

CHAPTER 423A

POLICE AND FIREFIGHTER RETIREMENT STATE AID

423A.02 LOCAL POLICE AND FIREFIGHTERS RELIEF ASSOCIATION AMORTIZATION STATE AID.

423A.022 POLICE AND FIREFIGHTER RETIREMENT SUPPLEMENTAL STATE AID.

423A.01 [Repealed, 2013 c 111 art 5 s 81]

423A.02 LOCAL POLICE AND FIREFIGHTERS RELIEF ASSOCIATION AMORTIZATION STATE AID.

Subdivision 1. **Amortization state aid.** (a) The cities of Fairmont and Minneapolis are entitled, subject to subdivisions 2, 4, and 5, to receive amortization state aid under this section.

(b) The total amount of amortization state aid to all entitled municipalities must not exceed the appropriation under subdivision 3a.

(c) The amortization state aid amounts are:

City	Aid Amount
Fairmont	\$24,172
Minneapolis	\$2,728,547

If the amortization state aid amounts determined under this paragraph exceed the amount appropriated for this purpose under subdivision 3a, the amortization state aid for actual allocation must be reduced pro rata.

(d) Each municipality is eligible for an amortization state aid payment in a fiscal year if:

(1) for Fairmont, the executive director of the Public Employees Retirement Association certifies on or before June 30 that a municipal contribution with respect to the former Fairmont Police Relief Association is payable in the upcoming fiscal year under section 353.665, subdivision 8, paragraph (c); and

(2) for Minneapolis, the executive director of the Public Employees Retirement Association certifies on or before June 30 that an additional employer contribution with respect to either the former Minneapolis Firefighters Relief Association or the former Minneapolis Police Relief Association is payable in the upcoming fiscal year under section 353.665, subdivision 8, paragraph (b).

Payment of amortization state aid to municipalities must be made to the municipalities involved in three equal installments on July 15, September 15, and November 15 annually. Upon receipt of amortization state aid, the municipal treasurer shall transmit the aid amount to the custodian of the local trust fund or to the executive director of the public employees police and fire retirement fund, whichever applies, for immediate deposit.

(e) The commissioner of revenue shall administer the amortization state aid program. The commissioner shall prescribe and periodically revise, as necessary, the required content of the certifications for amortization state aid.

Subd. 1a. [Repealed, 2013 c 111 art 5 s 81]

Subd. 1b. **Additional amortization state aid.** (a) Annually, the commissioner shall allocate the additional amortization state aid, if any, including any state aid in excess of the limitation in subdivision 4, on the following basis:

(1) 47.1 percent to the city of Minneapolis to defray the employer costs associated with police and firefighter retirement coverage;

(2) 25.8 percent as additional funding to support the minimum fire state aid for volunteer firefighter relief associations under section 69.021, subdivision 7, paragraph (d);

(3) 12.9 percent to the city of Duluth to defray employer costs associated with police and firefighter retirement coverage;

(4) 12.9 percent to the St. Paul Teachers Retirement Fund Association if the investment performance requirement of paragraph (c) is met; and

(5) 1.3 percent to the city of Virginia to defray the employer contribution under section 353.665, subdivision 8, paragraph (d).

If there is no additional employer contribution under section 353.665, subdivision 8, paragraph (b), certified under subdivision 1, paragraph (d), clause (2), with respect to the former Minneapolis Police Relief Association and the former Minneapolis Fire Department Relief Association, the commissioner shall allocate that 47.1 percent of the aid as follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul Teachers Retirement Fund Association, and 30 percent as additional funding to support minimum fire state aid for volunteer firefighter relief associations under section 69.021, subdivision 7, paragraph (d). If there is no employer contribution by the city of Virginia under section 353.665, subdivision 8, paragraph (d), for the former Virginia Fire Department Relief Association certified on or before June 30 by the executive director of the Public Employees Retirement Association, the commissioner shall allocate that 1.3 percent of the aid as follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul Teachers Retirement Fund Association, and 30 percent as additional funding to support minimum fire state aid for volunteer firefighter relief associations under section 69.021, subdivision 7, paragraph (d).

(b) The allocation must be made by the commissioner of revenue on October 1 annually.

(c) With respect to the St. Paul Teachers Retirement Fund Association, annually, if the teacher's association five-year average time-weighted rate of investment return does not equal or exceed the performance of a composite portfolio assumed passively managed (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt securities, and 30 percent in domestic stock calculated using the formula under section 11A.04, clause (11), the aid allocation to the retirement fund under this section ceases until the five-year annual rate of investment return equals or exceeds the performance of that composite portfolio.

(d) The amounts required under this subdivision are the amounts annually appropriated to the commissioner of revenue under section 69.021, subdivision 11, paragraph (d), if any, and the aid amounts in excess of the limitation in subdivision 4.

Subd. 2. **Continued eligibility.** A municipality that received amortization aid in 2011 and is required to make a municipal contribution under section 353.665, subdivision 8, paragraph (b), (c), or (d), whichever applies, continues to qualify for amortization state aid for the duration of the applicable municipal contribution.

Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year amortization aid distributed under subdivision 1 that is not distributed for any reason to a municipality must be distributed by the commissioner of revenue according to this paragraph.

The commissioner shall distribute 60 percent of the amounts derived under this paragraph to the Teachers Retirement Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments must be made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or the Duluth Teachers Retirement Fund Association becomes fully funded, the association's eligibility for its portion of this aid ceases. Amounts remaining in the undistributed balance account at the end of the biennium if aid eligibility ceases cancel to the general fund.

(b) In order to receive amortization aid under paragraph (a), before June 30 annually Independent School District No. 625, St. Paul, must make an additional contribution of \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

(c) Thirty percent of the difference between \$5,720,000 and the current year amortization aid under subdivision 1 that is not distributed for any reason to a municipality must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations.

Subd. 3a. Appropriations for amortization state aid and amortization state aid reallocations. \$5,720,000 is annually appropriated from the general fund to the commissioner of revenue for amortization state aid under subdivision 1, and for the reallocation of amortization aid under subdivision 3.

Subd. 4. Limit on certain total aid amounts. (a) The total of amortization aid and additional amortization aid under this section payable to a municipality to which section 353.665, subdivision 8, paragraph (b), (c), or (d), applies, may not exceed the amount of the additional municipal contribution payable by an individual municipality under section 353.665, subdivision 8, paragraph (b), (c), or (d).

(b) Any aid amount in excess of the limit under this subdivision for an individual municipality must be redistributed to the other municipalities to which section 353.665, subdivision 8, paragraph (b), (c), or (d), applies. The excess aid must be distributed in proportion to each municipality's additional municipal contribution under section 353.665, subdivision 8, paragraph (b), (c), or (d).

(c) When the total aid for each municipality under this section equals the limit under paragraph (a), any aid in excess of the limit must be redistributed under subdivision 1b.

Subd. 5. Termination of state aid programs. The amortization state aid and additional amortization state aid programs terminate as of the December 31, next following the date of the actuarial valuation when the assets of the St. Paul Teachers Retirement Fund Association equal the actuarial accrued liability of that plan or when the assets of the Duluth Teachers Retirement Fund Association equal the actuarial accrued liability of that plan, whichever is later.

History: 1980 c 607 art 15 s 5; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1985 c 261 s 5; 1986 c 359 s 17; 1991 c 345 art 1 s 92; 1992 c 437 s 1; 1992 c 511 art 4 s 23; 1994 c 465 art 3 s 58; 1996 c 390 s 35; 1996 c 438 art 4 s 8,9; 1997 c 241 art 9 s 1; 1999 c 222 art 4 s 15-18; 2000 c 461 art 9 s 1-3; 2002 c 392 art 11 s 52; 2006 c 277 art 3 s 42; 2007 c 134 art 1 s 12,13; 2008 c 349 art 8 s 3; 2009 c 88 art 12 s 14-17; 2009 c 169 art 8 s 2,3; 2010 c 359 art 1 s 84; 1Sp2011 c 8 art 6 s 15,19; art 7 s 15,19; art 8 s 11,14; 2012 c 286 art 8 s 9; 2013 c 111 art 5 s 70-76; art 13 s 19; 2014 c 275 art 2 s 17; 2014 c 296 art 6 s 45; art 9 s 3; 2014 c 308 art 10 s 11; 2015 c 68 art 13 s 62

423A.021 MS 2010 [Repealed, 1Sp2011 c 8 art 6 s 18,19]

423A.022 POLICE AND FIREFIGHTER RETIREMENT SUPPLEMENTAL STATE AID.

Subdivision 1. **Supplemental state aid.** Annually, the commissioner of revenue shall allocate police and firefighter retirement supplemental state aid appropriated under subdivision 6 as provided in subdivision 2 and paid as provided in subdivision 4.

Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

(1) 58.064 percent must be paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 35.484 percent must be paid to municipalities other than municipalities solely employing firefighters with retirement coverage provided by the public employees police and fire retirement plan which qualified to receive fire state aid in that calendar year, allocated in proportion to the most recent amount of fire state aid paid under section 69.021, subdivision 7, for the municipality bears to the most recent total fire state aid for all municipalities other than the municipalities solely employing firefighters with retirement coverage provided by the public employees police and fire retirement plan paid under section 69.021, subdivision 7, with the allocated amount for fire departments participating in the voluntary statewide lump-sum volunteer firefighter retirement plan paid to the executive director of the Public Employees Retirement Association for deposit in the fund established by section 353G.02, subdivision 3, and credited to the respective account and with the balance paid to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable volunteer firefighter relief association for deposit in its special fund; and

(3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement System for deposit in the state patrol retirement fund.

(b) For purposes of this section, the term "municipalities" includes independent nonprofit firefighting corporations that participate in the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G or with subsidiary volunteer firefighter relief associations operating under chapter 424A.

Subd. 3. **Reporting.** On or before September 1, annually, the executive director of the Public Employees Retirement Association shall report to the commissioner of revenue the following:

(1) the municipalities which employ firefighters with retirement coverage by the public employees police and fire retirement plan;

(2) the fire departments covered by the voluntary statewide lump-sum volunteer firefighter retirement plan; and

(3) any other information requested by the commissioner to administer the police and firefighter retirement supplemental state aid program.

Subd. 4. **Payments; conditions prerequisite.** (a) The payments under this section must be made on October 1 each year, with interest at one percent for each month, or portion of a month, that the amount remains unpaid after October 1. Any necessary adjustments must be made to subsequent payments.

(b) The provisions of sections 69.011 to 69.051 that prevent municipalities and relief associations from being eligible for, or receiving fire state aid under sections 69.011 to 69.051 until the applicable financial reporting requirements have been complied with, apply to the amounts payable to municipalities and relief associations under this section.

Subd. 5. **Aid termination.** (a) The aid under subdivision 2, paragraph (a), clauses (1) and (3), ends on the December 1 next following the actuarial valuation date on which the assets of the retirement plan on a market value basis equals or exceeds 90 percent of the total actuarial accrued liabilities of the retirement plan as disclosed in an actuarial valuation prepared under section 356.215 and the Standards for Actuarial Work promulgated by the Legislative Commission on Pensions and Retirement, for the State Patrol retirement plan or the public employees police and fire retirement plan, whichever occurs last.

(b) The aid under subdivision 2, paragraph (a), clause (2), does not terminate.

Subd. 6. **Appropriation.** \$15,500,000 is appropriated annually to the commissioner of revenue for this aid program.

History: 2013 c 143 art 2 s 6; 2014 c 296 art 9 s 4,5; 2014 c 308 art 1 s 4; art 9 s 83; 2015 c 68 art 6 s 1

423A.03 [Repealed, 2002 c 392 art 1 s 9]

423A.04 [Repealed, 2013 c 111 art 5 s 81]

423A.05 [Repealed, 2013 c 111 art 5 s 81]

423A.06 [Repealed, 2012 c 286 art 11 s 10]

423A.07 [Repealed, 2013 c 111 art 5 s 81]

423A.10 [Repealed, 2013 c 111 art 5 s 81]

423A.11 [Repealed, 2013 c 111 art 5 s 81]

423A.12 [Repealed, 2013 c 111 art 5 s 81]

423A.13 [Repealed, 2013 c 111 art 5 s 81]

423A.14 [Repealed, 2013 c 111 art 5 s 81]

423A.15 [Repealed, 2013 c 111 art 5 s 81]

423A.16 [Repealed, 2013 c 111 art 5 s 81]

423A.17 [Repealed, 2013 c 111 art 5 s 81]

423A.171 [Repealed, 2013 c 111 art 5 s 81]

423A.18 [Repealed, 2013 c 111 art 5 s 81]

423A.19 [Repealed, 2013 c 111 art 5 s 81]

423A.20 [Repealed, 2013 c 111 art 5 s 81]

423A.21 [Repealed, 2013 c 111 art 5 s 81]

423A.22 [Repealed, 2013 c 111 art 5 s 81]