

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A23-1924**

Minnesota Duty Disabled Association (MNDDA),
a Minnesota nonprofit corporation,
Respondent,

vs.

State of Minnesota Public Employees Retirement Association (PERA),
Appellant.

**Filed September 9, 2024
Reversed and remanded; motion denied.
Halbrooks, Judge***

Ramsey County District Court
File No. 62-CV-23-5420

Marshall H. Tanick, Meyer Njus Tanick, PA, Minneapolis, Minnesota (for respondent)

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Minnesota (for appellant)

Considered and decided by Ross, Presiding Judge; Johnson, Judge; and Halbrooks,
Judge.

NONPRECEDENTIAL OPINION

HALBROOKS, Judge

Appellant agency challenges a temporary injunction that enjoins it from
implementing recent legislative amendments, arguing that the district court abused its

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to
Minn. Const. art. VI, § 10.

discretion by (1) determining that respondent-association would suffer irreparable harm without an injunction, (2) determining that the *Dahlberg* factors support injunctive relief, and (3) granting the injunction without requiring respondent to post a security bond. Appellant also moves to strike portions of respondent's brief. Because we conclude that respondents would not suffer an irreparable harm absent injunctive relief, we reverse the district court's grant of an injunction, remand for trial, and therefore deny appellant's motion to strike as moot.

FACTS

This case concerns a preliminary injunction that the district court granted to respondent Minnesota Duty Disabled Association (MNDDA) to enjoin appellant Minnesota Public Employees Retirement Association (PERA) from enforcing a 2023 legislative amendment to the duty-disability offset statute. *See* 2023 Minn. Laws ch. 48, § 27, at 702 (amending Minn. Stat. § 353.656, subd. 4 (2022)).

The Minnesota legislature amends the duty-disability offset statute.

PERA is the state agency tasked with administering several public-sector employee retirement plans, including the “police and fire plan.” *See* Minn. Stat. § 353.64 (2022). When a member of the police and fire plan is injured in the line of duty, they may be entitled to receive duty-disability benefits, which are distributed through monthly payments. Minn. Stat. §§ 353.01, subd. 41 (2022), .656 (2022 & Supp. 2023).

Once a duty-disabled plan member is able to return to work, the income they receive from that employment may be offset against their duty-disability payments. Minn. Stat. § 353.656., subd. 4. From 1994 to 2022, Minnesota law calculated this offset by reducing

the duty-disability payment “by one dollar for each three dollars by which the [plan member’s] current monthly disability benefits [and other earnings]” exceeded their “reemployment earnings limit.” *See* Minn. Stat. § 353.656, subd. 4(c) (2022); 1994 Minn. Laws ch. 463, § 1, at 311-12 (amending Minn. Stat. § 353.656, subd. 4 (1992)). The reemployment earnings limit was defined as the “greater of (1) the monthly salary earned at the date of disability; or (2) 125 percent of the base monthly salary currently paid by the employing governmental subdivision for similar positions.” Minn. Stat. § 353.656, subd. 4(b) (2022).

Under the amended offset provision, all duty-disability recipients required to reapply for their benefits “on or after July 1, 2023,” are potentially subject to two offsets. *See* Minn. Stat. § 353.656, subd. 4(c) (Supp. 2023). The first offset, applied to duty-disability recipients who have served less than 20 years, reduces their benefit payment based on the member contribution rate and that member’s length of service. *Id.*, subd. 4(c)(1). The second offset takes effect when the combined total of a disabled plan member’s duty-disability benefits and reemployment earnings exceed 100% of an active member’s salary in a similar position. *Id.*, subd. 4(c)(2). In that circumstance, the second offset reduces the member’s benefit payment by “one dollar for every two dollars” that their total monthly earnings exceed the base monthly salary, up to 125%¹ of the base monthly salary, as opposed to the 1:3 ratio under the prior formula. *Id.*

¹ The benefit is further reduced to a 1:1 ratio when the plan member’s monthly earnings exceed 125% of their base monthly salary. Minn. Stat. § 353.656, subd. 4(c)(2) (Supp. 2023).

MNDDA sues PERA to enjoin enforcement of Minn. Stat. § 353.656.

MNDDA is a nonprofit corporation consisting of approximately 170 first responders who are currently receiving duty-disability benefits. In October 2023, MNDDA sued PERA, seeking to enjoin enforcement of the 2023 amendments to both the duty-disability eligibility procedures in Minn. Stat. § 353.031 (2022 & Supp. 2023) and the offset provisions in Minn. Stat. § 353.656 (2022 & Supp. 2023). MNDDA's three-count complaint alleges that the amendments unconstitutionally impair the contractual relationship between PERA and MNDDA's members, that promissory-estoppel precludes PERA from enforcing the new provisions, and that the amendments amounted to an unconstitutional taking. MNDDA's complaint requested injunctive relief on each count. In response, PERA moved to dismiss for failure to state a claim.

MNDDA then moved for a temporary injunction, asking the district court to suspend enforcement of the amended provisions of Minn. Stat. §§ 353.031, .656, while the lawsuit was pending. The district court held a hearing on MNDDA's motion in November 2023, at which both parties presented arguments related to the factors set forth in *Dahlberg Bros., Inc. v. Ford Motor Co.*, 137 N.W.2d 314, 321-22 (Minn. 1965), for evaluating the propriety of a temporary injunction. Both parties submitted evidence addressing the potential harm they faced if the district court issued an unfavorable order. Four days after the hearing, the district court issued a two-page order granting MNDDA's motion to suspend enforcement of the offset provisions in Minn. Stat. § 353.656 but denying its motion with respect to Minn. Stat. § 353.031.

This appeal follows.

DECISION

The district court abused its discretion by granting MNDDA injunctive relief.

PERA asserts that the district court abused its discretion by determining that a temporary injunction was necessary to prevent MNDDA's members from suffering an irreparable injury. We agree.

"A temporary injunction is an extraordinary equitable remedy" that preserves the status quo before a district court can resolve the case on its merits. *Miller v. Foley*, 317 N.W.2d 710, 712 (Minn. 1982). Temporary injunctions should only "be granted when it is clear" that a party will suffer irreparable harm before trial. *Id.* The party seeking an injunction has the burden to establish that injunctive relief is necessary to prevent an irreparable injury. *City of Mounds View v. Metro. Airports Comm'n*, 590 N.W.2d 355, 357 (Minn. App. 1999).

We review a district court's decision to grant injunctive relief for an abuse of discretion. *First & First, LLC v. Chadco of Duluth, LLC*, 999 N.W.2d 553, 557 (Minn. App. 2023), *rev. denied* (Minn. Feb. 20, 2024). A district court abuses its discretion by erroneously interpreting the law or by granting an injunction when the moving party fails to establish an irreparable injury. *DSCC v. Simon*, 950 N.W.2d 280, 286 (Minn. 2020); *Morse v. City of Waterville*, 458 N.W.2d 728, 730 (Minn. App. 1990), *rev. denied* (Minn. Sept. 28, 1990).

Here, the district court determined that, absent a temporary injunction, MNDDA's members would face "lost household income." Without providing further analysis, the

district court determined that the lost income constitutes an irreparable harm and that future monetary damages will not provide an adequate legal remedy.

We conclude that the district court abused its discretion by determining that MNDDA met its burden to demonstrate an irreparable injury. “[T]he temporary loss of income . . . does not usually constitute irreparable injury.” *Miller*, 317 N.W.2d at 713 (quoting *Sampson v. Murray*, 415 U.S. 61, 90 (1974)). This is because purely financial harm can generally be compensated through a subsequent civil award. *See id.* (“The possibility that adequate compensatory or other corrective relief will be available at a later date . . . weighs heavily against a claim of irreparable harm.” (quoting *Sampson*, 415 U.S. at 90)); *AMF Pinspotters, Inc. v. Harkins Bowling, Inc.*, 110 N.W.2d 348, 353 (Minn. 1961).

Minnesota caselaw demonstrates that the purely financial harm alleged by MNDDA is not sufficient to warrant the extraordinary remedy of a temporary injunction. For example, in wrongful-termination cases, where the plaintiffs face a *total* loss of income pending litigation, Minnesota courts have consistently concluded that the alleged wrongful termination was not an “irreparable” harm because it could be cured by a subsequent monetary award. *Id.* (concluding that discharged employees failed to allege irreparable harm because reinstatement and backpay would be available if they prevailed on the merits); *Morse*, 458 N.W.2d at 730 (same); *Haley v. Forcelle*, 669 N.W.2d 48, 57 (Minn. App. 2003) (“We agree . . . that the loss of income and other effects of being terminated from a job are generally insufficient to demonstrate irreparable injury, because money damages will likely provide adequate relief.”), *rev. denied* (Minn. Nov. 25, 2003).

Unlike wrongful termination cases, MNDDA's members are not facing a total loss of income pending their lawsuit. They will still receive their duty-disability benefits along with any additional income they may be earning, but with their offsets will be calculated under a different statutory formula. MNDDA argues that its members relied on the prior offset formula to pay their bills and maintain their lifestyles. But plaintiffs in wrongful termination cases face the same concerns, and despite having a more severe reduction in income, their circumstances generally do not create an irreparable harm. *Morse*, 458 N.W.2d at 730 ("If the injunction were not issued, Morse would undoubtedly suffer the financial woes and emotional stresses occasioned by sudden unemployment. . . . While we do not dispute the enormity of the circumstances facing Morse, those circumstances are insufficient to warrant the extraordinary remedy of interim injunctive relief.").

Moreover, if MNDDA prevails on the merits at trial, any financial losses incurred by its members during litigation can be compensated by recalculating their offsets under the old offset provision and reimbursing the difference. See *AMF Pinspotters*, 110 N.W.2d at 353 (reversing injunction because plaintiff failed to show that its damages could not be computed in civil action); *Rexton, Inc. v. State*, 521 N.W.2d 51, 54 (Minn. App. 1994) (affirming denial of temporary injunction when appellant made no showing that monetary damages provided inadequate compensation). MNDDA contends that pursuing civil actions would cause delays and tax judicial resources. These alleged consequences, however, are not sufficient to warrant injunctive relief. *Miller*, 317 N.W.2d at 713 ("Mere injuries, however substantial, in terms of money, time and energy necessarily expended in the absence of a stay, are not enough." (quoting *Sampson*, 415 U.S. at 90)).

MNDDA also cites our nonprecedential decision in *State ex rel. Swanson v. CashCall, Inc.* for the proposition that future monetary damages do not provide its members with an adequate remedy. No. A13-2086, 2014 WL 4056028 (Minn. App. Aug. 18, 2014), *rev. granted* (Minn. Oct. 28, 2014) *and ord. granting rev. vacated* (Minn. Nov. 17, 2015). *CashCall* is readily distinguishable. There, the district court granted a temporary injunction after issuing detailed findings describing the harms plaintiffs faced beyond financial loss, including the defendants' alleged misconduct in issuing negative credit reports and engaging in predatory collection activities. *Minnesota v. CashCall, Inc.*, No. 27-CV-13-12740, 2013 WL 6978561, at *11 (Minn. Dist. Ct. Sept. 6, 2013). We affirmed, noting that the district court considered "other" harms besides financial hardship in determining that damages were not a realistic remedy. *CashCall*, 2014 WL 4056028, at *6. Conversely, here, the only harm cited in the district court's order is MNDDA members' lost income, which is alone insufficient to warrant an injunction. *Miller*, 317 N.W.2d at 713; *Morse*, 458 N.W.2d at 730.

Considering that monetary damages will provide an adequate remedy to MNDDA's members should they prevail on the merits, their alleged temporary loss of household income does not constitute an irreparable harm. *See Miller*, 317 N.W.2d at 713. Because the lack of an irreparable harm is a sufficient basis to conclude that the district court abused its discretion by granting the injunction, we reverse and remand for trial and do not reach the remaining issues raised by PERA. We deny PERA's motion to strike as moot. *See DSCC*, 950 N.W.2d at 286.

Reversed and remanded; motion denied.