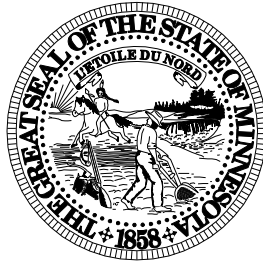


**Paul Novotny**  
**State Representative**

District 30B



# Minnesota House of Representatives

Representative Novotny's statement in opposition of HF1234.

5-9-2023

Last week, the House approved legislation that makes several changes to duty disability eligibility and benefits for law enforcement, firefighters, and other first responders. House File 1234 is a highly complex bill that will dramatically impact these brave men and women who have been injured physically, mentally, or both, in the line of duty.

In the hope of being included in the bill's negotiations and recognizing that there are sorely needed provisions, I voted to move the bill to negotiations with the Senate. I am opposed to the bill in its current state and am still hopeful that changes will be made before it is sent to the Governor for his signature.

There are some of the components of the bill that I support, like:

- 24-32 weeks of off-the-job treatment for mental health injuries.
- Employer and employee wages and benefits reimbursement while seeking treatment.
- 99% vs. 60% tax-free pension payments to those that are permanently disabled.

Despite the good that this bill will do, the most concerning and devastating provision is retroactive penalties on PERA members. Duty-Disabled (D.D.) pensioners retired under specific rules that would now be changed. A promise was made by the state of what benefits would be available to the duty disability retirees. These changes will apply to these individuals and their families after they have built a family budget based on the rules that existed when they were forced to retire. **This change is believed to impact about 80 duty-disabled Minnesotans operating under the 125% earning cap currently in state law.** It is unfair and not right to specifically target these individuals who have been disabled while serving their community.

With an estimated \$40 million Public Employee Retirement Association (PERA) shortfall, **this change would account for around \$1.6 million in extra tax revenue, less than 5% of what is needed overall to address the shortfall.**

A recurring talking point of the DFL authors is that active members could be forced to increase their pension contributions by 1.3% without changing the earning caps. If an Active PERA Police and Fire member makes \$100,000/year the increased contribution would be \$1,300. The changes in a best-case scenario, made by the bill in its current state would mean a difference of approximately \$65.00.

While making little difference in the shortfall overall, this change would devastate duty-disabled individuals and their families.

I have offered an amendment to grandfather the current D.D. members and arranged funding to cover the revenue shortfall. This amendment was rejected, as well as a similar amendment in the Senate.

**The State of Minnesota needs to keep its promises.**

A 2<sup>nd</sup> problem with the bill is funding for medical coverage of the D.D. members, this presented as ongoing funding early in negotiations for this bill; now, it has been changed to one-time funding. If there are budget shortfalls or deficits in the future, those costs will likely be shifted back to employers.

Finally, in [Christensen v. Minneapolis Municipal Employees Retirement Board](#), the Minnesota Supreme Court held that the legislature's amendment of a statute concerning public employees' retirement benefits was an unconstitutional impairment of the pension plan of employees who had already retired.

Setting aside the punitive nature of this specific provision in House File 1234, the decision in the Christensen v. Minneapolis Municipal Employees Retirement Board case would also question its constitutionality.

**We owe these brave men, women, and their families to get this right. In its current form, the bill badly misses the mark and will cause undue pain, suffering, and harm to our duty-disabled first responders.**

A handwritten signature in black ink, appearing to read "Paul Novotny", with a long horizontal flourish extending to the right.

Representative Paul Novotny