



2026 Omnibus Pension and Retirement Bill: HF 4074 (Frentz; Lillie), 3rd Engrossment, enacted as Laws 2026, Chapter 106

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Date: June 1, 2026

Introduction

HF 4074 (Frentz; Lillie), the Third Engrossment, enacted as Chapter 106, is the 2026 Omnibus Pension and Retirement Bill. The bill is a compilation of 17 bills and amendments offered and approved by the Legislative Commission on Pensions and Retirement (Commission) and, as the bill moved onto passage, in Senate and House committees, and on the House floor.

The bill was approved as S4276-DE1, a delete everything amendment to SF 4276 (Frentz); HF 4074 (Lillie), and further amended by the Commission at its final meeting of the session on May 5, 2026. Before and after the final Commission meeting of the session, the bill moved through the legislative process as follows:

- HF 4074 (Lillie) was amended and passed by the House State Government Finance and Policy Committee on April 16, 2026.
- HF 4074, 1st Engrossment, was amended and passed by the House Ways and Means Committee on May 7, 2026.
- SF 4276 (Frentz) was amended and passed by the Senate State and Local Government Committee on May 7, 2026.
- SF 4276, 1st Engrossment, was amended and passed by the Senate Finance Committee on May 12, 2026.
- HF 4074, 2nd Engrossment, was amended and passed by the House on May 13, 2026, on a 129-5 vote.
- HF 4074, 3rd Engrossment, was passed by the Senate on May 15, 2026, on a 57-9 vote.
- HF 4074, 3rd Engrossment, was signed by the Governor on Tuesday, May 19, 2026, as Chapter 106.

A more detailed summary of each bill is available on the [Commission website](#).

Article- by- Article Summary

Article 1: Minnesota State Retirement System (MSRS)

Source: SF 4276 (Frentz)/HF 4074 (Lillie)

Article 1 amends statutes governing the pension plans administered by MSRS.

Section 1 amends section 352.021, subdivision 2, to clarify that a state employee is covered by the MSRS General State Employees Retirement Plan (MSRS General Plan) unless the state employee is covered by the MSRS Correctional Employees Retirement Plan (MSRS Correctional Plan) under section 352.905. Section 1 also clarifies that salary deductions are credited to the state employee's account in the fund of the plan that provides retirement coverage.

Sections 2 to 5 amend section 352.029, which governs coverage by MSRS for employees of labor organizations to treat MSRS Correctional Plan members the same as MSRS General Plan members.

- Section 2 amends subdivision 1 to clarify that paragraph (a) allows state employees covered by the MSRS General Plan to elect coverage by the MSRS General Plan while on a leave of absence without pay to provide service as an employee or officer of a labor organization representing state employees. Section 2 adds new paragraph (b), which states that a state employee covered by the MSRS Correctional Plan who is on a leave of absence to provide service to a labor organization may elect to be covered by the MSRS Correctional Plan.
- Section 3 amends subdivision 2 to reference both the MSRS General Plan and the MSRS Correctional Plan in describing the process to elect coverage by the applicable plan.
- Section 4 amends subdivision 2a by inserting a reference to section 352.92, which is the section that sets out the required contributions, including the supplemental employer contributions, to the MSRS Correctional Plan. Section 4 also makes technical and conforming changes.
- Section 5 amends subdivision 3 to reference both employees covered by the MSRS General Plan and employees covered by the MSRS Correctional Plan in describing the contributions required and who pays those contributions.

Section 6 amends section 352.115, subdivision 7a, which describes the application procedure for a person applying for an annuity, refund, or disability, survivor, or death benefit from any of the MSRS-administered pension and retirement plans. Section 6 updates the procedure so that filing an application is effective on the date the original application is received by MSRS, but to complete the application, supporting documents must be received by MSRS no later than 60 days after filing.

Section 7 amends section 352.115, subdivision 8, by breaking up the large subdivision into four paragraphs and clarifying the language.

Section 8 amends section 352.115, subdivision 9, to include a reference to Chapter 356. Chapter 356 includes sections that may result in the revocation of a benefit in certain circumstances.

Sections 9, 10, and 14 amend section 352.87, which is the statute that governs the special coverage for employees of the State Fire Marshal Division.

- Section 9 amends subdivision 1 to revise how a deputy state fire marshal, fire/arson investigator, becomes covered by the fire marshal subplan. Instead of employees electing into the special coverage, the changes in this section will mean that fire marshals will be covered by the special coverage unless they were first employed before July 1, 2026, and elected not to be covered.
- Section 10 clarifies language in section 352.87, subdivision 2.
- Section 14 repeals subdivision 8, which describes the process for electing coverage by the fire marshal subplan and making retroactive salary deduction contributions that must be made for retroactive coverage starting with the employee's employment date. Because Section 9 removes the ability to elect coverage going forward and coverage will be the default, subdivision 8 will not be applicable as of July 1, 2026.

Section 11 amends section 352.905 by adding new subdivision 8 to the eligibility section for the MSRS Correctional Plan to clarify that members who take leave to provide service as an employee or officer of a labor organization representing state employees will continue to be covered by the Correctional Plan.

Section 12 amends section 352.907, a new provision enacted in 2025 that establishes a committee to review changes to coverage under the MSRS Correctional Plan. Section 12 amends section 352.907 to note that meetings of the correctional plan membership committee are not subject to chapter 13D, which are the state's open meeting laws. Section 12 also states that the correctional plan membership committee is not an agency for the purposes of sections 15.0597 and 15.0599, which require agencies to report to the Secretary of State and follow certain appointment procedures.

Section 13 is a session law that consists of four subdivisions. This session law is "special legislation" that allows two deputy state fire marshals who missed the election for special coverage for fire marshals to make the election and pay the missed employee contributions, plus interest. The employer must then pay the missed employer contributions plus interest.

All sections are effective July 1, 2026.

Article 2: Public Employees Retirement Association (PERA)

*Source: SF 4721 (Frentz)/HF 4514 (Lillie)
LCPR Amendment S4276-14A*

Sections 1 and 4 amend statutes governing the Public Employees Police and Fire Plan (Police & Fire Plan) administered by PERA.

- Section 1 provides funding in the form of direct state aid to the Police & Fire Plan to fund the cost of reducing the postretirement adjustment (COLA) delay in Section 4. Section 1 amends section 353.65, subdivision 3b, to add a new direct state aid to the Police & Fire Plan in the amount of \$8,000,000 by October 1, 2026, and each October 1 thereafter. Under new paragraph (g), the aid expires on July 1, 2042.

- Section 4 amends section 356.415, subdivision 1c, by reducing the waiting period for a retiree or benefit recipient to receive a full COLA from 24 months to 12 months under the Police & Fire Plan. In addition, the waiting period for a partial COLA is reduced from 13 months to 1 month.

Section 1 is effective the day following final enactment. Section 4 is effective for postretirement adjustments beginning on or after January 1, 2027.

Articles 2, 3, and 5 amend statutes governing the Local Government Correctional Service Retirement Plan (Correctional Plan) administered by PERA.

- Section 2 amends section 353E.03, subdivision 1, which sets out the percentage of salary an employee must contribute to the PERA Correctional Plan. Section 2 decreases the employee contribution rate from 6.83% to 6% of salary.
- Section 3 amends section 353E.03, subdivision 2, which sets out the percentage of an employee's salary that the employer must contribute to the PERA Correctional Plan. Section 3 decreases the employer contribution rate from 10.25% to 9% of salary.
- Section 5 amends section 356.415, subdivision 1g, which provides the COLA for the PERA Correctional Plan. Section 5 increases the maximum COLA for the PERA Correctional Plan. Under current law, the COLA for the PERA Correctional Plan is 1% effective each January 1, unless the Social Security COLA is greater than 1%, in which case the COLA is 100% of the Social Security COLA, not to exceed 2.5%. Under the bill, the COLA maximum is increased from 2.5% to 3%. The remaining changes in Section 5 are technical changes.

Sections 2 and 3 are effective January 1, 2027. Section 5 is effective for postretirement adjustments beginning on or after January 1, 2027.

Article 3: Teachers Retirement Association (TRA); St. Paul Teachers Retirement Fund Association (St. Paul Teachers)

*Source: SF 4330 (Rasmusson)/HF 4167 (Nadeau)
SF 4765 (Rasmusson)/HF 4429 (Nadeau)
LCPR Amendment S4276-2A
LCPR Amendment S4276-16A*

Sections 1, 4, and 5 amend statutes governing the age at which a teacher covered by TRA can enter into a return-to-work agreement before the effective date of retirement and still commence receipt of a retirement annuity from TRA. The age is reduced from 62 to 59½.

- Section 1 amends section 354.05, subdivision 37, which defines "termination of teaching service." Termination has not occurred if the teacher entered into a return to work agreement before age 62. The age is changed from 62 to 59½.
- Section 4 amends section 354.444, subdivision 2, which authorizes teachers to retire, begin receipt of a retirement annuity, and return to work. Under this section, a teacher is authorized to enter into a written agreement with the employing unit to return to work before retirement, but only if the teacher is at least age 62. Subdivision 2 is revised to change the age from 62 to 59½.

- Section 5 amends section 354.444, subdivision 3, by adding a new paragraph that states that a member who is at least age 59½ may, before the effective date of retirement, enter into a written agreement to return to work.

Sections 2, 3, 6, and 7 amend statutes governing TRA's disability benefits. The changes add physician assistants to the providers who can examine members and provide documentation to TRA for disability benefit purposes.

Section 8 amends section 354A.011, subdivision 14b, to add a "licensed physician assistant" to the definition of "medical expert," which is applicable to the statutes governing St. Paul Teachers.

Section 9 revises the audit requirement for St. Paul Teachers in section 354A.021, such that the audit will be conducted by the state auditor unless the auditor notifies St. Paul Teachers that the state auditor will not conduct the audit for a particular year. For any year that the auditor does not perform the audit, St. Paul Teachers must have an audit conducted by a CPA firm.

Section 10 amends section 354A.12, subdivision 1, which sets out the percentage of salary an employee must contribute to St. Paul Teachers. Section 10 reduces the employee contribution rate from 9% to 8% of salary for coordinated members. (The employee contribution rate for basic members is reduced from 11.5% to 10.5% even though there are no active basic members.)

Sections 11 and 12 add a new annual direct state aid of \$3.4 million to be paid to St. Paul Teachers to fund the cost of reducing the employee contribution rate from 9% to 8%, as provided in Section 10. Section 11 amends section 354A.12, subdivision 3a, to add the new direct state aid. Section 12 amends subdivision 3c, which states that state aid, including this new state aid, will terminate the day after plan assets equal or exceed liabilities (i.e., at least 100% funded) for three years, or July 1, 2048, whichever is earlier.

Section 13 revises the report requirement for St. Paul Teachers in section 356.219, subdivision 1, such that St. Paul Teachers does not have to submit a report to the state auditor if St. Paul Teachers is audited by the state auditor or submits to the state auditor an audit that was conducted in accordance with auditing standards generally accepted in the United States.

Sections 14 and 15 amend session laws governing TRA and St. Paul Teachers. The changes extend by three years the suspension of the earnings limitation for retirees of TRA and St. Paul Teachers returning to teaching service that is scheduled to expire on January 1, 2029, and, without the extension, would impact annuity payments beginning in 2029. Under section 14, the earnings limitation will not apply to salary earned in fiscal years 2025 through 2030 for teachers covered by TRA, or calendar years 2025 through 2030 for teachers covered by St. Paul Teachers. Annuity payments to re-employed teachers covered by either TRA or St. Paul Teachers will not be deferred or forfeited during calendar years 2026 through 2031. Section 15 extends the expiration of the session law from 2029 to 2032.

Sections 10, 11, and 12 are effective July 1, 2026. The remaining sections are effective the day following final enactment.

Article 4: Probation and Telecommunicator Retirement Subplan of the MSRS General State Employees Retirement Plan

Source: LCPR Amendment S4276-12A

Senate Amendment SCS4276A-3/House Amendment H4074A8

Section 2 establishes the Probation and Telecommunicator Retirement Subplan to be administered by MSRS by adding new section 352.88, titled “Probation Officers and Public Safety Telecommunicators,” and new section 352.881, titled “Subplan coverage Changes,” to Chapter 352. A current member of the MSRS General Plan who is transferred to the new Subplan on January 1, 2027, will receive a retirement annuity calculated under the MSRS General Plan provisions, accrued through December 31, 2026, and unreduced at age 66, and a retirement annuity calculated under the new Subplan provisions, beginning with service on January 1, 2027, and unreduced at age 60.

Key features of the MSRS Probation and Telecommunicator Subplan are the following:

- **Eligibility:** Employees who meet the definition of either “probation officer” or “public safety telecommunicator” are required to participate in the Subplan. Any eligible employee who is currently a member of the MSRS General Plan will be transferred to the Subplan on January 1, 2027, except employees who are age 60 or older with three years of service in the MSRS General Plan on January 1, 2027. See Section 2, subdivision 3.
- **“Probation officer”** is defined in Section 2, subdivision 2, paragraph (i), as a state employee of the Department of Corrections in one of the 7 listed employment positions or whose job duties are certified by the DOC as satisfying the definition.
- **“Public safety telecommunicator”** is defined in Section 2, subdivision 2, paragraph (j), as a state employee of the Department of Public Safety or Metropolitan Council in one of the 4 listed employment positions or whose job duties are certified by the applicable agency as satisfying the definition.
- **Vesting:** 3 years. See Section 2, subdivision 2, paragraph (k).
- **Normal Retirement Age:** 60. See Section 2, subdivision 2, paragraph (f).
- **Early Retirement Age:** 55. See Section 2, subdivision 4, paragraph (b).
- **Benefit Formula Multiplier:** 1.9%. See Section 2, subdivision 4, paragraph (a).
- **COLA:** 1.75%. The bill does not state a post-retirement adjustment specifically for the Subplan, but, because the Subplan is part of the MSRS General Plan, any feature not changed by new Section 352.88 or 352.881 is the same as that feature under the General Plan. Section 356.415, subdivision 1, provides a COLA of 1.75% for the MSRS General Plan.
- **Employee Contribution Rate:** 8.71%. Section 2, subdivision 5, paragraph (a), requires members to make an “additional” employee contribution of 2.71% of pay. Paragraph (c) adds that the contributions in paragraphs (a) and (b) (explained below) are in addition to the contributions required by Section 352.04, which apply to the MSRS General Plan. Employee contributions for the General Plan are 6% of pay.

Note that later in the Chapter, in Article 6, the additional employee contribution is reduced from 2.71% to 2% for the first 20 months of the Subplan (resulting in a total employee contribution

rate of 8%) and the resulting loss to the Subplan of this reduction in employee contributions is paid for with a onetime transfer from the general fund of \$390,000 in fiscal year 2027.

- **Employer Contribution Rate:** 8.25%. Section 2, subdivision 5, paragraph (b), requires employers to make an “additional” employer contribution of 2% of pay. As noted above, Paragraph (c) adds that the contributions in paragraphs (a) and (b) are in addition to the contributions required by Section 352.04, which apply to the MSRS General Plan. Employer contributions for the General Plan are 6.25% of pay.
- **Past Service Credit Purchases:** Section 2, subdivision 6, permits members to make a onetime purchase of credit for past service that will be used to calculate the member’s retirement annuity under the new Subplan. The purchase may be made at any time up to the date payment of the retirement annuity begins. Subdivisions 6 and 7 provide procedures for requesting estimates, determining the purchase price, and making the purchase.

Section 3 adds new section 352.881, titled “Subplan Coverage Changes,” which creates new standing review committees in the Department of Corrections, Department of Public Safety, and Metropolitan Council. Members of each committee are to be appointed by the Commissioner of Corrections, the Commissioner of Public Safety, and the General Manager of Metro Transit, respectively. The committees will oversee changes to the titles of an employment position and approve or deny coverage by the new subplan. An employee will have the right to appeal a committee determination.

Sections 1, 4, and 5 make changes to current statutes to incorporate references to the MSRS Probation and Telecommunicator Retirement Subplan.

Sections 1–5 are effective January 1, 2027.

Section 6 consists of appropriations to the agencies that employ employees who will be participating in the new MSRS Probation and Telecommunicator Retirement Subplan. The employers are required to contribute an additional 2% of pay to the new plan, and the appropriation to each agency funds the cost of the additional contributions.

- Paragraph (a) appropriates \$272,000 in fiscal year 2027 from the general fund to the commissioner of corrections. The base for this appropriation is \$545,000 in each of fiscal years 2028 and 2029.
- Paragraph (b) appropriates \$14,000 in fiscal year 2027 from the general fund to the commissioner of public safety. The base for this appropriation is \$29,000 in each of fiscal years 2028 and 2029.
- Paragraph (c) appropriates \$40,000 in fiscal year 2027 from the general fund to the Metropolitan Council. The base for this appropriation is \$80,000 in each of fiscal years 2028 and 2029.
- Paragraph (d) appropriates \$7,000 in fiscal year 2027 from the trunk highway fund to the commissioner of public safety. The base for this appropriation is \$14,000 in each of fiscal years 2028 and 2029.

Article 5: Local Government Probation and Telecommunicator Retirement Plan

Sources: LCPR Amendment S4276-10A

LCPR Amendment S4276-11A

Sections 26–35 establish the Local Government Probation and Telecommunicator Retirement Plan to be administered by PERA by adding new Chapter 353H. A current member of the PERA General Plan who is transferred to the new PERA Plan on January 1, 2027, will receive a retirement annuity calculated under the PERA General Plan provisions, accrued through December 31, 2026, and unreduced at age 66, and a retirement annuity under the new PERA Plan provisions, beginning with service on January 1, 2027, and unreduced at age 60. Both retirement annuities will be paid from the fund established for the new PERA Plan.

Key features of the PERA Probation and Telecommunicator Plan are the following:

- **Eligibility:** Employees who meet the definition of either a “probation officer” or “public safety telecommunicator” are required to participate in the PERA Probation and Telecommunicator Plan, except employees who first became a public employee or a member of a pension fund before July 1, 1989. Any eligible employee who is currently a member of the PERA General Plan will be transferred to the new Plan on January 1, 2027. See Section 30.
- **“Probation officer”** is defined in Section 28, subdivision 10 (new Section 353H.01, subdivision 10), as an individual whom the employer certifies is a public employee and employed as a probation officer by a county, community corrections agency, or state probation agency and provides community supervision services with direct offender contact or a direct supervisor of such an individual.
- **“Public safety telecommunicator”** is defined in Section 28, subdivision 11 (new Section 353H.01, subdivision 11), as an individual whom the employer certifies is a public employee employed by a primary or secondary public safety answering point and serves as a first responder for at least 50% of the time or a direct supervisor of such an individual.
- **Vesting:** 3 years. See Section 28, subdivision 12 (new Section 353H.01, subdivision 12).
- **Normal Retirement Age:** 60. See Section 28, subdivision 6 (new Section 353H.01, subdivision 6).
- **Early Retirement Age:** 55. See Section 32, subdivision 3 (new Section 353H.05).
- **Benefit Formula Multiplier:** 1.9%. See Section 32, subdivision 1 (new Section 353H.05).
- **COLA:** 100% of Social Security COLA, with a 1% minimum and 1.75% maximum. See Section 45 (new subdivision 1h, Section 356.415).
- **Employee Contribution Rate:** 8.82%. See Section 31, subdivision 1 (new Section 353H.04).
- **Employee Contribution Rate:** 7.5%. See Section 31, subdivision 2 (new Section 353H.04).
- **Past Service Credit Purchases:** Section 35 (new Section 353H.08) permits members to make a onetime purchase of credit for past service that will be used to calculate the member’s retirement annuity under the new Plan. The purchase may be made at any time up to the date payment of the retirement annuity begins. Subdivisions 1 and 2 provide procedures for requesting estimates, determining the purchase price, and making the purchase

Section 45 adds a new subdivision 1h to section 356.415, which will provide a COLA for members of the new Plan.

Sections 1–25, 36–44, and 46–51 make changes to current statutes to incorporate references to the Local Government Probation and Telecommunicator Retirement Plan or to a section in new Chapter 353H.

Section 52 is a session law that requires the transfer of assets of the PERA General Plan attributable to members who are transferred from the General Plan to the PERA Probation and Telecommunicator Plan from the General Plan to the new Plan by January 16, 2027. The PERA executive director is required to direct PERA’s actuary to calculate the amount to be transferred in accordance with an appendix to the Standard for Actuarial Work. The appendix, labeled “Appendix C,” was adopted by the Commission at its last meeting of the 2026 legislative session on May 5, 2026.

Note that a new subdivision 1a added to Section 356.30 applies to the new MSRS Subplan and the PERA Probation and Telecommunicator Plan and allows for combined service annuities from the new Subplan or Plan and the related general plan without having to comply with the requirement that the annuities begin within a 12-month period. This variation of combined service annuities is sometimes referred to as “mixed service” annuities. The new subdivision is added by Article 8, Section 17, which is described later in this Summary.

Sections 1 to 44 and Sections 46 to 52 are effective January 1, 2027. Section 45 is effective for postretirement adjustments beginning on or after January 1, 2027.

Article 6: Probation and Telecommunicator Plans; Transfers from the General Fund; Temporary Reduction in Employee Contribution Rates

Source: LCPR Amendment S4276-17A

Article 6 is a session law consisting of two sections:

Section 1 transfers money from the general fund to the PERA local government probation and telecommunicator retirement fund and the MSRS general state employees retirement fund to reimburse the funds for the loss of employee contributions due to the reduction in the employee contribution rates under Section 2 for the first 20 months of the plans.

- Subdivision 1 requires a onetime transfer to the local government probation and telecommunicator retirement fund in the amount of \$2,610,000, no later than January 15, 2027.
- Subdivision 2 requires a onetime transfer to the general state employees retirement fund for the benefit of probation officers and public safety telecommunicators covered by the new MSRS Subplan in the amount of \$390,000, no later than January 15, 2027.

Section 2 reduces the employee contribution rates for members of the new MSRS Subplan and the PERA probation and telecommunicator plan for the first 20 months, through August 2028.

- For the MSRS Probation and Telecommunicator Subplan, instead of paying the General Plan rate of 6% of pay plus 2.71% of pay, members will pay the General Plan rate of 6% of pay plus an additional 2% of pay through August 2028. Beginning in September 2028, the total employee contribution rate will increase from 8% of pay to 8.71% of pay.
- For the PERA Probation and Telecommunicator Plan, instead of paying 8.82% of pay, members will pay 8% of pay through August 2028. Beginning in September 2028, the employee contribution rate will increase from 8% of pay to 8.82% of pay.

Sections 1 and 2 are effective January 1, 2027.

Article 7: Volunteer Firefighters

*Source: SF 3588 (Pappas)/HF 3456 (Cha)
SF 3897 (Gustafson)/HF 3703 (Nadeau)
SF 3828 (Limmer)/HF 3512 (Robbins), as amended by S3828-DE1
LCPR Amendment S4276-5A
LCPR Amendment S4276-15A*

Article 4 amends statutes governing firefighter relief associations and the Statewide Volunteer Firefighter Plan and includes legislation recommended by the State Auditor’s Fire Relief Association Working Group. Article 4 also includes a session law that eliminates certain requirements that would otherwise apply to the termination of participation by the Maple Plain fire department in the Statewide Volunteer Firefighter Plan and directs the Maple Plain relief association to receive assets from the Statewide Plan and make distributions to firefighters.

Sections 1 and 2 amend two sections of Chapter 353G, which governs the Statewide Volunteer Firefighter Plan. Under current law, the executive director of PERA must determine the funding requirements for each account in the lump-sum division of the defined benefit plan on or before August 1 every other year. Sections 1 and 2 change this from a biennial requirement to an annual requirement.

Sections 1 and 2 are effective the day following final enactment.

Sections 3–6 amend the definitions of “firefighting service,” “separate from active service,” “break in service,” and “firefighter” in section 424A.001 to correct or clarify language and eliminate duplication.

Sections 3–6 are effective January 1, 2027.

Sections 7, 9, and 19 amend Minnesota Statutes, section 424A.01, subdivision 6, which governs the service pension calculation requirements for firefighters who return to active fire department service and relief association membership following a break in service.

- Section 7 generally inserts the language of section 424A.01, subdivision 6, into new section 424A.012, and reorganizes and revises the provisions to improve readability and reduce ambiguity. Specifically, Section 7 reorganizes the provisions into two subdivisions. Subdivision 1 establishes the pension calculation for firefighters who return to active service after a break in service and have not previously received a pension or disability benefit. Subdivision 2 establishes

the service pension calculation for firefighters who return to active service after a break in service and have previously been paid a service pension or disability benefit.

Section 7 removes the condition that a firefighter must meet the minimum resumption service requirements if a firefighter returns to active firefighter service after being paid a pension or disability benefit from the relief association. Instead, a relief association may define vesting requirements in its bylaws solely for former firefighters who have been paid a pension or disability benefit and return to active relief association membership.

- Section 9 amends 424A.016, subdivision 4, to fix a cross-reference.
- Section 19 repeals section 424A.01, subdivision 6.

Sections 7, 9, and 19 are effective January 1, 2027.

Section 8 amends section 424A.014, subdivision 1, to increase the threshold at which an annual financial report and audited financial statements are required from \$750,000 to \$1,000,000. If the \$1,000,000 threshold is exceeded, the relief association must file an annual financial report and audited financial statements with the State Auditor in the calendar year following the year in which the threshold was exceeded.

Section 8 is effective December 31, 2026, and applies to audited financial statements for calendar year 2026 and thereafter. A relief association that does not have special fund assets or special fund liabilities that exceed \$1,000,000 on December 31, 2026, is not required to submit audited financial statements under section 424A.014, subdivision 1, unless and until the association's special fund assets or special fund liabilities exceed \$1,000,000, even if audited financial statements were required immediately prior to the effective date.

Section 10 amends section 424A.016, subdivision 6, to delete the obsolete term "interest" from the provision that explains how investment performance on a deferred pension must be allocated.

Section 10 is effective the day following final enactment.

Section 11 amends section 424A.05, subdivision 3, which specifies the purposes for which disbursements from the special fund may be made, to add the purchase of an annuity that replaces a monthly benefit service pension.

Section 11 is effective the day following final enactment.

Sections 12–15 revise section 424B.22, which sets forth the procedures a relief association must follow to terminate the retirement plan it administers.

- Section 12 amends section 424B.22, subdivision 5, by deleting references to "present value." When the board of trustees determines each firefighter's benefit, the board may, but is not required to, determine the present value of the benefit. The language in subdivision 5, as revised by Section 12, requires the board of trustees to determine "each participant's accrued benefit." Additionally, Section 12 deletes the requirement that the board of trustees take into account the

earliest date on which the retirement benefit would have been payable, which is relevant to the present value calculation.

- Section 13 amends section 424B.22, subdivision 7, by adding language that defines “surplus” and deleting references to “present value” so that any surplus will be allocated in the ratio of each firefighter’s accrued benefit to the total of all firefighters’ accrued benefits. Section 13 also adds a sentence to direct that if a retirement benefit is payable as a monthly pension, the relief association must allocate surplus by calculating the lump-sum present value of the monthly pension.
- Section 14 amends section 424B.22, subdivision 8, to clarify language regarding distributions upon termination of the retirement plan.
- Section 15 amends section 424B.22, subdivision 9, by deleting unnecessary definitions for “retirement benefit” and “individual retirement account.” Section 15 also rewrites a paragraph of the subdivision to account for nonresponsive participants, as well as missing participants. Upon a plan’s termination, all assets must be distributed. If a firefighter cannot be located or will not respond to requests to elect a direct payment or rollover or, in the case of monthly pensions, a lump sum or annuity, paragraph (b) directs the board of trustees to either transfer the benefit to an IRA in the name of the participant or to escheat the benefit to the state. Lastly, Section 15 adds paragraph (c), which provides guidance on handling a monthly pension when a participant is missing or nonresponsive.

Sections 12–15 are effective the day following final enactment.

Sections 16–18 are session laws that apply to the termination of the participation of the Maple Plain fire department in the Statewide Volunteer Firefighter Plan.

- Section 16, paragraph (a), requires PERA to transfer assets, liabilities, and records from the Statewide Volunteer Firefighter Plan to the Maple Plain Fire Relief Association no later than 60 days after the section’s effective date of “the day following final enactment.” Section 16 also eliminates many requirements under section 353G.17 to reduce administrative burden when the Maple Plain fire department terminates participation in the Statewide Plan.
- Section 17 states that after the transfer, the Maple Plain Fire Relief Association must make distributions in accordance with section 424B.22 and subsequently terminate and dissolve the relief association in accordance with Minnesota law.
- Section 18 applies to supplemental benefits, which are payments made to firefighters when they receive a distribution from a relief association plan or the Statewide Volunteer Firefighter Plan to help the recipient pay income tax on the distribution. Section 18, paragraph (a), gives the city of Maple Plain authority, but not the obligation, to make supplemental payments and seek reimbursement from the commissioner of revenue. If the city makes the supplemental payments, the Maple Plain Fire Relief Association is relieved of that requirement, under Section 18, paragraph (b).

Sections 16–18 are effective the day following final enactment.

Article 8: All Public Pension Plans

*Source: SF 4373 (Frentz), as amended by S4373-1A
SF 4588 (Frentz)/HF 4517 (Lillie)
HF 4162 (O'Driscoll), as amended by H4162-DE1
LCPR Amendment S4276-12A*

Sections 1, 2, 4, 5, 7–9, and 11–13 apply to the pension plans administered by MSRS (except the State Patrol, Judges, and Legislators Plans), PERA, and TRA, and require the employer of a reemployed annuitant to make employer contributions to the applicable pension plan.

- Sections 1 and 2 amend section 43A.346, which applies to a terminated state employee who accepts a postretirement option (PRO) position.
- Section 4 amends section 352.115, subdivision 10, and applies to annuitants who are reemployed in positions covered by the MSRS General Plan or the MSRS Correctional Plan.
- Section 5 amends section 352.1155, subdivision 3, which applies to a person who was a member of the MSRS General Plan and an employee of Minnesota State Colleges and Universities (MN State), and who returns to work for MN State under section 352.1155.
- Section 7 amends section 353.37, subdivision 5, and applies to annuitants who are reemployed in positions covered by the PERA General Plan, PERA Correctional Plan, or PERA Police and Fire Plan.
- Sections 8 and 9 amend section 353.371, which applies to terminated members of the PERA General Plan who enter into a phased retirement agreement to continue employment.
- Section 11 amends section 354.44, subdivision 5, which applies to a member of TRA who resumes teaching service after retirement.
- Section 12 amends section 354.444, subdivision 5, which applies to a member of TRA who enters into a return-to-work agreement.
- Section 13 amends section 354.445, which applies to a person who was a member of TRA and an employee of MN State, and who returns to work for MN State under section 354.445. Section 13 also clarifies that employee contributions are not required during the reemployment period.

Sections 1, 2, 4, and 5 are effective on the first day of the payroll period beginning on or after January 1, 2027. Sections 7–9 are effective January 1, 2027. Sections 11–13 are effective on the first day of the payroll period beginning on or after July 1, 2026.

Sections 3, 6, 10, 14, and 15 amend the definition of “salary” for the plans administered by MSRS, PERA, TRA, and St. Paul Teachers, to exclude payments made to members who take leave under the Minnesota Paid Leave program that took effect on January 1, 2026. The definition is amended to state that “salary” does not include “payments from the family and medical benefit insurance account for Minnesota paid leave under chapter 268B.”

- In addition to the salary definition change, Section 6 amends section 353.01, subdivision 10, governing PERA, to strike language and simplify when compensation paid during an authorized

leave of absence will be considered part of the member's salary. Section 6 also removes a reference to section 353.86, which was repealed in 2024.

- In addition to the salary definition change, Section 15 amends section 354A.095, governing St. Paul Teachers, to clarify that a member who is on an authorized parental or maternity leave can purchase service credit for that period of leave. These changes allow a member to purchase service credit for leave taken under the Minnesota Paid Leave program.

Sections 3, 10, 14, and 15 are effective retroactively from January 1, 2026. All the changes in Section 6 are effective July 1, 2026, except the amendment to section 353.01, subdivision 10, paragraph (b), clause (7), which is effective retroactively from January 1, 2026.

Sections 16–18 establish a mixed service approach for calculating annuities for members of certain pension plans.

- Section 16 amends section 356.30, subdivision 1, which describes the eligibility requirements for combined service annuities and the changes to determining retirement annuities under more than one pension plan when computed using Section 356.30. Section 16 adds a reference to new subdivision 1a, which is added by Section 17, to permit retirement annuities to be calculated under new subdivision 1a, rather than under subdivision 1.
- Section 17 adds subdivision 1a to section 356.30, which permits retirement annuities from more than one plan to be calculated using the “mixed service” approach. This approach generally allows for the annuities to begin as elected by the member and not within a 12-month period. Members in the following plans or subplans will be able to use the mixed service provision when applying for their retirement annuities:
 - MSRS General Plan;
 - MSRS Correctional Plan;
 - MSRS subplans under Section 352.85 through 352.87, which provide enhanced benefits for military affairs personnel, transportation department pilots, deputy state fire marshal fire/arson investigators, and under the new MSRS Subplan for probation officers and telecommunicators;
 - PERA Local Government Probation and Telecommunicator retirement plan, but only if the member was transferred from the PERA General Plan to the new PERA Plan on January 1, 2027.

MSRS has been allowing members to use the mixed service approach from the MSRS plans for years under an interpretation of current statutes.

Under paragraph (b) of new subdivision 1a, for a person who is eligible to receive annuities from the MSRS General Plan and the MSRS Correctional Plan, the mixed service approach would allow a member to start receiving a retirement annuity from the MSRS Correctional Plan at age 55 and wait until the full retirement age of 66 to receive an unreduced retirement annuity from the MSRS General Plan, with both annuities being calculated using the member's highest average salary for 5 consecutive years during the entire service covered by the plans.

Under paragraph (c) of new subdivision 1a, for a person who is eligible to receive annuities from the MSRS General Plan and the MSRS Probation and Telecommunicator Subplan, the mixed service approach would allow a member to start receiving a retirement annuity from the MSRS Probation and Telecommunicator Subplan at age 60 and wait until the full retirement age of 66 to receive an unreduced retirement annuity from the MSRS General Plan, with both annuities being calculated using the member's highest average salary for 5 consecutive years during the entire service covered by the plans.

Under paragraph (d) of new subdivision 1a, for a person who (1) transferred from the PERA General Plan to the PERA Probation and Telecommunicator Plan on January 1, 2027, and (2) is eligible to receive annuities from the PERA Probation and Telecommunicator Plan for allowable service earned under the PERA General Plan and the PERA Probation and Telecommunicator Plan, the mixed service approach would allow a member to start receiving a retirement annuity from the PERA Probation and Telecommunicator Plan at age 60 and wait until the full retirement age of 66 to receive an unreduced retirement annuity from the PERA General Plan, with both annuities being calculated using the member's highest average salary for 5 consecutive years during the entire service covered by the plans.

- Section 18 amends section 356.30, subdivision 3, by adding the PERA Probation and Telecommunicator Plan and the subplans of the MSRS General Plan to the list of covered plans to which section 356.30 applies.

Sections 16–18 are effective January 1, 2027.

Section 19 applies to all pension plans administered by MSRS, PERA, and TRA, and amends section 356.461, subdivision 1, which provides the investment return assumption to be used in computing joint and survivor annuities. A pension plan must use an investment return assumption of 6.5% unless a different percentage has been proposed by the plan's governing board and approved or deemed approved by the Commission under new paragraph (b) of subdivision 1. This is the same process followed to change other actuarial assumptions under Section 356.415, subdivision 18.

Section 19 is effective July 1, 2026.

Article 9: Minnesota Secure Choice Retirement Program

Source: SF 4797 (Pappas)/HF 4921 (Nadeau), as amended by 26-07808-1A

Article 9 amends statutes in Chapter 187, which governs the Minnesota Secure Choice Retirement Program (Program), a state-sponsored retirement program intended to benefit employees in the private sector who have no opportunity to save for retirement through an employer-sponsored retirement plan. The Program opened for enrollment of covered employers and covered employees in January 2026.

Section 1 amends the definitions section for Chapter 187 to add a new definition for "annual report." The definition consolidates two annual reporting requirements in current law (section 187.08, subdivision 8, paragraphs (9) and (10)) into one requirement.

Section 2 amends the definition of “covered employee” to include individuals described in section 187.05, subdivision 7, who are not employed by a covered employer but are permitted to participate in the Program.

Section 3 amends the definition of “enrollment window” to add two windows, in addition to the window for enrolling employees when the employer is first required to join the Program. The two additional windows are the first 21 days of a covered employee’s employment with a covered employer and the first 21 days of January after the year in which an employer first becomes a covered employer.

Section 4 adds a definition for a new defined term, “waiting period,” which is the 30-day period that begins on the day a covered employee is enrolled in the Program.

Section 5 amends section 187.05, subdivision 1, to include references to individuals who are not employed by a covered employer but permitted to participate in the Program and make payments to the Program.

Section 6 amends section 187.05, subdivision 1a, which allows employers to certify to the Program that the employer is not a covered employer, to replace the reference to filing a form with the executive director of the Program with a reference to filing a certification through the Program’s online portal, by mail, or by email, with the consent of the executive director. Section 6 also adds a new paragraph to subdivision 1a to authorize the executive director to seek supporting documentation from an employer if needed to provide support for a certification.

Section 7 amends section 187.05, subdivision 4, to require the board to provide notice to covered employees, in addition to covered employers as required under current law, of a change in the employee contribution rate or escalation schedule. Paragraph (b) in current law is deleted because it is included in a new subdivision to section 187.05, which is added by Section 9.

Section 8 amends section 187.05, subdivision 7, to allow home and community-based services employees “twelve” months rather than “six” months to open an account in the Program.

Section 9 amends section 187.05 to add new subdivision 9, which addresses covered employees’ right to begin making contributions, change the rate of contributions, elect not to contribute, or cease contributing at least annually. These provisions are currently in section 187.05, subdivision 4, paragraph (b), but are deleted by Section 7.

Section 10 amends section 187.06, subdivision 3, which requires opening an individual account for each covered employee, to include a reference to individuals who are not employed by a covered employer but permitted to participate in the Program and make payments to the Program.

Section 11 amends section 187.07, subdivision 1, which directs covered employers to enroll employees and begin making payroll deduction contributions from paychecks. New language incorporates the requirements that covered employers enroll covered employees during the applicable enrollment period and begin withholding payroll deduction contributions from the first paycheck after a covered employee’s waiting period. Section 11 also deletes:

- paragraph (b) in current law, which details the default contribution rate and escalation schedule for contributions, because this provision is included in new subdivision 1a of section 187.07, which is added by Section 12; and
- paragraph (d) in current law, which requires the executive director to communicate annually to each covered employee the limits on employee contributions under applicable federal law, because this provision is included as subdivision 2 in new section 187.13, which is added by Section 20.

Section 12 amends section 187.07 to add new subdivision 1a, which provides the default employee contribution rate and the contribution escalation schedule that is being moved from section 187.07, subdivision 1, in current law to this new subdivision 1a.

Section 13 amends section 187.08, subdivision 1, which describes the board of directors. Section 13 replaces specific experience criteria with a requirement that the board members appointed by the Commission have “relevant experience.”

Section 14 amends section 187.08, subdivision 2, by adding new paragraph (b), which states that if a member of the board wishes to serve an additional term, the Commission does not have to seek candidates to fill the seat as if it were to be vacant. This new paragraph also requires the executive director of the Program to notify the secretary of state and the chair or executive director of the Commission of the incumbent’s desire to serve an additional term.

Section 15 amends section 187.08, subdivision 3, which defines the term of office for directors. Paragraph (b) is revised to require an incumbent seeking to serve an additional term to notify the chair of the board and the executive director of the Program.

Section 16 amends section 187.08, subdivision 6, to authorize the chair to serve indefinitely if reelected by the directors and to add a new paragraph that defines quorum and allows a simple majority vote of members present to approve any item of board business.

Section 17 amends section 187.08, subdivision 8, which lists the duties of the board of directors, to delete:

- clause (8), which is being moved to new section 187.13, subdivision 1, specifically on “Required notices” in Section 20; and
- language in clause (9) and all of clause (10), which is being moved to the new definition of “annual report” in Section 1.

Section 18 amends section 187.11, which requires other agencies to provide assistance to the Program. Paragraph (c) is amended to revise the requirement that the commissioner of administration provide office space for the Program in the Capitol complex to require the commissioner to assist in finding office space in St. Paul.

Section 19 amends section 187.12, subdivision 1, which imposes penalties against covered employers for failing to enroll a covered employee or provide information to a covered employee. This subdivision is revised to delete references to the failure to provide information to covered employees. This duty is

transferred from covered employers to the Program by new section 187.13, which is added by Section 20. The covered employers' duty to provide information, which is in section 187.07, subdivision 3, is repealed in Section 22.

Section 20 adds new section 187.13 ("Required Notices") to Chapter 187. This new section requires the Program to provide information about the Program, procedures, and disclaimers, among other items, to all covered employees within the first 7 days of employment (subdivision 1) and annual notice to covered employees about the annual limits under federal law on contributions to IRAs (subdivision 2).

Section 21 adds new section 187.14 ("Confidentiality of Data and Nonsolicitation") to Chapter 187. This new section prohibits disclosure of private data on individuals, unless permitted by an exception (subdivision 1), and prohibits solicitation by recordkeepers and others of covered employees, account owners, or beneficiaries (subdivision 2).

Section 22 repeals section 187.07, subdivision 3, which required covered employers to provide information to new covered employees. That duty is transferred to the Program and appears in new section 187.13, which is added by Section 20.

All sections are effective the day following final enactment.

Article 10: Supplemental Plans

Source: SF 4587 (Westlin)/HF 4694 (O'Driscoll)

Article 10 consists of one section that amends section 356.24, subdivision 3. Subdivision 3 defines "deferred compensation plan," which is an exception to the prohibition against public employers contributing public funds to pension or deferred compensation plans that are in addition to the primary pension plan that covers public employees. Section 356.24 refers to these plans as "supplemental" to distinguish them from the "primary" pension plans, which include the statewide pension plans administered by MSRS, PERA, and TRA.

To satisfy the definition of "deferred compensation plan" under subdivision 3, plan vendors and administrators are required to disclose annually to plan participants, for each investment fund, all fees and rates of return over one-, five-, and ten-year periods, and file this disclosure with the Commission executive director.

Section 1 amends paragraph (c) to eliminate the final sentence of the paragraph, which is the requirement that the investment fee and rates of return disclosure be filed with the Commission executive director.

Section 1 is effective the day following final enactment.

Article 11: Health Care Savings Plan

Source: SF 4764 (Nelson)/HF 4630 (Cha), as amended by S4764-1A

Article 11 consists of one section that amends section 352.98, subdivision 3, which applies to the Health Care Savings Plan (HCSP) administered by MSRS.

Section 1 amends the requirement in subdivision 3 that contributions must be defined in a personnel policy or collective bargaining agreement. As alternatives to a personnel policy or CBA, the amendment allows contributions to be defined in a “participation plan, or resolution of the governing body.” The new language is intended to permit elected officials who may not be covered by a personnel policy or collective bargaining agreement to participate in the Health Care Savings Plan by resolution of a political subdivision’s governing body, such as in the case of county commissioners who will be able to participate in the HCSP if the county board approves a resolution authorizing contributions to the HCSP.

Section 1 is effective the day following final enactment.

Article 12: Work Groups

*Source: SF 4766 (Seeberger)/HF 4723 (Johnson), as amended by S4766-DE1
SF 4464 (Howe)/HF 4988 (Novotny), as amended by S4464-DE4
Senate Amendment SCS4276A-5/House Amendment H4074A9*

Article 12 establishes two work groups that are required to meet during the interim between the 2026 and 2027 legislative sessions to recommend legislation on two different topics.

Section 1 establishes the Work Group on Vesting and Emergency Medical Providers in Firefighter Relief Associations and the Statewide Volunteer Firefighter Plan. The work group is to recommend legislation that would:

- shorten the vesting schedule for firefighter relief associations to a maximum of ten years;
- require that firefighter relief associations include volunteer or paid on-call emergency medical providers as members on the same basis as volunteer or paid on-call firefighters; and
- make the same changes to the PERA Statewide Volunteer Firefighter Plan as are recommended for firefighter relief associations.

The work group, which will consist of representatives from 8 organizations and agencies, must report its recommendations, with proposed legislation, to the Commission by January 29, 2027, or, if later, the date all members of the Commission have been appointed for the 2027–2028 biennium.

Section 2 establishes the Work Group on Duty Disability and the Public Safety Officer’s Benefit Account. The work group is to recommend legislation that would:

- reform duty disability for members of the public employees police and fire plan; and
- ensure that members of the police and fire plan who become duty disabled have access to affordable health insurance coverage until Medicare eligibility.

The work group will consist of representatives from 15 organizations and agencies, as well as legislators who are appointed by caucus leadership. Legislation recommended by the work group must address 7 topics, including the impending shortfall in the public safety officer’s benefit account and reforming the

process for approving duty disability applications, or report the reason for not including a topic in a report. The work group must report its recommendations, with proposed legislation, to the Commission by March 1, 2027, or, if later, the date all members of the Commission have been appointed for the 2027–2028 biennium.

Section 3 provides authorization to the Commission executive director to retain experts to assist the work group and, with the approval of the chair, vice chair, or secretary of the Commission, pay for their services with funds in an LCC account established in 2024 to pay for additional actuarial services.

Article 13: Special Legislation

*Source: SF 1213 (Miller)/HF 2117 (Repinski), as amended by S1213-1A
HF 4402 (Jordan), as amended by H4402-2A*

Section 1 is a session law that applies to one individual. Section 1 consists of two subdivisions.

- Subdivision 1 (“Definitions”) provides definitions for “board of trustees,” “IRAP,” and “MN State.”
- Subdivision 2 (“Location of IRAP account required”) provides a definition of “eligible person” and requires the board of trustees of Minnesota State Colleges and Universities to locate the IRAP account of the eligible person or pay the eligible person \$30,000. “Eligible person” is defined as a person who was employed by Winona State University from July 1, 1991, to June 30, 1996, and has copies of pay stubs showing payroll deduction contributions to the IRAP on dates in 1991 through 1993 in specified amounts.

Section 1 is effective the day following final enactment.

Section 2 is a session law that applies to one individual and the city of Minneapolis. Section 2 consists of one section with six subdivisions and an effective date provision that sets forth requirements for local approval.

- Subdivision 1 (“Definitions”) provides definitions for “city,” “executive director,” “fund,” and “general plan.”
- Subdivision 2 (“Authorization”), paragraph (a), states that an eligible person is entitled to:
 - have the City pay the omitted employee contributions for 2016 to 2018 plus interest, on the eligible person's behalf; and
 - upon the City making the required payment, receive credit for allowable service in the PERA General Plan for the periods of service described in subdivision 4.

Paragraph (b) requires the executive director to credit the eligible person with the service upon receipt of the payments.

- Subdivision 3 (“Eligible person”) defines “eligible person” by reference to the person’s employment start and end date in the City’s fleet services division and periods of employment when contributions were not made to the PERA General Plan.
- Subdivision 4 (“Periods of uncredited prior service”) defines the periods of uncredited prior service that may be purchased.

- Subdivision 5 (“Payment by employer”) requires the executive director of PERA to determine and notify the City and the eligible person of the amount of the payment required, which is the amount that the former employee and the City would have contributed for the periods in 2016, 2017, and 2018, had the former employee been correctly reported, plus interest. The City must pay the amount determined by PERA in a lump-sum within 60 days of the date on which the executive director notifies the City of the amount of the payment.
- Subdivision 6 (“Collection of unpaid amounts”) authorizes the executive director of PERA to take action to collect payment under section 353.28, subdivision 6, if the City fails to make the payment under subdivision 5. Section 353.28, subdivision 6, allows the executive director to seek collection by the county auditor or the commissioner of management and budget from property tax revenue or state aid payable to the City.
- The effective date states that Section 2 is effective upon approval by the Minneapolis City Council and compliance with section 645.021. Section 645.021 requires that the legislation be approved by the City’s governing body and that the City’s chief clerical officer file a certificate of approval with the Secretary of State. If the certificate of approval is not filed before the first day of the next regular session of the legislature, the law does not take effect.

Article 14: State Board of Investment (SBI)

Source: LCPR Amendment S4276-6A

Article 14 amends statutes governing the State Board of Investment (SBI) to clarify expense allocation and billing procedures, particularly with respect to the General Fund.

Paraphrasing summaries provided to the Commission by SBI, the changes made to Minnesota Statutes, sections 11A.04 and 11A.07, are intended to give the SBI authority to allocate expenses to the state’s General Fund in a manner similar to the approach currently applicable to other pools of capital under SBI’s management. Under current law, SBI receives a fixed annual appropriation of \$139,000 for the expenses associated with the General Fund. Considering the elimination of this fixed annual appropriation, which appears in Section 4 of Article 14, Minnesota Management and Budget estimates that the revenue reduction to the General Fund resulting from the changes in Article 14 will be \$643,000 per year.

Other changes address the annual settlement process for the payment and reconciliation of the Combined Funds administrative expenses. Currently, Section 11A.07, subdivision 5, paragraph (c), directs the pension funds to pay their estimated yearly portion of administrative expenses at the beginning of each fiscal year. The SBI conducts a reconciliation of the payment against the actual expenses incurred during the year and submits a refund of any surplus to the pension funds. The pension funds then immediately transmit the following year’s administrative expense payment to the SBI.

To simplify this process, changes in Section 3 provide that any annual surplus may be credited against the next fiscal year’s portion of the administrative expenses, rather than the SBI issuing a refund immediately followed by an invoice for the next fiscal year’s estimated expenses.

Section 1 amends Section 11A.04, titled “Duties and Powers; Appropriation,” to provide more precise language.

Section 2 amends Section 11A.07, subdivision 4, to give the Executive Director the authority to adjust the administrative fee charged to a fund, based on the services provided to that fund, consistent with fiduciary requirements.

Section 3 amends Section 11A.07, subdivision 5, which provides the procedures for invoicing the funds for which the SBI provides investment services against the assets under management for those funds. As amended, the procedures are as follows:

- For any expense allocable to solely one fund or group of funds, that expense is allocated solely to that fund or group of funds.
- The remaining expenses are allocated proportionately to the funds, accounting for any adjustment made pursuant to Section 11A.07, subdivision 4 (as amended under Section 2, above), based on assets under management.
- With respect to the Combined Funds, the budgeted expenses are invoiced on or about the first day of the fiscal year and must be reconciled on at least an annual basis. Any deficit between the estimated expenses and actual expenses is due and payable upon reconciliation. Any surplus may be refunded or carried forward and credited to the next fiscal year’s expenses.

Section 4 strikes the fixed appropriation of \$139,000 to the SBI for expenses associated with managing the General Fund assets. The changes to Article 4 will result in a revenue loss to the General Fund of approximately \$782,000 per year, partially offset by the elimination of the direct appropriation in Section 4.

Article 15: Administrative, Technical, and Conforming Changes Related to Volunteer and Paid On- Call Firefighters

Source: LCPR Amendment S4276-3A

Article 15 consists of twenty-six sections plus an effective date provision.

Sections 1–11 and 13–25 remove outdated language and bring language in various statutes into conformity with the definitions and terms used in Chapters 424A, 353G, and other relevant chapters.

Section 12 amends section 353G.18, subdivision 4, which provides the procedures for entities that wish to terminate participation in the Statewide Volunteer Firefighter Plan. Under current law, when a plan terminates participation, any surplus (assets in excess of liabilities) is allocated among active and deferred members (referred to using the defined term “departing firefighters”). The changes in Section 12 allocate surplus only to “active” departing firefighters. Allocating surplus only to active firefighters brings Section 353G.18 into conformity with Section 353G.19, which provides for the allocation of surplus only to active firefighters when a defined benefit plan converts to a defined contribution plan.

Section 26 has a revisor instruction that will change “firefighters relief associations” (and variations of that term) to “firefighter relief associations.”

All sections are effective the day following final enactment.

Article 16: Miscellaneous Technical Corrections

Source: LCPR Amendment S4276-3A

Section 1 changes references in section 299A.465, titled “Continued Health Insurance Coverage,” which requires employers to continue providing health insurance coverage to peace officers and firefighters on leave for duty disability, from “the date of enactment” to “May 24, 2025.” May 24, 2025, is the actual date of enactment.

Sections 2 and 4 correct erroneous references in section 354A.29, subdivision 7, and section 423A.011, subdivision 2, respectively.

Section 3 adds “participation plan, or resolution of the governing body” to section 356.24, subdivision 1. This is a conforming change necessary because of the change made in Article 11 to the statute governing the MSRS Health Care Savings Plan.

All sections are effective the day following final enactment.