

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1140**

(SENATE AUTHORS: PAPPAS)

DATE	D-PG	OFFICIAL STATUS
02/26/2015	436	Introduction and first reading Referred to State and Local Government See SF1398, Art. 7

A bill for an act

1.1 relating to retirement; voluntary statewide lump-sum volunteer firefighter  
 1.2 retirement plan; clarifying the calculation of the short service alternative pension  
 1.3 computation for former defined contribution relief association members; adding  
 1.4 additional service pension levels; relaxing certain deadlines for approval  
 1.5 of service pension level increases; clarifying the application of the vesting  
 1.6 provisions for portable service pensions; amending Minnesota Statutes 2014,  
 1.7 sections 353G.09, subdivision 3; 353G.11, subdivisions 1, 1a, 2, 4; 353G.13,  
 1.8 subdivisions 1, 2.  
 1.9

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

1.11 Section 1. Minnesota Statutes 2014, section 353G.09, subdivision 3, is amended to read:

1.12 Subd. 3. **Alternative pension eligibility and computation.** (a) An active member  
 1.13 of the retirement plan is entitled to an alternative lump-sum service pension from the  
 1.14 retirement plan if the person:

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

1.16 (2) has attained the age of at least 50 years or the age for receipt of a service pension  
 1.17 under the benefit plan of the applicable former volunteer firefighters relief association as  
 1.18 of the date immediately ~~prior to~~ before the election of the retirement coverage change,  
 1.19 whichever is later;

1.20 (3) has completed at least five years of active service with the fire department and at  
 1.21 least five years in total as a member of the applicable former volunteer firefighters relief  
 1.22 association or of the retirement plan, but has not rendered at least five years of good time  
 1.23 service credit as a member of the retirement plan; and

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

1.25 (b) If retirement coverage ~~prior to~~ before statewide retirement plan coverage was  
 1.26 provided by a defined benefit plan volunteer firefighters relief association, the alternative

2.1 lump-sum service pension is the service pension amount specified in the bylaws of the  
 2.2 applicable former volunteer firefighters relief association either as of the date immediately  
 2.3 ~~prior to~~ before the election of the retirement coverage change or as of the date immediately  
 2.4 before the termination of firefighting services, whichever is earlier, multiplied by the total  
 2.5 number of years of service as a member of that volunteer firefighters relief association  
 2.6 and as a member of the retirement plan. If retirement coverage ~~prior to~~ before statewide  
 2.7 retirement plan coverage was provided by a defined contribution plan volunteer firefighters  
 2.8 relief association, the alternative lump-sum service pension is an amount equal to that  
 2.9 portion of the person's account balance that the person was vested for as of the date  
 2.10 immediately ~~prior to~~ before the date on which statewide retirement plan coverage was first  
 2.11 provided to the person plus six percent annual compound interest from that date until the  
 2.12 date immediately ~~prior to~~ before the date of retirement.

2.13 Sec. 2. Minnesota Statutes 2014, section 353G.11, subdivision 1, is amended to read:

2.14 Subdivision 1. **Service pension levels.** (a) Except as provided in subdivision 1a,  
 2.15 the retirement plan provides the following levels of service pension amounts per full  
 2.16 year of good time service credit to be selected at the election of coverage, or, if fully  
 2.17 funded, thereafter:

- 2.18 Level A ~~\$500 per year of good time service credit~~
- 2.19 Level B ~~\$600 per year of good time service credit~~
- 2.20 Level C ~~\$700 per year of good time service credit~~
- 2.21 Level D ~~\$800 per year of good time service credit~~
- 2.22 Level E ~~\$900 per year of good time service credit~~
- 2.23 Level F ~~\$1,000 per year of good time service credit~~
- 2.24 Level G ~~\$1,250 per year of good time service credit~~
- 2.25 Level H ~~\$1,500 per year of good time service credit~~
- 2.26 Level I ~~\$2,000 per year of good time service credit~~
- 2.27 Level J ~~\$2,500 per year of good time service credit~~
- 2.28 Level K ~~\$3,000 per year of good time service credit~~
- 2.29 Level L ~~\$3,500 per year of good time service credit~~
- 2.30 Level M ~~\$4,000 per year of good time service credit~~
- 2.31 Level N ~~\$4,500 per year of good time service credit~~
- 2.32 Level O ~~\$5,000 per year of good time service credit~~
- 2.33 Level P ~~\$5,500 per year of good time service credit~~
- 2.34 Level Q ~~\$6,000 per year of good time service credit~~
- 2.35 Level R ~~\$6,500 per year of good time service credit~~
- 2.36 Level S ~~\$7,000 per year of good time service credit~~
- 2.37 Level T ~~\$7,500 per year of good time service credit~~

2.38 (1) a minimum service pension level of \$500 per year;

3.1 (2) a maximum service pension level of \$7,500 per year; and  
 3.2 (3) 69 service pension levels between the minimum level and the maximum level  
 3.3 in \$100 increments.

3.4 (b) If the applicable retirement plan account is fully funded, the service pension  
 3.5 levels in paragraph (a) apply.

3.6 Sec. 3. Minnesota Statutes 2014, section 353G.11, subdivision 1a, is amended to read:

3.7 Subd. 1a. **Continuation of prior service pension levels.** (a) If a municipality or  
 3.8 independent nonprofit firefighting corporation elects to be covered by the retirement plan  
 3.9 prior to before January 1, 2010, and selects the \$750 per year of good time service credit  
 3.10 service pension amount effective for January 1, 2010, that level continues for the volunteer  
 3.11 firefighters of that municipality or independent nonprofit firefighting corporation until a  
 3.12 different service pension amount is selected under subdivision 2 after January 1, 2010.

3.13 (b) If a municipality or independent nonprofit firefighting corporation elected to be  
 3.14 covered by the retirement plan before January 1, 2015, and selected a service pension  
 3.15 level under subdivision 1, other than a good time service credit service pension amount  
 3.16 under subdivision 1, that level continues for the volunteer firefighters of the municipality  
 3.17 or independent nonprofit firefighting corporation until a different service pension amount  
 3.18 is selected under subdivision 2 after January 1, 2014.

3.19 Sec. 4. Minnesota Statutes 2014, section 353G.11, subdivision 2, is amended to read:

3.20 Subd. 2. **Level selection.** ~~At the time of~~ After the election to transfer of retirement  
 3.21 coverage, or on April 30 thereafter to the retirement plan, the governing body or bodies of  
 3.22 the entity or entities operating the fire department whose firefighters are covered by the  
 3.23 retirement plan may request a cost estimate from the executive director of an increase in  
 3.24 the service pension level applicable to the active firefighters of the fire department. Within  
 3.25 ~~90~~ 120 days of the receipt of the cost estimate prepared by the executive director using a  
 3.26 procedure certified as accurate by the approved actuary retained by the Public Employees  
 3.27 Retirement Association, the governing body or bodies may approve the service pension  
 3.28 level change, effective for January 1 of the following calendar year unless the governing  
 3.29 body or bodies specify in the approved document an effective date as the January 1 of the  
 3.30 second year following the level increase approval. If the approval occurs after April 30,  
 3.31 the required municipal contribution for the following calendar year must be recalculated  
 3.32 and the results reported to the municipality or municipalities. If not approved in a timely  
 3.33 fashion, the service pension level change is considered to have been disapproved.

4.1 Sec. 5. Minnesota Statutes 2014, section 353G.11, subdivision 4, is amended to read:

4.2 Subd. 4. **Ancillary benefits.** Other than as provided under section 353G.115, no  
4.3 disability, death, funeral, or other ancillary benefit beyond a service pension or a survivor  
4.4 benefit is payable from the retirement plan.

4.5 Sec. 6. Minnesota Statutes 2014, section 353G.13, subdivision 1, is amended to read:

4.6 Subdivision 1. **Eligibility.** An active firefighter who is a member of the retirement  
4.7 plan who also renders firefighting service and has good time service credit in the  
4.8 retirement plan from another fire department, if the number of years of good time service  
4.9 credit in the plan from a combination of nonconcurrent periods totals at least five years,  
4.10 is eligible, upon complying with the other requirements of section 353G.09, to receive  
4.11 a service pension upon filing an application in the manner prescribed by the executive  
4.12 director, computed as provided in subdivision 2.

4.13 Sec. 7. Minnesota Statutes 2014, section 353G.13, subdivision 2, is amended to read:

4.14 Subd. 2. **Combined service pension computation.** The service pension payable to  
4.15 a firefighter who qualifies under subdivision 1 is the per year of good time service credit  
4.16 service pension amount in effect for each account in which the firefighter has one or more  
4.17 years of good time service credit as of the date on which the firefighter terminated active  
4.18 service with the fire department associated with the applicable account, multiplied by  
4.19 the number of years of good time service credit that the firefighter has in the applicable  
4.20 account and adjusted for the vesting percentage based on the total number of years of good  
4.21 time service covered in the applicable accounts.

4.22 Sec. 8. **EFFECTIVE DATE.**

4.23 Sections 1 to 7 are effective July 1, 2015.