**S.F. 2360**

(Koering)

**H.F. xxx****Executive Summary of Commission Staff Materials**

*Affected Pension Plan(s):* Randall Firemen's Relief Association  
*Relevant Provisions of Law:* Uncoded  
*General Nature of Proposal:* Retroactive Increased Surviving Spouse Benefit for Spouse of Firefighter Killed in Construction Accident  
*Date of Summary:* February 9, 2006

**Specific Proposed Changes**

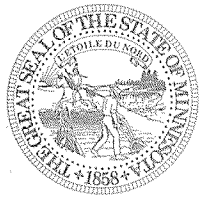
- Authorizes the Randall Firemen's Relief Association to provide a surviving spouse benefit based on five years of service rather than one year of service for the surviving spouse of a firefighter killed in a construction accident on October 28, 2005.

**Policy Issues Raised by the Proposed Legislation**

1. Cost.
2. Precedent, past actions.
3. Local approval.

**Potential Amendments**

No Commission staff amendments.



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Ed Burek, Deputy Director *EB*

RE: S.F. 2360 (Koering); H.F. xxx: Randall Firemen's Relief Association; Retroactive Increased Surviving Spouse Benefit for Spouse of Firefighter Killed in Construction Accident

DATE: February 3, 2006

S.F. 2360 (Koering); H.F. xxx

S.F. 2360 (Koering); H.F. xxx authorizes the Randall Firemen's Relief Association to provide a surviving spouse benefit based on five years of service rather than one year of service for the surviving spouse of a firefighter killed in a construction accident on October 28, 2005.

Background Information

Mitchel Mammenga became a volunteer firefighter and joined the Randall Firemen's Relief Association a few years ago. He was killed in a construction accident, not related to his firefighting duties, on October 28, 2005. At that time he had provided one year and ten months of service to the department, but he had one year of service credit in the association because at that time the relief association did not allow fractional years of service credit. At the time of Mr. Mammenga's death, his surviving spouse was eligible for a surviving spouse benefit based on his service credit of one year, and the relief association's benefit amount per year of service, which was \$500. Consistent with the association's applicable bylaws when Mr. Mammenga died, the surviving spouse received a \$500 surviving spouse benefit.

Discussion and Analysis

The Randall Firemen's Relief Association could have provided a larger benefit to the survivor if it had amended its bylaws accordingly before the death occurred. Minnesota Statutes, Section 424A.02, Subdivision 9, places limitations on volunteer fire relief association ancillary benefits. An ancillary benefit is benefit other than a retirement annuity, such as a disability benefit, survivor benefit, or death benefit. In general, that subdivision requires that ancillary benefits to a firefighter or survivors cannot exceed the service pension earned to date by the firefighter. However, the subdivision includes an exception for survivors of firefighters who died with very short service. That exception permits a relief association, if the bylaws of the association are revised to permit it, to pay up to a five year service pension amount to the surviving spouse of a firefighter who dies prior to providing five years of service.

After Mr. Mammenga's death, the relief association did revise its bylaws to allow a five-year surviving spouse benefit to be paid to the survivor of a firefighter who died before providing five full years of service. The city is ultimately responsible for funding the relief association with the help of state fire aid, and in general, association bylaw changes revising benefits are not effective unless approved by the city. The city did approve the revised surviving spouse benefit provision, along with another unrelated change to allow fractional years of service credit to be used for benefit purposes, in November 2005. However, the improved short-service survivor benefit does not apply to Mr. Mammenga's widow because the change cannot be made retroactive without a special law allowing that retroactive application.

The proposed legislation raises the following pension and related public policy issues:

1. Cost. The bill has a cost. Mr. Mammenga's widow received a lump sum \$500 survivor benefit and under this bill she would receive an additional \$2,000 in a lump sum, for a total benefit of \$2,500.
2. Precedent, Past Actions. The Legislature has allowed retroactive application of volunteer fire benefit improvements to apply to a surviving spouse when the death occurred shortly before a benefit improvement. The most recent example was in 2000, when the Legislature approved special law language to allow the widow of a deceased Woodbury volunteer firefighter to receive a higher survivor benefit, based on an increase in plan benefits that became effective shortly after the firefighter was killed. In that case, the deceased volunteer firefighter was employed as a St. Paul

building inspector and was murdered while performing his building inspector duties. The language passed as Laws 2000, Chapter 461, Article 15, Section 12, and included local approval.

3. Local Approval. Because the bill imposes some additional liability on the relief association pension plan, for which the city is ultimately responsible for covering, the language includes a local approval clause. Commission staff understands that the city supports this language. Mr. Mammenga's death alerted the relief association of the need to address short-service survivor benefit issues, and the prompt city approval of that change is evidence of city support.

1.1 A bill for an act  
1.2 relating to retirement; Randall Firemen's Relief Association; increased surviving  
1.3 spouse benefit for the spouse of a firefighter killed in a construction accident.

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

1.5 Section 1. **RANDALL FIREMEN'S RELIEF ASSOCIATION; REVISED**  
1.6 **BENEFIT FOR SPOUSE OF DECEASED FIREFIGHTER.**

1.7 Subdivision 1. **Application.** This section applies to a surviving spouse of a person  
1.8 who:

1.9 (1) was born on June 21, 1973;

1.10 (2) as a member of the Randall Firemen's Relief Association provided one year and  
1.11 ten months of service to the associated fire department and had one year of service credit  
1.12 in the association on the date of death; and

1.13 (3) was killed in a construction accident on October 28, 2005.

1.14 Subd. 2. **Eligibility for benefit.** Notwithstanding any law to the contrary, the  
1.15 eligible person described in subdivision 1 is entitled to receive a survivor benefit from the  
1.16 Randall Firemen's Relief Association benefit plan as revised in November 2005, not to  
1.17 exceed the survivor benefit amount that would be applicable if the firefighter had lived  
1.18 until a day after the effective date of the increased minimum surviving spouse benefit  
1.19 approved by the Randall City Council in November 2005, consistent with Minnesota  
1.20 Statutes, section 424A.02, subdivision 9.

1.21 Subd. 3. **Restrictions.** This section does not authorize payment of more than  
1.22 a single survivor benefit to the eligible individual specified in subdivision 1. If a  
1.23 survivor benefit has been paid to the eligible individual by the Randall Firemen's Relief  
1.24 Association, this section authorizes payment to the eligible individual of the difference

2.1 between the amount previously paid and the amount payable under the Randall Firemen's  
2.2 Relief Association benefit plan as revised in November 2005.

2.3 Sec. 2. **EFFECTIVE DATE.**

2.4 Section 1 is effective the day after the date on which the Randall City Council and  
2.5 the chief clerical office of the city of Randall complete, in a timely manner, compliance  
2.6 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.