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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2785

03/08/2016 Authored by Loon, Selcer and O'Driscoll

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to retirement; volunteer firefighter relief associations; increasing  
1.3 lump-sum service pension maximums for defined benefit relief associations;  
1.4 lowering the vesting requirement for Eden Prairie volunteer firefighters relief  
1.5 association volunteer firefighters returning to active service; amending Minnesota  
1.6 Statutes 2015 Supplement, section 424A.02, subdivision 3.

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

1.8 Section 1. Minnesota Statutes 2015 Supplement, section 424A.02, subdivision 3,  
1.9 is amended to read:

1.10 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August  
1.11 1 as part of the certification of the financial requirements and minimum municipal  
1.12 obligation determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5,  
1.13 as applicable, the secretary or some other official of the relief association designated in the  
1.14 bylaws of each defined benefit relief association shall calculate and certify to the governing  
1.15 body of the applicable municipality the average amount of available financing per active  
1.16 covered firefighter for the most recent three-year period. The amount of available financing  
1.17 includes any amounts of fire state aid and police and firefighter retirement supplemental  
1.18 state aid received or receivable by the relief association, any amounts of municipal  
1.19 contributions to the relief association raised from levies on real estate or from other  
1.20 available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in  
1.21 excess of the accrued liabilities of the relief association calculated under section 424A.092,  
1.22 subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

1.23 (b) The maximum service pension which the defined benefit relief association has  
1.24 authority to provide for in its bylaws for payment to a member retiring after the calculation

2.1 date when the minimum age and service requirements specified in subdivision 1 are met  
 2.2 must be determined using the table in paragraph (c) or (d), whichever applies.

2.3 (c) For a defined benefit relief association where the governing bylaws provide for  
 2.4 a monthly service pension to a retiring member, the maximum monthly service pension  
 2.5 amount per month for each year of service credited that may be provided for in the bylaws  
 2.6 is the greater of the service pension amount provided for in the bylaws on the date of the  
 2.7 calculation of the average amount of the available financing per active covered firefighter  
 2.8 or the maximum service pension figure corresponding to the average amount of available  
 2.9 financing per active covered firefighter:

|      | Minimum Average Amount of Available<br>Financing per Firefighter | Maximum Service Pension Amount<br>Payable per Month for Each<br>Year of Service |
|------|--|---|
| 2.13 | \$ ...   | \$ .25  |
| 2.14 | 41   | .50   |
| 2.15 | 81   | 1.00  |
| 2.16 | 122  | 1.50  |
| 2.17 | 162  | 2.00  |
| 2.18 | 203  | 2.50  |
| 2.19 | 243  | 3.00  |
| 2.20 | 284  | 3.50  |
| 2.21 | 324  | 4.00  |
| 2.22 | 365  | 4.50  |
| 2.23 | 405  | 5.00  |
| 2.24 | 486  | 6.00  |
| 2.25 | 567  | 7.00  |
| 2.26 | 648  | 8.00  |
| 2.27 | 729  | 9.00  |
| 2.28 | 810  | 10.00   |
| 2.29 | 891  | 11.00   |
| 2.30 | 972  | 12.00   |
| 2.31 | 1053   | 13.00   |
| 2.32 | 1134   | 14.00   |
| 2.33 | 1215   | 15.00   |
| 2.34 | 1296   | 16.00   |
| 2.35 | 1377   | 17.00   |
| 2.36 | 1458   | 18.00   |
| 2.37 | 1539   | 19.00   |
| 2.38 | 1620   | 20.00   |
| 2.39 | 1701   | 21.00   |
| 2.40 | 1782   | 22.00   |
| 2.41 | 1823   | 22.50   |
| 2.42 | 1863   | 23.00   |

|      |      |       |
|------|------|-------|
| 3.1  | 1944 | 24.00 |
| 3.2  | 2025 | 25.00 |
| 3.3  | 2106 | 26.00 |
| 3.4  | 2187 | 27.00 |
| 3.5  | 2268 | 28.00 |
| 3.6  | 2349 | 29.00 |
| 3.7  | 2430 | 30.00 |
| 3.8  | 2511 | 31.00 |
| 3.9  | 2592 | 32.00 |
| 3.10 | 2673 | 33.00 |
| 3.11 | 2754 | 34.00 |
| 3.12 | 2834 | 35.00 |
| 3.13 | 2916 | 36.00 |
| 3.14 | 2997 | 37.00 |
| 3.15 | 3078 | 38.00 |
| 3.16 | 3159 | 39.00 |
| 3.17 | 3240 | 40.00 |
| 3.18 | 3321 | 41.00 |
| 3.19 | 3402 | 42.00 |
| 3.20 | 3483 | 43.00 |
| 3.21 | 3564 | 44.00 |
| 3.22 | 3645 | 45.00 |
| 3.23 | 3726 | 46.00 |
| 3.24 | 3807 | 47.00 |
| 3.25 | 3888 | 48.00 |
| 3.26 | 3969 | 49.00 |
| 3.27 | 4050 | 50.00 |
| 3.28 | 4131 | 51.00 |
| 3.29 | 4212 | 52.00 |
| 3.30 | 4293 | 53.00 |
| 3.31 | 4374 | 54.00 |
| 3.32 | 4455 | 55.00 |
| 3.33 | 4536 | 56.00 |
| 3.34 | 4617 | 57.00 |
| 3.35 | 4698 | 58.00 |
| 3.36 | 4779 | 59.00 |
| 3.37 | 4860 | 60.00 |
| 3.38 | 4941 | 61.00 |
| 3.39 | 5022 | 62.00 |
| 3.40 | 5103 | 63.00 |
| 3.41 | 5184 | 64.00 |
| 3.42 | 5265 | 65.00 |
| 3.43 | 5346 | 66.00 |

|      |                         |        |
|------|-------------------------|--------|
| 4.1  | 5427                    | 67.00  |
| 4.2  | 5508                    | 68.00  |
| 4.3  | 5589                    | 69.00  |
| 4.4  | 5670                    | 70.00  |
| 4.5  | 5751                    | 71.00  |
| 4.6  | 5832                    | 72.00  |
| 4.7  | 5913                    | 73.00  |
| 4.8  | 5994                    | 74.00  |
| 4.9  | 6075                    | 75.00  |
| 4.10 | 6156                    | 76.00  |
| 4.11 | 6237                    | 77.00  |
| 4.12 | 6318                    | 78.00  |
| 4.13 | 6399                    | 79.00  |
| 4.14 | 6480                    | 80.00  |
| 4.15 | 6561                    | 81.00  |
| 4.16 | 6642                    | 82.00  |
| 4.17 | 6723                    | 83.00  |
| 4.18 | 6804                    | 84.00  |
| 4.19 | 6885                    | 85.00  |
| 4.20 | 6966                    | 86.00  |
| 4.21 | 7047                    | 87.00  |
| 4.22 | 7128                    | 88.00  |
| 4.23 | 7209                    | 89.00  |
| 4.24 | 7290                    | 90.00  |
| 4.25 | 7371                    | 91.00  |
| 4.26 | 7452                    | 92.00  |
| 4.27 | 7533                    | 93.00  |
| 4.28 | 7614                    | 94.00  |
| 4.29 | 7695                    | 95.00  |
| 4.30 | 7776                    | 96.00  |
| 4.31 | 7857                    | 97.00  |
| 4.32 | 7938                    | 98.00  |
| 4.33 | 8019                    | 99.00  |
| 4.34 | 8100                    | 100.00 |
| 4.35 | any amount in excess of |        |
| 4.36 | 8100                    | 100.00 |

4.37 (d) For a defined benefit relief association in which the governing bylaws provide  
4.38 for a lump-sum service pension to a retiring member, the maximum lump-sum service  
4.39 pension amount for each year of service credited that may be provided for in the bylaws is  
4.40 the greater of the service pension amount provided for in the bylaws on the date of the  
4.41 calculation of the average amount of the available financing per active covered firefighter

5.1 or the maximum service pension figure corresponding to the average amount of available  
 5.2 financing per active covered firefighter for the applicable specified period:

| 5.3  | Minimum Average Amount of Available | Maximum Lump-Sum Service   |
|------|-------------------------------------|----------------------------|
| 5.4  | Financing per Firefighter           | Pension Amount Payable for |
| 5.5  |                                     | Each Year of Service       |
| 5.6  | \$ ...                              | \$ 10                      |
| 5.7  | 11                                  | 20                         |
| 5.8  | 16                                  | 30                         |
| 5.9  | 23                                  | 40                         |
| 5.10 | 27                                  | 50                         |
| 5.11 | 32                                  | 60                         |
| 5.12 | 43                                  | 80                         |
| 5.13 | 54                                  | 100                        |
| 5.14 | 65                                  | 120                        |
| 5.15 | 77                                  | 140                        |
| 5.16 | 86                                  | 160                        |
| 5.17 | 97                                  | 180                        |
| 5.18 | 108                                 | 200                        |
| 5.19 | 131                                 | 240                        |
| 5.20 | 151                                 | 280                        |
| 5.21 | 173                                 | 320                        |
| 5.22 | 194                                 | 360                        |
| 5.23 | 216                                 | 400                        |
| 5.24 | 239                                 | 440                        |
| 5.25 | 259                                 | 480                        |
| 5.26 | 281                                 | 520                        |
| 5.27 | 302                                 | 560                        |
| 5.28 | 324                                 | 600                        |
| 5.29 | 347                                 | 640                        |
| 5.30 | 367                                 | 680                        |
| 5.31 | 389                                 | 720                        |
| 5.32 | 410                                 | 760                        |
| 5.33 | 432                                 | 800                        |
| 5.34 | 486                                 | 900                        |
| 5.35 | 540                                 | 1000                       |
| 5.36 | 594                                 | 1100                       |
| 5.37 | 648                                 | 1200                       |
| 5.38 | 702                                 | 1300                       |
| 5.39 | 756                                 | 1400                       |
| 5.40 | 810                                 | 1500                       |
| 5.41 | 864                                 | 1600                       |
| 5.42 | 918                                 | 1700                       |
| 5.43 | 972                                 | 1800                       |
| 5.44 | 1026                                | 1900                       |

|      |      |      |
|------|------|------|
| 6.1  | 1080 | 2000 |
| 6.2  | 1134 | 2100 |
| 6.3  | 1188 | 2200 |
| 6.4  | 1242 | 2300 |
| 6.5  | 1296 | 2400 |
| 6.6  | 1350 | 2500 |
| 6.7  | 1404 | 2600 |
| 6.8  | 1458 | 2700 |
| 6.9  | 1512 | 2800 |
| 6.10 | 1566 | 2900 |
| 6.11 | 1620 | 3000 |
| 6.12 | 1672 | 3100 |
| 6.13 | 1726 | 3200 |
| 6.14 | 1753 | 3250 |
| 6.15 | 1780 | 3300 |
| 6.16 | 1820 | 3375 |
| 6.17 | 1834 | 3400 |
| 6.18 | 1888 | 3500 |
| 6.19 | 1942 | 3600 |
| 6.20 | 1996 | 3700 |
| 6.21 | 2023 | 3750 |
| 6.22 | 2050 | 3800 |
| 6.23 | 2104 | 3900 |
| 6.24 | 2158 | 4000 |
| 6.25 | 2212 | 4100 |
| 6.26 | 2265 | 4200 |
| 6.27 | 2319 | 4300 |
| 6.28 | 2373 | 4400 |
| 6.29 | 2427 | 4500 |
| 6.30 | 2481 | 4600 |
| 6.31 | 2535 | 4700 |
| 6.32 | 2589 | 4800 |
| 6.33 | 2643 | 4900 |
| 6.34 | 2697 | 5000 |
| 6.35 | 2751 | 5100 |
| 6.36 | 2805 | 5200 |
| 6.37 | 2859 | 5300 |
| 6.38 | 2913 | 5400 |
| 6.39 | 2967 | 5500 |
| 6.40 | 3021 | 5600 |
| 6.41 | 3075 | 5700 |
| 6.42 | 3129 | 5800 |
| 6.43 | 3183 | 5900 |

|      |                                     |                                 |
|------|-------------------------------------|---------------------------------|
| 7.1  | 3237                                | 6000                            |
| 7.2  | 3291                                | 6100                            |
| 7.3  | 3345                                | 6200                            |
| 7.4  | 3399                                | 6300                            |
| 7.5  | 3453                                | 6400                            |
| 7.6  | 3507                                | 6500                            |
| 7.7  | 3561                                | 6600                            |
| 7.8  | 3615                                | 6700                            |
| 7.9  | 3669                                | 6800                            |
| 7.10 | 3723                                | 6900                            |
| 7.11 | 3777                                | 7000                            |
| 7.12 | 3831                                | 7100                            |
| 7.13 | 3885                                | 7200                            |
| 7.14 | 3939                                | 7300                            |
| 7.15 | 3993                                | 7400                            |
| 7.16 | 4047                                | 7500                            |
| 7.17 | 4101                                | 7600                            |
| 7.18 | 4155                                | 7700                            |
| 7.19 | 4209                                | 7800                            |
| 7.20 | 4263                                | 7900                            |
| 7.21 | 4317                                | 8000                            |
| 7.22 | 4371                                | 8100                            |
| 7.23 | 4425                                | 8200                            |
| 7.24 | 4479                                | 8300                            |
| 7.25 | 4533                                | 8400                            |
| 7.26 | 4587                                | 8500                            |
| 7.27 | 4641                                | 8600                            |
| 7.28 | 4695                                | 8700                            |
| 7.29 | 4749                                | 8800                            |
| 7.30 | 4803                                | 8900                            |
| 7.31 | 4857                                | 9000                            |
| 7.32 | 4911                                | 9100                            |
| 7.33 | 4965                                | 9200                            |
| 7.34 | 5019                                | 9300                            |
| 7.35 | 5073                                | 9400                            |
| 7.36 | 5127                                | 9500                            |
| 7.37 | 5181                                | 9600                            |
| 7.38 | 5235                                | 9700                            |
| 7.39 | 5289                                | 9800                            |
| 7.40 | 5343                                | 9900                            |
| 7.41 | 5397                                | 10,000                          |
| 7.42 | any amount in excess of <u>5451</u> | <u>10,100</u>                   |
| 7.43 | <del>5397</del> <u>5505</u>         | <del>10,000</del> <u>10,200</u> |

|      |             |               |
|------|-------------|---------------|
| 8.1  | <u>5559</u> | <u>10,300</u> |
| 8.2  | <u>5613</u> | <u>10,400</u> |
| 8.3  | <u>5667</u> | <u>10,500</u> |
| 8.4  | <u>5721</u> | <u>10,600</u> |
| 8.5  | <u>5775</u> | <u>10,700</u> |
| 8.6  | <u>5829</u> | <u>10,800</u> |
| 8.7  | <u>5883</u> | <u>10,900</u> |
| 8.8  | <u>5937</u> | <u>11,000</u> |
| 8.9  | <u>5991</u> | <u>11,100</u> |
| 8.10 | <u>6045</u> | <u>11,200</u> |
| 8.11 | <u>6099</u> | <u>11,300</u> |
| 8.12 | <u>6153</u> | <u>11,400</u> |
| 8.13 | <u>6207</u> | <u>11,500</u> |
| 8.14 | <u>6261</u> | <u>11,600</u> |
| 8.15 | <u>6315</u> | <u>11,700</u> |
| 8.16 | <u>6369</u> | <u>11,800</u> |
| 8.17 | <u>6423</u> | <u>11,900</u> |
| 8.18 | <u>6477</u> | <u>12,000</u> |
| 8.19 | <u>6531</u> | <u>12,100</u> |
| 8.20 | <u>6585</u> | <u>12,200</u> |
| 8.21 | <u>6639</u> | <u>12,300</u> |
| 8.22 | <u>6693</u> | <u>12,400</u> |
| 8.23 | <u>6747</u> | <u>12,500</u> |
| 8.24 | <u>6801</u> | <u>12,600</u> |
| 8.25 | <u>6855</u> | <u>12,700</u> |
| 8.26 | <u>6909</u> | <u>12,800</u> |
| 8.27 | <u>6963</u> | <u>12,900</u> |
| 8.28 | <u>7017</u> | <u>13,000</u> |
| 8.29 | <u>7071</u> | <u>13,100</u> |
| 8.30 | <u>7125</u> | <u>13,200</u> |
| 8.31 | <u>7179</u> | <u>13,300</u> |
| 8.32 | <u>7233</u> | <u>13,400</u> |
| 8.33 | <u>7287</u> | <u>13,500</u> |
| 8.34 | <u>7341</u> | <u>13,600</u> |
| 8.35 | <u>7395</u> | <u>13,700</u> |
| 8.36 | <u>7449</u> | <u>13,800</u> |
| 8.37 | <u>7503</u> | <u>13,900</u> |
| 8.38 | <u>7557</u> | <u>14,000</u> |
| 8.39 | <u>7611</u> | <u>14,100</u> |
| 8.40 | <u>7665</u> | <u>14,200</u> |
| 8.41 | <u>7719</u> | <u>14,300</u> |
| 8.42 | <u>7773</u> | <u>14,400</u> |
| 8.43 | <u>7827</u> | <u>14,500</u> |



|     |                                     |               |
|-----|-------------------------------------|---------------|
| 9.1 | <u>7881</u>                         | <u>14,600</u> |
| 9.2 | <u>7935</u>                         | <u>14,700</u> |
| 9.3 | <u>7989</u>                         | <u>14,800</u> |
| 9.4 | <u>8043</u>                         | <u>14,900</u> |
| 9.5 | <u>8097</u>                         | <u>15,000</u> |
| 9.6 | <u>any amount in excess of 8097</u> | <u>15,000</u> |

9.7 (e) For a defined benefit relief association in which the governing bylaws provide  
 9.8 for a monthly benefit service pension as an alternative form of service pension payment  
 9.9 to a lump-sum service pension, the maximum service pension amount for each pension  
 9.10 payment type must be determined using the applicable table contained in this subdivision.

9.11 (f) If a defined benefit relief association establishes a service pension in compliance  
 9.12 with the applicable maximum contained in paragraph (c) or (d) and the minimum average  
 9.13 amount of available financing per active covered firefighter is subsequently reduced  
 9.14 because of a reduction in fire state aid or because of an increase in the number of active  
 9.15 firefighters, the relief association may continue to provide the prior service pension  
 9.16 amount specified in its bylaws, but may not increase the service pension amount until  
 9.17 the minimum average amount of available financing per firefighter under the table in  
 9.18 paragraph (c) or (d), whichever applies, permits.

9.19 (g) No defined benefit relief association is authorized to provide a service pension in  
 9.20 an amount greater than the largest applicable flexible service pension maximum amount  
 9.21 even if the amount of available financing per firefighter is greater than the financing  
 9.22 amount associated with the largest applicable flexible service pension maximum.

9.23 (h) The method of calculating service pensions must be applied uniformly for all  
 9.24 years of active service. Credit must be given for all years of active service except for caps  
 9.25 on service credit if so provided in the bylaws of the relief association.

9.26 **EFFECTIVE DATE.** This section is effective January 1, 2017.

9.27 Sec. 2. **EDEN PRAIRIE VOLUNTEER FIREFIGHTERS RELIEF**  
 9.28 **ASSOCIATION SERVICE PENSIONS; RETURN TO ACTIVE SERVICE.**

9.29 (a) Notwithstanding any provision of Minnesota Statutes, section 424A.01,  
 9.30 subdivision 6, section 424A.02, subdivision 2, or any other provision of law to the  
 9.31 contrary, if the bylaws of the Eden Prairie volunteer firefighters relief association so  
 9.32 provide, a former firefighter who has received a lump-sum service pension or is receiving  
 9.33 a monthly benefit service pension and returns to active relief association membership  
 9.34 under Minnesota Statutes, section 424A.01, subdivision 6, paragraph (b), is entitled to  
 9.35 receive an unreduced lump-sum service pension for the resumption service period if the

10.1 firefighter completes at least three years of active service as an active member of the fire  
10.2 department during the resumption service period and completes at least three years of  
10.3 active membership with the relief association during the resumption service period.

10.4 (b) A lump-sum service pension must be calculated by applying the service pension  
10.5 amount in effect on the date of the firefighter's termination of the resumption service for  
10.6 all years of the resumption service. No firefighter may be paid a service pension more  
10.7 than once for the same period of service. Payment of a lump-sum service pension shall  
10.8 have no effect on the firefighter's previous service pension.

10.9 **EFFECTIVE DATE.** This section is effective the day after the Eden Prairie city  
10.10 council and its chief clerical officer timely complete their compliance with Minnesota  
10.11 Statutes, section 645.021, subdivisions 2 and 3.