

CHAPTER 465 — S.F.No. 787

An act relating to retirement; volunteer firefighters relief associations; financing and benefit amounts; amending Minnesota Statutes 1980, Sections 69.772, Subdivision 2a; 424.01; 424.02; 424.04; 424.16; 424.17; and 424A.02, Subdivisions 3 and 9.

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

Section 1. Minnesota Statutes 1981 Supplement, Section 69.772, Subdivision 2a, is amended to read:

Subd. 2a. **DETERMINATION OF ACCRUED LIABILITY FOR RECIPIENTS OF INSTALLMENT PAYMENTS.** Each firefighters' relief association which pays a lump sum service pension in installment payments to a retired firefighter pursuant to section 424A.02, subdivision 8, shall determine the accrued liability of the special fund of the firefighters' relief association relative to each retired member receiving a lump sum service pension in installment payments calculated individually as the sum of each future installment payment discounted at an interest rate of five percent, compounded annually, from the date the installment payment is scheduled to be paid to December 31. If the bylaws of the relief association provide for the payment of interest on unpaid installments, the amount of interest, projected to December 31, shall be added to the accrued liability attributable to each retired member. The sum of the accrued liability attributable to each retired member of the relief association receiving a lump sum service pension in installment payments shall be the total additional accrued liability of the special fund of the relief association as of December 31, and shall be added to the accrued liability of the special fund of the relief association calculated pursuant to subdivision 2 for purposes of calculating the financial requirements of the relief association and the minimum obligation of the municipality pursuant to subdivision 3.

To the extent that the commissioner of insurance deems it to be necessary or practical, the commissioner may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1980, Section 424.01, is amended to read:

424.01 FIREFIGHTER'S RELIEF ASSOCIATION IN CITIES A CITY OF SECOND CLASS.

If it employs for compensation one or more regular full-time paid firefighters who are eligible for membership in the relief association pursuant to law, the fire department of each a city of the second class in this state which was so classified on or before August 1, 1975 shall maintain a firefighter's relief association which shall be incorporated under the laws of the state. All such second class city firefighters relief associations now existing as such corporations,

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or hereafter incorporated under the laws of this state, shall have perpetual corporate existence.

Sec. 3. Minnesota Statutes 1980, Section 424.02, is amended to read:

424.02 ORGANIZATION; OPERATION.

Each relief association shall be organized, operated, and maintained in accordance with its own articles of incorporation and bylaws, by firefighters, as hereinafter defined, who are members of the fire departments. Each association shall have power to regulate its own management and its own affairs, and all additional corporated powers which may be necessary or useful; subject to the regulations and restrictions applicable provisions of sections 424.01 to 424.29 this chapter and chapter 424A, and other laws of this state pertaining to corporations, not inconsistent herewith.

Sec. 4. Minnesota Statutes 1980, Section 424.04, is amended to read:

424.04 MEMBERS.

Subdivision 1. PAID FIREFIGHTERS. Every paid firefighter, as defined in section 424.03, shall be eligible to apply for membership in the relief association in the city in which he the person is employed within the time and in the manner hereinafter set forth. Any such firefighter desiring to become a member shall, not later than 90 days from the time when he the person is regularly entered on the payrolls of the fire department, make written application for membership in the relief association on forms supplied by the association, accompanied by one or more physician's certificates as required by the bylaws of the association. After the application has been filed, the board of examiners of the association shall make a thorough investigation thereof and file their report with the secretary of the association. Such An application must shall be acted upon by the association within six months from the date applicant was entered on the payroll of the fire department. No paid firefighter who is more than 35 years of age when his the application of the person is filed can shall become a member of the relief association, except that such this age limitation of 35 years shall not apply on application for reinstatement in the association.

Subd. 2. VOLUNTEER FIREFIGHTERS. Every volunteer firefighter shall be eligible to apply for membership in the relief association and shall make written application for membership in the relief association on forms supplied by the association not later than 90 days from the date on which the person commenced service as a volunteer firefighter. No application from a person who is ineligible for membership pursuant to section 424A.01, subdivision 1 or 2 or who is excluded as constituting an unwarranted health risk pursuant to section 424A.01, subdivision 4 shall be approved by the association. The application shall be acted upon by the association within six months from the date on which the person commenced service as a volunteer firefighter. No volunteer firefighter who is more than 35 years of age when appointed to serve in any capacity

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performing any firefighting duties with a fire department shall become a member of the relief association, except that this age limitation shall not apply on any application for reinstatement in the association.

Sec. 5. Minnesota Statutes 1980, Section 424.16, is amended to read:

424.16 SPECIAL FUND; DISBURSEMENT; SEGREGATION IN CASE OF VOLUNTEER MEMBERS.

The amounts so paid to relief association by the state and each city under the provisions of sections 424.01 to 424.29 and by it set aside and deposited as a special fund, shall be appropriated and disbursed by each such association for the following purposes:

(1) For the relief of sick, injured, and disabled members of the relief associations, their surviving spouses and orphans; and

(2) For payment of disability and service pensions to members of the relief associations.

(3) ~~In any city of the second class city firefighters relief association in which members the membership of the firefighters' relief association include~~ includes volunteer firefighters, the special fund shall be segregated into two accounts, one of which shall be for the benefit of members who are volunteer firefighters, and the other for the benefit of members who are paid firefighters. All moneys received by the association which are derived from payroll deductions from paid firefighters' salaries under section 424.12 shall be paid into the account of the special fund for the benefit of paid firefighters only. Funds received from other sources shall be allocated between the account for the benefit of paid firefighters and the account for the benefit of volunteer firefighters in such proportions as shall be designated by the governing body of the city from time to time. The paid firefighters account of the special fund shall be governed by the applicable provisions of this chapter and the volunteer firefighters account of the special fund shall be governed by the applicable provisions of chapter 424A. In the event the governing body of the city shall abolish the volunteer ~~branch firefighters account~~ of its fire department, any surplus remaining in the account of the fund for the benefit of volunteer firefighters after discharging all obligations to those who are volunteer members at the time of such the abolition shall be paid into the account of the fund for the benefit of paid firefighters. ~~Any funds of a firefighters' relief association in a municipality which shall have become a city of the second class by adoption of a home rule charter, or increase in its population, may be allocated by action of the governing body of such city between the respective accounts of the special fund of the relief association for the benefit of paid firefighters and volunteer firefighters if, prior to becoming a city of second class, the municipality shall have had a relief association whose members included volunteer firefighters.~~

(4) For the payment of administrative expenses of the association as authorized pursuant to section 69.80.

Sec. 6. Minnesota Statutes 1980, Section 424.17, is amended to read:

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424.17 RELIEF, DETERMINATION OF ENTITLEMENT; VOLUNTEERS INCLUDED.

Each relief association shall, in its bylaws, define the sickness and disability entitling its members to relief, and specify the amounts thereof, and also specify the amounts to be paid to its disability and service pensioners, and to surviving spouses and children of deceased members, and to fix the age limit of children to which pensions may be paid. When the total assets of the association shall amount to \$50,000 or more, it shall have the right to pay to its members the maximum amounts specified in sections 424.01 to 424.29. The bylaws of such the association shall provide for payment of a service pension to volunteer firefighters who are members of the association, which service pension shall be paid in a lump sum in an amount not exceeding \$100 per year of service, to a retiring member or surviving spouse or minor children of a deceased member who qualifies for a service pension by reason of having reached the age of 50 years, and who has done active duty for 20 years or more as a volunteer firefighter of the fire department in the municipality where the association exists. The bylaws of such association may provide for payment of a service pension to volunteer firefighters who are members of the association, which service pension shall be paid in a lump sum, in an amount not exceeding \$100 per year of service, to a retiring member, who qualifies for a service pension by reason of having become physically disabled (as certified by a physician designated by the governing body of the municipality) so that he cannot continue with his duties as a volunteer firefighter of the fire department in the municipality where the association exists, or to the surviving spouse or minor children of a deceased member who dies before reaching the age of 50 years, and before rendering 20 years active duty as a volunteer firefighter. No other pension or benefit shall be payable to members of the association who are volunteer firefighters, provided that, in accordance with the applicable provisions of chapter 424A. If the services of all volunteer firefighters are discontinued and the volunteer division firefighters account of the fire department is abolished by the municipality, the volunteer firefighters who are members of the association at the time of such the discontinuance and abolishment shall be paid a service pension, in a lump sum, in an amount not equal to exceed \$100 per year of service rendered the service pension amount in effect immediately prior to such the discontinuance and abolishment. In determining the period of service of any individual member of the association for the purpose of computation of service requirements in connection with payment of any pensions or other benefits specified by the bylaws of the relief association, or any provision of sections 424.03 to 424.29, service of a volunteer or paid firefighter of the fire department of the municipality in which the relief association is situated, and membership in a firefighters' relief association in such the municipality prior to said the municipality becoming a city of the second class, shall be taken into account on the same basis as if said the municipality had been a city of the second class during all of the time such the service was rendered.

Sec. 7. Minnesota Statutes 1980, Section 424A.02, Subdivision 3, is amended to read:

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Subd. 3. **FLEXIBLE SERVICE PENSION MAXIMUMS.** On or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to section 69.772, subdivision 4, or 69.773, subdivision 5, the secretary or some other official of the relief association designated in the bylaws of each volunteer firefighters' relief association or volunteer firefighters' account, other than a relief association or account which in its bylaws provides solely for the payment of a defined contribution service pension as authorized pursuant to subdivision 4, shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association or account, any amounts of municipal contributions to the relief association or account raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association or account calculated pursuant to sections 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any. The maximum service pension which the relief association may provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met shall be determined using the applicable following table.

For a relief association or account where the governing bylaws provide for a monthly service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum monthly service pension amount per month for each year of service credited which may be provided for in the bylaws shall be the greater of the service pension amount provided for in the bylaws on the date of calculation or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
<u>38 37</u>	.50
<u>74 75</u>	1.00
112	1.50
149	2.00
<u>196 186</u>	2.50
<u>223 224</u>	3.00
261	3.50
298	4.00
<u>335 336</u>	4.50
<u>372 373</u>	5.00

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410	447	6.00
447	<u>522</u>	7.00
484	<u>597</u>	8.00
521	<u>671</u>	9.00
558	<u>746</u>	10.00
595	<u>820</u>	11.00
633	<u>895</u>	12.00
670	<u>969</u>	13.00
707	<u>1044</u>	14.00
744	<u>1119</u>	15.00
<u>1193</u>		16.00
<u>1268</u>		17.00
<u>1342</u>		18.00
<u>1417</u>		19.00
<u>1491</u>		20.00
<u>1566</u>		21.00
<u>1640</u>		22.00
<u>1678</u>	or more	22.50

For a relief association or account in which the governing bylaws provide for a lump sum service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum lump sum service pension amount for each year of service credited which may be provided for in the bylaws shall be the greater of the service pension amount provided for in the bylaws on the date of the calculation or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
\$..	\$10
10	20
14	30
20	40
24	50
28	60
38	80
48	100
58	120
68	140
76	160
86	180
96	200
116	240
134	280
154	320
172	360
192	400

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212	440
230	480
250	520
268	560
288	600
308	640
326	680
346	720
364	760
384	800
432	900
480	1000
528	1100
576	1200
624	1300
672	1400
720	1500
768	1600
816	1700
864	1800
912	1900
960	2000
<u>1008</u>	<u>2100</u>
<u>1056</u>	<u>2200</u>
<u>1104</u>	<u>2300</u>
<u>1152</u>	<u>2400</u>
<u>1200</u>	<u>2500</u>
<u>1248</u>	<u>2600</u>
<u>1296</u>	<u>2700</u>
<u>1344</u>	<u>2800</u>
<u>1392</u>	<u>2900</u>
<u>1440 or more</u>	<u>3000</u>

For a relief association or account in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension at the option of the retiring member, the maximum service pension amount shall be determined using the applicable table contained in this subdivision.

Sec. 8. Minnesota Statutes 1980, Section 424A.02, Subdivision 9, is amended to read:

Subd. 9. **LIMITATION ON RETIREMENT BENEFITS OTHER THAN SERVICE PENSION.** Any relief association or account to which this section applies, if the governing bylaws so provide, may provide retirement coverage for and may pay any one or any combination death, disability, funeral and survivorship benefits which would constitute an authorized disbursement as specified in section 424A.05 subject to the following limitations:

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(1) With respect to a relief association or account where the governing bylaws provide for a lump sum service pension to a retiring member, no retirement benefit may be paid to any former member or paid to any person on behalf of any former member subsequent to the former member terminating active service with the municipal fire department to which the relief association or account is directly associated or the independent nonprofit firefighting corporation of which the relief association is a subsidiary, whichever is applicable, and active membership in the relief association or account, and commencing receipt of a service pension as authorized pursuant to this section; and

(2) With respect to any relief association or account, no retirement benefit paid or payable to any member, to any former member or to any person on behalf of any member or former member may exceed in amount the total service pension calculated using the service pension amount specified in the governing bylaws and the years of service credited to the member or former member as of the date the member or former member became entitled to the retirement benefit or the date the member or former member died entitling a survivor to a retirement benefit on behalf of the member or former member, calculated without regard to whether the member or former member attained the minimum amount of service credit specified in the governing bylaws or not and without regard to the percentage amounts specified in subdivision 2; except that the bylaws of any relief association may provide for the payment of a benefit equivalent of not to exceed five times the yearly service pension amount specified in the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

Sec. 9. **EFFECTIVE DATE.**

This act is effective July 1, 1982.

Approved March 18, 1982

CHAPTER 466 — S.F.No. 1231

An act relating to waters; exempting certain watercraft from requirements related to personal flotation devices; amending Minnesota Statutes 1980, Section 361.141, Subdivision 1.

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

Section 1. Minnesota Statutes 1980, Section 361.141, Subdivision 1, is amended to read:

Subdivision 1. **PERSONAL FLOTATION OR LIFESAVING DEVICES.** Watercraft using the waters of this state shall be equipped with the

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