

423C.04 ASSOCIATION FUNDS AND ACCOUNTS.

Subdivision 1. **Duties.** The association shall create, maintain, and administer the funds and accounts in this section. The association shall have full and permanent charge and the responsibility for the proper management and control of all funds that may come into its possession under this section. The sources of revenue and authorized disbursements of each fund and account are governed by this section.

Subd. 2. **Special fund; purpose and sources of revenue.** (a) The special fund may only be used to pay for defined and contingent benefits as set forth in sections 423C.05 and 423C.06; compensation for officers and board members as set forth in section 423C.03, subdivision 3; expenses of officers and employees of the association in connection with the protection of the special fund; and expenses of operating, administering, and maintaining the association as authorized by this chapter, section 69.80, or other applicable law.

(b) The special fund is derived from the following sources:

(1) receipts from the state, including, but not limited to, any fire state aid, any fire insurance premium surcharge amount, or any additional amortization state aid;

(2) all money derived from taxation by the city under section 69.77 for the support of the association and for the payment of benefits set forth in sections 423C.05 and 423C.06;

(3) an amount equal to the minimum percentage specified in section 69.77, subdivision 3, of the salary of a first grade firefighter deducted from the monthly salary of each active member; and

(4) the proceeds of the investment of special fund assets.

Subd. 3. **General fund.** The general fund is separate and distinct from the special fund. The general fund may, consistent with applicable law, be expended for those purposes deemed appropriate by the relief association. The city finance officer shall deduct from each active member's biweekly payroll check a sum equal to one-half of one percent of the maximum biweekly salary of a first grade firefighter. This sum shall be forwarded to the association's treasurer and deposited in the general fund. The general fund shall also consist of receipts from private sources, such as gifts, charges, fund-raising projects, and dues paid by members; investment of, earnings on, and interest of the general fund; and all other sources. Money received from other sources may also be deposited in the general fund.

Subd. 4. **Health insurance accounts.** Notwithstanding any law to the contrary, special fund contributions of active members of the association with at least 25 years of service made after the 25th year of service must be deposited in a separate account and used to pay health care costs of the individual member upon retirement. The board shall adopt rules regarding

the frequency and amounts of distributions from these accounts. A member with an account established pursuant to this section is entitled, upon retirement or disability, to receive periodic distributions from the account, in the amount and with the frequency specified by the member consistent with the board's rules.

History: *1Sp2001 c 10 art 15 s 4; 2002 c 231 s 5,6; 2002 c 392 art 1 s 8*