

1.1 A bill for an act
1.2 relating to retirement; volunteer firefighter relief associations; modifying
1.3 requirements relating to municipal ratification of amendments increasing retirement
1.4 benefits; amending Minnesota Statutes 2016, section 424A.092, subdivision 6.

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

1.6 Section 1. Minnesota Statutes 2016, section 424A.092, subdivision 6, is amended to read:

1.7 Subd. 6. **Municipal ratification for plan amendments.** (a) If the special fund of the
1.8 relief association does or does not have a surplus over full funding under subdivision 3,
1.9 paragraph (c), clause (5), and if the municipality is required or elects to provide financial
1.10 support to the special fund of the relief association under this section, the adoption of or
1.11 any amendment to the articles of incorporation or bylaws of a relief association which
1.12 increases or otherwise affects the retirement coverage provided by or the service pensions
1.13 or retirement benefits payable from the special fund of any relief association to which this
1.14 section applies is not effective until:

1.15 (i) it is ratified by the governing body of the municipality served by the fire department
1.16 to which the relief association is directly associated or by the independent nonprofit
1.17 firefighting corporation, as applicable, and

1.18 (ii) the officers of a relief association shall not seek municipal ratification prior to
1.19 preparing and certifying an estimate of the expected increase in the accrued liability and
1.20 annual accruing liability of the relief association attributable to the amendment.

1.21 (b) If the special fund of the relief association has a surplus over full funding under
1.22 subdivision 3, paragraph (c), clause (5), and if the municipality is does not required to
1.23 provide financial support to the special fund of the relief association under this section, the

2.1 relief association may adopt or amend its articles of incorporation or bylaws which increase
2.2 or otherwise affect the retirement coverage provided by or the service pensions or retirement
2.3 benefits payable from the special fund of the relief association which are effective without
2.4 municipal ratification so long as:

2.5 (i) this does not cause the amount of the resulting increase in the accrued liability of the
2.6 special fund of the relief association to exceed 90 percent of the amount of the surplus over
2.7 full funding reported in the prior year, and

2.8 (ii) this does not result in the financial requirements of the special fund of the relief
2.9 association exceeding the expected amount of the future fire state aid and police and
2.10 firefighter retirement supplemental state aid to be received by the relief association as
2.11 determined by the board of trustees following the preparation of an estimate of the expected
2.12 increase in the accrued liability and annual accruing liability of the relief association
2.13 attributable to the change.

2.14 (c) If a relief association adopts or amends its articles of incorporation or bylaws without
2.15 municipal ratification under this subdivision, and, subsequent to the amendment or adoption,
2.16 the financial requirements of the special fund of the relief association under this section are
2.17 such so as to require financial support from the municipality, the provision which was
2.18 implemented without municipal ratification is no longer effective without municipal
2.19 ratification and any service pensions or retirement benefits payable after that date may be
2.20 paid only in accordance with the articles of incorporation or bylaws as amended or adopted
2.21 with municipal ratification.

2.22 **EFFECTIVE DATE.** This section is effective January 1, 2018.