



H.F. 3715
(Nelson)

S.F. 3325
(Betzold)

Executive Summary of Commission Staff Materials

Affected Pension Plan: Volunteer Firefighter Relief Associations
Relevant Provisions of Law: Minnesota Statutes, Section 424A.02, Subdivision 3
General Nature of Proposal: Increasing uppermost lump sum and monthly benefit volunteer firefighter relief association flexible service pension maximum amounts
Date of Summary: March 6, 2008

Specific Proposed Changes

- Amends Minnesota Statutes, Section 424A.02, Subdivision 3, specifying the flexible service pension maximums for volunteer firefighter relief associations and paying lump sum or monthly benefit service pensions, by increasing the uppermost maximum for lump sum volunteer firefighter relief associations from \$7,500 per year of service credit to \$10,000 per year of service credit and by increasing the uppermost maximum for monthly benefit volunteer firefighter relief associations from \$56 per month per year of service credit to \$100 per month per year of service credit.

Policy Issues Raised by the Proposed Legislation

1. Unclear case established for need for change.
2. Consistency of proposed service pension levels with pension plan policy purpose.
3. Likelihood that flexible service pension maximum increases are prompted by excessive fire state aid.
4. Appropriateness of the dedication of fire state aid to relief association funding.
5. Appropriateness of the timing of the flexible service pension maximum increase.
6. Appropriateness of the magnitude of the proposed increase.
7. Appropriate relationship of volunteer fire pension levels to full-time public employee pension levels.

Potential Amendments

H3715-1A phases in the increase over five years for monthly benefit volunteer firefighter relief associations and over three years for lump sum volunteer firefighter relief associations.

