

Agenda

Fire Relief Association Working Group

Meeting Date: October 6, 2026

I. Call to Order

Chair State Auditor Blaha

II. Review and Approval of Working Group Meeting Minutes

Exhibit A. Draft September 17, 2026, Meeting Minutes

III. Review of Discount Rate Assumption

Mark Schulte and Emily Knutson, VIA Actuarial Solutions

Exhibit B.

IV. Discussion of Special Fund Trust Requirement

Susan Lenczewski, Legislative Commission on Pensions and Retirement

Exhibit C.

V. Discussion of Relief Association Membership Requirements

Exhibit D.

VI. Discussion of Defined Contribution Plan Investment Return Options

Exhibit E.

VII. Other Business

VIII. Next Meeting

Tuesday, October 27, 2026

1:00 p.m. to 2:30 p.m.

In-Person/Virtual Hybrid Format

IX. Adjournment

Meeting Date: October 6, 2026

Members Present

Julie Blaha, State Auditor

Mike Dahl, Excelsior Fire Relief Association Vice President (defined benefit plans)

Dan Johnson, Mendota Heights Fire Relief Association Trustee (Minnesota State Fire Chiefs Association representative)

Aaron Johnston, Coon Rapids Fire Relief Association Treasurer (defined contribution plans)

Mikal Knotek, St. Michael Fire Relief Association Secretary (defined benefit lump sum plans)

Tom Lawell, City of Apple Valley Administrator (municipal representative)

Karl Mork, Bemidji Fire Relief Association Treasurer (defined benefit lump sum plans)

Darin Nelson, City of Minnetonka Finance Director (municipal representative)

David Paul, Lake Crystal Fire Relief Association Trustee (defined benefit lump sum)

Darrell Pettis, St. Peter Fire Relief Association Treasurer (defined benefit lump sum plans)

Michael Walstien, Plymouth Fire Relief Association Member (defined contribution plans)

Members Excused

Jon Dahlke, Glencoe Fire Relief Association Treasurer (defined benefit monthly/lump sum plans)

Jason Fife, Stewartville Fire Relief Association Member (Minnesota State Fire Department Association representative)

Thomas Wilson, Eden Prairie Fire Relief Association Secretary (defined benefit monthly/lump sum plans)

Office of the State Auditor Representatives Present

Ramona Advani, Deputy State Auditor and General Counsel

Rose Hennessy Allen, Office of the State Auditor (OSA) Pension Director

I. Call to Order

Auditor Blaha called the meeting to order. She explained that the meeting was being conducted in a hybrid format and being recorded and streamed to the OSA YouTube channel. She explained the meeting norms and voting procedures. The meeting agenda was adopted unanimously.

II. Review and Approval of Working Group Meeting Minutes

Working Group members reviewed the August 20, 2026, meeting minutes that had been provided in advance. The minutes were adopted unanimously.

III. Review of Plan Conversion “Present Value” Language

Working Group members continued their discussion of this topic from the prior meeting. Hennessy Allen explained that a provision included in the 2026 Omnibus Pension and Retirement Bill that was passed into law in May removed the requirement from the relief association dissolution statute that benefits be calculated for participants using the “present value” of each participant’s accrued benefit when the plan is terminated. There was talk about making similar changes to the relief association statute that governs conversion from a defined benefit plan to a defined contribution plan, but references to determining benefits based on the “present value” were not made to the plan conversion section. Working Group members discussed possible downsides to removing the “present value” requirement from the plan

conversion section and liked that removing the requirement allowed for choice in how accrued benefits are calculated and would be consistent with the group's goal of providing for local control. The group also wanted to increase education on this topic, so relief association trustees are aware of differences in how accrued benefits are determined for members of local relief association plans versus those receiving benefits through the Public Employees Retirement Association's Statewide Volunteer Firefighter Plan. Working Group members had no opposition to the motion that OSA staff draft changes to remove the "present value" requirement from the plan conversion section for the group's review and approval at a future meeting.

IV. Review of Fire State Aid Penalty and Forfeiture Amounts

Statute requires a 10% penalty to be deducted from fire state aid for each week or fraction of a week that a community's certification to the Department of Revenue is filed late. Similarly, a relief association forfeits eligibility for its fire state aid if required reports are not filed with the OSA by November 30. Hennessy Allen explained that currently, fire state aid penalties and forfeitures revert to the State's general fund at the end of each fiscal year. Working Group members discussed pursuing a change that would allow reductions to aid distributions and forfeiture amounts to remain in the fire state aid pool and carry over to the next fiscal year, where they would be included in that year's total aid available for allocation to fire departments and relief associations. Working Group members were supportive of this proposal and asked that language be drafted.

V. Discussion of Certifying Unpaid Required Contributions

Working Group members reviewed draft language that would change when a relief association is required to certify required contribution amounts to the county auditor. Currently, if a municipality doesn't include the full amount of the minimum obligation in its levy, the relief association officers are required to certify the amount not included in the levy to the county auditor, who must spread a levy in the amount of the certified minimum municipal obligation on the taxable property of the municipality. Hennessy Allen explained that the mechanism that triggers a county levy is the municipality's failure to include in its levy the full required contribution amount. It seems the triggering mechanism should instead be the municipality's failure to pay its required municipal contribution, not whether it budgeted to do so in the previous year's levy. Working Group members were supportive of the draft change to when a county must levy for a relief association required contribution amount and discussed the timing of when a relief association could receive funds that were levied by the county. Working Group members adopted the draft language unanimously.

VI. Discussion of "Return to Service" Bylaw Requirement

Working Group members discussed how currently, a relief association defines in its bylaws whether or not a firefighter who returns to active service after a break be allowed to resume membership in the relief association. Members discussed concerns about a firefighter who is meeting all of their service requirements not being eligible for relief association benefits because of bylaws not allowing for a resumption of association membership. The group discussed how to balance the expectation that a firefighter meeting service requirements receive pension credit for that time with the desire for local control. Members discussed changing the "return to service" section so that resumption of relief association membership upon a return to active fire department service is automatic unless the resumption is not permitted by the bylaws. Language to this effect will be drafted for review and discussion at a future meeting.

VII. Other Business

Scheduling an additional meeting in October was discussed. Hennessy Allen will send an email to gauge availability.

VIII. Next Meeting

Tuesday, October 6, 2026

1:00 p.m. to 2:30 p.m.

In-Person/Virtual Hybrid Format

IX. Adjournment

The meeting was adjourned at 2:14 p.m.

MEMORANDUM

TO: Susan Lenczewski, Legislative Commission on Pensions and Retirement
Rose Hennesey-Allen, Minnesota Office of the State Auditor

FROM: Mark Schulte, VIA Actuarial Solutions
Emily Knutson, VIA Actuarial Solutions

DATE: September 30, 2026

RE: **Discount Rate Assumption for Volunteer Fire Relief Association Lump Sum Liability Estimates**

Overview

This memo summarizes information about the liability discount rate assumption used to calculate estimated pension liabilities for Minnesota Volunteer Fire Relief Association (VFRA) lump sum pension plans. These liabilities are used to determine each VFRA's required annual contribution on the SC Form under Minnesota Statutes section 424A.092. This memo provides updated capital market information and describes alternative approaches for the Legislative Commission on Pensions and Retirement (LCPR) and the Minnesota Office of the State Auditor (OSA) to consider. It is divided into three parts:

1. Background information
2. Discount rate review
3. Additional considerations

Section 1: Background information

Minnesota VFRAs offering lump sum pension plans currently use a worksheet provided by the OSA to estimate accrued pension liabilities and statutory contribution requirements under Minnesota Statutes section 424A.092 and Appendix B of the LCPR's Standards for Actuarial Work. The worksheet was developed many years ago but was updated to incorporate refinements described in our April 1, 2021 memo.

During the 2021 review, we evaluated the reasonableness of the historical 3.0% discount rate/investment return assumption. Our memo concluded that the assumption remained reasonable, although conservative, for its intended purpose. Other considerations supporting the use of a uniform, conservative assumption included:

- It may be impractical for each VFRA lump sum plan to develop its own long-term investment return assumption.
- Although the discount rate/investment return assumption is important for lump sum plans, it has less effect on their liabilities compared to annuity plans since annuities are paid over a much longer time period.

The OSA and LCPR asked us to review whether the current 3.0% discount rate assumption remains reasonable or whether an alternative assumption should be used. This memo summarizes our review and provides information for the OSA and LCPR to consider in selecting an assumption.

Section 2: Discount rate review

In most public sector actuarial funding valuations, the liability discount rate is based on the pension plan's expected long-term investment return. Our 2021 memo noted that, based on our 2021 capital market assumption model, a 3.0% assumption was consistent with the expected return for a portfolio invested entirely in core U.S. corporate bonds.

Expected returns for many asset classes have changed substantially since 2021. One factor contributing to these changes is the significant increase in interest rates. The table below summarizes the 10-year and 20-year expected returns for several hypothetical equity and fixed income portfolio mixes using our 2026 capital market assumption model with results rounded to the nearest $\frac{1}{4}\%$. We have also assumed a conservative annual investment expense reduction of 100 basis points, or 1%.

Equity/Fixed Income	0%/100%	30%/70%	40%/60%	50%/50%	60%/40%	70%/30%	100%/0%
10-year expected return	4.00%	4.75%	4.75%	5.00%	5.25%	5.25%	5.50%
20-year expected return	4.25%	5.00%	5.25%	5.50%	5.75%	5.75%	6.25%

Our observations from the table are:

- Expected returns for fixed income investments are substantially higher than they were in 2021. This is primarily because interest rates have increased over the past five years. Under our 2026 capital market assumption model, the expected return for a portfolio invested entirely in core U.S. corporate bonds is 4.00% over a 10-year horizon and 4.25% over a 20-year horizon.
- A 100% fixed income portfolio could continue as the basis for a uniform, conservative assumption applicable to all VFRA lump sum pension plans. Alternatively, if reliable data on the average VFRA pension fund asset allocation is available, the OSA and LCPR could compare that allocation with the corresponding hypothetical portfolio shown above when selecting a uniform discount rate and investment return assumption. We would also be glad to provide the return expectations for additional portfolio mixes, if requested.
- Either a 10-year or a 20-year return expectation could provide a reasonable basis for selecting a new assumption. The 10-year horizon may be particularly relevant for VFRA lump sum plans since they pay out large one-time benefit payments, and some vesting requirements have gradually been shortened. These factors may reduce the period over which plan assets remain invested.

Section 3: Additional considerations

Section 2 is intended to provide the LCPR and OSA with sufficient information to select an updated discount rate and investment return assumption for calculating VFRA lump sum plan liabilities and required annual contributions on the SC Form. In making that decision, the LCPR and OSA should also consider the following issues:

- Regardless of the discount rate assumption selected, we recommend reviewing it at least every three to five years, or sooner if capital market conditions change materially. Each review should consider whether the assumption remains consistent with contemporary capital market expectations and with the representative portfolio mix chosen by the LCPR and OSA.
- A more refined approach would allow each VFRA to enter its target asset allocation in the SC Form worksheet and calculate a discount rate and investment return assumption specific to its investment portfolio. However, this approach would likely require significant worksheet enhancements; incorporation and periodic updating of a capital market assumption model; and additional guidance or training so that VFRAAs use the worksheet correctly.

L/D/C/R: 4/mws/emk

Exhibit C

Special Fund Trust Requirement

Meeting Date: October 6, 2026

Guidance:

Susan Lenczewski, Executive Director of the Legislative Commission on Pensions and Retirement, shared some guidance below regarding qualified plan requirements, specifically around plan assets being held in a trust. Here are her comments:

- The following is the start of [Internal Revenue Code section 401](#), which is the section that is a compilation of the requirements that must be met to have a retirement plan that is “qualified,” i.e., allows for compensation that would otherwise be currently taxable to be deferred until termination of employment or retirement age:

(a) Requirements for qualification. A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall constitute a qualified trust under this section—

(1) if contributions are made to the trust by such employer, or employees, or both, ... for the purpose of distributing to such employees or their beneficiaries the corpus and income of the fund accumulated by the trust in accordance with such plan;

(2) if under the trust instrument it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees or their beneficiaries ...;

(3) if the plan of which such trust is a part satisfies the requirements of section 410 (relating to minimum participation standards); and

(4) if the contributions or benefits provided under the plan do not discriminate in favor of highly compensated employees (within the meaning of section 414(q)). For purposes of this paragraph, there shall be excluded from consideration employees described in section 410(b)(3)(A) and (C).

- Regulation issued pursuant to this paragraph (a) is attached.
- The IRS webpage titled “[A guide to common qualified plan requirements](#)” includes this Q&A:

20. Did your plan comply with the requirement that all plan assets are used for the exclusive benefit of employees and their beneficiaries? Check that none of your plan’s assets were diverted for other purposes.

A trust is a medium under which the retirement plan assets are accumulated. The employer or employees, or both, contribute to the trust, which forms part of the retirement plan. The assets are held in the trust until distributed to the employees or their beneficiaries according to the plan’s provisions. The trust must be maintained for the **exclusive benefit** of the employees and their beneficiaries. Section 401(a) of the Code sets out the requirements that a trust must satisfy in order to “qualify” for favorable tax treatment. When a trust is “qualified” under section 401(a), it obtains its exemption from income tax under Code section 501(a).

- Finally, here's an explanation of what a trust is in the context of a qualified retirement plan and other related information from a nationally known law firm that focuses on retirement plan compliance:
<https://www.wagnerlawgroup.com/wp-content/uploads/sites/1101401/2021/07/WPonERISATrustRequirement.pdf>. This mentions ERISA, which does not apply to relief associations and public pension plans, but the same requirements apply to relief associations and public pension plans pursuant to IRC Section 401(a).

This content is from the eCFR and is authoritative but unofficial.

Title 26 — Internal Revenue

Chapter I — Internal Revenue Service, Department of the Treasury

Subchapter A — Income Tax

Part 1 — Income Taxes

Pension, Profit-Sharing, Stock Bonus Plans, etc.

Authority: 26 U.S.C. 7805, unless otherwise noted. Section 1.1(h)-1 also issued under 26 U.S.C. 1(h); Section 1.21-1 also issued under 26 U.S.C. 21(f); See *Part 1 for more*

Source: T.D. 6500, 25 FR 11402, Nov. 26, 1960; 25 FR 14021, Dec. 21, 1960; T.D. 9989, 89 FR 17606, Mar. 11, 2024, unless otherwise noted. T.D. 6500, 25 FR 11402, Nov. 26, 1960; 25 FR 14021, Dec. 21, 1960, unless otherwise noted. T.D. 6500, 25 FR 11402, Nov. 26, 1960; 25 FR 14021, Dec. 31, 1960, T.D. 9381, 73 FR 8604, Feb. 15, 2008, unless otherwise noted. See *Part 1 for more*

§ 1.401-2 Impossibility of diversion under the trust instrument.

(a) *In general.*

- (1)** Under section 401(a)(2) a trust is not qualified unless under the trust instrument it is impossible (in the taxable year and at any time thereafter before the satisfaction of all liabilities to employees or their beneficiaries covered by the trust) for any part of the trust corpus or income to be used for, or diverted to, purposes other than for the exclusive benefit of such employees or their beneficiaries. This section does not apply to funds of the trust which are allocated to provide medical benefits described in section 401(h) as defined in paragraph (a) of § 1.401-14. For the rules prohibiting diversion of such funds and the requirement of reversion to the employer after satisfaction of all liabilities under the medical benefits account, see paragraph (c) (4) and (5) of § 1.401-14. For rules permitting reversion to the employer of amounts held in a section 415 suspense account, see § 1.401(a)-2(b).
- (2)** As used in section 401(a)(2), the phrase “if under the trust instrument it is impossible” means that the trust instrument must definitely and affirmatively make it impossible for the nonexempt diversion or use to occur, whether by operation or natural termination of the trust, by power of revocation or amendment, by the happening of a contingency, by collateral arrangement, or by any other means. Although it is not essential that the employer relinquish all power to modify or terminate the rights of certain employees covered by the trust, it must be impossible for the trust funds to be used or diverted for purposes other than for the exclusive benefit of his employees or their beneficiaries.
- (3)** As used in section 401(a)(2), the phrase “purposes other than for the exclusive benefit of his employees or their beneficiaries” includes all objects or aims not solely designed for the proper satisfaction of all liabilities to employees or their beneficiaries covered by the trust.

(b) *Meaning of “liabilities”.*

- (1)** The intent and purpose in section 401(a)(2) of the phrase “prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust” is to permit the employer to reserve the right to recover at the termination of the trust, and only at such termination, any balance remaining in the trust which is due to erroneous actuarial computations during the previous life of the trust. A balance due to an “erroneous actuarial computation” is the surplus arising because actual requirements differ from the expected requirements even though the latter were based upon previous actuarial valuations of liabilities or determinations of costs of providing pension benefits under the plan and were made by a person competent to make such determinations in accordance

with reasonable assumptions as to mortality, interest, etc., and correct procedures relating to the method of funding. For example, a trust has accumulated assets of \$1,000,000 at the time of liquidation, determined by acceptable actuarial procedures using reasonable assumptions as to interest, mortality, etc., as being necessary to provide the benefits in accordance with the provisions of the plan. Upon such liquidation it is found that \$950,000 will satisfy all of the liabilities under the plan. The surplus of \$50,000 arises, therefore, because of the difference between the amounts actuarially determined and the amounts actually required to satisfy the liabilities. This \$50,000, therefore, is the amount which may be returned to the employer as the result of an erroneous actuarial computation. If, however, the surplus of \$50,000 had been accumulated as a result of a change in the benefit provisions or in the eligibility requirements of the plan, the \$50,000 could not revert to the employer because such surplus would not be the result of an erroneous actuarial computation.

- (2) The term "liabilities" as used in section 401(a)(2) includes both fixed and contingent obligations to employees. For example, if 1,000 employees are covered by a trust forming part of a pension plan, 300 of whom have satisfied all the requirements for a monthly pension, while the remaining 700 employees have not yet completed the required period of service, contingent obligations to such 700 employees have nevertheless arisen which constitute "liabilities" within the meaning of that term. It must be impossible for the employer (or other non employee) to recover any amounts other than such amounts as remain in the trust because of "erroneous actuarial computations" after the satisfaction of all fixed and contingent obligations. Furthermore, the trust instrument must contain a definite affirmative provision to this effect, irrespective of whether the obligations to employees have their source in the trust instrument itself, in the plan of which the trust forms a part, or in some collateral instrument or arrangement forming a part of such plan, and regardless of whether such obligations are, technically speaking, liabilities of the employer, of the trust, or of some other person forming a part of the plan or connected with it.

[T.D. 6500, 25 FR 11672, Nov. 26, 1960, as amended by T.D. 6722, 29 FR 5072, Apr. 14, 1964; T.D. 7748, 46 FR 1695, Jan. 7, 1981]

Exhibit D

Relief Association Membership Requirements

Meeting Date: October 6, 2026

Topic:

Members of fire relief associations must meet vesting requirements to be eligible for retirement benefit distributions. To be vested, a member must complete at least five years of active fire department service and at least five years of active relief association membership. A relief association's bylaws may require members to complete longer lengths of service and membership to be vested.

The topic for the Working Group to consider is whether members should be required to complete at least a minimum length of active relief association membership to be vested, or whether vesting should be based solely on completing fire department service.

Questions:

1. Besides when a relief association is first forming, are there times when a firefighter's periods of service and membership are different?
2. If yes, what would cause the lengths of service and membership to be different?
3. Currently, a firefighter who completes minimum service requirements with the fire department but doesn't complete minimum membership requirements with the relief association wouldn't meet the eligibility criteria to receive a retirement benefit. Is this appropriate?
4. Others?

Statute:

If a change to vesting requirements were to be pursued there are several statutes that would need to be updated. The primary provisions establishing vesting requirements are Section [424A.016, subd. 2](#), for defined contribution plans (see below), and Section [424A.02, subd. 1](#), for defined benefit plans.

424A.016 DEFINED CONTRIBUTION FIREFIGHTERS RELIEF ASSOCIATION SPECIFIC REGULATION.

Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association, when its articles of incorporation or bylaws so provide, may pay as soon as practicable out of the assets of its special fund a defined contribution service pension to each of its members who:

- (1) separates from active service with the fire department;
- (2) submits a valid written application for the distribution;
- (3) completes at least five years of active service as an active member of the fire department to which the relief association is associated;
- (4) completes at least five years of active membership with the relief association before separation from active service; and
- (5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the date of the payment of the service pension. During the period of inactive membership, the member is not entitled to receive any disability benefit coverage, is not entitled to receive additional individual account allocation of fire state aid or municipal contribution toward a service pension, and is considered to have the status of a person entitled to a deferred service pension.

(c) The service pension earned by a firefighter under this chapter and the articles of incorporation and bylaws of the relief association may be paid whether or not the municipality or independent nonprofit firefighting corporation to which the relief association is associated qualifies for the receipt of fire state aid under chapter 477B.

Exhibit E

Defined Contribution Plan Investment Return Options

Meeting Date: October 6, 2026

Topic:

Relief associations with defined contribution plans are required to allocate investment returns to deferred members. There currently are three allowable options these plans have to choose from for allocating the returns, which are 1) crediting deferred members with full investment gains and losses, 2) setting up a separate investment account, and 3) setting up separate investment vehicles. The separate investment account option is a pooled account containing deferred member assets, with the members receiving their portion of the pooled account at retirement. Under the separate investment vehicle option, a deferred member's assets are transferred when they separate from active service to an investment, and the member receives the value of the investment at retirement. More detail about all three options is provided in a [Statement of Position](#) on the OSA's website.

At the end of the most recent complete reporting period, **46** relief associations credited deferred members with full investment gains and losses, **12** have set up separate investment accounts for their deferred members, and **6** have separate investment vehicles for deferred members.

Allowing investment return allocations based on separate investment accounts or vehicles can be challenging administratively for relief associations, as different groups of members receive allocations at different investment rates. Additionally, it can be burdensome to establish separate investment vehicles for members who are deferred for only a short period of time before payment. The topic for the Working Group to consider is whether the separate investment account and investment vehicle options are appropriate for defined contribution plans, and whether they should perhaps be phased out as an allowable option.

Statute:

424A.016 DEFINED CONTRIBUTION FIREFIGHTERS RELIEF ASSOCIATION SPECIFIC REGULATION.

Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a relief association who has separated from active service and membership and has completed the minimum service and membership requirements in subdivision 2. The requirement that a member separate from active service and membership is waived for any person who has discontinued volunteer firefighter and paid on-call firefighter duties and is employed on a part-time or full-time basis under section [424A.015, subdivision 1](#).

(b) A deferred member is entitled to receive a deferred service pension as soon as practicable after the member submits a valid written application for the distribution and complies with any conditions as to age prescribed by the relief association's bylaws.

(c) A defined contribution relief association must credit interest or additional investment performance on the deferred lump-sum service pension during the period of deferral for all deferred members on or after January 1, 2021. A defined contribution relief association may specify in its bylaws the method by which it will credit interest or additional investment performance to the accounts of deferred members. Such method shall be limited to one of the three methods provided in this paragraph. In the event the bylaws do not specify a method, the interest or additional investment performance must be credited using the method defined in clause (3). The permissible methods are:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at the investment return on the assets of the special fund of the defined contribution relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account.

(d) Notwithstanding the requirements of section [424A.015, subdivision 6](#), bylaw amendments made in accordance with paragraph (c) on or before January 1, 2022, shall apply to members already in deferred status as of January 1, 2021.

(e) Unless the bylaws provide differently, interest or additional investment performance must be allocated to each deferred member account beginning on the date that the member separates from active service and membership and ending on the last date that the deferred member account is valued before the final distribution of the deferred service pension.

(f) Notwithstanding the requirements of section [424A.015, subdivision 6](#), a relief association that amends its bylaws to lower the required minimum retirement age may specify in the bylaws amendment that the lower minimum retirement age applies to members who separated from active service and membership prior to the effective date of the bylaws amendment.