

SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION

S.F. No. 4751

(SENATE AUTHORS: SEEBERGER)

DATE	D-PG	OFFICIAL STATUS
03/07/2024	12057	Introduction and first reading Referred to State and Local Government and Veterans See HF5040

1.1 A bill for an act

1.2 relating to retirement; Public Employees Retirement Association; general employees

1.3 retirement plan; local government correctional service retirement plan; modifying

1.4 the limitation on disability benefit payments by eliminating an offset for income

1.5 received from workers' compensation; eliminating a reporting requirement related

1.6 to income received from workers' compensation; amending Minnesota Statutes

1.7 2022, sections 353.33, subdivisions 7, 7a; 353E.06, subdivision 6; Minnesota

1.8 Statutes 2023 Supplement, section 353.335, subdivision 1; repealing Minnesota

1.9 Statutes 2022, section 353.33, subdivision 5; Minnesota Statutes 2023 Supplement,

1.10 section 353.335, subdivision 2.

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

1.12 Section 1. Minnesota Statutes 2022, section 353.33, subdivision 7, is amended to read:

1.13 Subd. 7. ~~Partial reemployment~~ Limitation on disability benefit payments. (a) If,

1.14 following a work or non-work-related injury or illness, a ~~disabled person~~ member who

1.15 remains totally and permanently disabled as defined in section 353.01, subdivision 19, has

1.16 ~~income earnings~~ from employment that is not substantial gainful activity and the rate of

1.17 ~~earnings from that employment are less than,~~ the amount of the member's disability benefit

1.18 must be reduced as described in paragraph (b) if the total of the disability benefit and earnings

1.19 exceeds the greater of:

1.20 (1) the base monthly salary rate the member had been receiving at the date of disability;

1.21 or

1.22 (2) the base monthly salary rate currently paid by the employing governmental subdivision

1.23 for similar positions similar to the employment position held by the disabled person

1.24 immediately before becoming disabled, whichever is greater, the executive director shall

1.25 continue.

2.1 ~~(b) If paragraph (a) applies, the member's disability benefit in an amount that, when~~  
 2.2 ~~added to the earnings and any workers' compensation benefit, does~~ must be reduced until  
 2.3 the disability benefit plus the monthly earnings from employment do not exceed the salary  
 2.4 rate at the date of disability or the salary currently paid for positions similar to the  
 2.5 employment position held by the disabled person immediately before becoming disabled,  
 2.6 whichever is higher greater of the salaries described in paragraph (a), clause (1) or (2).

2.7 ~~The disability benefit under this subdivision may not exceed the disability benefit~~  
 2.8 ~~originally allowed, plus any postretirement adjustments payable after December 31, 1988,~~  
 2.9 ~~in accordance with Minnesota Statutes 2008, section 11A.18, subdivision 10, or Minnesota~~  
 2.10 ~~Statutes 2008, section 356.41, through January 1, 2009, and thereafter as provided in section~~  
 2.11 ~~356.415. No deductions for the retirement fund may be taken from the salary of a disabled~~  
 2.12 ~~person who is receiving a disability benefit as provided in this subdivision.~~

2.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.14 Sec. 2. Minnesota Statutes 2022, section 353.33, subdivision 7a, is amended to read:

2.15 Subd. 7a. **Trial work period.** (a) This subdivision applies only to the Public Employees  
 2.16 Retirement Association general employees retirement plan.

2.17 (b) If, following a work or non-work-related injury or illness, a ~~disabled~~ member receiving  
 2.18 disability benefits attempts to return to work for ~~their~~ the member's previous public employer  
 2.19 or attempts to return to a similar position with another public employer, on a full-time or  
 2.20 less than full-time basis, the ~~Public Employees Retirement~~ association ~~shall~~ must continue  
 2.21 paying the disability benefit for a period not to exceed six months. The disability benefit  
 2.22 must continue in an amount that, when added to the subsequent employment earnings ~~and~~  
 2.23 ~~workers' compensation benefit~~, does not exceed the base monthly salary the member had  
 2.24 been receiving at the date of disability or the base monthly salary rate currently paid for  
 2.25 similar positions, whichever is higher.

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

2.29 (d) A member only may return to employment and continue disability benefit payments  
 2.30 once while receiving disability benefits from the general employees retirement plan  
 2.31 ~~administered by the Public Employees Retirement Association.~~

2.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 353.335, subdivision 1, is amended  
3.2 to read:

3.3 Subdivision 1. **Reemployment earnings reporting required.** Unless waived by the  
3.4 executive director, a disability benefit recipient must report all earnings from reemployment  
3.5 ~~and from income from workers' compensation~~ to the association annually by May 15 in a  
3.6 format prescribed by the executive director. If the form is not submitted by May 15, benefits  
3.7 must be suspended effective June 1. If, upon receipt of the form, the executive director  
3.8 determines that the disability benefit recipient is eligible for continued payment, benefits  
3.9 must be reinstated retroactive to June 1. The executive director may waive the requirements  
3.10 in this section if the medical evidence supports that the disability benefit recipient will not  
3.11 have earnings from reemployment.

3.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.13 Sec. 4. Minnesota Statutes 2022, section 353E.06, subdivision 6, is amended to read:

3.14 Subd. 6. **Resumption of employment Limitation on disability benefit payments.** (a)  
3.15 If a ~~disabled employee~~ member receiving disability benefits resumes a gainful occupation  
3.16 ~~from which~~ with earnings are less than, the amount of the member's disability benefit must  
3.17 be reduced as described in paragraph (b) if the total of the disability benefit and earnings  
3.18 exceeds the greater of:

3.19 (1) the base monthly salary ~~received~~ rate the member had been receiving at the date of  
3.20 disability; or

3.21 (2) the base monthly salary rate currently paid by the employing governmental subdivision  
3.22 for similar positions, ~~or should the employee be entitled to receive workers' compensation~~  
3.23 ~~benefits,~~

3.24 (b) If paragraph (a) applies, the member's disability benefit must be ~~continued in an~~  
3.25 ~~amount that, when added to such earnings during the months of employment, and workers'~~  
3.26 ~~compensation benefits, if applicable, does~~ reduced until the disability benefit plus the  
3.27 monthly earnings from employment do not exceed the ~~monthly salary received at the date~~  
3.28 ~~of disability or the monthly salary currently payable for the same employment position or~~  
3.29 ~~an employment position substantially similar to the one the person held as of the date of~~  
3.30 ~~the disability, whichever is greater~~ of the salaries described in paragraph (a), clause (1) or  
3.31 (2).

3.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

4.1 Sec. 5. **REPEALER.**

4.2 (a) Minnesota Statutes 2022, section 353.33, subdivision 5, is repealed.

4.3 (b) Minnesota Statutes 2023 Supplement, section 353.335, subdivision 2, is repealed.

4.4 **EFFECTIVE DATE.** This section is effective January 1, 2025.

**353.33 TOTAL AND PERMANENT DISABILITY BENEFITS.**

Subd. 5. **Benefits paid under workers' compensation law.** (a) Disability benefits paid shall be coordinated with any amounts, other than those amounts excluded under paragraph (b), received or receivable under workers' compensation law in either periodic or lump-sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabilitant. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

(b) Permanent partial disability payments provided for in section 176.101, subdivision 2a, and retraining payments provided for in section 176.102, subdivision 11, must not be offset from disability payments due under paragraph (a) if the amounts of the permanent partial or retraining payments are reported to the executive director in a manner specified by the executive director.

**353.335 DISABILITANT EARNINGS REPORTS.**

Subd. 2. **Workers' compensation reporting not required.** Notwithstanding subdivision 1, a recipient of disability benefits from the police and fire plan must not be required to report to the association any workers' compensation received by the recipient.