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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 419

01/28/2021

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The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to retirement; revising the allocation of police and firefighter retirement
1.3 supplemental state aid; amending Minnesota Statutes 2020, section 423A.022,
1.4 subdivisions 2, 5, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2020, section 423A.022, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 1a. Definition. For purposes of this section, the term "municipalities" includes
1.9 independent nonprofit firefighting corporations that participate in the voluntary statewide
1.10 volunteer firefighter retirement plan under chapter 353G or are affiliated with volunteer
1.11 firefighter relief associations operating under chapter 424A.

1.12 EFFECTIVE DATE. This section is effective January 1, 2023.

1.13 Sec. 2. Minnesota Statutes 2020, section 423A.022, subdivision 2, is amended to read:

1.14 Subd. 2. Allocation. (a) ~~Of~~ The total amount appropriated as supplemental state aid:
1.15 shall be allocated as provided in this subdivision.

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

1.19 ~~(2)~~ (c) 35.484 percent of the total amount must be paid to municipalities ~~other than~~ that
1.20 qualified to receive fire state aid in that calendar year except municipalities solely employing
1.21 firefighters with retirement coverage provided by the public employees police and fire
1.22 retirement plan ~~which qualified to receive fire state aid in that calendar year.~~ The

2.1 supplemental state aid under this paragraph shall be allocated among the municipalities
 2.2 entitled to an allocation in the same proportion to that the most recent amount of fire state
 2.3 aid paid under section 477B.04, number of firefighters who received credit for a year of
 2.4 service for that calendar year for the fire department affiliated with a municipality bears to
 2.5 the most recent total fire state aid for all municipalities other than the municipalities solely
 2.6 employing firefighters with retirement coverage provided by the public employees police
 2.7 and fire retirement plan paid under section 477B.04, with total number of all firefighters
 2.8 who received credit for a year of service for that calendar year for the fire departments
 2.9 affiliated with all municipalities entitled to an allocation. The allocated amount for fire
 2.10 departments participating in the statewide lump-sum volunteer firefighter plan shall be paid
 2.11 to the executive director of the Public Employees Retirement Association for deposit in the
 2.12 fund established by section 353G.02, subdivision 3, and credited to the respective account
 2.13 and with. The balance of the allocated amount shall be paid to the treasurer of each
 2.14 municipality for transmittal within 30 days of receipt to the treasurer of the applicable
 2.15 volunteer firefighter relief association for deposit in its special fund; and.

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

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

2.22 **EFFECTIVE DATE.** This section is effective January 1, 2023.

2.23 Sec. 3. Minnesota Statutes 2020, section 423A.022, subdivision 5, is amended to read:

2.24 Subd. 5. **Aid termination.** (a) The aid under subdivision 2, ~~paragraph (a), clauses (1)~~
 2.25 paragraphs (b) and (3) (d), continues until the earlier of:

2.26 (1) the December 1 following the end of the fiscal year in which the actuarial value of
 2.27 assets of both the State Patrol retirement plan and the public employees police and fire
 2.28 retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities as reported
 2.29 by the actuary retained under section 356.214 in the annual actuarial valuation prepared
 2.30 under section 356.215; or

2.31 (2) July 1, 2048.

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

2.33 **EFFECTIVE DATE.** This section is effective January 1, 2023.