

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 809

(SENATE AUTHORS: WESTROM)

DATE
01/26/2023

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Introduction and first reading
Referred to State and Local Government and Veterans

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to retirement; Public Employees Retirement Association statewide volunteer
1.3 firefighter plan; modifying service counted in determining vesting in a retirement
1.4 benefit; amending Minnesota Statutes 2022, sections 353G.01, subdivisions 8, 15;
1.5 353G.09, subdivisions 1, 2, by adding a subdivision.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2022, section 353G.01, subdivision 8, is amended to read:

1.8 Subd. 8. **Member.** "Member" means an individual who is or was a volunteer firefighter
1.9 ~~who provides active providing~~ service to a ~~municipal fire department~~ municipality or an
1.10 independent nonprofit firefighting corporation ~~where the applicable municipality or~~
1.11 ~~corporation~~ that has elected coverage by the ~~retirement~~ plan under section 353G.05, and
1.12 ~~which~~ whose service is covered by the ~~retirement~~ plan.

1.13 Sec. 2. Minnesota Statutes 2022, section 353G.01, subdivision 15, is amended to read:

1.14 Subd. 15. **Volunteer firefighter.** "Volunteer firefighter" means a person who is an active
1.15 member of ~~a municipal~~ the fire department of a municipality or an independent nonprofit
1.16 firefighting corporation and who, in that capacity, engages in fire suppression activities,
1.17 provides emergency response services, or delivers fire education or prevention services on
1.18 an on-call basis.

1.19 Sec. 3. Minnesota Statutes 2022, section 353G.09, subdivision 1, is amended to read:

1.20 Subdivision 1. **Entitlement.** (a) A member of the ~~retirement~~ plan is entitled to a ~~service~~
1.21 ~~pension~~ retirement benefit as defined in subdivision 1a from the ~~retirement~~ plan if the
1.22 member:

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

2.2 (2) has attained the age of at least 50 years;

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

2.4 and

2.5 (4) applies in a manner prescribed by the executive director ~~for the service pension.~~

2.6 (b) ~~A~~ If the member is a member of the lump-sum division, the member satisfies the
 2.7 minimum service requirement if the member meets at least one of the following requirements:
 2.8 is at least 40 percent vested as determined under subdivision 2.

2.9 ~~(1) the member is at least 40 percent vested based on years of service as a member of~~
 2.10 ~~the retirement plan;~~

2.11 ~~(2) the member is at least 40 percent vested based on years of service with the fire~~
 2.12 ~~department and the total number of years of service as a member of the former affiliated~~
 2.13 ~~relief association plus years of service as a member of the retirement plan is at least five;~~
 2.14 ~~or~~

2.15 ~~(3)~~ (c) If the member is a member of the monthly benefit division, the member satisfies
 2.16 the minimum service requirement if the member has completed at least the minimum number
 2.17 of years of service as a member of the retirement plan specified in the retirement benefit
 2.18 plan document attributable to the applicable fire department if the person is a member of
 2.19 the monthly benefit retirement division applicable to the member.

2.20 Sec. 4. Minnesota Statutes 2022, section 353G.09, is amended by adding a subdivision to
 2.21 read:

2.22 Subd. 1a. **Retirement benefit.** (a) The retirement benefit of a member of the lump-sum
 2.23 division is equal to the number of years of service credit certified under section 353G.07
 2.24 for the member, multiplied by the service pension level applicable to the member under
 2.25 section 353G.11, multiplied by the member's vested percentage under subdivision 2.

2.26 (b) The retirement benefit of a member of the monthly benefit division is equal to the
 2.27 number of years of service credit certified under section 353G.07 for the member, multiplied
 2.28 by the service pension level applicable to the member under section 353G.112, multiplied
 2.29 by the member's vested percentage under subdivision 2.

3.1 Sec. 5. Minnesota Statutes 2022, section 353G.09, subdivision 2, is amended to read:

3.2 Subd. 2. ~~Vesting schedule; nonforfeitable portion of service pension~~ Vested
3.3 percentage. A member of the plan has a nonforfeitable right to a retirement benefit, up to
3.4 the percent vested. The member's vested percentage is determined under paragraph (a), (b),
3.5 or (c), as applicable.

3.6 (a) ~~Except as provided in paragraphs (c) and (d), an active~~ If the member is a member
3.7 of the lump-sum retirement division is entitled to a service pension and employed in a fire
3.8 department that joined the plan before January 1, 2023, the member's vested percentage is
3.9 equal to the nonforfeitable percentage that corresponds to the number of the applicable
3.10 service pension amount, taking into account years of service as a member of the retirement
3.11 plan plus any previous years of service as a member of the former affiliated a relief
3.12 association, if any, as follows:

	Completed years of service credit	Nonforfeitable <u>Vested</u> percentage of the service pension
3.15	less than 5	0 percent
3.16	5	40 percent
3.17	6	44 percent
3.18	7	48 percent
3.19	8	52 percent
3.20	9	56 percent
3.21	10	60 percent
3.22	11	64 percent
3.23	12	68 percent
3.24	13	72 percent
3.25	14	76 percent
3.26	15	80 percent
3.27	16	84 percent
3.28	17	88 percent
3.29	18	92 percent
3.30	19	96 percent

3.31 (b) If the member is a member of the lump-sum division and employed in a fire
3.32 department that joined the retirement plan on or after January 1, 2023, the member's vested
3.33 percentage is equal to the percentage determined by applying the vesting schedule selected
3.34 in the request for coverage under section 353G.05, subdivision 1a, taking into account years
3.35 of service as a member of the plan plus any previous years of service as a member of a relief
3.36 association.

4.1 ~~(c) If an active~~ the member is a member of the monthly benefit retirement division and
 4.2 has completed 20 years of service as a member of the plan, the member is 100 percent
 4.3 vested. If the member has completed less than 20 years of service ~~credit~~ as a member of the
 4.4 ~~monthly benefit retirement division of the plan, the person's entitlement to a service pension~~
 4.5 ~~must be governed by~~ member's vested percentage is equal to the percentage determined
 4.6 under the retirement benefit plan document attributable to the applicable fire department
 4.7 applicable to the member.

4.8 ~~(e) A person described in paragraph (d) is entitled to the vested portion of the service~~
 4.9 ~~pension as determined by applying the vesting schedule selected in the request for coverage~~
 4.10 ~~under section 353G.05, subdivision 1a, taking into account years of service as a member~~
 4.11 ~~of the retirement plan plus years of service as a member of the former affiliated relief~~
 4.12 ~~association, if any.~~

4.13 ~~(d) A person is described in this paragraph if the person becomes a member of the~~
 4.14 ~~lump-sum retirement division in connection with the transfer of coverage from a relief~~
 4.15 ~~association to the retirement plan on or after January 1, 2023, or in connection with a~~
 4.16 ~~municipality or independent nonprofit firefighting corporation joining the retirement plan~~
 4.17 ~~on or after January 1, 2023.~~

4.18 Sec. 6. **REVISOR INSTRUCTION.**

4.19 In Minnesota Statutes, chapter 353G, the revisor of statutes shall change the terms in
 4.20 column A to the terms in column B wherever the terms appear.

	<u>Column A</u>	<u>Column B</u>
4.22	<u>lump-sum retirement division</u>	<u>lump-sum division</u>
4.23	<u>monthly benefit retirement division</u>	<u>monthly benefit division</u>
4.24	<u>retirement plan</u>	<u>plan</u>

4.25 Sec. 7. **EFFECTIVE DATE.**

4.26 Sections 1 to 6 are effective January 1, 2024.