

## 2023 Pension and Retirement Policy Omnibus Bill HF 2950 (Her/Frentz), the Second Engrossment

### Section- by- Section Summary

#### **Article 1: Minnesota State Retirement System (MSRS)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	2.4	HF1199-Wolgamott SF1308-Murphy	352B.08, Subd. 1	State Patrol Plan	Reduces the length of time from 90 days to 60 days before retirement that a member may apply for retirement.
2	2.17	HF1199-Wolgamott SF1308-Murphy	356.551, Subd. 2	Judges Plan	Adds a reference to Section 490.1211, Subd. 2, which is the expanded right to purchase service credit for periods of military service added by Sec. 3.
3	4.4	HF1199-Wolgamott SF1308-Murphy	490.1211	Judges Plan	Extends the length of time from 1 year to 3 years after a period of military service during which a judge may purchase service credit for the period of the leave under the federally protected leave provisions and adds a new service credit purchase option for judges who miss the deadline.
4	6.22	HF1199-Wolgamott SF1308-Murphy	Repealer	Judges Plan	Repeals as obsolete Minn. Stat. § 490.124, Subd. 10, which refers to a spousal benefit provided to judges who retire before 1974.

#### **Article 2: Public Employees Retirement Association (PERA)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	6.28	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353.01, Subd. 2a	PERA	Replaces the 12-month and school year thresholds of \$5,100 and \$3,800, respectively, with a monthly threshold of \$425 in the "included employee" definition.
2	8.20	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353.01, Subd. 2b	PERA	Replaces the 12-month and school year thresholds of \$5,100 and \$3,800, respectively, with a monthly threshold of \$425 in the "excluded employee" definition.
3	13.2	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353.01, Subd. 15	PERA	Amends the definition of "dependent child" as a biological or adopted child until age 23.

**Article 2: Public Employees Retirement Association (PERA)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
4	13.23	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353.0162	PERA	Reformats the paragraphs as subdivisions and adds a two new defined terms for "differential salary credit" and "reporting period," and to conform the statute to actual administration of due dates for payments for reporting periods.
5	15.22	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353.031, Subd. 10	PERA	Deletes unnecessary language, allowing for the application of Section 353.0162 to the purchase of salary credit for periods of reduced salary in the case of disability.
6	16.1	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353.32, Subd. 1c	PERA	Amends the "refunds after the death of a member" provision to make payments to a dependent child until the child is age 23.
7	16.14	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353E.001, New Subd. 1a	PERA Correctional	Adds a definition for "fund" as the public employees local government correctional service retirement fund.
8	16.19	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353E.001, New Subd. 2a	PERA Correctional	Adds a definition for "member" as an individual identified as a member under Section 353E.02, for whom retirement coverage is provided by the plan.
9	16.24	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353E.001, New Subd. 3a	PERA Correctional	Adds a definition for "plan" as the public employees local government correctional service retirement plan.
10	17.1	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353E.07, Subd. 3	PERA Correctional	Replaces longer phrases with the newly defined term "member."
11	17.7	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353E.07, Subd. 4	PERA Correctional	Replaces longer phrases with the newly defined term "member."
12	17.18	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	353E.07, Subd. 5	PERA Correctional	Revises language in the "dependent child survivor coverage" provision to pay benefits to a dependent child until age 23.
13	18.2	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	Revisor Instruction	PERA Correctional	Instructs the Revisor to replace specified longer phrases in Sec. 353E.01 to 353E.08 with the identified newly defined terms.
14	18.11	HF1430-Wolgamott SF1389-Rasmusson Am. H1199-1A	Repealer	PERA	Repeals as obsolete Sec. 353.01, Subd. 15a, the previous definition of "dependent child."

**Article 3: Public Employees Defined Contribution Plan**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	18.16	HF1669-Anderson, P.H. Am. H1669-3A	353D.01, New Subd. 1a	PERA Defined Contribu- tion Plan	Adds a definitions section to Chapter 353D.
2	18.23	HF1669-Anderson, P.H. Am. H1669-3A	353D.01, Subd. 2	PERA DC Plan	Revises the eligibility requirements to add appointed officials, in addition to elected officials, to the category of local government officials.
3	20.11	HF1669-Anderson, P.H. Am. H1669-3A	353D.02, Subd. 1	PERA DC Plan	Revises the coverage election provision for local government officials to add appointed officials and make conforming changes.
4	20.22	HF1669-Anderson, P.H. Am. H1669-3A	353D.03, Subd. 1	PERA DC Plan	Revises the contribution provision for local government officials to delete the word "elected," removing the limitation that only elected officials can contribute to the DC Plan.
5	21.1	HF1669-Anderson, P.H. Am. H1669-3A	Uncoded Session Law	PERA DC Plan	Allows for officials whose participation ceased after 2019 because the official became an appointed official to rejoin the plan; requires employer contributions and permits employee contributions for the period during which participation was suspended.
6	21.24	HF1669-Anderson, P.H. Am. H1669-3A	Effective Date	--	All sections are effective the day following enactment.

**Article 4: PERA Service Credit for Two Metropolitan Airport Police Officers**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	21.29	HF1923-Wolgamott SF2140-Seeberger	Uncoded Session Law	PERA Police & Fire Plan	Authorizes two employees of the Metropolitan Airports Commission to transfer service credit for 2005 service from the PERA General Plan to the PERA Police and Fire Plan upon payment of the missed employee contributions plus interest.

**Article 5: Teachers Retirement Association (TRA)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	24.3	HF1430-Wolgamott SF1389-Rasmusson	354.06, Subd. 2	TRA	Removes specific experience criteria for hiring an executive director to expand the potential pool of candidates that may be considered by the TRA board of trustees for that position.

**Article 6: St. Paul Teachers Retirement Fund Association (SPTRFA)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	24.22	LCPR23-033-Rasmusson	New Sec. 354A.25	St. Paul Teachers	Authorizes former members of the SPTRFA who are receiving a retirement annuity to change their annuity to a joint and survivor annuity and designate a same-sex spouse as the survivor if the retiree had not been permitted to do so when same-sex marriage was not recognized under state law.

**Article 7: Transfers from the Minnesota State IRAP to TRA**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	26.3	HF1499-Olson, L. SF1420-McEwen	Uncoded Session Law	IRAP, TRA	Authorizes four Fond Du Lac Tribal and Community College employees to transfer to TRA if the employee pays missed employee contributions and the IRAP account is transferred to TRA. Requires Minnesota State Colleges & Universities to pay the remainder of the actuarial value of the TRA benefit.
2	28.21	SF1995-Seeberger	Uncoded Session Law	IRAP, TRA	Authorizes a Minnesota State employee to transfer to TRA if the employee pays missed employee contributions and the IRAP account is transferred to TRA. Requires Minnesota State Colleges & Universities to pay the remainder of the actuarial value of the TRA benefit.
3	30.11	Am. A230092-1A	Uncoded Session Law	IRAP, TRA	Establishes a work group to meet during the 2023-2024 legislative interim to recommend legislation to end the need for an individual IRAP participant to seek special legislation to transfer to TRA because the individual did not receive that opportunity when first entitled to do so.

**Article 8: Service Credit Purchases for Periods of Military Leave**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	32.14	SF 208-Howe Am. A230092-2A	354.53, Subd. 3	TRA	Extends the minimum time period for purchasing service credit for periods of military leave to three years.
2	32.24	SF 208-Howe Am. A230092-2A	354A.093, Subd. 4	St. Paul Teachers	Extends the minimum time period for purchasing service credit for periods of military leave to three years.

**Article 9: Annual Limit on Public Funds Contributed to Two Multiemployer Pension Plans**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	33.8	HF1201-Nelson, M. SF1393-Pappas	356.24, Subd. 1	Supple- mental Plans	Increases the limit on employer contributions to supplemental plans to \$10,000 for public employees who are members of the construction trades and participate in the International Union of Operating Engineers Pension Fund and the Laborers National Industrial Pension Fund.

**Article 10: Vesting under the PERA Statewide Volunteer Firefighter Plan (PERA SVF)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	34.30	HF217-Franson SF809-Westrom	353G.01, Subd. 8	PERA SVF	Makes clarifying and non-substantive language changes to definitions.
2	35.4	HF217-Franson SF809-Westrom	353G.01, New Subd. 12a	PERA SVF	Adds a definition for "service credit" which includes service with any covered fire department.
3	35.10	HF217-Franson SF809-Westrom	353G.01, New Subd. 14a	PERA SVF	Adds a new definition for "vesting service credit" to include earlier periods of service with a fire department that was not covered by the SVF Plan when the service was rendered.
4	35.19	HF217-Franson SF809-Westrom	353G.01, Subd. 15	PERA SVF	Makes clarifying and non-substantive language changes to definitions.
5	35.25	HF217-Franson SF809-Westrom	353G.09, Subd. 1	PERA SVF	Makes clarifying language changes and replaces the clauses regarding the type of service that will be taken into account with a reference to subdivision 2, which is revised later in the bill.
6	36.18	HF217-Franson SF809-Westrom	353G.09, New Subd. 1a	PERA SVF	Adds a new subdivision that defines a member's retirement benefit as equal to the number of years of service multiplied by the service pension level multiplied by the member's vested percentage under subdivision 2.

**Article 10: Vesting under the PERA Statewide Volunteer Firefighter Plan (PERA SVF)**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
7	37.1	HF217-Franson SF809-Westrom	353G.09, Subd. 2	PERA SVF	Clarifies language and replaces "years of service as a member of the former affiliated relief association" with "any previous years of service as a member of a relief association." The new language will require previous years of service with any relief association to be taken into account in determining vested percentage.
8	38.18	HF217-Franson SF809-Westrom	353G.14	PERA SVF	The section is renamed and a new subdivision 1 is added to require distributions in a lump sum unless the firefighter requests an annuity, which is described under current law and is now renumbered as subdivision 2. Inserting the new lump sum distribution subdivision is necessary because of the repeal of Section 353G.13, which includes a subdivision that requires payment in a lump sum.
9	39.3	HF217-Franson SF809-Westrom	Revisor Instruction	PERA SVF	Revisor instruction to shorten phrases used throughout the chapter.
10	39.10	HF217-Franson SF809-Westrom	Repealer	PERA SVF	Repeals Section 353G.01, subdivision 7, the definition of "service credit" which is replaced by new subdivision 12a; and Section 353G.13, the combined service statute which is no longer necessary because of the other changes made by the bill.
11	39.12	HF217-Franson SF809-Westrom	Effective Date	--	All sections are effective January 21, 2024.

**Article 11: Relief Association Requirements after Joining the PERA Statewide Volunteer Firefighter Plan**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	39.17	HF2777-Hudella	353G.06, Subd. 2	PERA SVF	Eliminates unnecessary requirements governing a relief association after it has joined the SVF Plan and simplifies language.
2	40.7	HF2777-Hudella	353G.06, Subd. 3	PERA SVF	Simplifies the successor in interest language to replace phrases with defined terms.

**Article 12: Threshold for Requiring Relief Associations to File Audited Financial Statements**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	40.24	HF2928-Nelson, M. SF3025-Pappas	424A.014, Subd. 1	Volunteer Firefighter Relief Associations	Increases the threshold for requiring an audit of annual financial statements from the current threshold of \$500,000 in special fund assets or liabilities with \$750,000.
2	41.27	HF2928-Nelson, M. SF3025-Pappas	Effective Date; Application	Volunteer Firefighter Relief Associations	The change is effective on December 31, 2023, applies prospectively, except that any relief association with assets of less than \$750,000 on December 31, 2023, is not required to submit audited financial statement until the relief association's special fund assets or liabilities exceed \$750,000, even if the relief association had to comply with the audit requirement on December 30, 2023.

**Article 13: Hamel and Loretto VFRA's Join PERA Statewide Plan Mid-Year and Merge**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	42.5	HF2007-Robbins SF1975-Limmer	Uncoded Session Law	Hamel and Loretto VFRA's	Allows the Hamel Volunteer Fire Department Relief Association and the Loretto Firefighters Relief Association to join the SVF Plan mid-year and requires the executive director of the Public Employees Retirement Association to merge their assets and liabilities.

**Article 14: Service Credit Transfer for an Employee of the Department of Corrections**

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	43.18	HF2785-Scott SF2799-Bahr, as Senate Floor Am. sch2950a-1	Uncoded Session Law	MSRS General and Correctional	Authorizes the transfer of approximately three years of service credit from MSRS General to MSRS Correctional for a specific employee of the Department of Corrections.