

1.1 ..... moves to amend H.F. No. 3903; S.F. No. 3808, the delete everything  
1.2 amendment (H3903-DE1), as follows:

1.3 Page 59, after line 13, insert:

1.4 **"ARTICLE 10**

1.5 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS**  
1.6 **MAXIMUM LUMP-SUM PENSION AMOUNT INCREASE**

1.7 Section 1. Minnesota Statutes 2018, section 424A.02, subdivision 3, is amended to read:

1.8 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as  
1.9 part of the certification of the financial requirements and minimum municipal obligation  
1.10 determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable,  
1.11 the secretary or some other official of the relief association designated in the bylaws of each  
1.12 defined benefit relief association shall calculate and certify to the governing body of the  
1.13 applicable municipality the average amount of available financing per active covered  
1.14 firefighter for the most recent three-year period. The amount of available financing includes  
1.15 any amounts of fire state aid and police and firefighter retirement supplemental state aid  
1.16 received or receivable by the relief association, any amounts of municipal contributions to  
1.17 the relief association raised from levies on real estate or from other available revenue sources  
1.18 exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued  
1.19 liabilities of the relief association calculated under section 424A.092, subdivision 2;  
1.20 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

1.21 (b) The maximum service pension which the defined benefit relief association has  
1.22 authority to provide for in its bylaws for payment to a member retiring after the calculation  
1.23 date when the minimum age and service requirements specified in subdivision 1 are met  
1.24 must be determined using the table in paragraph (c) or (d), whichever applies.

2.1 (c) For a defined benefit relief association where the governing bylaws provide for a  
 2.2 monthly service pension to a retiring member, the maximum monthly service pension amount  
 2.3 per month for each year of service credited that may be provided for in the bylaws is the  
 2.4 greater of the service pension amount provided for in the bylaws on the date of the calculation  
 2.5 of the average amount of the available financing per active covered firefighter or the  
 2.6 maximum service pension figure corresponding to the average amount of available financing  
 2.7 per active covered firefighter:

2.8	Minimum Average Amount of Available	Maximum Service Pension Amount
2.9	Financing per Firefighter	Payable per Month for Each Year of
2.10		Service
2.11	\$ ...	\$ .25
2.12	41	.50
2.13	81	1.00
2.14	122	1.50
2.15	162	2.00
2.16	203	2.50
2.17	243	3.00
2.18	284	3.50
2.19	324	4.00
2.20	365	4.50
2.21	405	5.00
2.22	486	6.00
2.23	567	7.00
2.24	648	8.00
2.25	729	9.00
2.26	810	10.00
2.27	891	11.00
2.28	972	12.00
2.29	1053	13.00
2.30	1134	14.00
2.31	1215	15.00
2.32	1296	16.00
2.33	1377	17.00
2.34	1458	18.00
2.35	1539	19.00
2.36	1620	20.00
2.37	1701	21.00
2.38	1782	22.00

3.1	1823	22.50
3.2	1863	23.00
3.3	1944	24.00
3.4	2025	25.00
3.5	2106	26.00
3.6	2187	27.00
3.7	2268	28.00
3.8	2349	29.00
3.9	2430	30.00
3.10	2511	31.00
3.11	2592	32.00
3.12	2673	33.00
3.13	2754	34.00
3.14	2834	35.00
3.15	2916	36.00
3.16	2997	37.00
3.17	3078	38.00
3.18	3159	39.00
3.19	3240	40.00
3.20	3321	41.00
3.21	3402	42.00
3.22	3483	43.00
3.23	3564	44.00
3.24	3645	45.00
3.25	3726	46.00
3.26	3807	47.00
3.27	3888	48.00
3.28	3969	49.00
3.29	4050	50.00
3.30	4131	51.00
3.31	4212	52.00
3.32	4293	53.00
3.33	4374	54.00
3.34	4455	55.00
3.35	4536	56.00
3.36	4617	57.00
3.37	4698	58.00
3.38	4779	59.00

4.1	4860	60.00
4.2	4941	61.00
4.3	5022	62.00
4.4	5103	63.00
4.5	5184	64.00
4.6	5265	65.00
4.7	5346	66.00
4.8	5427	67.00
4.9	5508	68.00
4.10	5589	69.00
4.11	5670	70.00
4.12	5751	71.00
4.13	5832	72.00
4.14	5913	73.00
4.15	5994	74.00
4.16	6075	75.00
4.17	6156	76.00
4.18	6237	77.00
4.19	6318	78.00
4.20	6399	79.00
4.21	6480	80.00
4.22	6561	81.00
4.23	6642	82.00
4.24	6723	83.00
4.25	6804	84.00
4.26	6885	85.00
4.27	6966	86.00
4.28	7047	87.00
4.29	7128	88.00
4.30	7209	89.00
4.31	7290	90.00
4.32	7371	91.00
4.33	7452	92.00
4.34	7533	93.00
4.35	7614	94.00
4.36	7695	95.00
4.37	7776	96.00
4.38	7857	97.00

5.1	7938	98.00
5.2	8019	99.00
5.3	8100	100.00
5.4	any amount in excess of	
5.5	8100	100.00

5.6 (d) For a defined benefit relief association in which the governing bylaws provide for a  
 5.7 lump-sum service pension to a retiring member, the maximum lump-sum service pension  
 5.8 amount for each year of service credited that may be provided for in the bylaws is the greater  
 5.9 of the service pension amount provided for in the bylaws on the date of the calculation of  
 5.10 the average amount of the available financing per active covered firefighter or the maximum  
 5.11 service pension figure corresponding to the average amount of available financing per active  
 5.12 covered firefighter for the applicable specified period:

5.13	Minimum Average Amount of Available	Maximum Lump-Sum Service Pension
5.14	Financing per Firefighter	Amount Payable for Each Year of Service
5.15	\$ ...	\$ 10
5.16	11	20
5.17	16	30
5.18	23	40
5.19	27	50
5.20	32	60
5.21	43	80
5.22	54	100
5.23	65	120
5.24	77	140
5.25	86	160
5.26	97	180
5.27	108	200
5.28	131	240
5.29	151	280
5.30	173	320
5.31	194	360
5.32	216	400
5.33	239	440
5.34	259	480
5.35	281	520
5.36	302	560
5.37	324	600

6.1	347	640
6.2	367	680
6.3	389	720
6.4	410	760
6.5	432	800
6.6	486	900
6.7	540	1000
6.8	594	1100
6.9	648	1200
6.10	702	1300
6.11	756	1400
6.12	810	1500
6.13	864	1600
6.14	918	1700
6.15	972	1800
6.16	1026	1900
6.17	1080	2000
6.18	1134	2100
6.19	1188	2200
6.20	1242	2300
6.21	1296	2400
6.22	1350	2500
6.23	1404	2600
6.24	1458	2700
6.25	1512	2800
6.26	1566	2900
6.27	1620	3000
6.28	1672	3100
6.29	1726	3200
6.30	1753	3250
6.31	1780	3300
6.32	1820	3375
6.33	1834	3400
6.34	1888	3500
6.35	1942	3600
6.36	1996	3700
6.37	2023	3750
6.38	2050	3800

7.1	2104	3900
7.2	2158	4000
7.3	2212	4100
7.4	2265	4200
7.5	2319	4300
7.6	2373	4400
7.7	2427	4500
7.8	2481	4600
7.9	2535	4700
7.10	2589	4800
7.11	2643	4900
7.12	2697	5000
7.13	2751	5100
7.14	2805	5200
7.15	2859	5300
7.16	2913	5400
7.17	2967	5500
7.18	3021	5600
7.19	3075	5700
7.20	3129	5800
7.21	3183	5900
7.22	3237	6000
7.23	3291	6100
7.24	3345	6200
7.25	3399	6300
7.26	3453	6400
7.27	3507	6500
7.28	3561	6600
7.29	3615	6700
7.30	3669	6800
7.31	3723	6900
7.32	3777	7000
7.33	3831	7100
7.34	3885	7200
7.35	3939	7300
7.36	3993	7400
7.37	4047	7500
7.38	4101	7600

8.1	4155	7700
8.2	4209	7800
8.3	4263	7900
8.4	4317	8000
8.5	4371	8100
8.6	4425	8200
8.7	4479	8300
8.8	4533	8400
8.9	4587	8500
8.10	4641	8600
8.11	4695	8700
8.12	4749	8800
8.13	4803	8900
8.14	4857	9000
8.15	4911	9100
8.16	4965	9200
8.17	5019	9300
8.18	5073	9400
8.19	5127	9500
8.20	5181	9600
8.21	5235	9700
8.22	5289	9800
8.23	5343	9900
8.24	5397	10,000
8.25	<u>5451</u>	<u>10,100</u>
8.26	<u>5505</u>	<u>10,200</u>
8.27	<u>5559</u>	<u>10,300</u>
8.28	<u>5613</u>	<u>10,400</u>
8.29	<u>5667</u>	<u>10,500</u>
8.30	<u>5721</u>	<u>10,600</u>
8.31	<u>5775</u>	<u>10,700</u>
8.32	<u>5829</u>	<u>10,800</u>
8.33	<u>5883</u>	<u>10,900</u>
8.34	<u>5937</u>	<u>11,000</u>
8.35	<u>5991</u>	<u>11,100</u>
8.36	<u>6045</u>	<u>11,200</u>
8.37	<u>6099</u>	<u>11,300</u>
8.38	<u>6153</u>	<u>11,400</u>



9.1	<u>6207</u>	<u>11,500</u>
9.2	<u>6261</u>	<u>11,600</u>
9.3	<u>6315</u>	<u>11,700</u>
9.4	<u>6369</u>	<u>11,800</u>
9.5	<u>6423</u>	<u>11,900</u>
9.6	<u>6477</u>	<u>12,000</u>
9.7	<u>6531</u>	<u>12,100</u>
9.8	<u>6585</u>	<u>12,200</u>
9.9	<u>6639</u>	<u>12,300</u>
9.10	<u>6693</u>	<u>12,400</u>
9.11	<u>6747</u>	<u>12,500</u>
9.12	<u>6801</u>	<u>12,600</u>
9.13	<u>6855</u>	<u>12,700</u>
9.14	<u>6909</u>	<u>12,800</u>
9.15	<u>6963</u>	<u>12,900</u>
9.16	<u>7017</u>	<u>13,000</u>
9.17	<u>7071</u>	<u>13,100</u>
9.18	<u>7125</u>	<u>13,200</u>
9.19	<u>7179</u>	<u>13,300</u>
9.20	<u>7233</u>	<u>13,400</u>
9.21	<u>7287</u>	<u>13,500</u>
9.22	<u>7341</u>	<u>13,600</u>
9.23	<u>7395</u>	<u>13,700</u>
9.24	<u>7449</u>	<u>13,800</u>
9.25	<u>7503</u>	<u>13,900</u>
9.26	<u>7557</u>	<u>14,000</u>
9.27	<u>7611</u>	<u>14,100</u>
9.28	<u>7665</u>	<u>14,200</u>
9.29	<u>7719</u>	<u>14,300</u>
9.30	<u>7773</u>	<u>14,400</u>
9.31	<u>7827</u>	<u>14,500</u>
9.32	<u>7881</u>	<u>14,600</u>
9.33	<u>7935</u>	<u>14,700</u>
9.34	<u>7989</u>	<u>14,800</u>
9.35	<u>8043</u>	<u>14,900</u>
9.36	<u>8097</u>	<u>15,000</u>

10.1 any amount in excess of

10.2 ~~5397~~ ~~10,000~~

10.3 8097 15,000

10.4 (e) For a defined benefit relief association in which the governing bylaws provide for a  
 10.5 monthly benefit service pension as an alternative form of service pension payment to a  
 10.6 lump-sum service pension, the maximum service pension amount for each pension payment  
 10.7 type must be determined using the applicable table contained in this subdivision.

10.8 (f) If a defined benefit relief association establishes a service pension in compliance  
 10.9 with the applicable maximum contained in paragraph (c) or (d) and the minimum average  
 10.10 amount of available financing per active covered firefighter is subsequently reduced because  
 10.11 of a reduction in fire state aid or because of an increase in the number of active firefighters,  
 10.12 the relief association may continue to provide the prior service pension amount specified  
 10.13 in its bylaws, but may not increase the service pension amount until the minimum average  
 10.14 amount of available financing per firefighter under the table in paragraph (c) or (d), whichever  
 10.15 applies, permits.

10.16 (g) No defined benefit relief association is authorized to provide a service pension in an  
 10.17 amount greater than the largest applicable flexible service pension maximum amount even  
 10.18 if the amount of available financing per firefighter is greater than the financing amount  
 10.19 associated with the largest applicable flexible service pension maximum.

10.20 (h) The method of calculating service pensions must be applied uniformly for all years  
 10.21 of active service. Credit must be given for all years of active service except for caps on  
 10.22 service credit if so provided in the bylaws of the relief association.

10.23 **EFFECTIVE DATE.** This section is effective January 1, 2021.

10.24 Sec. 2. **REPEALER.**

10.25 Laws 2018, chapter 211, article 14, section 29, is repealed.

10.26 **EFFECTIVE DATE.** This section is effective January 1, 2021.

11.1 **ARTICLE 11**

11.2 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS**  
 11.3 **ALLOCATION OF FIRE STATE AID**

11.4 Section 1. Minnesota Statutes 2019 Supplement, section 477B.04, subdivision 3, is amended  
 11.5 to read:

11.6 Subd. 3. **Deposit of state aid.** (a) If the municipality or the independent nonprofit  
 11.7 firefighting corporation is covered by the voluntary statewide volunteer firefighter retirement  
 11.8 plan under chapter 353G, the executive director of the Public Employees Retirement  
 11.9 Association must credit the fire state aid against future municipal contribution requirements  
 11.10 under section 353G.08 and must notify the municipality or the independent nonprofit  
 11.11 firefighting corporation of the fire state aid so credited at least annually.

11.12 (b) If (1) the municipality or the independent nonprofit firefighting corporation is not  
 11.13 covered by the voluntary statewide volunteer firefighter retirement plan, and is affiliated  
 11.14 with a duly incorporated firefighters relief association, (2) the relief association has filed a  
 11.15 financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2,  
 11.16 whichever applies, and (3) there is not an aid allocation agreement under section 477B.042  
 11.17 in effect, then the treasurer of the municipality must, within 30 days after receipt, transmit  
 11.18 the fire state aid to the treasurer of the ~~duly incorporated firefighters' relief association if~~  
 11.19 ~~there is one organized and the association has filed a financial report with the municipality~~  
 11.20 ~~pursuant to section 424A.014, subdivision 1 or 2, whichever applies.~~ relief association. If  
 11.21 clauses (1) and (2) are satisfied and there is an aid allocation agreement under section  
 11.22 477B.042 in effect, then fire state aid must be transmitted as described in that section. If  
 11.23 the relief association has not filed a financial report with the municipality, then, regardless  
 11.24 of whether an aid allocation agreement is in effect, the treasurer of the municipality must  
 11.25 delay transmission of the fire state aid to the relief association until the complete financial  
 11.26 report is filed.

11.27 (c) The treasurer of the municipality must deposit the fire state aid money in the municipal  
 11.28 treasury if (1) the municipality or independent nonprofit firefighting corporation is not  
 11.29 covered by the voluntary statewide volunteer firefighter retirement plan, (2) there is no  
 11.30 relief association organized, (3) the association has dissolved, or (4) the association has  
 11.31 been removed as trustees of state aid. The money may be disbursed from the municipal  
 11.32 treasury only for the purposes and in the manner set forth in section 424A.08 or for the  
 11.33 payment of the employer contribution requirement with respect to firefighters covered by  
 11.34 the public employees police and fire retirement plan under section 353.65, subdivision 3.

11.35 **EFFECTIVE DATE.** This section is effective for aids payable in 2021 and thereafter.

12.1 Sec. 2. [477B.042] ALLOCATION OF FIRE STATE AID FOR RELIEF

12.2 ASSOCIATIONS.

12.3 Subdivision 1. **Applicability.** (a) This section applies to fire state aid payable each year  
12.4 under section 477B.04, subdivision 3, paragraph (b), if, during the prior year, the municipality  
12.5 or independent nonprofit firefighting corporation:

12.6 (1) employs one or more volunteer firefighters covered by the relief association affiliated  
12.7 with the municipality or independent nonprofit firefighting corporation under chapter 424A;  
12.8 and

12.9 (2) contributes on behalf of one or more firefighters to the public employees police and  
12.10 fire retirement plan under chapter 353.

12.11 (b) This section does not apply to police and firefighter supplemental state aid under  
12.12 section 423A.022.

12.13 Subd. 2. **Allocation of fire state aid.** (a) The municipality or independent nonprofit  
12.14 firefighting corporation and the affiliated relief association may agree to allocate fire state  
12.15 aid between the relief association and the public employees police and fire retirement plan  
12.16 by entering into an aid allocation agreement described in subdivision 3.

12.17 (b) If an aid allocation agreement has been filed with the state auditor and is in effect,  
12.18 then within 30 days of receipt of the fire state aid the treasurer of the municipality must  
12.19 transmit to the relief association the amount of the fire state aid as determined in the aid  
12.20 allocation agreement. If a municipality receives fire state aid on behalf of an independent  
12.21 nonprofit firefighting corporation, the municipality must also transmit any remaining fire  
12.22 state aid to the independent nonprofit firefighting corporation.

12.23 (c) The fire state aid allocated to the municipality or independent nonprofit firefighting  
12.24 corporation may only be disbursed for the payment of employer contributions for firefighters  
12.25 covered by the public employees police and fire retirement plan or for contributions to the  
12.26 relief association and must be disbursed within 18 months of receipt by the municipality or  
12.27 independent nonprofit firefighting corporation.

12.28 Subd. 3. **Aid allocation agreement.** (a) An aid allocation agreement is a written  
12.29 agreement that meets the following requirements:

12.30 (1) the agreement specifies:

12.31 (i) the percentage of the fire state aid, a dollar amount, or a formula for determining the  
12.32 amount of fire state aid that will be transmitted to the relief association annually; and

13.1 (ii) the period of time covered by the agreement and the date on which the agreement  
13.2 expires; and

13.3 (2) the agreement has been signed by:

13.4 (i) an individual authorized to sign on behalf of the municipality or independent nonprofit  
13.5 firefighting corporation; and

13.6 (ii) the president of the relief association or its representative duly appointed for the  
13.7 purposes of this section.

13.8 (b) An aid allocation agreement is not effective unless filed with the state auditor under  
13.9 subdivision 5.

13.10 **Subd. 4. Modifying or terminating the aid allocation agreement.** (a) The parties to  
13.11 the agreement may modify or terminate the aid allocation agreement, provided that the  
13.12 modification or termination is in writing and signed by the parties.

13.13 (b) If the amount of fire state aid paid to a municipality or independent nonprofit  
13.14 firefighting corporation by the commissioner changes by an amount greater than 50 percent  
13.15 of the prior year's amount, then the aid allocation agreement may be terminated by either  
13.16 party to the agreement by providing written notice of termination to the other party.

13.17 (c) Unless the aid allocation agreement provides otherwise, termination is effective for  
13.18 the fire state aids payable in the calendar year after notice of termination has been given.

13.19 **Subd. 5. Filing requirement and remedy.** (a) By March 1 of each year in which fire  
13.20 state aid is to be allocated, the municipality or independent nonprofit firefighting corporation  
13.21 must file a copy of the aid allocation agreement or modified agreement with the state auditor.

13.22 (b) If an aid allocation agreement terminates by its own terms or for any other reason,  
13.23 the municipality or independent nonprofit firefighting corporation must notify the Office  
13.24 of the State Auditor in writing within 30 days after the termination date.

13.25 (c) If the municipality or independent nonprofit firefighting corporation fails to file by  
13.26 the deadline in paragraph (a), fire state aid payments must not be allocated, but must be  
13.27 transmitted to the relief association until the agreement has been filed. If the state auditor  
13.28 determines that an aid allocation agreement does not meet the requirements of subdivision  
13.29 3, any future fire state aid payments must be transmitted to the relief association by the  
13.30 municipality until the municipality files with the state auditor an aid allocation agreement  
13.31 that satisfies the requirements under subdivision 3.

13.32 **EFFECTIVE DATE.** This section is effective for aids payable in 2021 and thereafter.

14.1 **Sec. 3. GRANDFATHERING EXISTING AID ALLOCATION AGREEMENTS.**

14.2 (a) Notwithstanding Minnesota Statutes, section 477B.042, subdivision 3, a written  
14.3 document is an aid allocation agreement for the purposes of Minnesota Statutes, sections  
14.4 477B.04, subdivision 3, and 477B.042, and remains effective as an aid allocation agreement  
14.5 until the document ceases to be effective according to its own terms or is modified, if the  
14.6 document:

14.7 (1) determines the amount of fire state aid that will be transmitted by a municipality to  
14.8 its affiliated fire relief association;

14.9 (2) is effective under existing law on the day before the effective date of this section;  
14.10 and

14.11 (3) provision of a relief association's bylaws that was jointly approved by the relief  
14.12 association and its affiliated municipality or a court-ordered settlement agreement entered  
14.13 into by a relief association and its affiliated municipality.

14.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

14.15 **Sec. 4. CITY OF EAGAN; ALLOCATION OF FIRE STATE AID.**

14.16 **Subdivision 1. Definitions.** (a) For purposes of this section, the terms defined in this  
14.17 subdivision have the meanings given them unless the context clearly indicates otherwise.

14.18 (b) "Agreement" means an agreement or contract between the city of Eagan and the  
14.19 Eagan Firefighters Relief Association which specifies an amount of money that the city will  
14.20 contribute to the relief association annually and permits the city to deposit fire state aid in  
14.21 the city treasury.

14.22 (c) "Fire state aid" means fire state aid paid to the city of Eagan by the commissioner of  
14.23 revenue under Minnesota Statutes, section 477B.04, and does not include supplemental aid.

14.24 (d) "Relief association" means the Eagan Firefighters Relief Association.

14.25 (e) "Supplemental aid" means police and firefighter retirement supplemental state aid  
14.26 under Minnesota Statutes, section 423A.022.

14.27 **Subd. 2. City of Eagan permitted to allocate.** (a) Notwithstanding any law to the  
14.28 contrary, if an agreement is in effect, then for the term of the agreement the city of Eagan  
14.29 is not required to transmit fire state aid to the relief association except as provided for in  
14.30 this section. Following receipt from the commissioner of revenue of fire state aid, the city  
14.31 of Eagan must:

15.1 (1) disburse fire state aid only as provided in clause (2) or for the payment of the employer  
15.2 contribution requirement with respect to firefighters covered by the public employees police  
15.3 and fire retirement plan under Minnesota Statutes, section 353.65; and

15.4 (2) by the date required under the agreement, transmit to the relief association no less  
15.5 than the amount required under the agreement.

15.6 (b) The city of Eagan must transmit any supplemental aid it receives to the relief  
15.7 association as required under Minnesota Statutes, section 423A.022. Supplemental aid  
15.8 transmitted to the relief association may be credited against the amount the city is obligated  
15.9 to pay under the agreement.

15.10 (c) If any fire state aid is received by the city of Eagan and an agreement is not in effect,  
15.11 then the fire state aid must be transmitted to the relief association in a manner consistent  
15.12 with Minnesota Statutes, section 477B.04, and other applicable law.

15.13 Subd. 3. **Expiration.** This section expires June 30, 2022.

15.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
15.15 applies retroactively from January 1, 2020.

15.16 Sec. 5. **REPEALER.**

15.17 Laws 1980, chapter 607, section 13, is repealed.

15.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

## 15.19 **ARTICLE 12**

### 15.20 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS** 15.21 **RELIEF ASSOCIATION DISSOLUTION** 15.22 **AND RETIREMENT PLAN TERMINATION**

15.23 Section 1. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
15.24 to read:

15.25 Subd. 2a. **Board of trustees.** "Board of trustees" means the governing board of a relief  
15.26 association.

15.27 Sec. 2. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
15.28 read:

15.29 Subd. 3a. **Defined benefit plan.** "Defined benefit plan" means a retirement plan that  
15.30 provides a retirement benefit that is a lump sum, the amount of which is determined by  
15.31 multiplying the applicable lump-sum service pension amount under section 424A.02,

16.1 subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which  
16.2 is determined by multiplying the applicable monthly pension amount under section 424A.02,  
16.3 subdivision 3, paragraph (c), by years of service. A defined benefit plan may provide both  
16.4 a lump sum and a monthly pension.

16.5 Sec. 3. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
16.6 read:

16.7 Subd. 3b. **Defined benefit relief association.** "Defined benefit relief association" means  
16.8 a relief association that has established and administers a retirement plan that is a defined  
16.9 benefit plan.

16.10 Sec. 4. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
16.11 read:

16.12 Subd. 3c. **Defined contribution plan.** "Defined contribution plan" means a retirement  
16.13 plan that provides a retirement benefit based on the member's individual account balance.

16.14 Sec. 5. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
16.15 read:

16.16 Subd. 3d. **Defined contribution relief association.** "Defined contribution relief  
16.17 association" means a relief association that has established and administers a retirement  
16.18 plan that is a defined contribution plan.

16.19 Sec. 6. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
16.20 read:

16.21 Subd. 3e. **Member.** (a) "Member" means a person:

16.22 (1) who is a member of a fire department or independent nonprofit firefighting  
16.23 corporation;

16.24 (2) who has been credited with at least one year of service toward a retirement benefit  
16.25 under the retirement plan of a relief association that is affiliated with the fire department or  
16.26 independent nonprofit firefighting corporation; and

16.27 (3) whose retirement benefit under the retirement plan has not yet been distributed in a  
16.28 lump sum or has not yet begun to be distributed in periodic installments or as a monthly  
16.29 pension.



17.1 (b) A member may be an active firefighter, an inactive firefighter, or a former firefighter  
17.2 who has a benefit under the retirement plan but has not become eligible to receive the benefit.

17.3 Sec. 7. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
17.4 read:

17.5 Subd. 3f. **Municipality.** "Municipality" means a city or township that has established a  
17.6 fire department with which the relief association is affiliated, a city or township that has  
17.7 entered into a contract with an independent nonprofit firefighting corporation with which  
17.8 the relief association is affiliated, or a city or township that has entered into a joint powers  
17.9 agreement under section 471.59 with one or more cities or townships to operate a fire  
17.10 department with which the relief association is affiliated. A reference in chapter 424B to  
17.11 "municipality" in connection with a power that may be exercised by or a requirement that  
17.12 is imposed on the municipality means each city or township that is party to a joint powers  
17.13 agreement, unless the joint powers agreement identifies one city or township with the  
17.14 authority to act on behalf of the other parties to the agreement or with the responsibility for  
17.15 fulfilling requirements imposed on the other parties to the agreement.

17.16 Sec. 8. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
17.17 read:

17.18 Subd. 3g. **Other benefit recipient.** "Other benefit recipient" means:

17.19 (1) a person who is entitled to receive all or a portion of the benefit of a member under  
17.20 a retirement plan due to the person having one of the following relationships to the member:

17.21 (i) the member's surviving spouse;

17.22 (ii) the member's former spouse who is the alternate payee under a state domestic relations  
17.23 order that meets the requirements of section 414(p) of the Internal Revenue Code or who  
17.24 is a recipient of a court-ordered distribution of marital property, as provided in section  
17.25 518.58; or

17.26 (iii) a nonspousal beneficiary of the member; or

17.27 (2) the member's estate.

17.28 Sec. 9. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
17.29 read:

17.30 Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief  
17.31 association" means a nonprofit corporation incorporated under or governed by chapter 317A

18.1 that is a governmental entity that receives and manages public money to provide retirement  
18.2 benefits for individuals providing the governmental services of firefighting and emergency  
18.3 first response, is subject to chapter 424A, and is affiliated with:

18.4 (1) a fire department established by municipal ordinance;

18.5 (2) an independent nonprofit firefighting corporation incorporated under chapter 317A;

18.6 or

18.7 (3) a fire department operated as or by a joint powers entity.

18.8 (b) Relief association or volunteer firefighters relief association does not mean the  
18.9 voluntary statewide volunteer firefighter retirement plan governed by chapter 353G.

18.10 Sec. 10. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
18.11 to read:

18.12 Subd. 5a. **Required contribution.** "Required contribution" means a contribution made  
18.13 by the municipality to the special fund of a relief association in satisfaction of a minimum  
18.14 municipal obligation required under section 424A.092 or 424A.093.

18.15 Sec. 11. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
18.16 to read:

18.17 Subd. 5b. **Retiree in pay status.** "Retiree in pay status" means a former member who  
18.18 left employment or service as an active firefighter, has reached at least age 50, and is  
18.19 receiving a monthly pension or periodic installment payments from a retirement plan.

18.20 Sec. 12. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
18.21 to read:

18.22 Subd. 5c. **Retirement benefit.** "Retirement benefit" means the benefit to which a member  
18.23 is entitled under a retirement plan.

18.24 Sec. 13. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
18.25 to read:

18.26 Subd. 5d. **Retirement plan.** "Retirement plan" means the defined benefit plan or defined  
18.27 contribution plan established and administered by a relief association.

19.1 Sec. 14. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
19.2 to read:

19.3 Subd. 7. **Surplus.** "Surplus" means the amount by which the assets in a defined benefit  
19.4 plan exceed accrued liabilities.

19.5 Sec. 15. **[424B.22] RELIEF ASSOCIATION DISSOLUTION AND RETIREMENT**  
19.6 **PLAN TERMINATION.**

19.7 Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section  
19.8 applies to:

19.9 (1) the termination of a retirement plan established and administered by a relief  
19.10 association, whether or not the relief association is also dissolved or eliminated; and

19.11 (2) the dissolution of a relief association that is not consolidating with another relief  
19.12 association under sections 424B.01 to 424B.10.

19.13 This section does not apply to the dissolution of a relief association or the termination  
19.14 of a retirement plan that occurs due to the change in retirement coverage from a retirement  
19.15 plan administered by a relief association to the Public Employees Retirement Association  
19.16 statewide volunteer firefighter plan under section 353G.06.

19.17 (b) To terminate a retirement plan, the board of trustees must comply with subdivisions  
19.18 3, 5 to 11 and, if desired, subdivision 4.

19.19 (c) To dissolve a relief association, the board of trustees of the relief association must:

19.20 (1) terminate the retirement plan in accordance with this section;

19.21 (2) determine all legal obligations of the special and general funds of the relief association,  
19.22 as required by subdivision 5;

19.23 (3) take the actions required by subdivision 12; and

19.24 (4) comply with the requirements governing dissolution of nonprofit corporations under  
19.25 chapter 317A.

19.26 (d) A relief association that terminates its retirement plan must liquidate its special fund  
19.27 as provided in subdivision 8, but need not liquidate its general fund if the relief association  
19.28 is not being dissolved.

19.29 Subd. 2. **Involuntary dissolution and termination.** (a) A relief association is dissolved  
19.30 and the retirement plan administered by the relief association is terminated automatically  
19.31 if:

20.1 (1) the fire department affiliated with a relief association is dissolved by action of the  
20.2 governing body of the municipality in which the fire department is located or by the  
20.3 governing body of the independent nonprofit firefighting corporation, whichever applies;  
20.4 or

20.5 (2) the fire department affiliated with a relief association has terminated the employment  
20.6 or services of all active firefighters covered by the relief association.

20.7 (b) An involuntary termination of a relief association under this subdivision is effective  
20.8 on the December 31 that is at least eight months after the date on which the fire department  
20.9 is dissolved or the termination of employment or services of all active firefighters occurs.

20.10 (c) The retirement plan administered by a relief association is terminated automatically  
20.11 if the relief association is dissolved, effective on the date of the dissolution of the relief  
20.12 association.

20.13 Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless  
20.14 subdivision 2 applies, the effective date of the termination of a retirement plan is the effective  
20.15 date of the dissolution of the relief association or, if the relief association is not being  
20.16 dissolved, the end of the calendar year in which the employment or services of all active  
20.17 firefighters has been terminated, unless the board of trustees of the relief association approves  
20.18 a different termination date.

20.19 (b) As of the earlier of the retirement plan termination date or the date on which the  
20.20 employment or services of all active firefighters have been terminated, each member becomes  
20.21 fully (100 percent) vested in the member's retirement benefit under the retirement plan,  
20.22 notwithstanding any bylaws or laws to the contrary, except as provided in paragraph (c).

20.23 (c) If the relief association is a defined contribution relief association, the account of  
20.24 each member who becomes 100 percent vested under paragraph (b) shall include an allocation  
20.25 of any forfeiture that is required, under the bylaws of the relief association, to occur on or  
20.26 as of the end of the calendar year during which the termination of the retirement plan is  
20.27 effective, if the member is entitled to an allocation of forfeitures under the bylaws. Any  
20.28 account so forfeited shall not be included in the retirement benefits that become 100 percent  
20.29 vested under paragraph (b).

20.30 Subd. 4. **Benefit increase.** (a) Notwithstanding section 424A.02, subdivision 10, the  
20.31 board of trustees of a relief association may increase the benefit amount under a defined  
20.32 benefit relief association without the consent of the affiliated municipality or independent  
20.33 nonprofit firefighting corporation, as provided in this subdivision.

21.1 (b) If the retirement plan being terminated is a defined benefit plan, the board of trustees  
21.2 may approve an amendment to the bylaws of the relief association to increase the lump-sum  
21.3 or monthly pension amount or both the lump and monthly pension amount, if the relief  
21.4 association offers both, up to 125 percent of the largest maximum lump-sum service pension  
21.5 amount or service pension amount payable per month in effect under paragraphs (d) or (c),  
21.6 respectively, of section 424A.02, subdivision 3, without regard to the relief association's  
21.7 minimum average amount of available financing per firefighter. The amount by which the  
21.8 lump-sum or monthly pension amount is increased must not cause the liabilities of the  
21.9 retirement plan to exceed the value of the assets, after taking into account full vesting as  
21.10 required under subdivision 3 and any administrative expenses.

21.11 (c) The board of trustees shall specify whether the benefit increase will apply to only  
21.12 members active as of the date of the termination of the retirement plan or whether the benefit  
21.13 increase will apply to all members, including members who are not active as of the plan  
21.14 termination date.

21.15 Subd. 5. **Determination of assets and liabilities.** (a) The board of trustees shall determine  
21.16 the following as of the date of termination of the retirement plan:

21.17 (1) the fair market value of the assets of the special fund;

21.18 (2) the present value of each member's accrued benefit, taking into account full vesting  
21.19 under subdivision 3 and any increased lump-sum or monthly benefit level approved under  
21.20 subdivision 4;

21.21 (3) the present value of any benefit remaining to be paid to each retiree in pay status, if  
21.22 any; and

21.23 (4) administrative expenses incurred or reasonably anticipated to be incurred through  
21.24 the date on which all retirement benefits have been distributed or transferred or, if later, the  
21.25 effective date of the dissolution of the relief association.

21.26 (b) The board of trustees shall compile a schedule that includes the following information:

21.27 (1) the name of each member and retiree in pay status to whom a benefit or pension is  
21.28 or will be owed;

21.29 (2) the name of each other benefit recipient to whom a benefit or pension is or will be  
21.30 owed; and

21.31 (3) for each individual described in clauses (1) and (2), the amount of the benefit or  
21.32 pension to which the individual is entitled under the bylaws of the relief association, taking  
21.33 into account the changes required or permitted by this section, the corresponding number

22.1 of years of service on which the benefit or pension is based, and the earliest date on which  
22.2 the benefit or pension would have been payable under the bylaws of the relief association.

22.3 (c) If the relief association is dissolving, in addition to the determination under paragraph  
22.4 (a) for the retirement plan, the board of trustees shall determine, as of the effective date of  
22.5 the dissolution of the relief association, the legal obligations of the general fund of the relief  
22.6 association.

22.7 Subd. 6. **Investment of assets while termination is pending.** To minimize the risk of  
22.8 investment losses between the termination date and the date benefits will begin to be  
22.9 distributed, the board of trustees shall invest the assets in the special fund in low-risk  
22.10 investments, to the extent consistent with its fiduciary duty under chapter 356A.

22.11 Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and  
22.12 if, after completing the determination of assets, liabilities, and administrative expenses under  
22.13 subdivision 5, there is a surplus, the board of trustees shall transfer to the affiliated  
22.14 municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required  
22.15 contributions, without investment earnings or interest thereon, made by the municipality to  
22.16 the relief association during the year in which the termination of the retirement plan occurs  
22.17 or during the preceding nine years.

22.18 (b) If the affiliated municipality did not make any required contributions to the relief  
22.19 association during the current or preceding nine years or if, after the transfer described in  
22.20 paragraph (a), there is surplus remaining, the relief association and the municipality will  
22.21 mutually agree on an allocation between them of the remaining surplus.

22.22 (c) If, within 180 days of the date of termination of the retirement plan, the municipality  
22.23 and relief association have not reached an agreement on the allocation of the surplus under  
22.24 paragraph (b), then 50 percent of the surplus shall be retained by the relief association and  
22.25 50 percent of the surplus shall be transferred to the affiliated municipality.

22.26 (d) Any surplus retained by the relief association under paragraph (c) shall be allocated  
22.27 among all members eligible to share in the surplus in the same proportion that the present  
22.28 value of the accrued benefit for each eligible member bears to the total present value of the  
22.29 accrued benefits of all members eligible to share in the surplus, and each eligible member's  
22.30 benefit, as determined under subdivision 5, paragraph (a), clause (2), shall be increased by  
22.31 the member's share of the surplus. The board of trustees shall determine eligibility to share  
22.32 in the surplus, which may include any of the following, in addition to firefighters active as  
22.33 of the date on which members became 100 percent vested:

22.34 (1) inactive firefighters;

23.1 (2) former firefighters with a deferred benefit under the retirement plan; and

23.2 (3) retirees in pay status and any other firefighters who, within the last three years or  
23.3 such other number of years as determined by the board of trustees, separated from active  
23.4 service and (i) received their retirement benefit or (ii) began to receive distribution of a  
23.5 retirement benefit in installments or as a monthly pension.

23.6 If the board of trustees decides to include the individuals described in clause (3) in the  
23.7 allocation of the surplus, the board of trustees shall modify the method for allocating the  
23.8 surplus to take into account such individuals.

23.9 (e) Any amount of surplus transferred to the affiliated municipality under this subdivision  
23.10 may only be used for the purposes described in section 424A.08, paragraph (a) or (b).

23.11 **Subd. 8. Immediate distribution of retirement benefits and payment of all other**  
23.12 **obligations.** (a) The board of trustees shall liquidate the assets of the special fund and pay  
23.13 retirement benefits and administrative expenses under the retirement plan within 210 days  
23.14 after the effective date of the termination of the retirement plan.

23.15 (b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a  
23.16 defined contribution plan, without regard to whether the member has attained age 50, each  
23.17 member and other benefit recipient shall be permitted to elect an immediate distribution or  
23.18 a direct rollover of the member's benefit to an eligible retirement plan as permitted under  
23.19 section 356.635, subdivisions 3 to 7, if the benefit is an eligible rollover distribution as  
23.20 defined in section 356.635, subdivisions 4 and 5.

23.21 (c) If the retirement plan is a defined benefit plan that pays monthly pension benefits,  
23.22 the board of trustees shall, at the election of the member or other benefit recipient, purchase  
23.23 an annuity contract under section 424A.015, subdivision 3, naming the member or other  
23.24 benefit recipient, as applicable, as the insured or distribute a lump sum amount that is equal  
23.25 to the present value of the monthly pension benefits to which the member or other benefit  
23.26 recipient is entitled. If an annuity is elected by the member or other benefit recipient, the  
23.27 annuity shall provide for commencement at a date elected by the insured, to be paid as an  
23.28 annuity for the life of the insured. Legal title to the annuity contract shall be transferred to  
23.29 the insured. If a lump sum is elected, the option under paragraph (b) to take an immediate  
23.30 distribution or a direct rollover shall apply.

23.31 (d) The board of trustees shall complete the distribution of all assets of the special fund  
23.32 by making any remaining distributions or transfers as required under subdivision 9 on behalf  
23.33 of members or other benefit recipients who cannot be located or are unresponsive and paying  
23.34 any remaining administrative expenses related to the termination of the plan.

24.1 Subd. 9. **Missing members.** (a) For purposes of this subdivision, the terms defined in  
24.2 this subdivision have the meanings given them.

24.3 (b) "Retirement benefit" means:

24.4 (1) the member's account balance if the retirement plan is a defined contribution plan;

24.5 (2) the member's lump sum benefit if the retirement plan is a defined benefit plan that  
24.6 pays a lump sum; or

24.7 (3) an amount equal to the present value of the member's benefit if the retirement plan  
24.8 is a defined benefit plan that pays a monthly annuity.

24.9 (b) "Individual retirement account" means an account that satisfies the requirements of  
24.10 section 408(a) of the Internal Revenue Code which is established by an officer of the relief  
24.11 association in the name of the member or other benefit recipient at a federally-insured  
24.12 financial institution.

24.13 (c) If the board of trustees cannot locate a member or other benefit recipient or receives  
24.14 no response to an offer to distribute a retirement benefit, the board of trustees shall make a  
24.15 diligent effort to obtain a current address or other contact information as follows:

24.16 (1) send a notice to the address on file for the member or other benefit recipient using  
24.17 certified mail;

24.18 (2) check with the Minnesota State Fire Department Association, the municipality, and  
24.19 any other employer of the member;

24.20 (3) check with the member's designated beneficiary on file with the relief association;  
24.21 and

24.22 (4) use one or more of the Internet search tools that are free of charge.

24.23 (d) If the board of trustees is unable to locate the member or other benefit recipient after  
24.24 taking actions described in paragraph (c), the board of trustees shall transfer the retirement  
24.25 benefit to an individual retirement account or consider the retirement benefit abandoned  
24.26 and deposit funds in the amount of the retirement benefit with the commissioner of commerce  
24.27 under chapter 345. The board of trustees may deposit a retirement benefit with the  
24.28 commissioner of commerce under chapter 345, notwithstanding any laws to the contrary,  
24.29 including Minnesota Statutes, section 345.381.

24.30 Subd. 10. **Supplemental benefits.** Within 60 days after the distribution of benefits under  
24.31 subdivision 8, the municipality or independent nonprofit firefighting corporation with which  
24.32 the fire department is affiliated shall pay supplemental benefits under section 424A.10 to



25.1 each member and survivor who satisfies the requirements of section 424A.10, subdivision  
25.2 2, if the member is at least age 50. The commissioner of revenue shall reimburse the  
25.3 municipality or independent nonprofit firefighting corporation for all supplemental benefits  
25.4 paid as provided in section 424A.10, subdivision 3.

25.5 Subd. 11. **Notice of retirement plan termination.** The board of trustees shall notify  
25.6 the commissioner of revenue and the state auditor that the retirement plan is being terminated  
25.7 no later than 30 days before the effective date of the termination of the retirement plan and  
25.8 provide any information the commissioner or state auditor may require.

25.9 Subd. 12. **Wind-up of the relief association.** The relief association is dissolved effective  
25.10 on the date that the board of trustees completes the following actions:

25.11 (1) prepares and files with the state auditor final audited financial statements, pursuant  
25.12 to section 424A.014, subdivision 1, or, if applicable, the certified financial statement,  
25.13 pursuant to section 424A.014, subdivision 2;

25.14 (2) liquidates the general fund and settles all legal obligations of the general fund as  
25.15 determined under subdivision 5;

25.16 (3) transfers the records of the relief association to the chief administrative officer of  
25.17 the affiliated municipality; and

25.18 (4) notifies the commissioner of revenue, the state auditor, and the secretary of state of  
25.19 the dissolution no later than 30 days before the effective date of the dissolution.

25.20 **Sec. 16. REPEALER.**

25.21 Minnesota Statutes 2018, sections 424B.20; and 424B.21, are repealed.

25.22 **Sec. 17. EFFECTIVE DATE.**

25.23 Sections 1 to 16 are effective the day following final enactment.

## 25.24 **ARTICLE 13**

### 25.25 **BROOKLYN PARK FIREFIGHTERS' RELIEF ASSOCIATION** 25.26 **DISSOLUTION OF THE RELIEF ASSOCIATION AND PLAN TERMINATION**

25.27 **Section 1. BROOKLYN PARK FIREFIGHTERS' RELIEF ASSOCIATION**  
25.28 **DISSOLUTION AND PLAN TERMINATION.**

25.29 (a) Notwithstanding any provision of Minnesota Statutes, chapters 424A, 424B, or any  
25.30 other law to the contrary, the retirement plan administered by the Brooklyn Park Firefighters'  
25.31 Relief Association is terminated and the relief association is dissolved in accordance with

26.1 the provisions of this section following the payment by the relief association of all benefits,  
26.2 the settlement of all legal obligations, and the distribution of all remaining assets of the  
26.3 relief association.

26.4 (b) For the purposes of this section:

26.5 (1) "alternate payee" means a spouse, former spouse, child, or other dependent of a  
26.6 volunteer firefighter, who is recognized by a divorce decree or domestic relations order as  
26.7 having a right to receive all or a portion of the volunteer firefighter's account;

26.8 (2) "city" means the city of Brooklyn Park;

26.9 (3) "relief association" means the Brooklyn Park Firefighters' Relief Association;

26.10 (4) "retirement plan" means the defined contribution retirement plan sponsored,  
26.11 administered, and maintained by the relief association; and

26.12 (5) "volunteer firefighter" means a volunteer firefighter, as defined in Minnesota Statutes,  
26.13 section 424A.001, subdivision 10, employed or previously employed by the city and who  
26.14 has an account in the retirement plan.

26.15 (c) The retirement plan is terminated and the volunteer firefighters become 100 percent  
26.16 vested in their accounts in the retirement plan effective on December 31, 2019, or, if earlier,  
26.17 the date that the city terminates the employment of the last of its volunteer firefighters. For  
26.18 purposes of this section, the city will be considered to have terminated the employment of  
26.19 a volunteer firefighter even if the city hires or continues to employ the volunteer firefighter  
26.20 as a part-time or full-time city employee performing firefighting or other services.

26.21 (d) The account of each volunteer firefighter who becomes fully vested under paragraph  
26.22 (c) shall include an allocation of any forfeiture that is required to occur on December 31,  
26.23 2019, if the volunteer firefighter is entitled to such allocation under the bylaws of the relief  
26.24 association. Any account so forfeited shall not be included in the accounts that become fully  
26.25 vested under paragraph (c).

26.26 (e) The relief association is dissolved effective on the date that the relief association  
26.27 completes the following actions:

26.28 (1) prepares and files with the Office of the State Auditor final audited financial  
26.29 statements, pursuant to Minnesota Statutes, section 424A.014, subdivision 1;

26.30 (2) satisfies the requirements of Minnesota Statutes, section 424B.20, subdivision 3,  
26.31 including the settlement of legal obligations owed to any party to the extent authorized by  
26.32 Minnesota Statutes, section 424A.05, subdivision 3;

27.1 (3) distributes the account of each volunteer firefighter, regardless of the age of the  
27.2 volunteer firefighter, and each alternate payee as soon as possible after enactment.  
27.3 Distribution must be made in the form of a lump sum payment or direct rollover, at the  
27.4 election of the volunteer firefighter or alternate payee; and

27.5 (4) satisfies the requirements of Minnesota Statutes, section 424B.20, subdivision 5,  
27.6 including the transfer of records to the city and notice to the commissioner of revenue, the  
27.7 state auditor, and the secretary of state.

27.8 (f) Within 60 days after the distribution of the accounts under paragraph (e), clause (3),  
27.9 the city shall (i) pay a supplemental lump sum benefit to each volunteer firefighter and  
27.10 survivor who satisfies the requirements of Minnesota Statutes, section 424A.10, subdivision  
27.11 2, if the volunteer firefighter is at least age 50, and (ii) reimburse the relief association for  
27.12 any supplemental lump sum benefits paid by the relief association during 2020.

27.13 (g) The city shall file for and the commissioner of revenue shall reimburse the city  
27.14 pursuant to Minnesota Statutes, section 424A.10, subdivision 3, for the supplemental benefits  
27.15 paid or reimbursed under paragraph (f).

27.16 (h) The city is subject to Minnesota Statutes, section 477B.04, subdivision 3, paragraph  
27.17 (c), for calendar year 2020 with respect to any fire state aid it receives, including the  
27.18 requirement that it disburse the fire state aid solely for the purposes authorized by Minnesota  
27.19 Statutes, section 424A.08.

27.20 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after  
27.21 the Brooklyn Park City Council and its chief clerical officer timely complete their compliance  
27.22 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

## 27.23 **ARTICLE 14**

### 27.24 **RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION** 27.25 **DIVISION OF THE RELIEF ASSOCIATION**

#### 27.26 Section 1. **DIVISION OF RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF** 27.27 **ASSOCIATION.**

27.28 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this  
27.29 section have the meanings given them.

27.30 (b) "Account balance" means the account established for a member under the Ramsey  
27.31 relief association, to which an allocation of fire state aid, contributions, forfeitures, and net  
27.32 investment earnings have been credited for every year the member was eligible to receive  
27.33 such funding under the bylaws of the Ramsey relief association.

28.1 (c) "Inactive or deferred Nowthen firefighter" means a Ramsey firefighter who, when  
28.2 the firefighter was an active firefighter, was assigned to the Nowthen fire station and whose  
28.3 account in the Ramsey relief association has not yet been distributed or forfeited as provided  
28.4 under the bylaws of the Ramsey relief association.

28.5 (d) "Joint powers agreement" means the city of Ramsey and city of Nowthen joint powers  
28.6 fire protection agreement.

28.7 (e) "Nowthen firefighter" means a firefighter who is a member of the Ramsey relief  
28.8 association and who is hired to provide firefighting services to the city of Nowthen by the  
28.9 city of Nowthen or a municipality with which the city of Nowthen enters into a joint powers  
28.10 agreement or an independent nonprofit firefighting corporation that provides firefighting  
28.11 services to the city of Nowthen.

28.12 (f) "Nowthen relief association" means a volunteer firefighters relief association to be  
28.13 established by the city of Nowthen or a volunteer firefighters relief association affiliated  
28.14 with a municipality with which the city of Nowthen enters into a joint powers agreement  
28.15 or a volunteer firefighters relief association affiliated with an independent nonprofit  
28.16 firefighting corporation that provides firefighting services to the city of Nowthen or an  
28.17 account in the Public Employees Retirement Association statewide volunteer firefighter  
28.18 plan, as directed by the city of Nowthen.

28.19 (g) "Other benefit recipient of a Nowthen firefighter" means:

28.20 (1) a person who is entitled to receive all or a portion of a Nowthen firefighter's account  
28.21 under the Ramsey relief association due to the person having one of the following  
28.22 relationships to the Nowthen firefighter:

28.23 (i) surviving spouse;

28.24 (ii) former spouse who is the alternate payee under a state domestic relations order that  
28.25 meets the requirements of section 414(p) of the federal Internal Revenue Code of 1986, as  
28.26 amended, or who is a recipient of a court-ordered distribution of marital property, as provided  
28.27 in Minnesota Statutes, section 518.58; or

28.28 (iii) nonspousal beneficiary; or

28.29 (2) the estate of a Nowthen firefighter.

28.30 (h) "Ramsey firefighter" means a firefighter who is or was an employee of the city of  
28.31 Ramsey, is a member of the Ramsey relief association, and provides or provided firefighting  
28.32 services to the city of Ramsey or the city of Nowthen.

29.1 (i) "Ramsey relief association" means the city of Ramsey Volunteer Firefighters' Relief  
29.2 Association.

29.3 Subd. 2. **Application.** This section applies, notwithstanding any provision of Minnesota  
29.4 Statutes, chapter 424A or 424B, if all of the following occurs:

29.5 (1) the joint powers agreement expires or is terminated by either party;

29.6 (2) the city of Nowthen establishes a fire department or enters into a joint powers  
29.7 agreement with another municipality to provide firefighting services for the city of Nowthen  
29.8 or enters into an agreement with an independent nonprofit firefighting corporation to provide  
29.9 firefighting services to the city of Nowthen;

29.10 (3) the city of Nowthen establishes a volunteer firefighters relief association or the  
29.11 municipality with which the city of Nowthen enters into a joint powers agreement is affiliated  
29.12 with a volunteer firefighters relief association or the independent nonprofit firefighting  
29.13 corporation with which the city of Nowthen enters into an agreement to provide firefighting  
29.14 services for the city of Nowthen is affiliated with a volunteer firefighters relief association  
29.15 or the city of Nowthen joins the Public Employees Retirement Association statewide  
29.16 volunteer firefighter plan; and

29.17 (4) the Nowthen relief association includes as members one or more firefighters whose  
29.18 employment with the city of Ramsey terminates on or before December 31, 2021, and who  
29.19 are hired as firefighters by:

29.20 (i) the city of Nowthen;

29.21 (ii) a municipality with which the city of Nowthen enters into a joint powers agreement;  
29.22 or

29.23 (iii) an independent nonprofit firefighting corporation that provides firefighting services  
29.24 to the city of Nowthen.

29.25 Subd. 3. **Transfer of Nowthen firefighter accounts.** (a) By the sixtieth day after the  
29.26 satisfaction of the conditions described in subdivision 2, the Ramsey relief association shall  
29.27 transfer to the Nowthen relief association the account balance for each Nowthen firefighter,  
29.28 each inactive or deferred Nowthen firefighter, and any other benefit recipient of a Nowthen  
29.29 firefighter in accordance with this subdivision.

29.30 (b) If the city of Ramsey terminates the employment of one or more firefighters who  
29.31 become Nowthen firefighters during 2020, the Ramsey relief association shall transfer, by  
29.32 the end of February 2021, the account balances for each Nowthen firefighter, each inactive  
29.33 or deferred Nowthen firefighter, and each other benefit recipient of a Nowthen firefighter.

30.1 The transfers shall occur after the accounting has been completed for the 2020 calendar  
30.2 year and all fire state aid, contributions, forfeitures, net investment income, and administrative  
30.3 expenses during 2020 and as of the 2020 calendar year end have been credited, in accordance  
30.4 with the bylaws of the Ramsey relief association. Notwithstanding any provision in the  
30.5 bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is  
30.6 terminated during 2020 shall be considered for purposes of allocating fire state aid,  
30.7 contributions, and forfeitures as having worked 12 active service months for 2020.

30.8 (c) If the city of Ramsey terminates the employment of one or more firefighters who  
30.9 become Nowthen firefighters during 2021, the Ramsey relief association shall transfer, by  
30.10 the end of February 2022, the account balances for each Nowthen firefighter and for any  
30.11 inactive or deferred Nowthen firefighter and any other benefit recipient of a Nowthen  
30.12 firefighter whose account balance was not transferred under paragraph (b) in 2021. The  
30.13 transfers shall occur after the accounting has been completed for the 2021 calendar year  
30.14 and all fire state aid, contributions, forfeitures, net investment income, and administrative  
30.15 expenses during 2021 and as of the 2021 calendar year end have been credited, in accordance  
30.16 with the bylaws of the Ramsey relief association. Notwithstanding any provision in the  
30.17 bylaws of the Ramsey relief association, a Nowthen firefighter whose employment is  
30.18 terminated during 2021 shall be considered for purposes of allocating fire state aid,  
30.19 contributions, and forfeitures as having worked 12 active service months for 2021.

30.20 (d) The transfer of account balances under this subdivision shall be considered authorized  
30.21 disbursements from the special fund of the Ramsey relief association for purposes of  
30.22 Minnesota Statutes, section 424A.05, subdivision 3.

30.23 (e) The Ramsey relief association shall transfer records to the Nowthen relief association  
30.24 regarding service, vesting service, and account activity for each Nowthen firefighter, inactive  
30.25 or deferred Nowthen firefighter, or other benefit recipient whose account balance is  
30.26 transferred.

30.27 Subd. 4. **Relief association general fund assets.** When the Ramsey relief association  
30.28 transfers the account balances under subdivision 3, the Ramsey relief association shall also  
30.29 transfer a proportionate share of the assets in the general fund of the Ramsey relief association  
30.30 to the general fund of the Nowthen relief association. The proportion shall be equal to the  
30.31 ratio that the total value of the account balances transferred to the Nowthen relief association  
30.32 bears to the total value of all account balances in the Ramsey relief association on the day  
30.33 immediately preceding the date of transfer.

31.1 Subd. 5. Fire state aid. If subdivision 3, paragraph (b), applies, the city of Ramsey shall  
31.2 transfer to the city of Nowthen a portion of the 2021 fire state aid received by the city of  
31.3 Ramsey on or about October 1, 2021, based on 2020 property value and population. The  
31.4 portion to be transferred shall be equal to the amount determined by the commissioner of  
31.5 revenue to be attributable to the estimated market value of property and population in the  
31.6 city of Nowthen fire service area, as a percentage of the total fire state aid paid to the city  
31.7 of Ramsey on or about October 1, 2021.

31.8 Subd. 6. Service credit under the Nowthen relief association. The Nowthen relief  
31.9 association shall credit each firefighter whose account balance is transferred from the Ramsey  
31.10 relief association to the Nowthen relief association with the same number of years of service  
31.11 credit with which the firefighter had been credited under the Ramsey relief association for  
31.12 vesting and any other purpose for which service credit is granted. Such service credit shall  
31.13 be applied to retain the firefighter's vesting percentage in the account balance that was  
31.14 transferred and shall be applied toward the firefighter's vesting percentage in all funds  
31.15 allocated to the firefighter's account in the Nowthen relief association after the transfer.

31.16 Subd. 7. Full vesting of certain Ramsey firefighters. (a) This subdivision applies to  
31.17 any Ramsey firefighter:

31.18 (1) who is assigned to the Nowthen fire station;

31.19 (2) whose employment is terminated by the city of Ramsey on or before December 31,  
31.20 2021; and

31.21 (3) who is not hired by the city of Nowthen.

31.22 (b) Notwithstanding any law or provision in the bylaws of the Ramsey relief association,  
31.23 the Ramsey relief association shall fully (100 percent) vest the Ramsey firefighter in the  
31.24 firefighter's account in the Ramsey relief association as of the date the Ramsey firefighter's  
31.25 employment is terminated.

31.26 (c) The Ramsey firefighter shall be considered an inactive or deferred Nowthen firefighter  
31.27 for all purposes under subdivision 3.

31.28 EFFECTIVE DATE. This section is effective the day following final enactment.

32.1

**ARTICLE 15**

32.2

**VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS**

32.3

**CONVERSIONS FROM DEFINED BENEFIT PLAN**

32.4

**TO DEFINED CONTRIBUTION PLAN**

32.5 Section 1. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
32.6 to read:

32.7 Subd. 2a. **Board of trustees.** "Board of trustees" means the governing board of a relief  
32.8 association.

32.9 Sec. 2. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
32.10 read:

32.11 Subd. 3a. **Conversion effective date.** "Conversion effective date" means the date on  
32.12 which the assets of the defined benefit plan have been allocated to accounts under the defined  
32.13 contribution plan.

32.14 Sec. 3. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
32.15 read:

32.16 Subd. 3b. **Defined benefit plan.** "Defined benefit plan" means a retirement plan that  
32.17 provides a retirement benefit that is a lump sum, the amount of which is determined by  
32.18 multiplying the applicable lump-sum service pension amount under section 424A.02,  
32.19 subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which  
32.20 is determined by multiplying the applicable monthly pension amount under section 424A.02,  
32.21 subdivision 3, paragraph (c), by years of service. A defined benefit plan may provide both  
32.22 a lump-sum benefit and a monthly pension.

32.23 Sec. 4. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
32.24 read:

32.25 Subd. 3c. **Defined benefit relief association.** "Defined benefit relief association" means  
32.26 a relief association that has established and administers a retirement plan that is a defined  
32.27 benefit plan.

32.28 Sec. 5. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
32.29 read:

32.30 Subd. 3d. **Defined contribution plan.** "Defined contribution plan" means a retirement  
32.31 plan that provides a retirement benefit based on the member's individual account balance.



33.1 Sec. 6. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
33.2 read:

33.3 Subd. 3e. **Defined contribution relief association.** "Defined contribution relief  
33.4 association" means a relief association that has established and administers a retirement  
33.5 plan that is a defined contribution plan.

33.6 Sec. 7. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
33.7 read:

33.8 Subd. 3f. **Firefighting corporation.** "Firefighting corporation" means an independent  
33.9 nonprofit firefighting corporation that is organized under chapter 317A and that operates  
33.10 primarily for firefighting purposes.

33.11 Sec. 8. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
33.12 read:

33.13 Subd. 3g. **Member.** (a) "Member" means a person:

33.14 (1) who is a member of a fire department or independent nonprofit firefighting  
33.15 corporation;

33.16 (2) who has been credited with at least one year of service toward a retirement benefit  
33.17 under the retirement plan of a relief association that is affiliated with the fire department or  
33.18 independent nonprofit firefighting corporation; and

33.19 (3) whose retirement benefit under the retirement plan has not yet been distributed in a  
33.20 lump sum or has not yet begun to be distributed in periodic installments or as a monthly  
33.21 pension.

33.22 (b) A member may be an active firefighter, an inactive firefighter, or a former firefighter  
33.23 who has a benefit under the retirement plan but has not become eligible to receive the benefit.

33.24 Sec. 9. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision to  
33.25 read:

33.26 Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief  
33.27 association" means a nonprofit corporation incorporated under or governed by chapter 317A  
33.28 that is a governmental entity that receives and manages public money to provide retirement  
33.29 benefits for individuals providing the governmental services of firefighting and emergency  
33.30 first response, is subject to chapter 424A, and is affiliated with:

33.31 (1) a fire department established by municipal ordinance;

34.1 (2) an independent nonprofit firefighting corporation incorporated under chapter 317A;  
34.2 or

34.3 (3) a fire department operated as or by a joint powers entity.

34.4 (b) Relief association or volunteer firefighters relief association does not mean the  
34.5 voluntary statewide volunteer firefighter retirement plan governed by chapter 353G.

34.6 Sec. 10. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
34.7 to read:

34.8 Subd. 5a. **Retirement benefit.** "Retirement benefit" means the benefit to which a member  
34.9 is entitled under a retirement plan.

34.10 Sec. 11. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
34.11 to read:

34.12 Subd. 5b. **Retirement plan.** "Retirement plan" means the defined benefit plan or defined  
34.13 contribution plan established and administered by a relief association.

34.14 Sec. 12. Minnesota Statutes 2018, section 424B.01, is amended by adding a subdivision  
34.15 to read:

34.16 Subd. 7. **Surplus.** "Surplus" means the amount by which the assets in a defined benefit  
34.17 plan exceed accrued liabilities.

34.18 Sec. 13. **[424B.13] CONVERSION OF RELIEF ASSOCIATION DEFINED BENEFIT**  
34.19 **PLAN TO DEFINED CONTRIBUTION PLAN.**

34.20 Subdivision 1. **Authority to initiate conversion.** (a) The board of trustees of a defined  
34.21 benefit relief association may convert the defined benefit plan to a defined contribution plan  
34.22 in accordance with this section.

34.23 (b) A conversion consists of:

34.24 (1) termination of the defined benefit plan;

34.25 (2) establishment of a defined contribution plan; and

34.26 (3) transfer and allocation of the assets of the defined benefit plan to accounts under the  
34.27 defined contribution plan.

35.1 (c) The termination of the defined benefit plan does not dissolve the relief association,  
35.2 which is an ongoing nonprofit corporation under chapter 317A, unless dissolved under  
35.3 chapter 317A and section 424B.20.

35.4 Subd. 2. **Board of trustees.** To initiate and complete a conversion, the board of trustees  
35.5 must:

35.6 (1) approve resolutions that:

35.7 (i) state that the defined benefit plan is being converted to a defined contribution plan;

35.8 (ii) designate a conversion effective date;

35.9 (iii) fully vest all members as of the conversion effective date in each member's lump-sum  
35.10 benefit or monthly pension, such that each member is 100 percent vested in the member's  
35.11 lump-sum benefit or monthly pension;

35.12 (iv) if the relief association has a surplus as of the end of the relief association's most  
35.13 recent fiscal year before the conversion effective date, at the option of the board of trustees,  
35.14 conditionally increase the lump-sum benefit or monthly pension amount under the defined  
35.15 benefit plan, as provided under subdivision 4;

35.16 (v) determine the method for allocating a surplus;

35.17 (vi) adopt a defined contribution plan and approve a plan document that complies with  
35.18 section 424A.016 and states the terms and conditions for eligibility, vesting, allocation of  
35.19 contributions, distribution of retirement benefits, and any ancillary benefits; and

35.20 (vii) authorize any bylaws amendments needed to incorporate items (i) to (vi) into the  
35.21 bylaws;

35.22 (2) obtain the consent of the municipality or firefighting corporation if required by  
35.23 subdivision 3;

35.24 (3) determine the present value of each member's accrued benefit as of the conversion  
35.25 effective date as required by subdivision 5;

35.26 (4) if there is a surplus, allocate the surplus under a method that complies with subdivision  
35.27 6;

35.28 (5) if there is not a surplus, take the actions required under subdivision 7;

35.29 (6) provide the notices required under subdivisions 8 and 9; and

35.30 (7) implement the conversion, including the requirements under subdivision 10.

36.1 Subd. 3. **Consent of municipality or firefighting corporation.** The consent of the  
36.2 affiliated municipality, all municipalities if more than one municipality operates the fire  
36.3 department pursuant to a joint powers agreement, or firefighting corporation to a relief  
36.4 association's conversion of its defined benefit plan to a defined contribution plan is required  
36.5 as provided under subdivision 7 only if the relief association does not have a surplus as of  
36.6 the end of the relief association's most recent fiscal year before the conversion effective  
36.7 date.

36.8 Subd. 4. **Benefit increase.** (a) If the relief association has a surplus as of the end of the  
36.9 relief association's most recent fiscal year before the conversion effective date, the board  
36.10 of trustees may approve a resolution that increases the lump-sum benefit or monthly pension  
36.11 amount or both the lump sum and monthly pension amount, if the relief association offers  
36.12 both, and amends the relief association bylaws without the consent of the affiliated  
36.13 municipality or firefighting corporation, notwithstanding section 424A.02, subdivision 10.  
36.14 The resulting lump-sum benefit or monthly pension amount is not limited to the maximum  
36.15 lump-sum benefit or monthly pension amounts under section 424A.02, subdivision 3.

36.16 (b) The benefit increase must not cause the liabilities of the retirement plan to exceed  
36.17 the value of the assets, after taking into account full vesting as required under subdivision  
36.18 2 and any administrative expenses arising from the conversion.

36.19 (c) The board of trustees shall specify whether the benefit increase will apply only to  
36.20 members active as of the conversion effective date or whether the benefit increase will apply  
36.21 to all members, including members who are not active as of the conversion effective date,  
36.22 notwithstanding section 424A.015, subdivision 6.

36.23 (d) The board of trustees' resolution approving an increase in the benefit level must be  
36.24 considered conditional on there being sufficient assets to fund the increase and must state  
36.25 that if, as of the date benefits are transferred to the defined contribution plan, there are not  
36.26 sufficient assets to cover all benefit liabilities at the new higher benefit level, the benefit  
36.27 level will be reduced until assets equal or are greater than liabilities. The resolution must  
36.28 state that the new lower benefit level will be considered approved by the board of trustees  
36.29 without further action by the board.

36.30 Subd. 5. **Determination of value of pension benefits and distribution to former**  
36.31 **members in pay status.** (a) The board of trustees shall determine the present value of each  
36.32 member's accrued benefit, taking into account the full vesting requirement under subdivision  
36.33 2 and any increase in the lump-sum benefit or monthly pension amount approved under  
36.34 subdivision 4:

37.1 (1) using the method set forth in section 424A.092, subdivision 2, for determining a  
37.2 plan's funded status by calculating the value of each firefighter's accrued benefit; or

37.3 (2) as determined by an actuary retained by the relief association, who meets the definition  
37.4 of approved actuary under section 356.215, subdivision 1, paragraph (c).

37.5 (b) If the retirement plan pays a monthly pension, the board of trustees shall determine  
37.6 the present value of the remaining payments to any former member or beneficiary who is  
37.7 receiving an annuity. Present value shall be determined by an actuary who meets the  
37.8 definition of approved actuary under section 356.215, subdivision 1, paragraph (c), retained  
37.9 by the relief association. The relief association shall offer the former member or beneficiary  
37.10 receiving the annuity:

37.11 (1) an immediate lump sum distribution of an amount equal to the present value of the  
37.12 remaining payments as determined by the actuary and permit the former member or  
37.13 beneficiary to elect a lump sum payment or a direct rollover of the amount to an eligible  
37.14 retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the distribution  
37.15 is an eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5; or

37.16 (2) continued payments in the same monthly amount, under an annuity to be purchased  
37.17 by the board of trustees from a reputable insurance company licensed to do business in the  
37.18 state.

37.19 Subd. 6. **Allocation of surplus.** (a) If, as of the conversion effective date, the defined  
37.20 benefit plan has a surplus, the board of trustees shall allocate the surplus as follows:

37.21 (1) per capita method: each member's account will receive the same dollar amount;

37.22 (2) service-based method: each member's account will receive a share of the surplus  
37.23 based on the ratio of the member's years of service to the total years of service for all  
37.24 members; or

37.25 (3) member and municipality sharing method under paragraph (b).

37.26 (b) The board of trustees may allocate the surplus using the member and municipality  
37.27 sharing method in accordance with this paragraph.

37.28 (1) For this purpose, "municipality" means "municipality" or "firefighting corporation,"  
37.29 as applicable.

37.30 (2) If the fire department is operated by more than one municipality under a joint powers  
37.31 agreement:

38.1 (i) any consent by the municipality under this paragraph requires consent by each  
38.2 municipality that is party to the joint powers agreement;

38.3 (ii) any payment of surplus to the municipality under this paragraph requires a payment  
38.4 of a pro rata share of surplus to each municipality that is party to the joint powers agreement;  
38.5 and

38.6 (iii) any restrictions on the use of surplus applies to each municipality that is party to  
38.7 the joint powers agreement.

38.8 (3) Under the member and municipality sharing method:

38.9 (i) first, the municipality will receive a share of the surplus based on the ratio of the  
38.10 municipal contributions made to the defined benefit relief association over a specified period  
38.11 of years to the total of fire state aid paid and municipal contributions made to the defined  
38.12 benefit relief association over the same period; and

38.13 (ii) second, any remaining surplus will be allocated to accounts of members using the  
38.14 per capita or service-based method.

38.15 (4) The board of trustees may impose conditions on the use of the surplus by the  
38.16 municipality, as follows:

38.17 (i) all or a specified portion of the surplus must be contributed back to the defined  
38.18 contribution relief association over a specified number of future years for allocation to the  
38.19 accounts of members eligible for an allocation;

38.20 (ii) all or a specified portion of the surplus must be used by the municipality for the  
38.21 purposes described in section 424A.08, paragraph (a) or (b); or

38.22 (iii) all or a specified portion of the surplus must be used by the municipality to provide  
38.23 health insurance or other welfare benefits for the members.

38.24 (c) The board of trustees shall specify whether the surplus will be allocated only to  
38.25 members who are active firefighters as of the conversion effective date or whether the  
38.26 surplus will be allocated to all members, including members who are not active firefighters  
38.27 as of the conversion effective date.

38.28 Subd. 7. **Conversion without surplus.** If the relief association does not have a surplus  
38.29 as of the end of the relief association's most recent fiscal year before the conversion effective  
38.30 date, the board of trustees shall:

39.1 (1) obtain the consent of the municipality, of each municipality, if more than one  
39.2 municipality operates the fire department pursuant to a joint powers agreement, or of the  
39.3 firefighting corporation to the conversion and bylaws amendments under subdivision 2; and

39.4 (2) either:

39.5 (i) include with the resolutions of the board of trustees under subdivision 2 a resolution  
39.6 amending the relief association bylaws to decrease the lump-sum or monthly pension benefit  
39.7 level as necessary to reduce benefit liabilities until plan assets are sufficient to fund all  
39.8 benefit liabilities, taking into account full vesting under subdivision 2 and the payment of  
39.9 administrative expenses arising from the conversion; or

39.10 (ii) enter into an agreement with the municipality, each municipality, if more than one  
39.11 municipality operates the fire department pursuant to a joint powers agreement, or the  
39.12 firefighting corporation, as applicable, that requires the municipality, municipalities, or  
39.13 firefighting corporation, as applicable, to make a contribution in an amount sufficient to  
39.14 cover all benefit liabilities at the current benefit level, taking into account full vesting under  
39.15 subdivision 2 and the payment of administrative expenses arising from the conversion.

39.16 Subd. 8. **Notice to members.** The board of trustees shall provide notice to all members  
39.17 at least 90 days before the conversion effective date. The notice shall include:

39.18 (1) an explanation that the plan is converting from a defined benefit plan to a defined  
39.19 contribution plan and provide definitions for those terms, the reasons for the conversion,  
39.20 the conversion effective date, and the procedure to be followed, including fully vesting all  
39.21 members;

39.22 (2) a summary of the terms of the newly adopted defined contribution plan;

39.23 (3) information about any increase in the benefit level and whether the increase applies  
39.24 to all members or only active firefighters;

39.25 (4) a section tailored to each member that provides an estimate of the present value of  
39.26 the member's fully vested accrued benefit and the calculation that resulted in that value;

39.27 (5) an estimate of any anticipated surplus and an explanation of the disposition of the  
39.28 surplus, including, as applicable, a description of the method allocating the surplus among  
39.29 members' accounts and whether the municipality, each municipality, if more than one  
39.30 municipality operates the fire department pursuant to a joint powers agreement, or firefighting  
39.31 corporation will receive any of the surplus and any conditions on its use; and

39.32 (6) contact information for one or more members of the board of trustees who will answer  
39.33 questions and provide a copy of the new defined contribution plan document or a summary,

40.1 if requested, or directions to a website for viewing and printing the plan document or  
40.2 summary.

40.3 Subd. 9. **Notice to municipality and state auditor.** The relief association shall provide  
40.4 notice to the municipality, each municipality, if more than one municipality operates the  
40.5 fire department pursuant to a joint powers agreement, or firefighting corporation affiliated  
40.6 with the relief association and the state auditor at the same time as the notice required under  
40.7 subdivision 8. The notice must include the information required under subdivision 8, except  
40.8 that the individualized information will be provided as a spreadsheet listing the name of  
40.9 each firefighter and the corresponding accrued benefit amount.

40.10 Subd. 10. **Implementation.** (a) A record-keeping account shall be established for each  
40.11 member under the defined contribution plan to which is recorded the value of the firefighter's  
40.12 fully vested accrued benefit as determined as of the conversion effective date and the amount  
40.13 of any surplus allocated to the firefighter's account.

40.14 (b) In no event may the value of a member's account in the defined contribution plan be  
40.15 less as of the day following the conversion effective date than the present value of the  
40.16 member's accrued benefit as of the day before the conversion effective date.

40.17 Sec. 14. **EFFECTIVE DATE.**

40.18 Sections 1 to 13 are effective the day following final enactment.

## 40.19 **ARTICLE 16**

### 40.20 **STATE AUDITOR VOLUNTEER FIREFIGHTER** 40.21 **WORKING GROUP RECOMMENDATIONS**

40.22 Section 1. Minnesota Statutes 2018, section 424A.003, is amended to read:

#### 40.23 **424A.003 CERTIFICATION OF SERVICE CREDIT.**

40.24 (a) When a municipal fire department, a joint powers fire department, or an independent  
40.25 nonprofit firefighting corporation is directly associated with the volunteer firefighters relief  
40.26 association, the fire chief shall certify annually by March 31 the service credit for the  
40.27 previous calendar year of each volunteer firefighter rendering active service with the fire  
40.28 department.

40.29 (b) The certification shall be made to an officer of the relief association's board of trustees  
40.30 and to the municipal clerk or clerk-treasurer of the largest municipality in population served  
40.31 by the associated fire department.



41.1 (c) The fire chief shall notify each volunteer firefighter rendering active service with  
41.2 the fire department of the amount of service credit rendered by the firefighter for the previous  
41.3 calendar year. The service credit notification and a description of the process and deadlines  
41.4 for the firefighter to challenge the fire chief's determination of service credit must be provided  
41.5 to the firefighter ~~60~~ at least 21 days prior to its certification to the relief association and  
41.6 municipality. If the service credit amount is challenged, the fire chief shall accept and  
41.7 consider any additional pertinent information and shall make a final determination of service  
41.8 credit.

41.9 (d) The service credit certification must be expressed as the number of completed months  
41.10 of the previous year during which an active volunteer firefighter rendered at least the  
41.11 minimum level of duties as specified and required by the fire department under the rules,  
41.12 regulations, and policies applicable to the fire department. No more than one year of service  
41.13 credit may be certified for a calendar year.

41.14 (e) If a volunteer firefighter who is a member of the relief association leaves active  
41.15 firefighting service to render active military service that is required to be governed by the  
41.16 federal Uniformed Services Employment and Reemployment Rights Act, as amended, the  
41.17 firefighter must be certified as providing service credit for the period of the military service,  
41.18 up to the applicable limit of the federal Uniformed Services Employment and Reemployment  
41.19 Rights Act. If the volunteer firefighter does not return from the military service in compliance  
41.20 with the federal Uniformed Services Employment and Reemployment Rights Act, the service  
41.21 credits applicable to that military service credit period are forfeited and canceled at the end  
41.22 of the calendar year in which the time limit set by federal law occurs.

41.23 **EFFECTIVE DATE.** This section is effective January 1, 2021.

41.24 Sec. 2. Minnesota Statutes 2019 Supplement, section 424A.014, subdivision 1, is amended  
41.25 to read:

41.26 Subdivision 1. **Financial report and audit.** (a) The board of the Bloomington Fire  
41.27 Department Relief Association and each volunteer firefighters relief association with assets  
41.28 of at least \$500,000 or liabilities of at least \$500,000 in the prior year or in any previous  
41.29 year, according to the applicable actuarial valuation or according to the financial report if  
41.30 no valuation is required, must prepare a financial report covering the special and general  
41.31 funds of the relief association for the preceding fiscal year, file the financial report, and  
41.32 submit financial statements.

41.33 (b) The financial report must contain financial statements and disclosures that present  
41.34 the true financial condition of the relief association and the results of relief association

42.1 operations in conformity with generally accepted accounting principles and in compliance  
42.2 with the regulatory, financing, and funding provisions of this chapter and any other applicable  
42.3 laws. The financial report must be countersigned by:

42.4 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief  
42.5 association is located if the relief association is a firefighters' relief association that is directly  
42.6 associated with a municipal fire department;

42.7 (2) the municipal clerk or clerk-treasurer of the largest municipality in population that  
42.8 contracts with the independent nonprofit firefighting corporation if the volunteer firefighter  
42.9 relief association is a subsidiary of an independent nonprofit firefighting corporation, and  
42.10 by the secretary of the independent nonprofit firefighting corporation; or

42.11 (3) the chief financial official of the county in which the volunteer firefighter relief  
42.12 association is located or primarily located if the relief association is associated with a fire  
42.13 department that is not located in or associated with an organized municipality.

42.14 (c) The financial report must be retained in the office of the Bloomington Fire Department  
42.15 Relief Association or the volunteer firefighter relief association for public inspection and  
42.16 must be filed with the governing body of the government subdivision in which the associated  
42.17 fire department is located after the close of the fiscal year. One copy of the financial report  
42.18 must be furnished to the state auditor after the close of the fiscal year.

42.19 (d) Audited financial statements must be attested to by a certified public accountant or  
42.20 by the state auditor and must be filed with the state auditor on or before June 30 after the  
42.21 close of the fiscal year. Audits must be conducted in compliance with generally accepted  
42.22 ~~governmental~~ auditing standards and section 6.65 governing audit procedures. The state  
42.23 auditor may accept this report in lieu of the report required in paragraph (c).

42.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

42.25 Sec. 3. Minnesota Statutes 2019 Supplement, section 424A.016, subdivision 4, is amended  
42.26 to read:

42.27 Subd. 4. **Individual accounts.** (a) An individual account must be established for each  
42.28 firefighter who is a member of the relief association.

42.29 (b) To each individual active member account must be credited an equal share of:

42.30 (1) any amounts of fire state aid and police and firefighter retirement supplemental state  
42.31 aid received by the relief association;

43.1 (2) any amounts of municipal contributions to the relief association raised from levies  
43.2 on real estate or from other available municipal revenue sources exclusive of fire state aid;  
43.3 and

43.4 (3) any amounts equal to the share of the assets of the special fund to the credit of:

43.5 (i) any former member who terminated active service with the fire department to which  
43.6 the relief association is associated before meeting the minimum service requirement provided  
43.7 for in subdivision 2, paragraph (b), and has not returned to active service with the fire  
43.8 department for a period no shorter than five years; or

43.9 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the  
43.10 amounts credited to the individual member account under subdivision 2, paragraph (b), and  
43.11 any applicable provision of the bylaws of the relief association.

43.12 (c) In addition, any investment return on the assets of the special fund must be credited  
43.13 in proportion to the share of the assets of the special fund to the credit of each individual  
43.14 active member account and inactive member account, unless the inactive member is a  
43.15 deferred member as defined in subdivision 6.

43.16 (d) Administrative expenses of the relief association payable from the special fund may  
43.17 be deducted from individual accounts in a manner specified in the bylaws of the relief  
43.18 association.

43.19 ~~(e) If the bylaws so permit and as the bylaws define, the relief association may credit~~  
43.20 ~~any investment return on the assets of the special fund to the accounts of inactive members.~~

43.21 ~~(d)~~ (e) Amounts to be credited to individual accounts must be allocated uniformly for  
43.22 all years of active service and allocations must be made for all years of service, except for  
43.23 caps on service credit if so provided in the bylaws of the relief association. Amounts forfeited  
43.24 under paragraph (b), clause (3), before a resumption of active service and membership under  
43.25 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the  
43.26 resumption of active service and membership. The allocation method may utilize monthly  
43.27 proration for fractional years of service, as the bylaws or articles of incorporation of the  
43.28 relief association so provide. The bylaws or articles of incorporation may define a "month,"  
43.29 but the definition must require a calendar month to have at least 16 days of active service.  
43.30 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed  
43.31 calendar month of active service measured from the member's date of entry to the same date  
43.32 in the subsequent month.

44.1        ~~(e)~~ (f) At the time of retirement under subdivision 2 and any applicable provision of the  
44.2 bylaws of the relief association, a retiring member is entitled to that portion of the assets of  
44.3 the special fund to the credit of the member in the individual member account which is  
44.4 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief  
44.5 association based on the number of years of service to the credit of the retiring member.

44.6        ~~(f)~~ (g) Annually, the secretary of the relief association shall certify the individual account  
44.7 allocations to the state auditor at the same time that the annual financial statement or financial  
44.8 report and audit of the relief association, whichever applies, is due under section 424A.014.

44.9        Sec. 4. Minnesota Statutes 2019 Supplement, section 424A.016, subdivision 6, is amended  
44.10 to read:

44.11        Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a  
44.12 relief association ~~is entitled to a deferred service pension if the member separates~~ who has  
44.13 separated from active service and membership and has completed the minimum service and  
44.14 membership requirements in subdivision 2. The requirement that a member separate from  
44.15 active service and membership is waived for persons who have discontinued their volunteer  
44.16 firefighter duties and who are employed on a full-time basis under section 424A.015,  
44.17 subdivision 1.

44.18        (b) ~~The~~ A deferred member is entitled to receive a deferred service pension is payable  
44.19 ~~when the former member reaches at least age 50, or at least the minimum age specified in~~  
44.20 ~~the bylaws governing the relief association if that age is greater than age 50, and when the~~  
44.21 ~~former member~~ makes a valid written application.

44.22        (c) A defined contribution relief association ~~may, if its governing bylaws so provide,~~  
44.23 must credit interest or additional investment performance on the deferred lump-sum service  
44.24 pension during the period of deferral for all deferred members on or after January 1, 2021.  
44.25 ~~If provided for in the bylaws, the~~ Interest must be credited using one of the following  
44.26 methods, as provided for in the bylaws:

44.27        (1) at the investment performance rate actually earned on that portion of the assets if the  
44.28 deferred benefit amount is invested by the relief association in a separate account established  
44.29 and maintained by the relief association;

44.30        (2) at the investment performance rate actually earned on that portion of the assets if the  
44.31 deferred benefit amount is invested in a separate investment vehicle held by the relief  
44.32 association; or

45.1 (3) at the investment return on the assets of the special fund of the defined contribution  
 45.2 volunteer firefighters relief association in proportion to the share of the assets of the special  
 45.3 fund to the credit of each individual deferred member account through the accounting date  
 45.4 on which the investment return is recognized by and credited to the special fund.

45.5 (d) Unless the bylaws of a relief association that has elected to pay interest or additional  
 45.6 investment performance on deferred lump-sum service pensions under paragraph (c) specifies  
 45.7 a different interest or additional investment performance method, including the interest or  
 45.8 additional investment performance period starting date and ending date, the interest or  
 45.9 additional investment performance on a deferred service pension is creditable as follows:

45.10 (1) for a relief association that has elected to credit interest or additional investment  
 45.11 performance under paragraph (c), clause (1) or (3), beginning on the date that the member  
 45.12 separates from active service and membership and ending on the accounting date immediately  
 45.13 before the deferred member commences receipt of the deferred service pension; or

45.14 (2) for a relief association that has elected to credit interest or additional investment  
 45.15 performance under paragraph (c), clause (2), beginning on the date that the member separates  
 45.16 from active service and membership and ending on the date that the separate investment  
 45.17 vehicle is valued immediately before the date on which the deferred member commences  
 45.18 receipt of the deferred service pension.

45.19 (e) If the bylaws do not define a method for crediting interest or additional investment  
 45.20 performance, the interest or additional investment performance must be credited using the  
 45.21 method defined in paragraph (c), clause (3).

45.22 (f) Until December 31, 2020, a defined contribution relief association is permitted, if its  
 45.23 governing bylaws so provide, to credit interest or additional investment performance on the  
 45.24 deferred lump-sum service pension during the period of deferral using the method set forth  
 45.25 in the bylaws applicable on the date on which each deferred member separated from active  
 45.26 service.

45.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

45.28 Sec. 5. Minnesota Statutes 2018, section 424A.03, as amended by Laws 2019, First Special  
 45.29 Session chapter 6, article 22, section 20, is amended to read:

45.30 **424A.03 UNIFORMITY OF VOLUNTEER FIREFIGHTER SERVICE PENSION**  
 45.31 **AND RETIREMENT BENEFITS BASED ON SERVICE.**

45.32 Subdivision 1. ~~Limitation on nonuniformity of Service pensions based on years of~~  
 45.33 ~~service. Every partially-salaried and partially-volunteer firefighters~~ A relief association must

46.1 provide service pensions or retirement benefits to ~~volunteer firefighter~~ its members based  
 46.2 on the years of service of the members, not on the compensation paid to the members for  
 46.3 ~~firefighting services. Each relief association must provide service pensions to salaried~~  
 46.4 ~~members as set forth in chapter 424 and applicable special laws~~ their service.

46.5 Subd. 2. **Penalties Penalty for violations violation.** ~~A municipality which has a fire~~  
 46.6 ~~department associated with~~ If a relief association which violates the provisions of subdivision  
 46.7 ~~1 is directly associated or which contracts with an independent nonprofit firefighting~~  
 46.8 ~~corporation associated with a relief association which violates the provisions of subdivision~~  
 46.9 ~~1 is a subsidiary may,~~ the affiliated municipality or municipalities must not be included in  
 46.10 the apportionment of fire state aid and police and firefighter retirement supplemental state  
 46.11 aid payable under chapter 477B and section 423A.022 and ~~may not be included~~ in the  
 46.12 apportionment of fire state aid to the various municipalities under section 477B.03.

46.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

46.14 Sec. 6. Minnesota Statutes 2018, section 424A.092, subdivision 1, is amended to read:

46.15 Subdivision 1. **Application.** This section shall apply to any firefighters relief association  
 46.16 specified in section 424A.091, subdivision 1, which pays a lump-sum service pension, but  
 46.17 which does not pay a monthly service pension, to a retiring firefighter when at least the  
 46.18 minimum requirements for entitlement to a service pension specified in section 424A.02;  
 46.19 or any applicable special legislation and the articles of incorporation or bylaws of the relief  
 46.20 association have been met. Each firefighters relief association to which this section applies  
 46.21 shall determine the accrued liability of the special fund of the relief association in accordance  
 46.22 with ~~the accrued liability table set forth in subdivision~~ subdivisions 2 and 2a, if applicable,  
 46.23 and the financial requirements of the relief association and the minimum obligation of the  
 46.24 municipality in accordance with the procedure set forth in subdivision 3.

46.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

46.26 Sec. 7. Minnesota Statutes 2018, section 424A.092, subdivision 2, is amended to read:

46.27 Subd. 2. **Determination of accrued liability.** (a) Beginning with the calculation  
 46.28 performed in 2021 for the 2022 calendar year each firefighters relief association which pays  
 46.29 a lump-sum service pension ~~when a retiring firefighter meets the minimum requirements~~  
 46.30 ~~for entitlement to a service pension specified in section 424A.02 and which in its articles~~  
 46.31 ~~of incorporation or bylaws requires service credit for a period of service of at least 20 years~~  
 46.32 ~~of active service for a totally nonforfeitable service pension~~ shall determine the accrued  
 46.33 liability of the special fund of the firefighters relief association relative to each active member

47.1 of the relief association, calculated using the applicable appendix to the standards for actuarial  
 47.2 work established by the Legislative Commission on Pensions and Retirement under section  
 47.3 3.85, subdivision 10.

47.4 (b) For calendar years before 2022, each firefighters relief association shall determine  
 47.5 the accrued liability of the special fund of the firefighters relief association relative to each  
 47.6 active member of the relief association, calculated individually using the following table:

47.7	Cumulative	Accrued
47.8	Year	Liability
47.9	.....	.....
47.10	1	\$ 60
47.11	2	124
47.12	3	190
47.13	4	260
47.14	5	334
47.15	6	410
47.16	7	492
47.17	8	576
47.18	9	666
47.19	10	760
47.20	11	858
47.21	12	962
47.22	13	1070
47.23	14	1184
47.24	15	1304
47.25	16	1428
47.26	17	1560
47.27	18	1698
47.28	19	1844
47.29	20	2000
47.30	21 and thereafter	100 additional per year

47.31 ~~(b)~~ As set forth in the table the accrued liability for each member of the relief association  
 47.32 corresponds to the cumulative years of active service to the credit of the member. The  
 47.33 accrued liability of the special fund for each active member is determined by multiplying  
 47.34 the accrued liability from the chart by the ratio of the lump-sum service pension amount  
 47.35 currently provided for in the bylaws of the relief association to a service pension of \$100  
 47.36 per year of service.

48.1 (c) If a member has fractional service as of December 31, the figure for service credit  
48.2 to be used for the determination of accrued liability pursuant to this section shall be rounded  
48.3 to the nearest full year of service credit. The total accrued liability of the special fund as of  
48.4 December 31 shall be the sum of the accrued liability attributable to each active member  
48.5 of the relief association.

48.6 (e) (d) To the extent that the state auditor considers it to be necessary or practical, the  
48.7 state auditor may specify and issue procedures, forms, or mathematical tables for use in  
48.8 performing the calculations of the accrued liability for deferred members pursuant to this  
48.9 subdivision.

48.10 **EFFECTIVE DATE.** This section is effective the day following final enactment."

48.11 Amend the title accordingly