

On May 27, the Governor signed the 2020 Omnibus Retirement bill, which included much of PERA's 2020 legislative Board proposals.

## PRIVATIZATION

The Omnibus Retirement bill reduced the current augmentation rate for current privatized members to two percent. Augmentation for all current privatized members will be discontinued after December 31, 2023. Augmentation provided on benefits prior to January 1, 2024 will not be eliminated. The Omnibus Retirement bill also eliminated augmentation for future privatized employees.

The Omnibus Retirement bill did not include PERA's board approved recommendation for employers to pay withdrawal liability.

## PERA ADMINISTRATIVE CHANGES

The Omnibus Retirement bill included PERA's administrative proposals.

- **Phased Retirement Option (PRO):** This change clarified that in order to participate in the PRO, an employee must remain in the same position. In addition, the bill clarified that if a member violates a PRO agreement by exceeding the hours threshold, suspended the first day of the month following the violation.
- **Seasonal Employee Definition:** The Omnibus Retirement bill altered the timing requirement for seasonal employees. The approved change modified the 185 consecutive days time requirement to 6 months, which is consistent with the temporary employee timeframe.
- **Military Service Purchase:** As the result of the Omnibus Retirement bill, in order to purchase prior military service, a member must be employed for six months. In addition, a member may now purchase partial periods of service. The member must purchase the entire service period if under a year. If beyond a year, a member may purchase service in six month increments.
- **Retirement Benefit Adjustment:** The Omnibus Retirement bill eliminated the ability for a member to adjust their monthly benefit.
- Other administrative changes include removal of obsolete provisions, consistency for retroactive payments, and clarification of minimum vesting requirements for Police and Fire survivor benefits.

## PERA POLICE & FIRE PLAN DISABILITY:

The Omnibus Retirement Bill included PERA's Board's proposal to clarify that members who have not met age and vesting requirements for a retirement annuity are eligible to apply for and receive disability benefits in the Police & Fire Plan.

The Omnibus Retirement Bill did not include PERA's Board's proposal to adjust disability benefits for those over fifty-five with less than twenty years of service.

## RETIREMENT SYSTEMS ADMINISTRATIVE CHANGES

The Omnibus Retirement bill included changes to Minnesota Statutes Chapter 356, which governs the retirement systems. The bill eliminated the ability for members of all statewide plans to make partial payments for refund repayments.

## STATEWIDE VOLUNTEER FIREFIGHTER (SVF) PLAN:

The Omnibus Retirement bill included four of the Statewide Volunteer Firefighter Advisory (SVF) Board's legislative proposals. Those included:

- A plan name change to Statewide Volunteer Firefighter Plan
- Allows for a fire chief to initiate a cost request
- Clarification of alternative service pension calculation rules
- Clarification of responsibility for coverage approval

The SVF Advisory Board's recommendation for address vesting portability was not included in the Omnibus Retirement Bill. The bill did not also address the supplemental contribution recommendation made by both the Volunteer Firefighter Relief Association Working Group and the SVF Advisory Board.

## LOCAL GOVERNMENT AID

The 2020 Omnibus Retirement bill did not include the extension of the 1997 local government aid. As of the end of the 2020 regular session, the 1997 local government aid has not been extended.