



# PERA PHRASE

[mnpera.org](http://mnpera.org)

Employer Newsletter of the Public Employees Retirement Association

Over 3,500 Employers  
166,000 Active Members

SUMMER 2024



## 2024 Legislative Update

The Legislature approved the 2024 Pension and Retirement Policy and Supplemental Budget Bill, House File 5040, and Governor Walz signed the bill on May 15.

In this newsletter, you will find articles about the following legislative changes:

- » New 30-day election window for the Defined Contribution Plan
- » Updated full-time firefighter definition
- » 2025 Correctional Plan contribution rates

The Bill also includes the following changes related to PERA:

- » **Statewide Volunteer Firefighter Plan.** The Bill modifies the structure of 353G, updates definitions, changes administrative requirements, and establishes a defined contribution plan option.
- » **Coordinated and Correctional Workers' Compensation Offsets.** As of January 1, 2025, member's PERA disability benefits will no longer be reduced by workers' compensation.
- » **Other Administrative Changes.** The Bill updates language to ensure consistency in qualification requirements and compensation across fund executive directors. The Bill also modifies provisions in Minnesota Statutes Chapter 356 relating to amortization, correction of errors, and federal compliance.

## Defined Contribution Plan: New 30-day Election Window

Effective August 1, 2024, the Defined Contribution Plan (DCP) election time period is 30 days from the start of service for all DCP-eligible positions. Eligible individuals must make a one-time, final decision to participate in the DCP within 30 days of their first day of service with a

governmental subdivision. Individuals who do not make a decision within the 30-day time period will be automatically opted out of the DCP. Either election is permanent for all current and future service with the governmental subdivision.

*Administer and promote sustainable retirement plans and provide services that our members value.*

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**OPEN ELECTION PERIOD OCTOBER 1–30, 2024**

Individuals in certain positions who started public service with a governmental subdivision between February 1, 2024 and July 31, 2024 can make a final membership election between October 1, 2024 and October 30, 2024. October 31, 2024 is not included in the election period.

- » **Public officials and public ambulance** service individuals who started DCP-eligible positions between February 1, 2024 and July 31, 2024 can make a one-time, final election to participate in the DCP.
- » **City Managers** who started PERA-covered service for a city between February 1, 2024 and July 31, 2024 can make a one-time, final election to revoke participation from the Coordinated Plan and to have no PERA coverage.

The Open Election form will be available by October 1, 2024. Completed election forms must be received by PERA by October 30, 2024.

**UPDATED MEMBERSHIP ELECTION FORMS**

Updated membership election forms will be available August 1, 2024 on mnpera.org under Resources -> [Forms & Publications](#). Part A of the appropriate form is to be completed by the employer and promptly given to the public official or employee so they are aware of their options for PERA participation. The individual must complete Part B and sign the form within 30 days of their start of service.

Once the form is completed, send it to PERA by mail, fax, or secure document upload through ERIS—even if they chose no PERA coverage. Retain a copy of the form for your records.

PUBLIC OFFICIAL ELIGIBILITY AND FORMS				
	APPOINTED OR HIRED		ELECTED OR APPOINTED VACANT ELECTED POSITION	
MONTHLY PAY	NON-GOVERNING	GOVERNING	NON-GOVERNING	GOVERNING
Over \$425 in a month	Mandatory Coordinated	Optional DCP	Optional Coordinated or Optional DCP	Optional DCP
\$425 or less every month	Optional DCP*	Optional DCP	Optional DCP	Optional DCP

**MEMBERSHIP ELECTION FORM KEY**

- ERIS or Notice of Member Enrollment
- Membership Election by Public Official
- DCP Election by Appointed Public Official

**NON-GOVERNING** does not vote on decisions. *Examples: city or township clerk or treasurer, county auditor or attorney.*

**GOVERNING** is a voting member of the governmental body. *Examples: township supervisor, city council, school board, soil & water board, county commissioner.*

Monitor the monthly pay of **appointed or hired non-governing public officials** who are not enrolled in the Coordinated Plan. If their pay exceeds \$425 in any month, Coordinated Plan contributions **must** begin immediately and DCP contributions must stop.

## New Criteria for City Managers Revoking Coordinated Plan Membership

City managers who first start PERA-covered employment with a city on August 1, 2024 or after must be given a Membership Election by a City Manager form with Part A completed by the employer. Within 30 days from their first day as city manager, they must make a one time, final decision to be excluded from the Coordinated Plan and they must sign the election form within the same 30 days.

The city council must pass a resolution approving both the exclusion and the employee’s choice to participate in the DCP or to have no PERA coverage. PERA must receive the election form and resolution within 60 days of the city manager’s start date. If these conditions are not met, and if the city manager’s earnings are greater than \$425 per month, they must contribute to the Coordinated Plan.

If the new city manager was previously employed by the same city and the city contributed to the Coordinated, Police & Fire, or Correctional Plan or sponsored any supplemental pension or deferred compensation plan under Minn. Stat. § 356.24 on their behalf, the new city manager must participate in the Coordinated Plan if their earnings exceed the \$425 threshold.

# Updated Police & Fire Plan Requirements

## EXPANDED FIREFIGHTER DEFINITION FOR POLICE & FIRE PLAN MEMBERSHIP

The 2024 legislative changes expanded the definition of full-time firefighters for Police & Fire (P&F) Plan membership. Full-time firefighters now include full-time positions that are engaged in the hazards of or exposed to hazardous conditions resulting from firefighting or fire prevention, suppression, or investigation.

To be considered a firefighter, full-time employees must be:

- » Employed in a fire department,
- » Required by the employer to be (and are currently) licensed by the Board of Firefighter Training and Education under Minn. Stat. § 299N.05, and
- » Assigned less than 50% of the time to perform employment duties in the same department that are not within the scope of the above full-time firefighter duties.

Fire department employees who meet the criteria listed above must be enrolled in the P&F Plan with a position title of “firefighter”.

## DUAL OR COMBINED POSITIONS WITH MANDATORY POLICE & FIRE PLAN MEMBERSHIP

According to the 2024 legislation, P&F Plan membership is required for certain dual or combined full-time police officer or firefighter positions. Certain dual or combined part-time positions can be enrolled in the P&F Plan with a resolution.

**Full-time** dual or combined police officer or firefighter positions are required to participate in the P&F Plan if:

- » The full-time employees are assigned to perform other duties in the same police or fire department less than 50% of the time, and
- » The other duties are outside the scope of full-time police officer or firefighter requirements.

They do not need a resolution if these conditions are met.

**Part-time** dual or combined police officer or firefighter positions can participate in the P&F Plan if:

- » The part-time employees are assigned to perform other duties in the same police or fire department less than 50% of the time,
- » The other duties are outside the scope of part-time police officer or firefighter requirements, and
- » The governing board of their employing unit certifies their eligibility and files a resolution.

There are no options for P&F membership for full-time or part-time positions that are assigned to other duties in the same department more than 50% of the time. Instead, these employees should be enrolled in the Coordinated Plan if their earnings exceed the monthly threshold.

## POSITION TITLE “POLICE OFFICER” OR “FIREFIGHTER” FOR PERA PURPOSES

Employees who meet the statutory criteria for P&F Plan membership should be enrolled in the P&F Plan with a position title of “police officer” or “firefighter” for PERA purposes.

## CONTINUING POLICE & FIRE PLAN MEMBERSHIP WITH A TRANSFER

To maintain P&F Plan membership after transferring to a **different position in the same police or fire department** that would not otherwise be eligible for the P&F Plan, the governing board of the employing unit must file a resolution.

## TRANSFER TO ANOTHER POLICE OR FIRE DEPARTMENT IN THE STATE OF MINNESOTA

To maintain P&F Plan membership after transferring to a position in **another police or fire department** within Minnesota that would not otherwise be eligible for the P&F Plan, the governing board of their new employing unit must file a resolution.

## TRANSFER TO ANOTHER DEPARTMENT IN THE SAME AGENCY

Members cannot maintain P&F Plan membership if they are transferred to another department within the same agency.



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## Election Workers: Excluded from PERA Membership

Minnesota has a statewide Section 218 Agreement with the Social Security Administration for election workers. The agreement rules apply to each governmental unit in Minnesota.

### WHO IS AN ELECTION WORKER?

Election workers are individuals hired by government entities to perform services at polling places in connection with national, state, and local elections. Election workers can also be called poll workers, ballot clerks, or voting officials. Election workers are often paid a set fee each day or a stipend for the election period, which includes attendance at training or meetings both before and after the election.

### NO PERA PARTICIPATION

According to statute, election workers do not qualify for PERA membership, regardless of the amount of pay they receive.

### SOCIAL SECURITY AND MEDICARE

In Minnesota, election workers whose pay in a calendar year is less than \$2,300 are not subject to Social Security and Medicare (FICA) coverage. However, if an election worker is paid more than \$2,300, FICA taxes apply from the first dollar paid.

More information about election workers is available on PERA's [Social Security](#) page. For current and historical threshold amounts, visit the [Election Officials and Election Workers](#) page of the Social Security website. The [Election Workers](#) page of the Internal Revenue Service has not been updated with the 2024 threshold, but it provides information about withholding and reporting.