

INCLUDED IN OMNIBUS RETIREMENT BILL**PHASED RETIREMENT OPTION (PRO)**

The PRO, which was set to expire on June 30, 2019 is now a permanent part of our benefit structure in the General Plan. The PRO allows for members to transition into retirement and the employers an opportunity to coordinate that transition into retirement. Members may begin collecting an annuity as early as age 62 while continuing to work a reduced schedule with their employer for up to five years.

See Legislature adopts Phased Retirement Option (PRO) for more details.

MINNEAPOLIS POLICE AND FIRE RELIEF ASSOCIATIONS (MPRA/MPFA)

In 2011, the Minneapolis Fire Relief Association (MFRA) and the Minneapolis Police Relief Association (MPRA) merged into PERA's Police & Fire Plan. The City of Minneapolis makes an annual contribution to the Police & Fire Plan to ensure that the plan does not subsidize the benefits payable to relief association members. The annual contribution rate was subject to change. With the legislation adopted, the City of Minneapolis will contribute a fixed \$7.7 million annually through 2031 when the plan becomes fully funded.

NOT INCLUDED IN OMNIBUS RETIREMENT BILL**STATEWIDE VOLUNTEER FIREFIGHTER (SVF)**

During the December board meeting, the PERA Board approved the Statewide Volunteer Firefighter Advisory Board Recommendations.

These recommendations are administrative in nature:

- Change the name of the Voluntary Statewide Volunteer Firefighter Retirement Plan to the Statewide Volunteer Firefighter Plan;
- Change Minnesota Statutes 353G.11, to allow the fire chief for a lump-sum retirement division to request a cost estimate from the executive director of an increase in the service pension level;
- Change Minnesota Statutes 353G.09, subdivision 3, to separate the defined benefit and defined contribution computations into separate sections, clarify the application of non-forfeitable percentages, and add a section exclusively for deferred service pensions for former volunteer firefighters;
- Change Minnesota Statutes 353G.05, to ensure that coverage elections include joint approval from the municipality (or municipalities in the case of a joint powers entity) or firefighting corporation and the relief association;
- Change Minnesota Statutes 353G.13, to ensure that when a SVF member leaves a fire department, the benefit that they will receive upon retirement from that department is based on vesting service determined using all years of service through the end of service with that respective department, including years of volunteer service accumulated prior to that specific department. Subsequent years of service with a different department will not be considered in the benefit determination.

1997 LOCAL GOVERNMENT PERA AID EXTENSION

In 1997, the Legislature passed a significant pension reform bill that required increased contribution rates for employers and employees in the PERA General Fund. In an effort to help local governments, the Legislature included annual state aid. The aid terminates on June 30, 2020, when the plan was expected to reach full funding. At the April Board meeting, the Board of Trustees voted to support the extension of the 1997 local government aid. PERA Administrative Changes.

OTHER PERA RELATED PROVISIONS INCLUDED IN OMNIBUS RETIREMENT BILL**MILITARY SERVICE PURCHASE**

Military members will now be able to purchase up to five years of service outside of PERA-covered employment or if the original purchase deadline under Federal law was missed. The purchase cost will be the full actuarially determined cost associated with the benefit increase. PERA will charge a \$250 administrative fee for cost estimates that will apply towards the purchase cost.

STATEWIDE VOLUNTEER FIREFIGHTER (SVF) PLAN

A process has been created that directs the procedure for a relief association to leave the SVF Plan.