

1.1 ..... moves to amend H.F. No. 1234 as follows:

1.2 Page 9, after line 24, insert:

1.3 "Sec. 6. Minnesota Statutes 2022, section 353.01, subdivision 47, is amended to read:

1.4 Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an  
1.5 annuity or benefit from a retirement plan administered by the ~~Public Employees Retirement~~  
1.6 association by having credit for sufficient allowable service under paragraph (b), (c), or (d),  
1.7 whichever applies.

1.8 (b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan  
1.9 member of the general employees retirement plan of the ~~Public Employees Retirement~~  
1.10 association:

1.11 (1) a public employee who first became a member of the association before July 1, 2010,  
1.12 is 100 percent vested when the person has accrued credit for not less than three years of  
1.13 allowable service in the general employees retirement plan; and

1.14 (2) a public employee who first becomes a member of the association after June 30,  
1.15 2010, is 100 percent vested when the person has accrued credit for not less than five years  
1.16 of allowable service in the general employees retirement plan.

1.17 (c) For purposes of qualifying for an annuity or benefit as a member of the local  
1.18 government correctional service retirement plan:

1.19 (1) a public employee who first became a member of the association before July 1, 2010,  
1.20 is 100 percent vested when the person has accrued credit for not less than three years of  
1.21 allowable service in the local government correctional service retirement plan; and

2.1 (2) a public employee who first becomes a member of the association after June 30,  
2.2 2010, is vested at the following percentages when the person has accrued credit for allowable  
2.3 service in the local government correctional service retirement plan, as follows:

2.4 (i) 50 percent after five years;

2.5 (ii) 60 percent after six years;

2.6 (iii) 70 percent after seven years;

2.7 (iv) 80 percent after eight years;

2.8 (v) 90 percent after nine years; and

2.9 (vi) 100 percent after ten years.

2.10 (d) For purposes of qualifying for an annuity or benefit as a member of the public  
2.11 employees police and fire retirement plan:

2.12 (1) a public employee who first became a member of the association before July 1, 2010,  
2.13 is 100 percent vested when the person has accrued credit for not less than three years of  
2.14 allowable service in the public employees police and fire retirement plan;

2.15 (2) a public employee who first becomes a member of the association after June 30,  
2.16 2010, and before July 1, 2014, is vested at the following percentages when the person has  
2.17 accrued credited allowable service in the public employees police and fire retirement plan,  
2.18 as follows:

2.19 (i) 50 percent after five years;

2.20 (ii) 60 percent after six years;

2.21 (iii) 70 percent after seven years;

2.22 (iv) 80 percent after eight years;

2.23 (v) 90 percent after nine years; and

2.24 (vi) 100 percent after ten years; and.

2.25 ~~(3) a public employee who first becomes a member of the association after June 30,~~  
2.26 ~~2014, is vested at the following percentages when the person has accrued credit for allowable~~  
2.27 ~~service in the public employees police and fire retirement plan, as follows:~~

2.28 ~~(i) 50 percent after ten years;~~

2.29 ~~(ii) 55 percent after 11 years;~~

2.30 ~~(iii) 60 percent after 12 years;~~

- 3.1 ~~(iv) 65 percent after 13 years;~~  
 3.2 ~~(v) 70 percent after 14 years;~~  
 3.3 ~~(vi) 75 percent after 15 years;~~  
 3.4 ~~(vii) 80 percent after 16 years;~~  
 3.5 ~~(viii) 85 percent after 17 years;~~  
 3.6 ~~(ix) 90 percent after 18 years;~~  
 3.7 ~~(x) 95 percent after 19 years; and~~  
 3.8 ~~(xi) 100 percent after 20 or more years.~~

3.9 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
 3.10 all members, as defined under section 353.01, subdivision 7, of the police and fire plan, and  
 3.11 all former members, as defined under section 353.01, subdivision 7a, of the police and fire  
 3.12 plan who have not begun to receive a retirement annuity."

3.13 Page 10, after line 5, insert:

3.14 "Sec. 8. Minnesota Statutes 2022, section 353.031, subdivision 3, is amended to read:

3.15 Subd. 3. **Procedure to determine eligibility; generally.** (a) Every claim for a disability  
 3.16 benefit must be initiated in writing on an application form and in the manner prescribed by  
 3.17 the executive director and filed with the executive director. To be valid, an application for  
 3.18 disability benefits must be made within 18 months following termination of public service  
 3.19 as defined under section 353.01, subdivision 11a, and include the required application form  
 3.20 and the medical reports required by paragraph (c).

3.21 (b) All medical reports must support a finding that the disability arose before the employee  
 3.22 was placed on any paid or unpaid leave of absence or terminated public service, as defined  
 3.23 under section 353.01, subdivision 11a.

3.24 (c) An applicant for disability shall provide a detailed report signed by a licensed medical  
 3.25 doctor and at least one additional report signed by a medical doctor, psychiatrist, psychologist,  
 3.26 an APRN, or a chiropractor. The applicant ~~shall~~ must authorize the release of all medical  
 3.27 and health care evidence, including all medical records and relevant information from any  
 3.28 source, to support the application for initial, or the continuing payment of, disability benefits.

3.29 (d) All reports must contain an opinion regarding the ~~claimant's~~ applicant's prognosis,  
 3.30 the duration of the disability, and the expectations for improvement. Any report that does

4.1 not contain and support a finding that the disability will last for at least one year may not  
4.2 be relied upon to support eligibility for benefits.

4.3 (e) Where the medical evidence supports the expectation that at some point in time the  
4.4 ~~claimant~~ applicant will no longer be disabled, any decision granting disability may provide  
4.5 for a termination date upon which disability can be expected to no longer exist. In the event  
4.6 a termination date is made part of the decision granting benefits, prior to the actual  
4.7 termination of benefits, the ~~claimant~~ applicant shall have the opportunity to show that the  
4.8 disabling condition for which benefits were initially granted continues. In the event the  
4.9 benefits terminate in accordance with the original decision, the ~~claimant~~ applicant may  
4.10 petition for a review by the board of trustees under section 353.03, subdivision 3, or may  
4.11 reapply for disability in accordance with these procedures and section 353.33, 353.656, or  
4.12 353E.06, as applicable.

4.13 (f) ~~Any claim to disability must be supported by a report from~~ Upon receipt of a valid  
4.14 application, the executive director must notify the employer. No later than 30 days after  
4.15 receiving the notification, the employer must provide a report to the executive director  
4.16 indicating that there is no available work that the ~~employee~~ applicant can perform in the  
4.17 ~~employee's~~ applicant's disabled condition and that all reasonable accommodations have  
4.18 been considered. Upon request of the executive director, an employer shall provide evidence  
4.19 of the steps the employer has taken to attempt to provide reasonable accommodations and  
4.20 continued employment to the ~~claimant~~ applicant. The employer shall also provide a  
4.21 certification of the ~~member's~~ applicant's past public service; the dates of any paid sick leave,  
4.22 vacation, or any other employer-paid salary continuation plan beyond the last working day;  
4.23 and whether or not any sick or annual leave has been allowed.

4.24 (g) An ~~employee~~ applicant who is placed on leave of absence without compensation  
4.25 because of a disability is not barred from receiving a disability benefit.

4.26 (h) An applicant for disability benefits may file a retirement annuity application under  
4.27 section 353.29, subdivision 4, simultaneously with an application for disability benefits. If  
4.28 the application for disability benefits is approved, the retirement annuity application is  
4.29 canceled. If disability benefits are denied, the retirement annuity application must be  
4.30 processed upon the request of the applicant. No member of the ~~public~~ general employees  
4.31 ~~general~~ retirement plan, the ~~public~~ employees police and fire plan, or the local government  
4.32 correctional service retirement plan may receive a disability benefit and a retirement annuity  
4.33 simultaneously from the same plan.

4.34 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.1 Sec. 9. Minnesota Statutes 2022, section 353.031, subdivision 8, is amended to read:

5.2 Subd. 8. **Proof of ~~continuing disability~~ eligibility upon reapplication.** (a) A person  
5.3 must not be paid a disability benefit payment must not be made except upon furnishing  
5.4 adequate proof furnished to the executive director of the association that the person ~~remains~~  
5.5 is disabled and, upon reapplication, that the disability is the same disability for which  
5.6 disability benefits were initially granted.

5.7 (b) ~~During the time when~~ At the end of each year of disability benefits are being paid,  
5.8 payments for the first five years of disability payments and at the end of every three years  
5.9 of disability payments thereafter, the person receiving the disability payments must reapply  
5.10 and provide proof of disability to the executive director of the association. The executive  
5.11 director has the right, at reasonable times between applications, to require the disabled  
5.12 member person to submit proof of the continuance of the disability claimed.

5.13 (c) Adequate proof of a disability upon reapplication must include a written expert report  
5.14 by a licensed physician, an APRN, or a licensed chiropractor, or, with respect to a mental  
5.15 impairment, a licensed psychiatrist or psychologist.

5.16 (d) The reapplication requirement may be waived by the executive director if the  
5.17 executive director receives a written statement from the medical adviser retained by the  
5.18 association under subdivision 5 that no improvement can be expected in the person's disability  
5.19 condition that was the basis for the payment of the disability benefit.

5.20 (e) If the person's reapplication is denied, the person bears the burden of proving eligibility  
5.21 for a disability benefit in an appeal under section 356.96.

5.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.23 Sec. 10. Minnesota Statutes 2022, section 353.031, subdivision 9, is amended to read:

5.24 Subd. 9. **Application approval or denial; decision of executive director.** Any decision  
5.25 of the executive director is final, except that a member whose application for disability  
5.26 benefits or whose ~~continuation of disability benefits~~ reapplication under subdivision 8 is  
5.27 denied may appeal the executive director's decision to the board of trustees within 60 days  
5.28 of receipt of a certified letter notifying the member of the decision to deny the application  
5.29 or ~~continuation of benefits~~ reapplication. In developing the record for review by the board  
5.30 when a decision is appealed, the executive director may direct that the applicant participate  
5.31 in a fact-finding session conducted by an administrative law judge assigned by the Office  
5.32 of Administrative Hearings, and, as applicable, a vocational assessment conducted by the

6.1 qualified rehabilitation counselor on contract with the ~~Public Employees Retirement~~  
6.2 association.

6.3 **EFFECTIVE DATE.** This section is effective the day following final enactment."

6.4 Page 16, after line 21, insert:

6.5 "Sec. 12. Minnesota Statutes 2022, section 353.335, is amended to read:

6.6 **353.335 DISABILITANT EARNINGS REPORTS.**

6.7 Unless waived by the executive director, a disability benefit recipient must report all  
6.8 earnings from reemployment ~~and from income from workers' compensation~~ to the association  
6.9 annually by May 15 in a format prescribed by the executive director. If the form is not  
6.10 submitted by May 15, benefits must be suspended effective June 1. If, upon receipt of the  
6.11 form ~~by the association, if the executive director determines that the disability benefit~~  
6.12 recipient is ~~deemed by the executive director to be~~ eligible for continued payment, benefits  
6.13 must be reinstated retroactive to June 1. The executive director may waive the requirements  
6.14 in this section if the medical evidence supports that the disability benefit recipient will not  
6.15 have earnings from reemployment.

6.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.17 Sec. 13. Minnesota Statutes 2022, section 353.656, subdivision 1, is amended to read:

6.18 Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the police  
6.19 and fire plan, ~~other than~~ who (1) is not a firefighter covered by section 353.6511, or a police  
6.20 officer covered by section 353.6512, who is determined to qualify for (2) has a condition  
6.21 that meets the definition of a duty disability as defined in under section 353.01, subdivision  
6.22 41, and (3) has filed an application under section 353.031 that was approved by the executive  
6.23 director is entitled to receive disability benefits during the period of ~~such~~ disability in an  
6.24 amount equal to 60 percent of the member's average salary as defined in under section  
6.25 353.01, subdivision 17a, plus an additional 3.0 percent of that average salary for each year  
6.26 of service in excess of 20 years.

6.27 (b) To be eligible for a benefit under paragraph (a), the member must have:

6.28 (1) not met the age and vesting requirements for a retirement annuity under section  
6.29 353.651, subdivision 1; or

6.30 (2) met the age and vesting requirements under that subdivision, but does not have at  
6.31 least 20 years of allowable service credit.

7.1 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period  
7.2 of 60 months from the disability benefit accrual date and at the end of that period is subject  
7.3 to provisions of subdivision 5a.

7.4 (d) If the disability under this subdivision occurs before the member has at least five  
7.5 years of allowable service credit in the police and fire plan, the disability benefit must be  
7.6 computed on the average salary from which deductions were made for contribution to the  
7.7 police and fire fund.

7.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.9 Sec. 14. Minnesota Statutes 2022, section 353.656, subdivision 1a, is amended to read:

7.10 Subd. 1a. **Total and permanent duty disability; computation of benefits.** (a) A member  
7.11 of the police and fire plan, ~~other than~~ who (1) is not a firefighter covered by section 353.6511,  
7.12 or a police officer covered by section 353.6512, whose disabling (2) has a condition is  
7.13 determined to be that meets the definition of a duty disability under section 353.01,  
7.14 subdivision 41, and that is also a permanent and total and permanent disability as defined  
7.15 in under section 353.01, subdivision 19, and (3) has filed an application under section  
7.16 353.031 that was approved by the executive director is entitled to receive, for life, a disability  
7.17 benefits benefit in an amount equal to 60 99 percent of the member's average salary as  
7.18 defined in under section 353.01, subdivision 17a, plus an additional 3.0 percent of that  
7.19 average salary for each year of service in excess of 20 years. A member receiving a benefit  
7.20 under this paragraph as in effect on June 30, 2023, must receive, beginning July 1, 2023, a  
7.21 disability benefit in an amount equal to the greater of 99 percent of the member's average  
7.22 salary as defined under section 353.01, subdivision 17a, in effect as of the date of the  
7.23 disability or the amount of the disability benefit the member is receiving on June 30, 2023.

7.24 (b) A disability benefit payable under paragraph (a) is subject to ~~eligibility review~~ the  
7.25 reapplication requirements under section 353.33, subdivision 6, but the ~~review~~ reapplication  
7.26 may be waived if the executive director receives a written statement from the ~~association's~~  
7.27 medical advisor retained by the association under section 353.031, subdivision 5, that no  
7.28 improvement can be expected in the member's ~~disabling~~ disability condition that was the  
7.29 basis for payment of the benefit under paragraph (a).

7.30 (c) A member receiving a disability benefit under this subdivision who is found to no  
7.31 longer be ~~permanently and totally disabled~~ have a total and permanent disability as defined  
7.32 under section 353.01, subdivision 19, but continues to ~~meet the definition for receipt of~~  
7.33 have a duty disability as defined under section 353.01, subdivision 41, is subject to  
7.34 subdivision 1 upon written notice from the association's medical advisor that the person is

8.1 no longer ~~considered permanently and totally disabled~~ has a total and permanent disability,  
 8.2 and may, upon application, elect an optional annuity under subdivision 1b.

8.3 ~~(e)~~ (d) If a member approved for disability benefits under this subdivision dies before  
 8.4 attaining normal retirement age as defined ~~in~~ under section 353.01, subdivision 37, paragraph  
 8.5 (b), or within 60 months of the effective date of the disability, whichever is later, the  
 8.6 surviving spouse is entitled to receive a survivor benefit under section 353.657, subdivision  
 8.7 2, paragraph (a), clause (1), if the death is the direct result of the disabling condition for  
 8.8 which disability benefits were approved, or section 353.657, subdivision 2, paragraph (a),  
 8.9 clause (2), if the death is not directly related to the disabling condition for which benefits  
 8.10 were approved under this subdivision.

8.11 ~~(d)~~ (e) If the election of an actuarial equivalent optional annuity is not made at the time  
 8.12 the ~~permanent and~~ member is entitled to begin to receive total and permanent disability  
 8.13 ~~benefit accrues~~ benefits, an election must be made within 90 days before the member attains  
 8.14 normal retirement age as defined under section 353.01, subdivision 37, paragraph (b), or  
 8.15 ~~having~~ has collected total and permanent disability benefits for 60 months, whichever is  
 8.16 later. If a member receiving disability benefits who has dependent children dies, subdivision  
 8.17 6a, paragraph (c), applies.

8.18 **EFFECTIVE DATE.** This section is effective July 1, 2023.

8.19 Sec. 15. Minnesota Statutes 2022, section 353.656, subdivision 1b, is amended to read:

8.20 Subd. 1b. **Optional annuity election.** (a) A disabled member of the police and fire fund  
 8.21 may elect to receive the normal disability benefit or an actuarial equivalent optional annuity.  
 8.22 If the election of an actuarial equivalent optional annuity is made before the commencement  
 8.23 of payment of the disability benefit, the member is entitled to begin payment of the optional  
 8.24 annuity must begin to accrue on the same date as that the normal disability benefit covering  
 8.25 only the disability benefit recipient would have accrued would have begun. For the purpose  
 8.26 of this subdivision, a "normal disability benefit" is a monthly benefit payable for the life of  
 8.27 the member and equal to a percentage of the member's average salary as defined under  
 8.28 section 353.01, subdivision 17a. The percentage is 60 percent if the disability is a duty  
 8.29 disability under subdivision 1 or 99 percent if the disability is a total and permanent disability.

8.30 (b) If an election of an optional annuity is not made before the commencement of the  
 8.31 disability benefit, the disability benefit recipient may elect an optional annuity:

8.32 (1) within 90 days before normal retirement age;



9.1 (2) upon the filing of an application to convert to an early retirement annuity, if electing  
 9.2 to convert to an early retirement annuity before the normal retirement age;

9.3 (3) within 90 days before the expiration of the 60-month period for which a disability  
 9.4 benefit is paid, if the disability benefit is payable because the disabled member did not have  
 9.5 at least 20 years of allowable service at normal retirement age; or

9.6 (4) upon ~~being determined~~ a determination that the disability benefit recipient continues  
 9.7 to be disabled under subdivision 1, but is no longer ~~totally and permanently disabled~~ has a  
 9.8 total and permanent disability under subdivision 1a.

9.9 (c) If a disabled member who has named a joint and survivor optional annuity beneficiary  
 9.10 dies before the disability benefit ceases and is recalculated under subdivision 5a, the  
 9.11 beneficiary eligible to receive the joint and survivor annuity may elect to have the annuity  
 9.12 converted at the times designated in paragraph (b), clause (1), (2), or (3), whichever allows  
 9.13 for the earliest payment of a higher joint and survivor annuity option resulting from  
 9.14 recalculation under subdivision 5a, paragraph (e).

9.15 (d) A disabled member may name a person other than the spouse as beneficiary of a  
 9.16 joint and survivor annuity only if the spouse of the disabled member permanently waives  
 9.17 surviving spouse coverage on the disability application form prescribed by the executive  
 9.18 director.

9.19 (e) If the spouse of the member permanently waives survivor coverage, the dependent  
 9.20 child or children, if any, continue to be eligible for dependent child benefits under section  
 9.21 353.657, subdivision 3, and the designated optional annuity beneficiary may draw the  
 9.22 monthly benefit.

9.23 (f) Any optional annuity under this subdivision, plus dependent child benefits, if  
 9.24 applicable, are subject to the maximum and minimum family benefit amounts specified in  
 9.25 section 353.657, subdivision 3a.

9.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.27 Sec. 16. Minnesota Statutes 2022, section 353.656, subdivision 3, is amended to read:

9.28 Subd. 3. **Regular disability benefit.** (a) A member of the police and fire plan, ~~other~~  
 9.29 ~~than~~ who (1) is not a firefighter covered by section 353.6511, or a police officer covered  
 9.30 by section 353.6512, who qualifies for (2) has at least one year of allowable service, (3) has  
 9.31 a condition that meets the definition of a regular disability benefit as defined in under section  
 9.32 353.01, subdivision 46, (4) has filed an application under section 353.031 that was  
 9.33 approved by the executive director is entitled to receive a disability benefit, ~~after filing a~~

10.1 ~~valid application~~, in an amount equal to 45 percent of the member's average salary as defined  
10.2 in section 353.01, subdivision 17a.

10.3 (b) To be eligible for a benefit under paragraph (a), the member must have at least one  
10.4 year of allowable service credit and have:

10.5 (1) not met the age and vesting requirements for a retirement annuity under section  
10.6 353.651, subdivision 1; or

10.7 (2) met the age and vesting requirements under that subdivision, but does not have at  
10.8 least 15 years of allowable service credit.

10.9 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period  
10.10 of 60 months from the disability benefit accrual date and, at the end of that period, is subject  
10.11 to provisions of subdivision 5a.

10.12 (d) For a member who is employed as a full-time firefighter by the Department of Military  
10.13 Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs  
10.14 Department firefighter credited by the Minnesota State Retirement System may be used in  
10.15 meeting the minimum allowable service requirement of this subdivision.

10.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

10.17 Sec. 17. Minnesota Statutes 2022, section 353.656, subdivision 3a, is amended to read:

10.18 Subd. 3a. **Total and permanent regular disability; computation of benefits.** (a) A  
10.19 member of the police and fire plan, ~~other than~~ who (1) is not a firefighter covered by section  
10.20 353.6511, or a police officer covered by section 353.6512, whose disabling (2) has a  
10.21 condition is determined to be that meets the definition of a regular disability under section  
10.22 353.01, subdivision 46, and that is also a total and permanent ~~and total~~ disability as defined  
10.23 in under section 353.01, subdivision 19, and (3) has filed an application under section  
10.24 353.031 that was approved by the executive director is entitled to receive, for life, a disability  
10.25 benefit in an amount equal to 45 percent of the member's average salary as defined in under  
10.26 section 353.01, subdivision 17a, plus an additional 3.0 percent of that average salary for  
10.27 each year of service in excess of 15 years.

10.28 (b) A disability benefit payable under paragraph (a) is subject to eligibility review under  
10.29 section 353.33, subdivision 6, but the review may be waived if the executive director receives  
10.30 a written statement from the association's medical advisor that no improvement can be  
10.31 expected in the member's disabling condition that was the basis for payment of the benefit  
10.32 under paragraph (a). A member receiving a disability benefit under this subdivision who is  
10.33 found to no longer ~~be permanently and totally disabled~~ have a total and permanent disability

11.1 as defined under section 353.01, subdivision 19, but continues to ~~meet the definition for~~  
 11.2 ~~receipt of~~ have a regular disability as defined under section 353.01, subdivision 46, is subject  
 11.3 to subdivision 3 upon written notice from the association's medical advisor that the person  
 11.4 is no longer ~~considered permanently and totally disabled~~ has a total and permanent disability.

11.5 (c) A member approved for disability benefits under this subdivision may elect to receive  
 11.6 a normal disability benefit or an actuarial equivalent optional annuity. If the election of an  
 11.7 actuarial equivalent optional annuity is not made ~~at the time~~ by the date on which the member  
 11.8 is entitled to begin the total and permanent disability benefit ~~accrues~~, ~~an~~ the election must  
 11.9 be made within 90 days before the member attains normal retirement age as defined in  
 11.10 section 353.01, subdivision 37, paragraph (b), ~~or having collected~~, if later, the date on which  
 11.11 the member receives the sixtieth monthly payment of the disability benefits for 60 months,  
 11.12 whichever is later benefit. No surviving spouse benefits are payable if the member dies  
 11.13 during the period in which a normal ~~total and permanent~~ disability benefit is being paid. If  
 11.14 a member receiving disability benefits who has dependent children dies, subdivision 6a,  
 11.15 paragraph (c), applies. For the purpose of this subdivision, a "normal disability benefit" is  
 11.16 a monthly benefit payable for the life of the member.

11.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

11.18 Sec. 18. Minnesota Statutes 2022, section 353.656, subdivision 4, is amended to read:

11.19 Subd. 4. **Limitation on disability benefit payments.** (a) No member is entitled to  
 11.20 receive a disability benefit payment when there remains to the member's credit unused  
 11.21 annual leave, sick leave, or any other employer-provided salary continuation plan, or under  
 11.22 any other circumstances when, during the period of disability, there has been no impairment  
 11.23 of the person's salary as a police officer, a firefighter, or a paramedic as defined in section  
 11.24 353.64, subdivision 10, whichever applies.

11.25 (b) This paragraph applies to members who begin disability payments before August 1,  
 11.26 2023, and either are not required to reapply under section 353.031, subdivision 8, or have  
 11.27 not reached the end of one year or three years, as applicable, when reapplication under  
 11.28 section 353.031, subdivision 8, is required. If a disabled member resumes a gainful  
 11.29 occupation with earnings that, when added to the single life disability benefit, and workers'  
 11.30 compensation benefit if applicable, exceed the disability benefit recipient's reemployment  
 11.31 earnings limit, the amount of the disability benefit must be reduced during the months of  
 11.32 employment and receipt of workers' compensation benefits, if applicable, as provided in  
 11.33 this paragraph. The disability benefit recipient's reemployment earnings limit is the greater  
 11.34 of: (1) the monthly salary earned at the date of disability; or (2) 125 percent of the base

12.1 monthly salary currently paid by the employing governmental subdivision for similar  
 12.2 positions.~~(e)~~ The disability benefit must be reduced by one dollar for each three dollars by  
 12.3 which the total amount of the current monthly disability benefit, any monthly workers'  
 12.4 compensation benefits if applicable, and actual monthly earnings exceed the greater disability  
 12.5 benefit recipient's reemployment earnings limit. In no event may the monthly disability  
 12.6 benefit as adjusted under this subdivision exceed the disability benefit originally allowed.

12.7 (c) This paragraph applies to members who begin disability payments or are required  
 12.8 to reapply under section 353.031, subdivision 8, on or after August 1, 2023. If a disabled  
 12.9 member resumes a gainful occupation with earnings, the amount of the member's disability  
 12.10 benefit must be reduced during the period of employment by the sum of (1) one dollar for  
 12.11 each dollar of reemployment earnings, but not more than an amount equal to the employee  
 12.12 contribution rate as defined under section 353.65, subdivision 2, multiplied by the average  
 12.13 salary used to determine the amount of the member's disability benefit, and (2) one dollar  
 12.14 for each dollar by which the sum of the current disability benefit plus actual monthly  
 12.15 reemployment earnings exceeds the base monthly salary currently paid by the employing  
 12.16 governmental subdivision for similar positions. The reduction must not exceed the amount  
 12.17 of the member's disability benefit.

12.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.

12.19 Sec. 19. Minnesota Statutes 2022, section 353.656, subdivision 6a, is amended to read:

12.20 Subd. 6a. **Disability survivor benefits for ~~pre-~~ members disabled before July 1, 2007,**  
 12.21 **disabilitants.** (a) If a member who is receiving a disability benefit that was granted under  
 12.22 the laws in effect before July 1, 2007, dies before attaining normal retirement age as defined  
 12.23 under section 353.01, subdivision 37, paragraph (b), or within five years of the effective  
 12.24 date of the disability, whichever is later, the surviving spouse shall receive a survivor benefit  
 12.25 under section 353.657, subdivision 2, paragraph (a), clause (2); or 2a, unless the surviving  
 12.26 spouse elected to receive a refund under section 353.32, subdivision 1. The joint and survivor  
 12.27 optional annuity under subdivision 2a is based on the minimum disability benefit under  
 12.28 subdivision 1 or 3, or the deceased member's allowable service, whichever is greater.

12.29 (b) If the disability benefit was granted under the laws in effect before July 1, 2007, and  
 12.30 the ~~disabilitant~~ disabled member is living at the age required for receipt of a retirement  
 12.31 annuity under section 353.651, subdivision 1, or five years after the effective date of the  
 12.32 disability, whichever is later, the disabled member may continue to receive a normal disability  
 12.33 benefit, or the member may elect a joint and survivor optional annuity under section 353.30.  
 12.34 The optional annuity is based on the minimum disability benefit under subdivision 1 or 3,

13.1 or the member's allowable service, whichever is greater. The election of this joint and  
 13.2 survivor annuity must occur within 90 days before attaining normal retirement age as defined  
 13.3 under section 353.01, subdivision 37, paragraph (b), or within 90 days before the five-year  
 13.4 anniversary of the effective date of the disability benefit, whichever is later. The optional  
 13.5 annuity takes effect the first of the month following the month in which the person attains  
 13.6 the age required for receipt of a retirement annuity under section 353.651, subdivision 1,  
 13.7 or reaches the five-year anniversary of the effective date of the disability benefit, whichever  
 13.8 is later.

13.9 (c) If any disabled member dies while receiving a benefit and has a dependent child or  
 13.10 children, the association shall grant a dependent child benefit under section 353.657,  
 13.11 subdivision 3.

13.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.13 Sec. 20. Minnesota Statutes 2022, section 353.656, subdivision 10, is amended to read:

13.14 Subd. 10. ~~Accrual of benefits~~ **Entitlement to receive a disability benefit.** (a) Except  
 13.15 for a total and permanent disability under subdivision 1a, a member is entitled to begin to  
 13.16 receive payment of a disability benefit ~~begins to accrue~~ when the ~~applicant~~ member is no  
 13.17 longer receiving any form of compensation, whether salary or paid leave 90 days preceding  
 13.18 the filing of an application; or, if annual or sick leave, or any other employer-paid salary  
 13.19 continuation plan is paid for more than the 90-day period, from the date on which the  
 13.20 payment of salary ceased, whichever is later. Except for a total and permanent disability  
 13.21 under subdivision 1a, no member is entitled to receive a disability benefit payment when  
 13.22 there remains to the member's credit any unused annual leave, sick leave, or any other  
 13.23 employer-paid salary continuation benefit, or under any other circumstances when, during  
 13.24 the period of disability, there has been no impairment of the person's salary.

13.25 (b) Payment of the disability benefit must not continue beyond the end of the month in  
 13.26 which entitlement has terminated. If the ~~disabled~~ disabled member dies prior to negotiating  
 13.27 the check for the month in which death occurs, payment must be made to the surviving  
 13.28 spouse or, if none, to the designated beneficiary or, if none, to the estate.

13.29 **EFFECTIVE DATE.** This section is effective the day following final enactment."

13.30 Page 17, after line 24, insert:

13.31 "Sec. 22. **REPEALER.**

13.32 Minnesota Statutes 2022, section 353.656, subdivisions 2 and 2a, are repealed.

- 14.1 **EFFECTIVE DATE.** This section is effective January 1, 2024."
- 14.2 Renumber the sections in sequence and correct the internal references
- 14.3 Amend the title accordingly