

**Senator Dziedzic from the Committee on State and Local Government and Veterans,
to which was referred**

S.F. No. 4643: A bill for an act relating to retirement; authorizing eligible employees of the Minnesota State Colleges and Universities who are members of the higher education individual retirement account plan to elect coverage by the Teachers Retirement Association and purchase past service credit; requiring an annual report; appropriating money for offsetting the cost of service credit purchases; amending Minnesota Statutes 2022, section 354B.20, subdivision 18, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 354B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1
TEACHER PENSIONS**

Section 1. Minnesota Statutes 2023 Supplement, section 354.05, subdivision 38, is amended to read:

Subd. 38. **Normal retirement age.** "Normal retirement age" means age 65 for a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989. Through June 30, ~~2025~~ 2024, for a person who first becomes a member of the association after June 30, 1989, normal retirement age means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age 66. Beginning July 1, ~~2025~~ 2024, normal retirement age for all members means age 65.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 2. Minnesota Statutes 2023 Supplement, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by each member is the percentage of total salary specified below for the applicable program:

| Program | Percentage of Total Salary |
|---|----------------------------|
| basic program after June 30, 2016, through June 30, 2023 | 10 percent |
| basic program after June 30, 2023, through June 30, 2025 <u>2024</u> | 10.25 percent |
| <u>basic program after June 30, 2024, through June 30, 2025</u> | <u>10</u> |
| <u>basic program after June 30, 2025, through June 30, 2026</u> | <u>11.25</u> |
| basic program after June 30, 2025 <u>2026</u> | 11.5 percent |
| coordinated program after June 30, 2016, through June 30, 2023 | 7.5 percent |

| | | |
|-----|---|--------------|
| 2.1 | coordinated program after June 30, 2023, through June 30, | |
| 2.2 | <u>2025 2024</u> | 7.75 percent |
| 2.3 | coordinated program after June 30, 2024, through June 30, | |
| 2.4 | <u>2025</u> | <u>7.5</u> |
| 2.5 | coordinated program after June 30, 2025, through June 30, | |
| 2.6 | <u>2026</u> | <u>8.75</u> |
| 2.7 | coordinated program after June 30, <u>2025 2026</u> | 9 percent |

2.8 (b) Contributions must be made by deduction from salary and must be remitted directly
 2.9 to the ~~St. Paul Teachers Retirement Fund~~ association at least once each month.

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

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

2.13 Sec. 3. Minnesota Statutes 2022, section 354B.20, is amended by adding a subdivision to
 2.14 read:

2.15 Subd. 10a. **IRAP to TRA transfer account.** "IRAP to TRA transfer account" means
 2.16 the account established under section 354B.215, subdivision 11.

2.17 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.18 Sec. 4. Minnesota Statutes 2022, section 354B.20, is amended by adding a subdivision to
 2.19 read:

2.20 Subd. 11a. **Offset amount.** "Offset amount" means the lesser of \$10,000 or 25 percent
 2.21 of the cost to purchase the maximum past service credit by an eligible person under section
 2.22 354B.215, subdivision 6, except that, if the eligible person elects to purchase, under section
 2.23 354B.215, subdivision 6, paragraph (c), less than the maximum past service credit, the offset
 2.24 amount must not exceed the cost to purchase the amount of past service credit elected.

2.25 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.26 Sec. 5. Minnesota Statutes 2022, section 354B.20, subdivision 18, is amended to read:

2.27 Subd. 18. **Teachers Retirement plan Association.** "Teachers Retirement plan
 2.28 Association" means the retirement plan established by chapter 354.

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

3.1 Sec. 6. **[354B.215] TEACHERS RETIREMENT ASSOCIATION COVERAGE FOR**
3.2 **EMPLOYEES WHO DID NOT RECEIVE ELECTION TO TRANSFER.**

3.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
3.4 subdivision have the meanings given them, unless the context clearly indicates another
3.5 meaning is intended.

3.6 (b) "Executive director" means the executive director of the Teachers Retirement
3.7 Association.

3.8 (c) "Individual retirement account plan" means the individual retirement account plan
3.9 governed by chapter 354B.

3.10 (d) "Maximum past service credit" means service credit for the period beginning with
3.11 the date the eligible person was first covered by the individual retirement account plan to
3.12 the transfer date.

3.13 (e) "Minnesota State" means the Minnesota State Colleges and Universities.

3.14 (f) "Transfer date" means the date selected by the executive director under subdivision
3.15 5 for the purpose of preparing the estimates required by subdivision 5.

3.16 Subd. 2. **Authority to transfer coverage.** Notwithstanding any provision of law to the
3.17 contrary, an eligible person described in subdivision 3 is authorized to become a member
3.18 of the Teachers Retirement Association and purchase service credit upon making an election
3.19 under subdivision 6.

3.20 Subd. 3. **Eligible person.** (a) An eligible person is a person who:

3.21 (1) is employed by Minnesota State;

3.22 (2) has an account in the individual retirement account plan; and

3.23 (3) satisfies paragraph (b).

3.24 (b) A person satisfies this paragraph if Minnesota State is not able to produce at least
3.25 one of the following items by the end of the 60-day period under subdivision 4, paragraph
3.26 (b):

3.27 (1) a record indicating that the person received notice regarding the person's eligibility
3.28 to elect prospective coverage by the Teachers Retirement Association within the election
3.29 period under section 354B.211, subdivision 4 or 6, or its predecessor;

3.30 (2) a record that the person elected retirement coverage by the individual retirement
3.31 account plan; or

4.1 (3) other credible documentation demonstrating that the person was aware of the person's
4.2 right to elect retirement coverage by the Teachers Retirement Association.

4.3 **Subd. 4. Eligible person application; information required from Minnesota State. (a)**
4.4 To elect coverage by the Teachers Retirement Association, an eligible person must submit
4.5 a written application to the chancellor on a form provided by Minnesota State. The application
4.6 must include:

4.7 (1) an attestation that the person was not informed of the right to elect a transfer from
4.8 the individual retirement account plan to the Teachers Retirement Association and the person
4.9 was unaware of the right to elect such a transfer;

4.10 (2) the date on which the person first became a participant in the individual retirement
4.11 account plan;

4.12 (3) a signed release authorizing Minnesota State to provide employment and other
4.13 personnel information to the Teachers Retirement Association; and

4.14 (4) any other information that Minnesota State may require.

4.15 (b) No later than 60 days after receipt of the application under paragraph (a), Minnesota
4.16 State must verify the information provided by the person in the application, determine
4.17 whether the person is an eligible person under subdivision 3, and provide a written response
4.18 to the person regarding the determination of eligibility. If Minnesota State determines that
4.19 the person is not an eligible person, Minnesota State must include a copy of any
4.20 documentation identified in subdivision 3, paragraph (b), in its written response to the
4.21 person.

4.22 (c) If Minnesota State determines that the person is an eligible person under subdivision
4.23 3, Minnesota State must forward to the executive director:

4.24 (1) the application;

4.25 (2) confirmation or modification of the information provided by the eligible person in
4.26 the application;

4.27 (3) salary history for the eligible person;

4.28 (4) an estimate of the amount available for transfer from the eligible person's account
4.29 in the individual retirement account plan to the Teachers Retirement Association; and

4.30 (5) any other relevant information.

4.31 **Subd. 5. Determination of service credit purchase amounts. (a)** Upon receipt of the
4.32 application and information under subdivision 4, the executive director must prepare estimates

of the following as of a prospective transfer date selected by the executive director that is no later than 90 days after receiving the application and information under subdivision 4:

(1) the purchase payment amount determined under section 356.551 to purchase the maximum past service credit;

(2) the amount of service credit the eligible person would receive if the amount estimated under subdivision 4, paragraph (c), clause (4), is transferred to the Teachers Retirement Association and used to purchase service credit under section 356.551;

(3) the purchase payment amount for additional years of service credit, if any, not to exceed the maximum past service credit; and

(4) the offset amount attributable to the eligible person.

(b) No later than 90 days after receiving the application and information under subdivision 4, the executive director must send a written communication to the eligible person with the amounts determined in paragraph (a) and inform Minnesota State of the offset amount. The executive director may charge the eligible person a reasonable fee to cover the costs of calculating the amounts required by paragraph (a).

(c) Minnesota State must notify the eligible person and the executive director no later than 30 days after receiving notice of the offset amount from the executive director under paragraph (b) if there are sufficient funds in the IRAP to TRA transfer account to pay the full offset amount or, if there are not sufficient funds, the portion of the offset amount, if any, that will be paid.

Subd. 6. Election to transfer coverage and purchase of service credit. (a) No later than 60 days after the executive director sends the written communication required by subdivision 5, the eligible person may elect to transfer coverage from the individual retirement account plan to the Teachers Retirement Association effective as of the transfer date.

(b) If the eligible person elects to transfer coverage under paragraph (a), the available balance in the eligible person's account in the individual retirement account plan must be transferred to the Teachers Retirement Association, not to exceed the amount required by the Teachers Retirement Association to purchase the maximum past service credit, as adjusted for the offset amount, if any.

(c) If the available balance in the eligible person's account in the individual retirement account plan plus the offset amount, if any, is less than the amount needed to cover the cost to purchase the maximum past service credit, the eligible person must:

(1) direct the transfer of funds from the eligible person's account in the higher education supplemental retirement plan established under chapter 354C, from a source specified in section 356.441, subdivision 1, or from more than one of the foregoing sources in an amount, in total, sufficient to cover the rest of the cost to purchase the maximum past service credit; or

(2) elect fewer years or partial years of service credit corresponding to the amount of service credit that may be purchased using the funds transferred from the individual retirement account plan, the offset amount, and if directed by the eligible person, funds from any of the sources described in clause (1).

(d) Minnesota State must promptly initiate the transfer of funds or work with the eligible person to initiate the transfer of funds to the Teachers Retirement Association from the eligible person's account in the individual retirement account plan and, if directed by the eligible person under paragraph (c), from any other account over which Minnesota State has the authority to initiate or approve transfers when directed by a participant.

(e) Unless the balance in the IRAP to TRA transfer account is zero, Minnesota State must direct a transfer to the Teachers Retirement Association of an amount that is equal to the offset amount attributable to the eligible person. If the balance in the IRAP to TRA transfer account is less than the amount needed to transfer the offset amount, Minnesota State must direct a transfer of the remaining balance in the IRAP to TRA transfer account to the Teachers Retirement Association.

Subd. 7. **Commencement of membership in the Teachers Retirement Association.** (a) Upon receipt by the Teachers Retirement Association of the transfer or transfers under subdivision 6, the eligible person's membership in the Teachers Retirement Association commences effective as of the transfer date and the executive director must grant past service credit to the eligible person.

(b) The executive director may adjust the amount of past service credit granted to the eligible person as necessary to ensure that the Teachers Retirement Association does not receive less than required to cover the cost of the past service credit granted.

(c) Upon membership commencement, the eligible person ceases to be an active participant in the individual retirement account plan.

(d) Upon membership commencement, the person's membership status is irrevocable. Neither Minnesota State nor the Teachers Retirement Association may seek to revoke the eligible person's membership status due to events, including but not limited to Minnesota

7.1 State producing documentation that would have previously disqualified the person as an
7.2 eligible person under subdivision 3.

7.3 Subd. 8. **Service credit for vesting.** The Teachers Retirement Association must grant
7.4 service credit to the eligible person for all years or partial years of service with Minnesota
7.5 State for the purpose of vesting in a retirement annuity under section 354.44 or in a retirement
7.6 benefit under section 354.46 or 354.48.

7.7 Subd. 9. **Notice to employees.** No later than March 31, 2025, and periodically thereafter,
7.8 Minnesota State must provide notice to all employees summarizing this section and offer
7.9 assistance to any eligible person who wishes to elect to transfer coverage from the individual
7.10 retirement account plan to the Teachers Retirement Association. Minnesota State must
7.11 designate personnel responsible for assisting employees with the requirements of this section.
7.12 The notice must identify these personnel and provide their contact information.

7.13 Subd. 10. **Annual report required.** The chancellor and the executive director must
7.14 submit an annual report to the Legislative Commission on Pensions and Retirement stating
7.15 the number of employees who elected a transfer during the prior calendar year. Without
7.16 identifying any eligible person, the report must include for each eligible person the total
7.17 amount transferred by the eligible person from the eligible person's account in the individual
7.18 retirement account plan and other sources to purchase past service credit and the offset
7.19 amount, if any. The report must be submitted to the Legislative Commission on Pensions
7.20 and Retirement no later than January 31 of each year.

7.21 Subd. 11. **IRAP to TRA transfer account created.** (a) The IRAP to TRA transfer
7.22 account is created in the special revenue fund.

7.23 (b) Minnesota State must use the money in the IRAP to TRA transfer account established
7.24 under paragraph (a) to transfer amounts required by subdivision 6, paragraph (e), until the
7.25 balance in the account is zero.

7.26 **EFFECTIVE DATE.** (a) Subdivisions 1 to 10 are effective January 1, 2025.

7.27 (b) Subdivision 11 is effective July 1, 2024.

7.28 Sec. 7. Laws 2022, chapter 65, article 3, section 1, subdivision 2, is amended to read:

7.29 Subd. 2. ~~Three-year~~ **Temporary suspension of earnings limitation for teachers**
7.30 **covered by TRA and SPTRFA.** (a) Notwithstanding Minnesota Statutes, section 354.44,
7.31 subdivision 5, no portion of a reemployed teacher's annuity paid under Minnesota Statutes,
7.32 chapter 354, shall be deferred regardless of the amount of the salary earned from the teaching
7.33 service during the preceding fiscal year. This paragraph applies only to salary earned during

fiscal years 2022, 2023, ~~and 2024~~, 2025, 2026, and 2027 and annuity payments made during calendar years 2023, 2024, ~~and 2025~~, 2026, 2027, and 2028.

(b) Notwithstanding Minnesota Statutes, section 354A.31, subdivision 3, no portion of a reemployed teacher's annuity paid under Minnesota Statutes, chapter 354A, shall be deferred or forfeited regardless of the amount of the salary earned from the teaching service during the preceding calendar year. This ~~subdivision~~ paragraph applies only to salary earned during calendar years 2022, 2023, ~~and 2024~~, 2025, 2026, and 2027 and annuity payments made during calendar years 2023, 2024, ~~and 2025~~, 2026, 2027, and 2028.

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

Sec. 8. Laws 2022, chapter 65, article 3, section 1, subdivision 3, is amended to read:

Subd. 3. **Expiration date.** This section expires effective January 1, ~~2026~~ 2029.

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

ARTICLE 2

VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS

Section 1. Minnesota Statutes 2022, section 424A.001, subdivision 4, is amended to read:

Subd. 4. **Relief association.** (a) "Relief association" or "~~volunteer~~ firefighters relief association" means a ~~volunteer~~ firefighters relief association ~~or a volunteer firefighters division or account of a partially salaried and partially volunteer firefighters relief association~~ that is:

(1) organized and incorporated as a nonprofit corporation to provide retirement benefits to volunteer firefighters and paid on-call firefighters under chapter 317A and any laws of the state;

(2) governed by this chapter and sections 424A.091 to 424A.095; and

(3) directly associated with:

(i) a fire department established by municipal ordinance;

(ii) an independent nonprofit firefighting corporation that is organized under the provisions of chapter 317A and that operates primarily for firefighting purposes; or

(iii) a fire department operated as or by a joint powers entity that operates primarily for firefighting purposes.

(b) "Relief association" or "~~volunteer~~ firefighters relief association" does not mean:

(1) the Bloomington Fire Department Relief Association governed by Laws 2013, chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws 1965, chapter 446, as amended; or

(2) the statewide volunteer firefighter plan governed by chapter 353G.

(c) A relief association or ~~volunteer~~ firefighters relief association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 424A.001, subdivision 5, is amended to read:

Subd. 5. **Special fund.** "Special fund" means the special fund of a ~~volunteer~~ firefighters relief association ~~or the account for volunteer firefighters within the special fund of a partially salaried and partially volunteer firefighters relief association.~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 424A.001, subdivision 8, is amended to read:

Subd. 8. **Firefighting service.** "Firefighting service;" ~~if the applicable municipality approves for a fire department that is a municipal department, or if the applicable contracting municipality or municipalities approve for a fire department that is an independent nonprofit firefighting corporation, includes fire department service rendered~~ means duties performed by firefighters and, if approved by the appropriate municipality or municipalities, duties performed by fire prevention personnel.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 4. Minnesota Statutes 2022, section 424A.001, subdivision 9, is amended to read:

Subd. 9. **Separate from active service.** "Separate from active service" means that a firefighter permanently ceases to perform fire suppression duties ~~with a particular volunteer fire department, permanently ceases to perform~~ and fire prevention duties and, permanently ceases to supervise fire suppression duties, and permanently ceases to supervise fire prevention duties with a particular fire department.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 424A.001, is amended by adding a subdivision to read:

Subd. 9b. **Firefighter.** "Firefighter" means a person who is a volunteer firefighter, paid on-call firefighter, part-time firefighter, full-time firefighter, career firefighter, or any combination thereof.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 6. Minnesota Statutes 2022, section 424A.001, subdivision 10, is amended to read:

Subd. 10. **Volunteer firefighter.** "Volunteer firefighter" means a ~~person~~ firefighter who ~~is a member of the applicable fire department or the independent nonprofit firefighting corporation~~ does not receive compensation per call or hour for firefighting services but who may receive reimbursement for expenses, who has a choice of availability in providing services with the fire department, and who is eligible for membership in the applicable a relief association and: associated with the fire department or participates in the statewide volunteer firefighter plan under chapter 353G.

~~(i) is engaged in providing emergency response services or delivering fire education or prevention services as a member of a fire department;~~

~~(ii) is trained in or is qualified to provide fire suppression duties or to provide fire prevention duties under subdivision 8; and~~

~~(iii) meets any other minimum firefighter and service standards established by the fire department or specified in the articles of incorporation or bylaws of the relief association.~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 424A.001, is amended by adding a subdivision to read:

Subd. 10a. **Paid on-call firefighter.** "Paid on-call firefighter" means a firefighter who receives compensation per call or per hour for firefighting services, who has a choice of availability regarding the firefighter's hours or scheduled shifts in providing services with the fire department, and who is eligible for membership in a relief association associated with the fire department or participates in the statewide volunteer firefighter plan under chapter 353G.

EFFECTIVE DATE. This section is effective January 1, 2025.

11.1 Sec. 8. Minnesota Statutes 2022, section 424A.001, is amended by adding a subdivision
11.2 to read:

11.3 Subd. 10b. **Part-time firefighter.** "Part-time firefighter" means a firefighter who receives
11.4 compensation per call or per hour for firefighting services, whose services with the fire
11.5 department are scheduled, who is considered by the firefighter's employer to be in part-time
11.6 employment, and who, as a result of providing firefighting services, is a member or is
11.7 eligible to be a member of the general employees retirement plan or the public employees
11.8 police and fire plan under chapter 353.

11.9 **EFFECTIVE DATE.** This section is effective January 1, 2025.

11.10 Sec. 9. Minnesota Statutes 2022, section 424A.001, is amended by adding a subdivision
11.11 to read:

11.12 Subd. 10c. **Full-time firefighter or career firefighter.** "Full-time firefighter" or "career
11.13 firefighter" means a firefighter who receives compensation per hour or a salary for firefighting
11.14 services, whose services with the fire department are scheduled and who, as a result of
11.15 providing firefighting services, is a member or is eligible to be a member of the general
11.16 employees retirement plan or the public employees police and fire plan under chapter 353.

11.17 **EFFECTIVE DATE.** This section is effective January 1, 2025.

11.18 Sec. 10. Minnesota Statutes 2022, section 424A.003, is amended to read:

11.19 **424A.003 CERTIFICATION OF SERVICE CREDIT.**

11.20 (a) When a municipal fire department, a joint powers fire department, or an independent
11.21 nonprofit firefighting corporation is directly associated with ~~the volunteer~~ a firefighters
11.22 relief association, the fire chief shall certify annually by March 31 the service credit for the
11.23 previous calendar year of each volunteer firefighter and paid on-call firefighter rendering
11.24 active service with the fire department.

11.25 (b) The certification shall be made to an officer of the relief association's board of trustees
11.26 and to the municipal clerk or clerk-treasurer of the largest municipality in population served
11.27 by the associated fire department.

11.28 (c) The fire chief shall notify each volunteer firefighter and paid on-call firefighter
11.29 rendering active service with the fire department of the amount of service credit rendered
11.30 by the firefighter for the previous calendar year. Upon request, the fire chief shall provide
11.31 the firefighter with a written explanation and documentation to support the determination
11.32 of service credit. The service credit notification and a description of the process and deadlines

for the firefighter to challenge the fire chief's determination of service credit must be provided to the firefighter at least 21 days prior to its certification to the relief association and municipality. If the service credit amount is challenged, the fire chief shall accept and consider any additional pertinent information and shall make a final determination of service credit.

(d) The service credit certification must be expressed as the number of completed months of the previous year during which an active volunteer firefighter or paid on-call firefighter rendered at least the minimum level of duties as specified and required by the fire department under the rules, regulations, and policies applicable to the fire department. No more than one year of service credit may be certified for a calendar year.

(e) If a volunteer firefighter or paid on-call firefighter who is a member of the relief association leaves active firefighting service to render active military service that is required to be governed by the federal Uniformed Services Employment and Reemployment Rights Act, as amended, the firefighter must be certified as providing service credit for the period of the military service, up to the applicable limit of the federal Uniformed Services Employment and Reemployment Rights Act. If the volunteer firefighter or paid on-call firefighter does not return from the military service in compliance with the federal Uniformed Services Employment and Reemployment Rights Act, the service credits applicable to that military service credit period are forfeited and canceled at the end of the calendar year in which the time limit set by federal law occurs.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 11. Minnesota Statutes 2022, section 424A.01, subdivision 1, is amended to read:

Subdivision 1. ~~Minors~~ **Membership eligibility.** ~~No volunteer~~ (a) A firefighter or any volunteer emergency medical personnel is eligible for membership in a firefighters relief association associated with a if the firefighter or volunteer emergency medical personnel satisfies the requirements of paragraph (b) or (c), as applicable, and is not otherwise prohibited from membership under this chapter.

(b) To be eligible for membership in a relief association, a firefighter must be a member of the fire department and:

(1) provide services as a volunteer firefighter or as a paid on-call firefighter, although the firefighter need not exclusively provide services as either a volunteer firefighter or a paid on-call firefighter;

13.1 (2) be engaged in providing emergency response services or delivering fire education
 13.2 or prevention services as a member of a fire department;

13.3 (3) be trained in or qualified to provide fire suppression duties or to provide fire
 13.4 prevention duties; and

13.5 (4) meet any other minimum firefighter and service standards established by the fire
 13.6 department or specified in the articles of incorporation or bylaws of the firefighters relief
 13.7 association.

13.8 (c) A volunteer emergency medical personnel is eligible to be a member of the firefighters
 13.9 relief association and to qualify for a service pension or other benefit coverage of the relief
 13.10 association on the same basis as fire department personnel who perform or supervise fire
 13.11 suppression or fire prevention duties if:

13.12 (1) the fire department employs or otherwise uses the services of the person solely as
 13.13 volunteer emergency medical personnel to perform emergency medical response duties or
 13.14 supervise emergency medical response activities;

13.15 (2) the bylaws of the firefighters relief association authorize the volunteer emergency
 13.16 medical personnel's eligibility; and

13.17 (3) the volunteer emergency medical personnel's eligibility is approved by:

13.18 (i) the municipality, a if the fire department is a municipal department;

13.19 (ii) the joint powers entity board, if the fire department is a joint powers entity; or

13.20 (iii) the contracting municipality or municipalities, if the fire department is an independent
 13.21 nonprofit firefighting corporation may include as a.

13.22 (d) Minors are prohibited from membership in a firefighters relief association member
 13.23 a minor serving as a volunteer firefighter.

13.24 **EFFECTIVE DATE.** This section is effective January 1, 2025.

13.25 Sec. 12. Minnesota Statutes 2022, section 424A.01, subdivision 2, is amended to read:

13.26 Subd. 2. **Status of substitute volunteer firefighters.** No person who is serving as a
 13.27 substitute ~~volunteer~~ firefighter may be considered to be a firefighter for purposes of chapter
 13.28 477B or this chapter and no substitute ~~volunteer~~ firefighter is authorized to be a member of
 13.29 any ~~volunteer~~ firefighters relief association governed by chapter 477B or this chapter.

13.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

14.1 Sec. 13. Minnesota Statutes 2022, section 424A.01, subdivision 5, is amended to read:

14.2 Subd. 5. **Fire prevention personnel.** (a) If the applicable municipality or municipalities
14.3 approve, the fire department may employ or otherwise utilize the services of persons as
14.4 ~~volunteer~~ firefighters to perform fire prevention duties and to supervise fire prevention
14.5 activities.

14.6 (b) ~~Personnel~~ Volunteer firefighters and paid on-call firefighters serving in fire prevention
14.7 positions are eligible to be members of the applicable ~~volunteer firefighter~~ firefighters relief
14.8 association and to qualify for service pension or other benefit coverage of the relief
14.9 association on the same basis as fire department personnel who perform fire suppression
14.10 duties.

14.11 (c) ~~Personnel~~ Volunteer firefighters and paid on-call firefighters serving in fire prevention
14.12 positions also are eligible to receive any other benefits under the applicable law or practice
14.13 for services on the same basis as personnel who are employed to perform fire suppression
14.14 duties.

14.15 **EFFECTIVE DATE.** This section is effective January 1, 2025.

14.16 Sec. 14. Minnesota Statutes 2022, section 424A.015, subdivision 1, is amended to read:

14.17 Subdivision 1. **Separation from active service; exception.** (a) No service pension is
14.18 payable to a person while the person remains an active member of the respective fire
14.19 department, and a person who is receiving a service pension is not entitled to receive any
14.20 other benefits from the special fund of the relief association.

14.21 (b) No relief association as defined in section 424A.001, subdivision 4, may pay a service
14.22 pension or disability benefit to a former member of the relief association if that person has
14.23 not separated from active service with the fire department to which the relief association is
14.24 directly associated, unless:

14.25 (1) the person discontinues volunteer firefighter and paid on-call firefighter duties with
14.26 the fire department and performs duties within the fire department on a part-time or full-time
14.27 basis;

14.28 (2) the governing body of the municipality, of the independent nonprofit firefighting
14.29 corporation, or of the joint powers entity has filed its determination with the board of trustees
14.30 of the relief association that the person's experience with and service to the fire department
14.31 in that person's part-time or full-time capacity would be difficult to replace; and

15.1 (3) the bylaws of the relief association were amended to provide for the payment of a
15.2 service pension or disability benefit for such part-time or full-time employees.

15.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

15.4 Sec. 15. Minnesota Statutes 2022, section 424A.015, subdivision 5, is amended to read:

15.5 Subd. 5. **Minnesota deferred compensation plan transfers.** A relief association may
15.6 directly transfer on an institution-to-institution basis the eligible member's lump-sum pension
15.7 amount to the requesting member's account in the Minnesota deferred compensation plan,
15.8 if:

15.9 (1) the governing articles of incorporation or bylaws so provide;

15.10 (2) the ~~volunteer~~ firefighter participates in the Minnesota deferred compensation plan
15.11 at the time of retirement; and

15.12 (3) the applicable retiring firefighter requests in writing that the relief association do so.

15.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

15.14 Sec. 16. Minnesota Statutes 2022, section 424A.015, subdivision 7, is amended to read:

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

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

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

15.21 (3) the member otherwise qualifies.

15.22 (b) A member receiving a service pension under this subdivision must be at least partially
15.23 vested under the bylaws of the first participating relief association on the date on which the
15.24 member terminates active service with that relief association. The service pension paid from
15.25 the first participating relief association shall be based on the years of active service accrued
15.26 in the first relief association and the vesting percentage applicable to those years of active
15.27 service.

15.28 (c) To receive a service pension from each subsequent relief association, the member
15.29 must be at least partially vested under the bylaws of the subsequent relief association, taking
15.30 into consideration the member's total service credit accrued in all participating relief

associations to the date the member terminates active service with the subsequent relief association. The service pension paid from each subsequent relief association shall be based on the years of active service accrued solely in that relief association and the vesting percentage applicable to the combined amount of total service credit accrued in all of the participating relief associations.

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

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

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

(e) To receive a service pension under this subdivision, the member must become a member of the subsequent relief association within two years of the date of termination of active service with the prior relief association. If requested by the member or a subsequent relief association, the secretary of each prior relief association must provide written notice to the member and the subsequent relief association regarding the amount of active service accrued by the member in the prior relief association.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 17. Minnesota Statutes 2022, section 424A.016, subdivision 2, is amended to read:

Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a defined contribution service pension to each of its members who:

(1) separates from active service with the fire department;

(2) reaches age 50;

(3) completes at least five years of active service as an active member of the fire department to which the relief association is associated;

(4) completes at least five years of active membership with the relief association before separation from active service; and

(5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the date of the payment of the service pension. During the period of inactive membership, the member is not entitled to receive any disability benefit coverage, is not entitled to receive additional individual account allocation of fire state aid or municipal contribution ~~towards~~ toward a service pension, and is considered to have the status of a person entitled to a deferred service pension.

(c) The service pension earned by a ~~volunteer~~ firefighter under this chapter and the articles of incorporation and bylaws of the relief association may be paid whether or not the municipality or independent nonprofit firefighting corporation to which the relief association is associated qualifies for the receipt of fire state aid under chapter 477B.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 18. Minnesota Statutes 2022, section 424A.016, subdivision 6, is amended to read:

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

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

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

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

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

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

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

(e) Unless the bylaws provide differently, ~~the dates that will be used by a relief association in determining the creditable amount of interest or additional investment performance on a~~ must be allocated to each deferred member account beginning on the date that the member separates from active service and membership and ending on the last date that the deferred member account is valued before the final distribution of the deferred service pension shall be as follows:

~~(1) for a relief association that has elected to credit interest or additional investment performance under paragraph (c), clause (1) or (3), beginning on the date that the member separates from active service and membership and ending on the accounting date immediately before the deferred member commences receipt of the deferred service pension; or~~

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

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 19. Minnesota Statutes 2022, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** (a) A defined benefit relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a defined benefit service pension to each of its members who: (1) separates from active service with

the fire department; (2) reaches age 50; (3) completes at least five years of active service as an active member of the fire department to which the relief association is associated; (4) completes at least five years of active membership with the relief association before separation from active service; and (5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association. A service pension computed under this section may be prorated monthly for fractional years of service as the bylaws or articles of incorporation of the relief association so provide. The bylaws or articles of incorporation may define a "month," but the definition must require a calendar month to have at least 16 days of active service. If the bylaws or articles of incorporation do not define a "month," a "month" is a completed calendar month of active service measured from the member's date of entry to the same date in the subsequent month. The service pension earned by a ~~volunteer~~ firefighter under this chapter and the articles of incorporation and bylaws of the ~~volunteer~~ firefighters relief association may be paid whether or not the municipality or independent nonprofit firefighting corporation to which the relief association is associated qualifies for the receipt of fire state aid under chapter 477B.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the date of the payment of the service pension. During the period of inactive membership, the member is not entitled to receive disability benefit coverage, is not entitled to receive additional service credit ~~towards~~ toward computation of a service pension, and is considered to have the status of a person entitled to a deferred service pension under subdivision 7.

(c) No municipality, independent nonprofit firefighting corporation, or joint powers entity may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level that this chapter would allow rather than a specific dollar amount or level.

EFFECTIVE DATE. This section is effective January 1, 2025.

20.1 Sec. 20. Minnesota Statutes 2022, section 424A.02, subdivision 3, is amended to read:

20.2 Subd. 3. **Determining maximum pension benefit.** (a) Except as provided in paragraph
20.3 (b) and section 424B.22, subdivision 4, a defined benefit relief association may not set in
20.4 its bylaws a service pension amount above the following maximum amounts:

20.5 (1) for a defined benefit relief association in which the governing bylaws provide for a
20.6 monthly service pension, the maximum monthly service pension amount per month for each
20.7 year of service credited is the lesser of \$100 or the maximum monthly service pension
20.8 amount that could be adopted by the relief association as a bylaws amendment that satisfies
20.9 section 424A.093, subdivision 6, paragraph (d); and

20.10 (2) for a defined benefit relief association in which the governing bylaws provide for a
20.11 lump-sum service pension, the maximum lump-sum service pension amount for each year
20.12 of service credited is the lesser of \$15,000 or the maximum lump-sum service pension
20.13 amount that could be adopted by the relief association as a bylaws amendment that satisfies
20.14 section 424A.092, subdivision 6, paragraph (e).

20.15 (b) A defined benefit relief association may set in its bylaws a service pension amount
20.16 that is not greater than the maximum amounts in clause (1) or (2), as applicable, but only
20.17 if the service pension amount has been ratified by the municipality.

20.18 (1) For a defined benefit relief association that pays a monthly service pension, the
20.19 maximum monthly service pension amount per month for each year of service credited is
20.20 \$100.

20.21 (2) For a defined benefit relief association that pays a lump-sum service pension, the
20.22 maximum lump-sum service pension amount for each year of service credited is \$15,000.

20.23 (c) The method of calculating service pensions must be applied uniformly for all years
20.24 of active service. Credit must be given for all years of active service, unless the bylaws of
20.25 the relief association provide that service credit is not given for:

20.26 (1) years of active service in excess of caps on service credit; or

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

20.28 (i) has ceased duties as a volunteer firefighter and paid on-call firefighter with the fire
20.29 department before becoming vested under subdivision 2; and

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

21.1 **EFFECTIVE DATE.** This section is effective January 1, 2025.

21.2 Sec. 21. Minnesota Statutes 2022, section 424A.02, subdivision 7, is amended to read:

21.3 Subd. 7. **Deferred service pensions.** (a) A member of a defined benefit relief association
21.4 is entitled to a deferred service pension if the member separates from active service and
21.5 membership and has completed the minimum service and membership requirements in
21.6 subdivision 1. The requirement that a member separate from active service and membership
21.7 is waived for persons who have discontinued their volunteer firefighter and paid on-call
21.8 firefighter duties and who are employed on a part-time or full-time basis under section
21.9 424A.015, subdivision 1.

21.10 (b) The deferred service pension is payable when the former member reaches at least
21.11 age 50, or at least the minimum age specified in the bylaws governing the relief association
21.12 if that age is greater than age 50, and when the former member makes a valid written
21.13 application.

21.14 (c) A defined benefit relief association that provides a lump-sum service pension governed
21.15 by subdivision 2c may, when its governing bylaws so provide, credit interest on the deferred
21.16 lump-sum service pension during the period of deferral. If provided for in the bylaws, interest
21.17 must be credited in one of the following manners:

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

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

21.24 (3) at an interest rate of up to five percent, compounded annually, as set by the board of
21.25 trustees.

21.26 (d) Any change in the interest rate set by the board of trustees under paragraph (c), clause
21.27 (3), must be ratified by the governing body of the municipality or joint powers entity served
21.28 by the fire department to which the relief association is directly associated, or by the
21.29 independent nonprofit firefighting corporation, as applicable.

21.30 (e) Interest under paragraph (c), clause (3), is credited beginning on the January 1 next
21.31 following the date on which the deferred service pension interest rate as set by the board of
21.32 trustees was ratified by the governing body of the municipality or joint powers entity served

by the fire department to which the relief association is directly associated, or by the independent nonprofit firefighting corporation, as applicable.

(f) Unless the bylaws of a relief association that has elected to credit interest or additional investment performance on deferred lump-sum service pensions under paragraph (c) specifies a different interest or additional investment performance method, including the interest or additional investment performance period starting date and ending date, the interest or additional investment performance on a deferred service pension is creditable as follows:

(1) for a relief association that has elected to credit interest or additional investment performance under paragraph (c), clause (1) or (3), beginning on the first day of the month next following the date on which the member separates from active service and membership and ending on the last day of the month immediately before the month in which the deferred member commences receipt of the deferred service pension; or

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

(g) For a deferred service pension that is transferred to a separate account established and maintained by the relief association or separate investment vehicle held by the relief association, the deferred member bears the full investment risk subsequent to transfer and in calculating the accrued liability of the ~~volunteer~~ firefighters relief association that pays a lump-sum service pension, the accrued liability for deferred service pensions is equal to the separate relief association account balance or the fair market value of the separate investment vehicle held by the relief association.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 22. Minnesota Statutes 2022, section 424A.02, subdivision 9, is amended to read:

Subd. 9. **Limitation on ancillary benefits.** A defined benefit relief association, ~~including any volunteer firefighters relief association governed by Laws 2013, chapter 111, article 5, sections 31 to 42, or any volunteer firefighters division of a relief association governed by chapter 424, and the Bloomington Fire Department Relief Association~~ may only pay ancillary benefits ~~which~~ that would constitute an authorized disbursement as specified in section 424A.05 subject to the following requirements or limitations:

(1) with respect to a defined benefit relief association in which governing bylaws provide solely for a lump-sum service pension to a retiring member, or provide a retiring member the choice of either a lump-sum service pension or a monthly service pension and the lump-sum service pension was chosen, no ancillary benefit may be paid to any former member or paid to any person on behalf of any former member after the former member (i) terminates active service with the fire department and active membership in the relief association; and (ii) commences receipt of a service pension as authorized under this section; and

(2) with respect to any defined benefit relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service pension of the member or former member. The total earned service pension must be calculated by multiplying the service pension amount specified in the bylaws of the relief association at the time of death or disability, whichever applies, by the years of service credited to the member or former member. The years of service must be determined as of (i) the date the member or former member became entitled to the ancillary benefit; or (ii) the date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The ancillary benefit must be calculated without regard to whether the member had attained the minimum amount of service and membership credit specified in the governing bylaws. For active members, the amount of a permanent disability benefit or a survivor benefit must be equal to the member's total earned service pension except that the bylaws of a defined benefit relief association may provide for the payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified in the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated. For deferred members, the amount of a permanent disability benefit or a survivor benefit must be calculated using the service pension amount in effect on the date specified in section 424A.015, subdivision 6, unless the bylaws of the relief association specify a different service pension amount to be used for the calculation.

(3)(i) If a lump sum survivor or death benefit is payable under the articles of incorporation or bylaws, the benefit must be paid:

(A) as a survivor benefit to the surviving spouse of the deceased firefighter;

(B) as a survivor benefit to the surviving children of the deceased firefighter if no surviving spouse;

24.1 (C) as a survivor benefit to a designated beneficiary of the deceased firefighter if no
24.2 surviving spouse or surviving children; or

24.3 (D) as a death benefit to the estate of the deceased active or deferred firefighter if no
24.4 surviving children and no beneficiary designated.

24.5 (ii) If there are no surviving children, the surviving spouse may waive, in writing, wholly
24.6 or partially, the spouse's entitlement to a survivor benefit.

24.7 (4)(i) If a monthly benefit survivor or death benefit is payable under the articles of
24.8 incorporation or bylaws, the benefit must be paid:

24.9 (A) as a survivor benefit to the surviving spouse of the deceased firefighter;

24.10 (B) as a survivor benefit to the surviving children of the deceased firefighter if no
24.11 surviving spouse;

24.12 (C) as a survivor benefit to a designated beneficiary of the deceased firefighter if no
24.13 surviving spouse or surviving children; or

24.14 (D) as a death benefit to the estate of the deceased active or deferred firefighter if no
24.15 surviving spouse, no surviving children, and no beneficiary designated.

24.16 (ii) If there are no surviving children, the surviving spouse may waive, in writing, wholly
24.17 or partially, the spouse's entitlement to a survivor benefit.

24.18 (iii) For purposes of this clause, if the relief association bylaws authorize a monthly
24.19 survivor benefit payable to a designated beneficiary, the relief association bylaws may limit
24.20 the total survivor benefit amount payable.

24.21 (5) For purposes of this section, for a monthly benefit ~~volunteer fire~~ firefighters relief
24.22 association or for a combination lump-sum and monthly benefit ~~volunteer fire~~ firefighters
24.23 relief association where a monthly benefit service pension has been elected by or a monthly
24.24 benefit is payable with respect to a firefighter, a designated beneficiary must be a natural
24.25 person. For purposes of this section, for a lump-sum ~~volunteer fire~~ firefighters relief
24.26 association or for a combination lump-sum and monthly benefit ~~volunteer fire~~ firefighters
24.27 relief association where a lump-sum service pension has been elected by or a lump-sum
24.28 benefit is payable with respect to a firefighter, a trust created under chapter 501C may be
24.29 a designated beneficiary. If a trust is payable to the surviving children organized under
24.30 chapter 501C as authorized by this section and there is no surviving spouse, the survivor
24.31 benefit may be paid to the trust, notwithstanding a requirement of this section to the contrary.

24.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

25.1 Sec. 23. Minnesota Statutes 2022, section 424A.021, is amended to read:

25.2 **424A.021 CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED**
25.3 **SERVICE.**

25.4 Subdivision 1. **Authorization.** Subject to restrictions stated in this section, a volunteer
25.5 firefighter or paid on-call firefighter who is absent from firefighting service due to service
25.6 in the uniformed services, as defined in United States Code, title 38, section 4303(13), may
25.7 obtain service credit if the relief association is a defined benefit plan or an allocation by the
25.8 relief association as though the person was an active member if the relief association is a
25.9 defined contribution plan for the period of the uniformed service, not to exceed five years,
25.10 unless a longer period is required under United States Code, title 38, section 4312.

25.11 Subd. 2. **Limitations.** (a) To be eligible for service credit or an allocation as though an
25.12 active member under this section, the ~~volunteer~~ firefighter must return to firefighting service
25.13 with coverage by the same relief association or by the successor to that relief association
25.14 upon discharge from service in the uniformed service within the time frame required in
25.15 United States Code, title 38, section 4312(e).

25.16 (b) Service credit or an allocation as though an active member is not authorized if the
25.17 firefighter separates from uniformed service with a dishonorable or bad conduct discharge
25.18 or under other than honorable conditions.

25.19 (c) Service credit or an allocation as though an active member is not authorized if the
25.20 firefighter fails to provide notice to the fire department that the individual is leaving to
25.21 provide service in the uniformed service, unless it is not feasible to provide that notice due
25.22 to the emergency nature of the situation.

25.23 **EFFECTIVE DATE.** This section is effective January 1, 2025.

25.24 Sec. 24. Minnesota Statutes 2022, section 424A.092, subdivision 6, is amended to read:

25.25 Subd. 6. **Municipal ratification for bylaws amendments.** (a) The board of trustees of
25.26 a relief association may adopt an amendment to the articles of incorporation or bylaws that
25.27 increases the coverage, service pensions, or retirement benefits provided by the relief
25.28 association only after preparing an estimate of the expected ~~increase in the financial~~
25.29 ~~requirements and change to the~~ accrued liability and the overall funding balance of the
25.30 special fund resulting from the amendment.

25.31 (b) For purposes of this subdivision, ~~"financial requirements"~~ "overall funding balance"
25.32 means the amount of the surplus or deficit calculated under subdivision 3, paragraph (e).

26.1 (b). "Accrued liability" means the amount calculated under subdivision 2 or 2a, as applicable.

26.2 "Estimate" means the estimate required in paragraph (a).

26.3 (c) If the special fund of a relief association to which this section applies ~~does not have~~
26.4 ~~a surplus over~~ has a deficit from full funding under subdivision 3, paragraph (e) ~~(b)~~, clause
26.5 ~~(5) (3), and or~~ if the municipality is ~~required to provide financial support to the special fund~~
26.6 ~~under this section~~ has a minimum obligation under subdivision 3, paragraph (d), the board
26.7 ~~of trustees of the relief association may adopt an~~ any amendment to the articles of
26.8 incorporation or bylaws adopted by the board of trustees that increases the coverage, service
26.9 pensions, or retirement benefits provided by the relief association. ~~The amendment~~ is not
26.10 effective until it is ratified by the governing body of the affiliated municipality or independent
26.11 nonprofit firefighting corporation, as applicable. The governing body may ratify ~~such~~ the
26.12 amendment only if the relief association has delivered to the governing body the estimate
26.13 described in paragraphs (a) and (b), certified by an officer of the relief association.

26.14 (d) If the special fund of a relief association to which this section applies is fully funded
26.15 or has a surplus over full funding under subdivision 3, paragraph (e) ~~(b)~~, clause ~~(5) (3)~~, and
26.16 if the municipality is ~~not required to provide financial support~~ does not have a minimum
26.17 obligation under subdivision 3, paragraph (d), to the special fund under this section, the
26.18 relief association may adopt an amendment to the articles of incorporation or bylaws that
26.19 increases the coverage, service pensions, or retirement benefits provided by the relief
26.20 association. ~~(1) The amendment is effective if the municipality ratifies the amendment. (2)~~
26.21 ~~The amendment is effective without municipal ratification if~~ or, in the absence of municipal
26.22 ratification, the amendment satisfies paragraph (e).

26.23 (e) An amendment satisfies this paragraph if the estimate described in paragraphs (a)
26.24 and (b) demonstrates that the amendment will not cause:

26.25 (1) the amount of the resulting increase in the accrued liability of the special fund to
26.26 exceed 90 percent of the amount of the surplus over full funding reported in the prior year;
26.27 ~~and~~

26.28 ~~(2) the financial requirements of the special fund to exceed the expected amount of the~~
26.29 ~~future fire state aid and police and firefighter retirement supplemental state aid to be received~~
26.30 ~~by the relief association.~~ an increase in the minimum obligation of the municipality for the
26.31 upcoming calendar year under subdivision 3, paragraph (d); and

26.32 (3) the special fund of the relief association to have a deficit from full funding under
26.33 subdivision 3, paragraph (c), clause (5), on the day immediately following the adoption of
26.34 the amendment.

(f) If a relief association amends the articles of incorporation or bylaws without municipal ratification under this subdivision, and, subsequent to the amendment, the ~~financial requirements of the special fund of the relief association under this section are such so as to require financial support from~~ minimum obligation of the municipality under subdivision 3, paragraph (d), increases, the provision ~~which that~~ was implemented without municipal ratification is no longer effective ~~and~~ on July 31. Any service pensions or retirement benefits payable after that date may be paid only in accordance with the articles of incorporation or bylaws as amended with municipal ratification.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 25. Minnesota Statutes 2022, section 424A.093, subdivision 6, is amended to read:

Subd. 6. Municipal ratification for bylaws amendments. (a) The board of trustees of a relief association may adopt an amendment to the articles of incorporation or bylaws that increases the coverage, service pensions, or retirement benefits provided by the relief association only after the board of trustees has had an updated actuarial valuation including the proposed change or an estimate of the expected actuarial impact of the proposed change prepared by the actuary of the relief association.

(b) If the special fund of a relief association to which this section applies ~~does not have a surplus over~~ has a deficit from full funding under subdivision 4, and or if the municipality ~~is required to provide financial support to the special fund~~ has a minimum obligation under this section subdivision 5, the board of trustees of the relief association may adopt an any amendment to the articles of incorporation or bylaws adopted by the board of trustees that increases the coverage, service pensions, or retirement benefits provided by the relief association. ~~The amendment~~ is not effective until it is ratified by the governing body of the affiliated municipality or independent nonprofit firefighting corporation, as applicable. The governing body may ratify ~~such~~ the amendment only if the relief association has delivered to the governing body the actuarial valuation or estimate described in paragraph (a), certified by an officer of the relief association.

(c) If the special fund of a relief association to which this section applies is fully funded or has a surplus over full funding under subdivision 4, and if the municipality ~~is~~ does not ~~required to provide financial support to the special fund~~ have a minimum obligation under this section subdivision 5, the relief association may adopt an amendment to the articles of incorporation or bylaws that increases the coverage, service pensions, or retirement benefits provided by the relief association. The amendment is effective:

(1) if the municipality ratifies the amendment; or

28.1 (2) without municipal ratification if the amendment satisfies paragraph (d).

28.2 (d) An amendment satisfies this paragraph if the actuarial valuation or estimate described
28.3 in paragraph (a) demonstrates that the amendment will not cause:

28.4 (1) the amount of the resulting increase in the accrued liability of the special fund to
28.5 exceed 90 percent of the amount of the surplus over full funding reported in the prior year;
28.6 ~~and~~

28.7 ~~(2) the financial requirements of the special fund to exceed the expected amount of the~~
28.8 ~~future fire state aid and police and firefighter retirement supplemental state aid to be received~~
28.9 ~~by the relief association.~~ an increase in the minimum obligation of the municipality for the
28.10 upcoming calendar year; and

28.11 (3) the special fund of the relief association to have a deficit from full funding under
28.12 subdivision 4 on the day immediately following the adoption of the amendment.

28.13 (e) If a relief association amends its articles of incorporation or bylaws without municipal
28.14 ratification pursuant to this subdivision; and, subsequent to the amendment, the ~~financial~~
28.15 ~~requirements of the special fund of the relief association under this section are such so as~~
28.16 ~~to require financial support from~~ minimum obligation of the municipality increases under
28.17 this section, the provision ~~which that~~ was implemented without municipal ratification is no
28.18 longer effective ~~and~~ on July 31. Any service pensions or retirement benefits payable after
28.19 that date may be paid only in accordance with the articles of incorporation or bylaws as
28.20 amended with municipal ratification.

28.21 **EFFECTIVE DATE.** This section is effective January 1, 2025.

28.22 Sec. 26. Minnesota Statutes 2022, section 424A.094, subdivision 1, is amended to read:

28.23 Subdivision 1. **Authorized inclusion in fire state aid program; covered nonprofit**
28.24 **corporations.** (a) This section applies to any independent nonprofit firefighting corporation
28.25 incorporated or organized under chapter 317A ~~which that~~: (1) operates exclusively for
28.26 firefighting purposes; (2) ~~which~~ is composed of volunteer firefighters, paid on-call
28.27 firefighters, or both volunteer firefighters and paid on-call firefighters; and (3) ~~which~~ has
28.28 a duly established separate subsidiary incorporated firefighters relief association ~~which that~~
28.29 provides retirement coverage for or pays a service pension to a retired firefighter or a
28.30 retirement benefit to a surviving dependent of either an active or a retired firefighter, and
28.31 ~~which that~~ is subject to the applicable provisions of chapter 424A.

28.32 (b) Notwithstanding any law to the contrary, a municipality contracting with an
28.33 independent nonprofit firefighting corporation must be included in the distribution of fire

29.1 state aid to the appropriate county auditor by the state auditor only if the independent
29.2 nonprofit firefighting corporation complies with the provisions of this section.

29.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

29.4 Sec. 27. Minnesota Statutes 2022, section 424A.095, subdivision 2, is amended to read:

29.5 Subd. 2. **Investment report.** (a) Annually, the state auditor must provide an investment
29.6 report to each relief association that has complied with the reporting requirements under
29.7 section 356.219, subdivisions 1 and 3. The investment report must contain the following
29.8 information:

29.9 (1) the relief association's average annual rates of return for at least the previous one-,
29.10 three-, five-, ten-, 15-, and 20-year periods for which the state auditor has investment
29.11 information;

29.12 (2) the relief association's asset allocation;

29.13 (3) the average annual one-year and ten-year benchmark rates of return;

29.14 (4) the average annual one-year and ten-year rates of return for the statewide volunteer
29.15 firefighter plan;

29.16 (5) the one-year and ten-year average annual rates of return for the State Board of
29.17 Investment supplemental investment fund; and

29.18 (6) a graphical comparison between:

29.19 (i) the relief association's average annual rates of return for the previous year and for
29.20 the previous multiyear periods provided under clause (1); and

29.21 (ii) the average annual rates of return for the same periods for the supplemental investment
29.22 fund's balanced fund or any successor fund.

29.23 (b) The state auditor shall select the benchmark rates of return based on the best practice
29.24 in the industry.

29.25 (c) An officer of the relief association's board of trustees must certify to the state auditor
29.26 that the board reviewed the investment report. The certification must accompany the audited
29.27 financial statements or detailed financial statement under section 424A.014, subdivision 1
29.28 or 2, whichever applies. A copy of the report must be kept on file by the relief association
29.29 and must be available for inspection by any member of the public.

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

Sec. 28. Minnesota Statutes 2022, section 424A.10, is amended to read:

424A.10 STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.

Subdivision 1. **Definitions.** For purposes of this section:

(1) "qualified recipient" means a ~~volunteer~~ firefighter who receives a lump-sum distribution of pension or retirement benefits from a ~~volunteer~~ firefighters relief association or from the statewide volunteer firefighter plan; and

(2) "survivor of a deceased active or deferred ~~volunteer~~ firefighter" means the surviving spouse of a deceased active or deferred ~~volunteer~~ firefighter or, if none, the surviving child or children of a deceased active or deferred ~~volunteer~~ firefighter, or, if none, the designated beneficiary of the deceased active or deferred ~~volunteer~~ firefighter, or, if no beneficiary has been designated, the estate of the deceased active or deferred ~~volunteer~~ firefighter;

~~(3) "active volunteer firefighter" means a person who:~~

~~(i) regularly renders fire suppression service, the performance or supervision of authorized fire prevention duties, or the performance or supervision of authorized emergency medical response activities for a fire department;~~

~~(ii) has met the statutory and other requirements for relief association membership; and~~

~~(iii) is deemed by the relief association under law and its bylaws to be a fully qualified member of the relief association or from the statewide volunteer firefighter plan for at least one month;~~

~~(4) "deferred volunteer firefighter" means a former active volunteer firefighter who:~~

~~(i) terminated active firefighting service, the performance or supervision of authorized fire prevention duties, or the performance or supervision of authorized emergency medical response activities; and~~

~~(ii) has sufficient service credit from the applicable relief association or from the statewide volunteer firefighter plan to be entitled to a service pension under the bylaws of the relief association, but has not applied for or has not received the service pension; and~~

~~(5) "volunteer firefighter" includes an individual whose services were utilized to perform or supervise fire prevention duties if authorized under section 424A.01, subdivision 5, and individuals whose services were used to perform emergency medical response duties or supervise emergency medical response activities if authorized under section 424A.01, subdivision 5a.~~

31.1 **Subd. 2. Payment of supplemental benefit.** (a) Upon the payment by a ~~volunteer~~
31.2 firefighters relief association or by the statewide volunteer firefighter plan of a lump-sum
31.3 distribution to a qualified recipient, the association or retirement plan, as applicable, must
31.4 pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary,
31.5 the relief association must pay the supplemental benefit out of its special fund and the
31.6 statewide volunteer firefighter plan must pay the supplemental benefit out of the statewide
31.7 volunteer firefighter plan. This benefit is an amount equal to ten percent of the regular
31.8 lump-sum distribution that is paid on the basis of the recipient's service as a ~~volunteer~~
31.9 firefighter. In no case may the amount of the supplemental benefit exceed \$1,000. A
31.10 supplemental benefit under this paragraph may not be paid to a survivor of a deceased ~~active~~
31.11 ~~or deferred volunteer~~ firefighter in that capacity.

31.12 (b) Upon the payment by a relief association or the retirement plan of a lump-sum
31.13 survivor benefit to a survivor of a deceased ~~active volunteer firefighter or of a deceased~~
31.14 ~~deferred volunteer~~ firefighter, the association or retirement plan, as applicable, must pay a
31.15 supplemental survivor benefit to the survivor of the deceased ~~active or deferred volunteer~~
31.16 firefighter from the special fund of the relief association and the retirement plan must pay
31.17 a supplemental survivor benefit to the survivor of the deceased ~~active or deferred volunteer~~
31.18 firefighter from the retirement fund if chapter 353G so provides. The amount of the
31.19 supplemental survivor benefit is 20 percent of the survivor benefit, but not to exceed \$2,000.

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

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

31.26 (e) If a qualified recipient receives more than one lump-sum distribution, the qualified
31.27 recipient is eligible to receive a supplemental benefit or supplemental survivor benefit,
31.28 whichever is applicable, with each lump-sum distribution. Each supplemental benefit shall
31.29 be calculated pursuant to paragraph (a) or (b), as applicable, and shall be subject to a separate
31.30 limit.

31.31 (f) Qualified recipients who elect to receive their lump-sum distribution in installments
31.32 under section 424A.016, subdivision 5, or 424A.02, subdivision 8, are eligible to receive
31.33 one supplemental benefit calculated on the total lump-sum distribution amount under
31.34 paragraph (a) or (b), as applicable.

Subd. 3. **State reimbursement.** (a) Each year, to be eligible for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year, the ~~volunteer~~ firefighters relief association or the statewide volunteer firefighter plan shall apply to the commissioner of revenue by February 15. By March 15, the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid by the relief association to qualified recipients and to survivors of deceased ~~active or deferred~~ ~~volunteer~~ firefighters.

(b) The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The commissioner of revenue shall reimburse the relief association by paying the reimbursement amount to the treasurer of the municipality where the association is located and shall reimburse the retirement plan by paying the reimbursement amount to the executive director of the Public Employees Retirement Association. Within 30 days after receipt, the municipal treasurer shall transmit the state reimbursement to the treasurer of the association if the association has filed a financial report with the municipality. If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the reimbursement payment to the association until the complete financial report is filed. If the association has dissolved or has been removed as a trustee of state aid, the treasurer shall deposit the money in a special account in the municipal treasury, and the money may be disbursed only for the purposes and in the manner provided in section 424A.08. When paid to the association, the reimbursement payment must be deposited in the special fund of the relief association and when paid to the retirement plan, the reimbursement payment must be deposited in the retirement fund of the plan.

(c) A sum sufficient to make the payments is appropriated from the general fund to the commissioner of revenue.

Subd. 4. **In lieu of income tax exclusion.** (a) The supplemental benefit provided by this section is in lieu of the state income tax exclusion for lump-sum distributions of retirement benefits paid to ~~volunteer~~ firefighters.

(b) If the law is modified to exclude or exempt ~~volunteer~~ firefighters' lump-sum distributions from state income taxation, the supplemental benefits under this section are no longer payable, beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump-sum distribution under section 290.032 or 290.0802.

EFFECTIVE DATE. This section is effective January 1, 2025.

33.1 Sec. 29. Minnesota Statutes 2022, section 424B.22, subdivision 2, is amended to read:

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

33.5 (1) the fire department affiliated with a relief association is dissolved by action of the
33.6 governing body of the municipality in which the fire department is located or by the
33.7 governing body of the independent nonprofit firefighting corporation, whichever applies;
33.8 or

33.9 (2) the fire department affiliated with a relief association has terminated the employment
33.10 or services of all active members of the relief association.

33.11 (b) An involuntary termination of a relief association under this subdivision is effective
33.12 on the December 31 that is at least eight months after the date on which the fire department
33.13 is dissolved or the termination of employment or services of all active members of the relief
33.14 association occurs. The board of trustees must comply with subdivisions 3 and 5 to 12. The
33.15 board of trustees may comply with subdivision 4. The state auditor has the discretion to
33.16 waive these requirements if the board of trustees requests a waiver in advance and provides
33.17 adequate demonstration that meeting these requirements is not practicable.

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

33.21 **EFFECTIVE DATE.** This section is effective January 1, 2025.

33.22 Sec. 30. Minnesota Statutes 2022, section 424B.22, subdivision 10, is amended to read:

33.23 Subd. 10. **Supplemental benefits.** Within 60 days after the distribution of benefits under
33.24 subdivision 8, the municipality or firefighting corporation with which the fire department
33.25 is affiliated shall pay supplemental benefits under section 424A.10 to each participant and
33.26 survivor who satisfies the requirements of section 424A.10, subdivision 2. A supplemental
33.27 benefit is payable to each participant who receives a retirement benefit if the participant is
33.28 at least age 50. A supplemental benefit is payable to each participant or survivor who
33.29 receives, respectively, a disability benefit or survivor benefit without regard to any minimum
33.30 age requirement. The commissioner of revenue shall reimburse the municipality or
33.31 ~~independent nonprofit~~ firefighting corporation for all supplemental benefits paid as provided
33.32 in section 424A.10, subdivision 3.

34.1 **EFFECTIVE DATE.** This section is effective for supplemental benefits reimbursed in
34.2 calendar year 2025 and thereafter.

34.3 Sec. 31. **REVISOR INSTRUCTION.**

34.4 In Minnesota Statutes, the revisor of statutes shall change the terms "volunteer firefighters
34.5 relief association," "volunteer firefighter relief association," "volunteer firefighters' relief
34.6 association," and "volunteer fire relief association" to "firefighters relief association"
34.7 wherever the terms appear. The revisor shall make any necessary grammatical changes or
34.8 changes to sentence structure necessary to preserve the meaning of the text as a result of
34.9 the changes.

34.10 **EFFECTIVE DATE.** This section is effective January 1, 2025.

34.11 Sec. 32. **REPEALER.**

34.12 Minnesota Statutes 2022, section 424A.01, subdivision 5a, is repealed.

34.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

34.14 **ARTICLE 3**

34.15 **STATEWIDE VOLUNTEER FIREFIGHTER PLAN; ADDING A DEFINED**
34.16 **CONTRIBUTION PLAN**

34.17 Section 1. Minnesota Statutes 2022, section 352.1155, subdivision 3, is amended to read:

34.18 Subd. 3. **Service credit prohibition.** Notwithstanding any law to the contrary, a person
34.19 eligible under this section may not, based on employment to which the waiver in this section
34.20 applies, earn further service credit in a Minnesota public defined benefit plan and is not
34.21 eligible to participate in a Minnesota public defined contribution plan, other than a ~~volunteer~~
34.22 ~~fire plan~~ firefighter relief association governed by chapter 424A or the statewide volunteer
34.23 firefighter plan governed by chapter 353G. No employer or employee contribution to any
34.24 of these plans may be made on behalf of such a person.

34.25 **EFFECTIVE DATE.** This section is effective January 1, 2025.

34.26 Sec. 2. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
34.27 read:

34.28 Subd. 2a. **Association.** "Association" means the Public Employees Retirement Association
34.29 established under chapter 353.

34.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

35.1 Sec. 3. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
35.2 read:

35.3 Subd. 4a. **Defined contribution fund.** "Defined contribution fund" means that portion
35.4 of the fund consisting of the assets attributable to the defined contribution plan.

35.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

35.6 Sec. 4. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
35.7 read:

35.8 Subd. 4b. **Defined contribution plan.** "Defined contribution plan" means the plan that
35.9 is one of the two plans that comprise the statewide volunteer firefighter plan. The defined
35.10 contribution plan provides each member with a retirement benefit equal to the member's
35.11 individual account balance, to which state aid, contributions, forfeitures, and investment
35.12 earnings and losses have been credited.

35.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

35.14 Sec. 5. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
35.15 read:

35.16 Subd. 4c. **Defined benefit fund.** "Defined benefit fund" means that portion of the fund
35.17 consisting of the assets attributable to the defined benefit plan.

35.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

35.19 Sec. 6. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
35.20 read:

35.21 Subd. 4d. **Defined benefit plan.** "Defined benefit plan" means the plan that is one of
35.22 the two plans that comprise the statewide volunteer firefighter plan. The defined benefit
35.23 plan provides each member with a retirement benefit that is either a lump sum or a monthly
35.24 pension in an amount determined by using a formula that takes into account years of service,
35.25 vesting percentage, and the benefit level for the member's fire department. The defined
35.26 benefit plan consists of the lump-sum division and the monthly division.

35.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

36.1 Sec. 7. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
36.2 read:

36.3 Subd. 5a. **Fire department account.** "Fire department account" means the account in
36.4 the name of each participating employer to which is credited the assets and, in the case of
36.5 a participating employer in the defined benefit plan, the liabilities related to the retirement
36.6 benefits for members who are or were providing service to the participating employer.

36.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

36.8 Sec. 8. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
36.9 read:

36.10 Subd. 5b. **Firefighting corporation.** "Firefighting corporation" means an independent
36.11 nonprofit firefighting corporation that is organized under the provisions of chapter 317A
36.12 and that operates primarily for firefighting purposes.

36.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

36.14 Sec. 9. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to
36.15 read:

36.16 Subd. 5c. **Forfeiture.** "Forfeiture" means the portion of an account or pension benefit
36.17 that is forfeited when a volunteer firefighter ends service before becoming 100 percent
36.18 vested in the account or pension benefit.

36.19 **EFFECTIVE DATE.** This section is effective January 1, 2025.

36.20 Sec. 10. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision
36.21 to read:

36.22 Subd. 6b. **Individual account.** "Individual account" means the account in a fire
36.23 department account in the defined contribution plan established for a member under section
36.24 353G.082 to which allocations are credited and from which deductions are taken under
36.25 section 353G.082.

36.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

36.27 Sec. 11. Minnesota Statutes 2023 Supplement, section 353G.01, subdivision 7b, is amended
36.28 to read:

36.29 Subd. 7b. **Lump-sum division.** "Lump-sum division" means the division of the defined
36.30 benefit plan governed by section 353G.11.

37.1 **EFFECTIVE DATE.** This section is effective January 1, 2025.

37.2 Sec. 12. Minnesota Statutes 2023 Supplement, section 353G.01, subdivision 8b, is amended
37.3 to read:

37.4 Subd. 8b. **Monthly benefit division.** "Monthly benefit division" means the division of
37.5 the defined benefit plan governed by section 353G.112.

37.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

37.7 Sec. 13. Minnesota Statutes 2022, section 353G.01, subdivision 9, is amended to read:

37.8 Subd. 9. **Municipality.** "Municipality" means ~~a governmental entity specified in section~~
37.9 ~~477B.01, subdivision 10,~~ a city or township that has established a fire department, a city or
37.10 township that has entered into a contract with an independent nonprofit a firefighting
37.11 corporation, or a city or township that has entered into a contract with a joint powers entity
37.12 established under section 471.59 that has established or operates a fire department.

37.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

37.14 Sec. 14. Minnesota Statutes 2022, section 353G.01, subdivision 9a, is amended to read:

37.15 Subd. 9a. **Relief association.** "Relief association" means a ~~volunteer firefighter relief~~
37.16 ~~association established as defined under chapter 424A, including a volunteer firefighter~~
37.17 ~~relief association to which records, assets, and liabilities related to lump-sum or monthly~~
37.18 ~~benefits for active and former firefighters will be transferred from the retirement fund upon~~
37.19 ~~satisfaction of the requirements of section 353G.17~~ 424A.001, subdivision 4.

37.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

37.21 Sec. 15. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision
37.22 to read:

37.23 Subd. 9b. **Normal retirement age.** "Normal retirement age" means age 50.

37.24 **EFFECTIVE DATE.** This section is effective January 1, 2025.

37.25 Sec. 16. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision
37.26 to read:

37.27 Subd. 9c. **Participating employer.** "Participating employer" means the municipality or
37.28 firefighting corporation that has joined the retirement plan and is associated with a fire
37.29 department with volunteer firefighters who are covered by the retirement plan.

38.1 **EFFECTIVE DATE.** This section is effective January 1, 2025.

38.2 Sec. 17. Minnesota Statutes 2022, section 353G.01, subdivision 11, is amended to read:

38.3 Subd. 11. **Retirement fund.** "Retirement fund" means the statewide volunteer firefighter
38.4 fund established under section 353G.02, subdivision 3, consisting of the defined contribution
38.5 fund and the defined benefit fund.

38.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

38.7 Sec. 18. Minnesota Statutes 2023 Supplement, section 353G.01, subdivision 12, is amended
38.8 to read:

38.9 Subd. 12. **Retirement plan.** "Retirement plan" or "plan" means the retirement statewide
38.10 volunteer firefighter plan, either the lump-sum division or the monthly benefit division
38.11 consisting of the defined contribution plan and the defined benefit plan, established by this
38.12 chapter.

38.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

38.14 Sec. 19. Minnesota Statutes 2023 Supplement, section 353G.01, subdivision 12a, is
38.15 amended to read:

38.16 Subd. 12a. **Service credit.** "Service credit" means the period of service rendered by a
38.17 volunteer firefighter that is certified under section 353G.07 by the fire chief of the fire
38.18 department in which the volunteer firefighter serves. ~~A volunteer firefighter's service credit~~
38.19 ~~equals all periods of service with any fire department covered by the plan.~~

38.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

38.21 Sec. 20. Minnesota Statutes 2023 Supplement, section 353G.01, subdivision 14a, is
38.22 amended to read:

38.23 Subd. 14a. **Vesting service credit.** "Vesting service credit" means service credit plus
38.24 any earlier period of service rendered as a volunteer firefighter, as defined in subdivision
38.25 15, in another fire department covered by the plan or in a fire department in the state that
38.26 was not covered by the plan at the time the service was rendered. ~~The earlier period of~~
38.27 ~~service must be certified by the fire chief of the fire department covered by the plan in a~~
38.28 ~~manner similar to the requirements of section 353G.07. The volunteer firefighter must~~
38.29 ~~provide documentation in a form acceptable to the executive director regarding the earlier~~
38.30 ~~period of service.~~

39.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

39.2 Sec. 21. Minnesota Statutes 2023 Supplement, section 353G.01, subdivision 15, is amended
39.3 to read:

39.4 Subd. 15. **Volunteer firefighter.** "Volunteer firefighter" means a person who is ~~an active~~
39.5 a member of the fire department of a municipality or an independent nonprofit a firefighting
39.6 corporation and who, in that capacity, on either a volunteer or on-call basis, engages in:

39.7 (1) fire suppression or prevention activities; ~~provides;~~

39.8 (2) emergency response services;

39.9 (3) emergency medical response activities; or ~~delivers~~

39.10 (4) fire education or prevention services on an on-call basis supervises personnel engaged
39.11 in any of the foregoing.

39.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

39.13 Sec. 22. Minnesota Statutes 2023 Supplement, section 353G.02, subdivision 1, is amended
39.14 to read:

39.15 Subdivision 1. **Retirement plan.** The statewide volunteer firefighter plan, consisting of
39.16 ~~a lump-sum division~~ defined contribution plan and ~~a monthly benefit division~~ defined benefit
39.17 plan, is ~~created~~ established.

39.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

39.19 Sec. 23. Minnesota Statutes 2023 Supplement, section 353G.02, subdivision 3, is amended
39.20 to read:

39.21 Subd. 3. **Retirement fund.** (a) The statewide volunteer firefighter fund, ~~consisting of a~~
39.22 ~~lump-sum account and a monthly benefit account~~, is ~~created~~ established. The retirement
39.23 fund contains the assets attributable to the ~~statewide volunteer firefighter~~ defined contribution
39.24 plan and the defined benefit plan.

39.25 (b) The State Board of Investment shall invest those portions of the retirement fund not
39.26 required for immediate purposes in the ~~statewide lump-sum volunteer firefighter plan in~~
39.27 ~~the statewide volunteer firefighter account of the Minnesota supplemental investment fund~~
39.28 under section 11A.17.

39.29 (c) The commissioner of management and budget is the ex officio treasurer of the
39.30 ~~statewide volunteer firefighter~~ retirement fund. The commissioner of management and

40.1 budget's general bond to the state covers all liability for actions taken as the treasurer of the
40.2 retirement fund.

40.3 (d) The revenues of the plan beyond investment returns are governed by section 353G.08
40.4 and must be deposited in the fund. The disbursements of the plan are governed by section
40.5 353G.08. The commissioner of management and budget shall transmit a detailed statement
40.6 showing all credits to and disbursements from the retirement fund to the executive director
40.7 monthly.

40.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

40.9 Sec. 24. Minnesota Statutes 2023 Supplement, section 353G.02, subdivision 4, is amended
40.10 to read:

40.11 Subd. 4. **Periodic audit; biennial actuarial valuation; biennial funding report.** (a)
40.12 The legislative auditor shall periodically audit the ~~statewide volunteer firefighter~~ retirement
40.13 fund.

40.14 (b) The executive director must retain an approved actuary under section 356.214 to
40.15 perform biennial actuarial valuation valuations of each fire department account in the
40.16 lump-sum monthly division of the statewide volunteer firefighter plan may be performed
40.17 periodically as determined to be appropriate or useful by the board. An actuarial valuation
40.18 of the monthly benefit division of the statewide volunteer firefighter plan must be performed
40.19 as frequently as required by government sector generally accepted accounting standards.
40.20 An. The actuarial valuation must be performed by the approved actuary retained under
40.21 section 356.214 and must conform with section 356.215 and the standards for actuarial
40.22 work. An The actuarial valuation must contain sufficient detail for each participating
40.23 employing entity employer to ascertain the actuarial condition of its account in the retirement
40.24 fund and the amount of its required contribution requirement towards its to the account.

40.25 (c) The executive director must perform biennial funding assessments of each fire
40.26 department account in the lump-sum division. The assessment must comply with section
40.27 353G.08, subdivision 1.

40.28 **EFFECTIVE DATE.** This section is effective January 1, 2025.

40.29 Sec. 25. Minnesota Statutes 2023 Supplement, section 353G.03, subdivision 3, is amended
40.30 to read:

40.31 Subd. 3. **Composition.** (a) The advisory board consists of ten members.

40.32 (b) The advisory board members are:

(1) one representative of Minnesota townships, appointed by the Minnesota Association of Townships;

(2) two representatives of Minnesota cities, appointed by the League of Minnesota Cities;

(3) one representative of Minnesota fire chiefs, who is a fire chief, appointed by the Minnesota State Fire Chiefs Association;

(4) two representatives of Minnesota volunteer firefighters, ~~all~~ who are active volunteer firefighters, one of whom is covered by the lump-sum division and one of whom is covered by the monthly benefit division, appointed by the Minnesota State Fire Chiefs Association;

(5) three representatives of Minnesota volunteer firefighters ~~who are~~, at least one of whom is covered by the lump-sum division of the defined benefit plan and at least one of whom is covered by the defined contribution plan, appointed by the Minnesota State Fire Departments Association; and

(6) one representative of the Office of the State Auditor, designated by the state auditor.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 26. Minnesota Statutes 2022, section 353G.05, as amended by Laws 2023, chapter 47, article 10, section 9, is amended to read:

353G.05 PLAN COVERAGE ELECTION.

Subdivision 1. **Entities eligible to request coverage.** ~~(a) A relief association or a municipality, or independent nonprofit firefighting corporation affiliated with a relief association may elect to have its volunteer firefighters covered by the lump-sum division, if the volunteer firefighters for whom coverage is being requested are covered by a relief association that is a lump-sum defined benefit relief association or a defined contribution relief association governed by chapter 424A.~~ retirement plan.

~~(b) A relief association or a municipality or independent nonprofit firefighting corporation affiliated with a relief association may elect to have its volunteer firefighters covered by the lump-sum division or the monthly benefit division of the retirement plan, if the volunteer firefighters for whom coverage is being requested are covered by a relief association that is a monthly benefit defined benefit relief association governed by chapter 424A.~~

~~(c) A municipality or independent nonprofit firefighting corporation that is not affiliated with a relief association may elect to have its volunteer firefighters covered by the lump-sum division of the plan.~~

Subd. 1a. **Requesting coverage.** (a) An entity that is eligible under subdivision 1 to make a request for coverage may initiate the process of obtaining coverage by filing a request with the executive director, as described in this subdivision.

(b) The request for coverage must be in writing and on a form prescribed by the executive director.

(c) If the request for coverage is for volunteer firefighters covered by a relief association retirement plan, the secretary of the relief association, following approval of the request by the board of trustees of the relief association, and the chief administrative officer of the entity affiliated with the relief association, following approval of the request by the governing body of the entity, must jointly make the request. If the relief association is affiliated with more than one entity, the chief administrative officer of each affiliated entity must execute the request.

(d) If the request for coverage is for volunteer firefighters who are not covered by a relief association retirement plan, the chief administrative officer of the entity operating the fire department must make the request.

Subd. 1b. **Selection of plan and division.** (a) In the request for coverage, the entity must select coverage by either the defined benefit plan or the defined contribution plan.

(b) If the entity selects coverage by the defined benefit plan, the entity must select coverage by either the lump-sum division or the monthly division, except that the entity may select coverage by the monthly division only if the relief association with which the entity is affiliated is a defined benefit relief association, as defined under section 424A.001, subdivision 1b, that provides a monthly pension.

(c) If the entity selects coverage by the defined contribution plan and the relief association with which the entity is affiliated is a defined benefit relief association, as defined under section 424A.001, subdivision 1b, the defined benefit relief association must complete a conversion under section 353G.19 as part of the process of joining the retirement plan.

Subd. 1c. **Selection of vesting schedule.** (e) ~~In the request for coverage, the entity must identify the desired service pension amount and~~ select a vesting schedule from the following options:

(1) incremental vesting beginning with 40 percent vested after completing five years of ~~active~~ service and increasing by four percent upon completion of each additional year of ~~active~~ service, until 100 percent vested upon completion of 20 years of ~~active~~ service;

(2) incremental vesting beginning with 40 percent vested after completing five years of active service and increasing by 12 percent upon completion of each additional year of active service, until 100 percent vested upon completion of ten years of active service; or

(3) incremental vesting beginning with 40 percent vested after completing ten years of active service and increasing by six percent upon completion of each additional year of active service, until 100 percent vested upon completion of 20 years of active service.

The entity must not select a vesting schedule that requires more years of service to become partially or fully vested than the vesting schedule in effect under the former affiliated relief association, if any.

~~(d) If the request for coverage is for volunteer firefighters covered by a monthly benefit defined benefit relief association, the entity making the request must elect coverage either by the monthly benefit division or by the lump-sum division.~~

~~(e) If the request for coverage is for volunteer firefighters covered by a relief association that provides both a monthly benefit and a lump-sum benefit, the entity making the request must elect coverage by the monthly benefit division, the lump-sum division, or by both divisions.~~

~~(f) If the request for coverage is for volunteer firefighters covered by a relief association with a plan governed by chapter 424A, the secretary of the relief association, following approval of the request by the board of the relief association, and the chief administrative officer of the entity affiliated with the relief association, following approval of the request by the governing body of the entity, must jointly make the request. If the relief association is affiliated with more than one entity, the chief administrative officer of each affiliated entity must execute the request.~~

~~(g) If the request for coverage is for volunteer firefighters who are not covered by a relief association, the chief administrative officer of the entity operating the fire department must make the request.~~

Subd. 1d. **Selection of benefit level.** (a) If the request for coverage is for coverage by the defined benefit plan, the entity making the request must identify the desired benefit level.

(b) If the request for coverage is for the lump-sum division of the defined benefit plan, the benefit level identified must be no less than \$500 per full year of service credit and no more than the maximum amount permitted under section 424A.02, subdivision 3, per full

44.1 year of service credit. Benefit levels between the minimum and maximum must be in \$100
 44.2 increments.

44.3 (c) If the request for coverage is for the monthly division of the defined benefit plan,
 44.4 the benefit level is the amount specified in the retirement benefit plan document applicable
 44.5 to the fire department.

44.6 Subd. 2. **Cost analysis for coverage by the ~~lump-sum~~ lump-sum division of the**
 44.7 **defined benefit plan.** (a) Upon receipt of a request for coverage by the ~~lump-sum division~~
 44.8 defined benefit plan, the executive director must prepare a cost analysis as described in this
 44.9 subdivision and deliver the cost analysis to the board of trustees of the relief association, if
 44.10 one exists, and the governing body.

44.11 (b) The cost analysis under this subdivision must be based on:

44.12 (1) the ~~service pension amount~~ benefit level under section 353G.11 closest to the ~~service~~
 44.13 ~~pension amount~~ benefit level provided by the relief association if the relief association is a
 44.14 lump-sum defined benefit plan, an amount that is equal to 95 percent of the most current
 44.15 average account balance per relief association member if the relief association is a defined
 44.16 contribution plan, or the lowest ~~service pension amount~~ benefit level under section 353G.11
 44.17 if there is no relief association, rounded up; and

44.18 (2) if different than the amount under clause (1), the ~~service pension amount~~ benefit
 44.19 level identified in the request under subdivision ~~1a~~ 1d.

44.20 (c) The cost analysis must take into account the vesting option selected in the request
 44.21 under subdivision ~~1a~~ 1c.

44.22 (d) The cost analysis must be prepared using a mathematical procedure certified as
 44.23 accurate by an approved actuary retained by the Public Employees Retirement Association.

44.24 (e) If the request for coverage was made by a relief association that has filed the
 44.25 information required under section 424A.014 in a timely fashion, upon request by the
 44.26 executive director, the state auditor shall provide the most recent data available on the
 44.27 financial condition of the relief association, the most recent firefighter demographic data
 44.28 available, and a copy of the current relief association bylaws. If a cost analysis is requested,
 44.29 but no relief association exists, the chief administrative officer of the entity operating the
 44.30 fire department shall provide the demographic information on the volunteer firefighters
 44.31 serving as members of the fire department requested by the executive director.

44.32 Subd. 3. **Cost analysis for coverage by the monthly ~~benefit~~ benefit division of the defined**
 44.33 **benefit plan.** (a) Upon receipt of a request for coverage by the monthly ~~benefit~~ division,

the executive director must prepare a cost analysis as described in this subdivision and deliver the cost analysis to the board of trustees of the relief association, if one exists, and the governing body.

(b) The cost analysis under this subdivision must be prepared by the approved actuary retained by the Public Employees Retirement Association. The cost analysis must be based on:

(1) the monthly ~~service pension amount~~ benefit level and other retirement benefit types and amounts in effect for the relief association as of the date of the request;

(2) if different than the amount under clause (1), the monthly pension amount identified in the request under subdivision ~~1a~~ 1d and evaluated in a special actuarial valuation prepared under sections 356.215 and 356.216; and

(3) the standards for actuarial work and the actuarial assumptions utilized in the most recent actuarial valuation, except that the applicable investment return actuarial assumption is six percent.

(c) The cost analysis must take into account the vesting option selected in the request under subdivision ~~1a~~ 1c.

(d) The secretary of the relief association making the request must supply the demographic and financial data necessary for the cost analysis to be prepared.

Subd. 4. **Invested assets review.** ~~If a cost analysis is requested under subdivision 2 or 3,~~ The executive director of the State Board of Investment shall review the investment portfolio of the relief association retirement plan, if applicable one exists, for compliance with the applicable provisions of chapter 11A and for appropriateness for retention under the established investment objectives and investment policies of the State Board of Investment. If the prospective retirement coverage change is approved under subdivision 5, the State Board of Investment may require that the relief association liquidate any investment security or other asset which the executive director of the State Board of Investment has determined to be an ineligible or inappropriate investment for retention by the State Board of Investment. The security or asset liquidation must occur before the effective date of the transfer of plan coverage. If requested to do so by the chief administrative officer of the relief association, the executive director of the State Board of Investment shall provide advice about the best means to conduct the liquidation.

Subd. 5. **Finalization; coverage transfer.** (a) The transfer of coverage to the defined contribution plan is considered approved if, no later than 120 days after the filing of the

request for coverage with the executive director shall deliver the cost analysis requested under subdivision 2 or 3 to, the transfer is approved by both (1) the board of trustees of the relief association, if one exists, and (2) the governing body. If either the governing body or the board of trustees of the relief association does not take action to approve the transfer within 120 days after the filing of the request for coverage, the transfer is not approved.

(b) The transfer of coverage to the defined benefit plan is considered approved if, ~~within~~ no later than 120 days of after receipt of the cost analysis, the transfer is approved by both (1) the board of trustees of the relief association, if one exists, and (2) the governing body. If either the governing body or the board of trustees of the relief association does not take action to approve the transfer within 120 days of after receipt of the cost analysis, the transfer is not approved.

(c) If the transfer is approved, coverage by the plan is effective on the January 1 next following the date of approval by the last governing body or, if later, the date of approval by the board of trustees of the relief association.

Subd. 6. **Joint powers entities.** If transfer of coverage to the plan is being requested for volunteer firefighters that provide services to a fire department operated as or by a joint powers entity, whenever an election or approval by or delivery to the governing body of a municipality is required under this section, all municipalities that executed the joint powers agreement must execute the election or approval or receive delivery, unless the joint powers agreement specifies another process be followed in order for the action of a joint powers entity to be effective.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 27. Minnesota Statutes 2023 Supplement, section 353G.07, is amended to read:

353G.07 CERTIFICATION OF SERVICE CREDIT FOR PENSION BENEFIT ACCRUAL OR CONTRIBUTION ALLOCATION.

(a) Annually, by March 31, the fire chief of ~~the~~ a fire department with volunteer firefighters who are active members of ~~either the lump-sum division or the monthly benefit division shall~~ retirement plan must certify to the executive director the service credit for the previous calendar year of each volunteer firefighter rendering active service with the fire department.

(b) The fire chief shall provide to each firefighter rendering active service with the fire department notification of the amount of service credit rendered by the firefighter for the calendar year. The service credit notification must be provided to the firefighter 60 days

before its certification to the executive director of the ~~Public Employees Retirement Association~~, along with an ~~indication~~ explanation of the process for the firefighter to challenge the fire chief's determination of service credit. If the service credit amount is challenged in a timely fashion, the fire chief shall hold a hearing on the challenge, accept and consider any additional pertinent information, and make a final determination of service credit. The final determination of service credit by the fire chief is not reviewable by the executive director of the ~~Public Employees Retirement Association~~ or by the board of trustees of the ~~Public Employees Retirement Association~~.

(c) The service credit certification is an official public document. If a false service credit certification is filed or if false information regarding service credits is provided, section 353.19 applies.

(d) The service credit certification must be expressed as a percentage of a full year of service during which an active firefighter rendered at least the minimum level and quantity of fire suppression, emergency response, fire prevention, or fire education duties required by the fire department under the rules and regulations applicable to the fire department. No more than one year of service credit may be certified for a calendar year.

(e) If a firefighter covered by the retirement plan leaves active firefighting service to render active military service that is required to be governed by the federal Uniformed Services Employment and Reemployment Rights Act, as amended, the person must be certified as providing a full year of service credit in each year of the military service, up to the applicable limit of the federal Uniformed Services Employment and Reemployment Rights Act. If the firefighter does not return from the military service in compliance with the federal Uniformed Services Employment and Reemployment Rights Act, the service credits applicable to that military service credit period are forfeited and cancel at the end of the calendar year in which the federal law time limit occurs.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 28. **[353G.075] SERVICE CREDIT FOR VESTING.**

(a) Annually, the executive director must credit each volunteer firefighter with a year of service credit for vesting for each year of service credited for benefit accrual or contribution allocation under section 353G.07.

(b) A volunteer firefighter is entitled to receive service credit toward vesting in the retirement plan for any period of service as a volunteer firefighter, as defined under section 353G.01, subdivision 15, rendered as a firefighter in a fire department in the state that was

not covered by the retirement plan at the time the service was rendered if the firefighter submits a request to the executive director indicating the number of years and months of service for which credit is requested and provides documentation in a form acceptable to the executive director regarding the earlier period of service. The firefighter must submit a copy of the request and documentation to the fire chief of the fire department to which the firefighter is currently providing service.

(c) The executive director must credit a firefighter with all years of service as a member of the retirement plan for any participating employer for vesting purposes.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 29. Minnesota Statutes 2023 Supplement, section 353G.08, subdivision 1, is amended to read:

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

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

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

(2) The ~~total present~~ assets of the fire department account projected to December 31 of the current year, including receipts by and disbursements from the account anticipated to occur on or before December 31, must be calculated. ~~To the extent possible,~~ The ~~market~~ executive director must begin phasing in the use of actuarial value of assets must be utilized in making this calculation beginning with the funding reports for 2026.

(3) The amount of the ~~total present~~ assets calculated under clause (2) must be subtracted from the amount of the total accrued liability calculated under clause (1). If the amount of

~~total-present~~ the assets exceeds the amount of the total accrued liability, then the account is considered to have a surplus over full funding. If the amount of the ~~total-present~~ assets is less than the amount of the total accrued liability, then the account is considered to have a deficit from full funding. If the amount of ~~total-present~~ assets is equal to the amount of the total accrued liability, then the ~~special fund~~ account is considered to be fully funded.

(c) The financial requirements of each ~~lump-sum account~~ fire department for the following calendar year must be determined in the following manner:

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

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

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

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

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

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

(d) The required contribution of the entity or entities associated with the fire department whose active firefighters are covered by the lump-sum division is the annual financial requirements of the ~~lump-sum~~ fire department account ~~of the plan~~ under paragraph (c) reduced by the amount of any fire state aid payable under chapter 477B or police and firefighter retirement supplemental state aid payable under section 423A.022 that is

reasonably anticipated to be received by the retirement plan attributable to the entity or entities during the following calendar year, and an amount of ~~interest~~ investment earnings on the assets projected to be received during the following calendar year calculated at the rate of six percent per annum. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid ~~actually~~ received in the prior year multiplied by the factor 1.035.

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

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

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 30. Minnesota Statutes 2022, section 353G.08, subdivision 2, is amended to read:

Subd. 2. **Cash flow funding requirement.** If the executive director determines that a fire department account in the lump-sum retirement division or a the monthly benefit retirement account in the statewide volunteer firefighter plan division has insufficient assets to meet the service pensions expected to be payable from the account over the succeeding two years, the executive director shall certify the amount of the potential service pension shortfall to the ~~municipality or municipalities and the municipality or municipalities shall~~ participating employer, which must make an additional employer contribution to the account within ten days of the certification. If more than one ~~municipality~~ participating employer is associated with the account, unless the ~~municipalities~~ participating employers agree to and implement a different allocation, the ~~municipalities shall~~ participating employers must allocate the additional employer contribution one-half in proportion to the population of each ~~municipality~~ participating employer and one-half in proportion to the estimated market value of the property of each ~~municipality~~ participating employer.

EFFECTIVE DATE. This section is effective January 1, 2025.

51.1 **Sec. 31. [353G.082] FUNDING OF FIRE DEPARTMENT ACCOUNTS AND**
51.2 **ANNUAL ALLOCATION TO INDIVIDUAL ACCOUNTS IN THE DEFINED**
51.3 **CONTRIBUTION PLAN.**

51.4 **Subdivision 1. Fire department accounts and individual accounts established.** (a)
51.5 The executive director must establish a fire department account for each participating
51.6 employer in the defined contribution plan that consists of individual accounts for the
51.7 volunteer firefighters providing firefighting services to the participating employer.

51.8 (b) The executive director must establish an individual account within each fire
51.9 department account for each volunteer firefighter covered by the defined contribution plan,
51.10 to which the executive director must credit an allocation of state aid, contributions, forfeitures,
51.11 and investment earnings and from which the executive director must deduct investment
51.12 losses and administrative expenses.

51.13 **Subd. 2. State aid and contributions by the participating employer.** Notwithstanding
51.14 any law to the contrary, the executive director must deposit in each fire department account
51.15 in the defined contribution plan for allocation to individual accounts under subdivision 3:

51.16 (1) any fire state aid payable under chapter 477B or police and firefighter retirement
51.17 supplemental state aid payable under section 423A.022 on behalf of the participating
51.18 employer with which the fire department is associated; and

51.19 (2) any contributions from the participating employer with which the fire department is
51.20 associated.

51.21 **Subd. 3. Annual allocation and deduction in equal shares.** (a) As of the end of each
51.22 calendar year, the executive director must credit to the individual account of each firefighter
51.23 providing services to a fire department and who did not leave firefighting service with the
51.24 fire department during the calendar year an equal share of:

51.25 (1) any fire state aid payable under chapter 477B and police and firefighter retirement
51.26 supplemental state aid payable under section 423A.022 received by the retirement fund that
51.27 is attributable to the participating employer associated with the fire department as soon as
51.28 practicable after the aid is received by the retirement fund;

51.29 (2) any contributions made by the participating employer to the retirement fund for the
51.30 benefit of the volunteer firefighters providing firefighting services to the participating
51.31 employer as soon as practicable after the contribution is received by the retirement fund;
51.32 and

52.1 (3) any forfeiture under section 353G.10, subdivision 4, attributable to a former volunteer
52.2 firefighter of the fire department.

52.3 (b) As of the end of each calendar year, the executive director must deduct an equal
52.4 share of administrative expenses from each individual account.

52.5 (c) As of the end of the calendar year, the executive director must allocate to the
52.6 individual account of a volunteer firefighter who has less than a full year of service a
52.7 fractional share of the amount that would have been allocated to the individual account for
52.8 a full year of service. The fractional amount is equal to the number of months of service
52.9 divided by twelve. A month will be credited if the volunteer firefighter was credited with
52.10 at least 16 days of service.

52.11 Subd. 4. **Investment earnings and losses.** As of the end of each calendar year or more
52.12 frequently, if determined necessary by the executive director to make distributions or for
52.13 other purposes, the executive director must:

52.14 (1) credit investment earnings on the assets of each fire department account to each
52.15 individual account in proportion to the share of the assets of the fire department account
52.16 credited to the individual account; and

52.17 (2) deduct investment losses on the assets of each fire department account from each
52.18 individual account in proportion to the share of the assets of the fire department account
52.19 credited to the individual account.

52.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

52.21 Sec. 32. **[353G.085] AUTHORIZED DISBURSEMENTS.**

52.22 The assets of the retirement fund may be disbursed only as a distribution of lump-sum
52.23 retirement benefits, monthly retirement benefits, or individual accounts or for:

52.24 (1) administrative expenses of the retirement plan;

52.25 (2) investment expenses of the retirement fund;

52.26 (3) survivor benefits; and

52.27 (4) a transfer of assets under section 353G.17.

52.28 **EFFECTIVE DATE.** This section is effective January 1, 2025.

53.1 Sec. 33. Minnesota Statutes 2023 Supplement, section 353G.09, subdivision 1, is amended
53.2 to read:

53.3 Subdivision 1. **Entitlement.** (a) A member ~~with at least one year of service credit with~~
53.4 ~~a fire department with active firefighters that are covered by the plan~~ is entitled to a retirement
53.5 benefit as defined in subdivision 1a from the fire department's account in the plan if the
53.6 member:

53.7 (1) has separated from active service with the fire department for at least 30 days;

53.8 (2) has attained the normal retirement age ~~of at least 50 years~~;

53.9 (3) has satisfied the minimum service requirement in paragraph (b) or (c), as applicable;
53.10 and

53.11 (4) applies in a manner prescribed by the executive director.

53.12 (b) If the member is a member of the lump-sum division or the defined contribution
53.13 plan, the member satisfies the minimum service requirement if the member is at least 40
53.14 percent vested as determined under subdivision 2.

53.15 (c) If the member is a member of the monthly ~~benefit~~ division, the member satisfies the
53.16 minimum service requirement if the member has completed at least the minimum number
53.17 of years of service specified in the retirement benefit plan document applicable to the
53.18 member.

53.19 **EFFECTIVE DATE.** This section is effective January 1, 2025.

53.20 Sec. 34. Minnesota Statutes 2023 Supplement, section 353G.09, subdivision 1a, is amended
53.21 to read:

53.22 Subd. 1a. **Retirement benefit.** (a) A volunteer firefighter who is entitled to a ~~service~~
53.23 ~~pension~~ retirement benefit under subdivision 1 must receive a retirement benefit under
53.24 ~~subdivision 1, paragraph (a) or (b), (c), or (d), as applicable.~~

53.25 (b) The retirement benefit of a member of the lump-sum division is equal to the number
53.26 of years of service credit certified under section 353G.07 for the member, multiplied by the
53.27 ~~service pension~~ benefit level applicable to the member under section 353G.11, multiplied
53.28 by the member's vested percentage under subdivision 2.

53.29 (c) The retirement benefit of a member of the monthly ~~benefit~~ division is equal to the
53.30 number of years of service credit certified under section 353G.07 for the member, multiplied
53.31 by the ~~service pension~~ benefit level applicable to the member under section 353G.112,
53.32 multiplied by the member's vested percentage under subdivision 2.

(d) The retirement benefit of a member of the defined contribution plan is equal to the balance in the member's account in the plan as of the end of the month after the month in which the executive director receives the application for a distribution of the retirement benefit multiplied by the member's vested percentage under subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 35. Minnesota Statutes 2023 Supplement, section 353G.09, subdivision 2, is amended to read:

Subd. 2. **Vested percentage.** A member of the plan has a nonforfeitable right to a retirement benefit, up to the percent vested. The member's vested percentage is determined under paragraph (a), (b), or (c), as applicable.

(a) If the member is a member of the lump-sum division and employed in a fire department that joined the plan before January 1, 2023, the member's vested percentage is equal to the percentage that corresponds to the number of years of vesting service credit, as follows:

| Completed years of service credit | Vested percentage |
|-----------------------------------|-------------------|
| less than 5 | 0 percent |
| 5 | 40 percent |
| 6 | 44 percent |
| 7 | 48 percent |
| 8 | 52 percent |
| 9 | 56 percent |
| 10 | 60 percent |
| 11 | 64 percent |
| 12 | 68 percent |
| 13 | 72 percent |
| 14 | 76 percent |
| 15 | 80 percent |
| 16 | 84 percent |
| 17 | 88 percent |
| 18 | 92 percent |
| 19 | 96 percent |

(b) If the member is a member of the lump-sum division or the defined contribution plan and employed in a fire department that ~~joined~~ joins the plan on or after January 1, 2023, the member's vested percentage is equal to the percentage determined by applying the vesting

55.1 schedule selected in the request for coverage under section 353G.05, subdivision ~~1a~~ 1c,
 55.2 taking into account years of vesting service credit.

55.3 (c) If the member is a member of the monthly benefit division and has completed 20
 55.4 years of service as a member of the plan, the member is 100 percent vested. If the member
 55.5 has completed less than 20 years of service as a member of the plan, the member's vested
 55.6 percentage is equal to the percentage determined under the retirement benefit plan document
 55.7 applicable to the member.

55.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

55.9 Sec. 36. Minnesota Statutes 2023 Supplement, section 353G.10, is amended to read:

55.10 **353G.10 DEFERRED LEAVING FIREFIGHTING SERVICE PENSION AMOUNT**
 55.11 **BEFORE REACHING NORMAL RETIREMENT AGE.**

55.12 **Subdivision 1. Entitlement to a retirement benefit, to the extent vested.** ~~A person~~
 55.13 ~~who was an active member of a fire department covered by either the lump-sum division~~
 55.14 ~~or the monthly benefit division of the plan who has separated~~ If a volunteer firefighter
 55.15 separates from active firefighting service for at least before reaching normal retirement age,
 55.16 the volunteer firefighter is entitled to a distribution of the volunteer firefighter's retirement
 55.17 benefit under section 353G.09, subdivision 1a, as follows:

55.18 (1) if the volunteer firefighter is covered by the defined contribution plan, the volunteer
 55.19 firefighter is entitled to a distribution of the retirement benefit as soon as practicable after
 55.20 the volunteer firefighter submits an application for a distribution;

55.21 (2) if the volunteer firefighter is covered by the lump-sum division of the defined benefit
 55.22 plan, the volunteer firefighter is entitled to a distribution of the volunteer firefighter's
 55.23 retirement benefit after the volunteer firefighter has reached age 50 and as soon as practicable
 55.24 after the volunteer firefighter submits an application for a distribution; and

55.25 (3) if the volunteer firefighter is covered by the monthly benefit division of the defined
 55.26 benefit plan, the volunteer firefighter is entitled to begin a distribution of the volunteer
 55.27 firefighter's retirement benefit after the volunteer firefighter has reached age 50 and as soon
 55.28 as practicable after the volunteer firefighter submits an application for a distribution.

55.29 **Subd. 2. Application.** No earlier than 30 days and who has completed at least five years
 55.30 of service credit, but has not attained the age of 50 years, is entitled to a deferred service
 55.31 pension on or after attaining the age of 50 years and applying after leaving active firefighting
 55.32 service, a volunteer firefighter entitled to a distribution under subdivision 1 must submit an
 55.33 application to the executive director in a manner specified by the executive director for the

56.1 ~~service pension. The service pension payable is the nonforfeitable percentage of the service~~
 56.2 ~~pension under section 353G.09, subdivision 2, and is payable.~~

56.3 Subd. 3. **Retirement benefit during period of deferral.** (a) A volunteer firefighter's
 56.4 account in the defined contribution plan must continue to be invested with the rest of the
 56.5 assets of the individual accounts in the volunteer firefighter's fire department account and,
 56.6 until the account is distributed, credited with investment earnings or reduced by investment
 56.7 losses under section 353G.082, subdivision 4, and a deduction taken for an equal share of
 56.8 the administrative expenses under section 353G.082, subdivision 3, paragraph (b), until the
 56.9 volunteer firefighter's account is distributed.

56.10 (b) A volunteer firefighter's retirement benefit in the defined benefit plan must be retained
 56.11 in the defined benefit plan without any interest on or increase in the service pension over
 56.12 during the period of deferral.

56.13 Subd. 4. **Forfeiture of accounts of volunteer firefighters who end service.** (a) The
 56.14 portion of an account or pension benefit that is not vested is forfeited as of the earliest of:

56.15 (1) the last day of the calendar year that includes the fifth anniversary of the date on
 56.16 which the volunteer firefighter ended service;

56.17 (2) immediately upon receiving a lump-sum payment of the entire vested portion of the
 56.18 account or pension benefit; or

56.19 (3) immediately upon receiving the final payment consisting of the entire amount
 56.20 remaining in the account or pension benefit that is vested.

56.21 (b) A volunteer firefighter with a zero percent vested interest in the account or pension
 56.22 benefit is deemed to have received a distribution on the last day of service, and the account
 56.23 or pension benefit must immediately be forfeited.

56.24 (c) Amounts forfeited remain forfeited and must not be reinstated upon the resumption
 56.25 of service with the fire department or any other fire department covered by the retirement
 56.26 plan.

56.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

56.28 Sec. 37. Minnesota Statutes 2023 Supplement, section 353G.11, subdivision 2, is amended
 56.29 to read:

56.30 Subd. 2. **Benefit level changes in the lump-sum division level selection of the defined**
 56.31 **benefit plan.** (a) A fire department's fire chief or the governing body operating a fire
 56.32 department may request an increase in the benefit level as provided in this subdivision.

(b) The fire chief or governing body must request a cost estimate from the executive director of an increase in the service pension level applicable to the active firefighters of the fire department may be requested by: (1) the fire chief of a department that has active membership covered by the lump-sum division; or (2) the governing body operating a fire department that has active membership covered by the lump-sum division.

(c) The executive director must prepare the cost estimate using a procedure certified as accurate by the approved actuary retained by the association.

(d) Within 120 days of the receipt of after receiving the cost estimate prepared by from the executive director using a procedure certified as accurate by the approved actuary retained by the Public Employees Retirement Association, the governing body may approve the service pension benefit level change, effective for January 1 of the following calendar year unless the governing body specifies in the approval document an effective date that is January 1 of the second year following the approval date. If the approval occurs after April 30, the required municipal contribution for the following calendar year must be recalculated and the results reported to the governing body. If not approved within 120 days of the receipt of the cost estimate, the service pension benefit level change is considered to have been disapproved.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 38. Minnesota Statutes 2023 Supplement, section 353G.11, is amended by adding a subdivision to read:

Subd. 2a. Procedure for changing benefit level. (a) The fire chief of a fire department that has an active membership that is covered by the monthly benefit retirement division of the plan may initiate the process of modifying the retirement benefit plan document under this section.

(b) The modification procedure is initiated when the applicable fire chief files with the executive director of the Public Employees Retirement Association a written summary of the desired benefit plan document modification, the proposed benefit plan document modification language, a written request for the preparation of an actuarial cost estimate for the proposed benefit plan document modification, and payment of the estimated cost of the actuarial cost estimate.

(c) Upon receipt of the modification request and related documents, the executive director shall review the language of the proposed benefit plan document modification and, if a clarification is needed in the submitted language, shall inform the fire chief of the necessary

clarification. Once the proposed benefit plan document modification language has been clarified by the fire chief and resubmitted to the executive director, the executive director shall arrange for the approved actuary retained by the Public Employees Retirement Association to prepare a benefit plan document modification cost estimate under the applicable provisions of section 356.215 and of the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement. Upon completion of the benefit plan document modification cost estimate, the executive director shall forward the estimate to the fire chief who requested it and to the chief financial officer of the municipality or entity with which the fire department is primarily associated.

(d) The fire chief, upon receipt of the cost estimate, shall circulate the cost estimate with the active firefighters in the fire department and shall take reasonable steps to provide the estimate results to any affected retired members of the fire department and their beneficiaries. The chief financial officer of the municipality or entity associated with the fire department shall present the proposed modification language and the cost estimate to the governing body of the municipality or entity for its consideration at a public hearing held for that purpose.

(e) If the governing body of the municipality or entity approves the modification language, the chief administrative officer of the municipality or entity shall notify the executive director of the Public Employees Retirement Association of that approval. The benefit plan document modification is effective on the January 1 following the date of filing the approval with the Public Employees Retirement Association.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 39. **[353G.114] ANCILLARY BENEFITS AND SUPPLEMENTAL BENEFITS.**

(a) Except as provided under paragraph (b) and sections 353G.115 and 353G.12, no disability, death, funeral, or other ancillary benefit beyond a retirement benefit is payable from the lump-sum division of the defined benefit plan or the defined contribution plan.

(b) Any member or survivor of a deceased member who receives a lump-sum distribution of the member's retirement benefit from the lump-sum division of the defined benefit plan or the defined contribution plan is entitled to a supplemental benefit under section 424A.10.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 40. Minnesota Statutes 2023 Supplement, section 353G.115, is amended to read:

**353G.115 DISABILITY BENEFIT COVERAGE; AUTHORITY FOR CASUALTY
DISABILITY INSURANCE.**

(a) Except as provided in paragraph (b) ~~or (e)~~, no disability benefit is payable from the ~~statewide~~ retirement plan.

~~(b) If the board approves the arrangement, disability coverage for the lump-sum division of the statewide plan members may be provided through a group disability insurance policy obtained from an insurance company licensed to do business in this state. The lump-sum retirement account of the statewide volunteer firefighter plan is authorized to pay the premium for the disability insurance authorized by this paragraph. The proportional amount of the total annual disability insurance premium must be added to the required contribution amount determined under section 353G.08.~~

~~(e)~~ (b) The disability benefit coverage for a fire department in the monthly benefit division is the disability service pension amount specified in the retirement benefit plan document applicable to the ~~fire department, applicable former volunteer firefighter relief association~~ affiliated with the fire department and in effect as of the last day before the date on which retirement coverage transferred to the ~~statewide volunteer firefighter~~ retirement plan, subject to all conditions and limitations in the disability service pension specified therein.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 41. Minnesota Statutes 2023 Supplement, section 353G.12, subdivision 2, is amended to read:

Subd. 2. **Lump-sum plan division; survivor benefit amount.** The amount of the survivor benefit for the lump-sum division is the amount of the ~~lump-sum service pension retirement benefit~~ retirement benefit that would have been payable to the member of the lump-sum division on the date of death if the member had been age 50 or older on that date.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 42. Minnesota Statutes 2023 Supplement, section 353G.12, is amended by adding a subdivision to read:

Subd. 4. **Defined contribution plan; survivor benefit amount.** The amount of the survivor benefit for the defined contribution plan is the amount credited to the individual account of the deceased member on the date of death.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 43. Minnesota Statutes 2023 Supplement, section 353G.14, is amended to read:

353G.14 DISTRIBUTIONS FROM LUMP-SUM DIVISION.

Subdivision 1. **Lump sum.** ~~Unless a volunteer firefighter requests an annuity under subdivision 2,~~ The executive director must distribute a the retirement benefit under section 353G.09, subdivision 1a, of a member of the lump-sum service pension division of the defined benefit plan or the defined contribution plan in the form of a single lump-sum payment from the account of each fire department covered by the plan in which the volunteer firefighter earned a retirement benefit under section 353G.09.

Subd. 2. **Annuity Monthly payments.** ~~The executive director may purchase an annuity contract on behalf of a volunteer firefighter retiring from the lump-sum division of the plan with a total premium payment in an amount equal to the lump-sum service pension payable under section 353G.09 if the purchase was requested by the volunteer firefighter in a manner prescribed by the executive director. The annuity contract must be purchased from an insurance carrier that is licensed to do business in this state. If purchased, the annuity contract is in lieu of any service pension or other benefit from the lump-sum plan of the plan. The annuity contract may be purchased at any time after the volunteer firefighter discontinues active service, but the annuity contract must stipulate that no annuity amounts are payable before the volunteer firefighter attains the age of 50.~~ The executive director must distribute the retirement benefit under section 353G.09, subdivision 1a, of a member of the monthly division of the defined benefit plan in the form of monthly payments as authorized under the retirement benefit plan document for the fire department in which the member is employed or for which the member provides services.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 44. **[353G.19] CONVERSION TO DEFINED CONTRIBUTION PLAN.**

Subdivision 1. **Authority to initiate conversion.** (a) A participating employer associated with a fire department covered by the defined benefit plan, including an entity previously affiliated with a defined benefit relief association when the entity made a request for coverage by the defined contribution plan under section 353G.05, subdivision 1b, paragraph (c), may convert to coverage by the defined contribution plan in accordance with this section.

(b) Conversion from coverage by the defined benefit plan to coverage by the defined contribution plan consists of:

- 61.1 (1) a resolution by the governing body of the participating employer;
61.2 (2) notice to all former and active volunteer firefighters of the fire department;
61.3 (3) full vesting of all active and former volunteer firefighters with an accrued benefit in
61.4 the defined benefit plan attributable to service with the fire department; and
61.5 (4) allocation of surplus over full funding, if any, to individual accounts in the fire
61.6 department's new account in the defined contribution plan.

61.7 (c) For an entity previously affiliated with a defined benefit relief association when the
61.8 entity made a request for coverage by the defined contribution plan under section 353G.05,
61.9 subdivision 1b, paragraph (c), a conversion must occur under paragraph (b) immediately
61.10 after coverage by the retirement plan of the entity's fire department and the entity's volunteer
61.11 firefighters takes effect.

61.12 Subd. 2. **Resolutions by the governing body.** To initiate a conversion, the governing
61.13 body of the participating employer must file with the executive director at least 30 days
61.14 before the end of a calendar year:

61.15 (1) a resolution that states that the fire department elects to participate in the defined
61.16 contribution plan effective on conversion effective date, which is the first day of the next
61.17 calendar year; and

61.18 (2) if the fire department account had a deficit from full funding as defined under section
61.19 353G.08, subdivision 1, paragraph (c), or the special fund of the defined benefit relief
61.20 association had a deficit from full funding as defined in section 424A.092, subdivision 3,
61.21 paragraph (b), a resolution approving a contribution to the retirement plan in the amount
61.22 necessary to eliminate the deficit, which is to be paid within 30 days of the filing of the
61.23 resolution or in installments over three years, with the first payment to be made within 30
61.24 days of the filing of the resolution.

61.25 Subd. 3. **Notice to participants.** The participating employer must provide notice to all
61.26 active and former volunteer firefighters in the fire department at least 30 days before the
61.27 conversion effective date. The notice must include:

61.28 (1) an explanation that the plan is converting from a defined benefit plan to a defined
61.29 contribution plan, including definitions of those terms, on the conversion effective date and
61.30 that the active and former volunteer firefighters will become fully vested in their accrued
61.31 benefit as of the conversion effective date;

61.32 (2) a summary of the terms of the defined contribution plan;

62.1 (3) a section tailored to each volunteer firefighter that provides an estimate of the present
62.2 value of the participant's fully vested accrued benefit and the calculation that resulted in
62.3 that value;

62.4 (4) an estimate of any anticipated surplus and an explanation of the allocation of the
62.5 surplus; and

62.6 (5) contact information for the chief administrative officer or chief financial officer of
62.7 the participating employer and the designated staff member of the retirement plan who will
62.8 answer questions and directions to a website.

62.9 Subd. 4. **Full vesting and determination of accrued benefit.** (a) On the conversion
62.10 effective date, each active or former volunteer firefighter with a retirement benefit under
62.11 the defined benefit plan, except any retiree in pay status who is receiving a monthly benefit,
62.12 becomes 100 percent vested as of the conversion effective date in the firefighter's retirement
62.13 benefit, without regard to the number of years of vesting service credit.

62.14 (b) The executive director must determine the present value of each active or former
62.15 firefighter's accrued benefit as of the conversion effective date, taking into account the full
62.16 vesting requirement under paragraph (a).

62.17 Subd. 5. **Surplus over full funding.** If the fire department account has a surplus over
62.18 full funding, as defined under section 353G.08, subdivision 1, paragraph (c), the executive
62.19 director must allocate the surplus over full funding to the individual account of each active
62.20 and former volunteer firefighter, except any former volunteer firefighter receiving an annuity,
62.21 in the same proportion that the volunteer firefighter's accrued benefit bears to the total
62.22 accrued benefits of all active and former volunteer firefighters.

62.23 Subd. 6. **Distribution to former volunteer firefighters in pay status.** (a) If any former
62.24 volunteer firefighter or beneficiary is receiving an annuity, the executive director must
62.25 determine the present value of the remaining payments to the former volunteer firefighter
62.26 or beneficiary and offer the former volunteer firefighter or beneficiary:

62.27 (1) continued payments in the same monthly amount; or

62.28 (2) an immediate lump-sum distribution of the present value amount.

62.29 (b) The offer of an immediate lump-sum distribution must include an offer to the former
62.30 volunteer firefighter or beneficiary to elect a direct rollover of the amount to an eligible
62.31 retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the distribution
62.32 is an eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5.

Subd. 7. **Prohibition against reduction in accrued benefit.** In no event may the value of a volunteer firefighter's individual account in the defined contribution plan be less as of the day following the conversion effective date than the present value of the volunteer firefighter's accrued benefit as of the day before the conversion effective date.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 45. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the following terms wherever the terms appear in Minnesota Statutes, chapter 353G, unless the context indicates that the previous term should remain. The revisor of statutes shall also make grammatical changes related to the changes in terms:

(1) "Public Employees Retirement Association" to "association";

(2) "independent nonprofit firefighting corporation" to "firefighting corporation"; and

(3) "monthly benefit division" to "monthly division."

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2022, section 353G.01, subdivision 10, is repealed.

(b) Minnesota Statutes 2023 Supplement, sections 353G.01, subdivisions 7a and 8a; 353G.02, subdivision 6; 353G.08, subdivision 3; 353G.11, subdivisions 1, 1a, 3, and 4; 353G.112; and 353G.121, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2025.

ARTICLE 4

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2022, section 353.028, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, each of the terms in this subdivision has the meaning indicated.

(b) "City manager" means:

(1) a person who is duly appointed to and is holding the position of city manager in a Plan B statutory city or in a home rule city operating under the "council-manager" form of government; or

(2) a person who is appointed to and is holding the position of chief administrative officer of a home rule charter city or a statutory city under a charter provision, ordinance, or resolution establishing such a position and prescribing its duties and responsibilities.

(c) "Governing body" means the city council of the city employing the city manager.

(d) "Election" means the election described in subdivision 2.

(e) "First employed" means a city manager employed by a city who, prior to employment as a city manager, has not been an employee in any position covered by any retirement plan administered by the association to which the city contributed or by any supplemental pension or deferred compensation plan under section 356.24 sponsored by the city.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 353.028, subdivision 2, is amended to read:

Subd. 2. **Election.** (a) A city manager first employed by a city may elect make a onetime, irrevocable election to be excluded from membership in the general employees retirement plan of the ~~Public Employees Retirement~~ association. The election of exclusion must be made within ~~six months~~ 30 days following the commencement of employment, must be made in writing on a form prescribed by the executive director, and must be approved by a resolution adopted by the governing body of the city. The election of exclusion is not effective until it is filed with the executive director. Membership of a city manager in the general employees retirement plan ceases on the date the written election is received by the executive director ~~or upon a later date specified~~. Employee and employer contributions made during the first 30 days of employment on behalf of a person exercising the option to be excluded from membership under this ~~section~~ paragraph must be refunded or credited in accordance with section 353.27, subdivision 7.

(b) A city manager who has ~~elected exclusion under this subdivision may elect to revoke that action by filing a written notice with the executive director. The notice must be on a form prescribed by the executive director and must be approved by a resolution of the governing body of the city. Membership of the city manager in the association resumes prospectively from the date of the first day of the pay period for which contributions were deducted or, if pay period coverage dates are not provided, the date on which the notice of revocation or contributions are received in the office of the association, provided that the notice of revocation is received by the association within 60 days of the receipt of contributions~~ previously been an employee in any position covered by any retirement plan administered by the association to which the city contributed or by any supplemental pension

65.1 or deferred compensation plan under section 356.24 sponsored by the city is not eligible to
65.2 make the election under paragraph (a).

65.3 ~~(c) An election under paragraph (b) is irrevocable.~~ Any election under paragraph (a) ~~or~~
65.4 ~~(b)~~ must include a statement that the individual will not seek authorization to purchase
65.5 service credit for any period of excluded service.

65.6 **EFFECTIVE DATE.** This section is effective August 1, 2024.

65.7 Sec. 3. Minnesota Statutes 2022, section 353.028, subdivision 3, is amended to read:

65.8 Subd. 3. **Deferred compensation; city contribution.** (a) If an election of exclusion
65.9 under subdivision 2 is made, and if the city manager and the governing body of the city
65.10 additionally agree in writing that the additional compensation is to be deferred and is to be
65.11 contributed on behalf of the city manager to a deferred compensation program ~~which~~ that
65.12 meets the requirements of section 457 of the Internal Revenue Code of 1986, as amended,
65.13 and section 356.24, the governing body may compensate the city manager, in addition to
65.14 the salary allowed under any limitation imposed on salaries by law or charter, in an amount
65.15 equal to the employer contribution ~~which~~ that would be required by section 353.27,
65.16 subdivision 3, if the city manager were a member of the general employees retirement plan.

65.17 (b) Alternatively, if an election of exclusion under subdivision 2 is made, the city manager
65.18 and the governing body of the city may agree in writing that the equivalent employer
65.19 contribution to the contribution under section 353.27, subdivision 3, be contributed by the
65.20 city to the defined contribution plan of the Public Employees Retirement Association under
65.21 chapter 353D. Any agreement under this paragraph must be entered into within 30 days
65.22 following the commencement of employment.

65.23 **EFFECTIVE DATE.** This section is effective August 1, 2024.

65.24 Sec. 4. Minnesota Statutes 2022, section 353.028, subdivision 5, is amended to read:

65.25 Subd. 5. **Election; Other employment.** If a city manager who has made an election to
65.26 be excluded under subdivision 2 subsequently accepts employment in another governmental
65.27 subdivision or ~~subsequently accepts employment~~ in a position other than as a city manager
65.28 in the same city, the election is rescinded on the effective date of employment.

65.29 **EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 353.33, subdivision 7, is amended to read:

Subd. 7. ~~Partial reemployment~~ **Limitation on disability benefit payments.** (a) If, following a work or non-work-related injury or illness, a ~~disabled person~~ member who remains totally and permanently disabled as defined in section 353.01, subdivision 19, has ~~income earnings~~ from employment that is not substantial gainful activity and the rate of earnings from that employment are less than, the amount of the member's disability benefit must be reduced as described in paragraph (b) if the total of the disability benefit and earnings exceeds the greater of:

(1) the base monthly salary rate the member had been receiving at the date of disability;
or

(2) the base monthly salary rate currently paid by the employing governmental subdivision for similar positions similar to the employment position held by the disabled person immediately before becoming disabled, whichever is greater, the executive director shall continue.

(b) If paragraph (a) applies, the member's disability benefit in an amount that, when added to the earnings and any workers' compensation benefit, does must be reduced until the disability benefit plus the monthly earnings from employment do not exceed the salary rate at the date of disability or the salary currently paid for positions similar to the employment position held by the disabled person immediately before becoming disabled, whichever is higher greater of the salaries described in paragraph (a), clause (1) or (2).

~~The disability benefit under this subdivision may not exceed the disability benefit originally allowed, plus any postretirement adjustments payable after December 31, 1988, in accordance with Minnesota Statutes 2008, section 11A.18, subdivision 10, or Minnesota Statutes 2008, section 356.41, through January 1, 2009, and thereafter as provided in section 356.415. No deductions for the retirement fund may be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 6. Minnesota Statutes 2022, section 353.33, subdivision 7a, is amended to read:

Subd. 7a. **Trial work period.** (a) This subdivision applies only to the Public Employees Retirement Association general employees retirement plan.

(b) If, following a work or non-work-related injury or illness, a ~~disabled member~~ receiving disability benefits attempts to return to work for ~~their~~ the member's previous public employer or attempts to return to a similar position with another public employer, on a full-time or

less than full-time basis, the ~~Public Employees Retirement~~ association ~~shall~~ must continue paying the disability benefit for a period not to exceed six months. The disability benefit must continue in an amount that, when added to the subsequent employment earnings ~~and workers' compensation benefit~~, does not exceed the base monthly salary the member had been receiving at the date of disability or the base monthly salary rate currently paid for similar positions, whichever is higher.

(c) No deductions for the general employees retirement plan may be taken from the salary of a disabled person who is attempting to return to work under this provision unless the member waives further disability benefits.

(d) A member only may return to employment and continue disability benefit payments once while receiving disability benefits from the general employees retirement plan ~~administered by the Public Employees Retirement Association.~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2023 Supplement, section 353.335, subdivision 1, is amended to read:

Subdivision 1. **Reemployment earnings reporting required.** Unless waived by the executive director, a disability benefit recipient must report all earnings from reemployment ~~and from income from workers' compensation~~ to the association annually by May 15 in a format prescribed by the executive director. If the form is not submitted by May 15, benefits must be suspended effective June 1. If, upon receipt of the form, the executive director determines that the disability benefit recipient is eligible for continued payment, benefits must be reinstated retroactive to June 1. The executive director may waive the requirements in this section if the medical evidence supports that the disability benefit recipient will not have earnings from reemployment.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 353.64, subdivision 1, is amended to read:

Subdivision 1. **Police and fire plan membership; mandatory.** (a) A governmental subdivision must report a public employee for membership in the police and fire plan if the employee is employed full time as specified in clause (1), (2), or (3):

(1) a full-time police officer or a person in charge of a designated police or sheriff's department, who by virtue of that employment is required by the employing governmental subdivision to be and is licensed by the Minnesota peace officer standards and training

board under sections 626.84 to 626.863, who is charged with the prevention and detection of crime, who has the full power of arrest, who is assigned to a designated police or sheriff's department, and whose primary job is the enforcement of the general criminal laws of the state;

(2) a full-time firefighter or a ~~person in charge of a designated fire company or companies~~ who supervisor of other firefighters who, in either case, is employed in a fire department, is required by the employing governmental subdivision to be and is licensed by the Board of Firefighter Training and Education under section 299N.05, and who is engaged in the hazards of or exposed to hazardous conditions resulting from firefighting or fire prevention, suppression, or investigation; or

(3) a full-time police officer or firefighter meeting ~~all~~ the requirements of clause (1) or (2), as applicable, who as part of the employment position is ~~periodically~~ assigned less than 50 percent of the time to perform employment duties in the same department that are not within the scope of ~~this subdivision~~ the employment duties described in clause (1) or (2).

(b) An individual to which paragraph (a), clause (3), applies must contribute as a member of the police and fire plan for ~~both the primary and secondary~~ all services ~~that are~~ provided to the employing governmental subdivision.

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

Sec. 9. Minnesota Statutes 2022, section 353.64, subdivision 2, is amended to read:

Subd. 2. **Police and fire ~~fund~~ plan membership; part-time employment coverage option.** (a) The governing body of a governmental subdivision may adopt a resolution, subject to requirements specified in paragraph (b), declaring that a public employee employed in a position on a part-time basis by that governmental subdivision is covered by the police and fire plan for that employment.

(b) If the public employee's position is related to police service, the resolution is valid if the conditions specified in paragraph (c) are met. If the public employee's position is related to fire service, the resolution is valid if the conditions specified in paragraph (d) are met. If the public employee in the applicable position is periodically assigned to employment duties not within the scope of ~~this~~ the employment duties described in subdivision 1, paragraph (a), clause (1) or (2), the resolution is considered valid if the governing body of the governmental subdivision declares that the public employee's position, for ~~primary services provided~~ at least 50 percent of the time worked, satisfies ~~all of~~ the requirements of subdivision 1, paragraph (a), clause (3), other than the requirement of full-time employment.

(c) For the governing body of the governmental subdivision to declare a position to be that of a police officer, the duties and qualifications of the person so employed must, at a minimum, satisfy all of the requirements of subdivision 1, paragraph (a), clause (1), other than the requirement of full-time employment.

(d) For the governing body of a governmental subdivision to declare a position to be that of a firefighter, the duties and qualifications of the person so employed must, at a minimum, satisfy ~~all of~~ the requirements of subdivision 1, paragraph (a), clause (2), other than the requirement of full-time employment.

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

Sec. 10. Minnesota Statutes 2022, section 353.64, subdivision 4, is amended to read:

Subd. 4. **Resolution filing.** (a) A copy of the resolution of the governing body declaring a position to be that of police officer or firefighter shall be promptly filed with the board of trustees and shall be irrevocable.

(b) Following the receipt of ~~adequate~~ notice from the association, if a valid resolution is not filed with the ~~public employees retirement~~ association within six months following the date of that notice, any contributions or deductions made to the police and fire ~~fund~~ plan for the applicable employment are deemed to be contributions or deductions transmitted in error under section 353.27, subdivision 7a.

(c) The association must consider the filing by the governing body of a governmental subdivision of a resolution that satisfies the requirements of this section regarding an employee as sufficient evidence that the employee satisfies the eligibility requirements of this section, including subdivision 1, paragraph (a), clause (3), and subdivision 2.

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

Sec. 11. Minnesota Statutes 2022, section 353.64, subdivision 5a, is amended to read:

Subd. 5a. **Transfers.** (a) A member of the police and fire ~~fund~~ plan continues to be a member of ~~that fund~~ the police and fire plan if the member is transferred or has a change in employment:

(1) to a different position with associated within the same police or fire department functions in the same department or a related;

(2) to a police department in the same another governmental subdivision provided in the state of Minnesota; or

- 70.1 (3) to a fire department in another governmental subdivision in the state of Minnesota.
- 70.2 (b) The governing body sends of the governmental subdivision that employs the member,
 70.3 in the case of a transfer under paragraph (a), clause (1), or the governing body of the
 70.4 governmental subdivision by which the member becomes employed, in the case of a transfer
 70.5 under paragraph (a), clause (2) or (3), must send a copy of a resolution to that effect to the
 70.6 association. A police and fire ~~fund~~ plan member who is elected or assumes an appointive
 70.7 position, including but not limited to, the positions of city council member, city manager,
 70.8 and finance director is not eligible to retain membership in the public employees police and
 70.9 fire ~~fund~~ plan.
- 70.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 70.11 Sec. 12. Minnesota Statutes 2023 Supplement, section 353D.01, subdivision 2, is amended
 70.12 to read:
- 70.13 Subd. 2. **Eligibility.** (a) Eligibility to participate in the plan is available to:
- 70.14 (1) any elected or appointed local government official of a governmental subdivision
 70.15 who elects to participate in the plan under section 353D.02, subdivision 1, and who, for the
 70.16 service rendered to a governmental subdivision, is not a member of the association within
 70.17 the meaning of section 353.01, subdivision 7;
- 70.18 (2) physicians who, if they did not elect to participate in the plan under section 353D.02,
 70.19 subdivision 2, would meet the definition of member under section 353.01, subdivision 7;
- 70.20 (3) basic and advanced life-support emergency medical service personnel who are
 70.21 employed by any public ambulance service that elects to participate under section 353D.02,
 70.22 subdivision 3;
- 70.23 (4) members of a municipal rescue squad associated with the city of Litchfield in Meeker
 70.24 County, or of a county rescue squad associated with Kandiyohi County, if an independent
 70.25 nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency
 70.26 management services, and if not affiliated with a fire department or ambulance service and
 70.27 if its members are not eligible for membership in that fire department's or ambulance service's
 70.28 relief association or comparable pension plan;
- 70.29 (5) employees of the Port Authority of the city of St. Paul who elect to participate in the
 70.30 plan under section 353D.02, subdivision 5, and who are not members of the association
 70.31 under section 353.01, subdivision 7;

(6) city managers who elected to be excluded from the general employees retirement plan of the association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

(7) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the police and fire retirement plan and who are not covered by a volunteer firefighters relief association and who elect to participate in the public employees defined contribution plan;

(8) any elected county sheriffs sheriff who are is a former members member of the police and fire plan and who are, is receiving a retirement annuity as provided under section 353.651, who does not have previous employment with the county for which the sheriff was elected; and

(9) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

(b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

(c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 353D.02, as amended by Laws 2023, chapter 47, article 3, section 3, is amended to read:

353D.02 ELECTION OF COVERAGE.

Subdivision 1. **Local government officials.** Eligible elected or appointed local government officials may elect to participate in the defined contribution plan ~~after~~ within the first 30 days of being elected or appointed to public office by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or contributions are received in the office of the association, whichever is received first, provided further that the membership application is received by the association within 60 days of the receipt of the

72.1 contributions. An election to participate in the plan is ~~revocable during incumbency~~
 72.2 irrevocable.

72.3 Subd. 2. **Eligible physician.** Eligible physicians may elect to participate in the defined
 72.4 contribution plan within ~~90~~ the first 30 days of commencing employment with a government
 72.5 subdivision under section 353.01, subdivision 6, by filing a membership application on a
 72.6 form prescribed by the executive director of the association authorizing contributions to be
 72.7 deducted from the physician's salary. Participation begins on the first day of the pay period
 72.8 for which the contributions were deducted. An election to participate in the defined
 72.9 contribution plan is irrevocable.

72.10 Subd. 3. **Eligible ambulance service personnel.** Each public ambulance service with
 72.11 eligible personnel may elect to participate in the plan. If a service elects to participate, its
 72.12 eligible personnel may elect to participate or ~~to~~ decline to participate. An individual's election
 72.13 must be made within 30 days of the service's election to participate or within 30 days of the
 72.14 date on which the individual ~~was employed by~~ began employment with the service or began
 72.15 to provide service for it, whichever date is later. An election by a service or an individual
 72.16 is ~~revocable~~ irrevocable.

72.17 Subd. 4. **Eligible rescue squad personnel.** The municipality or county, as applicable,
 72.18 associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause
 72.19 (4), may elect to participate in the plan. If the municipality or county, as applicable, elects
 72.20 to participate, the eligible personnel may elect to participate or decline to participate. An
 72.21 eligible individual's election must be made within 30 days of the service's election to
 72.22 participate or within 30 days of the date on which the individual ~~begins to provide service~~
 72.23 ~~to~~ first began employment with the rescue squad, whichever is later. Elections under this
 72.24 subdivision by a government unit or individual are irrevocable. The municipality or county,
 72.25 as applicable, must specify by resolution eligibility requirements for rescue squad personnel
 72.26 which must be satisfied if the individual is to be authorized to make the election under this
 72.27 subdivision.

72.28 Subd. 5. **St. Paul Port Authority personnel.** Employees of the Port Authority of the
 72.29 city of St. Paul who do not elect to participate in the general employees retirement plan may
 72.30 elect within the first 30 days of commencing employment to participate in the plan by filing
 72.31 a membership application on a form prescribed by the executive director of the association
 72.32 authorizing contributions to be deducted from the employee's salary. Participation begins
 72.33 on the first day of the pay period for which the contributions were deducted or, if pay period
 72.34 coverage dates are not provided, the date on which the membership application or the
 72.35 contributions are received in the office of the association, whichever is received first, if the

73.1 membership application is received by the association within 60 days of the receipt of the
 73.2 contributions. An election to participate in the plan is irrevocable.

73.3 Subd. 6. **City managers.** City managers who elected to be excluded from the general
 73.4 employees retirement plan of the Public Employees Retirement Association under section
 73.5 353.028, and who elected to participate in the plan under section 353.028, subdivision 3,
 73.6 paragraph (b), ~~shall~~ must file that election with the executive director within the first 30
 73.7 days of commencing employment. Participation begins on the first day of the pay period
 73.8 next following the date of the coverage election. An election to participate by a city manager
 73.9 is ~~revocable~~ irrevocable.

73.10 Subd. 7. **Certain volunteer firefighters.** Volunteer or ~~emergency~~ on-call firefighters
 73.11 who are serving as members of a municipal fire department or an independent nonprofit
 73.12 firefighting corporation and who are not covered for that firefighting service by the public
 73.13 employees police and fire retirement plan under sections 353.63 to 353.68 ~~or~~, by the
 73.14 ~~applicable~~ a volunteer firefighters relief association under chapter 424A, or by the statewide
 73.15 volunteer firefighter retirement plan under chapter 353G may elect to participate in the plan
 73.16 within the first 30 days of commencing service. An eligible firefighter's election is
 73.17 irrevocable. No employer contribution is payable by the fire department or the firefighting
 73.18 corporation unless the municipal governing body or the firefighting corporation governing
 73.19 body, whichever applies, ratifies the election.

73.20 Subd. 8. **Election available only upon first hire and no prior retirement plan**
 73.21 **eligibility.** Notwithstanding any other provisions under this section, an election under this
 73.22 section is available to eligible participants only within the first 30 days of commencing
 73.23 employment or service with the governmental subdivision. If the eligible participant has
 73.24 previously been or is currently in a position covered by any retirement plan administered
 73.25 by the association to which the governmental subdivision contributed or by any supplemental
 73.26 pension or deferred compensation plan under section 356.24 sponsored by the governmental
 73.27 subdivision, then the eligible participant must not receive an election.

73.28 **EFFECTIVE DATE.** This section is effective August 1, 2024.

73.29 Sec. 14. Minnesota Statutes 2022, section 353E.03, is amended to read:

73.30 **353E.03 CORRECTIONAL SERVICE PLAN CONTRIBUTIONS.**

73.31 Subdivision 1. **Member contributions.** A member of the ~~local government correctional~~
 73.32 ~~service retirement~~ plan shall make an employee contribution in an amount equal to ~~5.83~~
 73.33 6.83 percent of salary.

Subd. 2. **Employer contributions.** The employer shall contribute for a member of the ~~local government correctional service retirement~~ plan an amount equal to ~~8.75~~ 10.25 percent of salary.

Subd. 3. **Contribution deductions.** The head of each department of each governmental subdivision that employs members of the local government correctional service retirement plan must deduct employee contributions in the manner and subject to the terms provided in section 353.27, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 353E.04, subdivision 3, is amended to read:

Subd. 3. **Annuity amount.** (a) The average salary as defined in subdivision 2, multiplied by 1.9 percent for each year of allowable service before July 1, 2025, and 2.2 percent for each year of allowable service beginning on or after July 1, 2025, determines the amount of the normal retirement annuity.

(b) If a person has earned allowable service in the general employees retirement plan of the Public Employees Retirement Association or the public employees police and fire retirement plan before participation under this chapter, the retirement annuity representing such service must be computed in accordance with the formula specified in sections 353.29 and 353.30 or 353.651, whichever applies.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 16. Minnesota Statutes 2022, section 353E.06, subdivision 6, is amended to read:

Subd. 6. ~~Resumption of employment~~ **Limitation on disability benefit payments.** (a) ~~If a disabled employee~~ member receiving disability benefits resumes a gainful occupation from which with earnings are less than, the amount of the member's disability benefit must be reduced as described in paragraph (b) if the total of the disability benefit and earnings exceeds the greater of:

(1) the base monthly salary received rate the member had been receiving at the date of disability; or

(2) the base monthly salary rate currently paid by the employing governmental subdivision for similar positions, or should the employee be entitled to receive workers' compensation benefits,

(b) If paragraph (a) applies, the member's disability benefit must be continued in an amount that, when added to such earnings during the months of employment, and workers' compensation benefits, if applicable, does reduced until the disability benefit plus the monthly earnings from employment do not exceed the monthly salary received at the date of disability or the monthly salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater of the salaries described in paragraph (a), clause (1) or (2).

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 17. **ONETIME IRREVOCABLE ELECTION.**

Subdivision 1. City managers. (a) A city manager hired by a city within six months before August 1, 2024, and who is currently participating in the general employee retirement plan of the Public Employees Retirement Association may make a onetime irrevocable election to be excluded from membership if the election is:

(1) in writing on a form prescribed by the executive director;

(2) approved by a resolution adopted by the governing body of the city; and

(3) received by the executive director between October 1, 2024, and October 30, 2024.

(b) Membership of a city manager in the general employees retirement plan ceases on the date that the written election is received by the executive director. Employee and employer contributions made on behalf of a person exercising the option to be excluded from membership under this subdivision must be refunded or credited in accordance with Minnesota Statutes, section 353.27, subdivision 7.

Subd. 2. Local government officials. A local government official elected or appointed to public office in a city within six months before the effective date of this act may make a onetime irrevocable election to participate in the public employees defined contribution plan if the election is:

(1) in writing on a form prescribed by the executive director;

(2) approved by a resolution adopted by the governing body of the city; and

(3) received by the executive director between October 1, 2024, and October 30, 2024.

Subd. 3. Public ambulance service personnel. Eligible personnel hired by or providing service to a participating public ambulance service within six months before the effective

76.1 date of this act may make a onetime irrevocable election to participate in the public
76.2 employees defined contribution plan if the election is:
76.3 (1) in writing on a form prescribed by the executive director; and
76.4 (2) received by the executive director between October 1, 2024, and October 30, 2024.
76.5 **EFFECTIVE DATE.** This section is effective August 1, 2024.

76.6 Sec. 18. **REPEALER.**

76.7 (a) Minnesota Statutes 2022, section 353D.071, is repealed effective the day following
76.8 final enactment.

76.9 (b) Minnesota Statutes 2022, section 353.33, subdivision 5, and Minnesota Statutes 2023
76.10 Supplement, section 353.335, subdivision 2, are repealed effective January 1, 2025.

76.11 **ARTICLE 5**
76.12 **MINNESOTA STATE RETIREMENT SYSTEM**

76.13 Section 1. Minnesota Statutes 2022, section 352.01, subdivision 13, is amended to read:

76.14 Subd. 13. **Salary.** (a) Subject to the limitations of section 356.611, "salary" means wages,
76.15 or other periodic compensation, paid to an employee before deductions for deferred
76.16 compensation, supplemental retirement plans, or other voluntary salary reduction programs.

76.17 (b) "Salary" does not include:

76.18 (1) lump-sum sick leave payments;

76.19 (2) severance payments;

76.20 (3) lump-sum annual leave payments and overtime payments made at the time of
76.21 separation from state service;

76.22 (4) payments in lieu of any employer-paid group insurance coverage, including the
76.23 difference between single and family rates that may be paid to an employee with single
76.24 coverage;

76.25 (5) payments made as an employer-paid fringe benefit;

76.26 (6) workers' compensation payments;

76.27 (7) employer contributions to a deferred compensation or tax-sheltered annuity program;
76.28 and

76.29 (8) amounts contributed under a benevolent vacation and sick leave donation program.

(c) Amounts ~~provided~~ paid to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the grievance or settlement is reviewed by the executive director and agreement is received by the executive director no fewer than 14 days before payment is made and the executive director determines that:

(1) the grievance or settlement agreement describes with sufficient specificity the period or periods of time worked or not worked by the employee for which the amounts are compensation; and

(2) the amounts are determined by the executive director to be consistent with salary as defined in paragraph (a) and the determination is consistent with prior determinations.

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

Sec. 2. Minnesota Statutes 2022, section 352.03, subdivision 5, is amended to read:

Subd. 5. Executive director, deputy director, and assistant director. (a) The board shall appoint an executive director, in this chapter called the director, on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The director must have had at least five years' experience in either an executive level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.

(b) The executive director, deputy director, and assistant director must be in the unclassified service but appointees may be selected from civil service lists if desired. Notwithstanding any law to the contrary, the board must set the salary of the executive director. ~~The salary of the executive director must not exceed the limit for a position listed in section 15A.0815, subdivision 2.~~ The board must set the salary of the executive director with reference to a salary range in the managerial plan in effect under section 43A.18, subdivision 3. The board must designate the salary range and the salary of the executive director, which must not exceed the maximum for the salary range. The salary of the deputy director and assistant director must be set in accordance with section 43A.18, subdivision 3.

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

Sec. 3. Minnesota Statutes 2022, section 352.113, subdivision 1, is amended to read:

Subdivision 1. Age and service requirements. (a) An employee covered by the system, ~~who is less than~~ who has satisfied the applicable allowable service credit requirement under section 352.115, subdivision 1, has not reached normal retirement age, and ~~who~~ becomes

78.1 totally and permanently disabled ~~after three or more years of allowable service if employed~~
78.2 ~~before July 1, 2010, or after five or more years of allowable service if employed after June~~
78.3 ~~30, 2010~~; is entitled to a disability benefit in an amount provided in subdivision 3.

78.4 (b) If the disabled employee's state service has terminated at any time, the employee
78.5 must have at least two years of allowable service after last becoming a state employee
78.6 covered by the system.

78.7 (c) Refunds may be repaid under section 352.23 before the effective accrual date of the
78.8 disability benefit under subdivision 2.

78.9 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

78.10 Sec. 4. Minnesota Statutes 2022, section 352.12, subdivision 1, is amended to read:

78.11 Subdivision 1. **Death before termination of service.** If an employee dies before state
78.12 service has terminated and neither a survivor annuity nor a ~~reversionary~~ bounce-back annuity
78.13 is payable on behalf of the employee, or if a former employee who has sufficient service
78.14 credit to be entitled to an annuity dies before the annuity has become payable, a refund ~~with~~
78.15 in an amount equal to the employee's accumulated contributions plus interest is payable
78.16 upon filing a written application on a form prescribed by the executive director. The refund
78.17 is payable to the last designated beneficiary or, if there is none, to the surviving spouse or,
78.18 if none, to the employee's surviving children in equal shares or, if none, to the employee's
78.19 surviving parents in equal shares or, if none, to the representative of the estate. Interest must
78.20 be computed as provided in section 352.22, subdivision 2. Upon the death of an employee
78.21 who has received a refund that was later repaid in full, interest must be paid on the repaid
78.22 refund only from the date of the repayment. If the repayment was made in installments,
78.23 interest must be paid only from the date on which the installment payments began. The
78.24 designated beneficiary, the surviving spouse, or the representative of the estate of an
78.25 employee who had received a disability benefit is not entitled to the payment of interest
78.26 upon any balance remaining to the decedent's credit in the fund at the time of death, unless
78.27 the death occurred before any payment could be negotiated.

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

78.29 Sec. 5. Minnesota Statutes 2022, section 352.12, subdivision 2, is amended to read:

78.30 Subd. 2. **Surviving spouse benefit.** (a) If an employee or former employee has ~~credit~~
78.31 ~~for at least three years allowable service if the employee was employed before July 1, 2010,~~
78.32 ~~or for at least five years of allowable service if the employee was employed after June 30,~~

79.1 ~~2010~~, satisfied the applicable allowable service credit requirement under section 352.115,
79.2 subdivision 1, and dies before an annuity or disability benefit has become payable,
79.3 notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the
79.4 employee may elect to receive, in lieu of the refund with interest under subdivision 1, an
79.5 annuity equal to the joint and 100 percent survivor annuity which the employee or former
79.6 employee could have qualified for on the date of death.

79.7 (b) If the employee was an active employee at the time of the employee's death, was
79.8 under age 55₂, and has credit for at least 30 years of allowable service on the date of death,
79.9 the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on
79.10 the age of the employee and surviving spouse on the date of death. The annuity is payable
79.11 using the full early retirement reduction under section 352.116, subdivision 1, paragraph
79.12 (b), to age 55 and one-half of the early retirement reduction from age 55 to the age payment
79.13 begins.

79.14 (c) If the employee was an active employee at the time of the employee's death, was
79.15 under age 55₂, and has ~~credit for at least three years of allowable service credit on the date~~
79.16 ~~of death if the employee was employed before July 1, 2010, or for at least five years of~~
79.17 ~~allowable service if the employee was employed after June 30, 2010,~~ satisfied the applicable
79.18 allowable service credit requirement under section 352.115, subdivision 1, but did not yet
79.19 qualify for retirement, the surviving spouse may elect to receive a 100 percent joint and
79.20 survivor annuity based on the age of the employee and surviving spouse at the time of death.
79.21 The annuity is payable using the full early retirement reduction under section 352.116,
79.22 subdivision 1 or 1a, to age 55 and one-half of the early retirement reduction from age 55 to
79.23 the age payment begins.

79.24 (d) The surviving spouse eligible for benefits under paragraph (a) may apply for the
79.25 annuity at any time after the date on which the employee or former employee would have
79.26 attained the required age for retirement based on the allowable service earned. The surviving
79.27 spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for the
79.28 annuity at any time after the employee's death. The annuity must be computed under sections
79.29 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1, 1a, and 3. ~~Sections~~ Section
79.30 352.22, subdivision subdivisions 3; and ~~352.72, subdivision 2~~ 3a, apply to a deferred annuity
79.31 ~~or payable to a surviving spouse benefit payable~~ under this subdivision. The annuity must
79.32 cease with the last payment received by the surviving spouse in the lifetime of the surviving
79.33 spouse, or upon expiration of a term certain benefit payment to a surviving spouse under
79.34 subdivision 2a. An amount equal to the excess, if any, of the accumulated contributions
79.35 credited to the account of the deceased employee in excess of the total of the benefits paid

and payable to the surviving spouse must be paid to the deceased employee's or former employee's last designated beneficiary or, if none, as specified under subdivision 1.

(e) Any employee or former employee may request in writing, with the signed consent of the spouse, that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 352.12, subdivision 2b, is amended to read:

Subd. 2b. **Dependent child survivor coverage.** If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 352.01, subdivision 26, is eligible for monthly payments under this subdivision, but only if the dependent child or children did not elect to receive a refund under subdivision 1. Payments to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the employee and age of the dependent child at the date of death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

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

Sec. 7. Minnesota Statutes 2022, section 352.12, subdivision 7, is amended to read:

Subd. 7. **Absence of optional or ~~reversionary~~ bounce-back annuity.** Upon the death of a retired employee who selected neither an optional annuity or a ~~reversionary~~ bounce-back annuity, a refund must be paid in an amount equal to the excess, if any, of the accumulated contributions to the credit of the retired employee immediately before retirement in excess of the sum of (1) all annuities, retirement allowances, and disability benefits that had been received and had accrued in the lifetime of the decedent, and (2) the annuity, retirement allowance, or disability benefit if not negotiated, payable to the surviving spouse under section 352.115, subdivision 8, or 352.113, subdivision 4, for the calendar month in which the retired employee died. The refund must be paid to the named beneficiary or, if there be none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate.

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

81.2 Sec. 8. Minnesota Statutes 2022, section 352.12, subdivision 8, is amended to read:

81.3 Subd. 8. **Optional or reversionary bounce-back annuity.** If the last eligible recipient
81.4 of an optional annuity dies and the total amounts paid under it are less than the accumulated
81.5 contributions to the credit of the retired employee immediately before retirement, the balance
81.6 of accumulated contributions must be paid to the person designated by the retired employee
81.7 in writing to receive payment. If no designation has been made by the retired employee, the
81.8 remaining balance of accumulated contributions must be paid to the surviving children of
81.9 the deceased recipient of the optional annuity in equal shares. If there are no surviving
81.10 children, payment must be made to the deceased recipient's parents or, if none, to the
81.11 representative of the deceased recipient's estate.

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

81.13 Sec. 9. Minnesota Statutes 2023 Supplement, section 352.91, subdivision 3f, as amended
81.14 by Laws 2024, chapter 79, article 9, section 18, is amended to read:

81.15 Subd. 3f. **Additional Department of Human Services personnel.** (a) "Covered
81.16 correctional service" means service by a state employee in one of the employment positions
81.17 specified in paragraph (b) in the state-operated forensic services program or the Minnesota
81.18 Sex Offender Program if at least 75 percent of the employee's working time is spent in direct
81.19 contact with patients and the determination of this direct contact is certified to the executive
81.20 director by the commissioner of human services or direct care and treatment executive
81.21 board.

81.22 (b) The employment positions are:

81.23 (1) baker;

81.24 ~~(1)~~ (2) behavior analyst 2;

81.25 ~~(2)~~ (3) behavior analyst 3;

81.26 ~~(3)~~ (4) certified occupational therapy assistant 1;

81.27 ~~(4)~~ (5) certified occupational therapy assistant 2;

81.28 ~~(5)~~ (6) client advocate;

81.29 ~~(6)~~ (7) clinical program therapist 2;

81.30 ~~(7)~~ (8) clinical program therapist 3;

- 82.1 ~~(8)~~ (9) clinical program therapist 4;
- 82.2 (10) cook;
- 82.3 (11) culinary supervisor;
- 82.4 ~~(9)~~ (12) customer services specialist principal;
- 82.5 ~~(10)~~ (13) dental assistant registered;
- 82.6 ~~(11)~~ (14) dental hygienist;
- 82.7 (15) food service worker;
- 82.8 (16) food services supervisor;
- 82.9 ~~(12)~~ (17) group supervisor;
- 82.10 ~~(13)~~ (18) group supervisor assistant;
- 82.11 ~~(14)~~ (19) human services support specialist;
- 82.12 ~~(15)~~ (20) licensed alcohol and drug counselor;
- 82.13 ~~(16)~~ (21) licensed practical nurse;
- 82.14 ~~(17)~~ (22) management analyst 3;
- 82.15 (23) music therapist;
- 82.16 ~~(18)~~ (24) occupational therapist;
- 82.17 ~~(19)~~ (25) occupational therapist, senior;
- 82.18 ~~(20)~~ (26) physical therapist;
- 82.19 ~~(21)~~ (27) psychologist 1;
- 82.20 ~~(22)~~ (28) psychologist 2;
- 82.21 ~~(23)~~ (29) psychologist 3;
- 82.22 ~~(24)~~ (30) recreation program assistant;
- 82.23 ~~(25)~~ (31) recreation therapist lead;
- 82.24 ~~(26)~~ (32) recreation therapist senior;
- 82.25 ~~(27)~~ (33) rehabilitation counselor senior;
- 82.26 ~~(28)~~ (34) residential program lead;
- 82.27 ~~(29)~~ (35) security supervisor;

- 83.1 ~~(30)~~ (36) skills development specialist;
- 83.2 ~~(31)~~ (37) social worker senior;
- 83.3 ~~(32)~~ (38) social worker specialist;
- 83.4 ~~(33)~~ (39) social worker specialist, senior;
- 83.5 ~~(34)~~ (40) special education program assistant;
- 83.6 ~~(35)~~ (41) speech pathology clinician;
- 83.7 ~~(36)~~ (42) substance use disorder counselor senior;
- 83.8 ~~(37)~~ (43) work therapy assistant; and
- 83.9 ~~(38)~~ (44) work therapy program coordinator.

83.10 **EFFECTIVE DATE.** This section is effective on the first day of the first payroll period
 83.11 occurring after the day of enactment.

83.12 Sec. 10. Minnesota Statutes 2022, section 352.95, subdivision 4, is amended to read:

83.13 Subd. 4. **Medical or psychological evidence.** (a) An applicant shall provide medical,
 83.14 chiropractic, or psychological evidence to support an application for disability benefits. The
 83.15 director ~~shall~~ may have the employee examined by at least one additional licensed physician,
 83.16 APRN, chiropractor, or psychologist who is designated by the medical adviser. The
 83.17 physicians, APRNs, chiropractors, or psychologists with respect to a mental impairment,
 83.18 shall make written reports to the director concerning the question of the employee's disability,
 83.19 including their expert opinions as to whether the employee has an occupational disability
 83.20 within the meaning of section 352.01, subdivision 17a, and whether the employee has a
 83.21 duty disability, physical or psychological, under section 352.01, subdivision 17b, or has a
 83.22 regular disability, physical or psychological, under section 352.01, subdivision 17c. The
 83.23 director shall also obtain written certification from the employer stating whether or not the
 83.24 employee is on sick leave of absence because of a disability that will prevent further service
 83.25 to the employer performing normal duties as defined in section 352.01, subdivision 17d, or
 83.26 performing less frequent duties as defined in section 352.01, subdivision 17e, and as a
 83.27 consequence, the employee is not entitled to compensation from the employer.

83.28 (b) If, on considering the reports by the physicians, APRNs, chiropractors, or
 83.29 psychologists and any other evidence supplied by the employee or others, the medical
 83.30 adviser finds that the employee has an occupational disability within the meaning of section
 83.31 352.01, subdivision 17a, the adviser shall make the appropriate recommendation to the
 83.32 director, in writing, together with the date from which the employee has been disabled. The

84.1 director shall then determine the propriety of authorizing payment of a duty disability benefit
84.2 or a regular disability benefit as provided in this section.

84.3 (c) Unless the payment of a disability benefit has terminated because the employee no
84.4 longer has an occupational disability, or because the employee has reached either age 55
84.5 or the five-year anniversary of the effective date of the disability benefit, whichever is later,
84.6 the disability benefit must cease with the last payment which was received by the disabled
84.7 employee or which had accrued during the employee's lifetime. While disability benefits
84.8 are paid, the director has the right, at reasonable times, to require the disabled employee to
84.9 submit proof of the continuance of an occupational disability. If any examination indicates
84.10 to the medical adviser that the employee no longer has an occupational disability, the
84.11 disability payment must be discontinued upon the person's reinstatement to state service or
84.12 within 60 days of the finding, whichever is sooner.

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

84.14 Sec. 11. **[352B.115] REEMPLOYMENT.**

84.15 Subdivision 1. **Return to employment.** (a) A member of the State Patrol retirement
84.16 plan who has separated from service and is receiving an annuity under section 352B.08 or
84.17 has applied to receive an annuity under section 352B.08 may return to employment in the
84.18 same department and to a position covered by the State Patrol retirement plan as early as:

84.19 (1) the second day after separation from service if the member is at least age 55; or

84.20 (2) the 31st day after separation from service if the member is at least age 50 but not yet
84.21 age 55.

84.22 (b) The executive director must seek repayment of any annuity payments made to a
84.23 member who returns to employment before the earliest day under paragraph (a), clause (1)
84.24 or (2), as applicable. The executive director may waive the repayment requirement if the
84.25 member's failure to comply with paragraph (a), clause (1) or (2), as applicable, was
84.26 inadvertent or due to no fault of the member.

84.27 Subd. 2. **Effect on annuity.** (a) A member's return to employment under subdivision 1
84.28 does not impact the member's continued receipt of an annuity or commencement of annuity
84.29 payments.

84.30 (b) During the period of reemployment:

84.31 (1) the amount of the annuity must not increase or decrease as a result of the
84.32 reemployment;

85.1 (2) the member must make member contributions as required under section 352B.02,
85.2 subdivisions 1a and 1b, during the period of reemployment; and

85.3 (3) the member's employer must make employer and supplemental contributions as
85.4 required under section 352B.02, subdivision 1c.

85.5 Subd. 3. **Separation from service after period of reemployment.** The executive director
85.6 must refund the member's contributions made during the period of reemployment, plus
85.7 interest, following the member's separation from service after the period of reemployment.

85.8 Subd. 4. **Other law and rules not applicable.** (a) Section 352.115, subdivision 10, does
85.9 not apply to a member of the State Patrol retirement plan who returns to employment under
85.10 this section.

85.11 (b) Minnesota Rules, part 6700.0675, does not apply to a member of the State Patrol
85.12 retirement plan who returns to employment under this section.

85.13 (c) Minnesota Rules, part 6700.0670, does not apply to a member of the State Patrol
85.14 retirement plan who returns to employment under this section, except that the member must
85.15 be fingerprinted and the fingerprints must be forwarded by the employer to the Bureau of
85.16 Criminal Apprehension and the Federal Bureau of Investigation.

85.17 Subd. 5. **Effect on mandatory retirement age.** A member's right to reemployment
85.18 under subdivision 1 does not extend or affect the application of the mandatory retirement
85.19 age under section 43A.34.

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

85.21 Sec. 12. Laws 2021, chapter 22, article 2, section 3, is amended to read:

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

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

85.26 ~~(1) "effective date" means the effective date of section 1;~~

85.27 ~~(2) (1) "eligible person" means a person state employee or former state employee who:~~
85.28 ~~(i) is employed in state service on the effective date or terminated employment in state~~
85.29 ~~service during the lookback period; (ii) was an excluded employee for any period of~~
85.30 ~~employment before the effective date; and (iii) before the effective date, became eligible for~~
85.31 ~~coverage under Minnesota Statutes 2020, section 352.01, subdivision 2b, clause (14), or,~~

86.1 ~~on the effective date, became a state employee under the amendment made by section 1~~
86.2 May 26, 2021;

86.3 ~~(3) (2) "excluded employee" means a person who was excluded from coverage under~~
86.4 ~~Minnesota Statutes 2020, section 352.01, subdivision 2b, clause (14), or its predecessor;~~
86.5 and

86.6 ~~(4) (3) "executive director" means the executive director of the Minnesota State~~
86.7 ~~Retirement System; and.~~

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

86.10 Subd. 1a. **Authorization to purchase service credit.** (a) If the employer of an eligible
86.11 person notifies the eligible person that the eligible person is entitled to make the payment
86.12 of missed employee contributions described in subdivision 2, the eligible person may elect
86.13 to purchase service credit for the period of employment or any portion thereof during which
86.14 contributions were not made for or by the eligible person because the eligible person was
86.15 considered an excluded employee.

86.16 (b) If the eligible person elects to purchase service credit under paragraph (a), the eligible
86.17 person must forward the notification from the employer under paragraph (a) to the executive
86.18 director and request that the executive director determine the amount required under
86.19 subdivision 2 to pay the missed employee contributions for the period of time that the eligible
86.20 person did not make employee contributions because the eligible person was considered an
86.21 excluded employee. The executive director must respond to the eligible person's request no
86.22 later than 30 days after receiving the request.

86.23 (c) The eligible person, upon receipt of the amount calculated by the executive director
86.24 under paragraph (b), must follow the procedure under subdivision 2 if the eligible person
86.25 wishes to purchase service credit for a period of employment during which contributions
86.26 were not made for or by the eligible person.

86.27 Subd. 2. **Authorizing the purchase of service credit Payments required.** (a)
86.28 Notwithstanding any law to the contrary, the executive director must credit a person with
86.29 allowable service credit for any period of employment during which contributions were not
86.30 made for the person because the person was considered an excluded employee, if the person
86.31 is an eligible person and the executive director receives the payment described in paragraph
86.32 (b) or (c), as applicable, no later than 90 days after the date of the notification from the
86.33 eligible person's employer under subdivision 1a, paragraph (a).

(b) The eligible person or the employer, on behalf of the eligible person, may, ~~no later than August 31, 2021,~~ pay the missed employee contributions for any period of employment during which contributions were not made for the person because the person was considered an excluded employee, by transmitting the amount of the missed employee contributions in a lump sum to the Minnesota State Retirement System amount calculated by the executive director under subdivision 1a, paragraph (b).

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

(d) If the missed employee contributions are paid, the eligible person's employer must, no later than ~~September 30, 2021~~ 60 days after the date the missed employee contributions are paid, pay the missed employer contributions plus interest, compounded annually, at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 2, on both the employee contributions and the employer contributions, from the end of the year in which the contributions would have been made to the date on which the payment is made, by transmitting the amount of the missed employer contributions plus interest in a lump sum to the Minnesota State Retirement System. If the eligible person elects to pay missed employee contributions for less than the entire period of employment as permitted under paragraph (c), the employer must pay the missed employer contributions plus interest on both the employee contributions and the employer contributions for the payroll periods elected by the eligible person.

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

Subd. 3. **Expiration.** This section expires June 30, 2027.

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

88.1 Sec. 13. **NEW POSITIONS PERMITTED TO TRANSFER PAST SERVICE CREDIT**
88.2 **FROM THE MSRS GENERAL PLAN.**

88.3 For each employee whose employment position is baker, cook, culinary supervisor, food
88.4 service worker, food services supervisor, or music therapist and who enters the correctional
88.5 state employees retirement plan on the effective date of section 9, the executive director
88.6 must consider the employee an eligible employee under Minnesota Statutes, section 352.955,
88.7 subdivision 1, paragraph (b), for purposes of Minnesota Statutes, section 352.955. The
88.8 executive director must transfer, from the general state employees retirement plan to the
88.9 correctional state employees retirement plan, any eligible prior correctional employment
88.10 as defined under Minnesota Statutes, section 352.955, subdivision 1, paragraph (c), if elected
88.11 by the eligible employee, subject to all other requirements of Minnesota Statutes, section
88.12 352.955, including payment by the eligible employee of the additional member contribution
88.13 as defined under Minnesota Statutes, section 352.955, subdivision 3, paragraph (a).

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

88.15 Sec. 14. **WORK GROUP ON MSRS CORRECTIONAL PLAN ELIGIBILITY.**

88.16 Subdivision 1. **Work group established.** The executive director of the Legislative
88.17 Commission on Pensions and Retirement (commission executive director) must convene a
88.18 work group for the purpose of recommending legislation amending Minnesota Statutes,
88.19 sections 352.91 and 356.955, and other statutes applicable to eligibility for the Minnesota
88.20 State Retirement System correctional state employees retirement plan (correctional plan)
88.21 that will correct the deficiencies in the process under current law for adding employees and
88.22 positions to coverage by the correctional plan.

88.23 Subd. 2. **Membership.** (a) The members of the work group are the following:

88.24 (1) the executive director of the Minnesota State Retirement System or the executive
88.25 director's designee and a second member of the Minnesota State Retirement System staff
88.26 designated by the executive director of the Minnesota State Retirement System;

88.27 (2) the commissioner of corrections or the commissioner's designee and a member of
88.28 the department's human resources staff with knowledge of the department's process for
88.29 creating and amending position descriptions of positions in the facilities with employees
88.30 covered by the correctional plan;

88.31 (3) the commissioner of human services or the commissioner's designee and a member
88.32 of the department's human resources staff with knowledge of the department's process for

89.1 creating and amending position descriptions of positions in the facilities with employees
89.2 covered by the correctional plan;

89.3 (4) two representatives from the American Federation of State, County and Municipal
89.4 Employees (AFSCME);

89.5 (5) two representatives from the Minnesota Association of Professional Employees
89.6 (MAPE);

89.7 (6) two representatives from the Middle Management Association (MMA); and

89.8 (7) one representative from the Minnesota Nurses Association.

89.9 (b) the commission executive director may invite others, including legislators and
89.10 legislative staff, to participate in one or more meetings of the work group.

89.11 (c) The organizations specified in paragraph (a) must provide the commission executive
89.12 director with the names and contact information for the representatives who will serve on
89.13 the work group by June 14, 2024.

89.14 Subd. 3. **Scope.** (a) In arriving at the work group's recommendation for legislation or
89.15 alternatives for legislation the work group must consider:

89.16 (1) the effectiveness of the current process for certifying that an employee has direct
89.17 contact with inmates or patients at least 75 percent of the employee's working time as
89.18 required under Minnesota Statutes, section 352.91, and take into account that an employee's
89.19 direct contact may fluctuate from year to year or pay period to pay period and may vary
89.20 among facilities;

89.21 (2) whether correctional plan membership should depend on position descriptions that
89.22 are not updated frequently enough or on position titles that may change from time to time
89.23 and whether there are alternatives to conditioning membership on position descriptions or
89.24 titles;

89.25 (3) whether the procedures under Minnesota Statutes, section 352.91, subdivisions 4a
89.26 to 4c, should be reformed to ensure there is an effective procedure that will be followed for
89.27 evaluating positions and employees entitled to membership;

89.28 (4) whether the service credit transfer provisions are effective or should be revised to
89.29 apply whenever an employee transfers coverage from the Minnesota State Retirement
89.30 System general state employees retirement plan to the correctional plan;

89.31 (5) the philosophy behind current law that identifies certain positions as being
89.32 automatically eligible for plan membership and other positions as being eligible for plan

90.1 membership only if the direct contact requirement is met and the factors considered in
90.2 making determinations as to which positions will be automatically eligible; and

90.3 (6) any other topics relevant to the considerations listed above that will reduce the
90.4 frequency with which the commission is requested to review plan membership issues.

90.5 Subd. 4. **Due date for submitting recommendation to the commission.** The commission
90.6 executive director must submit the recommendation of the work group to the chair of the
90.7 Legislative Commission on Pensions and Retirement by January 10, 2025.

90.8 Subd. 5. **Meetings.** (a) The executive director of the commission must convene the first
90.9 meeting of the work group no later than August 1, 2024, and will serve as chair.

90.10 (b) Meetings may be conducted remotely or in person or a combination of remote and
90.11 in person.

90.12 (c) In-person meetings must be held in the offices of the Legislative Coordinating
90.13 Commission or in the Retirement Systems of Minnesota Building in St. Paul.

90.14 Subd. 6. **Compensation; lobbying; retaliation.** (a) Members of the work group serve
90.15 without compensation.

90.16 (b) Participation in the work group is not lobbying under Minnesota Statutes, chapter
90.17 10A.

90.18 (c) An individual's employer or an association of which an individual is a member must
90.19 not retaliate against the individual because of the individual's participation in the work
90.20 group.

90.21 Subd. 7. **Administrative support.** Commission staff must provide administrative support
90.22 for the work group.

90.23 Subd. 8. **Expiration.** The work group expires June 30, 2025.

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

90.25 **ARTICLE 6**

90.26 **MINNESOTA SECURE CHOICE RETIREMENT PROGRAM**

90.27 **Section 1.** Minnesota Statutes 2023 Supplement, section 187.03, is amended by adding a
90.28 subdivision to read:

90.29 Subd. 7a. **Home and community-based services employee.** "Home and
90.30 community-based services employee" means an individual employed by the individual's
90.31 child or spouse to provide:

91.1 (1) consumer-directed community supports services under sections 256B.092 and 256B.49
91.2 and chapter 256S or under the alternative care program authorized under section 256B.0913;
91.3 or

91.4 (2) services under the community first services and supports program authorized under
91.5 section 256B.85 and Minnesota's federally approved waiver programs.

91.6 This definition applies only to this chapter and does not create any other legal rights or
91.7 obligations under state or federal law.

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

91.9 Sec. 2. Minnesota Statutes 2023 Supplement, section 187.05, subdivision 7, is amended
91.10 to read:

91.11 Subd. 7. **Individuals not employed by a covered employer.** (a) In addition to home
91.12 and community-based services employees under paragraph (b), the board may allow
91.13 individuals not employed by a covered employer to open and contribute to an account in
91.14 the program, in which case the individual ~~shall~~ must be considered a covered employee for
91.15 purposes of sections 187.05 to 187.11.

91.16 (b) The board must allow any home and community-based services employee to open
91.17 and contribute to an account in the program within six months of the opening of the program
91.18 and must consider a home and community-based services employee a covered employee
91.19 for purposes of sections 187.05 to 187.11.

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

91.21 Sec. 3. Minnesota Statutes 2023 Supplement, section 187.08, subdivision 1, is amended
91.22 to read:

91.23 Subdivision 1. **Membership.** The policy-making function of the program is vested in a
91.24 board of directors consisting of seven members as follows:

91.25 (1) the executive director of the Minnesota State Retirement System or the executive
91.26 director's designee;

91.27 (2) the executive director of the State Board of Investment or the executive director's
91.28 designee;

91.29 (3) three members chosen by the Legislative Commission on Pensions and Retirement,
91.30 one from each of the following experience categories:

92.1 (i) executive or operations manager with substantial experience in record keeping 401(k)
92.2 plans;

92.3 (ii) executive or operations manager with substantial experience in individual retirement
92.4 accounts; and

92.5 (iii) executive or other professional with substantial experience in retirement plan
92.6 investments;

92.7 (4) a human resources or retirement benefits executive from a private company with
92.8 substantial experience in administering the company's 401(k) plan, appointed by the governor;
92.9 and

92.10 (5) a small business owner, a small business executive, or a nonprofit executive appointed
92.11 by the governor.

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

92.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 187.08, subdivision 7, is amended
92.14 to read:

92.15 Subd. 7. **Executive director; staff.** (a) The board must appoint an executive director,
92.16 determine the duties of the executive director, and set the compensation of the executive
92.17 director. The board may appoint an interim executive director to serve as executive director
92.18 during any period that the executive director position is vacant.

92.19 (b) The board may ~~also~~ hire staff as necessary to support the board and the executive
92.20 director or interim executive director in performing ~~its~~ their duties or the board may authorize
92.21 the executive director or interim executive director to hire staff.

92.22 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

92.23 Sec. 5. Minnesota Statutes 2023 Supplement, section 187.08, subdivision 8, is amended
92.24 to read:

92.25 Subd. 8. **Duties.** In addition to the duties set forth elsewhere in this chapter, the board
92.26 has the following duties:

92.27 (1) to establish secure processes for enrolling covered employees in the program and
92.28 for transmitting employee ~~and employer~~ contributions to accounts in the trust;

92.29 (2) to prepare a budget and establish procedures for the payment of costs of administering
92.30 and operating the program;

- 93.1 (3) to lease or otherwise procure equipment necessary to administer the program;
- 93.2 (4) to procure insurance in connection with the property of the program and the activities
- 93.3 of the board, executive director, and other staff;
- 93.4 (5) to determine the following:
- 93.5 (i) any criteria for a covered employee other than employment with a covered employer
- 93.6 under section 187.03, subdivision 5;
- 93.7 (ii) contribution rates and an escalation schedule under section 187.05, subdivision 4;
- 93.8 (iii) withdrawal and distribution options under section 187.05, subdivision 6; and
- 93.9 (iv) the default investment fund under section 187.06, subdivision 5;
- 93.10 (6) to keep annual administrative fees, costs, and expenses as low as possible:
- 93.11 (i) except that any administrative fee assessed against the accounts of covered employees
- 93.12 may not exceed a reasonable amount relative to the fees charged by auto-IRA or defined
- 93.13 contribution programs of similar size in the state of Minnesota or another state; and
- 93.14 (ii) the fee may be asset-based, flat fee, or a hybrid combination of asset-based and flat
- 93.15 fee;
- 93.16 (7) to determine the eligibility of an employer, employee, or other individual to participate
- 93.17 in the program and review and decide claims for benefits and make factual determinations;
- 93.18 (8) to prepare information regarding the program that is clear and concise for
- 93.19 dissemination to all covered employees and includes the following:
- 93.20 (i) the benefits and risks associated with participating in the program;
- 93.21 (ii) procedures for enrolling in the program and opting out of the program, electing a
- 93.22 different or zero percent employee contribution rate, making investment elections, applying
- 93.23 for a distribution of employee accounts, and making a claim for benefits;
- 93.24 (iii) the federal and state income tax consequences of participating in the program, which
- 93.25 may consist of or include the disclosure statement required to be distributed by retirement
- 93.26 plan trustees or custodians under the Internal Revenue Code and the Treasury Regulations
- 93.27 thereunder;
- 93.28 (iv) how to obtain additional information on the program; and
- 93.29 (v) disclaimers of covered employer and state responsibility, including the following
- 93.30 statements:

94.1 (A) covered employees seeking financial, investment, or tax advice should contact their
94.2 own advisors;

94.3 (B) neither a covered employer nor the state of Minnesota are liable for decisions covered
94.4 employees make regarding their account in the program;

94.5 (C) neither a covered employer nor the state of Minnesota guarantees the accounts in
94.6 the program or any particular investment rate of return; and

94.7 (D) neither a covered employer nor the state of Minnesota monitors or has an obligation
94.8 to monitor any covered employee's eligibility under the Internal Revenue Code to make
94.9 contributions to an account in the program, or whether the covered employee's contributions
94.10 to an account in the program exceed the maximum permissible contribution under the
94.11 Internal Revenue Code;

94.12 (9) to publish an annual financial report, prepared according to generally accepted
94.13 accounting principles, on the operations of the program, which must include but not be
94.14 limited to costs attributable to the use of outside consultants, independent contractors, and
94.15 other persons who are not state employees and deliver the report to the chairs and ranking
94.16 minority members of the legislative committees with jurisdiction over jobs and economic
94.17 development and state government finance, the executive directors of the State Board of
94.18 Investment and the Legislative Commission on Pensions and Retirement, and the Legislative
94.19 Reference Library;

94.20 (10) to publish an annual report regarding plan outcomes, progress toward savings goals
94.21 established by the board, statistics on the number of participants, participating employers,
94.22 and covered employees who have opted out of participation, plan expenses, estimated impact
94.23 of the program on social safety net programs, and penalties and violations, and disciplinary
94.24 actions for enforcement, and deliver the report to the chairs and ranking minority members
94.25 of the legislative committees with jurisdiction over jobs and economic development and
94.26 state government finance, the executive directors of the State Board of Investment and the
94.27 Legislative Commission on Pensions and Retirement, and the Legislative Reference Library;

94.28 (11) to file all reports required under the Internal Revenue Code or chapter 290;

94.29 (12) to, at the board's discretion, seek and accept gifts, grants, and donations to be used
94.30 for the program, unless such gifts, grants, or donations would result in a conflict of interest
94.31 relating to the solicitation of service provider for program administration, and deposit such
94.32 gifts, grants, or donations in the Secure Choice administrative fund;

95.1 (13) to, at the board's discretion, seek and accept appropriations from the state or loans
95.2 from the state or any agency of the state;

95.3 (14) to assess the feasibility of partnering with another state or a governmental subdivision
95.4 of another state to administer the program through shared administrative resources and, if
95.5 determined beneficial, enter into contracts, agreements, memoranda of understanding, or
95.6 other arrangements with any other state or an agency or a subdivision of any other state to
95.7 administer, operate, or manage any part of the program, which may include combining
95.8 resources, investments, or administrative functions;

95.9 (15) to hire, retain, and terminate third-party service providers as the board deems
95.10 necessary or desirable for the program, including but not limited to the trustees, consultants,
95.11 investment managers or advisors, custodians, insurance companies, recordkeepers,
95.12 administrators, consultants, actuaries, legal counsel, auditors, and other professionals,
95.13 provided that each service provider is authorized to do business in the state;

95.14 (16) to interpret the program's governing documents and this chapter and make all other
95.15 decisions necessary to administer the program;

95.16 (17) to conduct comprehensive employer and worker education and outreach regarding
95.17 the program that reflect the cultures and languages of the state's diverse workforce population,
95.18 which may, in the board's discretion, include collaboration with state and local government
95.19 agencies, community-based and nonprofit organizations, foundations, vendors, and other
95.20 entities deemed appropriate to develop and secure ongoing resources; and

95.21 (18) to prepare notices for delivery to covered employees regarding the escalation
95.22 schedule and to each covered employee before the covered employee is subject to an
95.23 automatic contribution increase.

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

95.25 Sec. 6. Laws 2023, chapter 46, section 11, is amended to read:

95.26 Sec. 11. **BOARD SUPPORT UNTIL APPOINTMENT OF EXECUTIVE DIRECTOR.**

95.27 With the assistance of the Legislative Coordinating Commission, the executive director
95.28 of the Legislative Commission on Pensions and Retirement must:

95.29 (1) provide notice to members of the board regarding the first meeting of the board and
95.30 work with the member designated under section 10, subdivision 2, to determine the agenda
95.31 and provide meeting support; and

~~(2) serve as the interim executive director to assist the board until the board appoints an~~
interim executive director or completes the search, recruitment, and interview process and
appoints the executive director under Minnesota Statutes, section 187.08, subdivision 8.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2024.

ARTICLE 7

SUPPLEMENTAL PLANS

Section 1. Minnesota Statutes 2023 Supplement, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) to a deferred compensation plan defined in subdivision 3;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$10,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$10,000 per year per employee;

(11) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(12) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(13) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5; ~~or~~

(14) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment; or

(15) to a supplemental plan organized and operated under the Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay.

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

98.1 Sec. 2. Minnesota Statutes 2022, section 356.24, subdivision 3, is amended to read:

98.2 Subd. 3. **Deferred compensation plan.** (a) As used in this section:

98.3 (1) "deferred compensation plan" means a plan that satisfies the requirements of this
98.4 subdivision;

98.5 (2) "plan administrator" means the individual or entity defined as the plan administrator
98.6 in the plan document for the Minnesota deferred compensation plan under section 352.965
98.7 or a deferred compensation plan under section 457(b) of the Internal Revenue Code; and

98.8 (3) "vendor" means the provider of an annuity contract, custodial account, or retirement
98.9 income account under a tax-sheltered annuity plan under section 403(b) of the Internal
98.10 Revenue Code.

98.11 (b) The plan is:

98.12 (1) the Minnesota deferred compensation plan under section 352.965;

98.13 (2) a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code; or

98.14 (3) a deferred compensation plan under section 457(b) of the Internal Revenue Code.

98.15 (c) For each investment fund available to participants under the plan, other than in a
98.16 self-directed brokerage account or fixed annuity contract, the plan administrator or vendor
98.17 discloses at least annually to participants a statement that sets forth (1) all fees, including
98.18 administrative, maintenance, and investment fees, that impact the rate of return on each
98.19 investment fund available under the plan, and (2) the rates of return for the prior one-, ~~three-~~,
98.20 five-, and ten-year periods or for the life of the fund, if shorter, in an easily understandable
98.21 document. The plan administrator or vendor must file a copy of this statement annually with
98.22 the executive director of the Legislative Commission on Pensions and Retirement ~~within~~
98.23 ~~30 days of the end of each fiscal year of the plan.~~

98.24 (d) Enrollment in the plan is provided for in:

98.25 (1) a personnel policy of the public employer;

98.26 (2) a collective bargaining agreement between the public employer and the exclusive
98.27 representative of public employees in an appropriate unit; or

98.28 (3) an individual employment contract (i) between a city and a city manager or other
98.29 management employee, or (ii) between a school district and a superintendent or other
98.30 management employee.

(e) The plan covers employees of a school district, state agency, or other governmental subdivision. The plan may cover city managers covered by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph (a) or (b), but must not cover employees of the Board of Trustees of Minnesota State Colleges and Universities who are covered by the Higher Education Supplemental Retirement Plan under chapter 354C.

(f) ~~Except as permitted under paragraph (g), public funds are contributed to the plan only in an amount that matches~~ If the public employer makes matching contributions to the plan, the matching contributions must match, on a dollar for dollar basis, employee elective deferral contributions on a dollar for dollar basis, but not to exceed the lesser of (1) the maximum authorized under the policy described in paragraph (d) that provides for enrollment in the plan or program, or (2) one-half of the annual limit on elective deferrals under section 402(g) of the Internal Revenue Code. In lieu of or in addition to matching an employee's elective deferral contributions, the public employer may make employer matching contributions on behalf of an employee on account of qualified student loan payments, as defined in the Secure 2.0 Act of 2022, Public Law 117-328 (December 29, 2022), Division T, section 110, paragraph (b), and any regulations adopted thereunder. The employer matching contributions on account of an employee's qualified student loan payments plus any employer matching contributions that match an employee's elective deferral contributions must not exceed, for the year, the lesser of (1) the maximum authorized under the policy described in paragraph (d) that provides for enrollment in the plan or program, (2) one-half of the annual limit on elective deferrals under section 402(g) of the Internal Revenue Code, or (3) the employee's compensation for the year.

(g) Contributions to the plan may include contributions deducted from an employee's sick leave, accumulated vacation leave, or accumulated severance pay, whether characterized as employee contributions or nonelective employer contributions, up to applicable limits under the Internal Revenue Code. Such contributions are not subject to the match requirement and limit in paragraph (f).

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

ARTICLE 8

APPLICABLE TO ALL PLANS:
AMORTIZATION; INTERNAL REVENUE CODE COMPLIANCE

Section 1. Minnesota Statutes 2023 Supplement, section 356.215, subdivision 11, is amended to read:

Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation of the retirement plan must contain an exhibit for financial reporting purposes indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability and must contain an exhibit indicating the additional contribution sufficient to amortize the unfunded actuarial accrued liability. For the retirement plans listed in subdivision 8, paragraph (a), but excluding the legislators retirement plan, the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer firefighter relief associations, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared, assuming annual payroll growth at the applicable percentage rate set forth in the appendix described in subdivision 8, paragraph (c). For the legislators retirement plan, the additional annual contribution must be calculated on a level annual dollar amount basis.

~~(b) For any retirement plan other than a retirement plan governed by paragraph (d), (e), (f), (g), (h), (i), or (j), if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by itself or by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding is the first actuarial valuation date occurring after June 1, 2020.~~

(e) (b) This paragraph applies only if the calculation under this paragraph for a retirement plan results in an established date for full funding that is earlier than the established date for full funding applicable to the retirement plan under paragraph (c). For any retirement plan, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by itself or by themselves and without inclusion of any other

101.1 items of increase or decrease, produce a net increase in the unfunded actuarial accrued
101.2 liability in the fund, the established date for full funding must be determined using the
101.3 following procedure:

101.4 (i) the unfunded actuarial accrued liability of the fund must be determined in accordance
101.5 with the plan provisions governing annuities and retirement benefits and the actuarial
101.6 assumptions in effect before an applicable change;

101.7 (ii) the level annual dollar contribution or level percentage, whichever is applicable,
101.8 needed to amortize the unfunded actuarial accrued liability amount determined under item
101.9 (i) by the established date for full funding in effect before the change must be calculated
101.10 using the investment return assumption specified in subdivision 8 in effect before the change;

101.11 (iii) the unfunded actuarial accrued liability of the fund must be determined in accordance
101.12 with any new plan provisions governing annuities and benefits payable from the fund and
101.13 any new actuarial assumptions and the remaining plan provisions governing annuities and
101.14 benefits payable from the fund and actuarial assumptions in effect before the change;

101.15 (iv) the level annual dollar contribution or level percentage, whichever is applicable,
101.16 needed to amortize the difference between the unfunded actuarial accrued liability amount
101.17 calculated under item (i) and the unfunded actuarial accrued liability amount calculated
101.18 under item (iii) over a period of 30 years from the end of the plan year in which the applicable
101.19 change is effective must be calculated using the applicable investment return assumption
101.20 specified in subdivision 8 in effect after any applicable change;

101.21 (v) the level annual dollar or level percentage amortization contribution under item (iv)
101.22 must be added to the level annual dollar amortization contribution or level percentage
101.23 calculated under item (ii);

101.24 (vi) the period in which the unfunded actuarial accrued liability amount determined in
101.25 item (iii) is amortized by the total level annual dollar or level percentage amortization
101.26 contribution computed under item (v) must be calculated using the investment return
101.27 assumption specified in subdivision 8 in effect after any applicable change, rounded to the
101.28 nearest integral number of years, but not to exceed 30 years from the end of the plan year
101.29 in which the determination of the established date for full funding using the procedure set
101.30 forth in this clause is made and not to be less than the period of years beginning in the plan
101.31 year in which the determination of the established date for full funding using the procedure
101.32 set forth in this clause is made and ending by the date for full funding in effect before the
101.33 change; and

102.1 (vii) the period determined under item (vi) must be added to the date as of which the
 102.2 actuarial valuation was prepared and the date obtained is the new established date for full
 102.3 funding.

102.4 (c) The established date for full funding is the date provided for each of the following
 102.5 plans:

102.6 ~~(d)~~ (i) for the general employees retirement plan of the Public Employees Retirement
 102.7 Association, the established date for full funding is June 30, 2048;

102.8 ~~(e)~~ (ii) for the Teachers Retirement Association, the established date for full funding is
 102.9 June 30, 2048, through June 30, 2025. Beginning July 1, 2025, the established date for full
 102.10 funding is June 30, 2053;

102.11 ~~(f)~~ (iii) for the correctional state employees retirement plan and the State Patrol retirement
 102.12 plan of the Minnesota State Retirement System, the established date for full funding is June
 102.13 30, 2048;

102.14 ~~(g)~~ (iv) for the judges retirement plan, the established date for full funding is June 30,
 102.15 2048;

102.16 ~~(h)~~ (v) for the local government correctional service retirement plan and the public
 102.17 employees police and fire retirement plan, the established date for full funding is June 30,
 102.18 2048;

102.19 ~~(i)~~ (vi) for the St. Paul Teachers Retirement Fund Association, the established date for
 102.20 full funding is June 30, 2048; and

102.21 ~~(j)~~ (vii) for the general state employees retirement plan of the Minnesota State Retirement
 102.22 System, the established date for full funding is June 30, 2048.

102.23 ~~(k)~~ (d) For the retirement plans for which the annual actuarial valuation indicates an
 102.24 excess of valuation assets over the actuarial accrued liability, the valuation assets in excess
 102.25 of the actuarial accrued liability must be recognized as a reduction in the current contribution
 102.26 requirements by an amount equal to the amortization of the excess expressed as a level
 102.27 percentage of pay over a 30-year period beginning anew with each annual actuarial valuation
 102.28 of the plan.

102.29 **EFFECTIVE DATE.** This section is effective June 30, 2024.

102.30 Sec. 2. Minnesota Statutes 2022, section 356.611, subdivision 2, is amended to read:

102.31 Subd. 2. **Federal compensation limits.** (a) For members or participants of a covered
 102.32 pension retirement plan enumerated in section 356.30, subdivision 3, and of the plan

103.1 ~~established under chapter 353D~~ listed in subdivision 6, compensation in excess of the
103.2 limitation specified in section 401(a)(17) of the Internal Revenue Code, as ~~amended~~ adjusted,
103.3 for changes in the cost of living under section 401(a)(17)(B) of the Internal Revenue Code,
103.4 ~~may~~ must not be included for contribution and benefit computation purposes.

103.5 (b) Notwithstanding paragraph (a), for members or participants specified in paragraph
103.6 (a) who first contributed to a plan specified in that paragraph before July 1, 1995, the annual
103.7 compensation limit specified in section 401(a)(17) of the Internal Revenue Code on June
103.8 30, 1993, applies if that provides a greater allowable annual compensation.

103.9 (c) To the extent required by sections 3401(h) and 414(u)(12) of the ~~federal~~ Internal
103.10 Revenue Code, an individual receiving a differential wage payment as defined in section
103.11 3401(h)(2) of the ~~federal~~ Internal Revenue Code from an employer shall be treated as
103.12 employed by that employer, and the differential wage payment will be treated as
103.13 compensation for purposes of applying the limits on annual additions under section 415(c)
103.14 of the ~~federal~~ Internal Revenue Code.

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

103.16 Sec. 3. Minnesota Statutes 2022, section 356.611, is amended by adding a subdivision to
103.17 read:

103.18 **Subd. 6. Covered retirement plan.** As used in this section, "covered retirement plan"
103.19 means any of the following plans:

103.20 (1) the legislator's retirement plan, established by chapter 3A, including constitutional
103.21 officers as specified in that chapter;

103.22 (2) the general state employees retirement plan of the Minnesota State Retirement System,
103.23 established by chapter 352;

103.24 (3) the correctional state employees retirement plan of the Minnesota State Retirement
103.25 System, established by chapter 352;

103.26 (4) the State Patrol retirement plan, established by chapter 352B;

103.27 (5) the unclassified state employees retirement plan, established by chapter 352D;

103.28 (6) the general employees retirement plan of the Public Employees Retirement
103.29 Association, established by chapter 353;

103.30 (7) the public employees police and fire retirement plan of the Public Employees
103.31 Retirement Association, established by chapter 353;

- 104.1 (8) the public employees defined contribution plan, established by chapter 353D;
- 104.2 (9) the local government correctional service retirement plan of the Public Employees
- 104.3 Retirement Association, established by chapter 353E;
- 104.4 (10) the statewide volunteer firefighter retirement plan, established by chapter 353G;
- 104.5 (11) the Teachers Retirement Association, established by chapter 354;
- 104.6 (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;
- 104.7 (13) the higher education individual retirement account plan, established by chapter
- 104.8 354B;
- 104.9 (14) the higher education supplemental retirement plan, established by chapter 354C;
- 104.10 (15) a retirement plan of a volunteer firefighter retirement association subject to chapter
- 104.11 424A;
- 104.12 (16) the judges retirement plan, established by chapter 490; or
- 104.13 (17) the Bloomington Fire Department Relief Association governed by Laws 2013,
- 104.14 chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws
- 104.15 1965, chapter 446, as amended.
- 104.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 104.17 **Sec. 4. [356.612] LIMITATION ON BENEFITS AND CONTRIBUTIONS.**
- 104.18 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
- 104.19 the meanings given.
- 104.20 (b) "Annual addition" means the sum for the limitation year of all pretax and after-tax
- 104.21 contributions made by the member or the member's employer and credited to an account in
- 104.22 the name of the member in any defined contribution plan maintained by the employer.
- 104.23 (c) "Annuity starting date" means the first day of the first period for which an amount
- 104.24 is payable as an annuity or, in the case of a benefit not payable in the form of an annuity,
- 104.25 the first day on which all events have occurred which entitle the member to the benefit.
- 104.26 (d) "Compensation" means the compensation actually paid or made available to a member
- 104.27 or participant for any limitation year, including all items of remuneration described in Code
- 104.28 of Federal Regulations, title 26, section 1.415(c)-2(b), and excluding all items of remuneration
- 104.29 described in Code of Federal Regulations, title 26, section 1.415(c)-2(c). Compensation for
- 104.30 pension plan purposes for any limitation year shall not exceed the applicable federal
- 104.31 compensation limit described in section 356.611, subdivision 2.

105.1 (e) "Limitation year" means the calendar year or fiscal year, whichever is applicable to
105.2 the particular pension plan.

105.3 (f) "Maximum permissible benefit" means an annual benefit of \$160,000, automatically
105.4 adjusted under section 415(d) of the Internal Revenue Code for each limitation year ending
105.5 after December 31, 2001, payable in the form of a single life annuity. The new limitation
105.6 shall apply to limitation years ending with or within the calendar year of the date of the
105.7 adjustment, but a member's benefits shall not reflect the adjusted limit prior to January 1 of
105.8 that calendar year. The maximum permissible benefit amount shall be further adjusted as
105.9 follows:

105.10 (1) if the member has less than ten years of participation, the maximum permissible
105.11 benefit shall be multiplied by a fraction, the numerator of which is the number of years, or
105.12 part thereof, but not less than one year, of participation in the plan, and the denominator of
105.13 which is ten;

105.14 (2) for a member who is not a qualified participant, if the annual benefit begins before
105.15 the member has attained 62 years of age, the determination as to whether the maximum
105.16 permissible benefit limit has been satisfied shall be made, in accordance with regulations
105.17 prescribed by the United States secretary of the treasury, by reducing the limit so that the
105.18 limit, as so reduced, equals an annual benefit, beginning when the annual benefit actually
105.19 begins, which is equivalent to a \$160,000, as adjusted, annual benefit beginning at 62 years
105.20 of age; and

105.21 (3) if the annual benefit begins after the member has attained 65 years of age, the
105.22 determination as to whether the maximum permissible benefit limit has been satisfied shall
105.23 be made, in accordance with regulations prescribed by the United States secretary of the
105.24 treasury, by increasing the limit so that the limit, as so increased, equals an annual benefit,
105.25 beginning when the annual benefit actually begins, which is equivalent to a \$160,000, as
105.26 adjusted, annual benefit beginning at 65 years of age.

105.27 (g) "Qualified participant" means a member of a defined benefit plan listed in section
105.28 356.611, subdivision 6, with respect to whom the period of service taken into account in
105.29 determining the amount of the benefit under such defined benefit plan includes at least 15
105.30 years of service of the member:

105.31 (1) as a full-time employee of any police department or fire department which is organized
105.32 and operated by the state, Indian Tribal government, or any political subdivision maintaining
105.33 such defined benefit plan to provide police protection, firefighting services, or medical

106.1 services for any area within the jurisdiction of the state, Indian Tribal government, or political
106.2 subdivision; or

106.3 (2) as a member of the Armed Forces of the United States.

106.4 Subd. 2. **Annual benefit limitations; defined benefit plans.** (a) For a defined benefit
106.5 plan listed in section 356.611, subdivision 6, the annual benefit payable to a member shall
106.6 not exceed the maximum permissible benefit. If the benefit the member would otherwise
106.7 receive for a limitation year would result in the payment of an annual benefit in excess of
106.8 the maximum permissible benefit, the benefit shall be reduced to the extent necessary so
106.9 the benefit does not exceed the maximum permissible benefit.

106.10 (b) For purposes of applying the limitation in paragraph (a), an annual benefit that is
106.11 payable in any form other than a single life annuity shall be adjusted to an actuarially
106.12 equivalent single life annuity that equals, if the annuity starting date is in a plan year
106.13 beginning after 2005, the annual amount of the single life annuity commencing at the same
106.14 annuity starting date that has the same actuarial present value as the member's form of
106.15 benefit, using whichever of the following produces the greatest annual amount:

106.16 (1) the interest rate and the mortality table or other tabular factor specified in the plan
106.17 for adjusting benefits in the same form;

106.18 (2) a 5.5 percent interest rate assumption and the applicable mortality table; or

106.19 (3) the applicable interest rate under section 417(e)(3) of the Internal Revenue Code and
106.20 the applicable mortality table, divided by 1.05.

106.21 (c) If a member participated in more than one pension plan in which the employer
106.22 participates, the benefits under each plan must be reduced proportionately to satisfy the
106.23 limitation in paragraph (a).

106.24 Subd. 3. **Annual addition limitation; defined contribution plans.** For any limitation
106.25 year, the annual additions by or on behalf of a member to a defined contribution plan listed
106.26 in section 356.611, subdivision 6, shall not exceed the lesser of:

106.27 (1) 100 percent of the member's compensation for the limitation year; or

106.28 (2) the dollar limit in effect for the limitation year under section 415(c)(1)(A) of the
106.29 Internal Revenue Code, as adjusted by the United States secretary of the treasury under
106.30 section 415(d)(1)(C) of the Internal Revenue Code.

106.31 Subd. 4. **Incorporation by reference.** Any requirements of section 415(b) and (c) of
106.32 the Internal Revenue Code and related regulations and agency guidance not addressed by

this section shall be considered incorporated by reference, including provisions applicable to a qualified participant and to survivor and disability benefits. This section shall be interpreted in a manner that is consistent with the requirements of sections 415(b) and (c) of the Internal Revenue Code and the related regulations.

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

Sec. 5. **[356.614] LIMITATION ON USE OF FORFEITURES.**

This section applies to any defined benefit plan listed in section 356.611, subdivision 6. Unless otherwise permitted by section 401(a)(8) of the Internal Revenue Code, forfeitures must not be applied to increase the benefits any participant would otherwise receive under the plan at any time prior to the termination of the plan or the complete discontinuance of employer contributions.

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

Sec. 6. Minnesota Statutes 2022, section 356.62, is amended to read:

356.62 PAYMENT OF EMPLOYEE CONTRIBUTION.

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

(b) "Employee" means any person covered by a public pension or retirement plan.

(c) "Employee contributions" means any sums deducted from the employee's salary or wages or otherwise paid in lieu thereof, regardless of whether they are denominated contributions by the public pension or retirement plan.

(d) "Public pension or retirement plan" means a covered retirement plan listed in section 356.611, subdivision 6, or any other public retirement plan to which section 414(h)(2) of the Internal Revenue Code applies.

Subd. 2. **Pick up of employee contributions.** (a) For purposes of any public pension or retirement plan, as defined in section 356.63, paragraph (b), each employer shall pick up the employee contributions required under law or under the pension plan document for all salaries. If the United States Treasury Department rules that under section 414(h) of the Internal Revenue Code of 1986, as amended through December 31, 1992, that these picked up contributions are not includable in the employee's adjusted gross income until they are distributed or made available, then these picked up contributions must be treated as employer contributions in determining tax treatment under the Internal Revenue Code of 1986 and

108.1 ~~the employer shall discontinue withholding federal income taxes on the amount of these~~
108.2 ~~contributions. The employer shall pay these picked up contributions from the same source~~
108.3 ~~of funds as is used to pay the salary of the employee.~~ The employer shall pick up these
108.4 employee contributions by a reduction in the cash salary of the employee.

108.5 (b) Employee contributions that are picked up must be treated for all purposes of the
108.6 public pension or retirement plan in the same manner and to the same extent as employee
108.7 contributions that were made before the date on which the employee contributions pick up
108.8 began. The amount of the employee contributions that are picked up must be included in
108.9 the salary upon which retirement coverage is credited and upon which retirement and
108.10 survivor's benefits are determined. ~~For purposes of this section, "employee" means any~~
108.11 ~~person covered by a public pension plan. For purposes of this section, "employee~~
108.12 ~~contributions" include any sums deducted from the employee's salary or wages or otherwise~~
108.13 ~~paid in lieu thereof, regardless of whether they are denominated contributions by the public~~
108.14 ~~pension plan.~~

108.15 (c) The employing unit shall supply each employee and the commissioner of revenue
108.16 with an information return indicating the amount of the employer's picked-up contributions
108.17 for the calendar year that were not subject to withholding. This return must be provided to
108.18 the employee not later than January 31 of the succeeding calendar year. The commissioner
108.19 of revenue shall prescribe the form of the return and the provisions of section 289A.12 must
108.20 apply to the extent not inconsistent with the provisions of this section.

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

108.22 Sec. 7. **[356.633] DIRECT ROLLOVERS.**

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

108.25 (b) "Distributee" means:

108.26 (1) a participant in a covered retirement plan listed in section 356.611, subdivision 6;

108.27 (2) the surviving spouse of a participant;

108.28 (3) the former spouse of the participant who is the alternate payee under a qualified
108.29 domestic relations order as defined in section 414(p) of the Internal Revenue Code, or who
108.30 is a recipient of a court-ordered equitable distribution of marital property, as provided in
108.31 section 518.58; or

109.1 (4) a nonspousal beneficiary of a participant who qualifies for a distribution under the
109.2 plan and is a designated beneficiary as defined in section 401(a)(9)(E) of the Internal Revenue
109.3 Code.

109.4 (c) "Eligible retirement plan" means:

109.5 (1) an individual retirement account under section 408(a) or 408A of the Internal Revenue
109.6 Code;

109.7 (2) an individual retirement annuity plan under section 408(b) of the Internal Revenue
109.8 Code;

109.9 (3) an annuity plan under section 403(a) of the Internal Revenue Code;

109.10 (4) a qualified trust plan under section 401(a) of the Internal Revenue Code that accepts
109.11 the distributee's eligible rollover distribution;

109.12 (5) an annuity contract under section 403(b) of the Internal Revenue Code;

109.13 (6) an eligible deferred compensation plan under section 457(b) of the Internal Revenue
109.14 Code, which is maintained by a state or local government and which agrees to separately
109.15 account for the amounts transferred into the plan;

109.16 (7) in the case of an eligible rollover distribution to a nonspousal beneficiary, an
109.17 individual account or annuity treated as an inherited individual retirement account under
109.18 section 402(c)(11) of the Internal Revenue Code; or

109.19 (8) a savings incentive match plan for employees of small employers (SIMPLE) individual
109.20 retirement account under section 408(p) of the Internal Revenue Code, provided that the
109.21 rollover distribution is made after the two-year period beginning on the date the distributee
109.22 first participated in any qualified salary reduction arrangement maintained by the distributee's
109.23 employer under section 408(p)(2) of the Internal Revenue Code, as described in section
109.24 72(t)(6) of the Internal Revenue Code.

109.25 (d) "Eligible rollover distribution" means any distribution of all or any portion of the
109.26 balance to the credit of the distributee. An eligible rollover distribution does not include:

109.27 (1) a distribution that is one of a series of substantially equal periodic payments,
109.28 receivable annually or more frequently, that is made for the life or life expectancy of the
109.29 distributee, the joint lives or joint life expectancies of the distributee and the distributee's
109.30 designated beneficiary, or for a specified period of ten years or more;

109.31 (2) a distribution that is required under section 401(a)(9) of the Internal Revenue Code;
109.32 or

(3) any other exception required by law or the Internal Revenue Code.

Subd. 2. **Right to elect direct rollover.** Except as provided in subdivision 3 for after-tax contributions, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have all or any portion of an eligible rollover distribution paid directly to an eligible retirement plan as specified by the distributee.

Subd. 3. **Distributions of after-tax contributions.** For distributions of after-tax contributions which are not includable in gross income, the after-tax portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code, to a Roth individual retirement account described in section 408A of the Internal Revenue Code, to a qualified plan described in either section 401(a) of the Internal Revenue Code, or to an annuity contract described in section 403(b) of the Internal Revenue Code, that agrees to separately account for the amounts transferred, including separately accounting for the portion of the distribution which is includable in gross income and the portion of the distribution which is not includable.

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

Sec. 8. Minnesota Statutes 2022, section 356.635, subdivision 1, is amended to read:

Subdivision 1. ~~Retirement benefit commencement~~ **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

~~(a) the retirement benefit of a member or participant must begin to be distributed or, if a lump sum, be distributed no later than the member's or participant's required beginning date. "Required beginning date" means April 1 of the calendar year following the later of (1) the calendar year in which the member or the participant attains the age specified in section 401(a)(9)(C)(i)(I) of the Internal Revenue Code, or (2) the calendar year in which the member or participant terminates employment.~~

~~(b) A pension or defined contribution plan shall not be required to obtain the consent of a member or participant to a distribution if the distribution is required to satisfy the requirements of paragraph (a).~~

(b) "Beneficiary" means the person designated as the beneficiary under the terms of the applicable covered retirement plan.

(c) "Covered retirement plan" means a pension or retirement plan listed in section 356.611, subdivision 6.

(d) "Designated beneficiary" means an individual beneficiary within the meaning of section 401(a)(9)(E)(i) of the Internal Revenue Code.

(e) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subdivision 2a, paragraph (b). The required minimum distribution for the participant's first distribution calendar year shall be made on or before the participant's required beginning date.

(f) "Eligible designated beneficiary" means a designated beneficiary who meets the additional criteria under section 401(a)(9)(E)(ii) of the Internal Revenue Code.

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

(h) "Required beginning date" means April 1 of the calendar year following the later of:

(1) the calendar year in which the member or the participant attains the age specified in section 401(a)(9)(C)(i)(I) of the Internal Revenue Code; or

(2) the calendar year in which the member or participant terminates employment.

(i) "Valuation calendar year" means the calendar year immediately preceding the distribution calendar year.

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

Sec. 9. Minnesota Statutes 2022, section 356.635, is amended by adding a subdivision to read:

Subd. 1a. **Required beginning date.** (a) Notwithstanding any state law to the contrary, the retirement benefit of a member or participant must begin to be distributed or, if a lump sum, be distributed no later than the member's or participant's required beginning date.

(b) A pension or retirement plan is not required to obtain the consent of a member or participant to a distribution if the distribution is required to satisfy the requirements of paragraph (a). If the plan is unable to obtain the consent of a member or participant to a distribution that is required to satisfy the requirements of paragraph (a), the plan must make the required distribution to the member or participant. If the plan is a defined benefit plan that permits the distribution to be in the form of an annuity, the required distribution must be:

(1) in the form of a single life annuity if the plan administrator's records do not indicate that the member is married; or

(2) in the form of a 50 percent joint and survivor annuity naming the member's spouse as survivor if the plan administrator's records indicate that the member is married.

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

Sec. 10. Minnesota Statutes 2022, section 356.635, subdivision 2, is amended to read:

Subd. 2. **Required minimum distributions.** Notwithstanding any state law to the contrary:

(1) distributions shall from a covered retirement plan must be determined and made as required under in accordance with a reasonable, good faith interpretation of the requirements of section 401(a)(9) of the Internal Revenue Code as applicable to governmental plans, as defined under section 414(d) of the Internal Revenue Code, and the treasury regulations adopted under that section 401(a)(9), including, but not limited to, the incidental death benefit provisions of section 401(a)(9)(G) of the Internal Revenue Code; and

(2) the entire interest of a member of participant under a covered retirement plan must begin to be distributed or, if a lump sum, be distributed no later than the member's or participant's required beginning date.

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

Sec. 11. Minnesota Statutes 2022, section 356.635, is amended by adding a subdivision to read:

Subd. 2a. **Required distributions from defined contribution plans.** (a) This section applies to any covered retirement plan that is a defined contribution plan, including but not limited to the following:

(1) the unclassified state employees retirement plan, established by chapter 352D;

113.1 (2) the public employees defined contribution plan, established by chapter 353D;

113.2 (3) the defined contribution plan that is part of the statewide volunteer firefighter
113.3 retirement plan, established by chapter 353G;

113.4 (4) the higher education individuals retirement account plan, established by chapter
113.5 354B;

113.6 (5) the higher education supplemental retirement plan, established by chapter 354C; and

113.7 (6) a defined contribution relief association, as defined under section 424A.001,
113.8 subdivision 1c.

113.9 (b) If the participant dies before the required minimum distribution begins, the
113.10 participant's account must be distributed in a lump sum no later than as follows:

113.11 (1) if the participant's account balance is payable to an eligible designated beneficiary,
113.12 the distribution must be made by December 31 of the calendar year immediately following
113.13 the calendar year in which the participant died. If the eligible designated beneficiary is the
113.14 surviving spouse, the surviving spouse may elect to delay payment until December 31 of
113.15 the calendar year in which the participant would have attained the participant's required
113.16 beginning date. Effective for calendar years beginning after December 31, 2023, a surviving
113.17 spouse who is the member's sole designated beneficiary may elect to be treated as if the
113.18 surviving spouse were the member as provided under section 401(a)(9)(B)(iv) of the Internal
113.19 Revenue Code;

113.20 (2) if the participant's account balance is payable to a beneficiary that is not a designated
113.21 beneficiary, the participant's account must be distributed by December 31 of the calendar
113.22 year containing the fifth anniversary of the participant's death; or

113.23 (3) if the participant's account balance is payable to a designated beneficiary who is not
113.24 an eligible designated beneficiary, the participant's account must be distributed by December
113.25 31 of the calendar year containing the tenth anniversary of the participant's death.

113.26 (c) Upon the death of the participant after distribution of the participant's account balance
113.27 begins, any remaining portion of the participant's account balance shall continue to be
113.28 distributed at least as rapidly as under the method of distribution in effect at the time of the
113.29 participant's death, provided that the portion of the participant's account balance payable to
113.30 a designated beneficiary who is not an eligible designated beneficiary must be distributed
113.31 in its entirety by December 31 of the calendar year containing the tenth anniversary of the
113.32 participant's death.

(d) Upon the death of an eligible designated beneficiary, or the attainment of the age of majority of an eligible designated beneficiary who is a minor child of the participant, before distribution of the participant's entire account balance under paragraphs (b) or (c), the remainder of the participant's account balance shall be distributed by December 31 of the calendar year containing the tenth anniversary of the eligible designated beneficiary's death, or by December 31 of the calendar year in which the child attains the age of majority plus ten years, as applicable.

(e) Notwithstanding any other provisions of this subdivision, a participant or beneficiary, who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a participant with a required beginning date of April 1, 2021) but for the enactment of Section 401(a)(9)(I) of the Internal Revenue Code, and who would have satisfied that requirement by receiving a distribution that satisfies the required minimum distribution for 2020, will receive that distribution unless the participant or beneficiary chooses not to receive the distribution. Solely for purposes of applying the direct rollover provisions of section 356.633, such distributions will be treated as eligible rollover distributions in 2020.

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

Sec. 12. [356.636] CORRECTION OF ERRORS.

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

(b) "Pension fund" means the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the St. Paul Teachers Retirement Fund Association.

(c) "Tax qualification" means compliance with all applicable requirements of section 401(a) or 457(b) of the Internal Revenue Code.

Subd. 2. **Correction of errors.** (a) The executive director of a pension fund may correct an operational, demographic, or employer or employee eligibility error, or an error in a plan document that is not a statute if the executive director determines that correction is necessary or appropriate to preserve and protect the tax qualification of any pension or retirement plan listed in section 356.611, subdivision 6, that is part of the pension fund. The method of correction must comply with the Internal Revenue Service Employee Plans Compliance Resolution System (EPCRS) or any successor thereto, if the EPCRS addresses the error and correction.

115.1 (b) To the extent deemed necessary by the executive director to implement correction,
115.2 the executive director may:

115.3 (1) make distributions;

115.4 (2) transfer assets;

115.5 (3) recover an overpayment by reducing future benefit payments or designating
115.6 appropriate revenue or source of funding that will restore to the plan the amount of the
115.7 overpayment; or

115.8 (4) take any other action that will restore the plan and any affected member or participant
115.9 to the position the plan, member, or participant would have been in had the error not occurred.

115.10 (c) An executive director may correct an error under paragraph (a) or (b) without regard
115.11 to any statute that imposes a time limitation on making such correction.

115.12 Subd. 3. **Annual report.** The executive director of each pension fund must report
115.13 annually, no later than each February 1, to the chair and executive director of the Legislative
115.14 Commission on Pensions and Retirement on whether the executive director of the pension
115.15 fund corrected any operational, demographic, employer or employee eligibility, or plan
115.16 document error during the preceding calendar year. The report must describe the error, the
115.17 pension or retirement plan affected by the error, the method of correction, and the cost, if
115.18 any, to the pension or retirement plan, employee, or employer of the error and correction.

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

115.20 Sec. 13. **WORK GROUP ON AMORTIZATION.**

115.21 Subdivision 1. **Work group established.** The executive director of the Legislative
115.22 Commission on Pensions and Retirement (commission executive director) must convene a
115.23 work group for the purpose of recommending legislation amending Minnesota Statutes,
115.24 section 356.215, subdivision 11, that will update the statute to conform to current actuarial
115.25 best practices for amortizing liabilities.

115.26 Subd. 2. **Membership.** (a) The members of the work group are the following:

115.27 (1) the executive director of the Minnesota State Retirement System or the executive
115.28 director's designee and a second member of the Minnesota State Retirement System staff
115.29 designated by the executive director;

115.30 (2) the executive director of the Public Employees Retirement Association or the
115.31 executive director's designee and a second member of the Public Employees Retirement
115.32 Association staff designated by the executive director;

116.1 (3) the executive director of the Teachers Retirement Association or the executive
116.2 director's designee and a second member of the Teachers Retirement Association staff
116.3 designated by the executive director; and

116.4 (4) the executive director of the St. Paul Teachers Retirement Fund Association,
116.5 designated by the executive director of the St. Paul Teachers Retirement Fund Association
116.6 or the executive director's designee.

116.7 (b) The commission executive director may invite others, including the commission's
116.8 actuary, to participate in one or more meetings of the work group.

116.9 (c) The organizations specified in paragraph (a) must provide the commission executive
116.10 director with the names and contact information for the representatives who will serve on
116.11 the work group by June 14, 2024.

116.12 Subd. 3. **Scope.** In arriving at the work group's recommendation for legislation or
116.13 alternatives for legislation, the work group must consider:

116.14 (1) layered amortization;

116.15 (2) whether amortization policy should be regulated by statute, addressed in an appendix
116.16 to the commission's standards for actuarial work, or documented elsewhere;

116.17 (3) whether all pension plans must employ the same approach to amortization;

116.18 (4) whether the proposed legislation will result in any cost to the pension funds and, if
116.19 so, estimates of the cost; and

116.20 (5) whether changes to amortization will require the approval of the Legislative
116.21 Commission on Pensions and Retirement.

116.22 Subd. 4. **Due date for submitting recommendation to the commission.** The commission
116.23 executive director must submit the recommendation of the work group to the chair of the
116.24 Legislative Commission on Pensions and Retirement by January 10, 2025.

116.25 Subd. 5. **Meetings.** (a) The commission executive director must convene the first meeting
116.26 of the work group no later than August 1, 2024, and will serve as chair.

116.27 (b) Meetings may be conducted remotely or in person or a combination of remotely and
116.28 in person.

116.29 (c) In-person meetings must be held in the offices of the Legislative Coordinating
116.30 Commission or in the Retirement Systems of Minnesota Building in St. Paul.

117.1 Subd. 6. **Compensation; lobbying; retaliation.** (a) Members of the work group serve
117.2 without compensation.

117.3 (b) Participation in the work group is not lobbying under Minnesota Statutes, chapter
117.4 10A.

117.5 (c) An individual's employer or an association of which an individual is a member must
117.6 not retaliate against the individual because of the individual's participation in the work
117.7 group.

117.8 Subd. 7. **Administrative support.** Commission staff must provide administrative support
117.9 for the work group.

117.10 Subd. 8. **Expiration.** The work group expires June 30, 2025.

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

117.12 Sec. 14. **REVISOR INSTRUCTION.**

117.13 The revisor of statutes shall renumber each section of Minnesota Statutes listed in column
117.14 A with the number listed in column B. The revisor shall also make necessary cross-reference
117.15 changes consistent with the renumbering.

| | <u>Column A</u> | <u>Column B</u> |
|--------|-----------------|-----------------|
| 117.16 | | |
| 117.17 | <u>356.631</u> | <u>356.648</u> |
| 117.18 | <u>356.99</u> | <u>356.637</u> |

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

117.20 Sec. 15. **REVISOR INSTRUCTION.**

117.21 In Minnesota Statutes, the revisor of statutes shall delete the reference in column A and
117.22 insert the reference in column B.

| | <u>Column A</u> | <u>Column B</u> |
|--------|--------------------------------|--|
| 117.23 | | |
| 117.24 | <u>356.635, subdivision 1</u> | <u>356.635, subdivision 1a</u> |
| 117.25 | <u>356.635, subdivision 3</u> | <u>356.633, subdivision 2</u> |
| 117.26 | <u>356.635, subdivision 4</u> | <u>356.633, subdivision 1, paragraph (c)</u> |
| 117.27 | <u>356.635, subdivision 5</u> | <u>356.633, subdivision 1, paragraph (c)</u> |
| 117.28 | <u>356.635, subdivision 6</u> | <u>356.633, subdivision 1, paragraph (b)</u> |
| 117.29 | <u>356.635, subdivision 7</u> | <u>356.633, subdivision 1, paragraph (a)</u> |
| 117.30 | <u>356.635, subdivision 8</u> | <u>356.614</u> |
| 117.31 | <u>356.635, subdivision 9a</u> | <u>356.612, subdivision 1</u> |
| 117.32 | <u>356.635, subdivision 10</u> | <u>356.612, subdivision 2</u> |

| | | |
|-------|--------------------------------|-------------------------------|
| 118.1 | <u>356.635, subdivision 11</u> | <u>356.612, subdivision 3</u> |
| 118.2 | <u>356.635, subdivision 12</u> | <u>356.612, subdivision 4</u> |
| 118.3 | <u>356.635, subdivision 13</u> | <u>356.636, subdivision 2</u> |

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

118.5 Sec. 16. **REPEALER.**

118.6 Minnesota Statutes 2022, section 356.635, subdivisions 3, 4, 5, 6, 7, 8, 9a, 10, 11, 12,
118.7 and 13, are repealed.

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

118.9 **ARTICLE 9**

118.10 **STATE AID CLARIFICATION**

118.11 Section 1. Minnesota Statutes 2022, section 353.65, subdivision 3b, is amended to read:

118.12 Subd. 3b. **Direct state aid.** (a) The state ~~shall~~ must pay \$4,500,000 on October 1, 2018,
118.13 and October 1, 2019, to the public employees police and fire retirement plan. By October
118.14 1 of each year after 2019, the state ~~shall~~ must pay \$9,000,000 to the public employees police
118.15 and fire retirement plan. The commissioner of management and budget ~~shall~~ must pay the
118.16 aid specified in this subdivision. The amount required is annually appropriated from the
118.17 general fund to the commissioner of management and budget.

118.18 (b) The aid under paragraph (a) continues until the earlier of:

118.19 (1) the first day of the fiscal year following ~~the~~ three consecutive fiscal year ~~years~~ in
118.20 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
118.21 percent of the actuarial accrued liabilities as reported by the actuary retained under section
118.22 356.214 in the annual actuarial valuation prepared under section 356.215; or

118.23 (2) July 1, 2048.

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

118.25 Sec. 2. Minnesota Statutes 2022, section 354.435, subdivision 4, is amended to read:

118.26 Subd. 4. **Aid expiration.** The aid amounts specified in this section ~~shall~~ must continue
118.27 until the earlier of:

118.28 (1) the first day of the fiscal year following ~~the~~ three consecutive fiscal year ~~years~~ in
118.29 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100

119.1 percent of the actuarial accrued liabilities as reported by the actuary retained under section
119.2 356.214 in the annual actuarial valuation prepared under section 356.215; or

119.3 (2) July 1, 2048.

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

119.5 Sec. 3. Minnesota Statutes 2022, section 354.436, subdivision 3, is amended to read:

119.6 Subd. 3. **Aid expiration.** The aid amounts specified in this section continue until the
119.7 earlier of:

119.8 (1) the first day of the fiscal year following ~~the~~ three consecutive fiscal year years in
119.9 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
119.10 percent of the actuarial accrued liabilities as reported by the actuary retained under section
119.11 356.214 in the annual actuarial valuation prepared under section 356.215; or

119.12 (2) July 1, 2048.

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

119.14 Sec. 4. Minnesota Statutes 2022, section 354A.12, subdivision 3a, is amended to read:

119.15 Subd. 3a. **Direct state aid to ~~first-class-city teachers retirement fund associations~~**
119.16 **St. Paul Teachers Retirement Fund Association.** (a) The state ~~shall~~ must pay \$2,827,000
119.17 to the St. Paul Teachers Retirement Fund Association.

119.18 (b) In addition to other amounts specified in this subdivision, the state ~~shall~~ must pay
119.19 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

119.20 (c) In addition to the amounts specified in paragraphs (a) and (b), the state ~~shall~~ must
119.21 pay \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

119.22 (d) The aid under this subdivision is payable October 1 annually. The commissioner of
119.23 management and budget ~~shall~~ must pay the aid specified in this subdivision. The amount
119.24 required is appropriated annually from the general fund to the commissioner of management
119.25 and budget.

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

119.27 Sec. 5. Minnesota Statutes 2022, section 354A.12, subdivision 3c, is amended to read:

119.28 Subd. 3c. **Termination of supplemental contributions and direct matching and state**
119.29 **aid.** ~~(a)~~ The supplemental contributions payable to the St. Paul Teachers Retirement Fund
119.30 Association by Independent School District No. 625 under section 423A.02, subdivision 3,

120.1 and the aid under subdivision 3a, paragraphs (a) ~~and (b)~~, to (c), continue until the earlier
120.2 of:

120.3 (1) the first day of the fiscal year following ~~the year~~ three consecutive fiscal years in
120.4 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
120.5 percent of the actuarial accrued liability as reported by the actuary retained under section
120.6 356.214 in the ~~most recent~~ annual actuarial valuation prepared under section 356.215; or

120.7 (2) July 1, 2048.

120.8 ~~(b) The aid under subdivision 3a, paragraph (c), continues until the earlier of:~~

120.9 ~~(1) the first day of the fiscal year following the fiscal year in which the actuarial value~~
120.10 ~~of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as~~
120.11 ~~reported by the actuary retained under section 356.214 in the annual actuarial valuation~~
120.12 ~~prepared under section 356.215; or~~

120.13 ~~(2) July 1, 2048.~~

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

120.15 Sec. 6. Minnesota Statutes 2022, section 423A.02, subdivision 5, is amended to read:

120.16 Subd. 5. **Termination of state aid programs.** The amortization state aid and additional
120.17 amortization state aid programs continue until the earlier of:

120.18 (1) the December 31 following ~~the end of the~~ three consecutive fiscal year years in
120.19 which, for each fiscal year, the actuarial value of assets of the St. Paul Teachers Retirement
120.20 Fund Association or the Teachers Retirement Association equals or exceeds 100 percent of
120.21 the actuarial accrued liabilities as reported by the actuary retained under section 356.214
120.22 in the annual actuarial valuation report prepared under section 356.215; or

120.23 (2) July 1, 2048.

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

120.25 Sec. 7. Minnesota Statutes 2022, section 423A.022, subdivision 5, is amended to read:

120.26 Subd. 5. **Aid termination.** (a) The aid under subdivision 2, paragraph (a), clauses (1)
120.27 and (3), continues until the earlier of:

120.28 (1) the December 1 following ~~the end of the~~ three consecutive fiscal year years in which,
120.29 for each fiscal year, the actuarial value of assets of both the State Patrol retirement plan and
120.30 the public employees police and fire retirement plan equals or exceeds 90 percent of the

121.1 actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the
121.2 annual actuarial valuation prepared under section 356.215; or

121.3 (2) July 1, 2048.

121.4 (b) The aid under subdivision 2, paragraph (a), clause (2), does not terminate.

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

121.6 Sec. 8. Minnesota Statutes 2023 Supplement, section 477B.02, subdivision 3, is amended
121.7 to read:

121.8 Subd. 3. **Benefits requirements.** (a) The fire department must ~~have a separate subsidiary~~
121.9 ~~incorporated firefighters'~~

121.10 (1) be associated with a volunteer firefighter relief association that provides retirement
121.11 ~~benefits or must;~~

121.12 (2) participate in the statewide volunteer firefighter plan; or if the municipality solely
121.13 ~~employs~~

121.14 (3) have retirement coverage under the public employees police and fire retirement plan
121.15 for the department's full-time firefighters, as defined in section 299N.03, subdivision 5,
121.16 ~~retirement coverage must be provided by the public employees police and fire retirement~~
121.17 ~~plan~~ or the fire department's part-time firefighters, or the fire department's full-time
121.18 firefighters and part-time firefighters; or

121.19 (4) satisfy either clauses (1) and (3) or clauses (2) and (3).

121.20 (b) For purposes of retirement benefits, a fire department may be associated with only
121.21 one volunteer ~~firefighters'~~ firefighter relief association or one account in the ~~voluntary~~
121.22 statewide volunteer firefighter retirement plan at one time.

121.23 ~~(b)~~ (c) Notwithstanding paragraph (a), a municipality without a relief association as
121.24 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if
121.25 all other requirements of this section are met.

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

ARTICLE 10**CHANGES TO EXECUTIVE DIRECTOR QUALIFICATIONS AND
COMPENSATION**

Section 1. Minnesota Statutes 2022, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. **Executive director.** (a) **Appointment.** The board ~~shall~~ must appoint an executive director on the basis of education, experience in the retirement field, ability to manage and lead system staff, and leadership ability to assist the board in setting a vision for the system. The executive director must have had at least five ~~years'~~ years of experience in ~~either an executive-level~~ executive-level management position, ~~which has included responsibility for pensions, deferred compensation, or employee benefits~~ or a position with responsibility for the governance, management, or administration of a retirement plan. The executive director serves at the pleasure of the board. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The board must set the salary of the executive director with reference to a salary range in the managerial plan in effect under section 43A.18, subdivision 3. The board must designate the salary range and the salary of the executive director, which must not exceed the limit for a position listed in section 15A.0815, subdivision 2 maximum for the salary range.

(b) **Duties.** The management of the association is vested in the executive director who shall be the executive and administrative head of the association. The executive director shall act as adviser to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

(1) attend all meetings of the board;

(2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;

(3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;

(4) designate, with the approval of the board, up to two persons who may serve in the unclassified service and whose salaries are set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint employees to carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are executive branch employees;

(5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them

123.1 any powers or duties, subject to the control of, and under such conditions as, the executive
123.2 director may prescribe;

123.3 (6) with the approval of the board, contract for the services of an approved actuary,
123.4 professional management services, and any other consulting services as necessary to fulfill
123.5 the purposes of this chapter. All contracts are subject to chapter 16C. The commissioner of
123.6 administration shall not approve, and the association shall not enter into, any contract to
123.7 provide lobbying services or legislative advocacy of any kind. Any approved actuary retained
123.8 by the executive director shall function as the actuarial advisor of the board and the executive
123.9 director. In addition to filing requirements under section 356.214, any supplemental actuarial
123.10 valuations or experience studies shall be filed with the executive director of the Legislative
123.11 Commission on Pensions and Retirement. Copies of professional management survey reports
123.12 shall be transmitted to the secretary of the senate, the chief clerk of the house of
123.13 representatives, and the Legislative Reference Library as provided by section 3.195, and to
123.14 the executive director of the commission at the same time as reports are furnished to the
123.15 board. Only management firms experienced in conducting management surveys of federal,
123.16 state, or local public retirement systems shall be qualified to contract with the director
123.17 hereunder;

123.18 (7) with the approval of the board provide in-service training for the employees of the
123.19 association;

123.20 (8) make refunds of accumulated contributions to former members and to the designated
123.21 beneficiary, surviving spouse, legal representative or next of kin of deceased members or
123.22 deceased former members, as provided in this chapter;

123.23 (9) determine the amount of the annuities and disability benefits of members covered
123.24 by the association and authorize payment of the annuities and benefits beginning as of the
123.25 dates on which the annuities and benefits begin to accrue, in accordance with the provisions
123.26 of this chapter;

123.27 (10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses
123.28 of the association;

123.29 (11) prepare and submit to the board and the legislature an annual financial report
123.30 covering the operation of the association, as required by section 356.20;

123.31 (12) prepare and submit biennial and annual budgets to the board for its approval and
123.32 submit the approved budgets to the Department of Management and Budget for approval
123.33 by the commissioner;

124.1 (13) reduce all or part of the accrued interest payable under section 353.27, subdivisions
124.2 12, 12a, and 12b, or 353.28, subdivision 5, upon receipt of proof by the association of an
124.3 unreasonable processing delay or other extenuating circumstances of the employing unit;
124.4 and notwithstanding section 353.27, subdivision 7, may waive the payment of accrued
124.5 interest to the member if a credit has been taken by the employer to correct an employee
124.6 deduction taken in error and if the accrued interest is \$10 or less. The executive director
124.7 shall prescribe and submit for approval by the board the conditions under which such interest
124.8 may be reduced; and

124.9 (14) with the approval of the board, perform such other duties as may be required for
124.10 the administration of the association and the other provisions of this chapter and for the
124.11 transaction of its business.

124.12 Sec. 2. Minnesota Statutes 2023 Supplement, section 354.06, subdivision 2, is amended
124.13 to read:

124.14 Subd. 2. **President; executive director.** The board must annually elect one of its members
124.15 as president. It must elect an executive director. Notwithstanding any law to the contrary,
124.16 the board must set the salary of the executive director. The board must set the salary of the
124.17 executive director with reference to a salary range in the managerial plan in effect under
124.18 section 43A.18, subdivision 3. The board must designate the salary range and the salary of
124.19 the executive director, which must not exceed the limit for a position listed in section
124.20 15A.0815, subdivision 2 maximum for the salary range. The executive director ~~shall~~ must
124.21 serve at the pleasure of the board and be the executive officer of the board, with the duties
124.22 prescribed in subdivision 2a and any additional duties that the board may prescribe. The
124.23 board must employ all other clerks and employees necessary to properly administer the
124.24 association. The board must appoint an executive director on the basis of education,
124.25 experience in the retirement field, ability to manage and lead system staff, and ability to
124.26 assist the board in setting a vision for the system. The executive director must have had at
124.27 least five years of experience in either an executive-level management position or in a
124.28 position with responsibility for the governance, management, or administration of a retirement
124.29 plan.

124.30 Sec. 3. **EFFECTIVE DATE.**

124.31 Sections 1 to 2 are effective the day following final enactment.

ARTICLE 11

ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION
TECHNICAL CHANGES

Section 1. Minnesota Statutes 2022, section 354A.011, subdivision 7, is amended to read:

Subd. 7. **Association.** "Association" or "teachers retirement fund association" means the ~~applicable teachers retirement fund association~~ St. Paul Teachers Retirement Fund Association established pursuant to this chapter.

Sec. 2. Minnesota Statutes 2022, section 354A.021, subdivision 2, is amended to read:

Subd. 2. **Organization; board duties.** (a) ~~Each~~ The teachers retirement fund association ~~shall~~ must be organized and governed pursuant to this chapter and chapter 317A, except that ~~each~~ the association ~~shall~~ must be deemed to be a nonprofit corporation without coming within the definition in section 317A.011, subdivision 6. Any corporate action of any teachers retirement fund association taken prior to April 9, 1976, ~~shall~~ must be deemed to be valid if it conformed with Minnesota Statutes 1976, chapter 317 or 354A, or Revised Laws 1905, chapter 58, as amended through April 9, 1976.

(b) In addition to the other powers and duties of a the board of trustees of a ~~first-class city teacher~~ the teachers retirement fund association, the board ~~shall~~ must approve early retirement and optional annuity factors, subject to review by the actuary retained by the Legislative Commission on Pensions and Retirement; ~~shall~~ must establish the schedule for implementation of the approved factors; and ~~shall~~ must notify the Legislative Commission on Pensions and Retirement of the implementation schedule.

Sec. 3. Minnesota Statutes 2022, section 354A.021, subdivision 3, is amended to read:

Subd. 3. **Fund.** Within ~~each~~ the teachers retirement fund association there ~~shall~~ must be created a special retirement fund, which ~~shall~~ must include all of the assets of the teachers retirement fund association other than assets of a tax-sheltered annuity program and fund authorized pursuant to subdivision 5 which were acquired for the specific purpose of being credited to that fund. The special retirement fund ~~shall~~ must be credited with all employee and employer contributions, all interest and all other income authorized by law. Within the special retirement fund there may be established separate special retirement fund accounts for the purpose of providing convenience in the funding of and accounting for retirement annuities and any authorized ancillary benefits.

126.1 Sec. 4. Minnesota Statutes 2022, section 354A.021, subdivision 6, is amended to read:

126.2 Subd. 6. **Trustees' fiduciary obligation.** The trustees ~~or directors~~ of ~~each~~ the teachers
126.3 retirement fund association ~~shall~~ must administer ~~each~~ the fund in accordance with the
126.4 applicable portions of this chapter, of the articles of incorporation, of the bylaws, and of
126.5 chapters 356 and 356A. The purpose of this subdivision is to establish ~~each~~ the teachers
126.6 retirement fund association as a trust under the laws of the state of Minnesota for all purposes
126.7 related to section 401(a) of the Internal Revenue Code of the United States, including all
126.8 amendments.

126.9 Sec. 5. Minnesota Statutes 2022, section 354A.021, subdivision 7, is amended to read:

126.10 Subd. 7. **Actuarial consultant.** The board of trustees ~~or directors~~ of ~~each~~ the teachers
126.11 retirement fund association may contract for the services of an approved actuary and fix
126.12 the reasonable compensation for those services. Any approved actuary retained by the board
126.13 ~~shall~~ must function as the actuarial advisor to the board and may perform actuarial valuations
126.14 and experience studies to supplement those performed by the actuary retained under section
126.15 356.214. Any supplemental actuarial valuations or experience studies must be filed with
126.16 the executive director of the Legislative Commission on Pensions and Retirement.

126.17 Sec. 6. Minnesota Statutes 2022, section 354A.021, subdivision 8, is amended to read:

126.18 Subd. 8. **Audit by state auditor.** The books and accounts of ~~each~~ the teachers retirement
126.19 fund association must be examined and audited periodically as considered necessary by the
126.20 state auditor. A full and detailed report of the examination and audit must be made and a
126.21 copy provided to the teachers retirement fund association board of trustees. The cost of any
126.22 examination and audit must be paid by the teachers retirement fund association in accordance
126.23 with section 6.56. For purposes of section 6.56, ~~each~~ the teachers retirement fund association
126.24 is considered a local governmental entity equivalent to a county, city, town, or school district.

126.25 Sec. 7. Minnesota Statutes 2022, section 354A.021, subdivision 9, is amended to read:

126.26 Subd. 9. **Updated articles of incorporation and bylaws; filing.** (a) On or before July
126.27 1, 2006, and within six months of the date of the approval of any amendment to the articles
126.28 of incorporation or bylaws, the chief administrative officer of ~~each first-class-city teacher~~
126.29 the teachers retirement fund association ~~shall~~ must prepare and publish an updated
126.30 compilation of the articles of incorporation and the bylaws of the association.

126.31 (b) The chief administrative officer of the ~~first-class-city teacher~~ teachers retirement fund
126.32 association must certify the accuracy and the completeness of the compilation.

127.1 (c) The compilation of the articles of incorporation and bylaws of ~~a first-class city teacher~~
127.2 the teachers retirement fund association must contain an index.

127.3 (d) The compilation must be made available to association members and other interested
127.4 parties. The association may charge a fee for a copy that reflects the price of printing or
127.5 otherwise producing the copy. ~~Two copies of~~ The compilation must be filed, without charge,
127.6 by ~~each~~ the teachers retirement fund association with the ~~Legislation~~ Legislative Commission
127.7 on Pensions and Retirement, the Legislative Reference Library, the state auditor, the
127.8 commissioner of education, the chancellor of the Minnesota State Colleges and Universities
127.9 system, and the superintendent of ~~the applicable school district~~ Independent School District
127.10 No. 625, St. Paul. The compilation may be filed by email.

127.11 (e) ~~A first-class city teacher~~ The teachers retirement fund association may contract with
127.12 the revisor of statutes for the preparation of the compilation.

127.13 (f) If ~~a first-class city teacher~~ the teachers retirement fund association makes an updated
127.14 copy of its articles of incorporation and bylaws available on its website, the teachers
127.15 retirement fund association is not obligated to file a hard copy of the documents under
127.16 paragraph (d) for the applicable filing period.

127.17 Sec. 8. Minnesota Statutes 2022, section 354A.05, is amended to read:

127.18 **354A.05 MEMBERSHIP IN A TEACHERS RETIREMENT ASSOCIATION IN**
127.19 **ST. PAUL.**

127.20 Teachers contributing to the ~~respective~~ teachers retirement fund association, as provided
127.21 in this chapter and the articles of incorporation and the bylaws of the association, are entitled
127.22 to the benefit of coverage by or entitlement to annuities or benefits from the association.
127.23 All teachers ~~in a city of the first class in which there exists a teachers retirement fund~~
127.24 ~~association~~ of Independent School District No. 625, St. Paul, are members of ~~that~~ the teachers
127.25 retirement fund association and participate in the benefits provided by the special retirement
127.26 fund.

127.27 Sec. 9. Minnesota Statutes 2022, section 354A.091, is amended to read:

127.28 **354A.091 TEACHERS ON EXTENDED LEAVE.**

127.29 Subdivision 1. **Retirement contributions.** Notwithstanding any provision to the contrary
127.30 of this chapter or the articles of incorporation or bylaws of ~~an~~ the association relating to the
127.31 salary figure to be used for the determination of contributions or the accrual of service credit
127.32 an elementary, secondary, or technical college teacher in ~~the public schools of a city of the~~

128.1 ~~first class~~ Independent School District No. 625, St. Paul, who is granted an extended leave
128.2 of absence pursuant to section 122A.46, or a teacher who is granted an extended leave of
128.3 absence under section 136F.43, may pay employee contributions to the ~~applicable~~ association
128.4 and ~~shall~~ must be entitled to receive allowable service credit in ~~that~~ the association for each
128.5 year of leave, provided the member and the employing board make the required employer
128.6 contributions, in any proportion they may agree upon, to ~~that~~ the association during the
128.7 period of leave which shall not exceed five years. The state ~~shall~~ must not make an employer
128.8 contribution on behalf of the teacher. The employee and employer contributions ~~shall~~ must
128.9 be based upon the rates of contribution prescribed by section 354A.12 as applied to a salary
128.10 figure equal to the teacher's actual covered salary for the plan year immediately preceding
128.11 the leave. Payment of the employee and employer contributions authorized pursuant to this
128.12 section ~~shall~~ must be made on or before June 30 of the fiscal year for which service credit
128.13 is to be received. No allowable service with respect to a year of extended leave of absence
128.14 shall be credited to a teacher until payment of the required employee and employer
128.15 contributions has been received by the association.

128.16 Subd. 2. **Membership retention.** A teacher on extended leave under either section
128.17 122A.46 or 136F.43 whose employee and employer contributions are made to the ~~applicable~~
128.18 teachers retirement fund association pursuant to subdivision 1 ~~shall~~ must retain membership
128.19 in the association for each year during which the contributions are made, under the same
128.20 terms and conditions as if the teacher had continued to teach in the district.

128.21 Subd. 3. **Effect of nonpayment.** A teacher on extended leave under either section
128.22 122A.46 or 136F.43 who does not make employee contributions or whose employer
128.23 contribution is not made to the ~~applicable~~ teachers retirement fund association in any year
128.24 ~~shall~~ must be deemed to have ceased to be an active member of the association and to have
128.25 ceased to render teaching services beginning in that year for purposes of this chapter and
128.26 the articles of incorporation and bylaws of the association, and may not pay employee or
128.27 employer contributions into the fund in any subsequent year of the leave. Nonpayment of
128.28 contributions into the fund ~~shall~~ must not affect the rights or obligations of the teacher or
128.29 the employing school district under section 122A.46 or the Minnesota State Colleges and
128.30 Universities system under section 136F.43.

128.31 Subd. 4. **Failure to resume service.** If a teacher who has made employee contributions
128.32 to the ~~applicable~~ teachers retirement fund association for the agreed maximum duration of
128.33 an extended leave does not resume teaching service in the first school year after that
128.34 maximum duration has elapsed, the teacher ~~shall~~ must be deemed to have ceased to be an
128.35 active member of the association and to have ceased to render teaching services beginning

129.1 in that first school year after that maximum duration has elapsed for purposes of this chapter
129.2 and the articles of incorporation and bylaws of the association.

129.3 Subd. 5. **Applicability.** The provisions of this section ~~shall~~ must not apply to a teacher
129.4 who is discharged pursuant to section 122A.41 while the teacher is on an extended leave
129.5 of absence pursuant to section 122A.46. The provisions of this section also do not apply to
129.6 a teacher who is discharged for cause while the teacher is on an extended leave of absence
129.7 under section 136F.43.

129.8 Subd. 6. **Exclusive coverage.** A teacher who makes employee contributions to and
129.9 receives allowable service credit in the ~~applicable teacher's~~ teachers retirement fund
129.10 association pursuant to this section may not make employee contributions or receive
129.11 allowable service credit for the same period of time in any other Minnesota public employee
129.12 pension plan, except a volunteer firefighters relief association governed by sections 424A.091
129.13 to 424A.096 or the statewide volunteer firefighter plan governed by chapter 353G. This
129.14 subdivision ~~shall~~ must not be construed to prohibit a member who pays employee
129.15 contributions and receives allowable service credit in the fund pursuant to this section in
129.16 any year from being employed as a substitute teacher by any school district during that year.
129.17 Notwithstanding the provisions of this chapter or the bylaws of a retirement association, a
129.18 teacher may not pay retirement contributions or receive allowable service credit in the fund
129.19 for teaching service rendered for any part of any year for which the teacher pays retirement
129.20 contributions or receives allowable service credit pursuant to section 354.094 or this section
129.21 while on an extended leave of absence under either section 122A.46 or 136F.43.

129.22 Sec. 10. Minnesota Statutes 2022, section 354A.094, is amended to read:

129.23 **354A.094 QUALIFIED PART-TIME TEACHERS; PARTICIPATION IN FUND.**

129.24 Subdivision 1. **Teachers, defined.** For purposes of this section, the term "teachers" ~~shall~~
129.25 ~~have~~ has the meaning given in section 122A.15, subdivision 1, except that the term ~~shall~~
129.26 must not include superintendents.

129.27 Subd. 2. **Part-time teaching position, defined.** For purposes of this section, the term
129.28 "part-time teaching position" ~~shall mean~~ means a teaching position within ~~the district~~
129.29 Independent School District No. 625, St. Paul, in which the teacher is employed for at least
129.30 50 full days or a fractional equivalent of 50 full days calculated using the appropriate
129.31 minimum number of hours which would result in a full day of service credit by the
129.32 ~~appropriate~~ association and for which the teacher is compensated in an amount not to exceed
129.33 80 percent of the compensation rate established by the board for a full-time teacher with
129.34 identical education and experience within the district.

Subd. 3. **Qualified part-time teacher program participation requirements.** (a) A teacher in ~~the public schools of a city of the first class~~ Independent School District No. 625, St. Paul, who is vested, or who has combined years of full-time teaching service in Minnesota public elementary schools, Minnesota secondary schools, and Minnesota State Colleges and Universities system at least equal to the number of years specified for vesting in the ~~applicable first-class-city-teacher-plan~~ association, may, by agreement with the board of the ~~employing~~ district, be assigned to teaching service within the district in a part-time teaching position. The agreement must be executed before October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4. A copy of the executed agreement must be filed with the executive director of the teachers retirement fund association. If the copy of the executed agreement is filed with the association after October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4, the ~~employing~~ school district ~~shall~~ must pay a fine of \$5 for each calendar day that elapsed since the October 1 due date. The association may not accept an executed agreement that is received by the association more than 15 months late. The association may not waive the fine required by this section.

(b) Notwithstanding paragraph (a), if the teacher is also a legislator:

(1) the agreement in paragraph (a) must be executed before March 1 of the school year for which the teacher requests to make retirement contributions under subdivision 4; and

(2) the fines specified in paragraph (a) apply if the employing unit does not file the executed agreement with the executive director of the ~~applicable~~ teachers retirement fund association by March 1.

Subd. 4. **Retirement contributions.** Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of ~~an~~ the association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position under this section ~~shall~~ must continue to make employee contributions to and to accrue allowable service credit in the ~~applicable~~ association during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the ~~applicable~~ association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for services rendered in the part-time assignment. The employer contributions to the ~~applicable~~ association on

131.1 behalf of the teacher ~~shall~~ must be based on the amount of compensation actually received
131.2 by the teacher for the services rendered in the part-time assignment in the manner described
131.3 in section 354A.12, subdivision 2a. The employee and employer contributions ~~shall~~ must
131.4 be based upon the rates of contribution prescribed by section 354A.12. Full membership,
131.5 accrual of allowable service credit and employee contributions for part-time teaching service
131.6 by a teacher pursuant to this section and section 354.66 ~~shall~~ must not continue for a period
131.7 longer than ten years.

131.8 Subd. 5. **Limits on outside coverage.** A teacher entitled to full membership, accrual of
131.9 allowable service credit and employee contributions for part time teaching service pursuant
131.10 to this section ~~shall~~ must not be entitled during the same period of time to be a member of,
131.11 accrue allowable service credit in or make employee contributions to any other Minnesota
131.12 public pension plan, except a volunteer firefighters relief association governed by sections
131.13 424A.091 to 424A.096 or the statewide volunteer firefighter plan governed by chapter 353G.

131.14 Subd. 6. **Insurance.** ~~A The board of an employing district~~ Independent School District
131.15 No. 625, St. Paul, entering into an agreement authorized by this section ~~shall~~ must take all
131.16 steps necessary to assure continuance of any insurance programs furnished or authorized a
131.17 full-time teacher on an identical basis and with identical sharing of costs for a part time
131.18 teacher pursuant to this section.

131.19 Subd. 7. **Qualification.** Only teachers who are in the bargaining unit as defined in section
131.20 179A.03, subdivision 7, during the year preceding the period of part time employment
131.21 pursuant to this section shall qualify for full membership in, accrual of service credit from,
131.22 and employee contributions to ~~a~~ the teachers retirement fund association for part time
131.23 teaching service pursuant to subdivision 4. Notwithstanding the provisions of section
131.24 179A.03, subdivision 14, paragraph (a), clauses (5) and (6), teachers who are employed on
131.25 a part time basis for purposes of this section and who would therefore be disqualified from
131.26 the bargaining unit by one or both of those provisions, shall continue to be in the bargaining
131.27 unit during the period of part time employment pursuant to this section for purposes of
131.28 compensation, fringe benefits and the grievance procedure.

131.29 Subd. 8. **One district limit.** No teacher shall qualify for full membership in, accrual of
131.30 service credit from and employee contributions to the Teachers Retirement Association or
131.31 ~~a~~ the teachers retirement fund association for part time teaching service pursuant to
131.32 subdivision 4 or section 354.66, subdivision 4, in more than one district at the same time.
131.33 No teacher shall qualify for full membership in, accrual of service credit from and employee
131.34 contributions to ~~a~~ the teachers retirement fund association during part time employment in
131.35 ~~a district~~ Independent School District No. 625, St. Paul, pursuant to this section in any year

132.1 if the teacher also takes a full time or part time teaching position in another Minnesota
132.2 school district.

132.3 Subd. 10. **Nonqualified part-time positions.** Nothing in this section shall be construed
132.4 to limit the authority of a school board to assign a teacher to a part time teaching position
132.5 which does not qualify for employee contributions to a the teachers retirement fund
132.6 association pursuant to this section.

132.7 Subd. 11. **Substitute teaching; no coverage overlap.** Neither subdivision 5 nor
132.8 subdivision 8 shall be construed to prohibit a teacher who qualifies for full membership in,
132.9 accrual of service credit from and employee contributions to a the teachers retirement fund
132.10 association pursuant to this section in any year from being employed as a substitute teacher
132.11 by any school district during that year. Notwithstanding the provisions of this chapter or
132.12 the bylaws of a ~~retirement~~ the association, a teacher may not pay retirement contributions
132.13 or receive allowable service credit in the ~~funds~~ association for other teaching service rendered
132.14 for any part of any year for which the teacher qualifies for full membership in, accrual of
132.15 service credit from and employee contributions to the Teachers Retirement Association or
132.16 a the teachers retirement fund association pursuant to section 354.66 or this section.

132.17 Subd. 12. **Information supplied by district.** ~~Each school district covered by the~~
132.18 ~~provisions of this chapter shall~~ Independent School District No. 625, St. Paul, must furnish
132.19 to the ~~appropriate~~ teachers retirement fund association whatever information and reports
132.20 deemed necessary by the board of trustees of the ~~applicable~~ teachers retirement fund
132.21 association to administer the provisions of this section.

132.22 Sec. 11. Minnesota Statutes 2022, section 354A.12, subdivision 5, is amended to read:

132.23 Subd. 5. **Reporting and remittance requirements.** (a) ~~Each~~ The employing unit ~~shall~~
132.24 must provide to the ~~appropriate~~ teachers retirement fund association the following member
132.25 data regarding all new or returning employees before the employee's first payroll date in a
132.26 format approved by the executive secretary or director. Data changes and the dates of those
132.27 changes must be reported to the association on an ongoing basis for the payroll cycle in
132.28 which they occur. Data on the member includes:

132.29 (1) legal name, address, date of birth, association member number, employer-assigned
132.30 employee number, and Social Security number;

132.31 (2) association status, including, but not limited to, basic, coordinated, exempt annuitant,
132.32 exempt technical college teacher, or exempt independent contractor or consultant;

133.1 (3) employment status, including, but not limited to, full time, part time, intermittent,
133.2 substitute, or part-time mobility;

133.3 (4) employment position, including, but not limited to, teacher, superintendent, principal,
133.4 administrator, or other;

133.5 (5) employment activity, including, but not limited to, hire, termination, resumption of
133.6 employment, disability, or death;

133.7 (6) leaves of absence; and

133.8 (7) other information as may be required by the association.

133.9 (b) ~~Each~~ The employing unit ~~shall~~ must provide the following data to the ~~appropriate~~
133.10 association for each payroll cycle in a format approved by the executive secretary or director:

133.11 (1) an association member number;

133.12 (2) employer-assigned employee number;

133.13 (3) Social Security number;

133.14 (4) amount of each salary deduction;

133.15 (5) amount of salary as defined in section 354A.011, subdivision 24, from which each
133.16 deduction was made;

133.17 (6) reason for payment;

133.18 (7) service credit;

133.19 (8) the beginning and ending dates of the payroll period covered and the date of actual
133.20 payment;

133.21 (9) fiscal year of salary earnings;

133.22 (10) total remittance amount including employee, employer, and employer additional
133.23 contributions; and

133.24 (11) other information as may be required by the association.

133.25 (c) On or before August 1 each year, ~~each~~ the employing unit must report to the
133.26 ~~appropriate~~ association giving an itemized summary for the preceding 12 months of the
133.27 total amount that was withheld from the salaries of teachers for deductions and all other
133.28 information required by the association.

(d) ~~An~~ If the employing unit that does not comply with the reporting requirements under this section ~~shall~~, the employing unit must pay a fine of \$5 per calendar day until the association receives the required member data.

(e) ~~An~~ The employing unit ~~shall~~ must remit all amounts that are due to the association and ~~shall~~ must furnish for each pay period an itemized statement indicating the total amount that is due and is transmitted with any other information required by the association. All amounts due and other employer obligations that are not remitted within 30 days of notification by the association must be certified by the director or secretary to the commissioner of management and budget, who ~~shall~~ must deduct the amount from any state aid or appropriation amount applicable to the employing unit and ~~shall~~ must transmit the deducted amount to the ~~applicable~~ association.

Sec. 12. Minnesota Statutes 2022, section 354A.31, subdivision 3a, is amended to read:

Subd. 3a. **No annuity reduction.** (a) The annuity reduction provisions of subdivision 3 do not apply to a person who:

(1) retires from the technical college system with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement as a technical college faculty member;

(3) was not a recipient of an early retirement incentive under section 136F.481;

(4) begins drawing an annuity from ~~a first-class city~~ the teachers retirement fund association; and

(5) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the technical college system under an agreement in which the person may not earn a salary of more than \$62,000 in a calendar year through the technical college system.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to a one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not earn further service credit in ~~a first-class city~~ the teachers retirement fund association and is not eligible to participate in the individual retirement account plan or the

135.1 supplemental retirement plan established in chapter 354B as a result of service under this
135.2 section. No employer or employee contribution to any of these plans may be made on behalf
135.3 of such a person.

135.4 Sec. 13. Minnesota Statutes 2022, section 354A.32, subdivision 1a, is amended to read:

135.5 Subd. 1a. **Bounce-back annuity.** (a) If a former coordinated member or disabilitant has
135.6 selected a joint and survivor annuity option under subdivision 1 after June 30, 1989, the
135.7 former member or disabilitant must receive a normal single life annuity if the designated
135.8 optional annuity beneficiary dies before the former member or disabilitant. Under this option,
135.9 no reduction may be made in the person's annuity to provide for restoration of the normal
135.10 single life annuity in the event of the death of the designated optional annuity beneficiary.

135.11 (b) The annuity adjustment specified in paragraph (a) also applies to joint and survivor
135.12 annuity options elected before July 1, 1989. The annuity adjustment under this paragraph
135.13 occurs on July 1, 1989, or on the first day of the first month following the death of the
135.14 designated optional annuity beneficiary, whichever is later. This paragraph may not be
135.15 interpreted as authorizing retroactive payments.

135.16 (c) Unless otherwise specified in this subdivision, the restoration of the normal single
135.17 life annuity under this subdivision takes effect on the first of the month following the date
135.18 of death of the designated optional annuity beneficiary or on the first of the month following
135.19 one year before the date on which a certified copy of the death record of the designated
135.20 optional annuity beneficiary is received in the office of the appropriate teachers retirement
135.21 fund association, whichever date is later.

135.22 Sec. 14. **REVISOR INSTRUCTION.**

135.23 In Minnesota Statutes, chapter 354A, the revisor of statutes must change the term "a
135.24 teachers retirement fund association" to "the teachers retirement fund association" wherever
135.25 the term appears. The revisor must make any necessary grammatical changes or changes
135.26 to sentence structure necessary to preserve the meaning of the text as a result of the changes.

135.27 Sec. 15. **EFFECTIVE DATE.**

135.28 Sections 1 to 14 are effective the day following final enactment.

ARTICLE 12**MISCELLANEOUS CHANGES**

Section 1. Minnesota Statutes 2022, section 353.27, subdivision 4, is amended to read:

Subd. 4. **Employer reporting requirements; contributions; member status.** (a) A representative authorized by the head of each department ~~shall~~ must deduct employee contributions from the salary of each public employee who qualifies for membership in the general employees retirement plan ~~of the Public Employees Retirement Association or in the public employees police and fire retirement plan under this chapter or, the public employees defined contribution plan under chapter 353D,~~ or the local government correctional service retirement plan under chapter 353E at the rate under section 353.27, 353.65, 353D.03, or 353E.03, whichever is applicable, that is in effect on the date the salary is paid. The employer representative must also remit payment in a manner prescribed by the executive director for the aggregate amount of the employee contributions and the required employer contributions to be received by the association within 14 calendar days after each pay date. If the payment is less than the amount required, the employer must pay the shortage amount to the association and collect reimbursement of any employee contribution shortage paid on behalf of a member through subsequent payroll withholdings from the wages of the employee. Payment of shortages in employee contributions and associated employer contributions, if applicable, must include interest at the rate specified in section 353.28, subdivision 5, if not received within 30 days following the date the amount was initially due under this section.

(b) The head of each department or the person's designee shall submit for each pay period to the association a salary deduction report in the format prescribed by the executive director. The report must be received by the association within 14 calendar days after each pay date or the employer may be assessed a fine of \$5 per calendar day until the association receives the required data. Data required as part of salary deduction reporting must include, but are not limited to:

(1) the legal names and Social Security numbers of employees who are members;

(2) the amount of each employee's salary deduction;

(3) the amount of salary defined in section 353.01, subdivision 10, earned in the pay period from which each deduction was made, including a breakdown of the portion of the salary that represents overtime pay that the employee was paid for additional hours worked beyond the regularly scheduled hours, pay for unused compensatory time, and the salary

137.1 amount earned by a reemployed annuitant under section 353.37, subdivision 1, or 353.371,
137.2 subdivision 1, or by a disabled member under section 353.33, subdivision 7 or 7a;

137.3 (4) the beginning and ending dates of the payroll period covered and the date of actual
137.4 payment; and

137.5 (5) adjustments or corrections covering past pay periods as authorized by the executive
137.6 director.

137.7 (c) Employers must furnish the data required for enrollment for each new or reinstated
137.8 employee who qualifies for membership in the general employees retirement plan of the
137.9 ~~Public Employees Retirement Association or in~~ the public employees police and fire
137.10 retirement plan, the public employees defined contribution plan, or the local government
137.11 correctional service retirement plan in the format prescribed by the executive director. The
137.12 required enrollment data on new members must be submitted to the association prior to or
137.13 concurrent with the submission of the initial employee salary deduction. Also, the employer
137.14 shall report to the association all member employment status changes, such as leaves of
137.15 absence, terminations, and death, and shall report the effective dates of those changes, on
137.16 an ongoing basis for the payroll cycle in which they occur. If an employer fails to comply
137.17 with the reporting requirements under this paragraph, the executive director may assess a
137.18 fine of \$25 for each failure if the association staff has notified the employer of the
137.19 noncompliance and attempted to obtain the missing data or form from the employer for a
137.20 period of more than three months.

137.21 (d) The employer shall furnish data, forms, and reports as may be required by the
137.22 executive director for proper administration of the retirement system. Before implementing
137.23 new or different computerized reporting requirements, the executive director shall give
137.24 appropriate advance notice to governmental subdivisions to allow time for system
137.25 modifications.

137.26 (e) Notwithstanding paragraph (a), the executive director may provide for less frequent
137.27 reporting and payments for small employers.

137.28 (f) The executive director may establish reporting procedures and methods as required
137.29 to review compliance by employers with the salary and contribution reporting requirements
137.30 in this chapter. A review of the payroll records of a participating employer may be conducted
137.31 by the association on a periodic basis or as a result of concerns known to exist within a
137.32 governmental subdivision. An employer under review must extract requested data and
137.33 provide records to the association after receiving reasonable advanced notice. Failure to
137.34 provide requested information or materials will result in the employer being liable to the

138.1 association for any expenses associated with a field audit, which may include staff salaries,
138.2 administrative expenses, and travel expenses.

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

138.4 Sec. 2. Minnesota Statutes 2022, section 353.87, subdivision 1, is amended to read:

138.5 Subdivision 1. **Participation.** ~~Except as provided in subdivision 2,~~ A volunteer firefighter,
138.6 as defined in section 353.01, subdivision 36, who, on June 30, 1989, was a member of, and
138.7 a participant in, the general employees retirement fund or the public employees police and
138.8 fire fund and was making contributions to either of those funds based, at least in part, on
138.9 compensation for services performed as a volunteer firefighter shall continue as a member
138.10 of, and a participant in, the general employees retirement fund or the public employees
138.11 police and fire fund and compensation for services performed as a volunteer firefighter must
138.12 be considered salary.

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

138.14 Sec. 3. Minnesota Statutes 2022, section 356.215, subdivision 2, is amended to read:

138.15 Subd. 2. **Requirements.** (a) It is the policy of the legislature that it is necessary and
138.16 appropriate to determine annually the financial status of tax-supported retirement and pension
138.17 plans for public employees. To achieve this goal, the actuary retained under section 356.214
138.18 shall prepare annual actuarial valuations, as of the beginning of each fiscal year, of the
138.19 retirement plans enumerated in section 356.214, subdivision 1, paragraph (b), and quadrennial
138.20 experience studies of the retirement plans enumerated in section 356.214, subdivision 1,
138.21 paragraph (b), clauses (1), (2), and (6).

138.22 (b) The governing ~~or managing~~ board or ~~administrative officials~~ executive director of
138.23 each public pension and retirement plan enumerated in section 356.20, subdivision 2, clauses
138.24 (7), (9), and (10), shall have prepared by an approved actuary annual actuarial valuations
138.25 of their respective funds as provided in this section. This requirement also applies to any
138.26 plan that is the successor to any organization enumerated in section 356.20, subdivision 2,
138.27 or to the governing ~~or managing~~ board or ~~chief administrative officials~~ officer of any newly
138.28 formed retirement fund, plan, or association operating under the control or supervision of
138.29 any public employee group, governmental unit, or institution receiving a portion of its
138.30 support through legislative appropriations, and any local police or fire relief association to
138.31 which section 356.216 applies.

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

139.1 Sec. 4. Minnesota Statutes 2022, section 356.215, subdivision 3, is amended to read:

139.2 Subd. 3. **Reports.** (a) ~~The actuarial valuations required annually must be made as of the~~
139.3 ~~beginning of each fiscal year.~~

139.4 ~~(b) Two copies of the completed valuation~~ governing board or executive director of each
139.5 public pension plan required to prepare an annual valuation under subdivision 2 ~~must be~~
139.6 ~~delivered~~ deliver the annual valuation to the executive director of the Legislative Commission
139.7 on Pensions and Retirement, ~~to~~ the commissioner of management and budget, and ~~to~~ the
139.8 Legislative Reference Library. ~~The copies of the actuarial valuation must be filed with the~~
139.9 ~~executive director of the Legislative Commission on Pensions and Retirement, the~~
139.10 ~~commissioner of management and budget, and the Legislative Reference Library~~ no later
139.11 than the last day of the sixth month occurring after the end of the previous fiscal year. The
139.12 annual valuation may be delivered by email.

139.13 ~~(c) Two copies of a~~ (b) The governing board or executive director of each public pension
139.14 plan required to prepare a quadrennial experience study under subdivision 2 must deliver
139.15 the quadrennial experience study ~~must be filed with~~ to the executive director of the
139.16 Legislative Commission on Pensions and Retirement, ~~with~~ the commissioner of management
139.17 and budget, and ~~with~~ the Legislative Reference Library, ~~not~~ no later than the last day of the
139.18 12th month occurring after the end of the last fiscal year of the four-year period ~~which~~
139.19 covered by the experience study covers. The quadrennial experience study may be delivered
139.20 by email.

139.21 ~~(d) For actuarial valuations and experience studies prepared at the direction of the~~
139.22 ~~Legislative Commission on Pensions and Retirement, one copy of the document must be~~
139.23 ~~delivered to the governing or managing board or administrative officials of the applicable~~
139.24 ~~public pension and retirement fund or plan.~~

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

139.26 Sec. 5. Minnesota Statutes 2022, section 356A.06, subdivision 5, is amended to read:

139.27 Subd. 5. **Investment business recipient disclosure.** The chief administrative officer of
139.28 a covered pension plan, with respect to investments made by the plan, and the executive
139.29 director of the State Board of Investment, with respect to investments of plan assets made
139.30 by the board, shall annually disclose in writing the recipients of investment business placed
139.31 with or investment commissions allocated among commercial banks, investment bankers,
139.32 brokerage organizations, or other investment managers. The disclosure document must be
139.33 prepared within 60 days after the close of the fiscal year of the plan and must be available

for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the Legislative Commission on Pensions and Retirement within 90 days after the close of the fiscal year of the plan. For the State Board of Investment and ~~a first-class city teacher retirement fund association~~ the St. Paul Teachers Retirement Fund Association, a disclosure document included as part of a regular annual report ~~of the board or of the first-class city teacher retirement fund association~~ when filed with the executive director of the Legislative Commission on Pensions and Retirement is considered to have been filed on a timely basis. An officer or member of the board of trustees of a covered pension plan governed by sections 424A.091 to 424A.096 or the Bloomington Fire Department Relief Association may file the disclosure document with the executive director of the Legislative Commission on Pensions and Retirement by email.

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

Sec. 6. **REPEALER.**

Minnesota Statutes 2022, sections 353.86; and 353.87, subdivisions 2, 3, and 4, are repealed effective August 1, 2024.

ARTICLE 13

ONETIME APPROPRIATIONS AND FUND TRANSFERS

Section 1. **TRANSFER TO THE IRAP TO TRA TRANSFER ACCOUNT; APPROPRIATION.**

(a) \$1,458,000 in fiscal year 2025 is transferred from the general fund to the IRAP to TRA transfer account established under Minnesota Statutes, section 354B.215, subdivision 11. This is a onetime transfer.

(b) Money in the IRAP to TRA transfer account is appropriated to the Board of Trustees of the Minnesota State Colleges and Universities to reduce the cost of service credit purchases by eligible persons who transfer coverage from the individual retirement account plan to the Teachers Retirement Association under Minnesota Statutes, section 354B.215. This is a onetime appropriation.

141.1 **Sec. 2. TRANSFERS; ONETIME DIRECT STATE AID.**

142.1 Teachers Retirement Association; amending Minnesota Statutes 2022, sections
142.2 352.01, subdivision 13; 352.03, subdivision 5; 352.113, subdivision 1; 352.1155,
142.3 subdivision 3; 352.12, subdivisions 1, 2, 2b, 7, 8; 352.95, subdivision 4; 353.028,
142.4 subdivisions 1, 2, 3, 5; 353.03, subdivision 3a; 353.27, subdivision 4; 353.33,
142.5 subdivisions 7, 7a; 353.64, subdivisions 1, 2, 4, 5a; 353.65, subdivision 3b; 353.87,
142.6 subdivision 1; 353D.02, as amended; 353E.03; 353E.04, subdivision 3; 353E.06,
142.7 subdivision 6; 353G.01, subdivisions 9, 9a, 11, by adding subdivisions; 353G.05,
142.8 as amended; 353G.08, subdivision 2; 354.435, subdivision 4; 354.436, subdivision
142.9 3; 354A.011, subdivision 7; 354A.021, subdivisions 2, 3, 6, 7, 8, 9; 354A.05;
142.10 354A.091; 354A.094; 354A.12, subdivisions 3a, 3c, 5; 354A.31, subdivision 3a;
142.11 354A.32, subdivision 1a; 354B.20, subdivision 18, by adding subdivisions; 356.215,
142.12 subdivisions 2, 3; 356.24, subdivision 3; 356.611, subdivision 2, by adding a
142.13 subdivision; 356.62; 356.635, subdivisions 1, 2, by adding subdivisions; 356A.06,
142.14 subdivision 5; 423A.02, subdivision 5; 423A.022, subdivision 5; 424A.001,
142.15 subdivisions 4, 5, 8, 9, 10, by adding subdivisions; 424A.003; 424A.01,
142.16 subdivisions 1, 2, 5; 424A.015, subdivisions 1, 5, 7; 424A.016, subdivisions 2, 6;
142.17 424A.02, subdivisions 1, 3, 7, 9; 424A.021; 424A.092, subdivision 6; 424A.093,
142.18 subdivision 6; 424A.094, subdivision 1; 424A.095, subdivision 2; 424A.10;
142.19 424B.22, subdivisions 2, 10; Minnesota Statutes 2023 Supplement, sections 187.03,
142.20 by adding a subdivision; 187.05, subdivision 7; 187.08, subdivisions 1, 7, 8; 352.91,
142.21 subdivision 3f, as amended; 353.335, subdivision 1; 353D.01, subdivision 2;
142.22 353G.01, subdivisions 7b, 8b, 12, 12a, 14a, 15; 353G.02, subdivisions 1, 3, 4;
142.23 353G.03, subdivision 3; 353G.07; 353G.08, subdivision 1; 353G.09, subdivisions
142.24 1, 1a, 2; 353G.10; 353G.11, subdivision 2, by adding a subdivision; 353G.115;
142.25 353G.12, subdivision 2, by adding a subdivision; 353G.14; 354.05, subdivision
142.26 38; 354.06, subdivision 2; 354A.12, subdivision 1; 356.215, subdivision 11; 356.24,
142.27 subdivision 1; 477B.02, subdivision 3; Laws 2021, chapter 22, article 2, section
142.28 3; Laws 2022, chapter 65, article 3, section 1, subdivisions 2, 3; Laws 2023, chapter
142.29 46, section 11; proposing coding for new law in Minnesota Statutes, chapters 352B;
142.30 353G; 354B; 356; repealing Minnesota Statutes 2022, sections 353.33, subdivision
142.31 5; 353.86; 353.87, subdivisions 2, 3, 4; 353D.071; 353G.01, subdivision 10;
142.32 356.635, subdivisions 3, 4, 5, 6, 7, 8, 9a, 10, 11, 12, 13; 424A.01, subdivision 5a;
142.33 Minnesota Statutes 2023 Supplement, sections 353.335, subdivision 2; 353G.01,
142.34 subdivisions 7a, 8a; 353G.02, subdivision 6; 353G.08, subdivision 3; 353G.11,
142.35 subdivisions 1, 1a, 3, 4; 353G.112; 353G.121."

142.36 And when so amended the bill do pass and be re-referred to the Committee on Finance.

142.37 Amendments adopted. Report adopted.

142.38 
142.39 (Committee Chair)

142.40 April 19, 2024.....
142.41 (Date of Committee recommendation)