

1.1 Frazier and Torkelson from the Committee on Ways and Means to which was referred:

1.2 H. F. No. 4074, A bill for an act relating to retirement; modifying expense apportionment  
 1.3 among funds managed by the State Board of Investment; making administrative changes  
 1.4 to statutes governing the retirement plans administered by the Minnesota State Retirement  
 1.5 System; clarifying that correctional employees remain in the correctional employees  
 1.6 retirement plan while working for a labor organization; making conforming changes to  
 1.7 retirement annuity application procedures; modifying enrollment procedures in the state  
 1.8 fire marshals subplan; clarifying that the correctional plan membership committee is not  
 1.9 subject to the open meeting law and agency appointment and registration requirements;  
 1.10 allowing current deputy fire marshals to elect coverage by the state fire marshals subplan;  
 1.11 amending Minnesota Statutes 2024, sections 11A.07, subdivision 5; 352.021, subdivision  
 1.12 2; 352.029, subdivisions 1, 2, 2a; 352.115, subdivisions 7a, 8, 9; 352.87, subdivisions 1, 2;  
 1.13 Minnesota Statutes 2025 Supplement, sections 11A.04; 11A.07, subdivision 4; 352.029,  
 1.14 subdivision 3; 352.905, by adding a subdivision; 352.907, by adding a subdivision; Laws  
 1.15 2025, chapter 39, article 1, section 8; repealing Minnesota Statutes 2024, section 352.87,  
 1.16 subdivision 8.

1.17 Reported the same back with the following amendments:

1.18 Delete everything after the enacting clause and insert:

1.19 **"ARTICLE 1**

1.20 **MINNESOTA STATE RETIREMENT SYSTEM**

1.21 Section 1. Minnesota Statutes 2024, section 352.021, subdivision 2, is amended to read:

1.22 Subd. 2. **State employees covered.** Every person who becomes a state employee as  
 1.23 defined in section 352.01 is covered by the general state employees retirement plan, unless  
 1.24 the state employee is covered by the correctional employees retirement plan under section  
 1.25 352.905. Acceptance of state employment or continuance in state service is deemed to be  
 1.26 consent by the state employee to have deductions made from salary for deposit to the credit  
 1.27 of the account of the state employee in the retirement fund of the plan that provides retirement  
 1.28 coverage for the state employee.

2.1 Sec. 2. Minnesota Statutes 2024, section 352.029, subdivision 1, is amended to read:

2.2 Subdivision 1. **Qualifications.** (a) Unless ~~already~~ specifically included under section  
 2.3 352.01, subdivision 2a, or unless specifically excluded under section 352.01, subdivision  
 2.4 2b, a state employee covered by the general state employees retirement plan who is on leave  
 2.5 of absence without pay to provide service as an employee or officer of a labor organization  
 2.6 that is an exclusive bargaining agent representing state employees may elect under  
 2.7 subdivision 2 to be covered by the general state employees retirement plan of the Minnesota  
 2.8 State Retirement System for service with the labor organization, subject to the limitations  
 2.9 set forth in subdivisions 2a and 2b.

2.10 (b) Unless specifically included under section 352.01, subdivision 2a, or unless  
 2.11 specifically excluded under section 352.01, subdivision 2b, a state employee covered by  
 2.12 the correctional employees retirement plan who is on leave of absence without pay to provide  
 2.13 service as an employee or officer of a labor organization that is an exclusive bargaining  
 2.14 agent representing state employees may elect under subdivision 2 to be covered by the  
 2.15 correctional employees retirement plan for service with the labor organization, subject to  
 2.16 the limitations set forth in subdivisions 2a and 2b.

2.17 Sec. 3. Minnesota Statutes 2024, section 352.029, subdivision 2, is amended to read:

2.18 Subd. 2. **Election.** A person described in subdivision 1 is covered by the ~~system~~ general  
 2.19 employees retirement plan under subdivision 1, paragraph (a), or the correctional employees  
 2.20 retirement plan under subdivision 1, paragraph (b), if the person delivers a written election  
 2.21 to be covered is delivered to the executive director within 90 days of being employed by  
 2.22 the labor organization; or within 90 days of starting the first leave of absence with an  
 2.23 exclusive bargaining agent to provide service as an employee or officer of a labor  
 2.24 organization, whichever is later.

2.25 Sec. 4. Minnesota Statutes 2024, section 352.029, subdivision 2a, is amended to read:

2.26 Subd. 2a. **Limitations on salary for benefits and contributions.** (a) The covered salary  
 2.27 for a labor organization employee who is a member under section 352.01, subdivision 2a,  
 2.28 paragraph (a), or who qualifies for membership under this section ~~or section 352.75~~ is limited  
 2.29 to the lesser of:

2.30 (1) the employee's ~~actual~~ salary as defined under section 352.01, subdivision 13; or

2.31 (2) 75 percent of the salary of the governor as set under section 15A.082.

3.1 (b) The limited covered salary determined under this subdivision must be used in  
 3.2 determining employee, employer, and supplemental employer ~~additional~~ contributions under  
 3.3 ~~section~~ sections 352.04, subdivisions 2 and 3, and 352.92 and in determining retirement  
 3.4 annuities and other benefits under this chapter and chapter 356.

3.5 Sec. 5. Minnesota Statutes 2025 Supplement, section 352.029, subdivision 3, is amended  
 3.6 to read:

3.7 Subd. 3. **Contributions.** (a) The employee and employer contributions required by  
 3.8 section 352.04, for employees covered by the general state employees retirement plan or  
 3.9 by section 352.92 for employees covered by section 352.905, the correctional employees  
 3.10 retirement plan are the obligation of the employee ~~who is a member under section 352.01,~~  
 3.11 ~~subdivision 2a, paragraph (a), or~~ who chooses coverage under this section. However, the  
 3.12 employing labor organization may pay the employer contributions to the general state  
 3.13 employees retirement fund as required by section 352.04 for employees covered by the  
 3.14 general state employees retirement plan or to the correctional employees retirement fund  
 3.15 as required by section 352.92 for employees covered by the correctional employees retirement  
 3.16 plan.

3.17 (b) Contributions made by the employee must be made by salary deduction. ~~The~~  
 3.18 ~~employing labor organization shall pay all contributions to the system as required by section~~  
 3.19 ~~352.04, or by section 352.92 for employees covered by section 352.905.~~

3.20 Sec. 6. Minnesota Statutes 2024, section 352.115, subdivision 7a, is amended to read:

3.21 Subd. 7a. **Application procedure.** (a) ~~The filing of an~~ application for an annuity, refund,  
 3.22 disability benefit, survivor benefit, death benefit, or other ~~monthly~~ benefit authorized by  
 3.23 this chapter or chapter 3A, 352B, 352D, or 490 must comply with this subdivision.

3.24 (b) Filing of an application ~~under paragraph (a) is not complete until~~ is effective on the  
 3.25 date an original application and supporting documents are is received in an office of the  
 3.26 system or received by a person authorized by the director. An original application may not  
 3.27 be an electronic copy or facsimile copy and if received in an office of the system, must be  
 3.28 delivered by personal service or mail.

3.29 (c) ~~In this subdivision,~~ To complete the application, supporting documents must be  
 3.30 received in an office of the system or received by a person authorized by the director no  
 3.31 later than 60 days after filing the application. Supporting documents are not required to be  
 3.32 original documents except as determined by the director. "Supporting documents" are:

4.1 (1) documents sufficient to verify birth date;

4.2 (2) documents sufficient to verify marital status or establish the terms of a divorce, if  
4.3 applicable; and

4.4 (3) the spousal acknowledgment required by section 356.46, subdivision 3, paragraph  
4.5 (b).

4.6 ~~Supporting documents are not required to be original documents except as determined by~~  
4.7 ~~the director.~~

4.8 Sec. 7. Minnesota Statutes 2024, section 352.115, subdivision 8, is amended to read:

4.9 Subd. 8. **Accrual of annuity.** (a) The application for an annuity must not be ~~made~~ filed  
4.10 more than 60 days before the ~~time~~ date the state employee or former state employee elects  
4.11 to begin collecting a retirement annuity.

4.12 (b) If the director determines an applicant for annuity has fulfilled the legal requirements  
4.13 for an annuity, the director shall authorize the annuity payment in accordance with this  
4.14 chapter and payment must be made as authorized.

4.15 (c) An annuity shall begin to accrue no earlier than 180 days before the date the  
4.16 application is filed with the director, but not before the day following the termination of  
4.17 state service or before the day the employee is eligible to retire by reason of both age and  
4.18 service requirements.

4.19 (d) The retirement annuity shall cease with the last payment which had accrued during  
4.20 the lifetime of the retired employee unless an optional annuity provided in section 352.116,  
4.21 subdivision 3, had been selected and had become payable. The joint and last survivor annuity  
4.22 shall cease with the last payment received by the survivor during the lifetime of the survivor.  
4.23 If a retired employee had not selected an optional annuity, or a survivor annuity is not  
4.24 payable under the option, and a spouse survives, the spouse is entitled only to the annuity  
4.25 for the calendar month in which the retired employee died. If an optional annuity is payable  
4.26 after the death of the retired employee, the survivor is entitled to the annuity for the calendar  
4.27 month in which the retired employee died.

4.28 Sec. 8. Minnesota Statutes 2024, section 352.115, subdivision 9, is amended to read:

4.29 Subd. 9. **Annuities payable monthly.** All annuities, and disability benefits authorized  
4.30 by this chapter, must be paid in equal monthly installments and must not be increased,  
4.31 decreased, or revoked except as provided in this chapter or chapter 356.

5.1 Sec. 9. Minnesota Statutes 2024, section 352.87, subdivision 1, is amended to read:

5.2 Subdivision 1. **Eligibility.** (a) A member of the general state employees retirement plan  
 5.3 who is employed by the Department of Public Safety, State Fire Marshal Division, as a  
 5.4 deputy state fire marshal, fire/arson investigator, ~~who elects special benefit coverage under~~  
 5.5 ~~subdivision 8,~~ is entitled to retirement benefits or disability benefits, as applicable, as stated  
 5.6 in this section for eligible service under this section rendered after July 1, 1999, for which  
 5.7 allowable service credit is received: if the member is first employed as a deputy state fire  
 5.8 marshal, fire/arson investigator:

5.9 (1) before July 1, 2026, and the member elected special benefit coverage under the laws  
 5.10 in effect on the day the member was first employed as a deputy state fire marshal, fire/arson  
 5.11 investigator; or

5.12 (2) after June 30, 2026.

5.13 (b) The covered member must be at least age 55 to qualify for the retirement annuity  
 5.14 specified in subdivision 3.

5.15 Sec. 10. Minnesota Statutes 2024, section 352.87, subdivision 2, is amended to read:

5.16 Subd. 2. **Retirement annuity eligibility.** A person specified in subdivision 1 who meets  
 5.17 all eligibility requirements specified in this chapter applicable to ~~general plan~~ members of  
 5.18 the general state employees retirement plan is eligible for retirement benefits as specified  
 5.19 in subdivision 3.

5.20 Sec. 11. Minnesota Statutes 2025 Supplement, section 352.905, is amended by adding a  
 5.21 subdivision to read:

5.22 Subd. 8. **Employees of labor organization.** Employees who meet the coverage and  
 5.23 election requirements of section 352.029 will continue to be covered by the correctional  
 5.24 employees retirement plan.

5.25 Sec. 12. Minnesota Statutes 2025 Supplement, section 352.907, is amended by adding a  
 5.26 subdivision to read:

5.27 Subd. 7. **Certain laws not applicable to the membership committee.** (a) Meetings of  
 5.28 the correctional plan membership committee are not subject to chapter 13D.

5.29 (b) The correctional plan membership committee is not an agency for the purposes of  
 5.30 sections 15.0597 and 15.0599.

6.1       Sec. 13. **ELECTION OF COVERAGE FOR CURRENT DEPUTY STATE FIRE**  
6.2 **MARSHALS.**

6.3       Subdivision 1. **Definition.** For purposes of this section, "eligible employee" means a  
6.4 member of the general state employees retirement plan of the Minnesota State Retirement  
6.5 System who began employment with the Department of Public Safety, State Fire Marshal  
6.6 Division, as a deputy state fire marshal, fire/arson investigator, after July 31, 2021, and  
6.7 before October 5, 2022.

6.8       Subd. 2. **Election of coverage.** (a) An eligible employee may file a notice with the  
6.9 executive director of the Minnesota State Retirement System on a form prescribed by the  
6.10 executive director stating that the employee elects to be covered by section 352.87. Notice  
6.11 must be filed no later than 60 days after enactment of this section.

6.12       (b) Elections under this subdivision are irrevocable during any period of covered  
6.13 employment.

6.14       (c) An eligible employee who makes an election under this subdivision is entitled to  
6.15 retirement or disability benefits, as applicable, as stated in section 352.87. Elected coverage  
6.16 is effective retroactively from the first day of employment.

6.17       (d) A failure to file a timely notice is deemed a waiver of coverage by section 352.87.

6.18       Subd. 3. **Calculation of additional contributions due.** (a) Upon the request of an  
6.19 eligible employee before the eligible employee files the notice electing coverage under  
6.20 subdivision 2 or if an eligible employee files the notice electing coverage under subdivision  
6.21 2, the executive director of the Minnesota State Retirement System must calculate:

6.22       (1) the employee contributions that would have been deducted from the eligible  
6.23 employee's salary starting with the first day of covered employment but were not deducted  
6.24 because the eligible employee had not yet filed the notice electing coverage, plus interest  
6.25 at the applicable rate or rates specified in section 356.59, subdivision 2; and

6.26       (2) the employer contributions that would have been paid by the employer starting with  
6.27 the eligible employee's first day of covered employment but were not deducted because the  
6.28 eligible employee had not yet filed the notice electing coverage, plus interest at the applicable  
6.29 rate or rates specified in section 356.59, subdivision 2.

6.30       (b) The executive director must inform the eligible employee and the Department of  
6.31 Public Safety of the amounts calculated under paragraph (a) no later than 30 days after  
6.32 receiving the request or the notice electing coverage from the eligible employee.

7.1 Subd. 4. **Payment of additional contributions.** (a) If an eligible employee files a notice  
 7.2 electing coverage under subdivision 2, the eligible employee must pay the employee  
 7.3 contributions and interest computed under subdivision 3, paragraph (a), to the general  
 7.4 employees retirement fund of the Minnesota State Retirement System in a lump sum.  
 7.5 Payment must be made within six months of filing the notice electing coverage under  
 7.6 subdivision 2 or on the date the eligible employee terminates employment as a deputy state  
 7.7 fire marshal, fire/arson investigator, whichever is earlier.

7.8 (b) The Department of Public Safety must pay the employer contributions and interest  
 7.9 computed under subdivision 3, paragraph (a), to the general employees retirement fund of  
 7.10 the Minnesota State Retirement System within 30 days of the date on which the executive  
 7.11 director of the Minnesota State Retirement System certifies to the Department of Public  
 7.12 Safety that the eligible employee made the payment required under paragraph (a).

7.13 **Sec. 14. REPEALER.**

7.14 Minnesota Statutes 2024, section 352.87, subdivision 8, is repealed.

7.15 **Sec. 15. EFFECTIVE DATE.**

7.16 Sections 1 to 14 are effective July 1, 2026.

## 7.17 **ARTICLE 2**

### 7.18 **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

7.19 Section 1. Minnesota Statutes 2025 Supplement, section 353.65, subdivision 3b, is amended  
 7.20 to read:

7.21 **Subd. 3b. Direct state aid.** (a) The state must pay \$4,500,000 on October 1, 2018, and  
 7.22 October 1, 2019, to the public employees police and fire retirement plan. By October 1 of  
 7.23 each year after 2019, the state must pay \$9,000,000 to the public employees police and fire  
 7.24 retirement plan.

7.25 (b) By October 1 of each year after 2024, the state must pay \$17,700,000 to the public  
 7.26 employees police and fire retirement plan.

7.27 (c) By October 1 of each year after 2025, the state must pay \$8,000,000 to the public  
 7.28 employees police and fire retirement plan.

7.29 ~~(e)~~ (d) The commissioner of management and budget must pay the aid specified in this  
 7.30 subdivision. The amount required is annually appropriated from the general fund to the  
 7.31 commissioner of management and budget.

8.1 ~~(d)~~ (e) The aid under paragraph (a) continues until the first day of the fiscal year following  
 8.2 three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of  
 8.3 the fund equals or exceeds 110 percent of the actuarial accrued liabilities as reported by the  
 8.4 actuary retained under section 356.214 in the annual actuarial valuation prepared under  
 8.5 section 356.215.

8.6 ~~(e)~~ (f) The aid under paragraph (b) expires July 1, 2048.

8.7 (g) The aid under paragraph (c) expires July 1, 2042.

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

8.9 Sec. 2. Minnesota Statutes 2024, section 353E.03, subdivision 1, is amended to read:

8.10 Subdivision 1. **Member contributions.** A member of the plan shall make an employee  
 8.11 contribution in an amount equal to ~~6.83~~ six percent of salary.

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

8.13 Sec. 3. Minnesota Statutes 2024, section 353E.03, subdivision 2, is amended to read:

8.14 Subd. 2. **Employer contributions.** The employer shall contribute for a member of the  
 8.15 plan an amount equal to ~~10.25~~ nine percent of salary.

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

8.17 Sec. 4. Minnesota Statutes 2025 Supplement, section 356.415, subdivision 1c, is amended  
 8.18 to read:

8.19 Subd. 1c. **Public employees police and fire retirement plan.** (a) Retirement annuity,  
 8.20 disability benefit, or survivor benefit recipients of the public employees police and fire  
 8.21 retirement plan are entitled to an annual postretirement adjustment, effective as of each  
 8.22 January 1, as follows:

8.23 (1) for each annuitant or benefit recipient who ~~will have~~ has been receiving ~~an~~ the annuity  
 8.24 or benefit for at least ~~24~~ 12 full months as of the ~~immediate preceding~~ June 30 of the calendar  
 8.25 year immediately before the effective date of the increase, a postretirement increase of one  
 8.26 percent must be applied each year to the amount of the monthly annuity or benefit of the  
 8.27 annuitant or benefit recipient; or

8.28 (2) for each annuitant or benefit recipient who has been receiving the annuity or benefit  
 8.29 for at least ~~13~~ one full ~~months~~ month, but less than ~~24~~ 12 months as of the ~~immediate~~  
 8.30 ~~preceding~~ June 30 of the calendar year immediately before the effective date of the increase,

9.1 a postretirement increase of 1/12 of one percent for each full month that the person has been  
9.2 receiving an annuity or benefit during the fiscal year in which the annuity or benefit was  
9.3 effective must be applied each year to the amount of the monthly annuity or benefit of the  
9.4 annuitant or benefit recipient.

9.5 (b) An increase in annuity or benefit payments under this ~~section~~ subdivision must be  
9.6 made automatically unless written notice is filed by the annuitant or benefit recipient with  
9.7 the executive director of the Public Employees Retirement Association requesting that the  
9.8 increase not be made.

9.9 **EFFECTIVE DATE.** This section is effective for postretirement adjustments beginning  
9.10 on or after January 1, 2027.

9.11 Sec. 5. Minnesota Statutes 2024, section 356.415, subdivision 1g, is amended to read:

9.12 Subd. 1g. **Annual postretirement adjustments; ~~PERA~~ Public Employees Retirement**  
9.13 **Association; local government correctional retirement plan.** (a) Annuities, disability  
9.14 benefits, and survivor benefits being paid from the local government correctional retirement  
9.15 plan of the Public Employees Retirement Association shall be increased effective each  
9.16 January 1 by the percentage of increase determined under this subdivision. The increase to  
9.17 the annuity or benefit shall be determined by multiplying the monthly amount of the annuity  
9.18 or benefit by the percentage of increase specified in paragraph (b), after taking into account  
9.19 any reduction to the percentage of increase required under paragraph (d).

9.20 (b) As of each January 1, The percentage of increase must be one percent unless the  
9.21 federal Social Security Administration has announced a cost-of-living adjustment pursuant  
9.22 to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar  
9.23 year that is greater than one percent. If the cost-of-living adjustment announced by the  
9.24 federal Social Security Administration is greater than one percent, the percentage of increase  
9.25 must be the same as the cost-of-living adjustment announced by the federal Social Security  
9.26 Administration, but in no event may the percentage of increase exceed the applicable  
9.27 maximum percentage in effect on January 1 under paragraph (c).

9.28 (c) The applicable maximum percentage in effect on January 1 is ~~2.5~~ three percent,  
9.29 unless either of the following is true, in which case the applicable maximum percentage is  
9.30 1.5 percent:

9.31 (1) the market value of assets equals or is less than 85 percent of the actuarial accrued  
9.32 liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial  
9.33 valuations; or

10.1 (2) the market value of assets equals or is less than 80 percent of the actuarial accrued  
 10.2 liabilities as reported by the plan's actuary in the most recent annual actuarial valuation. ~~If,~~  
 10.3 ~~on January 1 after a year during which the applicable maximum percentage was 1.5 percent,~~  
 10.4 ~~neither clause (1) or (2) is true, then the applicable maximum percentage is 2.5 percent.~~

10.5 (d)(1) If the recipient of an annuity, disability benefit, or survivor's benefit has been  
 10.6 receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar  
 10.7 year immediately before the effective date of the increase, there is no reduction in the  
 10.8 percentage of increase.

10.9 (2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving  
 10.10 the annuity or benefit for at least one month, but less than 12 full months, as of the June 30  
 10.11 of the calendar year immediately preceding the effective date of the increase, the percentage  
 10.12 of increase is multiplied by a fraction, the numerator of which is the number of months the  
 10.13 annuity or benefit was received as of June 30 of the preceding calendar year and the  
 10.14 denominator of which is 12.

10.15 (e) An increase in annuity or benefit payments under this ~~section~~ subdivision must be  
 10.16 made automatically unless written notice is filed by the recipient with the executive director  
 10.17 of the Public Employees Retirement Association requesting that the increase not be made.

10.18 **EFFECTIVE DATE.** This section is effective for postretirement adjustments beginning  
 10.19 on or after January 1, 2027.

### 10.20 ARTICLE 3

#### 10.21 TEACHERS RETIREMENT ASSOCIATION; ST. PAUL TEACHERS RETIREMENT 10.22 FUND ASSOCIATION

10.23 Section 1. Minnesota Statutes 2024, section 354.05, subdivision 37, is amended to read:

10.24 Subd. 37. **Termination of teaching service.** "Termination of teaching service" means  
 10.25 the withdrawal of a member from active teaching service by resignation or the termination  
 10.26 of the member's teaching contract by the employer. A member is not considered to have  
 10.27 terminated teaching service, if before the age of ~~62~~ 59-1/2, and before the effective date of  
 10.28 the termination or retirement, the member has entered into a contract to resume teaching  
 10.29 service with an employing unit covered by the provisions of this chapter. A contract to  
 10.30 return to work after retirement for an active member who has attained age ~~62~~ 59-1/2 must  
 10.31 comply with the provisions of section 354.444.

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

11.1 Sec. 2. Minnesota Statutes 2024, section 354.05, is amended by adding a subdivision to  
11.2 read:

11.3 Subd. 44. **Medical provider.** "Medical provider" means an individual licensed as a  
11.4 physician, chiropractor, physician assistant, APRN, or, with respect to a mental impairment,  
11.5 a psychologist.

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

11.7 Sec. 3. Minnesota Statutes 2024, section 354.07, subdivision 2, is amended to read:

11.8 Subd. 2. **Investigatory powers.** In passing upon all applications and claims, the board  
11.9 may summon, swear, hear, and examine witnesses and, in the case of claims for disability  
11.10 benefits, may require the claimant to submit to a medical examination by a ~~physician~~ medical  
11.11 provider of the board's choice, at the expense of the claimant, as a condition precedent to  
11.12 the passing on the claim, and, in the case of all applications and claims, may conduct  
11.13 investigations necessary to determine the validity and merit of the same.

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

11.15 Sec. 4. Minnesota Statutes 2024, section 354.444, subdivision 2, is amended to read:

11.16 Subd. 2. **Eligibility.** An eligible person is a person who:

11.17 (1) is a teacher as defined by section 354.05, subdivision 2, who is at least age ~~62~~ 59-1/2;

11.18 (2) enters into a written agreement with the employing unit to return to work; and

11.19 (3) retires under the provisions of section 354.44 and begins to draw an annuity from  
11.20 the Teachers Retirement Association.

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

11.22 Sec. 5. Minnesota Statutes 2024, section 354.444, subdivision 3, is amended to read:

11.23 Subd. 3. **Work agreement.** (a) A member who is at least age 59-1/2 may, before the  
11.24 effective date of retirement, enter into a written agreement to return to work with an  
11.25 employing unit covered by the provisions of this chapter.

11.26 (b) Participation, the amount of time worked, and the duration of participation under  
11.27 this section must be mutually agreed upon by the employing unit and the employee. The  
11.28 employing unit may require up to a one-year notice of intent to participate in the program  
11.29 as a condition of participation. The employing unit shall determine the time of year the  
11.30 employee shall work. Unless otherwise specified in this section, the employing unit may

12.1 not require a person to waive any rights under a collective bargaining agreement as a  
 12.2 condition of participation under this section.

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

12.4 Sec. 6. Minnesota Statutes 2024, section 354.48, subdivision 4, is amended to read:

12.5 Subd. 4. **Determination by executive director.** (a) The executive director ~~shall~~ must  
 12.6 have the member examined by ~~at least two licensed physicians, licensed chiropractors, or~~  
 12.7 ~~licensed psychologists~~ a licensed physician and any one or more medical providers.

12.8 (b) ~~These physicians, chiropractors, APRNs, or psychologists with respect to a mental~~  
 12.9 ~~impairment, shall~~ The medical providers selected under paragraph (a) must make written  
 12.10 reports to the executive director concerning the member's disability, including expert opinions  
 12.11 as to whether or not the member is permanently and totally disabled within the meaning of  
 12.12 section 354.05, subdivision 14.

12.13 (c) The executive director ~~shall~~ must also obtain written certification from the last  
 12.14 employer stating whether or not the member was separated from service because of a  
 12.15 disability ~~which~~ that would reasonably prevent further service to the employer and as a  
 12.16 consequence the member is not entitled to compensation from the employer.

12.17 (d) If, upon the consideration of the reports ~~of the physicians, chiropractors, APRNs, or~~  
 12.18 ~~psychologists~~ required under paragraph (b) and any other evidence presented by the member  
 12.19 or by others interested therein, the executive director finds that the member is totally and  
 12.20 permanently disabled, the executive director ~~shall~~ must grant the member a disability benefit.

12.21 (e) An employee who is placed on leave of absence without compensation because of  
 12.22 disability is not barred from receiving a disability benefit.

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

12.24 Sec. 7. Minnesota Statutes 2024, section 354.48, subdivision 6, is amended to read:

12.25 Subd. 6. **Regular physical examinations.** At least once each year during the first five  
 12.26 years following the allowance of a disability benefit to any member, and at least once in  
 12.27 every three-year period thereafter, the executive director may require the disability benefit  
 12.28 recipient to undergo an expert examination by ~~a physician or physicians, by a chiropractor~~  
 12.29 ~~or chiropractors, by an APRN or APRNs, or by one or more psychologists with respect to~~  
 12.30 ~~a mental impairment,~~ medical providers engaged by the executive director. If an examination  
 12.31 indicates that the member is no longer permanently and totally disabled or that the member  
 12.32 is engaged or is able to engage in a substantial gainful occupation, the association must

13.1 ~~discontinue~~ payments of the disability benefit ~~by the association must be discontinued~~. The  
 13.2 payments must be discontinued as soon as the member is reinstated to the payroll following  
 13.3 sick leave, but payment may not be made ~~for~~ more than 60 days after the ~~physicians,~~  
 13.4 ~~chiropractors, APRNs, or psychologists~~ medical provider or medical providers engaged by  
 13.5 the executive director find that the person is no longer permanently and totally disabled.

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

13.7 Sec. 8. Minnesota Statutes 2024, section 354A.011, subdivision 14b, is amended to read:

13.8 Subd. 14b. **Medical expert.** For purposes of section 354A.36, "medical expert" means  
 13.9 a licensed physician, licensed physician assistant, licensed chiropractor, an APRN, or a  
 13.10 licensed psychologist, in each case working within the scope of the individual's professional  
 13.11 licensure.

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

13.13 Sec. 9. Minnesota Statutes 2024, section 354A.021, subdivision 8, is amended to read:

13.14 Subd. 8. **Annual audit by state auditor.** (a) The books and accounts of the ~~teachers~~  
 13.15 ~~retirement fund~~ association must be examined and audited ~~periodically as considered~~  
 13.16 ~~necessary by the state auditor~~ annually. A full and detailed report of the examination and  
 13.17 audit must be made and a copy provided to the ~~teachers retirement fund association~~ board  
 13.18 ~~of trustees~~. The cost of any examination and audit must be paid by the ~~teachers retirement~~  
 13.19 ~~fund~~ association in accordance with section 6.56. For purposes of section 6.56, the ~~teachers~~  
 13.20 ~~retirement fund~~ association is considered a local governmental entity equivalent to a county,  
 13.21 city, town, or school district.

13.22 (b) The examination and audit required under paragraph (a) must be conducted by the  
 13.23 state auditor unless the state auditor has notified the association that the state auditor will  
 13.24 not conduct the examination and audit for a particular year. For any year that the state auditor  
 13.25 does not perform the examination and audit, the association must obtain the examination  
 13.26 and audit by a CPA firm meeting the requirements of section 326A.05.

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

13.28 Sec. 10. Minnesota Statutes 2024, section 354A.12, subdivision 1, is amended to read:

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

14.1	Program	Percentage of Total Salary
14.2	<del>basic program after June 30, 2016, through June 30, 2023</del>	10
14.3	<del>basic program after June 30, 2023, through June 30, 2024</del>	10.25
14.4	<del>basic program after June 30, 2024, through June 30, 2025</del>	10
14.5	basic program after June 30, 2025, through June 30, 2026	11.25
14.6	basic program after June 30, 2026	<del>11.5</del> <u>10.5</u>
14.7	<del>coordinated program after June 30, 2016, through June 30,</del>	
14.8	<del>2023</del>	<del>7.5</del>
14.9	<del>coordinated program after June 30, 2023, through June 30,</del>	
14.10	<del>2024</del>	<del>7.75</del>
14.11	<del>coordinated program after June 30, 2024, through June 30,</del>	
14.12	<del>2025</del>	<del>7.5</del>
14.13	coordinated program after June 30, 2025, through June 30,	
14.14	2026	8.75
14.15	coordinated program after June 30, 2026	<u>9</u> <u>8</u>

14.16 (b) Contributions must be made by deduction from salary and must be remitted directly  
14.17 to the association at least once each month.

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

14.20 **EFFECTIVE DATE.** This section is effective July 1, 2026.

14.21 Sec. 11. Minnesota Statutes 2024, section 354A.12, subdivision 3a, is amended to read:

14.22 Subd. 3a. **Direct state aid to St. Paul Teachers Retirement Fund Association.** (a)

14.23 The state must pay \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

14.24 (b) In addition to other amounts specified in this subdivision, the state must pay

14.25 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

14.26 (c) In addition to the other amounts specified in ~~paragraphs (a) and (b)~~ this subdivision,

14.27 the state must pay \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund

14.28 Association.

14.29 (d) In addition to the other amounts specified in this subdivision, the state must pay

14.30 \$3,400,000 as state aid to the St. Paul Teachers Retirement Fund Association.

14.31 ~~(d)~~ (e) The aid under this subdivision is payable October 1 annually. The commissioner

14.32 of management and budget must pay the aid specified in this subdivision. The amount

14.33 required is appropriated annually from the general fund to the commissioner of management

14.34 and budget.

15.1 **EFFECTIVE DATE.** This section is effective July 1, 2026.

15.2 Sec. 12. Minnesota Statutes 2024, section 354A.12, subdivision 3c, is amended to read:

15.3 Subd. 3c. **Termination of supplemental contributions and direct matching and state**  
15.4 **aid.** The supplemental contributions payable to the St. Paul Teachers Retirement Fund  
15.5 Association by Independent School District No. 625 under section 423A.02, subdivision 3,  
15.6 and the aid under subdivision 3a, paragraphs (a) to ~~(e)~~ (d), continue until the earlier of:

15.7 (1) the first day of the fiscal year following three consecutive fiscal years in which, for  
15.8 each fiscal year, the actuarial value of assets of the fund equals or exceeds 100 percent of  
15.9 the actuarial accrued liability as reported by the actuary retained under section 356.214 in  
15.10 the annual actuarial valuation prepared under section 356.215; or

15.11 (2) July 1, 2048.

15.12 **EFFECTIVE DATE.** This section is effective July 1, 2026.

15.13 Sec. 13. Minnesota Statutes 2024, section 356.219, subdivision 1, is amended to read:

15.14 Subdivision 1. **Report required.** (a) The Bloomington Fire Department Relief  
15.15 Association, volunteer firefighters relief associations governed by sections 424A.091 to  
15.16 424A.095, the St. Paul Teachers Retirement Fund Association, and any Minnesota public  
15.17 pension plan that is not fully invested through the State Board of Investment, must report  
15.18 the information specified in subdivision 3 to the state auditor. The state auditor may prescribe  
15.19 a form or forms for the purposes of the reporting requirements contained in this section.

15.20 (b) For purposes of this section, a pension plan is fully invested through the State Board  
15.21 of Investment during a given calendar year if all assets of the pension plan beyond sufficient  
15.22 cash equivalent investments to cover six months of expected expenses are invested under  
15.23 section 11A.17.

15.24 (c) A public pension plan to which subdivision 3, paragraph (b) or (c), applies is not  
15.25 required to file the report required by this subdivision for a given calendar year if the pension  
15.26 plan's most recent annual financial audit was conducted by the state auditor. The St. Paul  
15.27 Teachers Retirement Fund Association is not required to file the report required by this  
15.28 subdivision for a given calendar year if the St. Paul Teachers Retirement Fund Association:

15.29 (1) is audited by the state auditor under section 354A.021, subdivision 8, for the most  
15.30 recent annual audit; or

16.1 (2) submits to the state auditor an annual financial audit for the most recent annual audit  
 16.2 that was conducted in accordance with auditing standards generally accepted in the United  
 16.3 States of America.

16.4 (d) This section does not apply to the following plans:

16.5 (1) the Minnesota unclassified employees retirement program under chapter 352D;

16.6 (2) the public employees defined contribution plan under chapter 353D;

16.7 (3) the individual retirement account plans under chapters 354B and 354D;

16.8 (4) the higher education supplemental retirement plan under chapter 354C;

16.9 (5) any alternative retirement benefit plan established under section 383B.914;

16.10 (6) the University of Minnesota faculty retirement plan and supplemental plan; and

16.11 (7) any other statewide plan required to be invested by the State Board of Investment  
 16.12 under section 11A.23.

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

16.14 Sec. 14. Laws 2022, chapter 65, article 3, section 1, subdivision 2, as amended by Laws  
 16.15 2024, chapter 102, article 1, section 8, is amended to read:

16.16 Subd. 2. **Temporary suspension of earnings limitation for teachers covered by TRA**  
 16.17 **and SPTRFA.** (a) Notwithstanding Minnesota Statutes, section 354.44, subdivision 5, no  
 16.18 portion of a reemployed teacher's annuity paid under Minnesota Statutes, chapter 354, shall  
 16.19 be deferred regardless of the amount of the salary earned from the teaching service during  
 16.20 the preceding fiscal year. This paragraph applies only to salary earned during fiscal years  
 16.21 ~~2022, 2023, 2024,~~ 2025, 2026, ~~and 2027,~~ 2028, 2029, and 2030 and annuity payments made  
 16.22 during calendar years ~~2023, 2024, 2025,~~ 2026, 2027, ~~and 2028,~~ 2029, 2030, and 2031.

16.23 (b) Notwithstanding Minnesota Statutes, section 354A.31, subdivision 3, no portion of  
 16.24 a reemployed teacher's annuity paid under Minnesota Statutes, chapter 354A, shall be  
 16.25 deferred or forfeited regardless of the amount of the salary earned from the teaching service  
 16.26 during the preceding calendar year. This paragraph applies only to salary earned during  
 16.27 calendar years ~~2022, 2023, 2024,~~ 2025, 2026, ~~and 2027,~~ 2028, 2029, and 2030 and annuity  
 16.28 payments made during calendar years ~~2023, 2024, 2025,~~ 2026, 2027, ~~and 2028,~~ 2029, 2030,  
 16.29 and 2031.

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

17.1 Sec. 15. Laws 2022, chapter 65, article 3, section 1, subdivision 3, as amended by Laws  
17.2 2024, chapter 102, article 1, section 9, is amended to read:

17.3 Subd. 3. **Expiration date.** This section expires effective January 1, ~~2029~~ 2032.

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

17.5 **ARTICLE 4**  
17.6 **PROBATION AND TELECOMMUNICATOR RETIREMENT SUBPLAN OF THE**  
17.7 **MSRS GENERAL STATE EMPLOYEES RETIREMENT PLAN**

17.8 Section 1. Minnesota Statutes 2024, section 352.75, subdivision 2, is amended to read:

17.9 Subd. 2. **New employees.** All persons employed by the Metropolitan Council as  
17.10 employees of the Transit Operating Division are:

17.11 (1) members of the general state employees retirement plan of the Minnesota State  
17.12 Retirement System unless specifically covered by the probation and telecommunicator  
17.13 retirement subplan under section 352.88; and are

17.14 (2) state employees for purposes of this chapter unless specifically excluded under section  
17.15 352.01, subdivision 2b.

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

17.17 Sec. 2. **[352.88] PROBATION OFFICERS AND PUBLIC SAFETY**  
17.18 **TELECOMMUNICATORS.**

17.19 Subdivision 1. **Policy.** It is the policy of the legislature that special consideration should  
17.20 be given to the pension benefits for employees of the state and governmental subdivisions  
17.21 who devote their time and skills to assisting the community and the courts as probation  
17.22 officers or serving the public and public safety partners as telecommunicators. Since this  
17.23 work can be hazardous or high stress, special provisions are made by this section for earlier  
17.24 full retirement than is provided to members of the general state employees retirement plan  
17.25 under section 352.01, subdivision 25. The additional cost of this benefit is split between the  
17.26 employees and employers.

17.27 Subd. 2. **Definitions.** (a) For purposes of this section and section 352.881, each of the  
17.28 following terms has the meaning given unless the language or context clearly indicates that  
17.29 a different meaning is intended. The definitions in section 352.01 apply to terms used in  
17.30 this section and section 352.881 unless the term is defined in this section.

- 18.1 (b) "Committee" means the probation and telecommunicator subplan membership  
18.2 committee established pursuant to section 352.881.
- 18.3 (c) "Employee organization" has the meaning given in section 179A.03, subdivision 6.
- 18.4 (d) "General plan" means the general state employees retirement plan of the Minnesota  
18.5 State Retirement System.
- 18.6 (e) "Member" means an individual to whom this section applies under subdivision 3.
- 18.7 (f) "Normal retirement age" means age 60.
- 18.8 (g) "Offset amount" means an amount available to offset the cost to purchase credit for  
18.9 past service upon the election by a member under subdivision 6, if state funding becomes  
18.10 available.
- 18.11 (h) "Past service" means allowable service credited to a member before January 1, 2027,  
18.12 and covered by the general plan that would have been service covered by this section had  
18.13 this section been in effect before January 1, 2027.
- 18.14 (i) "Probation officer" means a state employee, as defined in section 352.01, employed  
18.15 by the Department of Corrections:
- 18.16 (1) as:
- 18.17 (i) a corrections agent;
- 18.18 (ii) a corrections agent career;
- 18.19 (iii) a corrections agent senior;
- 18.20 (iv) a corrections field service district supervisor;
- 18.21 (v) a corrections community services regional director;
- 18.22 (vi) a corrections field services director;
- 18.23 (vii) a corrections field services program director; or
- 18.24 (2) whom the commissioner of corrections or the commissioner's delegate certifies, in  
18.25 the manner prescribed by the executive director, as having substantial responsibility for:
- 18.26 (i) providing community supervision services or overseeing the delivery of probation  
18.27 services; or
- 18.28 (ii) supervising employees eligible under item (i).
- 18.29 (j) "Public safety telecommunicator" means a state employee, as defined in section  
18.30 352.01, employed by the Department of Public Safety or Metropolitan Council:

19.1 (1) as:

19.2 (i) a radio communications operator;

19.3 (ii) a radio communications supervisor;

19.4 (iii) a public safety answering point (PSAP) manager, as defined in Minnesota Rules,  
19.5 part 7580.0100, subpart 12;

19.6 (iv) a supervisor, transit control center; or

19.7 (2) whom the commissioner of public safety, the commissioner's delegate, the Metro  
19.8 Transit general manager, or the general manager's delegate, as applicable, certifies, in the  
19.9 manner prescribed by the executive director, as having substantial responsibility for:

19.10 (i) receiving, processing, transmitting, or dispatching emergency and nonemergency  
19.11 calls for law enforcement, fire, emergency medical, or other public safety services; or

19.12 (ii) supervising employees eligible under item (i).

19.13 (k) "Vesting" or "vested" means obtaining or having obtained a nonforfeitable entitlement  
19.14 to an annuity or benefit under this section by having earned credit for not less than three  
19.15 years of allowable service covered by this section or the general plan.

19.16 Subd. 3. **Eligibility.** This section applies to probation officers and public safety  
19.17 telecommunicators, unless the probation officer or public safety telecommunicator is age  
19.18 60 or older with at least three years of allowable service in the general plan on January 1,  
19.19 2027.

19.20 Subd. 4. **Retirement annuity.** (a) After separation from state service, a member who  
19.21 has attained at least normal retirement age and is vested is entitled, upon application, to a  
19.22 normal retirement annuity. The normal retirement annuity is equal to the member's average  
19.23 salary multiplied by 1.9 percent for each year of allowable service.

19.24 (b) After separation from state service, a member who has reached the age of 55 and is  
19.25 vested is entitled, upon application, to an early retirement annuity that is actuarially equivalent  
19.26 to the normal retirement annuity.

19.27 (c) Allowable service credited to a member under this section is credited in lieu of service  
19.28 credited to the general plan.

19.29 Subd. 5. **Additional contributions.** (a) A member must make an additional employee  
19.30 contribution of 2.71 percent of salary.

20.1 (b) The employer of a member must make an additional employer contribution of two  
20.2 percent of salary.

20.3 (c) Contributions under paragraphs (a) and (b) are in addition to the contributions required  
20.4 by section 352.04, subdivisions 2 and 3.

20.5 (d) Contributions under paragraphs (a) and (b) must be made in the manner provided in  
20.6 section 352.04, subdivisions 4 to 6.

20.7 Subd. 6. **Purchase of credit for past service.** (a) A member is entitled to elect a onetime  
20.8 purchase of credit for periods of past service to be added to the member's allowable service  
20.9 covered by this section and used in calculating the member's retirement annuity. The member  
20.10 must repay any refunds of employee contributions previously received from the general  
20.11 plan before purchasing past service credit under this section.

20.12 (b) A member may request an estimate of the cost of a service credit purchase under  
20.13 this paragraph.

20.14 (1) A member may file a request with the executive director for an estimate of the  
20.15 purchase price for up to three different periods of past service by filing an application on a  
20.16 form approved by the executive director.

20.17 (2) The member must file the request for an estimate before filing an election to purchase  
20.18 past service under paragraph (c).

20.19 (3) The member must submit with the estimate request payment of the administrative  
20.20 fee in the amount of \$250 to cover the cost of preparing the estimates. If the member proceeds  
20.21 with the purchase, the executive director must credit the administrative fee toward the  
20.22 purchase price.

20.23 (4) The executive director must estimate the purchase price using the assumptions and  
20.24 applying any offset amount as directed under subdivision 7 for the periods of past service  
20.25 requested by the member and provide the estimates to the member.

20.26 (c) To purchase credit for past service, a member must file an application with the  
20.27 executive director on a form approved by the executive director before the annuity starting  
20.28 date of the member's retirement annuity or benefit. The application must:

20.29 (1) include documentation of the member's eligibility to make the purchase, signed  
20.30 written permission to allow the executive director to request and receive verification of  
20.31 applicable facts and eligibility requirements from the member's employer, and any other  
20.32 relevant information that the executive director may require;

21.1 (2) state the amount of credit for past service the member plans to purchase and be  
21.2 accompanied by a certification from one or more employers that the past service fulfills the  
21.3 requirements under subdivision 2, paragraph (h); and

21.4 (3) if the member did not previously pay the administrative fee under paragraph (b),  
21.5 include payment of the administrative fee of \$250 to cover the cost of calculating the purchase  
21.6 price. If the member proceeds with the purchase, the executive director must credit the  
21.7 administrative fee toward the purchase price.

21.8 (d) The executive director must apply the assumptions and any offset amount under  
21.9 subdivision 7 to calculate the purchase price and notify the member. If the member elects  
21.10 to make the purchase of credit for past service, the member must arrange for the transfer of  
21.11 pretax money from another retirement plan. Payment must be made in one lump sum prior  
21.12 to the annuity starting date of the member's retirement annuity or benefit.

21.13 (e) Upon receipt of payment, the executive director must grant the member service credit  
21.14 for the period of past service for which credit was purchased.

21.15 Subd. 7. **Determination of past service purchase price.** (a) The executive director  
21.16 must calculate the purchase price for the period of past service elected by the member. The  
21.17 purchase price is an amount equal to the actuarial present value, on the date of payment, of  
21.18 the amount of the additional retirement annuity obtained by the additional service credit  
21.19 being purchased minus any offset amount.

21.20 (b) The executive director must calculate the purchase price by:

21.21 (1) using the investment return assumption specified in section 356.215, subdivision 8,  
21.22 and the mortality table in effect for the general plan;

21.23 (2) assuming continuous future service in the plan until the plan's minimum requirements  
21.24 for normal retirement or retirement with an annuity unreduced for retirement at an early  
21.25 age are met with the additional service credit purchased;

21.26 (3) assuming a full-time equivalent salary or actual salary, whichever is greater, and a  
21.27 future salary history that includes annual salary increases at the applicable salary increase  
21.28 rate for the plan; and

21.29 (4) reducing the amount determined under clauses (1) to (3) by any offset amount.

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

22.1 **Sec. 3. [352.881] SUBPLAN COVERAGE CHANGES.**

22.2 **Subdivision 1. Standing review committees.** (a) The commissioner of corrections must  
22.3 appoint a standing review committee to review and determine positions or employees of  
22.4 the Department of Corrections that should be covered by section 352.88. The commissioner  
22.5 of public safety must appoint a standing review committee to review and determine positions  
22.6 or employees of the Department of Public Safety that should be covered by section 352.88.  
22.7 The Metro Transit general manager must appoint a standing review committee to review  
22.8 and determine positions or employees of the Metropolitan Council that should be covered  
22.9 by section 352.88.

22.10 (b) The Department of Corrections, Department of Public Safety, and Metropolitan  
22.11 Council must each establish a procedure for the department's or agency's respective  
22.12 committee to evaluate coverage by section 352.88. Each committee must follow:

22.13 (1) subdivision 2 when evaluating a change in the title of an employment position listed  
22.14 in section 352.88, subdivision 2, paragraph (i), clause (1), or (j), clause (1); and

22.15 (2) subdivision 3 when evaluating requests for starting or ceasing coverage by section  
22.16 352.88.

22.17 (c) If a committee has received one or more requests for changes to the title of an  
22.18 employment position or the commencement or cessation of coverage of an employee by  
22.19 section 352.88, the committee must convene at least as frequently as once every three  
22.20 months. If a committee has not received any requests during a three-month period, the  
22.21 review committee is not required to convene a meeting.

22.22 (d) Each committee must retain each request to the committee and the related  
22.23 documentation and final determination for an employee or employment position in the  
22.24 committee's respective department or agency.

22.25 (e) Meetings of a standing review committee are not subject to chapter 13D.

22.26 (f) A standing review committee is not an agency for the purposes of sections 15.0597  
22.27 and 15.0599.

22.28 **Subd. 2. Procedures for changing employment titles.** (a) The applicable standing  
22.29 review committee must review a change in the title of an employment position listed in  
22.30 section 352.88, subdivision 2, paragraph (i), clause (1), or (j), clause (1), and determine  
22.31 whether the responsibilities of the employment position satisfy the requirements under  
22.32 section 352.88, subdivision 2, paragraph (i) or (j).

23.1 (b) If the committee determines that the responsibilities of the employment position  
23.2 have not changed, or the responsibilities of the employment position have changed but the  
23.3 changes do not affect the eligibility of the employment position for coverage by section  
23.4 352.88, the department or agency affected by the determination must:

23.5 (1) submit the title change to the executive director of the Legislative Commission on  
23.6 Pensions and Retirement before the start of the next legislative session and request legislation  
23.7 to replace the title in section 352.88, subdivision 2, paragraph (i) or (j), as applicable, with  
23.8 the new title; and

23.9 (2) notify each employee in the employment position no later than 30 days after the  
23.10 effective date of the title change that the title change will not affect the continued coverage  
23.11 of the employee by section 352.88 and that the department or agency, as applicable, has  
23.12 submitted a request to the legislature to change the title in section 352.88, subdivision 2,  
23.13 paragraph (i) or (j), as applicable.

23.14 (c) If the committee determines that the responsibilities of the employment position have  
23.15 changed and the changes result in the employment position no longer being qualified for  
23.16 coverage by section 352.88, the department or agency affected by the determination must  
23.17 communicate the committee's determination to all affected employees no later than 10 days  
23.18 after the date of the meeting at which the determination was made and inform the employees  
23.19 of the right to appeal the determination under subdivision 4.

23.20 (d) The department or agency affected by the determination to remove a title must contact  
23.21 the executive director of the Legislative Commission on Pensions and Retirement before  
23.22 the start of the next legislative session and request legislation to remove the title in section  
23.23 352.88, subdivision 2, paragraph (i) or (j), as applicable, if:

23.24 (1) an employee appeals the determination and the determination is upheld; or

23.25 (2) an employee does not appeal the determination.

23.26 (e) The committee must include an effective date in any determination to change or  
23.27 remove an employment position from the lists in section 352.88, subdivision 2, paragraph  
23.28 (i) or (j). The effective date may be retroactive for a determination to change an employment  
23.29 position.

23.30 **Subd. 3. Procedures for starting or ceasing coverage.** (a) The applicable standing  
23.31 review committee must consider requests to provide coverage by section 352.88 to an  
23.32 employee who satisfies the requirements of section 352.88, subdivision 2, paragraph (i),

24.1 clause (2), or (j), clause (2), or to cease coverage of an employee who does not satisfy the  
24.2 requirements of section 352.88, subdivision 2, paragraph (i), clause (2), or (j), clause (2).

24.3 (b) An employee, an employee's employee organization, or an employee's manager may  
24.4 submit a request to the committee to provide coverage to an employee who satisfies the  
24.5 requirements of section 352.88, subdivision 2, paragraph (i), clause (2), or (j), clause (2).

24.6 The request must include:

24.7 (1) a signed and dated position description for the employee's position; and

24.8 (2) a statement signed by the employee that describes the extent to which the employee's  
24.9 job duties meet the requirements of section 352.88, subdivision 2, paragraph (i), clause (2),  
24.10 or (j), clause (2).

24.11 (c) An employer may submit a request to the committee to cease coverage of an employee  
24.12 who no longer satisfies the requirements of section 352.88, subdivision 2, paragraph (i),  
24.13 clause (2), or (j), clause (2). The request must include:

24.14 (1) a signed and dated position description for the employee's position; and

24.15 (2) a statement signed by the employee's employer describing how the employee no  
24.16 longer meets the requirements of section 352.88, subdivision 2, paragraph (i), clause (2),  
24.17 or (j), clause (2).

24.18 (d) After making a determination of coverage or no coverage for an employee, the  
24.19 department or agency affected by the determination must communicate the committee's  
24.20 determination to the affected employee no later than ten days after the date of the meeting  
24.21 at which the determination was made and inform the employee of the right to appeal the  
24.22 determination under subdivision 4.

24.23 (e) If after making a determination of coverage, the committee determines that an  
24.24 employment position should be added to the list of employment positions in section 352.88,  
24.25 subdivision 2, paragraph (i) or (j), as applicable, the department or agency affected by the  
24.26 determination must submit the employment position addition to the executive director of  
24.27 the Legislative Commission on Pensions and Retirement before the start of the next legislative  
24.28 session and request legislation to make the change.

24.29 (f) The committee must include an effective date in any determination that an employee  
24.30 must begin to receive coverage under section 352.88 or that coverage must cease. The  
24.31 effective date may be retroactive to the date on which the coverage requirements were first  
24.32 satisfied or were no longer met.

25.1 Subd. 4. **Right to appeal.** (a) No later than 30 days after receiving a determination under  
 25.2 subdivision 2 or 3, the affected employee may appeal the determination from a standing  
 25.3 review committee by filing an appeal with the human resources director or the chief human  
 25.4 resources director of the department or agency, as applicable, in which the employee is  
 25.5 employed. The appeal must include:

25.6 (1) the reasons for the appeal, including the reasons the determination should be reversed;  
 25.7 and

25.8 (2) new or additional information, if any, not previously submitted or considered by the  
 25.9 committee, including a new or revised position description.

25.10 (b) The appeal must be decided by the commissioner of corrections if the employee is  
 25.11 an employee of the Department of Corrections, by the commissioner of public safety if the  
 25.12 employee is an employee of the Department of Public Safety, or by the Metro Transit general  
 25.13 manager if the employee is an employee of the Metropolitan Council. The decision of the  
 25.14 commissioners or general manager, as applicable, is final.

25.15 (c) A determination not timely appealed under paragraph (a) is not entitled to further  
 25.16 administrative or judicial review. A determination under subdivision 2 or 3 or an appeal  
 25.17 decided under paragraph (b) may not be appealed under section 356.96.

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

25.19 Sec. 4. Minnesota Statutes 2024, section 352.951, is amended to read:

25.20 **352.951 APPLICABILITY OF GENERAL LAW.**

25.21 Except as otherwise provided, this chapter applies to covered correctional employees,  
 25.22 military affairs personnel covered under section 352.85, Transportation Department pilots  
 25.23 covered under section 352.86, ~~and~~ state fire marshal employees covered under section  
 25.24 352.87, and probation officers and public safety telecommunicators covered under section  
 25.25 352.88.

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

25.27 Sec. 5. Minnesota Statutes 2024, section 356.315, subdivision 9, is amended to read:

25.28 **Subd. 9. Future benefit accrual rate increases.** After January 2, 1998, benefit accrual  
 25.29 rate increases under section 352.115, subdivision 3; 352.87, subdivision 3; 352.88,  
 25.30 subdivision 4; 352.93, subdivision 3; 352.95, subdivision 1; 352B.08, subdivision 2; 352B.10,  
 25.31 subdivision 1; 353.29, subdivision 3; 353.651, subdivision 3; 353.656, subdivision 1, 1a,

26.1 or 3a; 353E.04, subdivision 3; 353E.06, subdivision 1; 354.44, subdivision 6; 354A.31,  
 26.2 subdivision 4 or 4a; 356.30, subdivision 1; 490.121, subdivision 22; or 490.124, subdivision  
 26.3 1, must apply only to allowable service or formula service rendered after the effective date  
 26.4 of the benefit accrual rate increase.

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

26.6 **Sec. 6. APPROPRIATIONS.**

26.7 (a) \$272,000 in fiscal year 2027 is appropriated from the general fund to the commissioner  
 26.8 of corrections for the purposes of this act. The base for this appropriation is \$545,000 in  
 26.9 fiscal year 2028 and \$545,000 in fiscal year 2029.

26.10 (b) \$14,000 in fiscal year 2027 is appropriated from the general fund to the commissioner  
 26.11 of public safety for the purposes of this act. The base for this appropriation is \$29,000 in  
 26.12 fiscal year 2028 and \$29,000 in fiscal year 2029.

26.13 (c) \$40,000 in fiscal year 2027 is appropriated from the general fund to the Metropolitan  
 26.14 Council for the purposes of this act. The base for this appropriation is \$80,000 in fiscal year  
 26.15 2028 and \$80,000 in fiscal year 2029.

26.16 (d) \$7,000 in fiscal year 2027 is appropriated from the trunk highway fund to the  
 26.17 commissioner of public safety for the purposes of this act. The base for this appropriation  
 26.18 is \$14,000 in fiscal year 2028 and \$14,000 in fiscal year 2029.

26.19 **ARTICLE 5**

26.20 **LOCAL GOVERNMENTAL PROBATION AND TELECOMMUNICATOR**  
 26.21 **RETIREMENT PLAN**

26.22 Section 1. Minnesota Statutes 2025 Supplement, section 353.01, subdivision 2a, is amended  
 26.23 to read:

26.24 Subd. 2a. **Included employees; mandatory membership.** (a) Any public employee  
 26.25 whose salary from one governmental subdivision is expected to exceed \$425 in any month  
 26.26 and who is not specifically excluded under subdivision 2b or has not been provided an  
 26.27 option to participate under subdivision 2d, whether individually or by action of the  
 26.28 governmental subdivision, must participate beginning on the employee's first day of  
 26.29 employment as a member of the association with retirement coverage by the general  
 26.30 employees retirement plan under this chapter, the public employees police and fire plan  
 26.31 under this chapter, ~~or~~ the local government correctional employees retirement plan under  
 26.32 chapter 353E, or the local government probation and telecommunicator retirement plan

27.1 under chapter 353H, whichever applies. For any employee whose salary is not expected to  
27.2 exceed \$425 in any month, membership commences on the first day that the employee's  
27.3 salary exceeds \$425 and the other eligibility criteria are met. Public employees include but  
27.4 are not limited to:

27.5 (1) persons whose salary meets the threshold in this paragraph from employment in one  
27.6 or more positions within one governmental subdivision;

27.7 (2) elected county sheriffs;

27.8 (3) persons who are appointed, employed, or contracted to perform governmental  
27.9 functions that by law or local ordinance are required of a public officer, including, but not  
27.10 limited to:

27.11 (i) town and city clerk or treasurer;

27.12 (ii) county auditor, treasurer, or recorder;

27.13 (iii) city manager as defined in section 353.028 who does not exercise the option provided  
27.14 under subdivision 2d; or

27.15 (iv) emergency management director, as provided under section 12.25;

27.16 (4) physicians under section 353D.01, subdivision 2, who do not elect public employees  
27.17 defined contribution plan coverage under section 353D.02, subdivision 2;

27.18 (5) full-time employees of the Dakota County Agricultural Society;

27.19 (6) employees of the Red Wing Port Authority who were first employed by the Red  
27.20 Wing Port Authority before May 1, 2011, and who are not excluded employees under  
27.21 subdivision 2b;

27.22 (7) employees of the Seaway Port Authority of Duluth who are not excluded employees  
27.23 under subdivision 2b;

27.24 (8) employees of the Stevens County Housing and Redevelopment Authority who were  
27.25 first employed by the Stevens County Housing and Redevelopment Authority before May  
27.26 1, 2014, and who are not excluded employees under subdivision 2b;

27.27 (9) employees of the Minnesota River Area Agency on Aging who were first employed  
27.28 by a Regional Development Commission before January 1, 2016, and who are not excluded  
27.29 employees under subdivision 2b; and

27.30 (10) employees of the Public Employees Retirement Association.

28.1 (b) A public employee or elected official who was a member of the association on June  
 28.2 30, 2002, based on employment that qualified for membership coverage by the public  
 28.3 employees retirement plan or the public employees police and fire plan under this chapter,  
 28.4 or the local government correctional employees retirement plan under chapter 353E as of  
 28.5 June 30, 2002, retains that membership for the duration of the person's employment in that  
 28.6 position or incumbency in elected office. Except as provided in subdivision 28, the person  
 28.7 shall participate as a member until the employee or elected official terminates public  
 28.8 employment under subdivision 11a or terminates membership under subdivision 11b.

28.9 (c) If the salary of an included public employee is less than \$425 in any subsequent  
 28.10 month, the member retains membership eligibility.

28.11 (d) For the purpose of participation in the general employees retirement plan, public  
 28.12 employees include employees who were members of the former Minneapolis Employees  
 28.13 Retirement Fund on June 29, 2010.

28.14 Sec. 2. Minnesota Statutes 2025 Supplement, section 353.01, subdivision 2b, is amended  
 28.15 to read:

28.16 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to  
 28.17 participate as members of the association with retirement coverage by the general employees  
 28.18 retirement plan, the local government correctional employees retirement plan under chapter  
 28.19 353E, ~~or the public employees police and fire plan, or the local government probation and~~  
 28.20 telecommunicator retirement plan under chapter 353H:

28.21 (1) persons whose salary from one governmental subdivision never exceeds or is never  
 28.22 expected to exceed \$425 in a month;

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

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

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

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

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

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

29.16 (8) persons who are members of a religious order and are excluded from coverage under  
29.17 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance  
29.18 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if  
29.19 no irrevocable election of coverage has been made under section 3121(r) of the Internal  
29.20 Revenue Code of 1954, as amended;

29.21 (9) persons who are:

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

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

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

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

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

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

30.5 (ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

30.6 (iii) employees legally authorized to work in the United States for three years or more;  
30.7 and

30.8 (iv) employees otherwise required to participate under federal law;

30.9 (12) public hospital employees who elected not to participate as members of the  
30.10 association before 1972 and who did not elect to participate from July 1, 1988, to October  
30.11 1, 1988;

30.12 (13) volunteer ambulance service personnel, as defined in subdivision 35, but persons  
30.13 who serve as volunteer ambulance service personnel may still qualify as public employees  
30.14 under subdivision 2 and may be members of the Public Employees Retirement Association  
30.15 and participants in the general employees retirement plan or the public employees police  
30.16 and fire plan, whichever applies, on the basis of compensation received from public  
30.17 employment service other than service as volunteer ambulance service personnel;

30.18 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision  
30.19 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person  
30.20 who is a volunteer firefighter may still qualify as a public employee under subdivision 2  
30.21 and may be a member of the Public Employees Retirement Association and a participant  
30.22 in the general employees retirement plan or the public employees police and fire plan,  
30.23 whichever applies, on the basis of compensation received from public employment activities  
30.24 other than those as a volunteer firefighter;

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

30.26 (i) pipefitters and associated trades personnel employed by Independent School District  
30.27 No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters  
30.28 local 455 pension plan who were either first employed after May 1, 1997, or, if first employed  
30.29 before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section  
30.30 12;

30.31 (ii) electrical workers, plumbers, carpenters, and associated trades personnel employed  
30.32 by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage  
30.33 under a collective bargaining agreement by the electrical workers local 110 pension plan,

31.1 the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either  
31.2 first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be  
31.3 excluded under Laws 2000, chapter 461, article 7, section 5;

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

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

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

31.21 (vi) laborers and associated trades personnel employed by the city of St. Paul or  
31.22 Independent School District No. 625, St. Paul, who are designated as temporary employees  
31.23 with coverage under a collective bargaining agreement by a multiemployer plan as defined  
31.24 in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018,  
31.25 or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter  
31.26 211, article 16, section 13; and

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

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

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

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

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

32.10 (20) persons appointed to serve on a board or commission of a governmental subdivision  
 32.11 or an instrumentality thereof;

32.12 (21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan  
 32.13 Transit Commission who are members of the International Brotherhood of Teamsters Local  
 32.14 638 and who are, by virtue of that employment, members of the International Brotherhood  
 32.15 of Teamsters Central States pension plan; and

32.16 (22) persons employed by the Duluth Transit Authority or any subdivision thereof who  
 32.17 are members of the Teamsters General Local Union 346 and who are, by virtue of that  
 32.18 employment, members of the Central States Southeast and Southwest Areas Pension Fund.

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

32.22 Sec. 3. Minnesota Statutes 2024, section 353.01, subdivision 16, is amended to read:

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

32.24 (1) service during years of actual membership in the course of which employee deductions  
 32.25 were withheld from salary and contributions were made at the applicable rates under section  
 32.26 353.27, 353.65, ~~or~~ 353E.03, or 353H.04;

32.27 (2) periods of service covered by payments in lieu of salary deductions under sections  
 32.28 353.27, subdivisions 12 and 12a, and 353.35;

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

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

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

33.9 (6) an authorized temporary or seasonal layoff under subdivision 12, limited to three  
33.10 months allowable service per authorized temporary or seasonal layoff in one calendar year.  
33.11 An employee who has received the maximum service credit allowed for an authorized  
33.12 temporary or seasonal layoff must return to public service and must obtain a minimum of  
33.13 three months of allowable service subsequent to the layoff in order to receive allowable  
33.14 service for a subsequent authorized temporary or seasonal layoff;

33.15 (7) a period of uniformed services leave purchased under section 353.014;

33.16 (8) a period of military service purchased under section 353.0141; or

33.17 (9) a period of reduced salary purchased under section 353.0162.

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

33.20 (c) For an active member who was an active member of the former Minneapolis  
33.21 Firefighters Relief Association on December 29, 2011, "allowable service" is the period of  
33.22 service credited by the Minneapolis Firefighters Relief Association as reflected in the  
33.23 transferred records of the association up to December 30, 2011, and the period of service  
33.24 credited under paragraph (a), clause (1), after December 30, 2011. For an active member  
33.25 who was an active member of the former Minneapolis Police Relief Association on December  
33.26 29, 2011, "allowable service" is the period of service credited by the Minneapolis Police  
33.27 Relief Association as reflected in the transferred records of the association up to December  
33.28 30, 2011, and the period of service credited under paragraph (a), clause (1), after December  
33.29 30, 2011.

33.30 Sec. 4. Minnesota Statutes 2024, section 353.01, subdivision 37, is amended to read:

33.31 Subd. 37. **Normal retirement age.** (a) "Normal retirement age" means age 65 for a  
33.32 person who first became a public employee or a member of a pension fund listed in section  
33.33 356.30, subdivision 3, clause (6), before July 1, 1989. For a person who first becomes a

34.1 public employee after June 30, 1989, "normal retirement age" means the higher of age 65  
 34.2 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended,  
 34.3 but not to exceed age 66.

34.4 (b) "Normal retirement age" means age 55 for a person who is a member of a pension  
 34.5 fund listed in section 356.30, subdivision 3, clauses (7) and (8).

34.6 (c) "Normal retirement age" means the age stated in section 353H.01, subdivision 6, for  
 34.7 a member of the local government probation and telecommunicator retirement plan.

34.8 Sec. 5. Minnesota Statutes 2024, section 353.0141, subdivision 1, is amended to read:

34.9 Subdivision 1. **Service credit purchase authorized.** (a) Unless prohibited under  
 34.10 paragraph (b), a member is eligible to purchase allowable service credit, not to exceed five  
 34.11 cumulative years of allowable service credit, for one or more periods of service in the  
 34.12 uniformed services, as defined in United States Code, title 38, section 4303(13), if:

34.13 (1) the member has at least three years of allowable service credit with the general  
 34.14 employees retirement plan, the local government correctional employees retirement plan  
 34.15 under chapter 353E, ~~or~~ the public employees police and fire retirement plan, or the local  
 34.16 government probation and telecommunicator retirement plan under chapter 353H;

34.17 (2) the member's current period of employment is at least six months; and

34.18 (3) one of the following applies:

34.19 (i) the member's service in the uniformed services occurred before becoming a public  
 34.20 employee as defined in section 353.01, subdivision 2; or

34.21 (ii) the member failed to obtain service credit for a uniformed services leave of absence  
 34.22 under section 353.01, subdivision 16, paragraph (a), clause (8).

34.23 (b) A service credit purchase is prohibited if:

34.24 (1) the member separated from service in the uniformed services with a dishonorable  
 34.25 or bad conduct discharge or under other than honorable conditions; or

34.26 (2) the member has purchased or otherwise received service credit from any Minnesota  
 34.27 public employee pension plan for the same period of service in the uniformed services.

34.28 (c) When purchasing a period of service, if the period of service in the uniformed services  
 34.29 is one year or less, then the member must purchase the full period of service. If the period  
 34.30 of service in the uniformed services is longer than one year, the member may purchase the

35.1 full period, not to exceed five cumulative years, or may purchase a portion of the period of  
 35.2 service. If a member wishes to purchase a portion of the period of service, the portion must:

35.3 (1) not be less than one year; and

35.4 (2) be in increments of six months of service.

35.5 Sec. 6. Minnesota Statutes 2024, section 353.031, subdivision 1, is amended to read:

35.6 Subdivision 1. **Application.** (a) This section applies to all disability determinations for  
 35.7 the public employees general fund, the public employees police and fire fund, ~~and~~ the local  
 35.8 government correctional service retirement plan, and the local government probation and  
 35.9 telecommunicator retirement plan, and any other disability determination subject to approval  
 35.10 by the board, except as otherwise specified in section 353.032, 353.33, 353.656, or 353E.05.  
 35.11 These requirements and the requirements of section 353.03, subdivision 3, are in addition  
 35.12 to the specific requirements of each plan and govern in the event there is any conflict between  
 35.13 these sections and the procedures specific to any of those plans under section 353.33,  
 35.14 353.656, ~~or~~ 353E.06, or 353H.06.

35.15 (b) Notwithstanding any law to the contrary, an employee, as defined in section 353.032,  
 35.16 subdivision 1, clause (2), who applies for a duty disability benefit based on a psychological  
 35.17 condition, as defined in section 353.032, subdivision 1, clause (7), is not eligible for duty  
 35.18 disability benefits under this chapter until the employee has satisfied the additional procedure,  
 35.19 including all completion of treatment requirements under section 353.032.

35.20 Sec. 7. Minnesota Statutes 2024, section 353.031, subdivision 2, is amended to read:

35.21 Subd. 2. **Plan document policy statement.** Disability determinations for the public  
 35.22 employees general fund and the local government probation and telecommunicator retirement  
 35.23 plan must be made subject to section 353.01, subdivision 19; and for the police and fire  
 35.24 plan and the local government correctional service retirement plan must be made consistent  
 35.25 with the legislative policy and intent set forth in section 353.63.

35.26 Sec. 8. Minnesota Statutes 2024, section 353.031, subdivision 3, is amended to read:

35.27 Subd. 3. **Procedure to determine eligibility; generally.** (a) Every claim for a disability  
 35.28 benefit must be initiated in writing on an application form and in the manner prescribed by  
 35.29 the executive director and filed with the executive director. To be valid, an application for  
 35.30 disability benefits must be made within 18 months following termination of public service  
 35.31 as defined under section 353.01, subdivision 11a, and include the required application form  
 35.32 and the medical reports required by paragraph (c).

36.1 (b) All medical reports must support a finding that the disability arose before the employee  
36.2 was placed on any paid or unpaid leave of absence or terminated public service, as defined  
36.3 under section 353.01, subdivision 11a.

36.4 (c) An applicant for disability shall provide a detailed report signed by a licensed medical  
36.5 doctor and at least one additional report signed by a medical doctor, psychiatrist, psychologist,  
36.6 APRN, or chiropractor. The applicant must authorize the release of all medical and health  
36.7 care evidence, including all medical records and relevant information from any source, to  
36.8 support the application for initial, or the continuing payment of, disability benefits.

36.9 (d) All reports must contain an opinion regarding the applicant's prognosis, the duration  
36.10 of the disability, and the expectations for improvement. Any report that does not contain  
36.11 and support a finding that the disability will last for at least one year may not be relied upon  
36.12 to support eligibility for benefits.

36.13 (e) Where the medical evidence supports the expectation that at some point in time the  
36.14 applicant will no longer be disabled, any decision granting disability may provide for a  
36.15 termination date upon which disability can be expected to no longer exist. In the event a  
36.16 termination date is made part of the decision granting benefits, prior to the actual termination  
36.17 of benefits, the applicant shall have the opportunity to show that the disabling condition for  
36.18 which benefits were initially granted continues. In the event the benefits terminate in  
36.19 accordance with the original decision, the applicant may petition for review under section  
36.20 356.96 or may reapply for disability in accordance with these procedures and section 353.33,  
36.21 353.656, or 353E.06, as applicable.

36.22 (f) Upon receipt of a valid application, the executive director must notify the employer.  
36.23 No later than 30 days after receiving the notification, the employer must provide a report  
36.24 to the executive director indicating that there is no available work that the applicant can  
36.25 perform in the applicant's disabled condition and that all reasonable accommodations have  
36.26 been considered. Upon request of the executive director, an employer shall provide evidence  
36.27 of the steps the employer has taken to attempt to provide reasonable accommodations and  
36.28 continued employment to the applicant. The employer shall also provide a certification of  
36.29 the applicant's past public service; the dates of any paid sick leave, vacation, or any other  
36.30 employer-paid salary continuation plan beyond the last working day; and whether or not  
36.31 any sick or annual leave has been allowed.

36.32 (g) An applicant who is placed on leave of absence without compensation because of a  
36.33 disability is not barred from receiving a disability benefit.

37.1 (h) An applicant for disability benefits may file a retirement annuity application under  
 37.2 section 353.29, subdivision 4, simultaneously with an application for disability benefits. If  
 37.3 the application for disability benefits is approved, the retirement annuity application is  
 37.4 canceled. If disability benefits are denied, the retirement annuity application must be  
 37.5 processed upon the request of the applicant. No member of the general employees retirement  
 37.6 plan, the police and fire plan, ~~or~~ the local government correctional service retirement plan,  
 37.7 or the local government probation and telecommunicator retirement plan may receive a  
 37.8 disability benefit and a retirement annuity simultaneously from the same plan.

37.9 Sec. 9. Minnesota Statutes 2024, section 353.15, subdivision 1, is amended to read:

37.10 Subdivision 1. **Exemption.** The provisions of section 356.401 apply to the general  
 37.11 employees retirement plan, ~~to~~ the public employees police and fire retirement plan, ~~and to~~  
 37.12 the local government correctional service retirement plan, and the local government probation  
 37.13 and telecommunicator retirement plan.

37.14 Sec. 10. Minnesota Statutes 2024, section 353.27, subdivision 4, is amended to read:

37.15 Subd. 4. **Employer reporting requirements; contributions; member status.** (a) A  
 37.16 representative authorized by the head of each department must deduct employee contributions  
 37.17 from the salary of each public employee who qualifies for membership in the general  
 37.18 employees retirement plan or the public employees police and fire retirement plan under  
 37.19 this chapter, the public employees defined contribution plan under chapter 353D, ~~or~~ the  
 37.20 local government correctional service retirement plan under chapter 353E, or the local  
 37.21 government probation and telecommunicator retirement plan under chapter 353H at the rate  
 37.22 under section 353.27, 353.65, 353D.03, ~~or~~ 353E.03, or 353H.04, whichever is applicable,  
 37.23 that is in effect on the date the salary is paid. The employer representative must also remit  
 37.24 payment in a manner prescribed by the executive director for the aggregate amount of the  
 37.25 employee contributions and the required employer contributions to be received by the  
 37.26 association within 14 calendar days after each pay date. If the payment is less than the  
 37.27 amount required, the employer must pay the shortage amount to the association and collect  
 37.28 reimbursement of any employee contribution shortage paid on behalf of a member through  
 37.29 subsequent payroll withholdings from the wages of the employee. Payment of shortages in  
 37.30 employee contributions and associated employer contributions, if applicable, must include  
 37.31 interest at the rate specified in section 353.28, subdivision 5, if not received within 30 days  
 37.32 following the date the amount was initially due under this section.

38.1 (b) The head of each department or the person's designee shall submit for each pay period  
38.2 to the association a salary deduction report in the format prescribed by the executive director.  
38.3 The report must be received by the association within 14 calendar days after each pay date  
38.4 or the employer may be assessed a fine of \$5 per calendar day until the association receives  
38.5 the required data. Data required as part of salary deduction reporting must include, but are  
38.6 not limited to:

38.7 (1) the legal names and Social Security numbers of employees who are members;

38.8 (2) the amount of each employee's salary deduction;

38.9 (3) the amount of salary defined in section 353.01, subdivision 10, earned in the pay  
38.10 period from which each deduction was made, including a breakdown of the portion of the  
38.11 salary that represents overtime pay that the employee was paid for additional hours worked  
38.12 beyond the regularly scheduled hours, pay for unused compensatory time, and the salary  
38.13 amount earned by a reemployed annuitant under section 353.37, subdivision 1, or 353.371,  
38.14 subdivision 1, or by a disabled member under section 353.33, subdivision 7 or 7a;

38.15 (4) the beginning and ending dates of the payroll period covered and the date of actual  
38.16 payment; and

38.17 (5) adjustments or corrections covering past pay periods as authorized by the executive  
38.18 director.

38.19 (c) Employers must furnish the data required for enrollment for each new or reinstated  
38.20 employee who qualifies for membership in the general employees retirement plan, the public  
38.21 employees police and fire retirement plan, the public employees defined contribution plan,  
38.22 ~~or the local government correctional service retirement plan, or the local government~~  
38.23 probation and telecommunicator retirement plan in the format prescribed by the executive  
38.24 director. The required enrollment data on new members must be submitted to the association  
38.25 prior to or concurrent with the submission of the initial employee salary deduction. Also,  
38.26 the employer shall report to the association all member employment status changes, such  
38.27 as leaves of absence, terminations, and death, and shall report the effective dates of those  
38.28 changes, on an ongoing basis for the payroll cycle in which they occur. If an employer fails  
38.29 to comply with the reporting requirements under this paragraph, the executive director may  
38.30 assess a fine of \$25 for each failure if the association staff has notified the employer of the  
38.31 noncompliance and attempted to obtain the missing data or form from the employer for a  
38.32 period of more than three months.

38.33 (d) The employer shall furnish data, forms, and reports as may be required by the  
38.34 executive director for proper administration of the retirement system. Before implementing

39.1 new or different computerized reporting requirements, the executive director shall give  
39.2 appropriate advance notice to governmental subdivisions to allow time for system  
39.3 modifications.

39.4 (e) Notwithstanding paragraph (a), the executive director may provide for less frequent  
39.5 reporting and payments for small employers.

39.6 (f) The executive director may establish reporting procedures and methods as required  
39.7 to review compliance by employers with the salary and contribution reporting requirements  
39.8 in this chapter. A review of the payroll records of a participating employer may be conducted  
39.9 by the association on a periodic basis or as a result of concerns known to exist within a  
39.10 governmental subdivision. An employer under review must extract requested data and  
39.11 provide records to the association after receiving reasonable advanced notice. Failure to  
39.12 provide requested information or materials will result in the employer being liable to the  
39.13 association for any expenses associated with a field audit, which may include staff salaries,  
39.14 administrative expenses, and travel expenses.

39.15 Sec. 11. Minnesota Statutes 2024, section 353.27, subdivision 7b, is amended to read:

39.16 Subd. 7b. **Recovery of overpayments.** (a) In the event the executive director determines  
39.17 that an overpaid annuity or benefit from the general employees retirement plan of the Public  
39.18 Employees Retirement Association, the public employees police and fire retirement plan,  
39.19 ~~or~~ the local government correctional employees retirement plan, or the local government  
39.20 probation and telecommunicator retirement plan is the result of invalid salary included in  
39.21 the average salary used to calculate the payment amount must be recovered, the association  
39.22 must determine the amount of the employee deductions taken in error on the invalid salary,  
39.23 with interest determined in the manner provided for a former member under subdivision 7,  
39.24 paragraph (e), clause (2), item (i), and must subtract that amount from the total annuity or  
39.25 benefit overpayment, and the remaining balance of the overpaid annuity or benefit, if any,  
39.26 must be recovered.

39.27 (b) If the invalid employee deductions plus interest exceed the amount of the overpaid  
39.28 benefits, the balance must be refunded to the person to whom the benefit or annuity is being  
39.29 paid.

39.30 (c) Any invalid employer contributions reported on the invalid salary must be credited  
39.31 to the employer as provided in subdivision 7, paragraph (e).

39.32 (d) If a member or former member, who is receiving a retirement annuity or disability  
39.33 benefit for which an overpayment is being recovered, dies before recovery of the overpayment

40.1 is completed and a joint and survivor optional annuity is payable, the remaining balance of  
40.2 the overpaid annuity or benefit must continue to be recovered from the payment to the  
40.3 optional annuity beneficiary.

40.4 (e) If the association finds that a refund has been overpaid to a former member,  
40.5 beneficiary or other person, the amount of the overpayment must be recovered for the benefit  
40.6 of the respective retirement fund or account.

40.7 (f) The board of trustees shall adopt policies directing the period of time and manner  
40.8 for the collection of any overpaid retirement or optional annuity, and survivor or disability  
40.9 benefit, or a refund that the executive director determines must be recovered as provided  
40.10 under this section.

40.11 Sec. 12. Minnesota Statutes 2024, section 353.27, subdivision 11, is amended to read:

40.12 Subd. 11. **Employers; required to furnish requested information.** (a) All governmental  
40.13 subdivisions shall furnish promptly such other information relative to the employment status  
40.14 of all employees or former employees, including, but not limited to, payroll abstracts  
40.15 pertaining to all past and present employees, as may be requested by the executive director,  
40.16 including schedules of salaries applicable to various categories of employment.

40.17 (b) In the event payroll abstract records have been lost or destroyed, for whatever reason  
40.18 or in whatever manner, so that such schedules of salaries cannot be furnished therefrom,  
40.19 the employing governmental subdivision, in lieu thereof, shall furnish to the association an  
40.20 estimate of the earnings of any employee or former employee for any period as may be  
40.21 requested by the executive director. If the association is provided a schedule of estimated  
40.22 earnings, the executive director is authorized to use the same as a basis for making whatever  
40.23 computations might be necessary for determining obligations of the employee and employer  
40.24 to the general employees retirement plan, the public employees police and fire retirement  
40.25 plan, ~~or the local government correctional employees retirement plan, or the local government~~  
40.26 probation and telecommunicator retirement plan. If estimates are not furnished by the  
40.27 employer at the request of the executive director, the executive director may estimate the  
40.28 obligations of the employee and employer to the general employees retirement fund, the  
40.29 public employees police and fire retirement plan, ~~or the local government correctional~~  
40.30 employees retirement plan, or the local government probation and telecommunicator  
40.31 retirement plan based upon those records that are in its possession.

41.1 Sec. 13. Minnesota Statutes 2024, section 353.27, subdivision 12, is amended to read:

41.2 Subd. 12. **Omitted salary deductions; obligations.** (a) In the case of omission of  
41.3 required deductions for the general employees retirement plan, the public employees police  
41.4 and fire retirement plan, ~~or~~ the local government correctional employees retirement plan,  
41.5 or the local government probation and telecommunicator retirement plan from the salary  
41.6 of an employee, the department head or designee shall immediately, upon discovery, report  
41.7 the employee for membership and deduct the employee deductions under subdivision 4  
41.8 during the current pay period or during the pay period immediately following the discovery  
41.9 of the omission. Payment for the omitted obligations may only be made in accordance with  
41.10 reporting procedures and methods established by the executive director.

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

41.15 (c) When the omission period of an employee exceeds 60 days, the governmental  
41.16 subdivision shall furnish to the association sufficient data and documentation upon which  
41.17 the obligation for omitted employee and employer contributions can be calculated. The  
41.18 omitted employee deductions must be deducted from the employee's subsequent salary  
41.19 payment or payments and remitted to the association for deposit in the applicable retirement  
41.20 fund. The employee shall pay omitted employee deductions due for the 60 days prior to the  
41.21 end of the last pay period in the omission period during which salary was earned. The  
41.22 employer shall pay any remaining omitted employee deductions and any omitted employer  
41.23 contributions, plus interest at the applicable rate or rates specified in section 356.59,  
41.24 subdivision 3, compounded annually, from the date or dates each omitted employee  
41.25 contribution was first payable.

41.26 (d) An employer shall not hold an employee liable for omitted employee deductions  
41.27 beyond the pay period dates under paragraph (c), nor attempt to recover from the employee  
41.28 those employee deductions paid by the employer on behalf of the employee. Omitted  
41.29 deductions due under paragraph (c) which are not paid by the employee constitute a liability  
41.30 of the employer that failed to deduct the omitted deductions from the employee's salary.  
41.31 The employer shall make payment with interest at the applicable rate or rates specified in  
41.32 section 356.59, subdivision 3, compounded annually. Omitted employee deductions are no  
41.33 longer due if an employee terminates public service before making payment of omitted  
41.34 employee deductions to the association, but the employer remains liable to pay omitted

42.1 employer contributions plus interest at the applicable rate or rates specified in section 356.59,  
 42.2 subdivision 3, compounded annually, from the date the contributions were first payable.

42.3 (e) The association may not commence action for the recovery of omitted employee  
 42.4 deductions and employer contributions after the expiration of three calendar years after the  
 42.5 calendar year in which the contributions and deductions were omitted. Except as provided  
 42.6 under paragraph (b), no payment may be made or accepted unless the association has already  
 42.7 commenced action for recovery of omitted deductions. An action for recovery commences  
 42.8 on the date of the mailing of any written correspondence from the association requesting  
 42.9 information from the governmental subdivision upon which to determine whether or not  
 42.10 omitted deductions occurred.

42.11 Sec. 14. Minnesota Statutes 2024, section 353.27, subdivision 12a, is amended to read:

42.12 Subd. 12a. **Terminated employees: omitted deductions.** A terminated employee who  
 42.13 was a member of the general employees retirement plan of the Public Employees Retirement  
 42.14 Association, the public employees police and fire retirement plan, ~~or~~ the local government  
 42.15 correctional employees retirement plan, or the local government probation and  
 42.16 telecommunicator retirement plan and who has a period of employment in which previously  
 42.17 omitted employer contributions were made under subdivision 12 but for whom no, or only  
 42.18 partial, omitted employee contributions have been made, or a member who had prior coverage  
 42.19 in the association for which previously omitted employer contributions were made under  
 42.20 subdivision 12 but who terminated service before required omitted employee deductions  
 42.21 could be withheld from salary, may pay the omitted employee deductions for the period on  
 42.22 which omitted employer contributions were previously paid plus interest at the applicable  
 42.23 rate or rates specified in section 356.59, subdivision 3, compounded annually. A terminated  
 42.24 employee may pay the omitted employee deductions plus interest within six months of an  
 42.25 initial notification from the association of eligibility to pay those omitted deductions. If a  
 42.26 terminated employee is reemployed in a position covered under a public pension fund under  
 42.27 section 356.30, subdivision 3, and elects to pay omitted employee deductions, payment  
 42.28 must be made no later than six months after a subsequent termination of public service.

42.29 Sec. 15. Minnesota Statutes 2024, section 353.27, subdivision 12b, is amended to read:

42.30 Subd. 12b. **Terminated employees: immediate eligibility.** If deductions were omitted  
 42.31 from salary adjustments or final salary of a terminated employee who was a member of the  
 42.32 general employees retirement plan, the public employees police and fire retirement plan,  
 42.33 ~~or~~ the local government correctional employees retirement plan, or the local government

43.1 probation and telecommunicator retirement plan and who is immediately eligible to draw  
 43.2 a monthly benefit, the employer shall pay the omitted employer and employer additional  
 43.3 contributions plus interest on both the employer and employee amounts due at the applicable  
 43.4 rate or rates specified in section 356.59, subdivision 3, compounded annually. The employee  
 43.5 shall pay the employee deductions within six months of an initial notification from the  
 43.6 association of eligibility to pay omitted deductions or the employee forfeits the right to  
 43.7 make the payment.

43.8 Sec. 16. Minnesota Statutes 2024, section 353.27, subdivision 13, is amended to read:

43.9 Subd. 13. **Certain warrants canceled.** A warrant payable from the general employees  
 43.10 retirement fund, the public employees police and fire retirement fund, ~~or~~ the local government  
 43.11 correctional retirement fund, or the local government probation and telecommunicator  
 43.12 retirement fund remaining unpaid for a period of six months must be canceled into the  
 43.13 applicable retirement fund and not canceled into the state's general fund.

43.14 Sec. 17. Minnesota Statutes 2024, section 353.27, subdivision 14, is amended to read:

43.15 Subd. 14. **Periods before initial coverage date.** (a) If an entity is determined to be a  
 43.16 governmental subdivision due to receipt of a written notice of eligibility from the association  
 43.17 with respect to the general employees retirement plan, the public employees police and fire  
 43.18 retirement plan, ~~or~~ the local government correctional retirement plan, or the local government  
 43.19 probation and telecommunicator retirement plan, that employer and its employees are subject  
 43.20 to the requirements of subdivision 12, effective retroactively to the date that the executive  
 43.21 director of the association determines that the entity first met the definition of a governmental  
 43.22 subdivision, if that date predates the notice of eligibility.

43.23 (b) If the retroactive time period under paragraph (a) exceeds three years, an employee  
 43.24 is authorized to purchase service credit in the applicable Public Employees Retirement  
 43.25 Association plan for the portion of the period in excess of three years, by making payment  
 43.26 under section 356.551. Notwithstanding any provision of section 356.551, subdivision 2,  
 43.27 to the contrary, regarding time limits on purchases, payment of a service credit purchase  
 43.28 amount may be made anytime before the termination of public service.

43.29 (c) This subdivision does not apply if the applicable employment under paragraph (a)  
 43.30 included coverage by any public or private defined benefit or defined contribution retirement  
 43.31 plan, other than a firefighters relief association. If this paragraph applies, an individual is  
 43.32 prohibited from purchasing service credit from a Public Employees Retirement Association  
 43.33 plan for any period or periods specified in paragraph (a).

44.1 Sec. 18. Minnesota Statutes 2024, section 353.30, subdivision 3, is amended to read:

44.2 Subd. 3. **Optional retirement annuity forms.** (a) The board of trustees shall establish  
 44.3 optional annuities which shall take the form of a joint and survivor annuity. Except as  
 44.4 provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the  
 44.5 forms provided in section 353.29 and subdivisions 1, 1a, 1b, 1c, and 5 or section 353H.05,  
 44.6 subdivisions 1 and 3. In establishing those optional forms, the board shall obtain the written  
 44.7 recommendation of the actuary retained under section 356.214. The recommendations shall  
 44.8 be a part of the permanent records of the board. A member or former member may select  
 44.9 an optional form of annuity, subject to the provisions of section 356.46, in lieu of accepting  
 44.10 any other form of annuity which might otherwise be available.

44.11 (b) For purposes of computing a joint and survivor annuity, the investment return  
 44.12 assumption specified in section 356.461 must be used rather than the investment return  
 44.13 specified in section 356.215, subdivision 8.

44.14 Sec. 19. Minnesota Statutes 2024, section 353.33, subdivision 3, is amended to read:

44.15 Subd. 3. **Computation of benefits.** (a) This disability benefit is an amount equal to the  
 44.16 normal annuity payable to a member who has reached normal retirement age with the same  
 44.17 number of years of allowable service and the same average salary, as provided in ~~section~~  
 44.18 sections 353.01, subdivision 17a, and ~~section~~ 353.29, subdivision 3, or 353H.05, subdivision  
 44.19 1, for members of the local government probation and telecommunicator retirement plan.

44.20 (b) A basic member shall receive a supplementary monthly benefit of \$25 to age 65 or  
 44.21 the five-year anniversary of the effective date of the disability benefit, whichever is later.

44.22 (c) If the disability benefits under this subdivision exceed the average salary as defined  
 44.23 in section 353.01, subdivision 17a, the disability benefits must be reduced to an amount  
 44.24 equal to the average salary.

44.25 Sec. 20. Minnesota Statutes 2024, section 353.33, subdivision 7a, is amended to read:

44.26 Subd. 7a. **Trial work period.** (a) This subdivision applies only to the Public Employees  
 44.27 Retirement Association general employees retirement plan and local government probation  
 44.28 and telecommunicator retirement plan.

44.29 (b) If, following a work or non-work-related injury or illness, a member receiving  
 44.30 disability benefits attempts to return to work for the member's previous public employer or  
 44.31 attempts to return to a similar position with another public employer, on a full-time or less  
 44.32 than full-time basis, the association must continue paying the disability benefit for a period

45.1 not to exceed six months. The disability benefit must continue in an amount that, when  
45.2 added to the subsequent employment earnings, does not exceed the base monthly salary the  
45.3 member had been receiving at the date of disability or the base monthly salary rate currently  
45.4 paid for similar positions, whichever is higher.

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

45.8 (d) A member only may return to employment and continue disability benefit payments  
45.9 once while receiving disability benefits from the general employees retirement plan.

45.10 Sec. 21. Minnesota Statutes 2024, section 353.33, subdivision 11, is amended to read:

45.11 Subd. 11. **Coordinated member disabilitant transfer to retirement status.** The  
45.12 disability benefits paid to a coordinated member must terminate when the person reaches  
45.13 normal retirement age. If the coordinated member is still totally and permanently disabled  
45.14 upon attaining normal retirement age, the coordinated member is deemed to be on retirement  
45.15 status. If an optional annuity is elected under subdivision 3a, the coordinated member shall  
45.16 receive an annuity under the terms of the optional annuity previously elected, or, if an  
45.17 optional annuity is not elected under subdivision 3a, the coordinated member may elect to  
45.18 receive a normal retirement annuity under section 353.29 or 353H.05 or an annuity equal  
45.19 to the disability benefit paid before the coordinated member reaches normal retirement age,  
45.20 whichever amount is greater, or elect to receive an optional annuity under section 353.30,  
45.21 subdivision 3. The annuity of a disabled coordinated member who attains normal retirement  
45.22 age must be computed under the law in effect upon attainment of normal retirement age.  
45.23 Election of an optional annuity must be made before the coordinated member attains normal  
45.24 retirement age. If an optional annuity is elected, the election is effective on the date on  
45.25 which the person attains normal retirement age and the optional annuity begins to accrue  
45.26 on the first day of the month next following the month in which the person attains that age.

45.27 Sec. 22. Minnesota Statutes 2024, section 353.34, subdivision 1, is amended to read:

45.28 Subdivision 1. **Refund or deferred annuity.** (a) A former member is entitled to either  
45.29 a refund of accumulated employee deductions under subdivision 2, or to a deferred annuity  
45.30 under subdivision 3. Application for a refund may not be made before the date of termination  
45.31 of public service. A refund must be paid within 120 days following receipt of the application  
45.32 unless the applicant has again become a public employee required to be covered by the  
45.33 association.

46.1 (b) If an individual was placed on layoff under section 353.01, subdivision 12 or 12c, a  
46.2 refund is not payable before termination of service under section 353.01, subdivision 11a.

46.3 (c) An individual who terminates public service covered by the Public Employees  
46.4 Retirement Association general employees retirement plan, except members of the former  
46.5 Minneapolis Employees Retirement Fund under section 353.01, subdivision 2b, paragraph  
46.6 (d), the Public Employees Retirement Association police and fire retirement plan, ~~or~~ the  
46.7 public employees local government correctional service retirement plan, or the local  
46.8 government probation and telecommunicator retirement plan, and who is employed by a  
46.9 different employer and who becomes an active member covered by one of the other two  
46.10 plans, may receive a refund of employee contributions plus annual compound interest from  
46.11 the plan from which the member terminated service at the applicable rate specified in  
46.12 subdivision 2.

46.13 (d) Refunds payable to members of the former Minneapolis Employees Retirement Fund  
46.14 under section 353.01, subdivision 2a, paragraph (d), are governed by Minnesota Statutes  
46.15 2008, chapter 422A.

46.16 Sec. 23. Minnesota Statutes 2024, section 353.34, subdivision 3, is amended to read:

46.17 Subd. 3. **Deferred annuity; eligibility; computation.** (a) A member who is partially  
46.18 or 100 percent vested under section 353.01, subdivision 47, or 353H.01, subdivision 12, when  
46.19 termination of public service or termination of membership occurs has the option of leaving  
46.20 the member's accumulated deductions in the fund and being entitled to a deferred retirement  
46.21 annuity commencing at normal retirement age or to a deferred early retirement annuity  
46.22 under section 353.30, subdivision 1a, 1b, 1c, or 5, or 353H.05, subdivision 3.

46.23 (b) The deferred annuity must be computed under section 353.29, subdivision 3, or  
46.24 353H.05, subdivision 1, on the basis of the law in effect on the date of termination of public  
46.25 service or termination of membership, whichever is later, and, if the later of termination of  
46.26 public service or termination of membership is on or before December 31, 2011, the deferred  
46.27 annuity must be augmented as provided in paragraphs (c) to (e).

46.28 (c) The deferred annuity of any former member must be augmented from the first day  
46.29 of the month following the termination of active service, or July 1, 1971, whichever is later,  
46.30 to the effective date of retirement or, if earlier, December 31, 2018.

46.31 (d) For a person who became a public employee before July 1, 2006, and who has a  
46.32 termination of public service before January 1, 2012, the deferred annuity must be augmented  
46.33 at the following rate or rates, compounded annually:

47.1 (1) five percent until January 1, 1981;

47.2 (2) three percent from January 1, 1981, until January 1 of the year following the year in  
47.3 which the former member attains age 55 or December 31, 2011, whichever is earlier;

47.4 (3) five percent from January 1 of the year following the year in which the former member  
47.5 attains age 55, or December 31, 2011, whichever is earlier;

47.6 (4) one percent from January 1, 2012, until December 31, 2018; and

47.7 (5) after December 31, 2018, the deferred annuity must not be augmented.

47.8 (e) For a person who became a public employee after June 30, 2006, and who has a  
47.9 termination of public service before January 1, 2012, the deferred annuity must be augmented  
47.10 at the following rate or rates, compounded annually:

47.11 (1) 2.5 percent until December 31, 2011;

47.12 (2) one percent from January 1, 2012, until December 31, 2018; and

47.13 (3) after December 31, 2018, the deferred annuity must not be augmented.

47.14 (f) For a person who has a termination of public service after December 31, 2011, the  
47.15 deferred annuity must not be augmented.

47.16 (g) The retirement annuity or disability benefit of, or the survivor benefit payable on  
47.17 behalf of, a former member who terminated service before July 1, 1997, or the survivor  
47.18 benefit payable on behalf of a basic or police and fire member who was receiving disability  
47.19 benefits before July 1, 1997, which is first payable after June 30, 1997, must be increased  
47.20 on an actuarial equivalent basis to reflect the change in the investment return actuarial  
47.21 assumption under section 356.215, subdivision 8, from five percent to six percent under a  
47.22 calculation procedure and tables adopted by the board and approved by the actuary retained  
47.23 under section 356.214.

47.24 (h) A former member qualified to apply for a deferred retirement annuity may revoke  
47.25 this option at any time before the commencement of deferred annuity payments by making  
47.26 application for a refund. The person is entitled to a refund of accumulated member  
47.27 contributions within 30 days following date of receipt of the application by the executive  
47.28 director.

47.29 Sec. 24. Minnesota Statutes 2024, section 353.37, subdivision 5, is amended to read:

47.30 Subd. 5. **Effect on annuity.** Except as provided under this section, public service  
47.31 performed by an annuitant described in subdivision 1, paragraph (a), subsequent to retirement

48.1 from the general employees retirement plan, the public employees police and fire retirement  
 48.2 plan, ~~or the local government correctional employees retirement plan, or the local government~~  
 48.3 probation and telecommunicator retirement plan does not increase or decrease the amount  
 48.4 of an annuity. The annuitant shall not make any further contributions to a defined benefit  
 48.5 plan administered by the association by reason of this subsequent public service.

48.6 Sec. 25. Minnesota Statutes 2024, section 353.46, subdivision 2, is amended to read:

48.7 Subd. 2. **Rights of deferred annuitant.** (a) The entitlement of a deferred annuitant or  
 48.8 other former member of the general employees retirement plan of the Public Employees  
 48.9 Retirement Association, the public employees police and fire retirement plan, ~~or the local~~  
 48.10 government correctional employees retirement plan, or the local government probation and  
 48.11 telecommunicator retirement plan to receive an annuity under the law in effect at the time  
 48.12 the person terminated public service is preserved.

48.13 (b) The entitlement of a deferred annuitant or former member of the Minneapolis  
 48.14 Employees Retirement Fund, upon merger with the general employees retirement plan of  
 48.15 the Public Employees Retirement Association, continues under the provisions of Minnesota  
 48.16 Statutes 2008, section 422A.16.

48.17 Sec. 26. **[353H.001] APPLICATION OF CHAPTER 353.**

48.18 The general provisions of chapter 353 apply to the local government probation and  
 48.19 telecommunicator retirement plan, except where otherwise specifically provided in this  
 48.20 chapter.

48.21 Sec. 27. **[353H.002] POLICY.**

48.22 It is the policy of the legislature that special consideration should be given to the pension  
 48.23 benefits for employees of governmental subdivisions who devote their time and skills to  
 48.24 assisting the community and the courts as probation officers or serving the public and public  
 48.25 safety partners as telecommunicators. Because this work can be hazardous or high stress,  
 48.26 special provisions are made by this chapter for earlier retirement and larger retirement  
 48.27 annuities than are provided to members of the general employees retirement plan under  
 48.28 chapter 353. The additional costs of these benefits are borne initially by the employees.

48.29 Sec. 28. **[353H.01] DEFINITIONS.**

48.30 Subdivision 1. **Terms.** For purposes of this chapter, unless the language or context  
 48.31 indicates that a different meaning is intended, the following terms have the meanings given.

49.1 The definitions in section 353.01 apply to this chapter unless the term is defined in this  
49.2 section.

49.3 Subd. 2. **Executive director.** "Executive director" means the executive director of the  
49.4 Public Employees Retirement Association appointed under section 353.03, subdivision 3a.

49.5 Subd. 3. **Fund.** "Fund" means the local government probation and telecommunicator  
49.6 retirement fund.

49.7 Subd. 4. **General plan.** "General plan" means the general employees retirement plan of  
49.8 the Public Employees Retirement Association.

49.9 Subd. 5. **Member.** "Member" means an individual identified as a member under section  
49.10 353H.03 for whom retirement coverage is provided by the plan.

49.11 Subd. 6. **Normal retirement age.** "Normal retirement age" means age 60.

49.12 Subd. 7. **Offset amount.** "Offset amount" means an amount available to offset the cost  
49.13 to purchase credit for past service upon the election by a member under section 353H.08,  
49.14 if state funding becomes available.

49.15 Subd. 8. **Past service.** "Past service" means allowable service credited to a member  
49.16 before January 1, 2027, and covered by the general plan that would have been service  
49.17 covered by the local government probation and telecommunicator retirement plan had that  
49.18 plan been in effect before January 1, 2027.

49.19 Subd. 9. **Plan.** "Plan" means the local government probation and telecommunicator  
49.20 retirement plan of the Public Employees Retirement Association.

49.21 Subd. 10. **Probation officer.** "Probation officer" means an individual who the employer  
49.22 certifies, in the form prescribed by the executive director, is a public employee as defined  
49.23 in section 353.01 and:

49.24 (1) is employed as a probation officer by a county, community corrections agency, or  
49.25 state probation agency and provides community supervision services with direct offender  
49.26 contact; or

49.27 (2) directly supervises one or more individuals described in clause (1).

49.28 Subd. 11. **Public safety telecommunicator.** "Public safety telecommunicator" means  
49.29 an individual who the employer certifies, in the form prescribed by the executive director,  
49.30 is a public employee as defined in section 353.01, employed by a primary or secondary  
49.31 public safety answering point and:

50.1 (1) serves as a first responder by receiving, assessing, or processing requests for assistance  
 50.2 from the public and other public safety partners and coordinates the appropriate public  
 50.3 safety response;

50.4 (2) as part of the individual's employment position, is assigned less than 50 percent of  
 50.5 the time to perform employment duties other than the duties described in clause (1); or

50.6 (3) directly supervises one or more individuals described in clause (1) or (2).

50.7 Subd. 12. **Vesting or vested.** "Vesting" or "vested" means obtaining or having obtained  
 50.8 a nonforfeitable entitlement to an annuity or benefit under the plan by having earned credit  
 50.9 for no less than three years of allowable service covered by the plan or the general plan.

50.10 Sec. 29. [353H.02] **ADMINISTRATION AND FUND DISBURSEMENT.**

50.11 Subdivision 1. **Plan administration; fund.** (a) The plan is established as a separate plan  
 50.12 to be administered by the board of trustees of the association and the executive director.

50.13 (b) The board of trustees and the executive director must undertake activities in a manner  
 50.14 consistent with chapter 356A.

50.15 (c) The association must maintain a special fund to be known as the local government  
 50.16 probation and telecommunicator retirement fund.

50.17 Subd. 2. **Investment.** Assets of the fund must be deposited in the Minnesota combined  
 50.18 investment fund as provided under section 11A.14, if applicable, or otherwise invested  
 50.19 under section 11A.23.

50.20 Subd. 3. **Fund disbursement restricted.** (a) The fund may be disbursed only for the  
 50.21 purposes provided for under this chapter.

50.22 (b) The proportional share of the necessary and reasonable administrative expenses of  
 50.23 the association and any benefits provided under this chapter must be paid from the fund.  
 50.24 Retirement annuities, disability benefits, survivor benefits, and any refunds of accumulated  
 50.25 deductions may only be paid from the fund after those needs have been certified by the  
 50.26 executive director.

50.27 (c) The amounts necessary to make the payments from the fund are annually appropriated  
 50.28 from the fund for those purposes.

50.29 Sec. 30. [353H.03] **MEMBERSHIP.**

50.30 (a) The members of the plan are probation officers and public safety telecommunicators.

51.1 (b) A probation officer or public safety telecommunicator who first became a public  
 51.2 employee or a member of a pension fund listed in section 356.30, subdivision 3, before July  
 51.3 1, 1989, is not eligible to participate as a member of the plan.

51.4 Sec. 31. [353H.04] CONTRIBUTIONS.

51.5 Subdivision 1. **Member contributions.** (a) A member must make employee contributions  
 51.6 equal to 8.82 percent of the member's salary.

51.7 (b) Employee contributions must be made by deduction from the member's salary, as  
 51.8 defined in section 353.01, subdivision 10, in the manner provided in section 353.27,  
 51.9 subdivision 4. If any portion of a member's salary is paid from a source other than public  
 51.10 funds, the member's employee contribution must be based on the total salary received by  
 51.11 the member from all sources.

51.12 Subd. 2. **Employer contributions.** (a) The employer of a member must make employer  
 51.13 contributions equal to 7.5 percent of the member's salary.

51.14 (b) Employer contributions must be made from money available to the employing  
 51.15 subdivision by the means and in the manner provided under section 353.28.

51.16 Subd. 3. **Deposit of contributions.** Employee contributions under subdivision 1, employer  
 51.17 contributions under subdivision 2, and other amounts authorized by law, including investment  
 51.18 return on invested fund assets, must be deposited in the fund.

51.19 Subd. 4. **Collection, correction, and reporting of contributions.** The requirements  
 51.20 and procedures under sections 353.27 and 353.28 apply to employee and employer  
 51.21 contributions under this section.

51.22 Sec. 32. [353H.05] RETIREMENT ANNUITY.

51.23 Subdivision 1. **Normal retirement annuity.** After termination of public service, a  
 51.24 member who has attained at least normal retirement age and is vested is entitled, upon  
 51.25 application, to a normal retirement annuity. The normal retirement annuity is equal to the  
 51.26 member's average salary multiplied by 1.9 percent for each year of allowable service.

51.27 Subd. 2. **Optional annuity; bounce-back annuity.** (a) Instead of a normal retirement  
 51.28 annuity under subdivision 1, a member may elect to receive an optional annuity under  
 51.29 section 353.30, subdivision 3.

51.30 (b) A bounce-back annuity under section 353.30, subdivisions 3a and 3c, applies to an  
 51.31 annuity under this section or a disability benefit under section 353H.06.

52.1 Subd. 3. **Early retirement annuity.** After termination of public service, a member who  
52.2 is vested and at least 55 years of age, but not yet normal retirement age, is entitled, upon  
52.3 application, to an early retirement annuity that is actuarially equivalent to the normal  
52.4 retirement annuity.

52.5 Subd. 4. **Allowable service in other retirement plans.** If a member has earned allowable  
52.6 service in the general plan, the public employees police and fire retirement plan, or the  
52.7 public employees local government correctional service retirement plan before or after  
52.8 participation under this chapter, the retirement annuity under the plan or plans must be  
52.9 computed in accordance with the formula specified in sections 353.29 and 353.30, 353.651,  
52.10 or 353E.04, whichever applies.

52.11 Subd. 5. **Application; annuity starting date; annuity duration.** Upon application  
52.12 under section 353.29, subdivision 4, the retirement annuity under this section begins as  
52.13 provided in section 353.29, subdivision 7. The retirement annuity is payable for the life of  
52.14 the recipient or in accordance with the terms of any optional annuity form selected by the  
52.15 member.

52.16 Subd. 6. **Payment of annuities and benefits earned under the general plan.** The  
52.17 executive director must pay a retirement annuity or benefit as provided under chapter 353  
52.18 to a member of the plan from the assets of the fund if the member was transferred from the  
52.19 general plan to the plan on January 1, 2027, and had allowable service under the general  
52.20 plan.

52.21 Subd. 7. **Postretirement adjustment eligibility.** An annuity under this section is eligible  
52.22 for postretirement adjustments under section 356.415.

52.23 Sec. 33. **[353H.06] DISABILITY BENEFITS.**

52.24 A vested member who becomes totally and permanently disabled as defined in section  
52.25 353.01, subdivision 19, before normal retirement age is entitled to a disability benefit on  
52.26 the same basis as a member of the general plan under sections 353.031, 353.33, and 353.335.

52.27 Sec. 34. **[353H.07] SURVIVOR BENEFITS.**

52.28 Upon the death of a member, survivor benefits are payable as provided under section  
52.29 353.32 on the same basis as a member of the general plan.

53.1 Sec. 35. [353H.08] PURCHASE OF CREDIT FOR PAST SERVICE.

53.2 Subdivision 1. Purchase of credit for past service. (a) A member is entitled to elect a  
53.3 onetime purchase of credit for periods of past service to be added to the member's allowable  
53.4 service covered by this section and used in calculating the member's retirement annuity.  
53.5 The member must repay any refunds of employee contributions previously received from  
53.6 the general plan before making a purchase of past service credit under this section.

53.7 (b) A member may request an estimate of the cost of a service credit purchase under  
53.8 this paragraph.

53.9 (1) A member may file a request with the executive director for an estimate of the  
53.10 purchase price for up to three different periods of past service by filing an application on a  
53.11 form approved by the executive director.

53.12 (2) The member must file the request for an estimate prior to filing an election to purchase  
53.13 past service under paragraph (c).

53.14 (3) The member must submit, with the estimate request, payment of the administrative  
53.15 fee in the amount of \$250 to cover the cost of preparing the estimates. If the member proceeds  
53.16 with the purchase, the executive director must credit the administrative fee toward the  
53.17 purchase price.

53.18 (4) The executive director must estimate the purchase price using the assumptions and  
53.19 applying any offset amount as directed under subdivision 2 for the periods of past service  
53.20 requested by the member and provide the estimates to the member.

53.21 (c) To purchase credit for past service, a member must file an application with the  
53.22 executive director on a form approved by the executive director before the annuity starting  
53.23 date of the member's retirement annuity or benefit. The application must:

53.24 (1) include documentation of the member's eligibility to make the purchase, signed  
53.25 written permission to allow the executive director to request and receive verification of  
53.26 applicable facts and eligibility requirements from the member's employer, and any other  
53.27 relevant information the executive director may require;

53.28 (2) state the amount of credit for past service the member plans to purchase and be  
53.29 accompanied by a certification from one or more employers that the past service fulfills the  
53.30 requirements under section 353H.01, subdivision 8; and

53.31 (3) if the member did not previously pay the administrative fee under paragraph (b),  
53.32 include payment of the administrative fee of \$250. If the member proceeds with the purchase,  
53.33 the executive director must credit the administrative fee toward the purchase price.

54.1 (d) The executive director must apply the assumptions and any offset amount under  
 54.2 subdivision 2 to calculate the purchase price and notify the member. If the member elects  
 54.3 to make the purchase of credit for past service, the member must arrange for the transfer of  
 54.4 pretax money from another retirement plan. Payment must be made in one lump sum before  
 54.5 the annuity starting date of the member's retirement annuity or benefit.

54.6 (e) Upon receipt of payment, the executive director must grant the member service credit  
 54.7 for the period of past service for which credit was purchased.

54.8 Subd. 2. **Determination of past service purchase price.** (a) The executive director  
 54.9 must calculate the purchase price for the period of past service elected by the member. The  
 54.10 purchase price is an amount equal to the actuarial present value, on the date of payment, of  
 54.11 the amount of the additional retirement annuity obtained by the additional service credit  
 54.12 being purchased minus any offset amount.

54.13 (b) The executive director must calculate the purchase price by:

54.14 (1) using the investment return assumption specified in section 356.215, subdivision 8,  
 54.15 and the mortality table in effect for the general plan;

54.16 (2) assuming continuous future service in the plan until the plan's minimum requirements  
 54.17 for normal retirement, or retirement with an annuity unreduced for retirement at an early  
 54.18 age, are met with the additional service credit purchased;

54.19 (3) assuming a full-time equivalent salary or actual salary, whichever is greater, and a  
 54.20 future salary history that includes annual salary increases at the applicable salary increase  
 54.21 rate for the plan; and

54.22 (4) reducing the amount determined under clauses (1) to (3) by any offset amount.

54.23 Sec. 36. Minnesota Statutes 2024, section 356.20, subdivision 2, is amended to read:

54.24 Subd. 2. **Covered public pension plans and funds.** This section applies to the following  
 54.25 public pension plans:

54.26 (1) the general state employees retirement plan of the Minnesota State Retirement System;

54.27 (2) the general employees retirement plan of the Public Employees Retirement  
 54.28 Association;

54.29 (3) the Teachers Retirement Association;

54.30 (4) the State Patrol retirement plan;

54.31 (5) the St. Paul Teachers Retirement Fund Association;

- 55.1 (6) the University of Minnesota faculty retirement plan;
- 55.2 (7) the University of Minnesota faculty supplemental retirement plan;
- 55.3 (8) the judges retirement fund;
- 55.4 (9) the Bloomington Fire Department Relief Association;
- 55.5 (10) a firefighters relief association governed by section 424A.091;
- 55.6 (11) the public employees police and fire plan of the Public Employees Retirement  
55.7 Association;
- 55.8 (12) the correctional state employees retirement plan of the Minnesota State Retirement  
55.9 System;
- 55.10 (13) the local government correctional service retirement plan of the Public Employees  
55.11 Retirement Association; ~~and~~
- 55.12 (14) the statewide volunteer firefighter plan; and
- 55.13 (15) the local government probation and telecommunicator retirement plan of the Public  
55.14 Employees Retirement Association.

55.15 Sec. 37. Minnesota Statutes 2024, section 356.214, subdivision 1, is amended to read:

55.16 Subdivision 1. **Actuary retention.** (a) The governing board or managing or administrative  
55.17 official of each public pension plan and retirement fund or plan enumerated in paragraph  
55.18 (b) shall contract with an established actuarial consulting firm to conduct annual actuarial  
55.19 valuations and related services. The principal from the actuarial consulting firm on the  
55.20 contract must be an approved actuary under section 356.215, subdivision 1, paragraph (c).

55.21 (b) Actuarial services must include the preparation of actuarial valuations and related  
55.22 actuarial work for the following retirement plans:

- 55.23 (1) the teachers retirement plan, Teachers Retirement Association;
- 55.24 (2) the general state employees retirement plan, Minnesota State Retirement System;
- 55.25 (3) the correctional employees retirement plan, Minnesota State Retirement System;
- 55.26 (4) the State Patrol retirement plan, Minnesota State Retirement System;
- 55.27 (5) the judges retirement plan, Minnesota State Retirement System;
- 55.28 (6) the general employees retirement plan, Public Employees Retirement Association;
- 55.29 (7) the public employees police and fire plan, Public Employees Retirement Association;

56.1 (8) the St. Paul teachers retirement plan, St. Paul Teachers Retirement Fund Association;

56.2 (9) the legislators retirement plan, Minnesota State Retirement System; ~~and~~

56.3 (10) the local government correctional service retirement plan, Public Employees

56.4 Retirement Association; and

56.5 (11) the local government probation and telecommunicator retirement plan, Public

56.6 Employees Retirement Association.

56.7 (c) The actuarial valuation for the legislators retirement plan must include a separate

56.8 calculation of total plan actuarial accrued liabilities due to constitutional officer coverage

56.9 under section 3A.17.

56.10 (d) The contracts must require completion of the annual actuarial valuation calculations

56.11 on a fiscal year basis, with the contents of the actuarial valuation calculations as specified

56.12 in section 356.215, and in conformity with the standards for actuarial work adopted by the

56.13 Legislative Commission on Pensions and Retirement.

56.14 The contracts must require completion of annual experience data collection and processing

56.15 and a quadrennial published experience study for the plans listed in paragraph (b), clauses

56.16 (1), (2), and (6), as provided for in the standards for actuarial work adopted by the

56.17 commission. The experience data collection, processing, and analysis must evaluate the

56.18 following:

56.19 (1) individual salary progression;

56.20 (2) the rate of return on investments based on the current asset value;

56.21 (3) payroll growth;

56.22 (4) mortality;

56.23 (5) retirement age;

56.24 (6) withdrawal; and

56.25 (7) disablement.

56.26 (e) The actuary shall annually prepare a report to the governing or managing board or

56.27 administrative official and the legislature, summarizing the results of the actuarial valuation

56.28 calculations. The actuary shall include with the report any recommendations concerning

56.29 the appropriateness of the support rates to achieve proper funding of the retirement plans

56.30 by the required funding dates. The actuary shall, as part of the quadrennial experience study,

57.1 include recommendations on the appropriateness of the actuarial valuation assumptions  
57.2 required for evaluation in the study.

57.3 (f) If the actuarial gain and loss analysis in the actuarial valuation calculations indicates  
57.4 a persistent pattern of sizable gains or losses, the governing or managing board or  
57.5 administrative official shall direct the actuary to prepare a special experience study for a  
57.6 plan listed in paragraph (b), clause (3), (4), (5), (7), (8), (9), or (10), in the manner provided  
57.7 for in the standards for actuarial work adopted by the commission.

57.8 Sec. 38. Minnesota Statutes 2025 Supplement, section 356.215, subdivision 8, is amended  
57.9 to read:

57.10 Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable  
57.11 following investment return assumption:

57.12	plan	investment return 57.13 assumption
57.14	general state employees retirement plan	7%
57.15	correctional state employees retirement plan	7
57.16	State Patrol retirement plan	7
57.17	legislators retirement plan, and for the	0
57.18	constitutional officers calculation of total plan	
57.19	liabilities	
57.20	judges retirement plan	7
57.21	general public employees retirement plan	7
57.22	public employees police and fire retirement plan	7
57.23	local government correctional service retirement	7
57.24	plan	
57.25	<u>local government probation and telecommunicator</u>	<u>7</u>
57.26	<u>retirement plan</u>	
57.27	teachers retirement plan	7
57.28	St. Paul teachers retirement plan	7
57.29	Bloomington Fire Department Relief Association	6
57.30	local monthly benefit volunteer firefighter relief	5
57.31	associations	
57.32	monthly benefit retirement plans in the statewide	6
57.33	volunteer firefighter retirement plan	

57.34 (b) The actuarial valuation for each of the covered retirement plans listed in section  
57.35 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take  
57.36 into account the postretirement adjustment rate or rates applicable to the plan as specified  
57.37 in section 354A.29, subdivision 7, or 356.415, whichever applies.

58.1 (c) The actuarial valuation must use the applicable salary increase and payroll growth  
 58.2 assumptions found in the appendix to the standards for actuarial work. The appendix must  
 58.3 be updated whenever new assumptions have been approved or deemed approved under  
 58.4 subdivision 18.

58.5 (d) The assumptions set forth in the appendix to the standards for actuarial work continue  
 58.6 to apply, unless a different salary assumption or a different payroll increase assumption:

58.7 (1) has been proposed by the governing board of the applicable retirement plan;

58.8 (2) is accompanied by the concurring recommendation of the actuary retained under  
 58.9 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most  
 58.10 recent actuarial valuation report if section 356.214 does not apply; and

58.11 (3) has been approved or deemed approved under subdivision 18.

58.12 Sec. 39. Minnesota Statutes 2024, section 356.302, subdivision 1, is amended to read:

58.13 Subdivision 1. **Definitions.** (a) The terms used in this section are defined in this  
 58.14 subdivision.

58.15 (b) "Average salary" means the highest average of covered salary for the appropriate  
 58.16 period of credited service that is required for the calculation of a disability benefit by the  
 58.17 covered retirement plan and that is drawn from any period of credited service and successive  
 58.18 years of covered salary in a covered retirement plan.

58.19 (c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 7.

58.20 (d) "Duty-related" means a disabling illness or injury that occurred while the person was  
 58.21 actively engaged in employment duties or that arose out of the person's active employment  
 58.22 duties.

58.23 (e) "General employee retirement plan" means a covered retirement plan listed in  
 58.24 subdivision 7, clauses (1) to ~~(6)~~ and ~~(11)~~ (5), (10), and (11).

58.25 (f) "Occupationally disabled" means the condition of having a medically determinable  
 58.26 physical or mental impairment that makes a person unable to satisfactorily perform the  
 58.27 minimum requirements of the person's employment position or a substantially similar  
 58.28 employment position.

58.29 (g) "Public safety employee retirement plan" means a covered retirement plan listed in  
 58.30 subdivision 7, clauses ~~(7)~~ (6) to ~~(10)~~ (9).

59.1 (h) "Totally and permanently disabled" means the condition of having a medically  
 59.2 determinable physical or mental impairment that makes a person unable to engage in any  
 59.3 substantial gainful activity and that is expected to continue or has continued for a period of  
 59.4 at least one year or that is expected to result directly in the person's death.

59.5 Sec. 40. Minnesota Statutes 2024, section 356.302, subdivision 7, is amended to read:

59.6 Subd. 7. **Covered retirement plans.** This section applies to the following retirement  
 59.7 plans:

59.8 (1) the general state employees retirement plan of the Minnesota State Retirement System,  
 59.9 established by chapter 352;

59.10 (2) the unclassified state employees retirement program of the Minnesota State Retirement  
 59.11 System, established by chapter 352D;

59.12 (3) the general employees retirement plan of the Public Employees Retirement  
 59.13 Association, established by chapter 353;

59.14 (4) the Teachers Retirement Association, established by chapter 354;

59.15 (5) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

59.16 (6) the state correctional employees retirement plan of the Minnesota State Retirement  
 59.17 System, established by chapter 352;

59.18 (7) the State Patrol retirement plan, established by chapter 352B;

59.19 (8) the public employees police and fire plan of the Public Employees Retirement  
 59.20 Association, established by chapter 353;

59.21 (9) the local government correctional service retirement plan of the Public Employees  
 59.22 Retirement Association, established by chapter 353E; ~~and~~

59.23 (10) the judges retirement plan, established by chapter 490-; and

59.24 (11) the local government probation and telecommunicator retirement plan of the Public  
 59.25 Employees Retirement Association, established by chapter 353H.

59.26 Sec. 41. Minnesota Statutes 2024, section 356.303, subdivision 4, is amended to read:

59.27 Subd. 4. **Covered retirement plans.** This section applies to the following retirement  
 59.28 plans:

59.29 (1) the legislators retirement plan, established by chapter 3A;

60.1 (2) the general state employees retirement plan of the Minnesota State Retirement System,  
60.2 established by chapter 352;

60.3 (3) the correctional state employees retirement plan of the Minnesota State Retirement  
60.4 System, established by chapter 352;

60.5 (4) the State Patrol retirement plan, established by chapter 352B;

60.6 (5) the elective state officers retirement plan, established by chapter 352C;

60.7 (6) the unclassified state employees retirement program, established by chapter 352D;

60.8 (7) the general employees retirement plan of the Public Employees Retirement  
60.9 Association, established by chapter 353;

60.10 (8) the public employees police and fire plan of the Public Employees Retirement  
60.11 Association, established by chapter 353;

60.12 (9) the local government correctional service retirement plan of the Public Employees  
60.13 Retirement Association, established by chapter 353E;

60.14 (10) the Teachers Retirement Association, established by chapter 354;

60.15 (11) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;  
60.16 ~~and~~

60.17 (12) the judges retirement fund, established by chapter 490.; and

60.18 (13) the local government probation and telecommunicator retirement plan of the Public  
60.19 Employees Retirement Association, established by chapter 353H.

60.20 Sec. 42. Minnesota Statutes 2024, section 356.315, subdivision 9, is amended to read:

60.21 Subd. 9. **Future benefit accrual rate increases.** After January 2, 1998, benefit accrual  
60.22 rate increases under section 352.115, subdivision 3; 352.87, subdivision 3; 352.93,  
60.23 subdivision 3; 352.95, subdivision 1; 352B.08, subdivision 2; 352B.10, subdivision 1;  
60.24 353.29, subdivision 3; 353.651, subdivision 3; 353.656, subdivision 1, 1a, or 3a; 353E.04,  
60.25 subdivision 3; 353E.06, subdivision 1; 353H.05, subdivision 1; 354.44, subdivision 6;  
60.26 354A.31, subdivision 4 or 4a; 356.30, subdivision 1; 490.121, subdivision 22; or 490.124,  
60.27 subdivision 1, must apply only to allowable service or formula service rendered after the  
60.28 effective date of the benefit accrual rate increase.

61.1 Sec. 43. Minnesota Statutes 2024, section 356.32, subdivision 2, is amended to read:

61.2 Subd. 2. **Covered retirement plans.** The provisions of this section apply to the following  
61.3 retirement plans:

61.4 (1) the general state employees retirement plan of the Minnesota State Retirement System,  
61.5 established under chapter 352;

61.6 (2) the correctional state employees retirement plan of the Minnesota State Retirement  
61.7 System, established under chapter 352;

61.8 (3) the State Patrol retirement plan, established under chapter 352B;

61.9 (4) the general employees retirement plan of the Public Employees Retirement  
61.10 Association, established under chapter 353;

61.11 (5) the public employees police and fire plan of the Public Employees Retirement  
61.12 Association, established under chapter 353;

61.13 (6) the local government correctional service retirement plan of the Public Employees  
61.14 Retirement Association, established under chapter 353E;

61.15 (7) the Teachers Retirement Association, established under chapter 354; ~~and~~

61.16 (8) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;  
61.17 and

61.18 (9) the local government probation and telecommunicator retirement plan of the Public  
61.19 Employees Retirement Association, established under chapter 353H.

61.20 Sec. 44. Minnesota Statutes 2024, section 356.401, subdivision 3, is amended to read:

61.21 Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following  
61.22 retirement plans:

61.23 (1) the legislators retirement plan, established by chapter 3A, including constitutional  
61.24 officers as specified in that chapter;

61.25 (2) the general state employees retirement plan of the Minnesota State Retirement System,  
61.26 established by chapter 352;

61.27 (3) the correctional state employees retirement plan of the Minnesota State Retirement  
61.28 System, established by chapter 352;

61.29 (4) the State Patrol retirement plan, established by chapter 352B;

61.30 (5) the unclassified state employees retirement program, established by chapter 352D;

- 62.1 (6) the general employees retirement plan of the Public Employees Retirement  
 62.2 Association, established by chapter 353;
- 62.3 (7) the public employees police and fire plan of the Public Employees Retirement  
 62.4 Association, established by chapter 353;
- 62.5 (8) the public employees defined contribution plan, established by chapter 353D;
- 62.6 (9) the local government correctional service retirement plan of the Public Employees  
 62.7 Retirement Association, established by chapter 353E;
- 62.8 (10) the statewide lump-sum volunteer firefighter plan, established by chapter 353G;
- 62.9 (11) the Teachers Retirement Association, established by chapter 354;
- 62.10 (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;
- 62.11 (13) the individual retirement account plan, established by chapter 354B;
- 62.12 (14) the higher education supplemental retirement plan, established by chapter 354C;
- 62.13 ~~and~~
- 62.14 (15) the judges retirement fund, established by chapter 490-; and
- 62.15 (16) the local government probation and telecommunicator retirement plan of the Public  
 62.16 Employees Retirement Association, established by chapter 353H.

62.17 Sec. 45. Minnesota Statutes 2024, section 356.415, is amended by adding a subdivision  
 62.18 to read:

62.19 Subd. 1h. Annual postretirement adjustments; Public Employees Retirement  
 62.20 Association; local government probation and telecommunicator plan. (a) Annuities,  
 62.21 disability benefits, and survivor benefits paid from the local government probation and  
 62.22 telecommunicator retirement plan of the Public Employees Retirement Association must  
 62.23 be increased, effective as of January 1, each year by the percentage of increase determined  
 62.24 under this subdivision. The increase to the annuity or benefit must be determined by  
 62.25 multiplying the monthly amount of the annuity or benefit by the percentage of increase  
 62.26 specified in paragraph (b) after taking into account any reduction to the percentage or  
 62.27 increase required under paragraph (d).

62.28 (b) Effective January 1, 2027, and each January 1 thereafter, the percentage of increase  
 62.29 is one percent unless the federal Social Security Administration has announced a  
 62.30 cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last  
 62.31 quarter of the preceding calendar year that is greater than one percent. If the cost-of-living

63.1 adjustment announced by the federal Social Security Administration is greater than one  
 63.2 percent, the percentage of increase must be the same as the cost-of-living adjustment  
 63.3 announced. The percentage of increase must not exceed the applicable maximum percentage  
 63.4 under paragraph (c).

63.5 (c) On January 1 each year, the applicable maximum percentage is 1.75 percent. The  
 63.6 applicable maximum percentage is 1.5 percent if:

63.7 (1) the market value of assets is equal to or less than 85 percent of the actuarial accrued  
 63.8 liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial  
 63.9 valuations; or

63.10 (2) the market value of assets is equal to or less than 80 percent of the actuarial accrued  
 63.11 liabilities as reported by the plan's actuary in the most recent annual actuarial valuation.

63.12 (d)(1) If the recipient of an annuity, disability benefit, or survivor benefit has been  
 63.13 receiving the annuity or benefit for at least 12 months as of June 30 of the calendar year  
 63.14 immediately preceding the effective date of the increase, there is no reduction in the  
 63.15 percentage of increase.

63.16 (2) If the recipient of an annuity, disability benefit, or survivor benefit has been receiving  
 63.17 the annuity or benefit for at least one month, but less than 12 months, as of June 30 of the  
 63.18 calendar year immediately preceding the effective date of the increase, the percentage of  
 63.19 increase is multiplied by a ratio of the number of months the annuity or benefit was received  
 63.20 as of June 30 of the preceding calendar year to 12.

63.21 (e) An increase in annuity or benefit payments under this subdivision must be made  
 63.22 automatically unless written notice is filed by the recipient with the executive director of  
 63.23 the Public Employees Retirement Association requesting that the increase not be made.

63.24 Sec. 46. Minnesota Statutes 2024, section 356.415, subdivision 2, is amended to read:

63.25 Subd. 2. **Covered retirement plans.** The provisions of this section apply to the following  
 63.26 retirement plans:

63.27 (1) the legislators retirement plan<sub>2</sub>, established under chapter 3A, including constitutional  
 63.28 officers as specified in that chapter;

63.29 (2) the correctional state employees retirement plan of the Minnesota State Retirement  
 63.30 System<sub>2</sub>, established under chapter 352;

63.31 (3) the general state employees retirement plan of the Minnesota State Retirement System<sub>2</sub>,  
 63.32 established under chapter 352;

- 64.1 (4) the State Patrol retirement plan, established under chapter 352B;
- 64.2 (5) the general employees retirement plan of the Public Employees Retirement  
64.3 Association, established under chapter 353;
- 64.4 (6) the public employees police and fire retirement plan of the Public Employees  
64.5 Retirement Association, established under chapter 353;
- 64.6 (7) the local government correctional employees retirement plan of the Public Employees  
64.7 Retirement Association, established under chapter 353E;
- 64.8 (8) the teachers retirement plan, established under chapter 354; ~~and~~
- 64.9 (9) the judges retirement plan, established under chapter 490; and
- 64.10 (10) the local government probation and telecommunicator retirement plan of the Public  
64.11 Employees Retirement Association, established under chapter 353H.
- 64.12 Sec. 47. Minnesota Statutes 2024, section 356.461, subdivision 2, is amended to read:
- 64.13 Subd. 2. **Covered plans.** This section applies to the following retirement plans:
- 64.14 (1) the legislators retirement plan, established under chapter 3A, including constitutional  
64.15 officers as specified in that chapter;
- 64.16 (2) the correctional state employees retirement plan of the Minnesota State Retirement  
64.17 System, established under chapter 352;
- 64.18 (3) the general state employees retirement plan of the Minnesota State Retirement System,  
64.19 established under chapter 352;
- 64.20 (4) the State Patrol retirement plan, established under chapter 352B;
- 64.21 (5) the unclassified state employees retirement program of the Minnesota State Retirement  
64.22 System, established under chapter 352D;
- 64.23 (6) the judges retirement plan, established under chapter 490;
- 64.24 (7) the general employees retirement plan of the Public Employees Retirement  
64.25 Association, established under chapter 353;
- 64.26 (8) the public employees police and fire retirement plan of the Public Employees  
64.27 Retirement Association, established under chapter 353;
- 64.28 (9) the local government correctional service retirement plan of the Public Employees  
64.29 Retirement Association, established under chapter 353E; ~~and~~
- 64.30 (10) the Teachers Retirement Association, established under chapter 354; and

65.1 (11) the local government probation and telecommunicator retirement plan of the Public  
 65.2 Employees Retirement Association, established under chapter 353H.

65.3 Sec. 48. Minnesota Statutes 2024, section 356.465, subdivision 3, is amended to read:

65.4 Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following  
 65.5 retirement plans:

65.6 (1) the general state employees retirement plan of the Minnesota State Retirement System,  
 65.7 established under chapter 352;

65.8 (2) the correctional state employees retirement plan of the Minnesota State Retirement  
 65.9 System, established under chapter 352;

65.10 (3) the State Patrol retirement plan, established under chapter 352B;

65.11 (4) the legislators retirement plan, established under chapter 3A;

65.12 (5) the judges retirement plan, established under chapter 490;

65.13 (6) the general employees retirement plan of the Public Employees Retirement  
 65.14 Association, established under chapter 353;

65.15 (7) the public employees police and fire plan of the Public Employees Retirement  
 65.16 Association, established under chapter 353;

65.17 (8) the teachers retirement plan, established under chapter 354;

65.18 (9) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;  
 65.19 ~~and~~

65.20 (10) the local government correctional service retirement plan of the Public Employees  
 65.21 Retirement Association, established under chapter 353E; and

65.22 (11) the local government probation and telecommunicator retirement plan of the Public  
 65.23 Employees Retirement Association, established under chapter 353H.

65.24 Sec. 49. Minnesota Statutes 2024, section 356.47, subdivision 3, is amended to read:

65.25 Subd. 3. **Payment.** (a) Beginning one year after the reemployment withholding period  
 65.26 ends relating to the reemployment that gave rise to the limitation, and the filing of a written  
 65.27 application, the retired member is entitled to the payment, in a lump sum, of the value of  
 65.28 the person's amount under subdivision 2, plus annual compound interest. For the general  
 65.29 state employees retirement plan, the correctional state employees retirement plan, the general  
 65.30 employees retirement plan of the Public Employees Retirement Association, the public

66.1 employees police and fire retirement plan, the local government correctional employees  
66.2 retirement plan, the local government probation and telecommunicator retirement plan, and  
66.3 the teachers retirement plan, the annual interest rate is six percent from the date on which  
66.4 the amount was deducted from the retirement annuity to the date of payment or until January  
66.5 1, 2011, whichever is earlier, and no interest after January 1, 2011. For the St. Paul Teachers  
66.6 Retirement Fund Association, the annual interest is the rate of six percent from the date that  
66.7 the amount was deducted from the retirement annuity to the date of payment or June 30,  
66.8 2011, whichever is earlier, and with no interest accrual after June 30, 2011.

66.9 (b) The written application must be on a form prescribed by the chief administrative  
66.10 officer of the applicable retirement plan.

66.11 (c) If the retired member dies before the payment provided for in paragraph (a) is made,  
66.12 the amount is payable, upon written application, to the deceased person's surviving spouse,  
66.13 or if none, to the deceased person's designated beneficiary, or if none, to the deceased  
66.14 person's estate.

66.15 (d) If the amount under subdivision 2 is an eligible rollover distribution as defined in  
66.16 section 356.633, subdivision 1, paragraph (d), the applicable retirement plan shall provide  
66.17 notice and an election:

66.18 (1) to the member regarding the member's right to elect a direct rollover under section  
66.19 356.633, subdivisions 1 and 2, in lieu of a direct payment; or

66.20 (2) if paragraph (c) applies and the amount is to be paid to a person who is a distributee  
66.21 as defined in section 356.633, subdivision 1, paragraph (b), to the distributee regarding the  
66.22 distributee's right to elect a direct rollover under section 356.633, subdivisions 1 and 2, in  
66.23 lieu of a direct payment.

66.24 Sec. 50. Minnesota Statutes 2024, section 356.48, subdivision 1, is amended to read:

66.25 Subdivision 1. **Covered plans.** This section applies to the following retirement plans:

66.26 (1) the general state employees retirement plan of the Minnesota State Retirement System,  
66.27 established under chapter 352;

66.28 (2) the correctional state employees retirement plan of the Minnesota State Retirement  
66.29 System, established under chapter 352;

66.30 (3) the State Patrol retirement plan, established under chapter 352B;

66.31 (4) the unclassified state employees retirement program of the Minnesota State Retirement  
66.32 System, established under chapter 352D;

67.1 (5) the general employee retirement plan of the Public Employees Retirement Association,  
67.2 established under chapter 353;

67.3 (6) the public employees police and fire retirement plan, established under chapter 353;

67.4 (7) the local government correctional employees retirement plan of the Public Employees  
67.5 Retirement Association, established under chapter 353E;

67.6 (8) the Teachers Retirement Association, established under chapter 354;

67.7 (9) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;

67.8 ~~and~~

67.9 (10) the uniform judicial retirement plan, established under chapter 490.; and

67.10 (11) the local government probation and telecommunicator retirement plan of the Public  
67.11 Employees Retirement Association, established under chapter 353H.

67.12 Sec. 51. Minnesota Statutes 2024, section 356.611, subdivision 6, is amended to read:

67.13 Subd. 6. **Covered retirement plan.** As used in this section, "covered retirement plan"  
67.14 means any of the following plans:

67.15 (1) the legislator's retirement plan, established by chapter 3A, including constitutional  
67.16 officers as specified in that chapter;

67.17 (2) the general state employees retirement plan of the Minnesota State Retirement System,  
67.18 established by chapter 352;

67.19 (3) the correctional state employees retirement plan of the Minnesota State Retirement  
67.20 System, established by chapter 352;

67.21 (4) the State Patrol retirement plan, established by chapter 352B;

67.22 (5) the unclassified state employees retirement plan, established by chapter 352D;

67.23 (6) the general employees retirement plan of the Public Employees Retirement  
67.24 Association, established by chapter 353;

67.25 (7) the public employees police and fire retirement plan of the Public Employees  
67.26 Retirement Association, established by chapter 353;

67.27 (8) the public employees defined contribution plan, established by chapter 353D;

67.28 (9) the local government correctional service retirement plan of the Public Employees  
67.29 Retirement Association, established by chapter 353E;

67.30 (10) the statewide volunteer firefighter retirement plan, established by chapter 353G;

- 68.1 (11) the Teachers Retirement Association, established by chapter 354;
- 68.2 (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;
- 68.3 (13) the higher education individual retirement account plan, established by chapter
- 68.4 354B;
- 68.5 (14) the higher education supplemental retirement plan, established by chapter 354C;
- 68.6 (15) a retirement plan of a volunteer firefighter retirement association subject to chapter
- 68.7 424A;
- 68.8 (16) the judges retirement plan, established by chapter 490; ~~or~~
- 68.9 (17) the Bloomington Fire Department Relief Association governed by Laws 2013,
- 68.10 chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws
- 68.11 1965, chapter 446, as amended; or
- 68.12 (18) the local government probation and telecommunicator retirement plan of the Public
- 68.13 Employees Retirement Association, established under chapter 353H.

68.14 Sec. 52. **TRANSFER OF ASSETS.**

68.15 Subdivision 1. Definitions. (a) For purposes of this section, unless the language or

68.16 context indicates that a different meaning is intended, the following terms have the meanings

68.17 given.

68.18 (b) "Executive director" means the executive director of the Public Employees Retirement

68.19 Association appointed under Minnesota Statutes, section 353.03, subdivision 3a.

68.20 (c) "General plan" means the general employees retirement plan of the Public Employees

68.21 Retirement Association.

68.22 (d) "Probation and telecommunicator plan" means the local government probation and

68.23 telecommunicator retirement plan of the Public Employees Retirement Association.

68.24 Subd. 2. Transfer of assets. (a) No later than 15 days after January 1, 2027, the assets

68.25 attributable to the members of the general plan whose retirement plan coverage is transferred

68.26 from the general plan to the probation and telecommunicator plan on January 1, 2027, must

68.27 be transferred from the general employees retirement fund to the local government probation

68.28 and telecommunicator retirement fund.

68.29 (b) The executive director must direct the actuary retained by the Public Employees

68.30 Retirement Association under Minnesota Statutes, section 356.214, subdivision 1, to calculate

68.31 the amount of assets to be transferred under paragraph (a). The amount of assets to be

69.1 transferred must be calculated as provided in the applicable appendix to the standards for  
 69.2 actuarial work adopted under Minnesota Statutes, section 3.85, subdivision 10.

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

69.4 Sec. 53. **EFFECTIVE DATE.**

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

69.7 **ARTICLE 6**

69.8 **PROBATION AND TELECOMMUNICATOR PLANS; TRANSFERS FROM THE**  
 69.9 **GENERAL FUND; TEMPORARY REDUCTION IN EMPLOYEE CONTRIBUTION**  
 69.10 **RATES**

69.11 Section 1. **TRANSFERS FROM THE GENERAL FUND TO THE PENSION FUNDS**  
 69.12 **FOR PROBATION OFFICERS AND TELECOMMUNICATORS.**

69.13 Subdivision 1. **Transfer to the local government probation and telecommunicator**  
 69.14 **retirement fund.** \$2,610,000 in fiscal year 2027 is transferred from the general fund to the  
 69.15 local government probation and telecommunicator retirement fund established by Minnesota  
 69.16 Statutes, section 353H.02, subdivision 1. This is a onetime transfer. This transfer must be  
 69.17 made no later than January 15, 2027.

69.18 Subd. 2. **Transfer to the general state employees retirement fund.** \$390,000 in fiscal  
 69.19 year 2027 is transferred from the general fund to the general state employees retirement  
 69.20 fund established by Minnesota Statutes, section 352.04, subdivision 1, for the benefit of the  
 69.21 probation officers and public safety telecommunicators as defined by Minnesota Statutes,  
 69.22 section 352.88, subdivision 2, clauses (i) and (j), respectively. This is a onetime transfer.  
 69.23 This transfer must be made no later than January 15, 2027.

69.24 Sec. 2. **TEMPORARY REDUCTION OF EMPLOYEE CONTRIBUTION RATES.**

69.25 Subdivision 1. **Employee contributions to the MSRS probation and telecommunicator**  
 69.26 **subplan.** The additional employee contribution required under Minnesota Statutes, section  
 69.27 352.88, subdivision 5, paragraph (a), is reduced from 2.71 percent of salary to two percent  
 69.28 of salary through August 31, 2028.

69.29 Subd. 2. **Employee contributions to the PERA probation and telecommunicator**  
 69.30 **plan.** The employee contribution required under Minnesota Statutes, section 353H.04,  
 69.31 subdivision 1, paragraph (a), is reduced from 8.82 percent of salary to eight percent of salary  
 69.32 through August 31, 2028.

70.1 Subd. 3. **Expiration.** This section expires September 1, 2028.

70.2 Sec. 3. **EFFECTIVE DATE.**

70.3 Sections 1 and 2 are effective January 1, 2027.

70.4 **ARTICLE 7**

70.5 **VOLUNTEER FIREFIGHTERS**

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

70.7 Subd. 4. **Periodic audit; biennial actuarial valuation; ~~biennial~~ annual funding**

70.8 **report.** (a) The legislative auditor shall periodically audit the retirement fund.

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

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

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

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

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

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

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

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

71.9 (3) The amount of the assets calculated under clause (2) must be subtracted from the  
71.10 amount of the total accrued liability calculated under clause (1). If the amount of the assets  
71.11 exceeds the amount of the total accrued liability, then the account is considered to have a  
71.12 surplus over full funding. If the amount of the assets is less than the amount of the total  
71.13 accrued liability, then the account is considered to have a deficit from full funding. If the  
71.14 amount of assets is equal to the amount of the total accrued liability, then the account is  
71.15 considered to be fully funded.

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

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

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

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

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

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

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

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

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

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

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

72.29 Sec. 3. Minnesota Statutes 2024, section 424A.001, subdivision 8, is amended to read:

72.30 Subd. 8. **Firefighting service.** "Firefighting service" means duties performed by  
 72.31 firefighters and, if approved by the appropriate municipality or municipalities under section  
 72.32 424A.01, duties performed by fire prevention personnel and volunteer emergency medical  
 72.33 personnel.

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

73.2 Sec. 4. Minnesota Statutes 2024, section 424A.001, subdivision 9, is amended to read:

73.3 Subd. 9. **Separate from active service.** "Separate from active service" means ~~that a~~  
73.4 ~~firefighter~~ permanently ceases ceasing to perform ~~fire suppression duties and fire prevention~~  
73.5 ~~duties and, permanently ceases to supervise fire suppression, and fire prevention duties~~ all  
73.6 firefighting service with a particular fire department.

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

73.8 Sec. 5. Minnesota Statutes 2024, section 424A.001, subdivision 9a, is amended to read:

73.9 Subd. 9a. **Break in service.** "Break in service" means temporarily ceasing ~~all of the~~  
73.10 ~~following~~ to perform and supervise all firefighting service with a particular fire department.

73.11 ~~(1) performing fire suppression duties;~~

73.12 ~~(2) performing fire prevention duties;~~

73.13 ~~(3) supervising fire suppression duties; and~~

73.14 ~~(4) supervising fire prevention duties.~~

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

73.16 Sec. 6. Minnesota Statutes 2024, section 424A.001, subdivision 9b, is amended to read:

73.17 Subd. 9b. **Firefighter.** "Firefighter" means a person who is a member of a fire department  
73.18 and a volunteer firefighter, paid on-call firefighter, part-time firefighter, full-time firefighter,  
73.19 career firefighter, or any combination thereof and who, in that capacity, engages in  
73.20 firefighting service.

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

73.22 Sec. 7. **[424A.012] RETURN TO ACTIVE FIREFIGHTING SERVICE.**

73.23 Subdivision 1. **Return to active firefighting without prior receipt of pension or**  
73.24 **benefit.** (a) This subdivision governs the service pension calculation requirements of a  
73.25 firefighter who returns to active service after a break in service and who has not previously  
73.26 been paid a service pension or disability benefit from the relief association. This subdivision  
73.27 applies to all breaks in service, except that the resumption service requirements of this  
73.28 subdivision do not apply to leaves of absence made available by federal or state statute.

74.1 (b) If a firefighter who has a break in service of any duration resumes performing active  
74.2 firefighting with the fire department associated with the relief association and if permitted  
74.3 in the bylaws of the relief association, the firefighter may again become an active member  
74.4 of the relief association, subject to the requirements of this subdivision and the service  
74.5 pension calculation requirements under this section.

74.6 (c) A firefighter who has been granted an approved leave of absence not exceeding one  
74.7 year by the fire department or the relief association is exempt from any minimum period  
74.8 of resumption service requirement established under paragraph (f).

74.9 (d) A firefighter who has a break in service not exceeding one year but has not been  
74.10 granted an approved leave of absence may be made exempt from any minimum period of  
74.11 resumption service requirement established under paragraph (f).

74.12 (e) A firefighter may qualify to receive a service pension from the relief association for  
74.13 the original and resumption service periods if the firefighter:

74.14 (1) is a former firefighter who has not been paid a service pension or disability benefit;

74.15 (2) returns to active relief association membership under paragraph (b); and

74.16 (3) meets the service requirements of section 424A.016, subdivision 3, or 424A.02,  
74.17 subdivision 2, as applicable, and as defined in the bylaws in effect on the date of the  
74.18 firefighter's separation from active service, based on the original and resumption years of  
74.19 service credit.

74.20 (f) A defined benefit relief association may define in the relief association's bylaws a  
74.21 minimum period of resumption service requirement that applies to firefighters who return  
74.22 to active membership and who have not been paid a service pension or disability benefit  
74.23 for their original period of service. The service pension benefit level used to calculate any  
74.24 service pension payable for both the original and resumption service periods is:

74.25 (1) the service pension benefit level in effect on the date of the firefighter's separation  
74.26 from active resumption service if a minimum period of resumption service requirement is  
74.27 defined in the bylaws and is completed prior to a firefighter's cessation of resumption service  
74.28 or if no resumption service is defined in the bylaws; or

74.29 (2) the service pension benefit level in effect on the date of the firefighter's termination  
74.30 of original service if a minimum period of resumption service requirement is defined in the  
74.31 bylaws but is not completed prior to a firefighter's cessation of resumption service.

75.1 (g) Any service pension payable under this subdivision is less any amounts previously  
75.2 forfeited under section 424A.016, subdivision 4, or 424A.02, subdivision 3, paragraph (c),  
75.3 as applicable.

75.4 Subd. 2. Return to active firefighting after receipt of pension or benefit. (a) This  
75.5 subdivision governs the service pension calculation requirements of a firefighter who resumes  
75.6 performing active firefighting service with the fire department associated with the relief  
75.7 association after being paid a service pension or disability benefit from the relief association.  
75.8 The firefighter must wait at least 60 days following receipt of the pension or benefit before  
75.9 resuming active firefighting service with the fire department and, if permitted in the bylaws  
75.10 of the relief association, active membership in the relief association.

75.11 (b) A firefighter may qualify to receive a service pension from the relief association for  
75.12 the resumption service period if the firefighter:

75.13 (1) is a former firefighter who has been paid a service pension or disability benefit or is  
75.14 receiving a monthly benefit service pension;

75.15 (2) returns to active relief association membership; and

75.16 (3) meets the service requirements defined in the relief association's bylaws in effect on  
75.17 the date of the firefighter's separation from active service and, as applicable:

75.18 (i) paragraph (g);

75.19 (ii) section 424A.016, subdivision 3; or

75.20 (iii) section 424A.02, subdivision 2.

75.21 (c) For defined benefit relief associations, the service pension for the resumption service  
75.22 period must be calculated by applying the service pension benefit level in effect on the date  
75.23 of the firefighter's termination of resumption service for all years of the resumption service.

75.24 (d) For defined contribution relief associations, the service pension for the resumption  
75.25 service period must be calculated to include allocations credited to the firefighter's individual  
75.26 account during the resumption period of service and deductions for administrative expenses,  
75.27 if applicable.

75.28 (e) If provided in the bylaws, a firefighter who returns to active relief association  
75.29 membership may continue to collect a monthly service pension from the relief association,  
75.30 notwithstanding the requirement under section 424A.02, subdivision 1, that the firefighter  
75.31 has separated from active service.

76.1 (f) If a firefighter receiving a monthly benefit service pension returns to active monthly  
 76.2 benefit relief association membership under paragraph (b):

76.3 (1) the firefighter's monthly service pension payments are suspended as of the first day  
 76.4 of the month next following the date on which the firefighter returns to active membership  
 76.5 if the relief association bylaws prohibit the firefighter from collecting a monthly service  
 76.6 pension;

76.7 (2) the firefighter is entitled to an additional monthly benefit service pension upon a  
 76.8 subsequent cessation of duties calculated based on the resumption service credit and the  
 76.9 service pension accrual amount in effect on the date of the termination of the resumption  
 76.10 service; and

76.11 (3) if the monthly service pension payments were suspended under clause (1), the  
 76.12 suspended initial service pension resumes as of the first of the month next following the  
 76.13 termination of the resumption service.

76.14 (g) A relief association may define in the relief association's bylaws vesting requirements  
 76.15 that apply solely to former firefighters who have been paid a service pension or disability  
 76.16 benefit and subsequently return to active relief association membership. If a relief association  
 76.17 elects to define vesting requirements that are applicable solely to these former firefighters,  
 76.18 the requirements may be different than the requirements for all other relief association  
 76.19 members and need not comply with the service requirements of section 424A.016, subdivision  
 76.20 3, or 424A.02, subdivision 2, as applicable, but cannot require more than 20 years of active  
 76.21 service for full vesting.

76.22 (h) No firefighter may be paid a service pension more than once for the same period of  
 76.23 service.

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

76.25 Sec. 8. Minnesota Statutes 2024, section 424A.014, subdivision 1, is amended to read:

76.26 Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited  
 76.27 financial statements in accordance with paragraphs (c) to (e) must be submitted by the board  
 76.28 of trustees of the Bloomington Fire Department Relief Association and the board of trustees  
 76.29 of each firefighters relief association with special fund assets of at least ~~\$750,000~~ \$1,000,000  
 76.30 or special fund liabilities of at least ~~\$750,000~~ \$1,000,000, according to ~~any~~ the previous  
 76.31 year's financial report.

76.32 (b) The board of trustees of a firefighters relief association with special fund assets of  
 76.33 less than ~~\$750,000~~ \$1,000,000 and special fund liabilities of less than ~~\$750,000~~ \$1,000,000,

77.1 according to ~~each~~ the previous year's financial report, may submit an annual financial report  
 77.2 and audited financial statements in accordance with paragraphs (c) to (e). If the special fund  
 77.3 assets or special fund liabilities of a firefighters relief association to which this paragraph  
 77.4 applies subsequently exceed \$1,000,000 as of the beginning of a calendar year, then an  
 77.5 annual financial report and audited financial statements are required under paragraph (a),  
 77.6 beginning with reports filed with the state auditor in the calendar year following the calendar  
 77.7 year in which the \$1,000,000 threshold was exceeded.

77.8 (c) The financial report must cover the relief association's special fund and general fund  
 77.9 and be in the style and form prescribed by the state auditor. The financial report must be  
 77.10 countersigned by:

77.11 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief  
 77.12 association is located if the relief association is directly associated with a municipal fire  
 77.13 department;

77.14 (2) the municipal clerk or clerk-treasurer of the largest municipality in population that  
 77.15 contracts with the independent nonprofit firefighting corporation if the firefighters relief  
 77.16 association is a subsidiary of an independent nonprofit firefighting corporation, and by the  
 77.17 secretary of the independent nonprofit firefighting corporation; or

77.18 (3) the chief financial official of the county in which the firefighters relief association  
 77.19 is located or primarily located if the relief association is associated with a fire department  
 77.20 that is not located in or associated with an organized municipality.

77.21 (d) The financial report must be retained in the office of the Bloomington Fire Department  
 77.22 Relief Association or the firefighters relief association for public inspection and must be  
 77.23 filed with the governing body of the government subdivision in which the associated fire  
 77.24 department is located after the close of the fiscal year. One copy of the financial report must  
 77.25 be furnished to the state auditor on or before June 30 after the close of the fiscal year.

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

77.32 **EFFECTIVE DATE.** This section is effective December 31, 2026, and applies to  
 77.33 audited financial statements for calendar year 2026 and thereafter. A relief association with  
 77.34 special fund assets of less than \$1,000,000 and special fund liabilities of less than \$1,000,000

78.1 on December 31, 2026, is not required to submit audited financial statements under Minnesota  
78.2 Statutes, section 424A.014, subdivision 1, unless and until the association's special fund  
78.3 assets or special fund liabilities exceed \$1,000,000, even if audited financial statements  
78.4 were required on the date immediately prior to December 31, 2026.

78.5 Sec. 9. Minnesota Statutes 2024, section 424A.016, subdivision 4, is amended to read:

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

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

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

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

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

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

78.20 (ii) any member who terminated active service before becoming 100 percent vested in  
78.21 the member's account under subdivision 2, paragraph (b), and any applicable provision of  
78.22 the bylaws of the relief association.

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

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

78.30 (e) Amounts to be credited to individual accounts under paragraph (b) must be allocated  
78.31 uniformly for all years of active service and allocations must be made for all years of service,  
78.32 except for caps on service credit if so provided in the bylaws of the relief association.

79.1 Amounts forfeited under paragraph (b), clause (3), before a resumption of active service  
 79.2 and membership under section ~~424A.01, subdivision 6~~, 424A.012 remain forfeited and may  
 79.3 not be reinstated upon the resumption of active service and membership. The allocation  
 79.4 method may utilize monthly proration for fractional years of service, as the bylaws or articles  
 79.5 of incorporation of the relief association so provide. The bylaws or articles of incorporation  
 79.6 may define a "month," but the definition must require a calendar month to have at least 16  
 79.7 days of active service. If the bylaws or articles of incorporation do not define a "month," a  
 79.8 "month" is a completed calendar month of active service measured from the member's date  
 79.9 of entry to the same date in the subsequent month.

79.10 (f) At the time that the payment of a service pension commences under subdivision 2  
 79.11 and any applicable provision of the bylaws of the relief association, a retiring member is  
 79.12 entitled to that portion of the assets of the special fund to the credit of the member in the  
 79.13 individual member account which is nonforfeitable under subdivision 3 and any applicable  
 79.14 provision of the bylaws of the relief association based on the number of years of service to  
 79.15 the credit of the retiring member.

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

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

79.20 Sec. 10. Minnesota Statutes 2025 Supplement, section 424A.016, subdivision 6, is amended  
 79.21 to read:

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

79.28 (b) A deferred member is entitled to receive a deferred service pension as soon as  
 79.29 practicable after the member submits a valid written application for the distribution and  
 79.30 complies with any conditions as to age prescribed by the relief association's bylaws.

79.31 (c) A defined contribution relief association must credit ~~interest or~~ additional investment  
 79.32 performance on the deferred lump-sum service pension during the period of deferral for all  
 79.33 deferred members on or after January 1, 2021. A defined contribution relief association

80.1 may specify in its bylaws the method by which it will credit ~~interest~~ or additional investment  
 80.2 performance to the accounts of deferred members. Such method shall be limited to one of  
 80.3 the three methods provided in this paragraph. In the event the bylaws do not specify a  
 80.4 method, the ~~interest~~ or additional investment performance must be credited using the method  
 80.5 defined in clause (3). The permissible methods are:

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

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

80.12 (3) at the investment return on the assets of the special fund of the defined contribution  
 80.13 relief association in proportion to the share of the assets of the special fund to the credit of  
 80.14 each individual deferred member account.

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

80.18 (e) Unless the bylaws provide differently, ~~interest~~ or additional investment performance  
 80.19 must be allocated to each deferred member account beginning on the date that the member  
 80.20 separates from active service and membership and ending on the last date that the deferred  
 80.21 member account is valued before the final distribution of the deferred service pension.

80.22 (f) Notwithstanding the requirements of section 424A.015, subdivision 6, a relief  
 80.23 association that amends its bylaws to lower the required minimum retirement age may  
 80.24 specify in the bylaws amendment that the lower minimum retirement age applies to members  
 80.25 who separated from active service and membership prior to the effective date of the bylaws  
 80.26 amendment.

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

80.28 Sec. 11. Minnesota Statutes 2025 Supplement, section 424A.05, subdivision 3, is amended  
 80.29 to read:

80.30 Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from the  
 80.31 special fund may not be made for any purpose other than one of the following:

81.1 (1) for the payment or direct rollover under section 356.633 of service pensions to  
81.2 members of the relief association if authorized and paid under law and the bylaws governing  
81.3 the relief association;

81.4 (2) for the purchase of an annuity for the applicable person under section 424A.015,  
81.5 subdivision 3, or to replace a monthly benefit service pension under section 424A.093,  
81.6 subdivision 1;

81.7 (3) for the payment or direct rollover under section 356.633 of temporary or permanent  
81.8 disability benefits to disabled members of the relief association if authorized and paid under  
81.9 law and specified in amount in the bylaws governing the relief association;

81.10 (4) for the payment or direct rollover under section 356.633 of survivor benefits or for  
81.11 the payment of a death benefit to the estate of the deceased active or deferred firefighter, if  
81.12 authorized and paid under law and specified in amount in the bylaws governing the relief  
81.13 association;

81.14 (5) for the payment of the fees, dues and assessments to the Minnesota State Fire  
81.15 Department Association and to the Minnesota State Fire Chiefs Association in order to  
81.16 entitle relief association members to membership in and the benefits of these associations  
81.17 or organizations;

81.18 (6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit  
81.19 Association, or an insurance company licensed by the state of Minnesota offering casualty  
81.20 insurance, in order to entitle relief association members to membership in and the benefits  
81.21 of the association or organization;

81.22 (7) for the payment of administrative expenses of the relief association as authorized  
81.23 under subdivision 3b; and

81.24 (8) for the payment or direct rollover under section 356.633 of a service pension to the  
81.25 former spouse of a member or former member of a relief association, if the former spouse  
81.26 is an alternate payee designated in a qualified domestic relations order under subdivision  
81.27 5.

81.28 (b) Checks or authorizations for electronic fund transfers for disbursements authorized  
81.29 by this section must be signed by the relief association treasurer and at least one other elected  
81.30 trustee who has been designated by the board of trustees to sign the checks or authorizations.  
81.31 A relief association may make disbursements authorized by this subdivision by electronic  
81.32 fund transfers only if the specific method of payment and internal control policies and  
81.33 procedures regarding the method are approved by the board of trustees.

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

82.2 Sec. 12. Minnesota Statutes 2024, section 424B.22, subdivision 5, is amended to read:

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

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

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

82.9 (3) ~~the present value of~~ any benefit remaining to be paid to ~~each~~ any retiree in pay status;  
82.10 ~~if any~~ and to any other benefit recipient; and

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

82.14 (b) The board of trustees ~~shall~~ must compile a schedule that includes the following  
82.15 information:

82.16 (1) the name of each participant, including each retiree in pay status, to whom ~~a~~ an  
82.17 accrued benefit ~~or pension~~ is or will be owed;

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

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

82.25 (c) If the relief association is dissolving, in addition to the determination under paragraph  
82.26 (a) for the retirement plan, the board of trustees ~~shall~~ must determine, as of the effective  
82.27 date of the dissolution of the relief association, the legal obligations of the general fund of  
82.28 the relief association.

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

83.1 Sec. 13. Minnesota Statutes 2024, section 424B.22, subdivision 7, is amended to read:

83.2 Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and  
 83.3 if, after completing the determination of assets, liabilities, and administrative expenses under  
 83.4 subdivision 5, ~~there is the retirement plan's assets exceed liabilities and administrative~~  
 83.5 expenses, resulting in a surplus, the board of trustees ~~shall~~ must transfer to the affiliated  
 83.6 municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required  
 83.7 contributions, without investment earnings or interest thereon, made by the municipality to  
 83.8 the relief association during the year in which the termination of the retirement plan occurs  
 83.9 or during the preceding nine years.

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

83.14 (c) If, within 180 days ~~of~~ after the date of termination of the retirement plan, the  
 83.15 municipality and relief association have not reached an agreement on the allocation of the  
 83.16 surplus under paragraph (b), then 50 percent of the surplus ~~shall~~ must be retained by the  
 83.17 relief association and 50 percent of the surplus ~~shall~~ must be transferred to the affiliated  
 83.18 municipality.

83.19 (d) Any surplus retained by the relief association under paragraph (c) ~~shall~~ must be  
 83.20 allocated among all participants eligible to share in the surplus under paragraph (e) in the  
 83.21 same proportion that the ~~present value of the~~ accrued benefit for each eligible participant  
 83.22 bears to the total ~~present value of the~~ accrued benefits of all participants eligible to share  
 83.23 in the surplus, and each eligible participant's accrued benefit, as determined under subdivision  
 83.24 5, paragraph (a), clause (2), ~~shall~~ must be increased by the participant's share of the surplus.  
 83.25 If a participant is receiving or has elected to receive a monthly pension, the participant's  
 83.26 accrued benefit for the purpose of allocating surplus is the lump sum present value of the  
 83.27 monthly pension benefit to which the participant is entitled to receive.

83.28 (e) The board of trustees ~~shall~~ must determine eligibility to share in the surplus, which  
 83.29 may include all participants and any former participants who, within the last three years or  
 83.30 such other number of years as determined by the board of trustees, separated from active  
 83.31 service and received their retirement benefit. If the board of trustees decides to include  
 83.32 former participants in the allocation of the surplus, the board of trustees ~~shall~~ must modify  
 83.33 the method for allocating the surplus to take into account the former participants.

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

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

84.5 Sec. 14. Minnesota Statutes 2024, section 424B.22, subdivision 8, is amended to read:

84.6 Subd. 8. **Immediate distribution of retirement benefits and payment of all other**  
 84.7 **obligations.** (a) The board of trustees ~~shall~~ must liquidate the assets of the special fund and  
 84.8 pay retirement benefits and administrative expenses under the retirement plan within 210  
 84.9 days after the effective date of the termination of the retirement plan.

84.10 (b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a  
 84.11 defined contribution plan, without regard to whether the participant has attained age 50, the  
 84.12 board of trustees must offer each participant and other benefit recipient ~~shall be permitted~~  
 84.13 the option to elect an immediate distribution or a direct rollover of the ~~participant's~~ benefit  
 84.14 to an eligible retirement plan as permitted under section 356.633, subdivisions 1 and 2, if  
 84.15 the benefit is an eligible rollover distribution as defined in section 356.633, subdivision 1,  
 84.16 paragraph (d).

84.17 (c) If the retirement plan is a defined benefit plan that pays monthly pension benefits,  
 84.18 the board of trustees ~~shall~~ must, at the election of the participant or other benefit recipient,  
 84.19 purchase an annuity contract under section 424A.015, subdivision 3, naming the participant  
 84.20 or other benefit recipient, as applicable, as the insured or distribute a lump-sum amount that  
 84.21 is equal to the present value of the monthly pension benefits to which the participant or  
 84.22 other benefit recipient is entitled. If an annuity is elected by the participant or other benefit  
 84.23 recipient, the annuity ~~shall~~ must provide for commencement at a date elected by the insured,  
 84.24 to be paid as an annuity for the life of the insured. The board of trustees must transfer legal  
 84.25 title to the annuity contract ~~shall be transferred~~ to the insured. If the participant or other  
 84.26 benefit recipient elects a lump sum is elected amount, the board of trustees must offer the  
 84.27 participant or other benefit recipient the option under paragraph (b) to take an immediate  
 84.28 distribution or a direct rollover ~~shall apply~~.

84.29 (d) The board of trustees ~~shall~~ must complete the distribution of all assets of the special  
 84.30 fund by making any remaining distributions or transfers as required under subdivision 9 on  
 84.31 behalf of participants or other benefit recipients who cannot be located or are ~~unresponsive~~  
 84.32 nonresponsive and paying any remaining administrative expenses related to the termination  
 84.33 of the plan.

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

85.2 Sec. 15. Minnesota Statutes 2024, section 424B.22, subdivision 9, as amended by Laws  
85.3 2026, chapter 56, section 36, is amended to read:

85.4 Subd. 9. **Missing or nonresponsive participants.** ~~(a) For purposes of this subdivision,~~  
85.5 ~~the terms defined in this subdivision have the meanings given them.~~

85.6 (b) "Retirement benefit" means:

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

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

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

85.12 (c) ~~"Individual retirement account" means an account that satisfies the requirements of~~  
85.13 ~~section 408(a) of the Internal Revenue Code which is established by an officer of the relief~~  
85.14 ~~association in the name of the participant or other benefit recipient at a financial institution~~  
85.15 ~~insured federally or by an approved credit union guaranty corporation.~~

85.16 ~~(d)~~ (a) If the board of trustees cannot locate a participant or other benefit recipient, the  
85.17 board of trustees ~~shall~~ must make a diligent effort to obtain a current address or other contact  
85.18 information as follows:

85.19 (1) send a notice to the address on file for the participant or other benefit recipient using  
85.20 certified mail;

85.21 (2) check with the Minnesota State Fire Department Association, the municipality, and  
85.22 any other employer of the participant;

85.23 (3) check with the participant's designated beneficiary on file with the relief association;  
85.24 and

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

85.26 ~~(e) The board of trustees shall~~ (b) The board of trustees must dispose of the retirement  
85.27 benefit of a participant or other benefit recipient under clause (1) or (2) if the board of  
85.28 trustees is unable to locate the participant or other benefit recipient after taking the actions  
85.29 described in paragraph (a) or the participant or other benefit recipient does not make an  
85.30 election of a distribution or direct rollover under subdivision 8, paragraph (b), or an annuity

86.1 or lump sum distribution or direct rollover under subdivision 8, paragraph (c). The board  
 86.2 of trustees must:

86.3 (1) transfer the retirement benefit to an individual retirement account that satisfies the  
 86.4 requirements of section 408(a) of the Internal Revenue Code and is established by an officer  
 86.5 of the relief association in the name of the participant or other benefit recipient at a federally  
 86.6 insured financial institution; or

86.7 (2) consider the retirement benefit abandoned and deposit funds in the amount of the  
 86.8 retirement benefit with the commissioner of commerce under chapter 345, notwithstanding  
 86.9 any laws to the contrary, including section 345.381, if the board of trustees is unable to  
 86.10 locate the participant or other benefit recipient after taking the actions described in paragraph  
 86.11 (d) or the participant or other benefit recipient does not elect to receive or rollover a  
 86.12 retirement benefit to which the participant or other benefit recipient is entitled.

86.13 (c) For the purpose of this subdivision, a retirement benefit that is a monthly pension or  
 86.14 annuity may be disposed of under paragraph (b) by converting the monthly pension or  
 86.15 annuity to a lump sum that is equal to the present value of the monthly pension or annuity  
 86.16 to which the participant or other benefit recipient is entitled.

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

86.18 **Sec. 16. TRANSFER OF MAPLE PLAIN FIRE DEPARTMENT RECORDS,**  
 86.19 **ASSETS, AND LIABILITIES FROM THE STATEWIDE VOLUNTEER**  
 86.20 **FIREFIGHTER PLAN.**

86.21 (a) No later than 60 days after the effective date, the executive director of the Public  
 86.22 Employees Retirement Plan must transfer the records, assets, and liabilities of the Maple  
 86.23 Plain fire department to the Maple Plain Fire Relief Association.

86.24 (b) Minnesota Statutes, section 353G.17, applies to the transfer under paragraph (a)  
 86.25 except as modified by clauses (1) to (9) of this paragraph.

86.26 (1) Subdivision 1, paragraph (b), clause (3), does not apply.

86.27 (2) Subdivision 1, paragraphs (c) and (d), do not apply.

86.28 (3) Subdivision 2, paragraph (a), clause (2), does not apply.

86.29 (4) Subdivision 2, paragraphs (b) and (c), do not apply.

86.30 (5) Subdivision 3, paragraph (a), is revised to require that the vote be conducted by the  
 86.31 board of trustees of the Maple Plain Fire Relief Association, rather than the executive director  
 86.32 of the Public Employees Retirement Association, and that the vote by members of the Maple

87.1 Plain Fire Relief Association must occur no earlier than four months before the effective  
 87.2 date and no later than 30 days after the effective date.

87.3 (6) Subdivision 3, paragraphs (c) to (e), do not apply.

87.4 (7) Subdivision 4, paragraph (a), is revised to require the Statewide Volunteer Firefighter  
 87.5 Plan to make the transfer described in paragraph (a) upon completion of the actions required  
 87.6 under Minnesota Statutes, section 353G.17, subdivisions 1 to 3, as revised by this section,  
 87.7 and to replace "as of the effective date identified in the notice under subdivision 1," with  
 87.8 "no later than 60 days after the effective date."

87.9 (8) Subdivision 5, paragraph (d), is revised to add at the end of paragraph (d): "For the  
 87.10 purpose of this section, the "value" of a firefighter's benefit means the amount determined  
 87.11 by multiplying the firefighter's years of service by the benefit level applicable to the  
 87.12 firefighter as determined under Minnesota Statutes, section 424B.22."

87.13 (9) Subdivision 6 is revised to delete the phrase "or the requirements of subdivision 2,  
 87.14 paragraph (b), are not met."

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

87.16 **Sec. 17. PENSION PAYMENTS AND PLAN TERMINATION.**

87.17 Upon completion of the transfer of records, assets, and liabilities under section 14 to the  
 87.18 Maple Plain Fire Relief Association, the Maple Plain Fire Relief Association must make  
 87.19 pension benefit payments in accordance with Minnesota Statutes, section 424B.22, as  
 87.20 amended and in effect on the date payments are made, and subsequently terminate and  
 87.21 dissolve the relief association in accordance with Minnesota law.

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

87.23 **Sec. 18. PAYMENT OF SUPPLEMENTAL BENEFITS.**

87.24 (a) The city of Maple Plain is authorized, but not required, to pay supplemental benefits  
 87.25 due under Minnesota Statutes, section 424A.10, to each qualified recipient or survivor, as  
 87.26 defined in Minnesota Statutes, section 424A.10, of the Maple Plain Fire Relief Association.  
 87.27 If the city of Maple Plain pays supplemental benefits, the city is eligible for reimbursement  
 87.28 from the commissioner of revenue under Minnesota Statutes, section 424A.10, for the  
 87.29 amount of supplemental benefits paid.

87.30 (b) If the city of Maple Plain pays supplemental benefits due under Minnesota Statutes,  
 87.31 section 424A.10, as authorized by paragraph (a), the Maple Plain Fire Relief Association

88.1 is deemed to have satisfied the requirement under Minnesota Statutes, section 424A.10, to  
 88.2 pay supplemental benefits.

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

88.4 Sec. 19. **REPEALER.**

88.5 Minnesota Statutes 2024, section 424A.01, subdivision 6, is repealed.

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

## 88.7 **ARTICLE 8**

### 88.8 **ALL PUBLIC PENSION PLANS**

88.9 Section 1. Minnesota Statutes 2024, section 43A.346, subdivision 8, is amended to read:

88.10 Subd. 8. ~~**No Service credit; contributions.**~~ (a) Notwithstanding any law to the contrary,  
 88.11 a person may not earn service credit in the Minnesota State Retirement System or the Public  
 88.12 Employees Retirement Association for employment covered under this section, and employer  
 88.13 contributions and payroll deductions for the retirement fund must not be made based on  
 88.14 earnings of a person working under this section.

88.15 (b) A person employed in a postretirement option position must not be required to make  
 88.16 payroll deduction contributions to the Minnesota State Retirement System or the Public  
 88.17 Employees Retirement Association during the period of postretirement option employment.

88.18 (c) The employer of a person in a postretirement option position who would otherwise  
 88.19 be covered by the general state employees retirement plan of the Minnesota State Retirement  
 88.20 System must make employer contributions to the general state employees retirement fund  
 88.21 as specified in section 352.04, subdivision 3, during the period of postretirement option  
 88.22 employment. The employer of the person in a postretirement option position who would  
 88.23 otherwise be covered by the general employees retirement plan of the Public Employees  
 88.24 Retirement Association must make employer and additional employer contributions to the  
 88.25 general employees retirement fund as specified in section 353.27, subdivisions 3 and 3a,  
 88.26 during the period of postretirement option employment.

88.27 (d) No change shall may be made to a monthly annuity or retirement allowance based  
 88.28 on employment under this section.

88.29 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
 88.30 beginning on or after January 1, 2027.

89.1 Sec. 2. Minnesota Statutes 2024, section 43A.346, subdivision 10, is amended to read:

89.2 Subd. 10. **Subsequent employment.** If a person has been in a postretirement option  
 89.3 position and accepts any other position in state or Metropolitan Council-paid service, in the  
 89.4 subsequent state or Metropolitan Council-paid employment the person may not earn service  
 89.5 credit in the Minnesota State Retirement System or Public Employees Retirement  
 89.6 Association, no ~~employer contributions or payroll deductions for the retirement fund shall~~  
 89.7 may be made, and the provisions of section 352.115, subdivision 10, or ~~section~~ 353.37,  
 89.8 ~~shall~~ apply.

89.9 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
 89.10 beginning on or after January 1, 2027.

89.11 Sec. 3. Minnesota Statutes 2024, section 352.01, subdivision 13, is amended to read:

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

89.15 (b) "Salary" does not include:

89.16 (1) lump-sum sick leave payments;

89.17 (2) severance payments;

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

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

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

89.24 (6) workers' compensation payments;

89.25 (7) employer contributions to a deferred compensation or tax-sheltered annuity program;  
 89.26 ~~and~~

89.27 (8) amounts contributed under a benevolent vacation and sick leave donation program;  
 89.28 and

89.29 (9) payments from the family and medical benefit insurance account for Minnesota paid  
 89.30 leave under chapter 268B.

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

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

90.8 (2) the amounts are salary as defined in paragraph (a) and the determination is consistent  
 90.9 with prior determinations.

90.10 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2026.

90.11 Sec. 4. Minnesota Statutes 2024, section 352.115, subdivision 10, is amended to read:

90.12 Subd. 10. **Reemployment of annuitant.** (a) Except for salary or wages received as a  
 90.13 temporary employee of the legislature during a legislative session, if any retired employee  
 90.14 again becomes entitled to receive salary or wages from any employer who employs state  
 90.15 employees as that term is defined in section 352.01, subdivision 2, in a position covered by  
 90.16 this chapter, the annuity or retirement allowance must cease the first of the month following  
 90.17 the month that the retired employee has earned an amount equal to the annual maximum  
 90.18 earnings allowable for that age for the continued receipt of full benefit amounts monthly  
 90.19 under the federal old age, survivors, and disability insurance program as set by the secretary  
 90.20 of health and human services under United States Code, title 42, section 403, in any calendar  
 90.21 year. If the retired employee has not yet reached the minimum age for the receipt of Social  
 90.22 Security benefits, the maximum earnings for the retired employee are equal to the annual  
 90.23 maximum earnings allowable for the minimum age for the receipt of Social Security benefits.

90.24 (b) The balance of the annual retirement annuity after cessation must be handled or  
 90.25 disposed of as provided in section 356.47.

90.26 (c) The annuity must be resumed the first of the month following the month that state  
 90.27 service ends, or, if the retired employee is still employed at the beginning of the next calendar  
 90.28 year, at the beginning of that calendar year, and payment must again end when the retired  
 90.29 employee has earned the applicable reemployment earnings maximum specified in this  
 90.30 subdivision. If the retired employee is granted a sick leave without pay, but not otherwise,  
 90.31 the annuity or retirement allowance must be resumed during the period of sick leave.

90.32 (d) No payroll deductions for the retirement fund may be made from the earnings of a  
 90.33 reemployed retired employee.

91.1 (e) No change may be made in the monthly amount of an annuity or retirement allowance  
91.2 because of the reemployment of an annuitant.

91.3 (f) If a reemployed annuitant whose annuity is suspended under paragraph (a) is having  
91.4 insurance premium amounts withheld under section 356.87, subdivision 2, insurance premium  
91.5 amounts must continue to be withheld and transferred from the suspended portion of the  
91.6 annuity. The balance of the annual retirement annuity after cessation, after deduction of the  
91.7 insurance premium amounts, must be treated as specified in paragraph (b).

91.8 (g) If a reemployed annuitant whose annuity is suspended under paragraph (a) has a  
91.9 former spouse receiving a portion of the annuity allowable under section 518.58, subdivision  
91.10 1, the portion payable to the former spouse must continue to be paid.

91.11 (h) During the period of reemployment, the employer of a reemployed annuitant must  
91.12 make employer contributions. If the reemployed annuitant is working in a position that  
91.13 would otherwise be covered by the general state employees retirement plan, the employer  
91.14 must make employer contributions as specified in section 352.04, subdivision 3. If the  
91.15 reemployed annuitant is working in a position that would otherwise be covered by the  
91.16 correctional state employees retirement plan, the employer must make employer and  
91.17 supplemental contributions as specified in section 352.92, subdivisions 2 and 2a.

91.18 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
91.19 beginning on or after January 1, 2027.

91.20 Sec. 5. Minnesota Statutes 2024, section 352.1155, subdivision 3, is amended to read:

91.21 Subd. 3. **Service credit ~~prohibition~~; contributions.** (a) Notwithstanding any law to the  
91.22 contrary, a person eligible under this section may not, based on employment to which the  
91.23 waiver in this section applies, earn further service credit in a Minnesota public defined  
91.24 benefit plan and is not eligible to participate in a Minnesota public defined contribution  
91.25 plan, other than a firefighter relief association governed by chapter 424A or the statewide  
91.26 volunteer firefighter plan governed by chapter 353G. ~~No employer or employee contribution~~  
91.27 ~~to any of these plans may be made on behalf of such a person.~~

91.28 (b) A person eligible under this section must not be required to make employee  
91.29 contributions as specified in section 352.04, subdivision 2, during the period of  
91.30 reemployment.

91.31 (c) The employer of a person eligible under this section must make employer contributions  
91.32 as specified in section 352.04, subdivision 3, during the period of the person's reemployment.

92.1 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
92.2 beginning on or after January 1, 2027.

92.3 Sec. 6. Minnesota Statutes 2024, section 353.01, subdivision 10, is amended to read:

92.4 Subd. 10. **Salary.** (a) Subject to the limitations of section 356.611, "salary" means:

92.5 (1) the wages or periodic compensation payable to a public employee by the employing  
92.6 governmental subdivision before:

92.7 (i) employee retirement deductions that are designated as picked-up contributions under  
92.8 section 356.62;

92.9 (ii) any employee-elected deductions for deferred compensation, supplemental retirement  
92.10 plans, or other voluntary salary reduction programs that would have otherwise been available  
92.11 as a cash payment to the employee; and

92.12 (iii) employee deductions for contributions to a supplemental plan or to a governmental  
92.13 trust established under section 356.24, subdivision 1, clause (7), to save for postretirement  
92.14 health care expenses, unless otherwise excluded under paragraph (b);

92.15 (2) for a public employee who is covered by a supplemental retirement plan under section  
92.16 356.24, subdivision 1, clause (8), (9), (10), or (12), the employer contributions to the  
92.17 applicable supplemental retirement plan when an agreement between the parties establishes  
92.18 that the contributions will either result in a mandatory reduction of employees' wages through  
92.19 payroll withholdings, or be made in lieu of an amount that would otherwise be paid as  
92.20 wages;

92.21 (3) a payment from a public employer through a grievance proceeding, settlement, or  
92.22 court order that is attached to a specific earnings period in which the employee's regular  
92.23 salary was not earned or paid to the member due to a suspension or a period of involuntary  
92.24 termination that is not a wrongful discharge under section 356.50; provided the amount is  
92.25 not less than the equivalent of the average of the hourly base salary rate in effect during the  
92.26 last six months of allowable service prior to the suspension or period of involuntary  
92.27 termination, plus any applicable increases awarded during the period that would have been  
92.28 paid under a collective bargaining agreement or personnel policy but for the suspension or  
92.29 involuntary termination, multiplied by the average number of regular hours for which the  
92.30 employee was compensated during the six months of allowable service prior to the suspension  
92.31 or period of involuntary termination, but not to exceed the compensation that the public  
92.32 employee would have earned if regularly employed during the applicable period;

93.1 (4) compensation paid during an authorized leave of absence, ~~other than an authorized~~  
 93.2 ~~medical leave of absence, as long as the compensation paid during a pay period is not less~~  
 93.3 ~~than the lesser of; and~~

93.4 ~~(i) the product of the average hourly base salary rate in effect during the six months of~~  
 93.5 ~~allowable service immediately preceding the leave, multiplied by the average number of~~  
 93.6 ~~regular hours for which the employee was compensated each pay period during the six~~  
 93.7 ~~months of allowable service immediately preceding the leave of absence; or~~

93.8 ~~(ii) compensation equal to the value of the employee's total available accrued leave~~  
 93.9 ~~hours;~~

93.10 ~~(5) compensation paid during an authorized medical leave of absence, other than a~~  
 93.11 ~~workers' compensation leave, as long as the compensation paid during a pay period is not~~  
 93.12 ~~less than the lesser of:~~

93.13 ~~(i) the product of one-half and the average hourly base salary rate in effect during the~~  
 93.14 ~~six months of allowable service immediately preceding the leave of absence; or~~

93.15 ~~(ii) compensation equal to the value of the employee's total available accrued leave~~  
 93.16 ~~hours; and~~

93.17 ~~(6)~~ (5) for a public employee who receives performance or merit bonus payment under  
 93.18 a written compensation plan, policy, or collective bargaining agreement in addition to regular  
 93.19 salary or in lieu of regular salary increases, the compensation paid to the employee for  
 93.20 attaining or exceeding performance goals, duties, or measures during a specified period of  
 93.21 employment.

93.22 (b) Salary does not mean:

93.23 (1) fees paid to district court reporters;

93.24 (2) unused annual leave, vacation, or sick leave payments, in the form of lump-sum or  
 93.25 periodic payments;

93.26 (3) for the donor, payment to another person of the value of hours donated under a  
 93.27 benevolent vacation, personal, or sick leave donation program;

93.28 (4) any form of severance or retirement incentive payments;

93.29 (5) an allowance payment or per diem payments for or reimbursement of expenses;

93.30 (6) lump-sum settlements not attached to a specific earnings period;

94.1 (7) workers' compensation payments, payments from the family and medical benefit  
94.2 insurance account for Minnesota paid leave under chapter 268B, or disability insurance  
94.3 payments, including payments from employer self-insurance arrangements;

94.4 (8) employer-paid amounts used by an employee toward the cost of insurance coverage,  
94.5 flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses,  
94.6 or any payments in lieu of any employer-paid group insurance coverage, including the  
94.7 difference between single and family rates that may be paid to a member with single coverage  
94.8 and certain amounts determined by the executive director to be ineligible;

94.9 (9) employer-paid fringe benefits, including, but not limited to:

94.10 (i) employer-paid premiums or supplemental contributions for employees for all types  
94.11 of insurance;

94.12 (ii) membership dues or fees for the use of fitness or recreational facilities;

94.13 (iii) incentive payments or cash awards relating to a wellness program;

94.14 (iv) the value of any nonmonetary benefits;

94.15 (v) any form of payment made in lieu of an employer-paid fringe benefit;

94.16 (vi) an employer-paid amount made to a deferred compensation or tax-sheltered annuity  
94.17 program; and

94.18 (vii) any amount paid by the employer as a supplement to salary, either as a lump-sum  
94.19 amount or a fixed or matching amount paid on a recurring basis, that is not available to the  
94.20 employee as cash;

94.21 (10) the amount equal to that which the employing governmental subdivision would  
94.22 otherwise pay toward single or family insurance coverage for a covered employee when,  
94.23 through a contract or agreement with some but not all employees, the employer:

94.24 (i) discontinues, or for new hires does not provide, payment toward the cost of the  
94.25 employee's selected insurance coverages under a group plan offered by the employer;

94.26 (ii) makes the employee solely responsible for all contributions toward the cost of the  
94.27 employee's selected insurance coverages under a group plan offered by the employer,  
94.28 including any amount the employer makes toward other employees' selected insurance  
94.29 coverages under a group plan offered by the employer; and

94.30 (iii) provides increased salary rates for employees who do not have any employer-paid  
94.31 group insurance coverages;

95.1 (11) except as provided in section ~~353.86~~ or 353.87, compensation of any kind paid to  
 95.2 volunteer ambulance service personnel or volunteer firefighters, as defined in subdivision  
 95.3 35 or 36;

95.4 (12) the amount of compensation that exceeds the limitation provided in section 356.611;

95.5 (13) amounts paid by a federal or state grant for which the grant specifically prohibits  
 95.6 grant proceeds from being used to make pension plan contributions, unless the contributions  
 95.7 to the plan are made from sources other than the federal or state grant; and

95.8 (14) bonus pay that is not performance or merit pay under paragraph (a), clause ~~(6)~~ (5).

95.9 (c) Amounts, other than those provided under paragraph (a), clause (3), provided to an  
 95.10 employee by the employer through a grievance proceeding, a court order, or a legal settlement  
 95.11 are salary only if the settlement or court order is reviewed by the executive director and the  
 95.12 amounts are determined by the executive director to be consistent with paragraph (a) and  
 95.13 prior determinations.

95.14 **EFFECTIVE DATE.** The amendments to paragraphs (a), clauses (4) and (5), and (b),  
 95.15 clause (11), are effective July 1, 2026. The amendment to paragraph (b), clause (7), is  
 95.16 effective retroactively from January 1, 2026.

95.17 Sec. 7. Minnesota Statutes 2024, section 353.37, subdivision 5, is amended to read:

95.18 Subd. 5. **Effect on annuity; contributions.** (a) Except as provided under this section,  
 95.19 public service performed by an annuitant described in subdivision 1, paragraph (a),  
 95.20 subsequent to retirement from the general employees retirement plan, the public employees  
 95.21 police and fire retirement plan, or the local government correctional employees retirement  
 95.22 plan does not increase or decrease the amount of an annuity.

95.23 (b) The annuitant ~~shall~~ must not make any further contributions to a defined benefit plan  
 95.24 administered by the association by reason of this subsequent public service.

95.25 (c) During the period of reemployment, the employer of a reemployed annuitant must  
 95.26 make employer contributions. If the reemployed annuitant is working in a position that  
 95.27 would otherwise be covered by the general employees retirement plan, the employer must  
 95.28 make employer and additional employer contributions as specified in section 353.27,  
 95.29 subdivisions 3 and 3a. If the reemployed annuitant is working in a position that would  
 95.30 otherwise be covered by the public employees police and fire retirement plan, the employer  
 95.31 must make employer contributions as specified in section 353.65, subdivision 3. If the  
 95.32 reemployed annuitant is working in a position that would otherwise be covered by the local

96.1 government correctional service retirement plan, the employer must make employer  
 96.2 contributions as specified in section 353E.03, subdivision 2.

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

96.4 Sec. 8. Minnesota Statutes 2024, section 353.371, subdivision 6, is amended to read:

96.5 Subd. 6. ~~No Service credit; contributions.~~ (a) Notwithstanding any law to the contrary,  
 96.6 a person may not earn allowable service in the general employees retirement plan of the  
 96.7 Public Employees Retirement Association for employment covered under this section, ~~and~~  
 96.8 ~~employer contributions and.~~

96.9 (b) Payroll deductions for the retirement fund must not be made based on earnings of a  
 96.10 person working under an agreement covered by this section.

96.11 (c) The employer of a person working under an agreement covered by this section must  
 96.12 make employer and additional employer contributions to the fund as specified in section  
 96.13 353.27, subdivisions 3 and 3a, during the term of employment under the phased retirement  
 96.14 agreement or renewed phased retirement agreement.

96.15 (d) No change may be made to a monthly annuity or retirement allowance based on  
 96.16 employment under this section.

96.17 ~~(b)~~ (e) The governmental subdivision ~~shall~~ must report to the executive director the  
 96.18 salary earned by an employee in a phased retirement position. The report must include the  
 96.19 number of compensated hours the employee worked and must be made on a pay period  
 96.20 basis in a manner prescribed by the executive director. Reports must be submitted no later  
 96.21 than 14 calendar days following the last day of each pay period.

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

96.23 Sec. 9. Minnesota Statutes 2024, section 353.371, subdivision 7, is amended to read:

96.24 Subd. 7. **Termination and subsequent employment.** (a) Upon termination of  
 96.25 employment under a phased retirement agreement, the governmental subdivision and  
 96.26 employee must inform the executive director, in a manner prescribed by the executive  
 96.27 director, of the effective date of the employee's termination of public service. The termination  
 96.28 from public service must meet the termination and length of separation requirements under  
 96.29 section 353.01, subdivisions 11a and 28.

96.30 (b) If a person previously employed under a phased retirement agreement subsequently  
 96.31 accepts employment with any other governmental subdivision, the person may not earn

97.1 allowable service in the general employees retirement plan of the Public Employees  
 97.2 Retirement Association, no ~~employer contributions or~~ payroll deductions for the retirement  
 97.3 fund may be made, and the provisions of section 353.37 apply to the subsequent employment.

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

97.5 Sec. 10. Minnesota Statutes 2024, section 354.05, subdivision 35, is amended to read:

97.6 Subd. 35. **Salary.** (a) Subject to the limitations of section 356.611, "salary" means the  
 97.7 periodic compensation, upon which member contributions are required before deductions  
 97.8 for deferred compensation, supplemental retirement plans, or other voluntary salary reduction  
 97.9 programs.

97.10 (b) "Salary" does not mean:

97.11 (1) lump-sum annual leave payments;

97.12 (2) lump-sum wellness and sick leave payments;

97.13 (3) employer-paid amounts used by an employee toward the cost of insurance coverage,  
 97.14 employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care  
 97.15 expense accounts, day care expenses, or any payments in lieu of any employer-paid group  
 97.16 insurance coverage, including the difference between single and family rates that may be  
 97.17 paid to a member with single coverage and certain amounts determined by the executive  
 97.18 director to be ineligible;

97.19 (4) any form of payment made in lieu of any other employer-paid fringe benefit or  
 97.20 expense;

97.21 (5) any form of severance payments;

97.22 (6) workers' compensation payments;

97.23 (7) disability insurance payments, including self-insured disability payments;

97.24 (8) payments to school principals and all other administrators for services that are in  
 97.25 addition to the normal work year contract if these additional services are performed on an  
 97.26 extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any  
 97.27 other nonduty day;

97.28 (9) payments under section 356.24, subdivision 1, clause (4); ~~and~~

97.29 (10) payments made under section 122A.40, subdivision 12, except for payments for  
 97.30 sick leave that are accumulated under the provisions of a uniform school district policy that  
 97.31 applies equally to all similarly situated persons in the district; and

98.1 (11) payments from the family and medical benefit insurance account for Minnesota  
98.2 paid leave under chapter 268B.

98.3 (c) Amounts provided to an employee by the employer through a grievance proceeding  
98.4 or a legal settlement are salary only if the settlement is reviewed by the executive director  
98.5 and the amounts are determined by the executive director to be consistent with paragraph  
98.6 (a) and prior determinations.

98.7 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2026.

98.8 Sec. 11. Minnesota Statutes 2024, section 354.44, subdivision 5, is amended to read:

98.9 Subd. 5. **Resumption of teaching service after retirement.** (a) Any person who retired  
98.10 under the provisions of this chapter and has thereafter resumed teaching in any employer  
98.11 unit to which this chapter applies is eligible to continue to receive payments in accordance  
98.12 with the annuity except that all or a portion of the annuity payments must be deferred during  
98.13 the calendar year immediately following the fiscal year in which the person's salary from  
98.14 the teaching service is in an amount greater than \$46,000. The amount of the annuity deferral  
98.15 is one-half of the salary amount in excess of \$46,000 and must be deducted from the annuity  
98.16 payable for the calendar year immediately following the fiscal year in which the excess  
98.17 amount was earned.

98.18 (b) If the person is retired for only a fractional part of the fiscal year during the initial  
98.19 year of retirement, the maximum reemployment salary exempt from triggering a deferral  
98.20 as specified in this subdivision must be prorated for that fiscal year.

98.21 (c) After a person has reached the Social Security normal retirement age, no deferral  
98.22 requirement is applicable regardless of the amount of salary.

98.23 (d) The amount of the retirement annuity deferral must be handled or disposed of as  
98.24 provided in section 356.47.

98.25 (e) For ~~the purpose~~ purposes of this subdivision, salary from teaching service includes  
98.26 all salary or income earned as a teacher as defined in section 354.05, subdivision 2, paragraph  
98.27 (a), clause (1). Salary from teaching service also includes, but is not limited to:

98.28 (1) all income for services performed as a consultant, independent contractor, or  
98.29 third-party supplier, or as an employee of a consultant, independent contractor, or third-party  
98.30 supplier, to an employer unit covered by the provisions of this chapter; and

98.31 (2) the greater of either the income received or an amount based on the rate paid with  
98.32 respect to an administrative position, consultant, independent contractor, or third-party

99.1 supplier, or as an employee of a consultant, independent contractor, or third-party supplier,  
 99.2 in an employer unit with approximately the same number of pupils and at the same level as  
 99.3 the position occupied by the person who resumes teaching service.

99.4 (f) Notwithstanding other paragraphs of this subdivision, if the reemployed annuitant  
 99.5 has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1,  
 99.6 the portion payable to the former spouse must not be deferred.

99.7 (g) During the period of reemployment, the employer of a reemployed annuitant must  
 99.8 make regular and, if applicable, additional employer contributions as specified in section  
 99.9 354.42, subdivision 3.

99.10 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
 99.11 beginning on or after July 1, 2026.

99.12 Sec. 12. Minnesota Statutes 2024, section 354.444, subdivision 5, is amended to read:

99.13 Subd. 5. ~~No Service credit or contribution;~~ **contributions.** Notwithstanding any law  
 99.14 to the contrary;

99.15 (1) an eligible person under this section may not, based on employment to which this  
 99.16 section applies, contribute to or earn further service credit in the ~~Teachers Retirement~~  
 99.17 ~~association;~~ and

99.18 (2) the employer of an eligible person under this section must make regular and, if  
 99.19 applicable, additional employer contributions as specified in section 354.42, subdivision 3,  
 99.20 during the period of employment to which this section applies.

99.21 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
 99.22 beginning on or after July 1, 2026.

99.23 Sec. 13. Minnesota Statutes 2024, section 354.445, is amended to read:

99.24 **354.445 NO ANNUITY REDUCTION.**

99.25 (a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a  
 99.26 person who:

99.27 (1) retires from the Minnesota State Colleges and Universities system with at least ten  
 99.28 years of combined service credit in a system under the jurisdiction of the Board of Trustees  
 99.29 of the Minnesota State Colleges and Universities;

99.30 (2) was employed on a full-time basis immediately preceding retirement as a faculty  
 99.31 member or as an unclassified administrator in that system;

100.1 (3) was not a recipient of an early retirement incentive under section 136F.481;

100.2 (4) begins drawing an annuity from the Teachers Retirement Association; and

100.3 (5) returns to work on not less than a one-third time basis and not more than a two-thirds  
100.4 time basis in the system from which the person retired under an agreement in which the  
100.5 person may not earn a salary of more than \$62,000 in a fiscal year through employment  
100.6 after retirement in the system from which the person retired.

100.7 (b) Initial participation, the amount of time worked, and the duration of participation  
100.8 under this section must be mutually agreed upon by the president of the institution where  
100.9 the person returns to work and the employee. The president may require up to one-year  
100.10 notice of intent to participate in the program as a condition of participation under this section.  
100.11 The president shall determine the time of year the employee shall work. The employer or  
100.12 the president may not require a person to waive any rights under a collective bargaining  
100.13 agreement as a condition of participation under this section.

100.14 (c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and  
100.15 (b) may not, based on employment to which the waiver in this section applies, earn further  
100.16 service credit in a Minnesota public defined benefit plan and is not eligible to participate  
100.17 in a Minnesota public defined contribution plan, other than a ~~volunteer fire~~ firefighter relief  
100.18 association plan governed by chapter 424A or the statewide volunteer firefighter plan  
100.19 governed by chapter 353G. ~~No employer or employee contribution to any of these plans~~  
100.20 ~~may be made on behalf of such a person.~~

100.21 (d) A person eligible under paragraphs (a) and (b) must not be required to make employee  
100.22 contributions as specified in section 354.42, subdivision 2, during the period of  
100.23 reemployment.

100.24 (e) The employer of a person eligible under paragraphs (a) and (b) must make employer  
100.25 contributions as specified in section 354.42, subdivision 3, during the period of the person's  
100.26 reemployment.

100.27 ~~(d)~~ (f) For a person eligible under paragraphs (a) and (b) who earns more than \$62,000  
100.28 in a fiscal year through employment after retirement due to employment by the Minnesota  
100.29 State Colleges and Universities system, the annuity reduction provisions of section 354.44,  
100.30 subdivision 5, apply only to income over \$62,000.

100.31 ~~(e)~~ (g) A person who returns to work under this section is a member of the appropriate  
100.32 bargaining unit and is covered by the appropriate collective bargaining contract. Except as

101.1 provided in this section, the person's coverage is subject to any part of the contract limiting  
101.2 rights of part-time employees.

101.3 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period  
101.4 beginning on or after July 1, 2026.

101.5 Sec. 14. Minnesota Statutes 2024, section 354A.011, subdivision 24, is amended to read:

101.6 Subd. 24. **Salary; covered salary.** (a) Subject to the limitations of section 356.611,  
101.7 "salary" or "covered salary" means the entire compensation, upon which member  
101.8 contributions are required and made, that is paid to a teacher before deductions for deferred  
101.9 compensation, supplemental retirement plans, or other voluntary salary reduction programs.

101.10 (b) "Salary" does not mean:

101.11 (1) lump-sum annual leave payments;

101.12 (2) lump-sum wellness and sick leave payments;

101.13 (3) employer-paid amounts used by an employee toward the cost of insurance coverage,  
101.14 employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care  
101.15 expense accounts, day care expenses, or any payments in lieu of any employer-paid group  
101.16 insurance coverage, including the difference between single and family rates that may be  
101.17 paid to a member with single coverage, and certain amounts determined by the executive  
101.18 secretary or director to be ineligible;

101.19 (4) any form of payment that is made in lieu of any other employer-paid fringe benefit  
101.20 or expense;

101.21 (5) any form of severance payments;

101.22 (6) workers' compensation payments;

101.23 (7) disability insurance payments, including self-insured disability payments;

101.24 (8) payments to school principals and all other administrators for services that are in  
101.25 addition to the normal work year contract if these additional services are performed on an  
101.26 extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any  
101.27 other nonduty day;

101.28 (9) payments under section 356.24, subdivision 1, clause (4)(ii); ~~and~~

101.29 (10) payments made under section 122A.40, subdivision 12, except for payments for  
101.30 sick leave that are accumulated under the provisions of a uniform school district policy that  
101.31 applies equally to all similarly situated persons in the district; and

102.1 (11) payments from the family and medical benefit insurance account for Minnesota  
 102.2 paid leave under chapter 268B.

102.3 (c) Amounts provided to an employee by the employer through a grievance proceeding  
 102.4 or a legal settlement are salary only if the settlement is reviewed by the executive director  
 102.5 and the amounts are determined by the executive director to be consistent with paragraph  
 102.6 (a) and prior determinations.

102.7 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2026.

102.8 Sec. 15. Minnesota Statutes 2024, section 354A.095, is amended to read:

102.9 **354A.095 PARENTAL AND MATERNITY LEAVE.**

102.10 Basic or coordinated members of the St. Paul Teachers Retirement Fund Association  
 102.11 who are ~~granted~~ on an authorized parental or maternity leave of absence ~~by the employing~~  
 102.12 ~~authority~~, are entitled to obtain service credit not to exceed one year for the period of leave  
 102.13 upon payment to the fund by the end of the fiscal year following the fiscal year in which  
 102.14 the leave of absence terminated. The amount of the payment must include the total required  
 102.15 employee and employer contributions for the period of leave prescribed in section 354A.12.  
 102.16 Payment must be based on the member's average monthly salary rate upon return to teaching  
 102.17 service, and is payable without interest. Payment must be accompanied by a certified or  
 102.18 otherwise adequate copy of the resolution or action of the employing authority granting or  
 102.19 approving the leave.

102.20 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2026.

102.21 Sec. 16. Minnesota Statutes 2024, section 356.30, subdivision 1, is amended to read:

102.22 Subdivision 1. **Eligibility; computation of annuity.** (a) Notwithstanding any provisions  
 102.23 of the laws governing the covered retirement plans listed in subdivision 3 and except as  
 102.24 provided in subdivision 1a, a person may elect to receive, upon retirement, a retirement  
 102.25 annuity from each covered retirement plan, subject to the provisions of paragraph (b), if the  
 102.26 person has:

102.27 (1) allowable service in any two or more of the covered plans;

102.28 (2) at least one-half year of allowable service in each covered plan, based on the allowable  
 102.29 service in each plan;

102.30 (3) total allowable service that equals or exceeds the longest service credit vesting  
 102.31 requirement of the applicable retirement plan; and

103.1 (4) not begun to receive an annuity from any covered plan or made application for  
103.2 benefits from each applicable plan and the retirement annuity effective dates of each plan  
103.3 are within a one-year period.

103.4 (b) If all requirements in paragraph (a) have been satisfied, the retirement annuity from  
103.5 each plan must be based upon the allowable service, accrual rates, and average salary in the  
103.6 applicable plan except as further specified or modified in the following clauses:

103.7 (1) the laws governing annuities must be the law in effect on the date of termination  
103.8 from the last period of public service under a covered retirement plan with which the person  
103.9 earned a minimum of one-half year of allowable service credit during that employment;

103.10 (2) the average salary used to calculate the annuity for each formula plan must be based  
103.11 on the employee's highest five successive years of covered salary during the entire service  
103.12 in covered plans;

103.13 (3) the accrual rates under each plan must be the percentages prescribed by each plan's  
103.14 formula in effect for the respective years of allowable service from one plan to the next,  
103.15 recognizing all previous allowable service with the other covered plans;

103.16 (4) the allowable service in all the covered plans must be combined in determining  
103.17 eligibility for and the application of each plan's provisions with respect to reduction in the  
103.18 annuity amount for retirement prior to normal retirement age; and

103.19 (5) the annuity amount payable for any allowable service under a nonformula plan that  
103.20 is a covered plan must not be affected, but such service and covered salary must be used in  
103.21 the above calculation.

103.22 (c) If a person eligible for an annuity under paragraph (a) from each covered plan  
103.23 terminates all public service, the deferred annuity must be augmented from the date of  
103.24 termination until the earlier of:

103.25 (1) the effective date of retirement; or

103.26 (2) December 31, 2018, for the Minnesota State Retirement System and the Public  
103.27 Employees Retirement Association or June 30, 2019, for the Teachers Retirement Association  
103.28 and the St. Paul Teachers Retirement Association.

103.29 A deferred annuity must not be augmented after the applicable dates under clause (2).  
103.30 The appropriate rate of augmentation is the rate in effect on the date on which the person  
103.31 entered into public employment and subsequently adjusted according to the laws governing  
103.32 each covered plan, as applicable.

104.1 (d) This section does not apply to any person whose final termination from the last public  
104.2 service under a covered plan was before May 1, 1975.

104.3 (e) For the purpose of computing annuities under this section:

104.4 (1) the judges retirement fund accrual rate must not exceed 3.2 percent per year of service  
104.5 for any year of service or fraction thereof;

104.6 (2) the public employees police and fire plan and the State Patrol retirement plan accrual  
104.7 rate must not exceed 3.0 percent per year of service for any year of service or fraction  
104.8 thereof;

104.9 (3) the legislators retirement plan accrual rate must not exceed 2.5 percent, but this limit  
104.10 does not apply to the adjustment provided under section 3A.02, subdivision 1, paragraph  
104.11 (c); and

104.12 (4) any other covered plan's accrual rate must not exceed 2.7 percent per year of service  
104.13 for any year of service or fraction thereof.

104.14 (f) Any period of time for which a person has credit in more than one of the covered  
104.15 plans must be used only once for the purpose of determining total allowable service.

104.16 (g) If the period of duplicated service credit is more than one-half year, or the person  
104.17 has credit for more than one-half year, with each of the plans, each plan must apply its  
104.18 formula to a prorated service credit for the period of duplicated service based on a fraction  
104.19 of the salary on which deductions were paid to that fund for the period divided by the total  
104.20 salary on which deductions were paid to all plans for the period.

104.21 (h) If the period of duplicated service credit is less than one-half year, or when added  
104.22 to other service credit with that plan is less than one-half year, the service credit must be  
104.23 ignored and a refund of contributions made to the person in accord with that plan's refund  
104.24 provisions.

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

104.26 Sec. 17. Minnesota Statutes 2024, section 356.30, is amended by adding a subdivision to  
104.27 read:

104.28 **Subd. 1a. Exceptions for certain covered plans.** (a) A person meets the requirement  
104.29 of subdivision 1, paragraph (a), clause (1), and does not need to meet the requirements of  
104.30 subdivision 1, paragraph (a), clauses (2) and (4), to calculate a retirement annuity pursuant  
104.31 to this section if the person is eligible to receive retirement annuities from:

104.32 (1) both of the covered plans specified in subdivision 3, clauses (1) and (2);

105.1 (2) both of the covered plans specified in subdivision 3, clauses (1) and (13); or

105.2 (3) the covered plan specified in subdivision 3, clause (12), for allowable service earned  
105.3 under the general employees retirement plan and the local government probation and  
105.4 telecommunicator retirement plan if the person was transferred from the general employees  
105.5 retirement plan to the local government probation and telecommunicator retirement plan  
105.6 on January 1, 2027.

105.7 (b) This paragraph applies to a person who is eligible to receive retirement annuities  
105.8 from the covered plans specified in subdivision 3, clauses (1) and (2), and any other covered  
105.9 plan and who elects to calculate the retirement annuities as follows:

105.10 (1) for the retirement annuities from the covered plans specified in subdivision 3, clauses  
105.11 (1) and (2), the person does not need to meet the requirements of subdivision 1, paragraph  
105.12 (a), clauses (2) and (4), and may begin to receive one of the annuities and defer receiving  
105.13 the other annuity; and

105.14 (2) for the retirement annuity from another covered plan, the person is entitled to have  
105.15 the retirement annuity from the other covered plan calculated under this section if the person  
105.16 meets the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and the person  
105.17 has not begun to receive an annuity from the other covered plan or made application for  
105.18 benefits from the other covered plan, and the retirement annuity effective dates of either of  
105.19 the covered plans specified in subdivision 3, clauses (1) and (2), and the other covered plan  
105.20 are within a one-year period.

105.21 (c) This paragraph applies to a person who is eligible to receive retirement annuities  
105.22 from the covered plans specified in subdivision 3, clauses (1) and (13), and any other covered  
105.23 plan and who elects to calculate the retirement annuities as follows:

105.24 (1) for the retirement annuities from the covered plans specified in subdivision 3, clauses  
105.25 (1) and (13), the person does not need to meet the requirements of subdivision 1, paragraph  
105.26 (a), clauses (2) and (4), and may begin to receive one of the annuities and defer receiving  
105.27 the other annuity; and

105.28 (2) for the retirement annuity from another covered plan, the person is entitled to have  
105.29 the retirement annuity from the other covered plan calculated under this section if the person  
105.30 meets the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and the person  
105.31 has not begun to receive an annuity from the other covered plan or made application for  
105.32 benefits from the other covered plan, and the retirement annuity effective dates of either of  
105.33 the covered plans specified in subdivision 3, clauses (1) and (13), and the other covered  
105.34 plan are within a one-year period.

106.1 (d) This paragraph applies to a person who is eligible to receive retirement annuities  
 106.2 from the covered plan specified in subdivision 3, clause (12), for allowable service earned  
 106.3 under the general employees retirement plan, the local government probation and  
 106.4 telecommunicator retirement plan, and any other covered plan, and who elects to calculate  
 106.5 the retirement annuities as follows:

106.6 (1) for the retirement annuities from the covered plan specified in subdivision 3, clause  
 106.7 (12), the person does not need to meet the requirements of subdivision 1, paragraph (a),  
 106.8 clauses (2) and (4), and may begin to receive a retirement annuity for either the allowable  
 106.9 service under the general employees retirement plan or the local government probation and  
 106.10 telecommunicator retirement plan and defer receiving the other annuity; and

106.11 (2) for the retirement annuity from another covered plan, the person is entitled to have  
 106.12 the retirement annuity from the other covered plan calculated under this section if the person  
 106.13 meets the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and the person  
 106.14 has not begun to receive an annuity from the other covered plan or made application for  
 106.15 benefits from the other covered plan, and the retirement annuity effective dates of the covered  
 106.16 plan specified in subdivision 3, clause (12), and the other covered plan are within a one-year  
 106.17 period.

106.18 (e) Subdivision 1, paragraph (b), clause (1), does not apply if a person is eligible to  
 106.19 receive retirement annuities from the covered plans as specified in paragraph (a). Instead,  
 106.20 an annuity from a covered plan specified in paragraph (a) must be calculated under the law  
 106.21 in effect on the date of termination of public service covered by the covered plan from which  
 106.22 the annuity is received.

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

106.24 Sec. 18. Minnesota Statutes 2024, section 356.30, subdivision 3, is amended to read:

106.25 Subd. 3. **Covered plans.** This section applies to the following retirement plans:

106.26 (1) the general state employees retirement plan of the Minnesota State Retirement System,  
 106.27 established under chapter 352;

106.28 (2) the correctional state employees retirement plan of the Minnesota State Retirement  
 106.29 System, established under chapter 352;

106.30 (3) the unclassified employees retirement program, established under chapter 352D;

106.31 (4) the State Patrol retirement plan, established under chapter 352B;

107.1 (5) the legislators retirement plan, established under chapter 3A, including constitutional  
 107.2 officers as specified in that chapter;

107.3 (6) the general employees retirement plan of the Public Employees Retirement  
 107.4 Association, established under chapter 353;

107.5 (7) the public employees police and fire retirement plan of the Public Employees  
 107.6 Retirement Association, established under chapter 353;

107.7 (8) the local government correctional service retirement plan of the Public Employees  
 107.8 Retirement Association, established under chapter 353E;

107.9 (9) the Teachers Retirement Association, established under chapter 354;

107.10 (10) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;  
 107.11 ~~and~~

107.12 (11) the judges retirement fund, established by chapter 490;<sub>2</sub>

107.13 (12) the local government probation and telecommunicator retirement plan of the Public  
 107.14 Employees Retirement Association, established under chapter 353H; and

107.15 (13) the special coverage subplans, established under section 352.85, 352.86, 352.87,  
 107.16 or 352.88.

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

107.18 Sec. 19. Minnesota Statutes 2024, section 356.461, subdivision 1, is amended to read:

107.19 Subdivision 1. **Joint and survivor annuity computation.** (a) Notwithstanding any  
 107.20 provision of section 356.215, subdivision 8, or 356.415 to the contrary, for purposes of  
 107.21 computing joint and survivor annuities under each covered retirement plan in subdivision  
 107.22 2, the applicable investment return assumption is 6.5 percent unless a different percentage  
 107.23 has been approved or deemed approved under paragraph (b) for the covered retirement plan.

107.24 (b) A change in the investment return assumption for computing joint and survivor  
 107.25 annuities may be proposed by the governing board of a covered retirement plan. The  
 107.26 assumption may be changed only with the approval of the Legislative Commission on  
 107.27 Pensions and Retirement or after a period of one year has elapsed since the date on which  
 107.28 the proposed assumption change was received by the Legislative Commission on Pensions  
 107.29 and Retirement without commission action.

108.1 (c) The executive director of the Legislative Commission on Pensions and Retirement  
108.2 must update the appendix to the standards for actuarial work whenever a change in the  
108.3 assumption is approved or deemed approved.

108.4 **EFFECTIVE DATE.** This section is effective July 1, 2026.

108.5 **ARTICLE 9**

108.6 **MINNESOTA SECURE CHOICE RETIREMENT PROGRAM**

108.7 Section 1. Minnesota Statutes 2024, section 187.03, is amended by adding a subdivision  
108.8 to read:

108.9 Subd. 1a. **Annual report.** "Annual report" means a report on the following:

108.10 (1) financial performance of the program and the agency;

108.11 (2) program expenses, including costs attributable to the use of outside consultants,  
108.12 independent contractors, and other persons who are not state employees;

108.13 (3) program outcomes;

108.14 (4) progress toward savings goals established by the board;

108.15 (5) statistics on the number of participating employees, participating employers, and  
108.16 covered employees who have opted out of participation;

108.17 (6) estimated impact of the program on social safety net programs; and

108.18 (7) penalties, violations, and disciplinary actions for enforcement.

108.19 Sec. 2. Minnesota Statutes 2025 Supplement, section 187.03, subdivision 5, is amended  
108.20 to read:

108.21 Subd. 5. **Covered employee.** (a) "Covered employee" means a person who is employed  
108.22 by a covered employer or described in section 187.05, subdivision 7, and who satisfies any  
108.23 other criteria established by the board.

108.24 (b) Covered employee does not include:

108.25 (1) a person who, on December 31 of the preceding calendar year, was younger than 18  
108.26 years of age;

108.27 (2) a person covered under the federal Railway Labor Act, as amended, United States  
108.28 Code, title 45, sections 151 et seq.;

109.1 (3) a person on whose behalf an employer makes contributions to a Taft-Hartley  
109.2 multiemployer pension trust fund;

109.3 (4) a person employed by the government of the United States, another country, the state  
109.4 of Minnesota, another state, or any subdivision thereof; or

109.5 (5) a person employed on a temporary or seasonal basis for a limited duration, which  
109.6 the employer determines at the time the person is hired will not extend beyond 180 days.

109.7 (c) A person described in paragraph (b), clause (5), may elect to have contributions  
109.8 deducted from the person's paycheck for remittance to the program, but only if the employer  
109.9 would otherwise be considered a covered employer.

109.10 Sec. 3. Minnesota Statutes 2025 Supplement, section 187.03, subdivision 6a, is amended  
109.11 to read:

109.12 Subd. 6a. **Enrollment window.** "Enrollment window" means:

109.13 (1) the period established by the board, according to a phase-in schedule approved under  
109.14 Laws 2023, chapter 46, section 10, subdivision 1, paragraph (b), that is applicable to each  
109.15 covered employer and during which the covered employer is first required to provide  
109.16 information to covered employees and enroll covered employees who do not elect to opt  
109.17 out of the program;

109.18 (2) the 21-day period beginning with a covered employee's first day of employment with  
109.19 a covered employer during which the covered employer is required to enroll the covered  
109.20 employee; or

109.21 (3) the 21-day period beginning on January 1 after the calendar year during which an  
109.22 employer first becomes a covered employer.

109.23 Sec. 4. Minnesota Statutes 2024, section 187.03, is amended by adding a subdivision to  
109.24 read:

109.25 Subd. 15. **Waiting period.** "Waiting period" means the 30-day period that begins on  
109.26 the day on which a covered employee is enrolled in the program.

109.27 Sec. 5. Minnesota Statutes 2024, section 187.05, subdivision 1, is amended to read:

109.28 Subdivision 1. **Program established.** (a) The board must operate an employee a  
109.29 retirement savings program whereby contributions are made by employee payroll deduction  
109.30 contributions are transmitted or, if a covered employee is not employed by a covered

110.1 employer, by direct payment on an after-tax or pretax basis ~~by covered employers~~ to  
110.2 individual retirement accounts established under the program.

110.3 (b) The board must establish procedures for opening a Roth IRA, a traditional IRA, or  
110.4 both a Roth IRA and a traditional IRA for each covered employee whose covered employer  
110.5 transmits employee payroll deduction contributions ~~under~~ or, if a covered employee is not  
110.6 employed by a covered employer, transmits payment to the program.

110.7 (c) Contributions must be made on an after-tax (Roth) basis, unless the covered employee  
110.8 elects to contribute on a pretax basis.

110.9 Sec. 6. Minnesota Statutes 2025 Supplement, section 187.05, subdivision 1a, is amended  
110.10 to read:

110.11 Subd. 1a. **Certification by employers that are not covered employers.** (a) Any entity  
110.12 or person may file through the program web portal or, with the consent of the executive  
110.13 director, by mail or email, a certification ~~with the executive director on a form prescribed~~  
110.14 ~~by the executive director and provide documentation in support of the certification, as~~  
110.15 ~~requested by the executive director,~~ stating that the entity or person is not a covered employer.  
110.16 The certification must state that the entity or person is not a covered employer for one or  
110.17 more of the following reasons:

110.18 (1) the entity or person has not been engaged for at least 12 months in a business, industry,  
110.19 profession, trade, or other enterprise in Minnesota, whether for profit or not for profit;

110.20 (2) the entity or person does not employ five or more employees;

110.21 (3) the entity or person sponsors or contributes to or, in the immediately preceding 12  
110.22 months, sponsored or contributed to a retirement savings plan for its employees; or

110.23 (4) the entity is a political subdivision of the state or federal government.

110.24 (b) Within 30 days of receiving the certification, the executive director must accept the  
110.25 certification or issue a determination that the entity or person is a covered employer and  
110.26 subject to the requirements of section 187.07.

110.27 (c) The entity or person may appeal the executive director's determination by filing an  
110.28 appeal with the board of directors no later than 30 days after receipt of the determination.

110.29 (d) If necessary to determine compliance with program requirements, the executive  
110.30 director may request that an entity or person provide documentation in support of a  
110.31 certification filed under paragraph (a). If the entity or person does not provide supporting  
110.32 documentation within 30 days of the request or the documentation is inadequate, the executive

111.1 director may reject the certification and require the entity or person to enroll its employees  
 111.2 in the program.

111.3 Sec. 7. Minnesota Statutes 2025 Supplement, section 187.05, subdivision 4, is amended  
 111.4 to read:

111.5 Subd. 4. **Contribution rate.** (a) The board may change the required employee  
 111.6 contribution rates and the escalation schedule under section 187.07, subdivision ~~4~~ 1a.

111.7 (b) The board must provide all covered employers and covered employees with notice  
 111.8 of a change in employee contribution rates or the escalation schedule at least six months in  
 111.9 advance of the effective date of the change.

111.10 ~~(b) A covered employee must have the right, annually or more frequently as determined~~  
 111.11 ~~by the board, to change the contribution rate, opt out or elect not to contribute, or cease~~  
 111.12 ~~contributions.~~

111.13 Sec. 8. Minnesota Statutes 2024, section 187.05, subdivision 7, is amended to read:

111.14 Subd. 7. **Individuals not employed by a covered employer.** (a) In addition to home  
 111.15 and community-based services employees under paragraph (b), the board may allow  
 111.16 individuals not employed by a covered employer to open and contribute to an account in  
 111.17 the program, in which case the individual must be considered a covered employee for  
 111.18 purposes of sections 187.05 to ~~187.14~~ 187.14.

111.19 (b) The board must allow any home and community-based services employee to open  
 111.20 and contribute to an account in the program within ~~six~~ twelve months of the opening of the  
 111.21 program and must consider a home and community-based services employee a covered  
 111.22 employee for purposes of sections 187.05 to ~~187.14~~ 187.14.

111.23 Sec. 9. Minnesota Statutes 2024, section 187.05, is amended by adding a subdivision to  
 111.24 read:

111.25 Subd. 9. **Covered employee right to begin contributing, change the contribution**  
 111.26 **rate, or not contribute.** A covered employee must have the right, annually or more  
 111.27 frequently as determined by the board, to:

111.28 (1) begin making contributions to the program by payroll deduction or, if not employed  
 111.29 by a covered employer, by payment to the program;

111.30 (2) change the percentage of compensation being contributed to the program by payroll  
 111.31 deduction;

112.1 (3) elect not to contribute; or

112.2 (4) cease contributions.

112.3 Sec. 10. Minnesota Statutes 2024, section 187.06, subdivision 3, is amended to read:

112.4 Subd. 3. **Individual accounts established.** The trustee or custodian, as applicable, must  
 112.5 maintain an account for each covered employee who has made or is making employee  
 112.6 payroll deduction contributions with respect to each covered employee or, if the covered  
 112.7 employee is not employed by a covered employer, has made or is making payments to the  
 112.8 program until all assets in the account are distributed. Interest and Investment earnings on  
 112.9 the amount in the account are credited to the account, and investment losses and  
 112.10 administrative fees are deducted from the account.

112.11 Sec. 11. Minnesota Statutes 2025 Supplement, section 187.07, subdivision 1, is amended  
 112.12 to read:

112.13 Subdivision 1. **Requirement to enroll employees and begin payroll deduction**  
 112.14 **contributions.** (a) Each A covered employer must enroll its covered employees in the  
 112.15 program ~~and withhold~~ during the applicable enrollment window.

112.16 (b) The covered employer must begin withholding payroll deduction contributions from  
 112.17 the first paycheck of each covered employee's paycheck no later than 30 days after the  
 112.18 covered employee's first day of employment employee after the end of the covered employee's  
 112.19 waiting period, unless the covered employer has elected not to contribute.

112.20 (b) ~~Unless the board has approved a different rate or rates under section 187.05,~~  
 112.21 ~~subdivision 4, or a covered employee has elected a different contribution rate or not to~~  
 112.22 ~~contribute, the employee contribution rates and escalation schedule are:~~

112.23 (1) ~~five percent of pay for the covered employee's first year of participation;~~

112.24 (2) ~~six percent of pay for the covered employee's second year of participation;~~

112.25 (3) ~~seven percent of pay for the covered employee's third year of participation; and~~

112.26 (4) ~~eight percent of pay for the covered employee's fourth year of participation and each~~  
 112.27 ~~year thereafter.~~

112.28 (c) Paragraph (a) does not apply to a covered employer until the covered employer's  
 112.29 enrollment window has opened. ~~No later than 30 days after~~ By the end of the enrollment  
 112.30 window, the covered employer must have enrolled all covered employees, ~~except for any~~  
 112.31 ~~covered employee who has elected not to contribute.~~

113.1 ~~(d) The executive director must communicate annually by email or otherwise in writing~~  
 113.2 ~~to each covered employee:~~

113.3 ~~(1) the annual limit on employee contributions to a traditional IRA and a Roth IRA in~~  
 113.4 ~~effect under section 408 and 408A, respectively, of the Internal Revenue Code; and~~

113.5 ~~(2) notice that it is the responsibility of the covered employee to reduce the covered~~  
 113.6 ~~employee's contribution rate from the rate under paragraph (b) as necessary to stay within~~  
 113.7 ~~the limit under section 408 or section 408A of the Internal Revenue Code that is applicable~~  
 113.8 ~~to the covered employee and the type of IRA to which the contributions are being credited.~~

113.9 Sec. 12. Minnesota Statutes 2024, section 187.07, is amended by adding a subdivision to  
 113.10 read:

113.11 Subd. 1a. **Default contribution rate and escalation schedule.** Unless the board has  
 113.12 approved a different rate or rates under section 187.05, subdivision 4, or a covered employee  
 113.13 has elected a different contribution rate or not to contribute, the employee contribution rates  
 113.14 and escalation schedule are:

113.15 (1) five percent of pay for the covered employee's first year of participation;

113.16 (2) six percent of pay for the covered employee's second year of participation;

113.17 (3) seven percent of pay for the covered employee's third year of participation; and

113.18 (4) eight percent of pay for the covered employee's fourth year of participation and each  
 113.19 year thereafter.

113.20 Sec. 13. Minnesota Statutes 2024, section 187.08, subdivision 1, is amended to read:

113.21 Subdivision 1. **Membership.** The policy-making function of the program is vested in a  
 113.22 board of directors consisting of seven members as follows:

113.23 (1) the executive director of the Minnesota State Retirement System or the executive  
 113.24 director's designee;

113.25 (2) the executive director of the State Board of Investment or the executive director's  
 113.26 designee;

113.27 (3) three members with relevant experience chosen by the Legislative Commission on  
 113.28 Pensions and Retirement, ~~one from each of the following experience categories;~~

113.29 ~~(i) executive or operations manager with substantial experience in record keeping 401(k)~~  
 113.30 ~~plans;~~

114.1 ~~(ii) executive or operations manager with substantial experience in individual retirement~~  
 114.2 ~~accounts; and~~

114.3 ~~(iii) executive or other professional with substantial experience in retirement plan~~  
 114.4 ~~investments;~~

114.5 (4) a human resources or retirement benefits executive from a private company with  
 114.6 substantial experience in administering the company's 401(k) plan, appointed by the governor;  
 114.7 and

114.8 (5) a small business owner, a small business executive, or a nonprofit executive appointed  
 114.9 by the governor.

114.10 Sec. 14. Minnesota Statutes 2024, section 187.08, subdivision 2, is amended to read:

114.11 Subd. 2. **Appointment.** (a) Members appointed by the governor must be appointed as  
 114.12 provided in section 15.0597.

114.13 (b) The Legislative Commission on Pensions and Retirement is not required to consider  
 114.14 a seat on the board as vacant if the incumbent provides notice to the chair of the board and  
 114.15 executive director that the incumbent wishes to serve an additional term as permitted under  
 114.16 subdivision 3. The executive director of the program must notify the secretary of state and  
 114.17 the chair or executive director of the Legislative Commission on Pensions and Retirement  
 114.18 that the incumbent wishes to serve an additional term. The secretary of state must not post  
 114.19 a seat as vacant and accept applications if the chair of the board and the chair or executive  
 114.20 director of the Legislative Commission on Pensions and Retirement accept the incumbent's  
 114.21 request to serve an additional term.

114.22 Sec. 15. Minnesota Statutes 2025 Supplement, section 187.08, subdivision 3, is amended  
 114.23 to read:

114.24 Subd. 3. **Membership terms.** (a) Board members serve for two-year terms, except:

114.25 (1) the executive directors of the Minnesota State Retirement System and the State Board  
 114.26 of Investment serve indefinitely; and

114.27 (2) the initial term of the member who is an executive or other professional with  
 114.28 substantial experience in retirement plan investments under subdivision 1, clause (3), ~~item~~  
 114.29 ~~(iii)~~; and the member who is a human resources executive under subdivision 1, clause (4),  
 114.30 is three years.

115.1 (b) A board members' terms may be renewed, member may renew the member's term,  
 115.2 but no member, other than the executive directors of the Minnesota State Retirement Systems  
 115.3 and the State Board of Investment, may serve more than two consecutive terms. To serve  
 115.4 an additional term, an incumbent must notify the chair of the board and the executive director  
 115.5 that the incumbent wishes to serve an additional term.

115.6 Sec. 16. Minnesota Statutes 2024, section 187.08, subdivision 6, is amended to read:

115.7 Subd. 6. **Chair; quorum.** (a) The board shall must select elect a chair from among its  
 115.8 members. The chair shall serve serves for a two-year term and may be reelected by the  
 115.9 members for additional two-year terms. The board may select other officers as necessary  
 115.10 to assist the board in performing the board's duties.

115.11 (b) A majority of the members, not including for this purpose any vacant member seat,  
 115.12 constitutes a quorum. Approval of any item of board business is effective if approved by a  
 115.13 simple majority vote of members present at a meeting.

115.14 Sec. 17. Minnesota Statutes 2024, section 187.08, subdivision 8, is amended to read:

115.15 Subd. 8. **Duties.** In addition to the duties set forth elsewhere in this chapter, the board  
 115.16 has the following duties:

115.17 (1) to establish secure processes for enrolling covered employees in the program and  
 115.18 for transmitting employee contributions to accounts in the trust;

115.19 (2) to prepare a budget and establish procedures for the payment of costs of administering  
 115.20 and operating the program;

115.21 (3) to lease or otherwise procure equipment necessary to administer the program;

115.22 (4) to procure insurance in connection with the property of the program and the activities  
 115.23 of the board, executive director, and other staff;

115.24 (5) to determine the following:

115.25 (i) any criteria for a covered employee other than employment with a covered employer  
 115.26 under section 187.03, subdivision 5;

115.27 (ii) contribution rates and an escalation schedule under section 187.05, subdivision 4;

115.28 (iii) withdrawal and distribution options under section 187.05, subdivision 6; and

115.29 (iv) the default investment fund under section 187.06, subdivision 5;

115.30 (6) to keep annual administrative fees, costs, and expenses as low as possible:

116.1 (i) except that any administrative fee assessed against the accounts of covered employees  
116.2 may not exceed a reasonable amount relative to the fees charged by auto-IRA or defined  
116.3 contribution programs of similar size in the state of Minnesota or another state; and

116.4 (ii) the fee may be asset-based, flat fee, or a hybrid combination of asset-based and flat  
116.5 fee;

116.6 (7) to determine the eligibility of an employer, employee, or other individual to participate  
116.7 in the program and review and decide claims for benefits and make factual determinations;

116.8 ~~(8) to prepare information regarding the program that is clear and concise for  
116.9 dissemination to all covered employees and includes the following:~~

116.10 ~~(i) the benefits and risks associated with participating in the program;~~

116.11 ~~(ii) procedures for enrolling in the program and opting out of the program, electing a  
116.12 different or zero percent employee contribution rate, making investment elections, applying  
116.13 for a distribution of employee accounts, and making a claim for benefits;~~

116.14 ~~(iii) the federal and state income tax consequences of participating in the program, which  
116.15 may consist of or include the disclosure statement required to be distributed by retirement  
116.16 plan trustees or custodians under the Internal Revenue Code and the Treasury Regulations  
116.17 thereunder;~~

116.18 ~~(iv) how to obtain additional information on the program; and~~

116.19 ~~(v) disclaimers of covered employer and state responsibility, including the following  
116.20 statements:~~

116.21 ~~(A) covered employees seeking financial, investment, or tax advice should contact their  
116.22 own advisors;~~

116.23 ~~(B) neither a covered employer nor the state of Minnesota are liable for decisions covered  
116.24 employees make regarding their account in the program;~~

116.25 ~~(C) neither a covered employer nor the state of Minnesota guarantees the accounts in  
116.26 the program or any particular investment rate of return; and~~

116.27 ~~(D) neither a covered employer nor the state of Minnesota monitors or has an obligation  
116.28 to monitor any covered employee's eligibility under the Internal Revenue Code to make  
116.29 contributions to an account in the program, or whether the covered employee's contributions  
116.30 to an account in the program exceed the maximum permissible contribution under the  
116.31 Internal Revenue Code;~~

117.1 ~~(9) (8)~~ to publish an annual financial report, prepared according to generally accepted  
117.2 accounting principles, on the operations of the program, which must include but not be  
117.3 limited to costs attributable to the use of outside consultants, independent contractors, and  
117.4 other persons who are not state employees and deliver the report to the chairs and ranking  
117.5 minority members of the legislative committees with jurisdiction over jobs and economic  
117.6 development and state government finance, the executive directors of the State Board of  
117.7 Investment and the Legislative Commission on Pensions and Retirement, and the Legislative  
117.8 Reference Library;

117.9 ~~(10)~~ to publish an annual report regarding plan outcomes, progress toward savings goals  
117.10 established by the board, statistics on the number of participants, participating employers,  
117.11 and covered employees who have opted out of participation, plan expenses, estimated impact  
117.12 of the program on social safety net programs, and penalties and violations, and disciplinary  
117.13 actions for enforcement, and deliver the report to the chairs and ranking minority members  
117.14 of the legislative committees with jurisdiction over jobs and economic development and  
117.15 state government finance, the executive directors of the State Board of Investment and the  
117.16 Legislative Commission on Pensions and Retirement, and the Legislative Reference Library;

117.17 ~~(11)~~ (9) to file all reports required under the Internal Revenue Code or chapter 290;

117.18 ~~(12)~~ (10) to, at the board's discretion, seek and accept gifts, grants, and donations to be  
117.19 used for the program, unless such gifts, grants, or donations would result in a conflict of  
117.20 interest relating to the solicitation of service provider for program administration, and deposit  
117.21 such gifts, grants, or donations in the Secure Choice administrative fund;

117.22 ~~(13)~~ (11) to, at the board's discretion, seek and accept appropriations from the state or  
117.23 loans from the state or any agency of the state;

117.24 ~~(14)~~ (12) to assess the feasibility of partnering with another state or a governmental  
117.25 subdivision of another state to administer the program through shared administrative  
117.26 resources and, if determined beneficial, enter into contracts, agreements, memoranda of  
117.27 understanding, or other arrangements with any other state or an agency or a subdivision of  
117.28 any other state to administer, operate, or manage any part of the program, which may include  
117.29 combining resources, investments, or administrative functions;

117.30 ~~(15)~~ (13) to hire, retain, and terminate third-party service providers as the board deems  
117.31 necessary or desirable for the program, including but not limited to the trustees, consultants,  
117.32 investment managers or advisors, custodians, insurance companies, recordkeepers,  
117.33 administrators, consultants, actuaries, legal counsel, auditors, and other professionals,  
117.34 provided that each service provider is authorized to do business in the state;

118.1 ~~(16)~~ (14) to interpret the program's governing documents and this chapter and make all  
 118.2 other decisions necessary to administer the program;

118.3 ~~(17)~~ (15) to conduct comprehensive employer and worker education and outreach  
 118.4 regarding the program that reflect the cultures and languages of the state's diverse workforce  
 118.5 population, which may, in the board's discretion, include collaboration with state and local  
 118.6 government agencies, community-based and nonprofit organizations, foundations, vendors,  
 118.7 and other entities deemed appropriate to develop and secure ongoing resources; and

118.8 ~~(18)~~ (16) to prepare notices for delivery to covered employees regarding the escalation  
 118.9 schedule and to each covered employee before the covered employee is subject to an  
 118.10 automatic contribution increase.

118.11 Sec. 18. Minnesota Statutes 2025 Supplement, section 187.11, is amended to read:

118.12 **187.11 OTHER STATE AGENCIES TO PROVIDE ASSISTANCE.**

118.13 (a) The board may enter into intergovernmental agreements with the commissioner of  
 118.14 revenue, the commissioner of labor and industry, the commissioner of employment and  
 118.15 economic development, and any other state agency that the board deems necessary or  
 118.16 appropriate to provide outreach, technical assistance, or compliance services. An agency  
 118.17 that enters into an intergovernmental agreement with the board pursuant to this section must  
 118.18 collaborate and cooperate with the board to provide the outreach, technical assistance, or  
 118.19 compliance services under any such agreement. The board, executive director, and program  
 118.20 staff must maintain the privacy of data obtained under any intergovernmental agreement if  
 118.21 required under chapter 13.

118.22 (b) For purposes of section 268.19, subdivision 1, paragraph (a), clause (20), "assisting  
 118.23 with communication with employers and to verify employer compliance with chapter 187"  
 118.24 means providing the executive director with at least the following information for employers,  
 118.25 to the extent available to the commissioner of employment and economic development:

118.26 (1) federal employer identification number;

118.27 (2) business name, address, mailing address, email address, and phone number;

118.28 (3) number of employees; and

118.29 (4) employer industry code.

118.30 (c) The commissioner of administration must ~~provide~~ assist the executive director in  
 118.31 identifying and leasing suitable office space for the executive director and program staff in  
 118.32 the Capitol complex for the executive director and staff of the program the city of St. Paul.

119.1 Sec. 19. Minnesota Statutes 2025 Supplement, section 187.12, subdivision 1, is amended  
119.2 to read:

119.3 Subdivision 1. **Failure to enroll covered employees or distribute information.** (a)  
119.4 The board may assess penalties against a covered employer that fails to comply with section  
119.5 187.07, subdivision 1 ~~or 3 or both subdivisions 1 and 3, beginning with the second~~  
119.6 ~~anniversary of the date on which the covered employer was first required to comply with~~  
119.7 ~~section 187.07, subdivision 1 or 3, as applicable., paragraph (a), beginning with the second~~  
119.8 anniversary of the last day of the applicable enrollment window or fails to comply with  
119.9 section 187.07, subdivision 1, paragraph (b), beginning with the second anniversary of the  
119.10 first paycheck after a covered employee's waiting period, as follows:

119.11 ~~(b) The board may assess the following penalties for a covered employer's failure to~~  
119.12 ~~comply with section 187.07, subdivision 1 or 3:~~

119.13 (1) on the second anniversary, a penalty of \$100 per covered employee, not to exceed  
119.14 \$4,000;

119.15 (2) on the third anniversary, a penalty of \$200 per covered employee, not to exceed  
119.16 \$6,000;

119.17 (3) on the fourth anniversary, a penalty of \$300 per covered employee; and

119.18 (4) on each anniversary after the fourth anniversary, a penalty of \$500 per covered  
119.19 employee.

119.20 ~~(c) If the covered employer fails to comply with section 187.07, subdivisions 1 and 3,~~  
119.21 ~~the board must assess two times the penalties in paragraph (b).~~

119.22 ~~(d) The date on which a covered employer is first required to comply with section 187.07,~~  
119.23 ~~subdivision 1, is the following:~~

119.24 ~~(1) for paragraph (a), on or before the 30th day after the first day of employment of a~~  
119.25 ~~covered employee hired by the covered employer; and~~

119.26 ~~(2) for paragraph (b), on or before the 30th day after the end of the enrollment window~~  
119.27 ~~applicable to the covered employer.~~

119.28 ~~(e) The date on which a covered employer is first required to comply with section 187.07,~~  
119.29 ~~subdivision 3, is the following:~~

119.30 ~~(1) for paragraph (a), for a newly hired covered employee, no later than 14 days after~~  
119.31 ~~the covered employee's first day of employment; and~~

120.1 ~~(2) for paragraph (b), no later than the 14th day prior to the date of the first paycheck~~  
120.2 ~~from which employee contributions could be deducted for transmittal to the program.~~

120.3 Sec. 20. **[187.13] REQUIRED NOTICES.**

120.4 Subdivision 1. **Notice to covered employees upon enrollment.** (a) The board must  
120.5 disseminate a notice regarding the program that is clear and concise to all covered employees  
120.6 no later than seven days after a covered employee is enrolled by a covered employer.

120.7 (b) The information in the notice must include:

120.8 (1) the benefits and risks associated with participating in the program;

120.9 (2) procedures for enrolling in the program and opting out of the program, electing a  
120.10 different or zero percent employee contribution rate, making investment elections, applying  
120.11 for a distribution of employee accounts, and making a claim for benefits;

120.12 (3) the federal and state income tax consequences of participating in the program, which  
120.13 may consist of or include the disclosure statement required to be distributed by trustees or  
120.14 custodians under the Internal Revenue Code;

120.15 (4) how to obtain additional information on the program; and

120.16 (5) disclaimers of covered employer and state responsibility, including the following  
120.17 statements:

120.18 (i) a covered employee seeking financial, investment, or tax advice should contact the  
120.19 covered employee's advisors;

120.20 (ii) neither a covered employer nor the board, the program, or the state of Minnesota is  
120.21 liable for decisions a covered employee makes regarding the covered employee's account  
120.22 in the program;

120.23 (iii) neither a covered employer nor the state of Minnesota guarantees the accounts in  
120.24 the program or any particular investment rate of return; and

120.25 (iv) neither a covered employer nor the state of Minnesota monitors or has an obligation  
120.26 to monitor a covered employee's eligibility under the Internal Revenue Code to make  
120.27 contributions to an account in the program or whether the covered employee's contributions  
120.28 to an account in the program exceed the maximum permissible contribution under the  
120.29 Internal Revenue Code.

120.30 Subd. 2. **Annual notice to covered employees.** The executive director must communicate  
120.31 annually by email or other means in writing to each covered employee:

121.1 (1) the annual limit on employee contributions to a traditional IRA and a Roth IRA in  
 121.2 effect under sections 408 and 408A of the Internal Revenue Code; and

121.3 (2) that it is the responsibility of the covered employee to reduce the covered employee's  
 121.4 contribution rate from the rate under section 187.07, subdivision 1a, as necessary to stay  
 121.5 within the limit under section 408 or 408A of the Internal Revenue Code that is applicable  
 121.6 to the covered employee and the type of IRA to which the contributions are being credited.

121.7 **Sec. 21. [187.14] CONFIDENTIALITY OF DATA AND NONSOLICITATION.**

121.8 Subdivision 1. Confidentiality of data. Covered employee data, account owner data,  
 121.9 account data, and data on beneficiaries of accounts are private data. The program, executive  
 121.10 director, and program staff must not disclose private data on individuals, as defined in  
 121.11 section 13.02, to anyone other than the covered employee, account owner, or beneficiary,  
 121.12 except:

121.13 (1) pursuant to a court order;

121.14 (2) upon the written consent of the covered employee, account owner, beneficiary, or  
 121.15 other person who provides the data or is the subject of the data; or

121.16 (3) to a third party with which the program has contracted to perform administrative or  
 121.17 record-keeping functions, but only to the extent necessary to carry out the functions and  
 121.18 subject to the requirements of this subdivision as if the third party were the program.

121.19 Subd. 2. Nonsolicitation restriction. Neither program staff nor a third-party  
 121.20 administrator, record keeper, or any other vendor or consultant with which the program has  
 121.21 contracted may solicit a covered employee, an account owner, or a beneficiary for any  
 121.22 product or services not related to the program.

121.23 **Sec. 22. REPEALER.**

121.24 Minnesota Statutes 2025 Supplement, section 187.07, subdivision 3, is repealed.

121.25 **Sec. 23. EFFECTIVE DATE.**

121.26 Sections 1 to 22 are effective the day following final enactment.

122.1 **ARTICLE 10**

122.2 **SUPPLEMENTAL PLANS**

122.3 Section 1. Minnesota Statutes 2024, section 356.24, subdivision 3, is amended to read:

122.4 Subd. 3. **Deferred compensation plan.** (a) As used in this section:

122.5 (1) "deferred compensation plan" means a plan that satisfies the requirements of this  
122.6 subdivision;

122.7 (2) "plan administrator" means the individual or entity defined as the plan administrator  
122.8 in the plan document for the Minnesota deferred compensation plan under section 352.965  
122.9 or a deferred compensation plan under section 457(b) of the Internal Revenue Code; and

122.10 (3) "vendor" means the provider of an annuity contract, custodial account, or retirement  
122.11 income account under a tax-sheltered annuity plan under section 403(b) of the Internal  
122.12 Revenue Code.

122.13 (b) The plan is:

122.14 (1) the Minnesota deferred compensation plan under section 352.965;

122.15 (2) a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code; or

122.16 (3) a deferred compensation plan under section 457(b) of the Internal Revenue Code.

122.17 (c) For each investment fund available to participants under the plan, other than in a  
122.18 self-directed brokerage account or fixed annuity contract, the plan administrator or vendor  
122.19 discloses at least annually to participants a statement that sets forth (1) all fees, including  
122.20 administrative, maintenance, and investment fees, that impact the rate of return on each  
122.21 investment fund available under the plan, and (2) the rates of return for the prior one-, five-,  
122.22 and ten-year periods or for the life of the fund, if shorter, in an easily understandable  
122.23 document. ~~The plan administrator or vendor must file a copy of this statement annually with~~  
122.24 ~~the executive director of the Legislative Commission on Pensions and Retirement.~~

122.25 (d) Enrollment in the plan is provided for in:

122.26 (1) a personnel policy of the public employer;

122.27 (2) a collective bargaining agreement between the public employer and the exclusive  
122.28 representative of public employees in an appropriate unit; or

122.29 (3) an individual employment contract (i) between a city and a city manager or other  
122.30 management employee, or (ii) between a school district and a superintendent or other  
122.31 management employee.

123.1 (e) The plan covers employees of a school district, state agency, or other governmental  
 123.2 subdivision. The plan may cover city managers covered by an alternative retirement  
 123.3 arrangement under section 353.028, subdivision 3, paragraph (a) or (b), but must not cover  
 123.4 employees of the Board of Trustees of Minnesota State Colleges and Universities who are  
 123.5 covered by the Higher Education Supplemental Retirement Plan under chapter 354C.

123.6 (f) If the public employer makes matching contributions to the plan, the matching  
 123.7 contributions must match, on a dollar for dollar basis, employee elective deferral contributions  
 123.8 not to exceed the lesser of (1) the maximum authorized under the policy described in  
 123.9 paragraph (d) that provides for enrollment in the plan or program, or (2) one-half of the  
 123.10 annual limit on elective deferrals under section 402(g) of the Internal Revenue Code. In  
 123.11 lieu of or in addition to matching an employee's elective deferral contributions, the public  
 123.12 employer may make employer matching contributions on behalf of an employee on account  
 123.13 of qualified student loan payments, as defined in the Secure 2.0 Act of 2022, Public Law  
 123.14 117-328 (December 29, 2022), Division T, section 110, paragraph (b), and any regulations  
 123.15 adopted thereunder. The employer matching contributions on account of an employee's  
 123.16 qualified student loan payments plus any employer matching contributions that match an  
 123.17 employee's elective deferral contributions must not exceed, for the year, the lesser of (1)  
 123.18 the maximum authorized under the policy described in paragraph (d) that provides for  
 123.19 enrollment in the plan or program, (2) one-half of the annual limit on elective deferrals  
 123.20 under section 402(g) of the Internal Revenue Code, or (3) the employee's compensation for  
 123.21 the year.

123.22 (g) Contributions to the plan may include contributions deducted from an employee's  
 123.23 sick leave, accumulated vacation leave, or accumulated severance pay, whether characterized  
 123.24 as employee contributions or nonelective employer contributions, up to applicable limits  
 123.25 under the Internal Revenue Code. Such contributions are not subject to the match requirement  
 123.26 and limit in paragraph (f).

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

123.28

## ARTICLE 11

123.29

### HEALTH CARE SAVINGS PLAN

123.30 Section 1. Minnesota Statutes 2024, section 352.98, subdivision 3, is amended to read:

123.31 Subd. 3. **Contributions.** (a) Contributions to the plan must be defined in a personnel  
 123.32 policy ~~or in a~~ collective bargaining agreement, participation plan, or resolution of the  
 123.33 governing body of a public employer or political subdivision.

124.1 (b) The executive director may offer different types of trusts permitted under the Internal  
124.2 Revenue Code to best meet the needs of different employer units.

124.3 ~~(b)~~ (c) Contributions to the plan by or on behalf of the participant must be held in trust  
124.4 for reimbursement of eligible health-related expenses for participants and their dependents  
124.5 following termination from public employment or in other circumstances set forth in the  
124.6 plan document. The executive director shall maintain a separate account of the contributions  
124.7 made by or on behalf of each participant and the earnings thereon. The executive director  
124.8 shall make available a limited range of investment options, and each participant may direct  
124.9 the investment of the accumulations in the participant's account among the investment  
124.10 options made available by the executive director.

124.11 ~~(e)~~ (d) This section does not obligate a public employer to meet and negotiate in good  
124.12 faith with the exclusive bargaining representative of any public employee group regarding  
124.13 an employer contribution to a postretirement or active employee health care savings plan  
124.14 authorized by this section and section 356.24, subdivision 1, clause (7). It is not the intent  
124.15 of the legislature to authorize the state to incur new funding obligations for the costs of  
124.16 retiree health care or the costs of administering retiree health care plans or accounts.

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

124.18 **ARTICLE 12**  
124.19 **WORK GROUPS**

124.20 Section 1. **WORK GROUP ON VESTING AND EMERGENCY MEDICAL**  
124.21 **PROVIDERS IN FIREFIGHTER RELIEF ASSOCIATIONS AND THE STATEWIDE**  
124.22 **VOLUNTEER FIREFIGHTER PLAN.**

124.23 Subdivision 1. **Work group established; purpose.** The executive director of the  
124.24 Legislative Commission on Pensions and Retirement (commission executive director) must  
124.25 convene a work group for the purpose of recommending legislation that would:

124.26 (1) shorten the vesting schedule for firefighter relief associations to a maximum of ten  
124.27 years;

124.28 (2) require that firefighter relief associations include volunteer or paid on-call emergency  
124.29 medical providers as members on the same basis as volunteer or paid on-call firefighters;  
124.30 and

124.31 (3) make the same changes to the PERA Statewide Volunteer Firefighter Plan (SVF) as  
124.32 are recommended for firefighter relief associations.

125.1 Subd. 2. **Membership.** (a) The members of the work group are the following:

125.2 (1) a representative from the Minnesota Association of Townships;

125.3 (2) a representative from the Minnesota Association of Small Cities;

125.4 (3) a representative from the League of Minnesota Cities;

125.5 (4) a representative from the Minnesota State Fire Chiefs Association;

125.6 (5) a representative from the Minnesota State Fire Departments Association;

125.7 (6) a representative of the Office of Emergency Medical Services, designated by the

125.8 director of the Office of Emergency Medical Services;

125.9 (7) a representative of the Office of the State Auditor, designated by the state auditor;

125.10 and

125.11 (8) the executive director of the Public Employees Retirement Association, or the

125.12 executive director's designee.

125.13 (b) The commission executive director may invite others, including the commission's

125.14 actuary, to participate in one or more meetings of the work group.

125.15 (c) The organizations and agencies specified in paragraph (a) must provide the

125.16 commission executive director with the names and contact information for the representatives

125.17 who will serve on the work group by June 12, 2026.

125.18 Subd. 3. **Mandate.** In arriving at the work group's recommendations, the work group

125.19 must determine and consider:

125.20 (1) whether shortening vesting schedules has any impact on a relief association or SVF

125.21 fire department's liabilities or funded status and, if so, what options are available to lessen

125.22 the impact;

125.23 (2) any studies or data supporting or critical of the premise that longer vesting schedules

125.24 aid retention or recruitment;

125.25 (3) how many fire departments, whether affiliated with a relief association or participating

125.26 in the SVF, have emergency medical providers who solely perform that function, how many

125.27 of these emergency medical providers are in each fire department, and the funded status of

125.28 the affiliated relief association or SVF account;

125.29 (4) the basis, if any, for excluding emergency medical providers from firefighter relief

125.30 associations and the SVF;

126.1 (5) the cost of requiring past service credit be provided to emergency medical providers  
 126.2 when the providers become members of relief associations that are defined benefit plans or  
 126.3 the SVF defined benefit plan and options for providing past service credit (that is, as far  
 126.4 back as a provider has active service in the fire department or back to 2019);

126.5 (6) whether the chronic overfunding in relief associations and the SVF can be expected  
 126.6 to cover any liabilities under clause (1) or costs under clause (3) and what options are  
 126.7 available for relief associations or fire department accounts in the SVF that are not  
 126.8 overfunded;

126.9 (7) options for phasing in the shorter vesting schedules and requiring coverage of and  
 126.10 past service credit for emergency medical providers; and

126.11 (8) any other issues related to vesting and eligibility that merit discussion by the work  
 126.12 group and inclusion in the recommendations.

126.13 Subd. 4. **Recommendations; proposed legislation.** (a) With the assistance of the  
 126.14 commission executive director, the work group must prepare proposed legislation that  
 126.15 implements the recommendations of the work group. If the work group recommends more  
 126.16 than one approach, the work group must provide alternative bills.

126.17 (b) The commission executive director must submit the recommendations of the work  
 126.18 group, along with proposed legislation that implements the recommendations, to the  
 126.19 Legislative Commission on Pensions and Retirement by January 29, 2027, or, if later, the  
 126.20 date all members of the commission have been appointed for the 2027-2028 biennium.

126.21 Subd. 5. **Meetings; chair; administrative support.** (a) The commission executive  
 126.22 director must convene the first meeting of the work group by July 27, 2026.

126.23 (b) The members of the work group must elect a chair or co-chairs at the first meeting.  
 126.24 The chair or co-chair is not required to be a member of the work group.

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

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

126.29 Subd. 6. **Compensation; lobbying; retaliation.** (a) Members of the work group serve  
 126.30 without compensation.

126.31 (b) Participation in the work group is not lobbying under Minnesota Statutes, chapter  
 126.32 10A.

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

127.4 Subd. 7. **Expiration.** The work group expires June 30, 2027.

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

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

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

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

127.11 (c) "Executive director" means the executive director of the commission.

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

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

127.20 (f) "Police and fire plan" means the public employees police and fire plan administered  
 127.21 by the Public Employees Retirement Association.

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

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

127.27 Subd. 2. **Need for a work group.** The commission has identified the following reasons  
 127.28 for establishing a work group:

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

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

128.3 (3) since only one annual report has been filed by the commissioner of public safety  
128.4 under Minnesota Statutes, section 299A.42, subdivision 2, and the report contains minimal  
128.5 information on reimbursements in the categories for treatment, salary, fringe benefits, and  
128.6 health care insurance, the commission is unable to use this report to determine trends,  
128.7 per-member reimbursements, or related information;

128.8 (4) waiting until May 20, 2027, to receive the report from the executive director of the  
128.9 Public Employees Retirement Association under Minnesota Statutes, section 353.032,  
128.10 subdivision 11, regarding the impact on public safety duty disability trends and costs is too  
128.11 late to allow for a legislative solution if trends indicate psychological condition treatment  
128.12 is not resulting in police and fire plan members being able to return to work rather than take  
128.13 a leave of absence for duty disability;

128.14 (5) minimal information is available regarding whether police officers and firefighters  
128.15 who retire under the police and fire plan before age 65 are able to obtain health insurance  
128.16 coverage at a reasonable cost until age 65 when Medicare is available and whether there  
128.17 are options available to the police officers and firefighters to obtain adequate coverage;

128.18 (6) there has been an increase of over 100 percent in the cost of duty disability benefits  
128.19 as reflected in the change between the 2024 actuarial valuation of the police and fire plan  
128.20 and the 2025 actuarial valuation and the effect of this increase on the overall health of the  
128.21 police and fire plan; and

128.22 (7) to determine how to formulate solutions to the reasons in clauses (1) to (6), legislators  
128.23 and other decision makers need a better understanding of the interaction of workers'  
128.24 compensation, the availability and cost of health insurance coverage upon retirement or  
128.25 reemployment, the application process for and amount of duty disability benefits, the ability  
128.26 of public employers to continue to offer health insurance coverage to duty-disabled and  
128.27 retired employees, and the federally provided benefits for public safety officers.

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

128.30 (1) reform duty disability for members of the police and fire plan; and

128.31 (2) ensure that members of the police and fire plan who become duty disabled or retire  
128.32 have access to affordable health insurance coverage until Medicare eligibility.

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

- 129.1 (1) one representative from the Minnesota Police and Peace Officers Association;
- 129.2 (2) one representative from the Minnesota Professional Fire Fighters Association;
- 129.3 (3) one representative from Law Enforcement Labor Services;
- 129.4 (4) one representative from the League of Minnesota Cities;
- 129.5 (5) one representative from the Association of Minnesota Counties;
- 129.6 (6) one representative from the Minnesota Inter-County Association;
- 129.7 (7) one representative from the Coalition of Greater Minnesota Cities;
- 129.8 (8) one representative from the Minnesota Chiefs of Police Association;
- 129.9 (9) one representative from the Minnesota State Fire Chiefs Association;
- 129.10 (10) one representative from the Minnesota Sheriffs' Association;
- 129.11 (11) the executive director of the Public Employees Retirement Association or the
- 129.12 executive director's designee;
- 129.13 (12) the commissioner of public safety or the commissioner's designee;
- 129.14 (13) the commissioner of labor and industry or the commissioner's designee;
- 129.15 (14) the assistant commissioner of the Workers' Compensation Division of the Department
- 129.16 of Labor and Industry or the assistant commissioner's designee;
- 129.17 (15) one designee of the commissioner of management and budget with expertise in the
- 129.18 public employees insurance program and the state employee group insurance program; and
- 129.19 (16) legislators who are members of the commission and who commit to attending most
- 129.20 meetings of the work group.
- 129.21 (b) Each of the organizations or agencies specified in paragraph (a) may designate an
- 129.22 alternate who is entitled to participate in meetings of the work group along with the
- 129.23 designated representative. The co-chairs may establish rules regarding the participation of
- 129.24 alternates in meetings as necessary to ensure that all representatives have the opportunity
- 129.25 to speak.
- 129.26 (c) The executive director may invite others to participate in one or more meetings of
- 129.27 the work group.
- 129.28 (d) Each organization and agency specified in paragraph (a) must provide the executive
- 129.29 director with the names and contact information for the representative and alternate who

130.1 will serve on the work group by June 19, 2026. Legislators who wish to serve on the work  
130.2 group must notify the executive director by June 19, 2026.

130.3 Subd. 5. **Mandate.** (a) Legislation recommended by the work group must address each  
130.4 topic in paragraphs (b) to (h), or the work group must explain in an accompanying report  
130.5 the consideration given to the topic and the reasons the legislation does not address the  
130.6 topic.

130.7 (b) Benefit adequacy. The work group must address the adequacy of the retirement,  
130.8 medical, and other welfare-related benefits to disabled members of the police and fire plan  
130.9 with the objective of establishing a comprehensive package of benefits.

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

130.13 (1) requiring members of the police and fire plan to contribute a percentage of pay on  
130.14 a pre-tax basis to the account;

130.15 (2) requiring the Department of Public Safety to reimburse public employers under  
130.16 Minnesota Statutes, section 299A.465, subdivision 4, if there is not sufficient money in the  
130.17 account to satisfy all requests for reimbursement;

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

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

130.21 (d) Affordable retiree health insurance coverage. To ensure affordable options for  
130.22 providing health insurance coverage are available to retirees under the police and fire plan  
130.23 during retirement, to age 65, the work group must recommend options, including but not  
130.24 limited to:

130.25 (1) allowing members of the police and fire plan during employment to contribute to an  
130.26 account on a pre-tax basis to pay premiums, co-pays, and other costs of medical care during  
130.27 retirement; and

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

130.30 (e) Duty disability definition, assessment, and process reform. To restructure the  
130.31 procedures for assessing duty disability under the police and fire plan and continued health

131.1 insurance coverage during the period of disability, the work group must recommend options,  
131.2 including but not limited to:

131.3 (1) revising the definition of "duty disability" as defined in Minnesota Statutes, section  
131.4 353.01, subdivision 41, as necessary to be consistent with this paragraph;

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

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

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

131.16 (5) the establishment of a duty disability review board to consider and determine  
131.17 eligibility for duty disability benefits and continued health insurance coverage consisting  
131.18 of one representative appointed by each of the following organizations:

131.19 (i) Minnesota Chiefs of Police Association;

131.20 (ii) Minnesota State Fire Chiefs Association;

131.21 (iii) Minnesota Sheriffs' Association;

131.22 (iv) Minnesota Police and Peace Officers Association;

131.23 (v) Minnesota Professional Fire Fighters Association;

131.24 (vi) Law Enforcement Labor Services;

131.25 (vii) League of Minnesota Cities;

131.26 (viii) Association of Minnesota Counties;

131.27 (ix) Minnesota Board of Psychology; and

131.28 (x) Minnesota Board of Medical Practice.

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

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

132.3 (f) Report assessment. The work group must consider the following reports and address  
132.4 key considerations, challenges, recommendations, and shortcomings identified in the reports  
132.5 in the legislation recommended by the work group:

132.6 (1) "Adequacy of Disability Benefits for Minnesota Police Officers: Final Report,"  
132.7 January 2023, prepared by numerous authors and presented to the Department of Labor and  
132.8 Industry; and

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

132.12 (g) Psychological treatment assessment. The work group must assess the success of the  
132.13 psychological condition treatment required under Minnesota Statutes, section 353.032, in  
132.14 returning members of the police and fire plan to the workforce and whether the requirement  
132.15 should be repealed in favor of other treatment options that are likely to have more success.  
132.16 Options include but are not limited to contracting with resident treatment programs, such  
132.17 as the IAFF Center of Excellence for Behavioral Health Treatment and Recovery.

132.18 (h) Department of Public Safety reporting. The work group must assess the required  
132.19 reporting by the commissioner of public safety under Minnesota Statutes, section 299A.42,  
132.20 subdivision 2, and provide more specificity regarding the information that must be reported  
132.21 and penalties if information is not reported by the due date in section 299A.42, subdivision  
132.22 2.

132.23 Subd. 6. **Timely response by agencies.** Upon the request of a co-chair of the work group  
132.24 or the executive director, the commissioner of public safety, labor and industry, or  
132.25 management and budget, or the executive director of the Public Employees Retirement  
132.26 Association, as applicable, must promptly furnish the work group with any data requested  
132.27 as the work group determines is necessary to fulfill its purpose.

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

133.1 (b) With the consent of the chair, vice chair, or secretary of the commission, the executive  
 133.2 director may pay for the services of experts under paragraph (a) with money in the LPCR  
 133.3 account.

133.4 Subd. 8. **Recommendations; proposed legislation.** (a) With the assistance of the  
 133.5 executive director, the work group must prepare proposed legislation that implements the  
 133.6 recommendations of the work group. If the work group recommends more than one approach,  
 133.7 the work group must provide alternative legislation.

133.8 (b) The executive director must submit the recommendations of the work group, along  
 133.9 with proposed legislation that implements the recommendations, to the commission by  
 133.10 March 1, 2027, or the date all members of the commission have been appointed for the  
 133.11 2027-2028 biennium, whichever is later.

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

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

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

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

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

133.22 (b) Participation in the work group is not lobbying under Minnesota Statutes, chapter  
 133.23 10A.

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

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

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

134.1 **Sec. 3. AUTHORIZING USE OF MONEY IN THE LCPR ACCOUNT.**

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

134.5 (b) The LCPR account may be used:

134.6 (1) for independent actuarial cost assessments for the commission; and

134.7 (2) with the consent of the chair, vice chair, or secretary of the commission, to pay costs  
134.8 incurred by the executive director, on behalf of the commission, to retain experts, including  
134.9 attorneys and consultants, to advise the work group on topics on which no state agency  
134.10 personnel have expertise, including but not limited to tax-deferred options for setting aside  
134.11 compensation to pay for health insurance coverage during periods of duty disability or  
134.12 retirement and the application of the VA disability schedule to injuries and illness based on  
134.13 which a member of the police and fire plan has applied for duty disability benefits.

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

134.15 **ARTICLE 13**

134.16 **SPECIAL LEGISLATION**

134.17 **Section 1. MISSING IRAP ACCOUNT OF AN ELIGIBLE PERSON.**

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

134.20 (b) "Board of trustees" has the meaning given in Minnesota Statutes, section 354B.20,  
134.21 subdivision 11.

134.22 (c) "IRAP" means the higher education individual retirement account plan established  
134.23 by Minnesota Statutes, chapter 354B.

134.24 (d) "MN State" means Minnesota State Colleges and Universities.

134.25 Subd. 2. **Location of IRAP account required.** (a) Notwithstanding any state law to the  
134.26 contrary, MN State must locate the IRAP account of the eligible person described in  
134.27 paragraph (b) to which contributions deducted from the eligible person's pay in 1991 through  
134.28 1994 were deposited or pay the eligible person an amount of \$30,000.

134.29 (b) The eligible person is a person who:

134.30 (1) was employed by Winona State University from July 1, 1991, to June 30, 1996; and

135.1 (2) has copies of pay stubs showing payroll deduction contributions to the IRAP dated  
 135.2 December 27, 1991; March 20, 1992; August 21, 1992; March 5, 1993; and April 16, 1993,  
 135.3 in amounts of \$18.72 or \$19.93, which must be considered as adequate proof that payroll  
 135.4 deduction contributions were taken each pay period beginning September 3, 1991, to October  
 135.5 31, 1994, for deposit into the eligible person's IRAP account.

135.6 (c) No later than 60 days after the effective date of this section, the board of trustees  
 135.7 must either:

135.8 (1) locate the eligible person's IRAP account to which payroll deduction contributions  
 135.9 were deposited and provide the eligible person with information regarding the individual  
 135.10 or entity holding the IRAP account, an accounting of the amounts contributed and investment  
 135.11 earnings thereon, and instructions on how the eligible person can access the account; or

135.12 (2) pay the eligible person an amount equal to \$30,000.

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

135.14 Sec. 2. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION GENERAL**  
 135.15 **EMPLOYEES RETIREMENT PLAN; SERVICE CREDIT PURCHASE BY AN**  
 135.16 **ELIGIBLE EMPLOYEE.**

135.17 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the  
 135.18 meanings given:

135.19 (1) "city" means the city of Minneapolis;

135.20 (2) "executive director" means the executive director of the Public Employees Retirement  
 135.21 Association;

135.22 (3) "fund" means the general employees retirement fund administered by the Public  
 135.23 Employees Retirement Association; and

135.24 (4) "general plan" means the general employees retirement plan of the Public Employees  
 135.25 Retirement Association.

135.26 Subd. 2. **Authorization.** (a) Notwithstanding any state law to the contrary, an eligible  
 135.27 person described in subdivision 3 is entitled to:

135.28 (1) have the city pay the amount required under subdivision 5, paragraph (a), on the  
 135.29 eligible person's behalf; and

136.1 (2) upon the city making the payments required under subdivision 5, paragraphs (a) and  
136.2 (b), receive credit for allowable service in the general plan for the periods of service described  
136.3 in subdivision 4.

136.4 (b) Upon receiving the payments described in subdivision 5, the executive director must  
136.5 credit the eligible person with allowable service for the periods of service described in  
136.6 subdivision 4.

136.7 Subd. 3. **Eligible person.** An eligible person is a person who:

136.8 (1) was initially employed by the city on April 26, 2016, in the fleet services division  
136.9 of the public works department;

136.10 (2) received salary for periods of employment with the city that occurred beginning May  
136.11 29, 2016, through November 4, 2022, and during portions of those periods of employment  
136.12 the city failed to deduct employee contributions and make employer contributions as required  
136.13 by Minnesota Statutes, section 353.27; and

136.14 (3) terminated employment with the city on November 4, 2022.

136.15 Subd. 4. **Periods of uncredited prior service.** The periods of uncredited prior service  
136.16 available for purchase are:

136.17 (1) May 29, 2016, through October 15, 2016;

136.18 (2) April 11, 2017, through October 10, 2017; and

136.19 (3) April 27, 2018, through November, 24, 2018.

136.20 Subd. 5. **Payment by employer.** (a) On behalf of the eligible person, the city must pay  
136.21 to the fund an amount equal to the total amount of employee contributions that would have  
136.22 been deducted from the eligible person's salary and paid to the fund based on the eligible  
136.23 person's salary for each period of employment described in subdivision 4, plus interest  
136.24 compounded annually at the applicable annual rate or rates specified in Minnesota Statutes,  
136.25 section 356.59, subdivision 3, from the date each employee contribution deduction should  
136.26 have been paid until the date the payment is made.

136.27 (b) The city must pay to the fund an amount equal to the total amount of employer  
136.28 contributions that the city would have made to the fund based on the eligible person's salary  
136.29 for each period of employment described in subdivision 4, plus interest compounded annually  
136.30 at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59,  
136.31 subdivision 3, from the date each employer contribution should have been paid until the  
136.32 date the payment is made.

137.1 (c) The executive director must determine the amount of the payments required under  
 137.2 paragraphs (a) and (b) and notify the city and the eligible person regarding the amount and  
 137.3 the basis for determining the amount.

137.4 (d) The city must make the payments required under paragraphs (a) and (b) in a lump  
 137.5 sum no later than 60 days after the date on which the executive director notifies the city  
 137.6 under paragraph (c).

137.7 Subd. 6. **Collection of unpaid amounts.** If the city fails to make all of the payments  
 137.8 required by subdivision 5, the executive director must follow the procedures in Minnesota  
 137.9 Statutes, section 353.28, subdivision 6, to collect the amount not paid.

137.10 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective upon approval  
 137.11 by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

137.12

## ARTICLE 14

137.13

### STATE BOARD OF INVESTMENT

137.14 Section 1. Minnesota Statutes 2025 Supplement, section 11A.04, is amended to read:

137.15 **11A.04 DUTIES AND POWERS; APPROPRIATION.**

137.16 The state board shall:

137.17 (1) Act as trustees for each fund for which it invests or manages money in accordance  
 137.18 with the standard of care set forth in section 11A.09 if state assets are involved and in  
 137.19 accordance with chapter 356A if pension assets are involved.

137.20 (2) Formulate policies and procedures deemed necessary and appropriate to carry out  
 137.21 its functions. Procedures adopted by the state board must allow fund beneficiaries and  
 137.22 members of the public to become informed of proposed board actions. Procedures and  
 137.23 policies of the state board are not subject to the Administrative Procedure Act.

137.24 (3) Employ an executive director as provided in section 11A.07.

137.25 (4) ~~Employ~~ Retain investment advisors and consultants as it deems necessary.

137.26 (5) Prescribe policies concerning personal investments of all employees of the state  
 137.27 board to prevent conflicts of interest.

137.28 (6) Maintain a record of its proceedings.

137.29 (7) As it deems necessary, establish advisory committees subject to section 15.059 to  
 137.30 assist the state board in carrying out its duties.

138.1 (8) Not permit state funds to be used for the underwriting or direct purchase of municipal  
138.2 securities from the issuer or the issuer's agent.

138.3 (9) Direct the commissioner of management and budget to sell property other than money  
138.4 that has escheated to the state when the state board determines that sale of the property is  
138.5 in the best interest of the state. Escheated property must be sold to the highest bidder in the  
138.6 manner and upon terms and conditions prescribed by the state board.

138.7 (10) Undertake any other activities necessary to implement the duties and powers set  
138.8 forth in this section.

138.9 (11) Establish a formula or formulas to measure management performance and return  
138.10 on investment. Public pension funds in the state shall utilize the formula or formulas  
138.11 developed by the state board.

138.12 (12) Except as otherwise provided in article XI, section 8, of the Constitution of the state  
138.13 of Minnesota, employ retain, at its discretion, qualified private external firms to invest and,  
138.14 manage, or provide services with respect to the assets of funds over which the state board  
138.15 has investment management responsibility. ~~There is annually appropriated to the state board,~~  
138.16 ~~from the assets of the funds for which the state board utilizes a private investment manager,~~  
138.17 ~~sums sufficient to pay the costs of employing private firms. Each year, by January 15, the~~  
138.18 ~~board shall report to the governor and legislature on the cost and the investment~~ The state  
138.19 board must include in the report required under section 11A.07, subdivision 4, clause (8),  
138.20 the management fees paid under this clause and the performance of each investment manager  
138.21 employed retained by the state board.

138.22 (13) Adopt an investment policy statement that includes investment objectives, asset  
138.23 allocation, and the investment management structure for the retirement fund assets under  
138.24 its control. The statement may be revised at the discretion of the state board. The state board  
138.25 shall seek the advice of the council regarding its investment policy statement. Adoption of  
138.26 the statement is not subject to chapter 14.

138.27 (14) Adopt a compensation plan setting the terms and conditions of employment for  
138.28 unclassified employees of the state board pursuant to section 43A.18, subdivision 3b.

138.29 (15) Contract, as necessary, with the board of trustees of the Minnesota State Colleges  
138.30 and Universities System for the provision of investment review and selection services under  
138.31 section 354B.25, subdivision 3, and arrange for the receipt of payment for those services.

138.32 There is annually appropriated to the state board, from the assets of the funds for which  
138.33 the state board provides investment services, sums sufficient to pay the ~~costs of all necessary~~

139.1 expenses ~~for the administration~~ of the state board, including any fees or expenses charged  
139.2 by advisors, consultants, or external firms. These sums will be deposited in the State Board  
139.3 of Investment operating account, which must be established by the commissioner of  
139.4 management and budget in the special revenue fund.

139.5 Sec. 2. Minnesota Statutes 2025 Supplement, section 11A.07, subdivision 4, is amended  
139.6 to read:

139.7 Subd. 4. **Duties and powers.** The executive director, at the direction of the state board,  
139.8 shall:

139.9 (1) plan, direct, coordinate, and execute administrative and investment functions in  
139.10 conformity with the policies and directives of the state board and the requirements of this  
139.11 chapter and of chapter 356A;

139.12 (2) prepare and submit biennial and annual budgets to the state board and with the  
139.13 approval of the state board submit the budgets to the Department of Management and Budget;

139.14 (3) employ professional and clerical staff as necessary;

139.15 (4) report to the state board on all operations under the executive director's control and  
139.16 supervision;

139.17 (5) maintain accurate and complete records of securities transactions and official  
139.18 activities;

139.19 (6) establish a policy, which is subject to state board approval, relating to the purchase  
139.20 and sale of securities on the basis of competitive offerings or bids;

139.21 (7) cause securities acquired to be kept in the custody of the commissioner of management  
139.22 and budget or other depositories consistent with chapter 356A, as the state board deems  
139.23 appropriate;

139.24 (8) prepare and file with the director of the Legislative Reference Library a report  
139.25 summarizing the activities of the state board, the council, and the executive director during  
139.26 the preceding fiscal year;

139.27 (9) include on the state board's website its annual report and an executive summary of  
139.28 its quarterly reports;

139.29 (10) require state officials from any department or agency to produce and provide access  
139.30 to any financial documents the state board deems necessary in the conduct of its investment  
139.31 activities;

140.1 (11) with respect to any fund for which the state board provides investment services,  
 140.2 modify the billing procedure or apportionment of expenses under subdivision 5 to the extent  
 140.3 the executive director determines is appropriate or necessary, with any such modification  
 140.4 consistent with the applicable duties in this chapter and section 356A.04;

140.5 ~~(11)~~ (12) receive and expend legislative appropriations; and

140.6 ~~(12)~~ (13) undertake any other activities necessary to implement the duties and powers  
 140.7 set forth in this subdivision consistent with chapter 356A.

140.8 Sec. 3. Minnesota Statutes 2024, section 11A.07, subdivision 5, is amended to read:

140.9 Subd. 5. **Apportionment of expenses.** (a) The annual expenses incurred by the State  
 140.10 Board of Investment will state board, including any fees or expenses charged by advisors,  
 140.11 consultants, or external firms, must be apportioned among the state general fund, the  
 140.12 retirement funds administered by the Minnesota State Retirement System, Public Employees  
 140.13 Retirement Association, and Teachers Retirement Association, and all other funds as follows:  
 140.14 for which the state board provides investment services, in accordance with this subdivision.  
 140.15 There is annually appropriated to the state board, from the assets of all funds for which the  
 140.16 state board provides investment services, sums sufficient to pay the apportioned expenses.  
 140.17 These sums must be deposited in the State Board of Investment operating account, which  
 140.18 must be established by the commissioner of management and budget in the special revenue  
 140.19 fund. Those sums must be apportioned as follows:

140.20 ~~(1) on a biennial basis, the State Board of Investment, in accordance with biennial budget~~  
 140.21 ~~procedures established by the commissioner of management and budget, may request a~~  
 140.22 ~~direct appropriation that represents the portion of the State Board of Investment expenses~~  
 140.23 ~~necessary to provide investment services to the state general fund. This appropriation must~~  
 140.24 ~~be deposited in the State Board of Investment operating account;~~

140.25 ~~(2)~~ (1) the executive director shall first apportion the actual expenses allocable solely  
 140.26 to a specific fund or in the case of multiple funds, among the funds proportionally based on  
 140.27 weighted average assets under management during the fiscal year; and

140.28 (2) next, the executive director shall apportion the expenses incurred by the State Board  
 140.29 of Investment state board, less the charge to the state general fund charges apportioned  
 140.30 under clause (1) and accounting for any modification made pursuant to subdivision 4, clause  
 140.31 (11), among the funds whose assets are invested by the State Board of Investment, with the  
 140.32 exception of the state general fund, for which the state board provides investment services,  
 140.33 with such expenses allocated proportionally based on the weighted average assets under

141.1 management during the fiscal year. ~~The amounts necessary to pay these charges are~~  
 141.2 ~~apportioned from the investment earnings of each fund. Receipts must be credited to the~~  
 141.3 ~~State Board of Investment operating account;~~

141.4 ~~(3) (b)~~ The ~~actual~~ expenses apportioned and charged to the funds under paragraph (a),  
 141.5 with the exception of ~~the state general fund and~~ the retirement funds administered by the  
 141.6 Minnesota State Retirement System, Public Employees Retirement Association, and Teachers  
 141.7 Retirement Association, must be calculated, billed, and paid at least on a quarterly basis in  
 141.8 accordance with procedures for interdepartmental payments established by the commissioner  
 141.9 of management and budget; ~~and~~. Sums received to pay the expenses must be deposited in  
 141.10 the operating account under section 11A.04.

141.11 ~~(4) (c)~~ The annual estimated expenses to be incurred by the ~~State Board of Investment~~  
 141.12 state board that will be payable by the retirement funds administered by the Minnesota State  
 141.13 Retirement System, Public Employees Retirement Association, and Teachers Retirement  
 141.14 Association must be deposited in the State Board of Investment operating account under  
 141.15 section 11A.04 on or about the first business day of each fiscal year. A reconciliation of the  
 141.16 ~~actual~~ expenses allocable to each retirement fund compared to the applicable estimated ~~costs~~  
 141.17 expenses must occur at least annually at the end of ~~each~~ the fiscal year ~~with any surplus or~~.  
 141.18 Any deficit being credited or debited to each of the respective funds. The State Board of  
 141.19 ~~Investment must present a statement of accrued actual~~ determined by such reconciliation  
 141.20 is due and payable to the State Board of Investment operating account promptly upon notice  
 141.21 of the amount due. Any fiscal year-end surplus may, at the executive director's discretion,  
 141.22 be retained in the operating account and credited against the following fiscal year's estimated  
 141.23 ~~expenses to~~ of each respective retirement fund at the end of each quarter during each fiscal  
 141.24 ~~year.~~ The executive director must refund to the respective retirement fund any portion of  
 141.25 any surplus not credited against the following fiscal year's estimated expenses.

141.26 Sec. 4. Laws 2025, chapter 39, article 1, section 8, is amended to read:

141.27				<b>139,000</b>
141.28	Sec. 8. STATE BOARD OF INVESTMENT	\$	139,000	\$ <u>-0-</u>

142.1

**ARTICLE 15**

142.2

**ADMINISTRATIVE, TECHNICAL, AND CONFORMING CHANGES RELATED  
TO VOLUNTEER AND PAID ON-CALL FIREFIGHTERS**

142.3

142.4

Section 1. Minnesota Statutes 2024, section 6.496, is amended to read:

142.5

**6.496 VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS; STATE BOARD**

142.6

**OF INVESTMENT OPTIONS.**

142.7

(a) Annually, on or before March 1, the state auditor shall provide all ~~volunteer~~ firefighter relief associations with recent and historic investment performance results of the various accounts of the Minnesota supplemental investment fund and information on the process and procedures for a ~~firefighters~~ firefighter relief association to utilize the Minnesota supplemental investment fund as an investment option.

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(b) Annually, on or before March 1, the state auditor shall provide all ~~volunteer~~ firefighter relief associations with basic information on the statewide ~~lump-sum~~ volunteer firefighter plan, that a fire department has the option annually to join the retirement plan, and that, if the fire department joins the retirement plan, future asset investments would be the responsibility of the State Board of Investment.

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(c) The information provision required by paragraphs (a) and (b) may be provided in an electronic or other format if the state auditor determines that the format is reasonably accessible by a preponderance of ~~volunteer~~ firefighter relief associations.

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142.19

142.20

Sec. 2. Minnesota Statutes 2024, section 11A.17, subdivision 1, is amended to read:

142.21

Subdivision 1. **Purpose; accounts; continuation.** (a) The purpose of the supplemental investment fund is to provide an investment vehicle for the assets of various public retirement plans and funds.

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142.24

(b) The state board shall determine and make available investment accounts within the supplemental investment fund. These accounts shall include an appropriate array of diversified investment options for participants of the public retirement plans under subdivision 5.

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(c) The assets of the supplemental investment fund must be invested by the state board in types of investments permitted under section 11A.24.

142.29

142.30

(d) The state board shall make available a volunteer firefighter account for the statewide ~~lump-sum~~ volunteer firefighter plan under section 353G.02.

142.31

143.1 Sec. 3. Minnesota Statutes 2024, section 144F.01, subdivision 2, is amended to read:

143.2 Subd. 2. **Authority to establish.** (a) Two or more political subdivisions may establish,  
143.3 by resolution of their governing bodies, a special taxing district to provide fire protection  
143.4 or emergency medical services, or both, in the area of the district, comprising the jurisdiction  
143.5 of each of the political subdivisions forming the district. For a county that participates in  
143.6 establishing a district, the county's jurisdiction comprises the unorganized territory of the  
143.7 county that it designated in its resolution for inclusion in the district. The area of the special  
143.8 taxing district need not be contiguous or its boundaries continuous.

143.9 (b) Before establishing a district under this section, the participating political subdivisions  
143.10 must enter into an agreement that specifies how any liabilities, other than debt issued under  
143.11 subdivision 6, and assets of the district will be distributed if the district is dissolved. The  
143.12 agreement may also include other terms, including a method for apportioning the levy of  
143.13 the district among participating political subdivisions under subdivision 4, paragraph (b),  
143.14 as the political subdivisions determine appropriate. The agreement must be adopted no later  
143.15 than upon passage of the resolution establishing the district under paragraph (a), but may  
143.16 be later amended by agreement of each of the political subdivisions participating in the  
143.17 district.

143.18 (c) If two or more political subdivisions that currently operate separate fire departments  
143.19 seek to merge fire departments into one fire department, or if a political subdivision with  
143.20 an existing fire department requests to join a special taxing district with an established fire  
143.21 department, the resolution under paragraph (a) or agreement under paragraph (b) must  
143.22 specify which, if any, ~~volunteer firefighter pension plan~~ relief association or account in the  
143.23 statewide volunteer firefighter plan is associated with the district. A special taxing district  
143.24 that operates a fire department under this section may be associated with only one ~~firefighters~~  
143.25 firefighter relief association or one account in the statewide volunteer firefighter plan at one  
143.26 time.

143.27 (d) If the special taxing district includes the operation of a fire department, it must file  
143.28 its resolution establishing the fire protection special taxing district, and any agreements  
143.29 required for the establishment of the special taxing district, with the commissioner of revenue,  
143.30 including any subsequent amendments. If the resolution or agreement does not include  
143.31 sufficient information defining the fire department service area of the fire protection special  
143.32 taxing district, the secretary of the district board must file a written statement with the  
143.33 commissioner defining the fire department service area.

144.1 Sec. 4. Minnesota Statutes 2025 Supplement, section 151.37, subdivision 12, is amended  
144.2 to read:

144.3 Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed  
144.4 physician, a licensed advanced practice registered nurse authorized to prescribe drugs  
144.5 pursuant to section 148.235, or a licensed physician assistant may authorize the following  
144.6 individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- 144.7 (1) an emergency medical responder registered pursuant to section 144E.27;  
144.8 (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);  
144.9 (3) correctional employees of a state or local political subdivision;  
144.10 (4) staff of community-based health disease prevention or social service programs;  
144.11 (5) a volunteer or paid on-call firefighter;  
144.12 (6) a nurse or any other personnel employed by, or under contract with, a postsecondary  
144.13 institution or a charter, public, or private school; and  
144.14 (7) transit rider investment program personnel authorized under section 473.4075.

144.15 (b) For the purposes of this subdivision, opiate antagonists may be administered by one  
144.16 of these individuals only if:

144.17 (1) the licensed physician, licensed physician assistant, or licensed advanced practice  
144.18 registered nurse has issued a standing order to, or entered into a protocol with, the individual;  
144.19 and

144.20 (2) the individual has training in the recognition of signs of opiate overdose and the use  
144.21 of opiate antagonists as part of the emergency response to opiate overdose.

144.22 (c) Nothing in this section prohibits the possession and administration of naloxone  
144.23 pursuant to section 604A.04.

144.24 (d) Notwithstanding section 148.235, subdivisions 8 and 9, a licensed practical nurse is  
144.25 authorized to possess and administer according to this subdivision an opiate antagonist in  
144.26 a school setting.

144.27 Sec. 5. Minnesota Statutes 2025 Supplement, section 181.101, is amended to read:

144.28 **181.101 WAGES; HOW OFTEN PAID.**

144.29 (a) Except as provided in paragraph (b), every employer must pay all wages, including  
144.30 salary, earnings, and gratuities earned by an employee at least once every 31 days and all

145.1 commissions earned by an employee at least once every three months, on a regular payday  
 145.2 designated in advance by the employer regardless of whether the employee requests payment  
 145.3 at longer intervals. Unless paid earlier, the wages earned during the first half of the first  
 145.4 31-day pay period become due on the first regular payday following the first day of work.  
 145.5 If wages or commissions earned are not paid, the commissioner of labor and industry or the  
 145.6 commissioner's representative may serve a demand for payment on behalf of an employee.  
 145.7 In addition to other remedies under section 177.27, if payment of wages is not made within  
 145.8 ten days of service of the demand, the commissioner may charge and collect the wages  
 145.9 earned at the employee's rate or rates of pay or at the rate or rates required by law, including  
 145.10 any applicable statute, regulation, rule, ordinance, government resolution or policy, contract,  
 145.11 or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the  
 145.12 employee's average daily earnings at the same rate or rates for each day beyond the ten-day  
 145.13 limit following the demand. If payment of commissions is not made within ten days of  
 145.14 service of the demand, the commissioner may charge and collect the commissions earned  
 145.15 and a penalty equal to 1/15 of the commissions earned but unpaid for each day beyond the  
 145.16 ten-day limit. Money collected by the commissioner must be paid to the employee concerned.  
 145.17 This section does not prevent an employee from prosecuting a claim for wages. This section  
 145.18 does not prevent a school district, other public school entity, or other school, as defined  
 145.19 under section 120A.22, from paying any wages earned by its employees during a school  
 145.20 year on regular paydays in the manner provided by an applicable contract or collective  
 145.21 bargaining agreement, or a personnel policy adopted by the governing board. For purposes  
 145.22 of this section, "employee" includes a person who performs agricultural labor as defined in  
 145.23 section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an  
 145.24 employee works. This section provides a substantive right for employees to the payment of  
 145.25 wages, including salary, earnings, and gratuities, as well as commissions, in addition to the  
 145.26 right to be paid at certain times.

145.27 (b) An employer of a ~~volunteer or~~ paid on-call firefighter, as defined in section 424A.001,  
 145.28 subdivision ~~10~~ 10a, a member of an organized first responder squad that is formally  
 145.29 recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant  
 145.30 must pay all wages earned by the ~~volunteer~~ paid on-call firefighter, first responder, or  
 145.31 volunteer ambulance driver or attendant at least once every 31 days, unless the employer  
 145.32 and the employee mutually agree upon payment at longer intervals.

145.33 Sec. 6. Minnesota Statutes 2024, section 299K.03, subdivision 3, is amended to read:

145.34 Subd. 3. **Appointed members.** (a) The governor shall appoint 18 additional members  
 145.35 to the commission.

146.1 (b) The 18 appointed members must include one representative each of fire chiefs,  
146.2 professional firefighters, volunteer or paid on-call firefighters, fire marshals, law enforcement  
146.3 personnel, emergency medical personnel, health professionals, wastewater treatment  
146.4 operators, labor, emergency managers, and local elected officials, three representatives of  
146.5 community groups or the public, and four representatives from business and industry, at  
146.6 least one of whom must represent small business.

146.7 (c) At least four of the appointed members must reside outside the metropolitan area,  
146.8 as defined in section 473.121, subdivision 2.

146.9 (d) The appointed members must be appointed, serve, and be compensated in the manner  
146.10 provided in section 15.059.

146.11 Sec. 7. Minnesota Statutes 2024, section 299N.02, subdivision 1, is amended to read:

146.12 Subdivision 1. **Membership.** Notwithstanding any provision of chapter 15 to the contrary,  
146.13 the Board of Firefighter Training and Education consists of the following members:

146.14 (1) five members representing the Minnesota State Fire Department Association, four  
146.15 of whom must be volunteer or paid on-call firefighters and one of whom may be a full-time  
146.16 firefighter, appointed by the governor;

146.17 (2) two members representing the Minnesota State Fire Chiefs Association, one of whom  
146.18 must be a volunteer fire chief, appointed by the governor;

146.19 (3) two members representing the Minnesota Professional Fire Fighters, appointed by  
146.20 the governor;

146.21 (4) two members representing Minnesota home rule charter and statutory cities, appointed  
146.22 by the governor;

146.23 (5) two members representing Minnesota towns, appointed by the governor;

146.24 (6) the commissioner of public safety or the commissioner's designee; and

146.25 (7) one public member not affiliated or associated with any member or interest represented  
146.26 in clauses (1) to (6), appointed by the governor.

146.27 The Minnesota State Fire Department Association shall recommend five persons to be the  
146.28 members described in clause (1), the Minnesota State Fire Chiefs Association shall  
146.29 recommend two persons to be the members described in clause (2), the Minnesota  
146.30 Professional Fire Fighters shall recommend two persons to be the members described in  
146.31 clause (3), the League of Minnesota Cities shall recommend two persons to be the members  
146.32 described in clause (4), and the Minnesota Association of Townships shall recommend two

147.1 persons to be the members described in clause (5). In making the appointments the governor  
147.2 shall try to achieve representation from all geographic areas of the state.

147.3 Sec. 8. Minnesota Statutes 2024, section 352.98, subdivision 1, is amended to read:

147.4 Subdivision 1. **Plan created.** This section must be administered by the executive director  
147.5 of the system with the advice and consent of the board of directors. The executive director  
147.6 shall establish a plan or plans, known as health care savings plans, through which an officer  
147.7 or employee of the state or of a political subdivision, including officers or employees covered  
147.8 by a plan or fund specified in chapter 353D, 354B, 354D, 424A, or section 356.20,  
147.9 subdivision 2, may save to cover health care costs. For purposes of this section, a volunteer  
147.10 or paid on-call firefighter is an employee. The executive director shall make available one  
147.11 or more trusts, including a governmental trust or governmental trusts, authorized under the  
147.12 Internal Revenue Code to be eligible for tax-preferred or tax-free treatment through which  
147.13 employers and employees can save to cover health care costs.

147.14 Sec. 9. Minnesota Statutes 2025 Supplement, section 353D.01, subdivision 2, is amended  
147.15 to read:

147.16 Subd. 2. **Eligibility.** (a) Eligibility to participate in the plan is available to:

147.17 (1) any elected or appointed local government official of a governmental subdivision  
147.18 who elects to participate in the plan under section 353D.02, subdivision 1, and who, for the  
147.19 service rendered to a governmental subdivision, is not a member of the association within  
147.20 the meaning of section 353.01, subdivision 7;

147.21 (2) physicians who, if they did not elect to participate in the plan under section 353D.02,  
147.22 subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

147.23 (3) basic and advanced life-support emergency medical service personnel who are  
147.24 employed by any public ambulance service that elects to participate under section 353D.02,  
147.25 subdivision 3;

147.26 (4) members of a municipal rescue squad associated with the city of Litchfield in Meeker  
147.27 County, or of a county rescue squad associated with Kandiyohi County, if an independent  
147.28 nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency  
147.29 management services, and if not affiliated with a fire department or ambulance service and  
147.30 if its members are not eligible for membership in that fire department's or ambulance service's  
147.31 relief association or comparable pension plan;

148.1 (5) members of the municipal rescue squad associated with the city of Eden Valley in  
 148.2 Stearns and Meeker Counties who are not eligible for membership in the police and fire  
 148.3 retirement plan or a firefighter relief association affiliated with the city and who elect to  
 148.4 participate in the plan under section 353D.02, subdivision 4, paragraph (b);

148.5 (6) employees of the Port Authority of the city of St. Paul who elect to participate in the  
 148.6 plan under section 353D.02, subdivision 5, and who are not members of the association  
 148.7 under section 353.01, subdivision 7;

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

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

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

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

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

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

148.25 Sec. 10. Minnesota Statutes 2025 Supplement, section 353D.02, subdivision 7, is amended  
 148.26 to read:

148.27 Subd. 7. ~~Certain Volunteer~~ or paid on-call firefighters. Volunteer or paid on-call  
 148.28 firefighters who are serving as members of a municipal fire department or an independent  
 148.29 nonprofit firefighting corporation and who are not covered for that firefighting service by  
 148.30 the public employees police and fire retirement plan under sections 353.63 to 353.68, by a  
 148.31 firefighters relief association under chapter 424A, or by the statewide volunteer firefighter  
 148.32 retirement plan under chapter 353G may elect to participate in the plan within the first 30  
 148.33 days of commencing service by completing and signing a membership election on a form

149.1 prescribed by the executive director of the association. The membership election must be  
149.2 filed with the association within 60 days of commencing service. An eligible firefighter's  
149.3 election is irrevocable. No employer contribution is payable by the fire department or the  
149.4 firefighting corporation unless the municipal governing body or the firefighting corporation  
149.5 governing body, whichever applies, ratifies the membership election.

149.6 Sec. 11. Minnesota Statutes 2024, section 353D.03, subdivision 6, is amended to read:

149.7 Subd. 6. **Volunteer or paid on-call firefighters.** (a) Unless paragraph (b) applies, a  
149.8 volunteer or ~~emergency~~ paid on-call firefighter who elects to participate in the plan shall  
149.9 contribute at least 7.5 percent of any compensation received for firefighting services.

149.10 (b) If the municipality or the independent nonprofit firefighting corporation ratified the  
149.11 election of plan coverage under section 353D.02, subdivision 6, the volunteer or paid on-call  
149.12 firefighter and the employing unit shall contribute in total an amount equal at least to 7.5  
149.13 percent of any compensation received for firefighting services.

149.14 Sec. 12. Minnesota Statutes 2024, section 353G.18, subdivision 4, is amended to read:

149.15 Subd. 4. **Termination procedures.** (a) The participation of a departing entity in the plan  
149.16 and the coverage of the departing firefighters by the plan ~~shall~~ must cease as of the date the  
149.17 requirements in this subdivision are completed and all assets credited to the entity's account  
149.18 are distributed.

149.19 (b) The governing board of the departing entity ~~shall~~ must adopt the resolutions under  
149.20 subdivision 5 and deliver the resolutions to the executive director.

149.21 (c) The executive director ~~shall~~ must:

149.22 (1) fully vest all departing firefighters as of the termination date and consider each  
149.23 departing firefighter 100 percent vested in the pension benefit accrued by the departing  
149.24 firefighter under the entity's account as of the termination date;

149.25 (2) determine the present value of each departing firefighter's accrued benefit as of the  
149.26 termination date, taking into account the benefit level under section 353G.11 or otherwise  
149.27 in effect for the departing firefighter as determined by the executive director;

149.28 (3) determine, as of the termination date, the value of accrued liabilities, including  
149.29 administrative expenses incurred or reasonably anticipated to be incurred through the  
149.30 distribution date, and the value of assets attributable to the entity's account; and

150.1 (4) to the extent necessary to minimize the risk of investment losses between the  
 150.2 termination date and the distribution date, reinvest the assets credited to the entity's account  
 150.3 in low-risk investments.

150.4 (d) If the entity's account has assets in excess of accrued liabilities, the executive director  
 150.5 ~~shall~~ must allocate the excess among all active departing firefighters in the same proportion  
 150.6 that the present value of the accrued benefit for each active departing firefighter bears to  
 150.7 the total present value of the accrued benefits of all active departing firefighters, and each  
 150.8 active departing firefighter's benefit, as determined under paragraph (c), clause (2), ~~shall~~  
 150.9 must be increased by the active departing firefighter's share of the excess.

150.10 (e) The executive director ~~shall~~ must, as soon as practicable after the termination date,  
 150.11 distribute to each departing firefighter, regardless of whether the departing firefighter has  
 150.12 attained age 50, the firefighter's benefit as calculated by the executive director under  
 150.13 paragraphs (c) and (d). The distribution ~~shall~~ must be made in a lump sum, either as a  
 150.14 payment to the departing firefighter or as a direct rollover, if elected by the firefighter. If  
 150.15 the departing firefighter is deceased, then the firefighter's benefit ~~shall~~ must be paid to the  
 150.16 firefighter's survivor under section 353G.12 or as a direct rollover, if elected by the survivor.

150.17 (f) The executive director ~~shall~~ must pay supplemental benefits under section 424A.10,  
 150.18 but only to the extent that the executive director will be reimbursed under section 424A.10,  
 150.19 subdivision 3.

150.20 Sec. 13. Minnesota Statutes 2025 Supplement, section 356.215, subdivision 8, is amended  
 150.21 to read:

150.22 Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable  
 150.23 following investment return assumption:

150.24 plan	150.25 investment return assumption
150.26 general state employees retirement plan	7%
150.27 correctional state employees retirement plan	7
150.28 State Patrol retirement plan	7
150.29 legislators retirement plan, and for the 150.30 constitutional officers calculation of total plan 150.31 liabilities	0
150.32 judges retirement plan	7
150.33 general public employees retirement plan	7
150.34 public employees police and fire retirement plan	7

151.1	local government correctional service retirement	7
151.2	plan	
151.3	teachers retirement plan	7
151.4	St. Paul teachers retirement plan	7
151.5	Bloomington Fire Department Relief Association	6
151.6	<del>local</del> monthly benefit <del>volunteer</del> firefighter relief	5
151.7	associations	
151.8	monthly benefit retirement plans in the statewide	6
151.9	volunteer firefighter <del>retirement</del> plan	

151.10 (b) The actuarial valuation for each of the covered retirement plans listed in section  
 151.11 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take  
 151.12 into account the postretirement adjustment rate or rates applicable to the plan as specified  
 151.13 in section 354A.29, subdivision 7, or 356.415, whichever applies.

151.14 (c) The actuarial valuation must use the applicable salary increase and payroll growth  
 151.15 assumptions found in the appendix to the standards for actuarial work. The appendix must  
 151.16 be updated whenever new assumptions have been approved or deemed approved under  
 151.17 subdivision 18.

151.18 (d) The assumptions set forth in the appendix to the standards for actuarial work continue  
 151.19 to apply, unless a different salary assumption or a different payroll increase assumption:

151.20 (1) has been proposed by the governing board of the applicable retirement plan;

151.21 (2) is accompanied by the concurring recommendation of the actuary retained under  
 151.22 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most  
 151.23 recent actuarial valuation report if section 356.214 does not apply; and

151.24 (3) has been approved or deemed approved under subdivision 18.

151.25 Sec. 14. Minnesota Statutes 2025 Supplement, section 356.215, subdivision 11, is amended  
 151.26 to read:

151.27 Subd. 11. **Amortization contributions.** (a) The actuarial valuation of each pension plan  
 151.28 listed in subdivision 8, paragraph (a), other than the legislators retirement plan, the  
 151.29 Bloomington Fire Department Relief Association, and the ~~local~~ monthly benefit ~~volunteer~~  
 151.30 firefighter relief associations, must contain an exhibit indicating the additional annual  
 151.31 contribution sufficient to amortize on a level percent of payroll basis the unfunded actuarial  
 151.32 accrued liability resulting from any of the following changes, over the period specified for  
 151.33 that change, except that the pension plan's unfunded actuarial accrued liability as of July 1,  
 151.34 2024, must be amortized over a period that ends June 30, 2048:

- 152.1 (1) experience gain or loss: 15 years;
- 152.2 (2) assumption or method change: 20 years;
- 152.3 (3) benefit change for active members: 15 years;
- 152.4 (4) long-term benefit change for inactive members: 15 years;
- 152.5 (5) short-term benefit change for inactive members: the number of years during which
- 152.6 the benefit change will be in effect; and
- 152.7 (6) an annual contribution that is more or less than the actuarially determined contribution:
- 152.8 15 years.
- 152.9 (b) The amortization periods specified in paragraph (a) apply:
- 152.10 (1) unless the standards for actuarial work state otherwise;
- 152.11 (2) except that, for the legislators retirement plan, the additional annual contribution
- 152.12 sufficient to amortize the unfunded actuarial accrued liability must be calculated on a level
- 152.13 dollar basis with an amortization period of one year; and
- 152.14 (3) except that, for the State Patrol retirement plan, the public employees police and fire
- 152.15 retirement plan, and the Teachers Retirement Association, the unfunded actuarial accrued
- 152.16 liability resulting from benefit increases enacted in 2025 must be amortized over a period
- 152.17 that ends June 30, 2048.

152.18 Sec. 15. Minnesota Statutes 2024, section 356.216, is amended to read:

152.19 **356.216 CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL MONTHLY**

152.20 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS.**

152.21 The provisions of section 356.215 that govern the contents of actuarial valuations apply

152.22 to the Bloomington Fire Department Relief Association and to any ~~local monthly firefighters~~

152.23 firefighter relief association required to make an actuarial report under this section, except

152.24 as follows:

- 152.25 (1) in lieu of the amortization date specified in section 356.215, subdivision 11, the
- 152.26 appropriate amortization target date specified in clause (2) or section 424A.093, subdivision
- 152.27 4, paragraph (c), must be used in calculating any required amortization contribution;
- 152.28 (2) for the Bloomington Fire Department Relief Association, any unfunded actuarial
- 152.29 accrued liability must be amortized on a level dollar basis by December 31 of the year
- 152.30 occurring 20 years after the year in which the unfunded actuarial accrued liability initially
- 152.31 occurred, and, if subsequent actuarial valuations for the Bloomington Fire Department Relief

153.1 Association indicate a net actuarial experience loss incurred during the year which ended  
153.2 as of the day before the most recent actuarial valuation date, any unfunded actuarial accrued  
153.3 liability due to that loss is to be amortized on a level dollar basis by December 31 of the  
153.4 year occurring 20 years after the year in which the net actuarial experience loss occurred;

153.5 (3) in addition to the tabulation of active members and annuitants provided for in section  
153.6 356.215, subdivision 13, the prospective annual service pensions under the benefit plan for  
153.7 active members must be reported;

153.8 (4) actuarial valuations required under Laws 2013, chapter 111, article 5, section 39,  
153.9 must be made annually and actuarial valuations required under section 424A.093, subdivision  
153.10 2, must be made every four years or as frequently as required by generally accepted  
153.11 accounting principles in the government sector, whichever frequency requirement is shorter;

153.12 (5) the actuarial balance sheet showing accrued assets valued at market value, actuarial  
153.13 accrued liabilities, and the unfunded actuarial accrued liability must include the following  
153.14 required reserves:

153.15 (i) for active members:

153.16 (A) retirement benefits or service pensions;

153.17 (B) disability benefits; and

153.18 (C) survivors' benefits;

153.19 (ii) for deferred annuitants' benefits;

153.20 (iii) for former members without vested rights;

153.21 (iv) for annuitants:

153.22 (A) retirement annuities or service pensions;

153.23 (B) disability annuities; and

153.24 (C) survivor benefits.

153.25 In addition to those required reserves, separate items must be shown for additional  
153.26 benefits, if any, which may not be appropriately included in the reserves listed above; and

153.27 (6) actuarial valuations are due to be filed with the state auditor by the first day of the  
153.28 seventh month after the end of the fiscal year which the actuarial valuation covers.

154.1 Sec. 16. Minnesota Statutes 2024, section 356.401, subdivision 3, is amended to read:

154.2 Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following  
154.3 retirement plans:

154.4 (1) the legislators retirement plan, established by chapter 3A, including constitutional  
154.5 officers as specified in that chapter;

154.6 (2) the general state employees retirement plan of the Minnesota State Retirement System,  
154.7 established by chapter 352;

154.8 (3) the correctional state employees retirement plan of the Minnesota State Retirement  
154.9 System, established by chapter 352;

154.10 (4) the State Patrol retirement plan, established by chapter 352B;

154.11 (5) the unclassified state employees retirement program, established by chapter 352D;

154.12 (6) the general employees retirement plan of the Public Employees Retirement  
154.13 Association, established by chapter 353;

154.14 (7) the public employees police and fire plan of the Public Employees Retirement  
154.15 Association, established by chapter 353;

154.16 (8) the public employees defined contribution plan, established by chapter 353D;

154.17 (9) the local government correctional service retirement plan of the Public Employees  
154.18 Retirement Association, established by chapter 353E;

154.19 (10) the statewide ~~lump-sum~~ volunteer firefighter plan, established by chapter 353G;

154.20 (11) the Teachers Retirement Association, established by chapter 354;

154.21 (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

154.22 (13) the individual retirement account plan, established by chapter 354B;

154.23 (14) the higher education supplemental retirement plan, established by chapter 354C;

154.24 and

154.25 (15) the judges retirement fund, established by chapter 490.

154.26 Sec. 17. Minnesota Statutes 2024, section 356.611, subdivision 6, is amended to read:

154.27 Subd. 6. **Covered retirement plan.** As used in this section, "covered retirement plan"  
154.28 means any of the following plans:

- 155.1 (1) the legislator's retirement plan, established by chapter 3A, including constitutional  
155.2 officers as specified in that chapter;
- 155.3 (2) the general state employees retirement plan of the Minnesota State Retirement System,  
155.4 established by chapter 352;
- 155.5 (3) the correctional state employees retirement plan of the Minnesota State Retirement  
155.6 System, established by chapter 352;
- 155.7 (4) the State Patrol retirement plan, established by chapter 352B;
- 155.8 (5) the unclassified state employees retirement plan, established by chapter 352D;
- 155.9 (6) the general employees retirement plan of the Public Employees Retirement  
155.10 Association, established by chapter 353;
- 155.11 (7) the public employees police and fire retirement plan of the Public Employees  
155.12 Retirement Association, established by chapter 353;
- 155.13 (8) the public employees defined contribution plan, established by chapter 353D;
- 155.14 (9) the local government correctional service retirement plan of the Public Employees  
155.15 Retirement Association, established by chapter 353E;
- 155.16 (10) the statewide volunteer firefighter ~~retirement~~ plan, established by chapter 353G;
- 155.17 (11) the Teachers Retirement Association, established by chapter 354;
- 155.18 (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;
- 155.19 (13) the higher education individual retirement account plan, established by chapter  
155.20 354B;
- 155.21 (14) the higher education supplemental retirement plan, established by chapter 354C;
- 155.22 (15) a retirement plan of a ~~volunteer firefighter retirement~~ relief association subject to  
155.23 chapter 424A;
- 155.24 (16) the judges retirement plan, established by chapter 490; or
- 155.25 (17) the Bloomington Fire Department Relief Association governed by Laws 2013,  
155.26 chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws  
155.27 1965, chapter 446, as amended.

156.1 Sec. 18. Minnesota Statutes 2024, section 356.635, subdivision 2a, is amended to read:

156.2 Subd. 2a. **Required distributions from defined contribution plans.** (a) This section  
156.3 applies to any covered retirement plan that is a defined contribution plan, including but not  
156.4 limited to the following:

156.5 (1) the unclassified state employees retirement plan, established by chapter 352D;

156.6 (2) the public employees defined contribution plan, established by chapter 353D;

156.7 (3) the defined contribution plan that is part of the statewide volunteer firefighter  
156.8 retirement plan, established by chapter 353G;

156.9 (4) the higher education individuals retirement account plan, established by chapter  
156.10 354B;

156.11 (5) the higher education supplemental retirement plan, established by chapter 354C; and

156.12 (6) a defined contribution relief association, as defined under section 424A.001,  
156.13 subdivision 1c.

156.14 (b) If the participant dies before the required minimum distribution begins, the  
156.15 participant's account must be distributed in a lump sum no later than as follows:

156.16 (1) if the participant's account balance is payable to an eligible designated beneficiary,  
156.17 the distribution must be made by December 31 of the calendar year immediately following  
156.18 the calendar year in which the participant died. If the eligible designated beneficiary is the  
156.19 surviving spouse, the surviving spouse may elect to delay payment until December 31 of  
156.20 the calendar year in which the participant would have attained the participant's required  
156.21 beginning date. ~~Effective for calendar years beginning after December 31, 2023,~~ A surviving  
156.22 spouse who is the member's sole designated beneficiary may elect to be treated as if the  
156.23 surviving spouse were the member as provided under section 401(a)(9)(B)(iv) of the Internal  
156.24 Revenue Code;

156.25 (2) if the participant's account balance is payable to a beneficiary that is not a designated  
156.26 beneficiary, the participant's account must be distributed by December 31 of the calendar  
156.27 year containing the fifth anniversary of the participant's death; or

156.28 (3) if the participant's account balance is payable to a designated beneficiary who is not  
156.29 an eligible designated beneficiary, the participant's account must be distributed by December  
156.30 31 of the calendar year containing the tenth anniversary of the participant's death.

156.31 (c) Upon the death of the participant after distribution of the participant's account balance  
156.32 begins, any remaining portion of the participant's account balance shall continue to be

157.1 distributed at least as rapidly as under the method of distribution in effect at the time of the  
 157.2 participant's death, provided that the portion of the participant's account balance payable to  
 157.3 a designated beneficiary who is not an eligible designated beneficiary must be distributed  
 157.4 in its entirety by December 31 of the calendar year containing the tenth anniversary of the  
 157.5 participant's death.

157.6 (d) Upon the death of an eligible designated beneficiary, or the attainment of the age of  
 157.7 majority of an eligible designated beneficiary who is a minor child of the participant, before  
 157.8 distribution of the participant's entire account balance under paragraph (b) or (c), the  
 157.9 remainder of the participant's account balance shall be distributed by December 31 of the  
 157.10 calendar year containing the tenth anniversary of the eligible designated beneficiary's death,  
 157.11 or by December 31 of the calendar year in which the child attains the age of majority plus  
 157.12 ten years, as applicable.

157.13 ~~(e) Notwithstanding any other provisions of this subdivision, a participant or beneficiary,~~  
 157.14 ~~who would have been required to receive required minimum distributions in 2020 (or paid~~  
 157.15 ~~in 2021 for the 2020 calendar year for a participant with a required beginning date of April~~  
 157.16 ~~1, 2021) but for the enactment of section 401(a)(9)(I) of the Internal Revenue Code, and~~  
 157.17 ~~who would have satisfied that requirement by receiving a distribution that satisfies the~~  
 157.18 ~~required minimum distribution for 2020, will receive that distribution unless the participant~~  
 157.19 ~~or beneficiary chooses not to receive the distribution. Solely for purposes of applying the~~  
 157.20 ~~direct rollover provisions of section 356.633, such distributions will be treated as eligible~~  
 157.21 ~~rollover distributions in 2020.~~

157.22 Sec. 19. Minnesota Statutes 2024, section 356.65, subdivision 1, is amended to read:

157.23 Subdivision 1. **Definitions.** For purposes of this section, unless the context clearly  
 157.24 indicates otherwise, each of the following terms has the meaning given to it:

157.25 (a) "Public pension fund" means any public pension plan as defined in section 356.63,  
 157.26 paragraph (b), and any ~~Minnesota firefighters~~ firefighter relief association ~~which is~~  
 157.27 established under chapter 424A and governed under sections 424A.091 to 424A.096.

157.28 (b) "Unclaimed public pension fund amounts" means any amounts representing  
 157.29 accumulated member contributions, any outstanding unpaid annuity, service pension or  
 157.30 other retirement benefit payments, including those made on warrants issued by the  
 157.31 commissioner of management and budget, which have been issued and delivered for more  
 157.32 than six months prior to the date of the end of the fiscal year applicable to the public pension  
 157.33 fund, and any applicable interest to the credit of:

158.1 (1) an inactive or former member of a public pension fund who is not entitled to a defined  
158.2 retirement annuity and who has not applied for a refund of those amounts within five years  
158.3 after the last member contribution was made; or

158.4 (2) a deceased inactive or former member of a public pension fund if no survivor is  
158.5 entitled to a survivor benefit and no survivor, designated beneficiary or legal representative  
158.6 of the estate has applied for a refund of those amounts within five years after the date of  
158.7 death of the inactive or former member.

158.8 Sec. 20. Minnesota Statutes 2024, section 356B.02, is amended to read:

158.9 **356B.02 DRAFTING PENSION AND RETIREMENT BILLS.**

158.10 (a) Notwithstanding section 3C.035, an agency or pension system intending to urge the  
158.11 legislature to adopt a bill affecting the pension system, one or more plans administered by  
158.12 the pension system, or one or more ~~volunteer~~ firefighter relief associations; or relating to  
158.13 pensions or retirement shall deliver the drafting request for the bill to the executive director  
158.14 of the commission no later than November 1 before the regular session of the legislature at  
158.15 which adoption will be urged.

158.16 (b) The executive director of the commission may accept a drafting request from an  
158.17 agency or a pension system after November 1 if the executive director of the commission  
158.18 determines that the request relates to a matter that could not reasonably have been foreseen  
158.19 by November 1 or for which the requester provides other reasonable justification for delay.

158.20 Sec. 21. Minnesota Statutes 2024, section 423A.02, subdivision 1b, is amended to read:

158.21 Subd. 1b. **Additional amortization state aid.** (a) Annually, the commissioner shall  
158.22 allocate the additional amortization state aid, if any, including any state aid in excess of the  
158.23 limitation in subdivision 4, on the following basis:

158.24 (1) 47.1 percent to the city of Minneapolis to defray the employer costs associated with  
158.25 police and firefighter retirement coverage;

158.26 (2) 25.8 percent as additional funding to support the minimum fire state aid for ~~volunteer~~  
158.27 firefighter relief associations under section 477B.03, subdivision 5;

158.28 (3) 12.9 percent to the city of Duluth to defray employer costs associated with police  
158.29 and firefighter retirement coverage;

158.30 (4) 12.9 percent to the St. Paul Teachers Retirement Fund Association if the investment  
158.31 performance requirement of paragraph (c) is met; and

159.1 (5) 1.3 percent to the city of Virginia to defray the employer contribution under section  
159.2 353.665, subdivision 8, paragraph (d).

159.3 If there is no additional employer contribution under section 353.665, subdivision 8a,  
159.4 certified under subdivision 1, paragraph (d), clause (2), with respect to the former  
159.5 Minneapolis Police Relief Association and the former Minneapolis Fire Department Relief  
159.6 Association, the commissioner shall allocate that 47.1 percent of the aid as follows: 49  
159.7 percent to the Teachers Retirement Association, 21 percent to the St. Paul Teachers  
159.8 Retirement Fund Association, and 30 percent as additional funding to support minimum  
159.9 fire state aid for ~~volunteer~~ firefighter relief associations under section 477B.03, subdivision  
159.10 5. If there is no employer contribution by the city of Virginia under section 353.665,  
159.11 subdivision 8, paragraph (d), for the former Virginia Fire Department Relief Association  
159.12 certified on or before June 30 by the executive director of the Public Employees Retirement  
159.13 Association, the commissioner shall allocate that 1.3 percent of the aid as follows: 49 percent  
159.14 to the Teachers Retirement Association, 21 percent to the St. Paul Teachers Retirement  
159.15 Fund Association, and 30 percent as additional funding to support minimum fire state aid  
159.16 for ~~volunteer~~ firefighter relief associations under section 477B.03, subdivision 5.

159.17 (b) The allocation must be made by the commissioner of revenue on October 1 annually.

159.18 (c) With respect to the St. Paul Teachers Retirement Fund Association, annually, if the  
159.19 teacher's association five-year average time-weighted rate of investment return does not  
159.20 equal or exceed the performance of a composite portfolio assumed passively managed  
159.21 (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt  
159.22 securities, and 30 percent in domestic stock calculated using the formula under section  
159.23 11A.04, clause (11), the aid allocation to the retirement fund under this section ceases until  
159.24 the five-year annual rate of investment return equals or exceeds the performance of that  
159.25 composite portfolio.

159.26 (d) The amounts required under this subdivision are the amounts annually appropriated  
159.27 to the commissioner of revenue under section 477B.03, subdivision 5, paragraph (d), if any,  
159.28 and the aid amounts in excess of the limitation in subdivision 4.

159.29 Sec. 22. Minnesota Statutes 2024, section 423A.02, subdivision 3, is amended to read:

159.30 Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference  
159.31 between \$5,720,000 and the current year amortization aid distributed under subdivision 1  
159.32 that is not distributed for any reason to a municipality must be distributed by the  
159.33 commissioner of revenue according to this paragraph. The commissioner shall distribute  
159.34 60 percent of the amounts derived under this paragraph to the Teachers Retirement

160.1 Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund  
160.2 the unfunded actuarial accrued liabilities of the respective funds. These payments must be  
160.3 made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or  
160.4 the Teachers Retirement Association satisfies subdivision 5, eligibility for its portion of this  
160.5 aid ceases. Amounts remaining in the undistributed balance account at the end of the  
160.6 biennium if aid eligibility ceases cancel to the general fund.

160.7 (b) In order to receive amortization aid under paragraph (a), before June 30 annually  
160.8 Independent School District No. 625, St. Paul, must make an additional contribution of  
160.9 \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

160.10 (c) Thirty percent of the difference between \$5,720,000 and the current year amortization  
160.11 aid under subdivision 1 that is not distributed for any reason to a municipality must be  
160.12 distributed under section 477B.03, subdivision 5, as additional funding to support a minimum  
160.13 fire state aid amount for ~~volunteer~~ firefighter relief associations.

160.14 Sec. 23. Minnesota Statutes 2024, section 424A.01, subdivision 3, is amended to read:

160.15 Subd. 3. **Status of nonmember ~~volunteer~~ firefighters.** No person who is serving as a  
160.16 firefighter in a fire department but who is not a member of the applicable firefighters relief  
160.17 association is entitled to any service pension or ancillary benefits from the relief association.

160.18 Sec. 24. Minnesota Statutes 2024, section 424B.10, subdivision 1b, is amended to read:

160.19 Subd. 1b. **Benefits.** (a) The successor relief association following the consolidation of  
160.20 two or more defined benefit relief associations must be a defined benefit relief association.

160.21 (b) Notwithstanding any provision of section 424A.02, subdivision 3, to the contrary,  
160.22 the initial service pension amount of the subsequent defined benefit relief association as of  
160.23 the effective date of consolidation is either the service pension amount specified in clause  
160.24 (1) or the service pension amounts specified in clause (2), as provided for in the consolidated  
160.25 relief association's articles of incorporation or bylaws:

160.26 (1) the highest dollar amount service pension amount of any prior firefighters relief  
160.27 association in effect immediately before the consolidation initiation if the pension amount  
160.28 was implemented consistent with section 424A.02; or

160.29 (2) for service rendered by each individual volunteer or paid on-call firefighter before  
160.30 consolidation, the service pension amount under the consolidating firefighters relief  
160.31 association that the firefighter belonged to immediately before the consolidation if the  
160.32 pension amount was implemented consistent with section 424A.02 and for service rendered

161.1 after the effective date of the consolidation, the highest dollar amount service pension of  
 161.2 any of the consolidating ~~volunteer firefighters~~ firefighter relief associations in effect  
 161.3 immediately before the consolidation if the pension amount was implemented consistent  
 161.4 with section 424A.02.

161.5 (c) Any increase in the service pension amount beyond the amount implemented under  
 161.6 paragraph (a) must conform with the requirements and limitations of section 424A.02 and  
 161.7 sections 424A.091 to 424A.095.

161.8 Sec. 25. Minnesota Statutes 2024, section 465.90, is amended to read:

161.9 **465.90 MUNICIPAL AUTHORITY TO PERMIT SOLICITATION BY**  
 161.10 **FIREFIGHTERS.**

161.11 Notwithstanding any law or ordinance to the contrary, a municipality may by resolution  
 161.12 permit full-time permanent firefighters employed by the municipality while on duty, or  
 161.13 volunteer or paid on-call firefighters serving the municipality while not on duty, to solicit  
 161.14 charitable contributions from motorists if the following conditions are met:

161.15 (1) the solicitation is for only one charitable organization annually, and that charitable  
 161.16 organization is qualified under section 501(c)(3) of the Internal Revenue Code and is  
 161.17 registered as a charity under state law;

161.18 (2) the solicitation does not occur for more than three days, whether or not consecutively,  
 161.19 in any calendar year; and

161.20 (3) the charitable organization provides to the municipality proof of commercial general  
 161.21 liability insurance against claims for bodily injury and property damage if the injury or  
 161.22 damage occurs (i) on public streets, roads, or rights-of-way, or (ii) as a result of the solicitor's  
 161.23 activities. The insurance must have a limit of no less than \$1,500,000 per occurrence and  
 161.24 an endorsement to the policy naming the municipality as an additional insured.

161.25 Sec. 26. **REVISOR INSTRUCTION.**

161.26 (a) In Minnesota Statutes, the revisor of statutes shall change the terms "volunteer  
 161.27 firefighters relief associations," "volunteer firefighters' relief associations," "firefighters  
 161.28 relief associations," and "firefighters' relief associations" to "firefighter relief associations"  
 161.29 wherever the terms appear.

161.30 (b) In Minnesota Statutes, the revisor of statutes shall change the terms "firefighters  
 161.31 relief association" and "firefighters' relief association" to "firefighter relief association"  
 161.32 wherever the terms appear.

162.1 (c) The revisor shall make any necessary grammatical changes or changes to sentence  
162.2 structure necessary to preserve the meaning of the text as a result of the changes.

162.3 Sec. 27. EFFECTIVE DATE.

162.4 Sections 1 to 26 are effective the day following final enactment.

## 162.5 ARTICLE 16

### 162.6 MISCELLANEOUS TECHNICAL CORRECTIONS

162.7 Section 1. Minnesota Statutes 2025 Supplement, section 299A.465, subdivision 1, is  
162.8 amended to read:

162.9 Subdivision 1. **Officer or firefighter disabled in line of duty.** (a) This subdivision  
162.10 applies to any peace officer or firefighter:

162.11 (1) who the Public Employees Retirement Association or the Minnesota State Retirement  
162.12 System determines is eligible to receive a duty disability benefit pursuant to section 353.656  
162.13 or 352B.10, subdivision 1, respectively; or

162.14 (2) who is a member of a local police or salaried firefighters relief association and  
162.15 qualifies for a duty disability benefit under the terms of plans of the relief associations, and  
162.16 the peace officer or firefighter has discontinued public service as a peace officer or firefighter  
162.17 as a result of a disabling injury and has been determined, by the Public Employees Retirement  
162.18 Association, to have otherwise met the duty disability criteria set forth in section 353.01,  
162.19 subdivision 41.

162.20 (b) Determinations made in accordance with paragraph (a) are binding on the peace  
162.21 officer or firefighter, employer, and state. The determination must be made by the executive  
162.22 director of the Public Employees Retirement Association or by the executive director of the  
162.23 Minnesota State Retirement System, whichever applies, and is not subject to section 356.96,  
162.24 subdivision 2. Upon making a determination, the executive director must provide written  
162.25 notice to the peace officer or firefighter and the employer. The notice must include a written  
162.26 statement of the reasons for the determination. If the notice is from the executive director  
162.27 of the Minnesota State Retirement System, the notice must also include:

162.28 (1) a notice that the person may petition for a review of the determination by requesting  
162.29 that a contested case be initiated before the Office of Administrative Hearings, the cost of  
162.30 which must be borne by the peace officer or firefighter and the employer; and

163.1 (2) a statement that any person who does not petition for a review within 60 days is  
163.2 precluded from contesting issues determined by the executive director in any other  
163.3 administrative review or court procedure.

163.4 If, prior to the contested case hearing, additional information is provided to support the  
163.5 claim for duty disability as defined in section 352B.011, subdivision 7, the executive director  
163.6 may reverse the determination without the requested hearing. If a hearing is held before the  
163.7 Office of Administrative Hearings, the determination rendered by the judge conducting the  
163.8 fact-finding hearing is a final decision and order under section 14.62, subdivision 2a, and  
163.9 is binding on the applicable executive director, the peace officer or firefighter, employer,  
163.10 and state. Review of a final determination made by the Office of Administrative Hearings  
163.11 under this section may only be obtained by writ of certiorari to the Minnesota Court of  
163.12 Appeals under sections 14.63 to 14.68. Only the peace officer or firefighter, employer, and  
163.13 state have standing to participate in a judicial review of the decision of the Office of  
163.14 Administrative Hearings.

163.15 (c) The officer's or firefighter's employer must continue to provide health coverage and  
163.16 pay for the coverage as required by paragraphs (d) to (g) for:

163.17 (1) the officer or firefighter; and

163.18 (2) the officer's or firefighter's dependents if the officer or firefighter was receiving  
163.19 dependent coverage at the time of the injury under the employer's group health plan.

163.20 (d) For an officer or firefighter who has applied for or been approved to receive benefits  
163.21 under section 353.656 ~~prior to the date of enactment~~ before May 24, 2025, or an officer or  
163.22 firefighter who applies for and is approved for total and permanent duty disability benefits  
163.23 under section 353.656, subdivision 1a, the employer is responsible for the continued payment  
163.24 of the employer's contribution for health coverage of the officer or firefighter and, if  
163.25 applicable, the officer's or firefighter's dependents. Coverage must continue for the officer  
163.26 or firefighter and, if applicable, the officer's or firefighter's dependents until the officer or  
163.27 firefighter reaches age 65 or, if deceased, would have reached age 65.

163.28 (e) For an officer or firefighter approved to receive benefits under section 353.656 on  
163.29 or after ~~the date of enactment~~ May 24, 2025, and who is not approved for total and permanent  
163.30 duty disability benefits under section 353.656, subdivision 1a, the employer is responsible  
163.31 for the continued payment of the employer's contribution for health coverage of the officer  
163.32 or firefighter and, if applicable, the officer's or firefighter's dependents. Coverage must  
163.33 continue:

164.1 (1) for the officer or firefighter for a period of 60 months or, if earlier, until the officer  
164.2 or firefighter reaches age 65; and

164.3 (2) for the officer's or firefighter's dependents for a period of 60 months.

164.4 (f) For an officer or firefighter who has applied for or been approved to receive benefits  
164.5 under section 352B.10, subdivision 1, the employer is responsible for the continued payment  
164.6 of the employer's contribution for health coverage of the officer or firefighter and, if  
164.7 applicable, the officer's or firefighter's dependents. Coverage must continue for the officer  
164.8 or firefighter and, if applicable, the officer's or firefighter's dependents until the officer or  
164.9 firefighter reaches age 65 or, if deceased, would have reached age 65.

164.10 (g) The employer is not required to continue health coverage for dependents after the  
164.11 person is no longer a dependent.

164.12 (h) An officer or firefighter who has applied for or been approved to receive benefits  
164.13 under section 353.656 may affirmatively waive health coverage under this section but must  
164.14 not receive any payment or other consideration from the employer in exchange for waiver  
164.15 of the coverage. Any agreement entered into between an officer or firefighter who has  
164.16 applied for or been approved to receive benefits under section 353.656 and the officer's or  
164.17 firefighter's employer or the employer's agent providing for compensation for a waiver of  
164.18 coverage under this section is void. Nothing in this subdivision shall be construed to render  
164.19 void any agreement entered into ~~prior to the date of enactment~~ before May 24, 2025.

164.20 (i) Once a duty disability determination is made pursuant to section 353.656, the employer  
164.21 has no right to challenge and is prohibited from challenging the continuation and payment  
164.22 of health coverage under this section.

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

164.24 Sec. 2. Minnesota Statutes 2024, section 354A.29, subdivision 7, is amended to read:

164.25 Subd. 7. **Postretirement adjustments.** (a) Except as set forth in paragraph (c), each  
164.26 person who has been receiving an annuity or benefit under the articles of incorporation, the  
164.27 bylaws, or this chapter, whose effective date of benefit commencement occurred on or  
164.28 before July 1 of the calendar year immediately before the adjustment, is eligible to receive  
164.29 an annual postretirement adjustment, effective as of each January 1, as follows:

164.30 (1) there shall be no postretirement adjustment on January 1, 2019, and January 1, 2020;  
164.31 and

165.1 (2) the postretirement adjustment shall be one percent on January 1, 2021, and each  
165.2 January 1 thereafter.

165.3 (b) A postretirement adjustment is to be applied as a permanent increase to the regular  
165.4 payment of each eligible member on January 1. For any eligible member whose effective  
165.5 date of benefit commencement occurred after January 1 of the immediately preceding  
165.6 calendar year, the amount of the postretirement adjustment must be reduced by 50 percent.

165.7 (c) Each person who retires on or after July 1, 2024, is entitled to an annual postretirement  
165.8 adjustment, effective as of each January 1, beginning with the year following the year in  
165.9 which the member attains normal retirement age.

165.10 (d) Paragraph (c) does not apply to members who retire under section 354A.31,  
165.11 subdivision 6, paragraph ~~(b)~~ (c), or who retire when the member is at least age 62 and has  
165.12 at least 30 years of service under section 354A.31, subdivision 7.

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

165.14 Sec. 3. Minnesota Statutes 2025 Supplement, section 356.24, subdivision 1, is amended  
165.15 to read:

165.16 Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other  
165.17 governmental subdivision or state agency to levy taxes for or to contribute public funds to  
165.18 a supplemental pension or deferred compensation plan that is established, maintained, and  
165.19 operated in addition to a primary pension program for the benefit of the governmental  
165.20 subdivision employees other than:

165.21 (1) to a supplemental pension plan that was established, maintained, and operated before  
165.22 May 6, 1971;

165.23 (2) to a plan that provides solely for group health, hospital, disability, or death benefits;

165.24 (3) to the individual retirement account plan established by chapter 354B;

165.25 (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or  
165.26 terminating employee;

165.27 (5) to a deferred compensation plan defined in subdivision 3;

165.28 (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges  
165.29 and Universities and not covered by clause (5), to the supplemental retirement plan under  
165.30 chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in  
165.31 the collective bargaining agreement of the public employer with the exclusive representative  
165.32 of the covered employees in an appropriate unit, in an amount matching employee

166.1 contributions on a dollar for dollar basis, but not to exceed an employer contribution of  
166.2 \$4,300 a year for each employee;

166.3 (7) to a supplemental plan or to a governmental trust to save for postretirement health  
166.4 care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the  
166.5 supplemental plan coverage is provided for in a personnel policy ~~or in the~~ collective  
166.6 bargaining agreement, participation plan, or resolution of the governing body of a public  
166.7 employer with the exclusive representative of the covered employees in an appropriate unit;

166.8 (8) to the laborers national industrial pension fund or to a laborers local pension fund  
166.9 for the employees of a governmental subdivision who are covered by a collective bargaining  
166.10 agreement that provides for coverage by that fund and that sets forth a fund contribution  
166.11 rate, but not to exceed an employer contribution of \$10,000 per year per employee;

166.12 (9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters  
166.13 local pension fund for the employees of a governmental subdivision who are covered by a  
166.14 collective bargaining agreement that provides for coverage by that fund and that sets forth  
166.15 a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per  
166.16 employee;

166.17 (10) to the international union of operating engineers pension fund for the employees  
166.18 of a governmental subdivision who are covered by a collective bargaining agreement that  
166.19 provides for coverage by that fund and that sets forth a fund contribution rate, but not to  
166.20 exceed an employer contribution of \$10,000 per year per employee;

166.21 (11) to the International Association of Machinists national pension fund for the  
166.22 employees of a governmental subdivision who are covered by a collective bargaining  
166.23 agreement that provides for coverage by that fund and that sets forth a fund contribution  
166.24 rate, but not to exceed an employer contribution of \$5,000 per year per employee;

166.25 (12) for employees of United Hospital District, Blue Earth, to the state of Minnesota  
166.26 deferred compensation program, if the employee makes a contribution, in an amount that  
166.27 does not exceed the total percentage of covered salary under section 353.27, subdivisions  
166.28 3 and 3a;

166.29 (13) to the alternative retirement plans established by the Hennepin County Medical  
166.30 Center under section 383B.914, subdivision 5;

166.31 (14) to the International Brotherhood of Teamsters Central States pension plan for  
166.32 fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who

167.1 are members of the International Brotherhood of Teamsters Local 638 by virtue of that  
167.2 employment; or

167.3 (15) to a supplemental plan organized and operated under the Internal Revenue Code,  
167.4 as amended, that is wholly and solely funded by the employee's accumulated sick leave,  
167.5 accumulated vacation leave, and accumulated severance pay.

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

167.7 Sec. 4. Minnesota Statutes 2025 Supplement, section 423A.022, subdivision 2, is amended  
167.8 to read:

167.9 Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

167.10 (1) 58.064 percent must be paid to the executive director of the Public Employees  
167.11 Retirement Association for deposit in the public employees police and fire retirement fund  
167.12 established by section 353.65, subdivision 1;

167.13 (2) 35.484 percent must be allocated and paid as required by paragraphs (b) and (c),  
167.14 respectively, to or on behalf of municipalities who qualify for supplemental state aid under  
167.15 paragraph (d); and

167.16 (3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement  
167.17 System for deposit in the state patrol retirement fund.

167.18 (b) Supplemental state aid under paragraph (a), clause (2), must be allocated to each  
167.19 municipality that qualifies for supplemental state aid under paragraph (d) in the same  
167.20 proportion that the most recent amount of fire state aid paid under section 477B.04 for the  
167.21 municipality bears to the most recent total fire state aid paid under section 477B.04 for all  
167.22 municipalities other than municipalities solely employing firefighters with retirement  
167.23 coverage by one or more pension plans under chapter 353.

167.24 (c) Supplemental state aid under paragraph (a), clause (2), must be paid:

167.25 (1) to the executive director of the Public Employees Retirement Association for each  
167.26 municipality with a fire department that participates in the statewide volunteer firefighter  
167.27 plan for deposit in the fund established by section ~~352G.02~~ 353G.02, subdivision 3, and  
167.28 credited to the fire department's account; and

167.29 (2) with the balance to the treasurer of each municipality for transmittal within 30 days  
167.30 of receipt to the treasurer of the applicable firefighters relief association for deposit in its  
167.31 special fund.

168.1 (d) A municipality qualifies for supplemental state aid under paragraph (a), clause (2),  
168.2 if the municipality:

168.3 (1) does not solely employ firefighters with retirement coverage provided by one or  
168.4 more pension plans established under chapter 353; and

168.5 (2) qualified to receive fire state aid in that calendar year.

168.6 (e) For purposes of this section, the term "municipalities" includes independent nonprofit  
168.7 firefighting corporations that participate in the statewide volunteer firefighter plan under  
168.8 chapter 353G or with subsidiary firefighter relief associations operating under chapter 424A.

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

168.10 Delete the title and insert:

168.11 "A bill for an act

168.12 relating to retirement; Minnesota State Retirement System; making administrative  
168.13 and technical changes; Public Employees Retirement Association local government  
168.14 correctional service retirement plan; reducing the employee and employer  
168.15 contribution rates and increasing postretirement adjustments; public employees  
168.16 police and fire retirement plan; reducing the waiting period for post-retirement  
168.17 adjustments; providing direct state aid; Teachers Retirement Association; making  
168.18 administrative changes; St. Paul Teachers Retirement Fund Association; decreasing  
168.19 employee contributions; providing direct state aid; modifying the termination  
168.20 process for firefighter relief associations; implementing recommendations of the  
168.21 state auditor's fire relief association working group; special legislation for the  
168.22 Maple Plain fire department termination of participation in the statewide volunteer  
168.23 firefighter plan; modifying the definition of salary to exclude pay for Minnesota  
168.24 paid leave; requiring the employer of a reemployed annuitant to make employer  
168.25 contributions to the pension plan that covers the annuitant; authorizing elected  
168.26 officials to participate in the health care savings plan; Minnesota Secure Choice  
168.27 Retirement Program; making administrative changes; revising enrollment, notice,  
168.28 annual reporting, and board of director requirements; State Board of Investment;  
168.29 modifying expense apportionment among funds managed by the State Board of  
168.30 Investment; establishing work groups on relief associations and duty disability;  
168.31 establishing the Probation and Telecommunicator Retirement subplan administered  
168.32 by the Minnesota State Retirement System; establishing the Local Government  
168.33 Probation and Telecommunicator Retirement Plan administered by the Public  
168.34 Employees Retirement Association; transfers from the general fund to the new  
168.35 probation and telecommunicator to fund a temporary reduction in employee  
168.36 contribution rates; special legislation for an individual's periods of omitted service;  
168.37 special legislation for an individual with a missing higher education individual  
168.38 retirement account; making technical changes; amending Minnesota Statutes 2024,  
168.39 sections 6.496; 11A.07, subdivision 5; 11A.17, subdivision 1; 43A.346,  
168.40 subdivisions 8, 10; 144F.01, subdivision 2; 187.03, by adding subdivisions; 187.05,  
168.41 subdivisions 1, 7, by adding a subdivision; 187.06, subdivision 3; 187.07, by adding  
168.42 a subdivision; 187.08, subdivisions 1, 2, 6, 8; 299K.03, subdivision 3; 299N.02,  
168.43 subdivision 1; 352.01, subdivision 13; 352.021, subdivision 2; 352.029, subdivisions  
168.44 1, 2, 2a; 352.115, subdivisions 7a, 8, 9, 10; 352.1155, subdivision 3; 352.75,  
168.45 subdivision 2; 352.87, subdivisions 1, 2; 352.951; 352.98, subdivisions 1, 3; 353.01,  
168.46 subdivisions 10, 16, 37; 353.0141, subdivision 1; 353.031, subdivisions 1, 2, 3;  
168.47 353.15, subdivision 1; 353.27, subdivisions 4, 7b, 11, 12, 12a, 12b, 13, 14; 353.30,  
168.48 subdivision 3; 353.33, subdivisions 3, 7a, 11; 353.34, subdivisions 1, 3; 353.37,

169.1 subdivision 5; 353.371, subdivisions 6, 7; 353.46, subdivision 2; 353D.03,  
 169.2 subdivision 6; 353E.03, subdivisions 1, 2; 353G.02, subdivision 4; 353G.08,  
 169.3 subdivision 1; 353G.18, subdivision 4; 354.05, subdivisions 35, 37, by adding a  
 169.4 subdivision; 354.07, subdivision 2; 354.44, subdivision 5; 354.444, subdivisions  
 169.5 2, 3, 5; 354.445; 354.48, subdivisions 4, 6; 354A.011, subdivisions 14b, 24;  
 169.6 354A.021, subdivision 8; 354A.095; 354A.12, subdivisions 1, 3a, 3c; 354A.29,  
 169.7 subdivision 7; 356.20, subdivision 2; 356.214, subdivision 1; 356.216; 356.219,  
 169.8 subdivision 1; 356.24, subdivision 3; 356.30, subdivisions 1, 3, by adding a  
 169.9 subdivision; 356.302, subdivisions 1, 7; 356.303, subdivision 4; 356.315,  
 169.10 subdivision 9; 356.32, subdivision 2; 356.401, subdivision 3; 356.415, subdivisions  
 169.11 1g, 2, by adding a subdivision; 356.461, subdivisions 1, 2; 356.465, subdivision  
 169.12 3; 356.47, subdivision 3; 356.48, subdivision 1; 356.611, subdivision 6; 356.635,  
 169.13 subdivision 2a; 356.65, subdivision 1; 356B.02; 423A.02, subdivisions 1b, 3;  
 169.14 424A.001, subdivisions 8, 9, 9a, 9b; 424A.01, subdivision 3; 424A.014, subdivision  
 169.15 1; 424A.016, subdivision 4; 424B.10, subdivision 1b; 424B.22, subdivisions 5, 7,  
 169.16 8, 9, as amended; 465.90; Minnesota Statutes 2025 Supplement, sections 11A.04;  
 169.17 11A.07, subdivision 4; 151.37, subdivision 12; 181.101; 187.03, subdivisions 5,  
 169.18 6a; 187.05, subdivisions 1a, 4; 187.07, subdivision 1; 187.08, subdivision 3; 187.11;  
 169.19 187.12, subdivision 1; 299A.465, subdivision 1; 352.029, subdivision 3; 352.905,  
 169.20 by adding a subdivision; 352.907, by adding a subdivision; 353.01, subdivisions  
 169.21 2a, 2b; 353.65, subdivision 3b; 353D.01, subdivision 2; 353D.02, subdivision 7;  
 169.22 356.215, subdivisions 8, 11; 356.24, subdivision 1; 356.415, subdivision 1c;  
 169.23 423A.022, subdivision 2; 424A.016, subdivision 6; 424A.05, subdivision 3; Laws  
 169.24 2022, chapter 65, article 3, section 1, subdivisions 2, as amended, 3, as amended;  
 169.25 Laws 2025, chapter 39, article 1, section 8; proposing coding for new law in  
 169.26 Minnesota Statutes, chapters 187; 352; 424A; proposing coding for new law as  
 169.27 Minnesota Statutes, chapter 353H; repealing Minnesota Statutes 2024, sections  
 169.28 352.87, subdivision 8; 424A.01, subdivision 6; Minnesota Statutes 2025  
 169.29 Supplement, section 187.07, subdivision 3."

169.30 With the recommendation that when so amended the bill be placed on the General  
 169.31 Register.

169.32 This Committee action taken May 7, 2026

169.33 ....., Co-Chair

169.34 ....., Co-Chair