



**PUBLIC EMPLOYEES  
RETIREMENT ASSOCIATION**

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Date: March 7, 2023  
To: Marta James  
From: Amy Strenge, Policy Coordinator  
Subject: HF 1234 1A: Police & Fire Plan Modifications

The 1A amendment changes the PERA Police and Fire Plan by:

- adjusting the vesting schedule;
- clarifying the reapplication process for disability recipients;
- increasing duty total and permanent disability benefits;
- modifying the current offsets against disability benefits for reemployment earnings;
- eliminating the workers compensation offsets against disability benefits; and
- making clarifying and conforming changes.

**Section 6**

Amends the vesting schedule for PERA P&F to a graded 10 year vesting

- A member would be 50% vested at 5 years; 100% at 10 years
- Current vesting schedule is a graded 20 year vesting (50% at 10; 100% at 20)
- Effective date: day following final enactment for all members and former members who have not begun receiving a retirement benefit.

**Section 8**

States that a valid application for disability benefits includes the required application form and the 2 medical reports required by 353.031, subd. 3(c).

Requires the PERA executive director to notify the employer of a disability application the employer is required to provide certain information within 30 days.

- Effective date: following final enactment

**Section 9**

Clarifications to the disability reapplication process

- Inserts PERA's current reapplication process into statute. A member reapplies each year for the first five years and every three years after that.
- Effective date: day following final enactment

**Section 10**

Makes conforming changes regarding the reapplication process to the statute

- Effective date: day following final enactment

**Section 12**

Eliminates a reference to workers compensation for the annual earnings report.  
The reference is not needed as the bill repeals the workers compensation offset.

- Effective date: day following final enactment

#### Sections 13, 15, 16, Section 17

Makes clarifying changes to the duty disability, regular disability, and regular total and permanent disability statutes.

- Effective Date: day following final enactment

#### Section 14

Increases duty total and permanent disability benefits to 99% of the member's average salary

Makes conforming changes to duty total and permanent disability benefits.

- Effective date: July 1, 2023, at which point members currently receiving duty total and permanent disability benefits will be adjusted to 99% of the member's average salary

#### Section 18

Establishes two offsets for members receiving a disability benefit who also have reemployment earnings.

The first offset is equal to the reemployment earnings up to the employee contribution rate, currently 11.8% of the average salary used to determine the member's benefit.

The second offset is a reduction of one dollar for each dollar that the disability benefit plus reemployment earnings exceeds one hundred percent of pay for an active member in a comparable position.

For members who began disability benefits prior to August 1, and who are either not required to reapply or who have not reached their reapplication point, the previous offsets apply.

For members who begin disability benefits after August 1 or who are required to reapply under 353.031, subdivision 8, the new offsets apply.

- Effective date: 1.1.24

#### Sections 19 and 20

Makes conforming changes

- Effective date: day following final enactment

#### Section 22

Repeals the workers compensation offset. As of 1.1.24, PERA will not offset workers compensation benefits.

- Effective date: 1.1.24