible service pension maximum.

47.20 (h) The method of calculating service pensions must be applied uniformly for all years  
 47.21 of active service. Credit must be given for all years of active service ~~except~~, unless the  
 47.22 bylaws of the relief association provide that service credit is not given for:

47.23 (1) years of active service in excess of caps on service credit if so provided in the bylaws  
 47.24 of the relief association; or

47.25 (2) years of active service earned by a former member who:

47.26 (i) has ceased duties as a volunteer firefighter with the fire department before becoming  
 47.27 vested under subdivision 2; and

47.28 (ii) has not resumed active service with the fire department and active membership in  
 47.29 the relief association for a period as defined in the relief association's bylaws, of not less  
 47.30 than five years.

47.31 **EFFECTIVE DATE.** This section is effective January 1, 2022.

48.1 Sec. 8. Minnesota Statutes 2020, section 424A.05, subdivision 3b, is amended to read:

48.2 Subd. 3b. **Authorized administrative expenses from special fund.** (a) Notwithstanding  
48.3 any provision of law to the contrary, the payment of the following necessary, reasonable,  
48.4 and direct expenses of maintaining, protecting, and administering the special fund, when  
48.5 provided for in the bylaws of the association and approved by the board of trustees,  
48.6 constitutes authorized administrative expenses of a volunteer firefighters relief association  
48.7 organized under any law of the state or the Bloomington Fire Department Relief Association:

48.8 (1) office expenses, including but not limited to rent, utilities, equipment, supplies,  
48.9 postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;

48.10 (2) salaries of the officers of the association or their designees, and salaries of the  
48.11 members of the board of trustees of the association if the salary amounts are approved by  
48.12 the governing body of the entity that is responsible for meeting any minimum obligation  
48.13 under section 424A.092 or 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to  
48.14 42, and the itemized expenses of relief association officers and board members that are  
48.15 incurred as a result of fulfilling their responsibilities as administrators of the special fund;

48.16 (3) tuition, registration fees, organizational dues, and other authorized expenses of the  
48.17 officers or members of the board of trustees incurred in attending educational conferences,  
48.18 seminars, or classes relating to the administration of the relief association;

48.19 (4) audit and audit-related services, accounting and accounting-related services, and  
48.20 actuarial, medical, legal, and investment and performance evaluation expenses;

48.21 (5) filing and application fees necessary to administer the special fund payable by the  
48.22 relief association to federal or other government entities;

48.23 (6) reimbursement to the officers and members of the board of trustees or their designees,  
48.24 for reasonable and necessary expenses actually paid and incurred in the performance of  
48.25 their duties as officers or members of the board; and

48.26 (7) premiums on fiduciary liability insurance and official bonds for the officers, members  
48.27 of the board of trustees, and employees of the relief association.

48.28 (b) All other expenses of the relief association must be paid from the general fund of  
48.29 the association if one exists. If a relief association has only one fund, that fund is the special  
48.30 fund for purposes of this subdivision. If a relief association has a special fund and a general  
48.31 fund, the payment of any expense of the relief association that is directly related to the  
48.32 purposes for which both funds were established must be apportioned between the two funds  
48.33 on the basis of the benefits derived by each fund.



49.1 **EFFECTIVE DATE.** This section is effective January 1, 2022.

49.2 Sec. 9. **VESTING AND DISTRIBUTION OF NOWTHEN FIREFIGHTERS'**  
49.3 **ACCOUNTS IN THE RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF**  
49.4 **ASSOCIATION.**

49.5 **Subdivision 1. Definitions.** (a) "Account" means the account established for a member  
49.6 under the Ramsey relief association, to which an allocation of fire state aid, supplemental  
49.7 aid, contributions, forfeitures, interest, and investment earnings or losses have been credited  
49.8 for every year the member was eligible to receive such allocation under the bylaws of the  
49.9 Ramsey relief association.

49.10 (b) "Nowthen firefighter" means a firefighter (1) who is or was an employee of the city  
49.11 of Ramsey assigned to the Nowthen fire station on March 31, 2021; (2) who has an account  
49.12 in the Ramsey relief association; and (3) whose employment is or was terminated by the  
49.13 city of Ramsey in 2021.

49.14 (c) "Ramsey relief association" means the Ramsey Volunteer Firefighters' Relief  
49.15 Association.

49.16 **Subd. 2. Eligibility for allocation, full vesting, and immediate access to**  
49.17 **accounts.** Notwithstanding any laws or provisions in the bylaws or articles of incorporation  
49.18 of the Ramsey relief association to the contrary:

49.19 (1) Any Nowthen firefighter whose employment with the city of Ramsey terminates  
49.20 during 2021 shall be considered as having worked 12 months of active service for 2021 and  
49.21 as having the status of active member of the association in good standing on December 31,  
49.22 2021, for purposes of (i) allocating fire state aid, supplemental aid, contributions, forfeitures,  
49.23 interest, and investment earnings or losses; and (ii) deducting administrative expenses.

49.24 (2) The account of each Nowthen firefighter in the Ramsey relief association shall  
49.25 become 100 percent vested as of the date on which the Nowthen firefighter's employment  
49.26 with the city of Ramsey is or was terminated.

49.27 (3) The Nowthen firefighter shall be entitled to elect an immediate distribution of the  
49.28 Nowthen firefighter's account in the Ramsey relief association, which distribution may be  
49.29 paid, at the election of the Nowthen firefighter, in a lump sum directly to the Nowthen  
49.30 firefighter or in a direct rollover to an eligible retirement plan, as defined in Minnesota  
49.31 Statutes, section 356.635, subdivision 6, designated by the Nowthen firefighter.

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

50.1 Sec. 10. **FIRE STATE AID FOR NOWTHEN.**

50.2 For the purposes of fire state aid payable in 2022 under Minnesota Statutes, chapter  
50.3 477B, the city of Nowthen will be considered as having satisfied the requirement under  
50.4 Minnesota Statutes, section 477B.02, subdivision 2, paragraph (b), to have provided  
50.5 firefighting services for at least one calendar year, if the city of Nowthen provides  
50.6 documentation of its fire department being in operation no later than December 31, 2021,  
50.7 to the commissioner of revenue no later than February 1, 2022.

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

50.9 Sec. 11. **PARTICIPATION IN THE PERA STATEWIDE VOLUNTEER**  
50.10 **FIREFIGHTER PLAN.**

50.11 Notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c),  
50.12 coverage by the statewide volunteer firefighter plan of the volunteer firefighters employed  
50.13 by the city of Nowthen shall be effective on the date an election of coverage by the statewide  
50.14 volunteer firefighter plan is approved by the governing board of the city of Nowthen or, if  
50.15 later, on the date that the city of Nowthen satisfies all other requirements for coverage by  
50.16 the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05.

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

50.18 Sec. 12. **REPEALER.**

50.19 Laws 2020, chapter 108, article 14, section 1, is repealed.

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

50.21 **ARTICLE 7**

50.22 **DEADLINE FOR AGENCY REQUESTS TO LCPR STAFF TO DRAFT BILLS**

50.23 Section 1. **[356B.01] DEFINITIONS.**

50.24 (a) For the purposes of this chapter, each of the following terms has the meaning given,  
50.25 unless the context of the term indicates otherwise.

50.26 (b) "Agency" means:

50.27 (1) an agency as defined in section 14.02, subdivision 2; or

50.28 (2) the Minnesota state colleges and universities system governed by chapter 136F.

50.29 (c) "Commission" means the Legislative Commission on Pensions and Retirement.

51.1 (d) "Pension system" means:

51.2 (1) the Minnesota State Retirement System;

51.3 (2) the Public Employees Retirement Association;

51.4 (3) the Teachers Retirement Association; or

51.5 (4) the St. Paul Teachers Retirement Fund Association.

51.6 (e) "Volunteer firefighter relief association" has the meaning given to relief association

51.7 in section 424A.001, subdivision 4.

51.8 **Sec. 2. [356B.02] DRAFTING PENSION AND RETIREMENT BILLS.**

51.9 (a) Notwithstanding section 3C.035, an agency or pension system intending to urge the

51.10 legislature to adopt a bill affecting the pension system, one or more plans administered by

51.11 the pension system, or one or more volunteer firefighter relief associations; or relating to

51.12 pensions or retirement shall deliver the drafting request for the bill to the executive director

51.13 of the commission no later than November 1 before the regular session of the legislature at

51.14 which adoption will be urged.

51.15 (b) The executive director of the commission may accept a drafting request from an

51.16 agency or a pension system after November 1 if the executive director of the commission

51.17 determines that the request relates to a matter that could not reasonably have been foreseen

51.18 by November 1 or for which the requestor provides other reasonable justification for delay.

51.19 **Sec. 3. REPEALER.**

51.20 Minnesota Statutes 2020, section 356B.05, is repealed.

51.21 **Sec. 4. EFFECTIVE DATE.**

51.22 Sections 1 to 3 are effective the day following final enactment.

## 51.23 **ARTICLE 8**

### 51.24 **SESSION LAWS FOR INDIVIDUALS**

51.25 **Section 1. INCREASING THE RETIREMENT BENEFIT FOR CERTAIN RETIRED**

51.26 **STATE EMPLOYEE.**

51.27 Subdivision 1. **Benefit increase authorized.** An eligible person described in subdivision

51.28 2 shall be paid an increased benefit described in subdivision 3 from the general employees

52.1 retirement plan of the Minnesota State Retirement System, notwithstanding any state law  
52.2 to the contrary.

52.3 Subd. 2. **Eligible person defined.** An eligible person is a person who:

52.4 (1) was born on June 29, 1955;

52.5 (2) was first covered by the Minnesota unclassified employees retirement program on  
52.6 January 12, 1987;

52.7 (3) was employed by the Minnesota House of Representatives from January 12, 1987,  
52.8 to January 3, 2011;

52.9 (4) elected to transfer from the unclassified program to the general employees retirement  
52.10 plan under Minnesota Statutes, section 352D.02, subdivision 3;

52.11 (5) was employed by the Department of Labor and Industry from April 27, 2011, to June  
52.12 1, 2018;

52.13 (6) received a personalized benefit estimate dated November 17, 2017, and multiple  
52.14 annual statements from the Minnesota State Retirement System providing estimates of the  
52.15 eligible person's monthly retirement benefit that erroneously failed to incorporate a reduction  
52.16 for retirement before normal retirement age; and

52.17 (7) retired on June 2, 2018, and began to receive monthly retirement annuity payments  
52.18 that were lower than the amount shown in the personalized benefit estimate dated November  
52.19 17, 2017.

52.20 Subd. 3. **Calculation of benefit increase.** The increased benefit is equal to the retirement  
52.21 annuity calculated under Minnesota Statutes, section 352.115, subdivision 3, paragraph (b),  
52.22 without the reduction for retirement before normal retirement age under Minnesota Statutes,  
52.23 section 352.116, subdivision 1a. No early retirement factor shall be applied to the eligible  
52.24 person's increased benefit. The increased benefit is payable to the eligible person retroactively  
52.25 from the eligible person's retirement date. Any postretirement adjustments, optional annuity,  
52.26 or reduction for an optional annuity must be calculated based on the increased benefit.

52.27 Subd. 4. **Limited applicability.** This section alters the amount of the benefit the eligible  
52.28 person is otherwise entitled to under Minnesota Statutes, section 352.115. This section does  
52.29 not otherwise replace general law.

52.30 **EFFECTIVE DATE.** This section is effective July 1, 2021.

53.1 Sec. 2. **TRANSFER OF PAST MSRS GENERAL SERVICE CREDIT TO MSRS**  
53.2 **CORRECTIONAL.**

53.3 **Subdivision 1. Definitions.** The following terms as used in this section have the meanings  
53.4 given in this subdivision:

53.5 (1) "Correctional plan" means the correctional employees retirement plan of the  
53.6 Minnesota State Retirement System.

53.7 (2) "Executive director" means the executive director of the Minnesota State Retirement  
53.8 System.

53.9 (3) "General plan" means the general state employees retirement plan of the Minnesota  
53.10 State Retirement System.

53.11 (4) "Service credit" means time credited as allowable service under Minnesota Statutes,  
53.12 section 352.01, subdivision 11, to an eligible person described in subdivision 3.

53.13 (5) "Transfer period" means the period from March 2, 2011, to March 19, 2020.

53.14 **Subd. 2. Transfer of past service credit authorized.** An eligible person described in  
53.15 subdivision 3 who makes payment to the correctional employees retirement fund required  
53.16 under subdivision 4 on or before one year following the effective date of this section, is  
53.17 entitled to have:

53.18 (1) the employer payment made on the eligible person's behalf under subdivision 5; and

53.19 (2) applicable past service credit transferred from the general plan to the correctional  
53.20 plan for the transfer period under subdivision 6.

53.21 **Subd. 3. Eligible person.** An eligible person is a person who meets all of the following  
53.22 requirements:

53.23 (1) The person has service credit in the general plan from August 15, 1990, to March  
53.24 19, 2020.

53.25 (2) The person was employed by the Department of Human Services at the St. Peter  
53.26 State Hospital as a customer services specialist principal from March 2, 2011, until at least  
53.27 January 27, 2021.

53.28 (3) The commissioner of human services has certified to the executive director that the  
53.29 person spent at least 75 percent of the person's working time in direct contact with patients,  
53.30 during the period of the person's employment under clause (2).

53.31 (4) The person has service credit in the correctional plan beginning March 20, 2020.

54.1 Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive  
54.2 director the difference between the employee contribution rate for the general plan and the  
54.3 employee contribution rate for the correctional plan for the transfer period. The difference  
54.4 between the two rates must be applied to the eligible person's salary at the time that each  
54.5 contribution would have been deducted from pay if the eligible person had been covered  
54.6 by the correctional plan for the transfer period. The payment must include interest at the  
54.7 applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision  
54.8 2, calculated from the date that each contribution would have been deducted to the date that  
54.9 payment is made.

54.10 (b) The payment under paragraph (a) must be made in a lump sum no later than one year  
54.11 following the effective date. Upon receipt of the payment, the executive director must notify  
54.12 the commissioner of human services that payment was made and of the amount owed under  
54.13 subdivision 5.

54.14 Subd. 5. **Payment by the Department of Human Services.** If an eligible person makes  
54.15 the payment under subdivision 4, the Department of Human Services, on behalf of the  
54.16 eligible person, shall pay to the executive director the actuarial present value of the additional  
54.17 benefit resulting from the transferred service credit less the payment made under subdivision  
54.18 4. This amount must be paid by the Department of Human Services in a lump sum within  
54.19 30 days after the date on which the executive director notifies the commissioner of human  
54.20 services under subdivision 4.

54.21 Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions  
54.22 4 and 5 are made, the executive director must transfer assets from the general state employees  
54.23 retirement fund to the correctional employees retirement fund in an amount equal to the  
54.24 actuarial present value of the benefits earned by the eligible person under the general plan  
54.25 during the transfer period. The transfer of assets must be made within 15 days after receipt  
54.26 of the payments under subdivisions 4 and 5.

54.27 (b) Upon transfer of the assets under paragraph (a), the eligible person shall have service  
54.28 credit in the correctional plan and no service credit in the general plan for the transfer period.

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

55.1

**ARTICLE 9****55.2 WORK GROUPS FOR 911 TELECOMMUNICATORS AND SUPPLEMENTAL**  
**55.3 STATE AID****55.4 Section 1. WORKING GROUP TO STUDY 911 TELECOMMUNICATOR PENSION**  
**55.5 BENEFITS.**

55.6 Subdivision 1. **Membership.** (a) The executive director of the Legislative Commission  
55.7 on Pensions and Retirement shall convene a working group for the purpose of studying 911  
55.8 telecommunicator pension benefits. The working group must consist of the following:

55.9 (1) a representative from the Association of Minnesota Counties;

55.10 (2) a representative from the League of Minnesota Cities;

55.11 (3) a representative from the Minnesota Inter-County Association;

55.12 (4) a representative from the Department of Public Safety;

55.13 (5) a representative from the Minnesota Association of Public Safety Communications  
55.14 Officials (MN APCO) or the National Emergency Number Association of Minnesota (NENA  
55.15 of MN);

55.16 (6) the executive director of the Public Employees Retirement Association, or the  
55.17 executive director's designee;

55.18 (7) the executive director of the Minnesota State Retirement System, or the executive  
55.19 director's designee;

55.20 (8) a 911 telecommunicator who works for a county or municipality;

55.21 (9) a 911 telecommunicator who works for the state;

55.22 (10) a member of the public employees local government correctional service retirement  
55.23 plan; and

55.24 (11) a member of the state correctional employees retirement plan.

55.25 (b) In addition to the working group members listed in paragraph (a), the executive  
55.26 director may invite any other individuals with expertise or experience that the executive  
55.27 director believes will assist the work of the group to participate as members of or advisors  
55.28 to the group. The organizations specified in paragraph (a), clauses (1) to (7), must provide  
55.29 the executive director with a designated member to serve on the working group by June 15,  
55.30 2021.

56.1 Subd. 2. **Duties; report.** The working group must submit a report to the Legislative  
56.2 Commission on Pensions and Retirement by March 1, 2022. The report must recommend  
56.3 whether changes to the pension plan coverage for 911 telecommunicators are appropriate.  
56.4 If the working group finds that such changes are appropriate, the working group must  
56.5 recommend changes to the pension plan coverage for 911 telecommunicators. The  
56.6 recommended changes may include but are not limited to moving 911 telecommunicators  
56.7 to the correctional plans.

56.8 Subd. 3. **First meeting; chair.** The executive director must convene the first meeting  
56.9 of the working group by August 1, 2021. At the first meeting, the members must elect a  
56.10 chair. The working group may conduct meetings remotely.

56.11 Subd. 4. **Compensation; lobbying; retaliation.** (a) Members serve without  
56.12 compensation.

56.13 (b) Participation in the working group shall not be considered lobbying under Minnesota  
56.14 Statutes, chapter 10A.

56.15 (c) An individual's employer or an association of which an individual is a member shall  
56.16 not retaliate against the individual because of the individual's participation in the working  
56.17 group.

56.18 Subd. 5. **Administrative support.** The executive director must provide administrative  
56.19 support for the working group.

56.20 Subd. 6. **Expiration.** The working group expires June 30, 2022.

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

56.22 Sec. 2. **SUPPLEMENTAL STATE AID WORK GROUP.**

56.23 (a) The state auditor shall convene a Supplemental State Aid Work Group to discuss  
56.24 and articulate options to the Legislative Commission on Pensions and Retirement on changing  
56.25 the method of allocating police and firefighter retirement supplemental state aid under  
56.26 Minnesota Statutes, section 423A.022.

56.27 (b) The scope of the work group is limited to supplemental state aid paid to municipalities  
56.28 other than municipalities solely employing firefighters with retirement coverage provided  
56.29 by the public employees police and fire retirement plan.

56.30 (c) The work group must:

56.31 (i) consider 2021 Senate File No. 609; House File No. 419, including the discussion and  
56.32 testimony on the bills at the meeting of the commission on March 23, 2021, and



- 57.1 (ii) address the disparities in the allocation of fire state aid among fire departments.
- 57.2 (d) Members of the work group shall include:
- 57.3 (1) two representatives of Minnesota cities, appointed by the League of Minnesota Cities;
- 57.4 (2) two representatives of Minnesota towns, appointed by the Minnesota Association of
- 57.5 Townships;
- 57.6 (3) two representatives of Minnesota fire chiefs, appointed by the Minnesota State Fire
- 57.7 Chiefs Association;
- 57.8 (4) two representatives of Minnesota volunteer firefighters who are active volunteer
- 57.9 firefighters, appointed by the Minnesota State Fire Departments Association;
- 57.10 (5) one representative of the State Fire Marshal Division of the Department of Public
- 57.11 Safety, designated by the commissioner of public safety;
- 57.12 (6) the executive director of the Public Employees Retirement Association or the
- 57.13 executive director's designee; and
- 57.14 (7) one representative of the Department of Revenue, designated by the commissioner
- 57.15 of revenue.
- 57.16 (e) Additionally, a staff member of the Legislative Commission on Pensions and
- 57.17 Retirement shall attend the meetings of the work group to provide background information
- 57.18 as requested by members.
- 57.19 (f) The state auditor shall chair the work group. The work group may conduct meetings
- 57.20 remotely.
- 57.21 (g) The work group shall submit a report by December 31, 2022, to the chair, vice-chair,
- 57.22 and executive director of the Legislative Commission on Pensions and Retirement.
- 57.23 (h) The work group expires on June 30, 2023.
- 57.24 **EFFECTIVE DATE.** This section is effective June 30, 2021.

## ARTICLE 10

### TECHNICAL CLARIFICATIONS AND CORRECTIONS

- 57.27 Section 1. Minnesota Statutes 2020, section 353E.02, subdivision 2, is amended to read:
- 57.28 Subd. 2. **Local government correctional service employee.** (a) A local government
- 57.29 correctional service employee, for purposes of subdivision 1, is a person whom the employer
- 57.30 certifies:

58.1 (1) is employed in a county correctional institution as a correctional guard or officer, a  
 58.2 joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint  
 58.3 jailers/dispatchers;

58.4 (2) is directly responsible for the direct security, custody, and control of the county  
 58.5 correctional institution and its inmates;

58.6 (3) is expected to respond to incidents within the county correctional institution as part  
 58.7 of the person's regular employment duties and is trained to do so; and

58.8 (4) is a "public employee" as defined in section 353.01, but is not a member of the public  
 58.9 employees police and fire ~~fund~~ plan.

58.10 (b) The certification required under paragraph (a) must be made in writing on a form  
 58.11 prescribed by the executive director of the Public Employees Retirement Association.

58.12 (c) A person who was a member of the local government correctional service retirement  
 58.13 plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration  
 58.14 of the person's employment in that county correctional institution position, even if the  
 58.15 person's subsequent service in this position does not meet the requirements set forth in  
 58.16 paragraph (a).

58.17 Sec. 2. Minnesota Statutes 2020, section 356.635, subdivision 1, is amended to read:

58.18 Subdivision 1. **Retirement benefit commencement.** (a) The retirement benefit of a  
 58.19 member ~~who has terminated employment~~ or participant must begin to be distributed or, if  
 58.20 a lump sum, be distributed no later than the later of the member's or participant's required  
 58.21 beginning date. "Required beginning date" means April 1 of the calendar year following  
 58.22 the later of (1) the calendar year that in which the member or the participant attains the  
 58.23 federal minimum distribution age under specified in section 401(a)(9)(C)(i)(I) of the Internal  
 58.24 Revenue Code, or April 1 of (2) the calendar year following the calendar year in which the  
 58.25 member terminated or participant terminates employment.

58.26 (b) A pension or defined contribution plan shall not be required to obtain the consent  
 58.27 requirements of section 411(a)(11) of the Internal Revenue Code do not apply to the extent  
 58.28 that a of a member or participant to a distribution if the distribution is required to satisfy  
 58.29 the requirements of section 401(a)(9) of the Internal Revenue Code paragraph (a).

58.30 Sec. 3. Minnesota Statutes 2020, section 424A.01, subdivision 2, is amended to read:

58.31 Subd. 2. **Status of substitute volunteer firefighters.** No person who is serving as a  
 58.32 substitute volunteer firefighter may be considered to be a firefighter for purposes of chapter

59.1 ~~69~~ 477B or this chapter and no substitute volunteer firefighter is authorized to be a member  
59.2 of any volunteer firefighters relief association governed by chapter ~~69~~ 477B or this chapter.

59.3 Sec. 4. Minnesota Statutes 2020, section 424A.016, subdivision 4, is amended to read:

59.4 Subd. 4. **Individual accounts.** (a) An individual account must be established for each  
59.5 firefighter who is a member of the relief association.

59.6 (b) To each individual active member account must be credited an equal share of:

59.7 (1) any amounts of fire state aid and police and firefighter retirement supplemental state  
59.8 aid received by the relief association;

59.9 (2) any amounts of municipal contributions to the relief association raised from levies  
59.10 on real estate or from other available municipal revenue sources exclusive of fire state aid;  
59.11 and

59.12 (3) any amounts equal to the share of the assets of the special fund to the credit of:

59.13 (i) any former member who terminated active service with the fire department to which  
59.14 the relief association is associated before meeting the minimum service requirement provided  
59.15 for in subdivision 2, paragraph (b), and has not returned to active service with the fire  
59.16 department for a period no shorter than five years; or

59.17 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the  
59.18 amounts credited to the individual member account under subdivision 2, paragraph (b), and  
59.19 any applicable provision of the bylaws of the relief association.

59.20 (c) In addition, any investment return on the assets of the special fund must be credited  
59.21 in proportion to the share of the assets of the special fund to the credit of each individual  
59.22 active member account and inactive member account, unless the inactive member is a  
59.23 deferred member as defined in subdivision 6.

59.24 (d) Administrative expenses of the relief association payable from the special fund may  
59.25 be deducted from individual accounts in a manner specified in the bylaws of the relief  
59.26 association.

59.27 (e) Amounts to be credited to individual accounts must be allocated uniformly for all  
59.28 years of active service and allocations must be made for all years of service, except for caps  
59.29 on service credit if so provided in the bylaws of the relief association. Amounts forfeited  
59.30 under paragraph (b), clause (3), before a resumption of active service and membership under  
59.31 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the  
59.32 resumption of active service and membership. The allocation method may utilize monthly

60.1 proration for fractional years of service, as the bylaws or articles of incorporation of the  
60.2 relief association so provide. The bylaws or articles of incorporation may define a "month,"  
60.3 but the definition must require a calendar month to have at least 16 days of active service.  
60.4 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed  
60.5 calendar month of active service measured from the member's date of entry to the same date  
60.6 in the subsequent month.

60.7 (f) ~~At the time of retirement~~ that the payment of a service pension commences under  
60.8 subdivision 2 and any applicable provision of the bylaws of the relief association, a retiring  
60.9 member is entitled to that portion of the assets of the special fund to the credit of the member  
60.10 in the individual member account which is nonforfeitable under subdivision 3 and any  
60.11 applicable provision of the bylaws of the relief association based on the number of years  
60.12 of service to the credit of the retiring member.

60.13 (g) Annually, the secretary of the relief association shall certify the individual account  
60.14 allocations to the state auditor at the same time that the annual financial statement or financial  
60.15 report and audit of the relief association, whichever applies, is due under section 424A.014.

60.16 Sec. 5. Minnesota Statutes 2020, section 424A.10, subdivision 2, is amended to read:

60.17 Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a volunteer  
60.18 firefighters relief association or by the statewide lump-sum volunteer firefighter plan of a  
60.19 lump-sum distribution to a qualified recipient, the association or retirement plan, as  
60.20 applicable, must pay a supplemental benefit to the qualified recipient. Notwithstanding any  
60.21 law to the contrary, the relief association must pay the supplemental benefit out of its special  
60.22 fund and the statewide lump-sum volunteer firefighter plan must pay the supplemental  
60.23 benefit out of the statewide lump-sum volunteer firefighter plan. This benefit is an amount  
60.24 equal to ten percent of the regular lump-sum distribution that is paid on the basis of the  
60.25 recipient's service as a volunteer firefighter. In no case may the amount of the supplemental  
60.26 benefit exceed \$1,000. A supplemental benefit under this paragraph may not be paid to a  
60.27 survivor of a deceased active or deferred volunteer firefighter in that capacity.

60.28 (b) Upon the payment by a relief association or the retirement plan of a lump-sum  
60.29 survivor benefit to a survivor of a deceased active volunteer firefighter or of a deceased  
60.30 deferred volunteer firefighter, the association or retirement plan, as applicable, must pay a  
60.31 supplemental survivor benefit to the survivor of the deceased active or deferred volunteer  
60.32 firefighter from the special fund of the relief association and the retirement plan must pay  
60.33 a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer

61.1 firefighter from the retirement fund if chapter 353G so provides. The amount of the  
61.2 supplemental survivor benefit is 20 percent of the survivor benefit, but not to exceed \$2,000.

61.3 (c) For purposes of this section, the term "regular lump-sum distribution" means the  
61.4 pretax lump-sum distribution excluding any interest that may have been credited during a  
61.5 volunteer firefighter's period of deferral.

61.6 (d) An individual may receive a supplemental benefit under paragraph (a) or under  
61.7 paragraph (b), but not under both paragraphs with respect to one lump-sum volunteer  
61.8 firefighter benefit.

61.9 Sec. 6. [424B.001] APPLICATION OF CHAPTER 424A.

61.10 This chapter must be read in conjunction with chapter 424A. For the purposes of this  
61.11 chapter, the definitions and other provisions of chapter 424A apply where not inconsistent  
61.12 with this chapter.

61.13 Sec. 7. Minnesota Statutes 2020, section 424B.01, subdivision 3a, is amended to read:

61.14 Subd. 3a. **Conversion effective date.** "Conversion effective date" means the date  
61.15 designated by the board of trustees under section 424B.13, subdivision 2, on which the  
61.16 assets of the defined benefit plan have been allocated to accounts under the defined  
61.17 contribution plan.

61.18 Sec. 8. Minnesota Statutes 2020, section 424B.01, subdivision 3b, is amended to read:

61.19 Subd. 3b. **Defined benefit plan.** "Defined benefit plan" means a retirement plan that  
61.20 provides a retirement benefit ~~that is a lump sum, the amount of which is determined by~~  
61.21 ~~multiplying the applicable lump-sum service pension amount under section 424A.02,~~  
61.22 ~~subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which~~  
61.23 ~~is determined by multiplying the applicable monthly pension amount under section 424A.02,~~  
61.24 ~~subdivision 3, paragraph (e), by years of service. A defined benefit plan may provide both~~  
61.25 ~~a lump-sum benefit and a monthly pension~~ under section 424A.02.

61.26 Sec. 9. Minnesota Statutes 2020, section 424B.01, subdivision 3d, is amended to read:

61.27 Subd. 3d. **Defined contribution plan.** "Defined contribution plan" means a retirement  
61.28 plan that provides a retirement benefit ~~based on the member's individual account balance~~  
61.29 under section 424A.016.

62.1 Sec. 10. Minnesota Statutes 2020, section 424B.01, subdivision 3g, is amended to read:

62.2 Subd. 3g. **Member.** (a) "Member" means a person:

62.3 (1) who is ~~a member of~~ or was employed by or who provides or provided services to a  
62.4 fire department or independent nonprofit firefighting corporation;

62.5 (2) who has been credited with at least one year of service toward a retirement benefit  
62.6 under the retirement plan of a relief association that is affiliated with the fire department or  
62.7 independent nonprofit firefighting corporation; and

62.8 (3) whose retirement benefit under the retirement plan has not yet been distributed in a  
62.9 lump sum or has not yet begun to be distributed in periodic installments or as a monthly  
62.10 pension.

62.11 (b) A member may be an active firefighter, an inactive firefighter, or a former firefighter  
62.12 who has a benefit under the retirement plan but has not become eligible to receive the benefit.

62.13 Sec. 11. Minnesota Statutes 2020, section 424B.01, subdivision 3h, is amended to read:

62.14 Subd. 3h. **Municipality.** "Municipality" ~~means a city or township that has established~~  
62.15 ~~a fire department with which the relief association is affiliated, a city or township that has~~  
62.16 ~~entered into a contract with an independent nonprofit firefighting corporation with which~~  
62.17 ~~the relief association is affiliated, or a city or township that has entered into a joint powers~~  
62.18 ~~agreement under section 471.59 with one or more cities or townships to operate a fire~~  
62.19 ~~department with which the relief association is affiliated~~ has the meaning given in section  
62.20 424A.001, subdivision 3. A reference in chapter 424B to municipality in connection with  
62.21 a power that may be exercised by or a requirement that is imposed on the municipality  
62.22 means each city or township that is party to a joint powers agreement, unless the joint powers  
62.23 agreement identifies one city or township with the authority to act on behalf of the other  
62.24 parties to the agreement or with the responsibility for fulfilling requirements imposed on  
62.25 the other parties to the agreement.

62.26 Sec. 12. Minnesota Statutes 2020, section 424B.01, subdivision 3i, is amended to read:

62.27 Subd. 3i. **Other benefit recipient.** "Other benefit recipient" means:

62.28 (1) a person who is entitled to receive all or a portion of the benefit of a ~~member~~  
62.29 participant under a retirement plan due to the person having one of the following relationships  
62.30 to the ~~member~~ participant:

62.31 (i) the ~~member's~~ participant's surviving spouse;

63.1 (ii) the ~~member's~~ participant's former spouse who is the alternate payee under a state  
 63.2 domestic relations order that meets the requirements of section 414(p) of the Internal Revenue  
 63.3 Code or who is a recipient of a court-ordered distribution of marital property, as provided  
 63.4 in section 518.58; or

63.5 (iii) a nonspousal beneficiary of the ~~member~~ participant; or

63.6 (2) the ~~member's~~ participant's estate.

63.7 Sec. 13. Minnesota Statutes 2020, section 424B.01, is amended by adding a subdivision  
 63.8 to read:

63.9 Subd. 3j. **Participant.** (a) Under a defined contribution plan, "participant" means any  
 63.10 individual who provides services to or is employed by a municipality or firefighting  
 63.11 corporation and who satisfies the eligibility requirements to receive an allocation to the  
 63.12 individual's account under the defined contribution plan. An individual who becomes a  
 63.13 participant and has an account in the plan to which an allocation was credited shall be  
 63.14 considered a participant until the earlier of the individual's death or the distribution or  
 63.15 forfeiture of the individual's entire account in the plan.

63.16 (b) Under a defined benefit plan, "participant" means any individual who provides  
 63.17 services to or is employed by a municipality or firefighting corporation and who satisfies  
 63.18 the eligibility requirements to begin to accrue a benefit under the defined benefit plan. An  
 63.19 individual who becomes a participant and has accrued a benefit under the plan shall be  
 63.20 considered a participant until the earlier of the individual's death or the distribution or  
 63.21 forfeiture of the individual's entire accrued benefit under the plan.

63.22 (c) If an individual satisfies paragraph (a) or (b), the individual must be considered a  
 63.23 participant, notwithstanding other terms used in applicable law or the relief association's  
 63.24 articles or bylaws to describe the individual. A participant includes a member, active member,  
 63.25 deferred member, inactive member, and retiree in pay status.

63.26 Sec. 14. Minnesota Statutes 2020, section 424B.01, subdivision 4a, is amended to read:

63.27 Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief  
 63.28 association" means a nonprofit corporation incorporated under or governed by chapter 317A  
 63.29 that is a governmental entity that receives and manages public money to provide retirement  
 63.30 benefits for individuals providing the governmental services of firefighting and emergency  
 63.31 first response, is subject to chapter 424A, and is affiliated with: (1) a fire department  
 63.32 established by municipal ordinance; (2) an independent nonprofit firefighting corporation

64.1 ~~incorporated under chapter 317A; or (3) a fire department operated as or by a joint powers~~  
64.2 ~~entity. (b) Relief association or volunteer firefighters relief association does not mean the~~  
64.3 ~~statewide volunteer firefighter plan governed by chapter 353G~~ has the meaning given in  
64.4 section 424A.001, subdivision 4.

64.5 Sec. 15. Minnesota Statutes 2020, section 424B.01, subdivision 5b, is amended to read:

64.6 Subd. 5b. **Retiree in pay status.** "Retiree in pay status" means a ~~former member who~~  
64.7 ~~left employment or service as an active firefighter, has reached at least age 50, and~~ participant  
64.8 who is receiving a monthly pension or periodic installment payments from a retirement  
64.9 plan.

64.10 Sec. 16. Minnesota Statutes 2020, section 424B.01, subdivision 5c, is amended to read:

64.11 Subd. 5c. **Retirement benefit.** "Retirement benefit" means the benefit to which a ~~member~~  
64.12 participant is entitled under a retirement plan.

64.13 Sec. 17. Minnesota Statutes 2020, section 424B.04, subdivision 3, is amended to read:

64.14 Subd. 3. **Board administration.** The board of trustees must administer the affairs of  
64.15 the relief association consistent with this chapter and the applicable provisions of chapters  
64.16 ~~69, 356A, and 424A,~~ and 477B.

64.17 Sec. 18. Minnesota Statutes 2020, section 424B.13, subdivision 2, is amended to read:

64.18 Subd. 2. **Board of trustees.** To initiate and complete a conversion, the board of trustees  
64.19 must:

64.20 (1) approve resolutions that:

64.21 (i) state that the defined benefit plan is being converted to a defined contribution plan;

64.22 (ii) designate a conversion effective date;

64.23 (iii) direct that each participant, except any retiree in pay status who is receiving a  
64.24 monthly service pension from a relief association described in section 424A.093, becomes  
64.25 fully vest all members (100 percent) vested as of the conversion effective date in ~~each~~  
64.26 ~~member's lump-sum benefit or monthly pension, such that each member is 100 percent~~  
64.27 ~~vested in the member's lump-sum~~ the participant's retirement benefit or monthly pension;

64.28 (iv) if the relief association has a surplus as of the end of the relief association's most  
64.29 recent fiscal year before the conversion effective date, at the option of the board of trustees,



65.1 conditionally increase the lump-sum benefit or monthly pension amount under the defined  
65.2 benefit plan, as provided under subdivision 4;

65.3 (v) determine the method for allocating a surplus;

65.4 (vi) adopt a defined contribution plan and approve a plan document that complies with  
65.5 section 424A.016 and states the terms and conditions for eligibility, vesting, allocation of  
65.6 contributions, distribution of retirement benefits, and any ancillary benefits; and

65.7 (vii) authorize any bylaws amendments needed to incorporate items (i) to (vi) into the  
65.8 bylaws;

65.9 (2) obtain the consent of the municipality or firefighting corporation if required by  
65.10 subdivision 3;

65.11 (3) determine the present value of each ~~member's~~ participant's accrued benefit as of the  
65.12 conversion effective date as required by subdivision 5;

65.13 (4) if there is a surplus, allocate the surplus under a method that complies with subdivision  
65.14 6;

65.15 (5) if there is not a surplus, take the actions required under subdivision 7;

65.16 (6) provide the notices required under subdivisions 8 and 9; and

65.17 (7) implement the conversion, including the requirements under subdivision 10.

65.18 Sec. 19. Minnesota Statutes 2020, section 424B.13, subdivision 4, is amended to read:

65.19 Subd. 4. **Benefit increase.** (a) If the relief association has a surplus as of the end of the  
65.20 relief association's most recent fiscal year before the conversion effective date, the board  
65.21 of trustees may approve a resolution that increases the lump-sum benefit or monthly pension  
65.22 amount or both the lump-sum and monthly pension amount, if the relief association offers  
65.23 both, and amends the relief association bylaws without the consent of the affiliated  
65.24 municipality or firefighting corporation, notwithstanding section 424A.02, subdivision 10.  
65.25 The resulting lump-sum benefit or monthly pension amount is not limited to the maximum  
65.26 lump-sum benefit or monthly pension amounts under section 424A.02, subdivision 3.

65.27 (b) The benefit increase must not cause the liabilities of the retirement plan to exceed  
65.28 the value of the assets, after taking into account full vesting as required under subdivision  
65.29 2 and any administrative expenses arising from the conversion.

65.30 (c) The board of trustees shall specify whether the benefit increase will apply only to  
65.31 participants who are members active as of the conversion effective date or whether the

66.1 benefit increase will apply to all ~~members~~ participants, including members who are not  
66.2 active as of the conversion effective date, notwithstanding section 424A.015, subdivision  
66.3 6.

66.4 (d) The board of trustees' resolution approving an increase in the benefit level must be  
66.5 considered conditional on there being sufficient assets to fund the increase and must state  
66.6 that if, as of the date benefits are transferred to the defined contribution plan, there are not  
66.7 sufficient assets to cover all benefit liabilities at the new higher benefit level, the benefit  
66.8 level will be reduced until assets equal or are greater than liabilities. The resolution must  
66.9 state that the new lower benefit level will be considered approved by the board of trustees  
66.10 without further action by the board.

66.11 Sec. 20. Minnesota Statutes 2020, section 424B.13, subdivision 5, is amended to read:

66.12 Subd. 5. **Determination of value of pension benefits and distribution to ~~former~~**  
66.13 **~~members~~ retirees in pay status.** (a) The board of trustees shall determine the present value  
66.14 of each ~~member's~~ participant's accrued benefit, taking into account the full vesting  
66.15 requirement under subdivision 2 and any increase in the lump-sum benefit or monthly  
66.16 pension amount approved under subdivision 4:

66.17 (1) using the method set forth in section 424A.092, subdivision 2, for determining a  
66.18 plan's funded status by calculating the value of each ~~firefighter's~~ participant's accrued benefit;  
66.19 or

66.20 (2) as determined by an actuary retained by the relief association, who meets the definition  
66.21 of approved actuary under section 356.215, subdivision 1, paragraph (c).

66.22 (b) If the retirement plan pays a monthly pension, the board of trustees shall determine  
66.23 the present value of the remaining payments to any ~~former member~~ retiree in pay status or  
66.24 beneficiary who is receiving an annuity. Present value shall be determined by an actuary  
66.25 who meets the definition of approved actuary under section 356.215, subdivision 1, paragraph  
66.26 (c), retained by the relief association. The relief association shall offer the ~~former member~~  
66.27 retiree in pay status or beneficiary receiving the annuity:

66.28 (1) an immediate lump-sum distribution of an amount equal to the present value of the  
66.29 remaining payments as determined by the actuary and permit the ~~former member~~ retiree in  
66.30 pay status or beneficiary to elect a lump-sum payment or a direct rollover of the amount to  
66.31 an eligible retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the  
66.32 distribution is an eligible rollover distribution as defined in section 356.635, subdivisions  
66.33 4 and 5; or

67.1 (2) continued payments in the same monthly amount under an annuity to be purchased  
67.2 by the board of trustees from a reputable insurance company licensed to do business in the  
67.3 state.

67.4 Sec. 21. Minnesota Statutes 2020, section 424B.13, subdivision 6, is amended to read:

67.5 Subd. 6. **Allocation of surplus.** (a) If, as of the conversion effective date, the defined  
67.6 benefit plan has a surplus, the board of trustees shall allocate the surplus as follows:

67.7 (1) per capita method: each ~~member's~~ participant's account will receive the same dollar  
67.8 amount;

67.9 (2) service-based method: each ~~member's~~ participant's account will receive a share of  
67.10 the surplus based on the ratio of the ~~member's~~ participant's years of service to the total years  
67.11 of service for all ~~members~~ participants; or

67.12 (3) ~~member~~ participant and municipality sharing method under paragraph (b).

67.13 (b) The board of trustees may allocate the surplus using the ~~member~~ participant and  
67.14 municipality sharing method in accordance with this paragraph.

67.15 (1) For this purpose, "municipality" means "municipality" or "firefighting corporation,"  
67.16 as applicable.

67.17 (2) If the fire department is operated by more than one municipality under a joint powers  
67.18 agreement:

67.19 (i) any consent by the municipality under this paragraph requires consent by each  
67.20 municipality that is party to the joint powers agreement;

67.21 (ii) any payment of surplus to the municipality under this paragraph requires a payment  
67.22 of a pro rata share of surplus to each municipality that is party to the joint powers agreement;  
67.23 and

67.24 (iii) any restrictions on the use of surplus applies to each municipality that is party to  
67.25 the joint powers agreement.

67.26 (3) Under the ~~member~~ participant and municipality sharing method:

67.27 (i) first, the municipality will receive a share of the surplus based on the ratio of the  
67.28 municipal contributions made to the defined benefit relief association over a specified period  
67.29 of years to the total of fire state aid paid and municipal contributions made to the defined  
67.30 benefit relief association over the same period; and

68.1 (ii) second, any remaining surplus will be allocated to accounts of ~~members~~ participants  
68.2 using the per capita or service-based method.

68.3 (4) The board of trustees may impose conditions on the use of the surplus by the  
68.4 municipality, as follows:

68.5 (i) all or a specified portion of the surplus must be contributed back to the defined  
68.6 contribution relief association over a specified number of future years for allocation to the  
68.7 accounts of ~~members~~ participants eligible for an allocation;

68.8 (ii) all or a specified portion of the surplus must be used by the municipality for the  
68.9 purposes described in section 424A.08, paragraph (a) or (b); or

68.10 (iii) all or a specified portion of the surplus must be used by the municipality to provide  
68.11 health insurance or other welfare benefits for the ~~members~~ participants.

68.12 (c) The board of trustees shall specify whether the surplus will be allocated only to  
68.13 participants who are members who are active firefighters as of the conversion effective date  
68.14 or whether the surplus will be allocated to all ~~members~~ participants, including members  
68.15 who are not active ~~firefighters~~ as of the conversion effective date.

68.16 Sec. 22. Minnesota Statutes 2020, section 424B.13, subdivision 8, is amended to read:

68.17 Subd. 8. **Notice to ~~members~~ participants.** The board of trustees shall provide notice  
68.18 to all ~~members~~ participants at least 90 days before the conversion effective date. The notice  
68.19 shall include:

68.20 (1) an explanation that the plan is converting from a defined benefit plan to a defined  
68.21 contribution plan and provide definitions for those terms, the reasons for the conversion,  
68.22 the conversion effective date, and the procedure to be followed, including fully vesting all  
68.23 ~~members~~ participants;

68.24 (2) a summary of the terms of the newly adopted defined contribution plan;

68.25 (3) information about any increase in the benefit level and whether the increase applies  
68.26 to all participants or only active members ~~or only active firefighters~~;

68.27 (4) a section tailored to each ~~member~~ participant that provides an estimate of the present  
68.28 value of the ~~member's~~ participant's fully vested accrued benefit and the calculation that  
68.29 resulted in that value;

68.30 (5) an estimate of any anticipated surplus and an explanation of the disposition of the  
68.31 surplus, including, as applicable, a description of the method allocating the surplus among  
68.32 ~~members'~~ participants' accounts and whether the municipality, each municipality, if more

69.1 than one municipality operates the fire department pursuant to a joint powers agreement,  
69.2 or firefighting corporation will receive any of the surplus and any conditions on its use; and

69.3 (6) contact information for one or more members of the board of trustees who will answer  
69.4 questions and provide a copy of the new defined contribution plan document or a summary,  
69.5 if requested, or directions to a website for viewing and printing the plan document or  
69.6 summary.

69.7 Sec. 23. Minnesota Statutes 2020, section 424B.13, subdivision 9, is amended to read:

69.8 Subd. 9. **Notice to municipality and state auditor.** The relief association shall provide  
69.9 notice to the municipality, each municipality, if more than one municipality operates the  
69.10 fire department pursuant to a joint powers agreement, or firefighting corporation affiliated  
69.11 with the relief association and the state auditor at the same time as the notice required under  
69.12 subdivision 8. The notice must include the information required under subdivision 8, except  
69.13 that the individualized information will be provided as a spreadsheet listing the name of  
69.14 each ~~firefighter~~ participant and the corresponding accrued benefit amount.

69.15 Sec. 24. Minnesota Statutes 2020, section 424B.13, subdivision 10, is amended to read:

69.16 Subd. 10. **Implementation.** (a) A record-keeping account shall be established for each  
69.17 ~~member~~ participant under the defined contribution plan to which is recorded the value of  
69.18 the ~~firefighter's~~ participant's fully vested accrued benefit as determined as of the conversion  
69.19 effective date and the amount of any surplus allocated to the ~~firefighter's~~ participant's account.

69.20 (b) In no event may the value of a ~~member's~~ participant's account in the defined  
69.21 contribution plan be less as of the day following the conversion effective date than the  
69.22 present value of the ~~member's~~ participant's accrued benefit as of the day before the conversion  
69.23 effective date.

69.24 Sec. 25. Minnesota Statutes 2020, section 424B.22, subdivision 1, is amended to read:

69.25 Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section  
69.26 applies to:

69.27 (1) the termination of a retirement plan established and administered by a relief  
69.28 association, whether or not the relief association is also dissolved or eliminated; and

69.29 (2) the dissolution of a relief association that is not consolidating with another relief  
69.30 association under sections 424B.01 to 424B.10.

70.1 This section does not apply to the dissolution of a relief association or the termination of a  
70.2 retirement plan that occurs due to the change in retirement coverage from a retirement plan  
70.3 administered by a relief association to the Public Employees Retirement Association  
70.4 statewide volunteer firefighter plan under section 353G.06.

70.5 (b) To terminate a retirement plan, the board of trustees must comply with subdivisions  
70.6 3, 5 to 11, and, if desired, subdivision 4.

70.7 (c) To dissolve a relief association, the board of trustees of the relief association must:

70.8 (1) terminate the retirement plan in accordance with ~~this section~~ paragraph (b);

70.9 (2) determine all legal obligations of the special and general funds of the relief association,  
70.10 as required by subdivision 5;

70.11 (3) take the actions required by subdivision 12; and

70.12 (4) comply with the requirements governing dissolution of nonprofit corporations under  
70.13 chapter 317A.

70.14 (d) A relief association that terminates its retirement plan must liquidate its special fund  
70.15 as provided in subdivision 8, but need not liquidate its general fund if the relief association  
70.16 is not being dissolved.

70.17 Sec. 26. Minnesota Statutes 2020, section 424B.22, subdivision 2, is amended to read:

70.18 Subd. 2. **Involuntary dissolution and termination.** (a) A relief association is dissolved  
70.19 and the retirement plan administered by the relief association is terminated automatically  
70.20 if:

70.21 (1) the fire department affiliated with a relief association is dissolved by action of the  
70.22 governing body of the municipality in which the fire department is located or by the  
70.23 governing body of the independent nonprofit firefighting corporation, whichever applies;  
70.24 or

70.25 (2) the fire department affiliated with a relief association has terminated the employment  
70.26 or services of all active ~~firefighters covered by~~ members of the relief association.

70.27 (b) An involuntary termination of a relief association under this subdivision is effective  
70.28 on the December 31 that is at least eight months after the date on which the fire department  
70.29 is dissolved or the termination of employment or services of all active ~~firefighters~~ members  
70.30 of the relief association occurs.

71.1 (c) The retirement plan administered by a relief association is terminated automatically  
71.2 if the relief association is dissolved, effective on the date of the dissolution of the relief  
71.3 association.

71.4 Sec. 27. Minnesota Statutes 2020, section 424B.22, subdivision 3, is amended to read:

71.5 Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless  
71.6 subdivision 2 applies, the effective date of the termination of a retirement plan is the date  
71.7 approved by the board of trustees of the relief association. If the board of trustees does not  
71.8 approve a termination date, the effective date of the termination of a retirement plan is the  
71.9 effective date of the dissolution of the relief association or, if the relief association is not  
71.10 being dissolved, the end of the calendar year in which the termination of employment or  
71.11 services of all active firefighters has been terminated, unless the board of trustees of the  
71.12 relief association approves a different termination date members of the relief association  
71.13 occurs.

71.14 (b) As of the earlier of the retirement plan termination date or the date on which the  
71.15 termination of employment or services of all active firefighters have been terminated  
71.16 members of the relief association occurs, each member participant becomes fully (100  
71.17 percent) vested in the member's participant's retirement benefit under the retirement plan,  
71.18 notwithstanding any bylaws or laws to the contrary, except as provided in paragraph (e) for  
71.19 any retiree in pay status who is receiving a monthly service pension from a relief association  
71.20 described in section 424A.093.

71.21 (c) If the relief association is a defined contribution relief association, the account of  
71.22 each member participant who becomes 100 percent vested under paragraph (b) shall include  
71.23 an allocation of any forfeiture that is required, under the bylaws of the relief association, to  
71.24 occur on or as of the end of the calendar year during which the termination of the retirement  
71.25 plan is effective, if the member participant is entitled to an allocation of forfeitures under  
71.26 the bylaws. Any account so forfeited shall not be included in the retirement benefits that  
71.27 become 100 percent vested under paragraph (b).

71.28 Sec. 28. Minnesota Statutes 2020, section 424B.22, subdivision 4, is amended to read:

71.29 Subd. 4. **Benefit increase.** (a) Notwithstanding section 424A.02, subdivision 10, the  
71.30 board of trustees of a relief association may increase the benefit amount under a defined  
71.31 benefit relief association without the consent of the affiliated municipality or independent  
71.32 nonprofit firefighting corporation, as provided in this subdivision.

72.1 (b) If the retirement plan being terminated is a defined benefit plan, the board of trustees  
72.2 may approve an amendment to the bylaws of the relief association to increase the lump-sum  
72.3 or monthly pension amount or both the lump and monthly pension amount, if the relief  
72.4 association offers both, up to 125 percent of the largest maximum lump-sum service pension  
72.5 amount or service pension amount payable per month in effect under paragraph (c) or (d),  
72.6 respectively, of section 424A.02, subdivision 3, without regard to the relief association's  
72.7 minimum average amount of available financing per firefighter. The amount by which the  
72.8 lump-sum or monthly pension amount is increased must not cause the liabilities of the  
72.9 retirement plan to exceed the value of the assets, after taking into account full vesting as  
72.10 required under subdivision 3 and any administrative expenses.

72.11 (c) The board of trustees shall specify whether the benefit increase will apply to only  
72.12 participants who are members active as of the date of the termination of the retirement plan  
72.13 or whether the benefit increase will apply to all ~~members~~ participants, including members  
72.14 who are not active as of the plan termination date.

72.15 Sec. 29. Minnesota Statutes 2020, section 424B.22, subdivision 5, is amended to read:

72.16 Subd. 5. **Determination of assets and liabilities.** (a) The board of trustees shall determine  
72.17 the following as of the date of termination of the retirement plan:

72.18 (1) the fair market value of the assets of the special fund;

72.19 (2) the present value of each ~~member's~~ participant's accrued benefit, taking into account  
72.20 full vesting under subdivision 3 and any increased lump-sum or monthly benefit level  
72.21 approved under subdivision 4;

72.22 (3) the present value of any benefit remaining to be paid to each retiree in pay status, if  
72.23 any; and

72.24 (4) administrative expenses incurred or reasonably anticipated to be incurred through  
72.25 the date on which all retirement benefits have been distributed or transferred or, if later, the  
72.26 effective date of the dissolution of the relief association.

72.27 (b) The board of trustees shall compile a schedule that includes the following information:

72.28 (1) the name of each ~~member and~~ participant, including each retiree in pay status to  
72.29 whom a benefit or pension is or will be owed;

72.30 (2) the name of each other benefit recipient to whom a benefit or pension is or will be  
72.31 owed; and



73.1 (3) for each individual described in clauses (1) and (2), the amount of the benefit or  
73.2 pension to which the individual is entitled under the bylaws of the relief association, taking  
73.3 into account the changes required or permitted by this section, the corresponding number  
73.4 of years of service on which the benefit or pension is based, and the earliest date on which  
73.5 the benefit or pension would have been payable under the bylaws of the relief association.

73.6 (c) If the relief association is dissolving, in addition to the determination under paragraph  
73.7 (a) for the retirement plan, the board of trustees shall determine, as of the effective date of  
73.8 the dissolution of the relief association, the legal obligations of the general fund of the relief  
73.9 association.

73.10 Sec. 30. Minnesota Statutes 2020, section 424B.22, subdivision 7, is amended to read:

73.11 Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and  
73.12 if, after completing the determination of assets, liabilities, and administrative expenses under  
73.13 subdivision 5, there is a surplus, the board of trustees shall transfer to the affiliated  
73.14 municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required  
73.15 contributions, without investment earnings or interest thereon, made by the municipality to  
73.16 the relief association during the year in which the termination of the retirement plan occurs  
73.17 or during the preceding nine years.

73.18 (b) If the affiliated municipality did not make any required contributions to the relief  
73.19 association during the current or preceding nine years or if, after the transfer described in  
73.20 paragraph (a), there is surplus remaining, the relief association and the municipality will  
73.21 mutually agree on an allocation between them of the remaining surplus.

73.22 (c) If, within 180 days of the date of termination of the retirement plan, the municipality  
73.23 and relief association have not reached an agreement on the allocation of the surplus under  
73.24 paragraph (b), then 50 percent of the surplus shall be retained by the relief association and  
73.25 50 percent of the surplus shall be transferred to the affiliated municipality.

73.26 (d) Any surplus retained by the relief association under paragraph (c) shall be allocated  
73.27 among all ~~members~~ participants eligible to share in the surplus in the same proportion that  
73.28 the present value of the accrued benefit for each eligible ~~member~~ participant bears to the  
73.29 total present value of the accrued benefits of all ~~members~~ participants eligible to share in  
73.30 the surplus, and each eligible ~~member's~~ participant's benefit, as determined under subdivision  
73.31 5, paragraph (a), clause (2), shall be increased by the ~~member's~~ participant's share of the  
73.32 surplus. The board of trustees shall determine eligibility to share in the surplus, which may  
73.33 include ~~any of the following, in addition to firefighters active as of the date on which~~  
73.34 ~~members became 100 percent vested: (1) inactive firefighters; (2) former firefighters with~~

74.1 ~~a deferred benefit under the retirement plan; and (3) retirees in pay status~~ all participants  
74.2 ~~and any other firefighters~~ former participants who, within the last three years or such other  
74.3 number of years as determined by the board of trustees, separated from active service and  
74.4 ~~(i) received their retirement benefit, or (ii) began to receive distribution of a retirement~~  
74.5 ~~benefit in installments or as a monthly pension.~~

74.6 If the board of trustees decides to include ~~the individuals described in clause (3)~~ former  
74.7 participants in the allocation of the surplus, the board of trustees shall modify the method  
74.8 for allocating the surplus to take into account ~~such individuals~~ the former participants.

74.9 (e) Any amount of surplus transferred to the affiliated municipality under this subdivision  
74.10 may only be used for the purposes described in section 424A.08, paragraph (a) or (b).

74.11 Sec. 31. Minnesota Statutes 2020, section 424B.22, subdivision 8, is amended to read:

74.12 Subd. 8. **Immediate distribution of retirement benefits and payment of all other**  
74.13 **obligations.** (a) The board of trustees shall liquidate the assets of the special fund and pay  
74.14 retirement benefits and administrative expenses under the retirement plan within 210 days  
74.15 after the effective date of the termination of the retirement plan.

74.16 (b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a  
74.17 defined contribution plan, without regard to whether the ~~member~~ participant has attained  
74.18 age 50, each ~~member~~ participant and other benefit recipient shall be permitted to elect an  
74.19 immediate distribution or a direct rollover of the ~~member's~~ participant's benefit to an eligible  
74.20 retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the benefit is an  
74.21 eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5.

74.22 (c) If the retirement plan is a defined benefit plan that pays monthly pension benefits,  
74.23 the board of trustees shall, at the election of the ~~member~~ participant or other benefit recipient,  
74.24 purchase an annuity contract under section 424A.015, subdivision 3, naming the ~~member~~  
74.25 participant or other benefit recipient, as applicable, as the insured or distribute a lump-sum  
74.26 amount that is equal to the present value of the monthly pension benefits to which the  
74.27 ~~member~~ participant or other benefit recipient is entitled. If an annuity is elected by the  
74.28 ~~member~~ participant or other benefit recipient, the annuity shall provide for commencement  
74.29 at a date elected by the insured, to be paid as an annuity for the life of the insured. Legal  
74.30 title to the annuity contract shall be transferred to the insured. If a lump sum is elected, the  
74.31 option under paragraph (b) to take an immediate distribution or a direct rollover shall apply.

74.32 (d) The board of trustees shall complete the distribution of all assets of the special fund  
74.33 by making any remaining distributions or transfers as required under subdivision 9 on behalf

75.1 of ~~members~~ participants or other benefit recipients who cannot be located or are unresponsive  
75.2 and paying any remaining administrative expenses related to the termination of the plan.

75.3 Sec. 32. Minnesota Statutes 2020, section 424B.22, subdivision 9, is amended to read:

75.4 Subd. 9. **Missing ~~members~~ participants.** (a) For purposes of this subdivision, the terms  
75.5 defined in this subdivision have the meanings given them.

75.6 (b) "Retirement benefit" means:

75.7 (1) the ~~member's~~ participant's account balance if the retirement plan is a defined  
75.8 contribution plan;

75.9 (2) the ~~member's~~ participant's lump-sum benefit if the retirement plan is a defined benefit  
75.10 plan that pays a lump sum; or

75.11 (3) an amount equal to the present value of the ~~member's~~ participant's benefit if the  
75.12 retirement plan is a defined benefit plan that pays a monthly annuity.

75.13 (c) "Individual retirement account" means an account that satisfies the requirements of  
75.14 section 408(a) of the Internal Revenue Code which is established by an officer of the relief  
75.15 association in the name of the ~~member~~ participant or other benefit recipient at a federally  
75.16 insured financial institution.

75.17 (d) If the board of trustees cannot locate a ~~member~~ participant or other benefit recipient  
75.18 ~~or receives no response to an offer to distribute a retirement benefit~~, the board of trustees  
75.19 shall make a diligent effort to obtain a current address or other contact information as  
75.20 follows:

75.21 (1) send a notice to the address on file for the ~~member~~ participant or other benefit recipient  
75.22 using certified mail;

75.23 (2) check with the Minnesota State Fire Department Association, the municipality, and  
75.24 any other employer of the ~~member~~ participant;

75.25 (3) check with the ~~member's~~ participant's designated beneficiary on file with the relief  
75.26 association; and

75.27 (4) use one or more of the Internet search tools that are free of charge.

75.28 (e) ~~If the board of trustees is unable to locate the member or other benefit recipient after~~  
75.29 ~~taking the actions described in paragraph (d)~~, The board of trustees shall transfer the  
75.30 retirement benefit to an individual retirement account or consider the retirement benefit  
75.31 abandoned and deposit funds in the amount of the retirement benefit with the commissioner

76.1 of commerce under chapter 345. ~~The board of trustees may deposit a retirement benefit with~~  
 76.2 ~~the commissioner of commerce under chapter 345~~, notwithstanding any laws to the contrary,  
 76.3 including section 345.381, if the board of trustees is unable to locate the participant or other  
 76.4 benefit recipient after taking the actions described in paragraph (d) or the participant or  
 76.5 other benefit recipient does not elect to receive or rollover a retirement benefit to which the  
 76.6 participant or other benefit recipient is entitled.

76.7 Sec. 33. Minnesota Statutes 2020, section 424B.22, subdivision 10, is amended to read:

76.8 Subd. 10. **Supplemental benefits.** Within 60 days after the distribution of benefits under  
 76.9 subdivision 8, the municipality or ~~independent nonprofit~~ firefighting corporation with which  
 76.10 the fire department is affiliated shall pay supplemental benefits under section 424A.10 to  
 76.11 each ~~member~~ participant and survivor who satisfies the requirements of section 424A.10,  
 76.12 subdivision 2, if the ~~member~~ participant is at least age 50. The commissioner of revenue  
 76.13 shall reimburse the municipality or independent nonprofit firefighting corporation for all  
 76.14 supplemental benefits paid as provided in section 424A.10, subdivision 3.

76.15 Sec. 34. Minnesota Statutes 2020, section 477B.01, subdivision 1, is amended to read:

76.16 Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different  
 76.17 meaning is intended, the following words and terms, for the purposes of this chapter and  
 76.18 chapters 423A and 424A, have the meanings given to them. The following definitions shall  
 76.19 also apply for the purpose of chapter 424A, unless the word or term is defined in chapter  
 76.20 424A, in which case such word or term shall be as defined in chapter 424A for the purpose  
 76.21 of chapter 424A.

76.22 Sec. 35. **REVISOR INSTRUCTION.**

76.23 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in  
 76.24 column A to the references listed in column B, using the subdivision heading listed in  
 76.25 column C. The revisor of statutes may alter the renumbering to incorporate statutory changes  
 76.26 made during the 2021 legislative session. The revisor shall also make necessary  
 76.27 cross-reference changes in Minnesota Statutes consistent with the renumbering in this  
 76.28 instruction.

76.29	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
76.30	<u>424A.02, subd. 3,</u>	<u>424A.02, subd. 2a,</u>	<u>Average amount of available</u>
76.31	<u>paragraphs (a) and (b)</u>	<u>paragraphs (a) and (b)</u>	<u>financing.</u>
76.32	<u>424A.02, subd. 3,</u>	<u>424A.02, subd. 2b</u>	<u>Maximum monthly amount.</u>
76.33	<u>paragraph (c)</u>		

77.1	<u>424A.02, subd. 3,</u>		
77.2	<u>paragraph (d)</u>	<u>424A.02, subd. 2c</u>	<u>Maximum lump-sum amount.</u>
77.3	<u>424A.02, subd. 3,</u>	<u>424A.02, subd. 3,</u>	<u>Determining the maximum pension</u>
77.4	<u>paragraphs (e) to (h)</u>	<u>paragraphs (a) to (d)</u>	<u>benefit.</u>

77.5 **Sec. 36. EFFECTIVE DATE.**

77.6 Sections 1 to 35 are effective the day following final enactment."

77.7 Delete the title and insert:

77.8 "A bill for an act

77.9 relating to retirement; temporarily extending the grandfather provision regarding  
 77.10 actuarial assumptions used to compute an annuity in the unclassified state  
 77.11 employees retirement plan; reducing the postretirement adjustment and eliminating  
 77.12 the triggers that would increase the postretirement adjustment upon attainment of  
 77.13 specified funding thresholds for the Judges Retirement Plan; revising eligibility  
 77.14 for H-1b visa employees under the Minnesota State Retirement System and the  
 77.15 Public Employees Retirement Association to comply with federal law and  
 77.16 permitting the purchase of prior service credit; extending the time period for service  
 77.17 credit for periods of military leave under the plans administered by the Public  
 77.18 Employees Retirement Association; making changes of an administrative nature  
 77.19 to the statutes applicable to the Public Employees Retirement Association and the  
 77.20 St. Paul Teachers Retirement Fund Association; permitting the allocation of fire  
 77.21 state aid between the Statewide Volunteer Firefighters Plan and municipalities;  
 77.22 delaying an increase in the employee contribution rates by one year for the St.  
 77.23 Paul Teachers Retirement Fund Association; making changes to the statutes  
 77.24 applicable to volunteer firefighter relief associations recommended by the State  
 77.25 Auditor's fire relief association working group; providing full vesting and  
 77.26 distribution of accounts for firefighters assigned to the Nowthen fire station and  
 77.27 revising applicable law to permit payment of fire state aid to Nowthen and midyear  
 77.28 participation in the Statewide Volunteer Firefighter Plan; revising the deadline for  
 77.29 bill drafting requests to commission staff from agencies and pension systems;  
 77.30 mandating work groups on pension benefits for 911 telecommunicators and  
 77.31 allocating firefighter supplemental state aid; increasing the benefit for a former  
 77.32 Department of Labor and Industry employee who retired in reliance on erroneous  
 77.33 benefit estimates; authorizing the transfer of service credit from the MSRS General  
 77.34 Plan to the Correctional Plan for a Department of Human Services employee;  
 77.35 making technical clarifications and corrections to retirement statutes; amending  
 77.36 Minnesota Statutes 2020, sections 352.01, subdivision 2b; 352D.06, subdivision  
 77.37 1; 353.01, subdivisions 2b, 16, 28; 353.014, subdivision 4; 353.0162; 353.27,  
 77.38 subdivision 12; 353.30, subdivisions 1a, 1b, 1c; 353.335; 353.34, subdivision 2;  
 77.39 353D.071, subdivisions 1, 2; 353E.02, subdivision 2; 354A.12, subdivision 1;  
 77.40 354A.31, subdivision 7; 356.415, subdivision 1f; 356.635, subdivision 1; 424A.001,  
 77.41 by adding a subdivision; 424A.01, subdivision 2; 424A.014, subdivisions 1, 2;  
 77.42 424A.015, subdivision 7; 424A.016, subdivisions 4, 6; 424A.02, subdivision 3;  
 77.43 424A.05, subdivision 3b; 424A.10, subdivision 2; 424B.01, subdivisions 3a, 3b,  
 77.44 3d, 3g, 3h, 3i, 4a, 5b, 5c, by adding a subdivision; 424B.04, subdivision 3; 424B.13,  
 77.45 subdivisions 2, 4, 5, 6, 8, 9, 10; 424B.22, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10;  
 77.46 477B.01, subdivision 1; 477B.04, subdivision 3; proposing coding for new law in  
 77.47 Minnesota Statutes, chapters 356B; 424B; 477B; repealing Minnesota Statutes  
 77.48 2020, section 356B.05; Laws 2020, chapter 108, article 14, section 1."

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**356B.05 PUBLIC PENSION ADMINISTRATION LEGISLATION.**

(a) Proposed administrative legislation recommended by or on behalf of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the Minneapolis Employees Retirement Fund, or a first class city teachers retirement fund association, and proposed retirement-related legislation recommended by the Minnesota State Colleges and Universities system must be presented to the Legislative Commission on Pensions and Retirement, the State and Local Governmental Operations Committee of the senate, and the Governmental Operations and Veterans Affairs Policy Committee of the house of representatives on or before October 1 of each year in order for the proposed administrative legislation to be acted upon during the upcoming legislative session. The executive director or the deputy executive director of the Legislative Commission on Pensions and Retirement shall provide written comments on the proposed administrative provisions to the public pension plans by November 15 of each year.

(b) Proposed administrative legislation recommended by or on behalf of a public employee pension plan or system under paragraph (a) must address provisions:

- (1) authorizing allowable service credit for leaves of absence and related circumstances;
- (2) governing offsets or deductions from the amount of disability benefits;
- (3) authorizing the purchase of allowable service credit for prior uncredited periods;
- (4) governing subsequent employment earnings by reemployed annuitants; and
- (5) authorizing retroactive effect for retirement annuity or benefit applications.

(c) Where possible and desirable, taking into account the differences among the public pension plans in existing law and the unique characteristics of the individual public pension fund memberships, uniform provisions relating to paragraph (b) for all applicable public pension plans must be presented for consideration during the legislative session. Supporting documentation setting forth the policy rationale for each set of uniform provisions must accompany the proposed administrative legislation.

*Laws 2020, chapter 108, article 14, section 1*

**Section 1. DIVISION OF RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION.**

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this section have the meanings given them.

(b) "Account balance" means the account established for a member under the Ramsey relief association, to which an allocation of fire state aid, contributions, forfeitures, and net investment earnings have been credited for every year the member was eligible to receive such funding under the bylaws of the Ramsey relief association.

(c) "Inactive or deferred Nowthen firefighter" means a Ramsey firefighter who, when the firefighter was an active firefighter, was assigned to the Nowthen fire station and whose account in the Ramsey relief association has not yet been distributed or forfeited as provided under the bylaws of the Ramsey relief association.

(d) "Joint powers agreement" means the city of Ramsey and city of Nowthen joint powers fire protection agreement.

(e) "Nowthen firefighter" means a firefighter who is a member of the Ramsey relief association and who is hired to provide firefighting services to the city of Nowthen by the city of Nowthen or a municipality with which the city of Nowthen enters into a joint powers agreement or an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

(f) "Nowthen relief association" means a volunteer firefighters relief association to be established by the city of Nowthen or a volunteer firefighters relief association affiliated with a municipality with which the city of Nowthen enters into a joint powers agreement or a volunteer firefighters relief association affiliated with an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen or an account in the Public Employees Retirement Association statewide volunteer firefighter plan, as directed by the city of Nowthen.

(g) "Other benefit recipient of a Nowthen firefighter" means:

(1) a person who is entitled to receive all or a portion of a Nowthen firefighter's account under the Ramsey relief association due to the person having one of the following relationships to the Nowthen firefighter:

(i) surviving spouse;

(ii) former spouse who is the alternate payee under a state domestic relations order that meets the requirements of section 414(p) of the federal Internal Revenue Code of 1986, as amended, or who is a recipient of a court-ordered distribution of marital property, as provided in Minnesota Statutes, section 518.58; or

(iii) nonspousal beneficiary; or

(2) the estate of a Nowthen firefighter.

(h) "Ramsey firefighter" means a firefighter who is or was an employee of the city of Ramsey, is a member of the Ramsey relief association, and provides or provided firefighting services to the city of Ramsey or the city of Nowthen.

(i) "Ramsey relief association" means the city of Ramsey Volunteer Firefighters' Relief Association.

Subd. 2. Application. This section applies, notwithstanding any provision of Minnesota Statutes, chapter 424A or 424B, if all of the following occurs:

(1) the joint powers agreement expires or is terminated by either party;

(2) the city of Nowthen establishes a fire department or enters into a joint powers agreement with another municipality to provide firefighting services for the city of Nowthen or enters into an agreement with an independent nonprofit firefighting corporation to provide firefighting services to the city of Nowthen;

(3) the city of Nowthen establishes a volunteer firefighters relief association or the municipality with which the city of Nowthen enters into a joint powers agreement is affiliated with a volunteer firefighters relief association or the independent nonprofit firefighting corporation with which the



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city of Nowthen enters into an agreement to provide firefighting services for the city of Nowthen is affiliated with a volunteer firefighters relief association or the city of Nowthen joins the Public Employees Retirement Association statewide volunteer firefighter plan; and

(4) the Nowthen relief association includes as members one or more firefighters whose employment with the city of Ramsey terminates on or before December 31, 2021, and who are hired as firefighters by:

(i) the city of Nowthen;

(ii) a municipality with which the city of Nowthen enters into a joint powers agreement; or

(iii) an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

**Subd. 3. Transfer of Nowthen firefighter accounts.** (a) By the sixtieth day after the satisfaction of the conditions described in subdivision 2, the Ramsey relief association shall transfer to the Nowthen relief association the account balance for each Nowthen firefighter, each inactive or deferred Nowthen firefighter, and any other benefit recipient of a Nowthen firefighter in accordance with this subdivision.

(b) If the city of Ramsey terminates the employment of one or more firefighters who become Nowthen firefighters during 2020, the Ramsey relief association shall transfer, by the end of February 2021, the account balances for each Nowthen firefighter, each inactive or deferred Nowthen firefighter, and each other benefit recipient of a Nowthen firefighter. The transfers shall occur after the accounting has been completed for the 2020 calendar year and all fire state aid, contributions, forfeitures, net investment income, and administrative expenses during 2020 and as of the 2020 calendar year end have been credited, in accordance with the bylaws of the Ramsey relief association. Notwithstanding any provision in the bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is terminated during 2020 shall be considered for purposes of allocating fire state aid, contributions, and forfeitures as having worked 12 active service months for 2020.

(c) If the city of Ramsey terminates the employment of one or more firefighters who become Nowthen firefighters during 2021, the Ramsey relief association shall transfer, by the end of February 2022, the account balances for each Nowthen firefighter and for any inactive or deferred Nowthen firefighter and any other benefit recipient of a Nowthen firefighter whose account balance was not transferred under paragraph (b) in 2021. The transfers shall occur after the accounting has been completed for the 2021 calendar year and all fire state aid, contributions, forfeitures, net investment income, and administrative expenses during 2021 and as of the 2021 calendar year end have been credited, in accordance with the bylaws of the Ramsey relief association. Notwithstanding any provision in the bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is terminated during 2021 shall be considered for purposes of allocating fire state aid, contributions, and forfeitures as having worked 12 active service months for 2021.

(d) The transfer of account balances under this subdivision shall be considered authorized disbursements from the special fund of the Ramsey relief association for purposes of Minnesota Statutes, section 424A.05, subdivision 3.

(e) The Ramsey relief association shall transfer records to the Nowthen relief association regarding service, vesting service, and account activity for each Nowthen firefighter, inactive or deferred Nowthen firefighter, or other benefit recipient whose account balance is transferred.

**Subd. 4. Relief association general fund assets.** When the Ramsey relief association transfers the account balances under subdivision 3, the Ramsey relief association shall also transfer a proportionate share of the assets in the general fund of the Ramsey relief association to the general fund of the Nowthen relief association. The proportion shall be equal to the ratio that the total value of the account balances transferred to the Nowthen relief association bears to the total value of all account balances in the Ramsey relief association on the day immediately preceding the date of transfer.

**Subd. 5. Fire state aid.** If subdivision 3, paragraph (b), applies, the city of Ramsey shall transfer to the city of Nowthen a portion of the 2021 fire state aid received by the city of Ramsey on or about October 1, 2021, based on 2020 property value and population. The portion to be transferred shall be equal to the amount determined by the commissioner of revenue to be attributable to the estimated market value of property and population in the city of Nowthen fire service area, as a percentage of the total fire state aid paid to the city of Ramsey on or about October 1, 2021.

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Subd. 6. **Service credit under the Nowthen relief association.** The Nowthen relief association shall credit each firefighter whose account balance is transferred from the Ramsey relief association to the Nowthen relief association with the same number of years of service credit with which the firefighter had been credited under the Ramsey relief association for vesting and any other purpose for which service credit is granted. Such service credit shall be applied to retain the firefighter's vesting percentage in the account balance that was transferred and shall be applied toward the firefighter's vesting percentage in all funds allocated to the firefighter's account in the Nowthen relief association after the transfer.

Subd. 7. **Full vesting of certain Ramsey firefighters.** (a) This subdivision applies to any Ramsey firefighter:

(1) who is assigned to the Nowthen fire station;

(2) whose employment is terminated by the city of Ramsey on or before December 31, 2021;  
and

(3) who is not hired by the city of Nowthen.

(b) Notwithstanding any law or provision in the bylaws of the Ramsey relief association, the Ramsey relief association shall fully (100 percent) vest the Ramsey firefighter in the firefighter's account in the Ramsey relief association as of the date the Ramsey firefighter's employment is terminated.

(c) The Ramsey firefighter shall be considered an inactive or deferred Nowthen firefighter for all purposes under subdivision 3.

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