

S.F. 77

(Wiger)

H.F. _____

()

**Executive Summary of Commission Staff Materials**

Affected Pension Plan(s): PERA-General
Relevant Provisions of Law: Minnesota Statutes 2000, Section 353.01, Subdivision 2b
General Nature of Proposal: Exclusion From Plan Membership For Various Trades Personnel
Date of Summary: March 8, 2001

Specific Proposed Change(s)

- Excludes Various St. Paul Trades Personnel From PERA-General. Bricklayers, masons, glaziers, painters, plasterers, and allied trades personnel employed by the City of St. Paul are excluded from PERA-General at their option (current) or automatically (new).
- Excludes MAC Plumbers From PERA-General. Plumbers employed by the Metropolitan Airports Commission (MAC) are excluded from PERA-General at their option (current) or automatically (new).

Policy Issues Raised by the Proposed Legislation

1. Current Excessive Pension Coverage. Trades personnel usually have excessive pension coverage from union coverage and public pension plan coverage.
2. Exclusions Driven By PERA-General Funding Problem Remedy. The exclusion may be an outgrowth of potential PERA-General funding problem remedies, with the proposed member and employer contribution rate increases borne by the trades person.
3. Past Precedents. The exclusions have precedents in 1978, 1997, and 2000.
4. Future Requests. Other public employers utilize trades personnel and may make future requests.
5. Adequacy of Replacement Union Pension Plan Coverage. To avoid future complaints and service credit purchase requests, testimony should be taken on the adequacy of the replacement union pension plan coverage.



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director *JAM*

RE: S.F. 77 (Wiger); H.F. ____ (): PERA; Exclusion of Certain St. Paul and Metropolitan Airports Commission Trades Personnel

DATE: March 8, 2001

Summary of S.F. 77 (Wiger); H.F. ()

S.F. 77 (Wiger); H.F. ____ () amends Minnesota Statutes 2000, Section 353.01, Subdivision 2b, specifying various exclusions from membership in the Public Employees Retirement Association, by adding exclusions for bricklayers, masons, glassworkers, painters, plasterers and related trades personnel employed by the City of St. Paul who have union pension coverage and for plumbers employed by the Metropolitan Airports Commission who have union pension coverage. The exclusion is elective for the applicable trades personnel who were employed before May 2, 2001, and is mandatory for the applicable trades personnel who are employed after May 1, 2001.

Background on the PERA Membership Inclusions and Exclusions

When the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) was established in 1931, plan membership was optional for governmental subdivisions and, if the governmental subdivision elected to be a participating employer, was optional for employees employed before April 24, 1931, and was mandatory for employees employed after April 23, 1931. All counties, all first (except Minneapolis), second, and third class cities, including home rule cities, all public schools (except the Minneapolis Public Schools), and all villages with a population of at least 7,000 were eligible to be participating employers. Employees of a participating employer who were not paid in whole or in part from public funds, or who were covered by another public pension plan, or who were temporary employees, or who had an average length of employment annually of less than six months were excluded from PERA membership.

By 1941, the specification in law of PERA membership had become somewhat more complex. School districts were specified as eligible participating employers, reflecting the authorization of independent school districts. The 1941 exceptions from membership were:

- (1) employees of governmental subdivisions that had not elected to be participating employers;
- (2) employees hired before the governmental subdivisions became a participating employer and did not elect PERA membership;
- (3) employees of a participating employer who were not paid in whole or in part from public funds;
- (4) temporary employees of participating employers (defined as a person who is employed for less than six months within a 12 month period, or who is employed as a substitute for another employee who is on leave, or who is employed in a position that is not seasonal but is of an essentially temporary character, or who is employed part-time with total annual compensation of less than \$300 unless the person was in a government classified civil service position);
- (5) a member of another Minnesota public employee pension plan; or
- (6) a person who by virtue of past employment is entitled to a pension from another Minnesota public employee pension plan or who has been designated as a future beneficiary of a benefit from another Minnesota public employee pension plan.

In 1951, towns and boroughs were added as eligible participating employers. In 1951 and 1955, PERA membership was made mandatory for local government employees who were not eligible for other Minnesota public pension plan coverage. This resulted in a rapid growth in the PERA membership, from 8,246 members in 1946 to 36,470 members in 1956.

By 1957, more changes in the PERA membership specification had occurred. The League of Minnesota Municipalities and PERA itself were made eligible participating employers. PERA coverage was made mandatory for all employees of all governmental subdivisions unless the employee was specifically excluded or the employee was over age 60 on June 30, 1957, and had less than six years of service as of that date. Legislators, the secretary of the Minnesota Senate, and the chief clerk of the Minnesota House of Representatives were specifically included in PERA membership. The PERA membership exclusions were revised, with the major exclusions as follows:

- (1) person employed for professional services incidental to the person's regular profession and compensated on a per diem basis;
- (2) election officers;
- (3) employees of independent contractors performing public services;
- (4) patient or inmate help in local government charitable, penal, or correctional facilities;
- (5) members of boards, commissions, volunteer fire departments, bands, and other intermittent employees paid on a per diem, per meeting, or per fire basis;
- (6) temporary, emergency, or seasonal employees as defined by PERA rules; and
- (7) employees required to contribute to another Minnesota public pension plan on account of that employment.

In 1961, the PERA membership specification provisions continued to change. Local elected officials were given the option to be members of PERA and employees of local elected officials were included in PERA membership, as were district court reporters and port authority employees. An exclusion for police matrons employed by a city police department and transferred to a joint city-county detentions and corrections authority was also added to PERA law.

After 1961 and until 1974, public employees who had a salary of less than \$75 per month were excluded from PERA membership. In 1963, an exclusion for persons who elected to be excluded from PERA membership for religious reasons was added. In 1965, probate, municipal and special municipal judges were included in PERA membership and students who were occasionally employed part-time by governmental subdivisions were excluded from PERA membership. In 1967, the student exclusion was modified to apply to full-time students employed part-time as governmental employees. In 1971, the specific exclusion for volunteer firefighters was deleted from PERA law. In 1973, school district employees with separate salaries for driving their own buses were included in PERA coverage and exclusions were added for resident physicians, medical interns, pharmacist interns in public hospitals and for appointed or elected officials compensated entirely on a fee basis if not members in 1971.

In 1974, until 1977, the minimum salary threshold for PERA membership was increased to \$150 in any month during a year, or \$1,800 annually. The minimum salary threshold for PERA membership was increased in 1977 to \$250 in any month during a year or \$3,000 annually in 1977. In 1981, the minimum salary threshold for PERA membership increased to \$325 in any month during the year, or \$3,900 annually. Also, in 1981, city managers were granted the authority to elect an exclusion from PERA coverage in favor of separate individual deferred compensation program coverage. The current minimum salary threshold for PERA membership was set at \$425 in any month during the year, or \$5,100 annually, in 1988. In 1997, St. Paul school district pipefitters were excluded from PERA membership and, in 2000, other St. Paul city and school district trades personnel were also excluded from PERA membership. The 1997 legislation was considered and recommended by the Legislative Commission on Pensions and Retirement. The 2000 legislation was not reviewed or recommended by the Commission, but was added by the Senate Governmental Operations Committee to the 2000 omnibus pension bill.

Discussion

S.F. 77 (Wiger); H.F. ____ () would add two exclusions to the 18 current Public Employees Retirement Association (PERA) exclusions, applicable for bricklayers, masons, glaziers, painters, plasterers and allied trades personnel employed by the City of St. Paul who have trade union pension coverage and for plumbers employed by the Metropolitan Airports Commission who have trade union pension coverage.

The proposed legislation raises several pension and related public policy issues for Commission consideration, including the following:

1. Potential For Undesired Additional or Excessive Pension Coverage. The policy issue is the potential for trades personnel employed in the public sector to have undesired additional pension coverage or excessive total pension coverage. For trades personnel, pension coverage for their employment is typically provided through a Taft-Hartley Act jointly (union and employer(s)) trustee union pension plan. These union pension plans typically have break-in-service rules whereby prior service credit in the plan can be forfeited by virtue of an extended interval without plan contributions and coverage. As a result, trades personnel employed in the public sector who have had prior private sector trade employment or who are contemplating future private sector trade employment after their public sector trade employment ends frequently retain union pension plan coverage in addition to the public pension plan coverage while in public sector trade employment. Since public employers generally are unwilling to pay more than private sector trade wage scale and benefit costs, the cost of the public pension plan employer contribution is deducted when setting the trade person's hourly rate. In this way, many trades personnel end up with double pension coverage for their public employment, for which they typically bear the full member and employer contribution cost for the public pension plan coverage. The double pension coverage, at the full member and employer contribution cost of the tradesperson, may be undesired coverage from the perspective of the tradesperson and may be excessive coverage from a pension policy perspective.
2. Proposed Legislation As A Likely Reaction To The PERA Funding Difficulties. The policy issue relates to the potential motivation for the proposed legislation, which is likely to be, in whole or in part, a reaction to the current PERA funding difficulties and the potential for increased future member and employer contribution rates as part of the resolution of that problem. Because, as outlined in the first policy issue, the tradesperson bears economic effect of the full cost of public pension plan member and employer contribution rates, a potential significant increase in both member and employer contribution rates as currently proposed for PERA (a total of 1.25 percent of covered payroll in S.F. ____ (); H.F. 855 (Mares) and a total of 2.00 percent of covered payroll in S.F. 810 (Pogemiller); H.F. ____ ()) can be expected to produce an adverse reaction among trades personnel. Although S.F. 810 (Pogemiller); H.F. ____ () proposes a 0.75 percent of year 2001 covered payroll (\$27 million) State aid program to PERA employers, there is no statutory mechanism to redirect the appropriate portion of that aid (or the prior 1997 PERA State aid either) to these tradespersonnel.
3. Past Precedent For Proposed Legislation. The policy issue is the question of the existence of a past precedent for the proposed legislation. The proposed legislation would exclude various City of St. Paul trades personnel and Metropolitan Airports Commission plumbers from PERA General Employee Retirement Plan (PERA-General) coverage. Similar exclusions have been approved by the Legislature on three prior occasions, for the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) with respect to various trades personnel at the Metropolitan Council Environmental Services waste treatment plant (the former Metropolitan Waste Control Commission facility) (see Laws 1977, Chapter 98), for PERA-General with respect to pipefitters and associated trades employed by the St. Paul School District (see Laws 1997, Chapter 241, Article 2, Sections 1, 8, and 12), and for PERA-General with respect to electrical workers, plumbers, carpenters, and related trades personnel employed by either the City of St. Paul or the St. Paul School District (see Laws 2000, Chapter 461, Article 7, Sections 1, 4, and 5). The change appears to involve the same type of exclusion, but involves more types of trades personnel (nine) and involves more trade union pension plans (six) than any of the previous exclusions.
4. The Likelihood of Similar Future Requests By Other Trades or Involving Other Employers. The policy issue is the likelihood that other trades personnel employed by these employers or trades personnel employed by other employers would make similar requests in the future. The Commission staff does not have any reliable information on the extent of trades personnel in public employment, but the practice undoubtedly extends beyond the Metropolitan Council, the City of St. Paul, the St. Paul Public Schools, and the Metropolitan Airports Commission. These exclusions can continue to be proposed on a piecemeal basis in the future as various trades personnel or unions begin to recognize the perceived problem or the Commission could attempt to address the trades personnel coverage issue on a more comprehensive basis. While the incremental addition of trades

personnel exclusions is no particular pension policy problem, processing exclusion requests for small groupings of trades personnel every year does expend valuable legislative time and resources, potentially to the exclusion of other legislative initiatives. Amendment LCPR01-24 would broaden the proposed PERA-General exclusion to include all public employees who have Taft-Hartley jointly trustee union pension coverage for the public employment in addition to PERA-General.

5. Adequacy of the Union Pension Plan Coverage Replacing PERA-General Plan Coverage.
The policy issue is the adequacy of the union pension plan coverage that will be the affected public employees total pension coverage (with Social Security) following enactment of the proposed legislation, if recommended by the Legislative Commission on Pensions and Retirement. In fashioning public employee pension plan coverage, the Commission attempts to assist the public personnel system by providing pension benefit coverage that is sufficient to assist in recruiting qualified new employees, retaining existing productive employees, and providing for the predictable out-transitioning of employees at the end of their normally expected work careers. Without taking testimony about the nature of the six union pension plans that will be the sole future pension coverage for the individuals affected by the proposed legislation, the Commission will lack the basis for determining whether or not the future union pension plan coverage is sufficient to replace the PERA-General coverage. If future pension plan coverage turns out not to be adequate objectively or in comparison to future PERA-General developments, future legislative requests to reverse these exclusions could be expected.

Technical Commission Staff Amendment LCPR01-25

Commission staff amendment LCPR01-25 repositions a modifying clause “under a collective bargaining agreement” in the current language of the law and the proposed language of the bill so that the sense of the provision is clearer and the important regulatory modifier does not get lost following a string of references to union pension plans.

SENT BY:
MAY 21 01 02:00

3-21-1 ; 16:54 ;
PLASTERERS' LOCAL 265

MIN. SENATE
612) 379-1515

828/369/1# 3/ 3
P.L.

Plasterers' Local 265

312 Central Ave. ~ Room 306 ~ Minneapolis, MN 55414
Phone (612) 379-1515 ~ Fax (612) 379-1515

Enclosed is a list of locals and employers of our members that we want included in the legislation to get out of P.A.R.A.

Plasterers #265	St. Paul Public Schools	
Painters #61	St. Paul Public Schools	St. Paul City Employees
Glazers #1324	St. Paul Public Schools	
Bricklayers #1	St. Paul Public Schools	St. Paul Park & Rec.
Cement Masons #833	St. Paul Public Schools	St. Paul City Employees - Park & Rec. - Water Works
Plumbers #34	M.A.C.	

Total number of employees possibly effected by this legislation is 30.

1 M moves to amend S.F. No. 77; H.F. No.
2 _____, as follows:

3 Page 5, delete lines 7 through 22, and insert "(19) trades
4 personnel with pension coverage under a collective bargaining
5 agreement by a federal Taft-Hartley act jointly trustee pension
6 plan who were first employed after December 31, 2001, or if
7 first employed before January 1, 2002, who elected to be
8 excluded under section 2.

9 Page 5, line 25, delete "bricklayer," and insert "trades
10 person who has pension coverage under a collective bargaining
11 agreement by a federal Taft-Hartley act jointly trustee pension
12 plan"

13 Page 5, delete lines 26 through 33

14 Page 5, line 34, delete "bargaining agreement"

15 Page 5, delete line 36

16 Page 6, delete lines 1 through 4

17 Page 6, line 5, delete "(c)" and insert "(b)"

18 Page 6, delete lines 27 through 36 and insert "Sections 1
19 and 2 are effective July 1, 2001."

20 Page 7, delete line 1

1 M moves to amend S.F. No. 77; H.F. No.
2 _____, as follows:
3 Page 4, line 28, after "coverage" insert "under a
4 collective bargaining agreement"
5 Page 4, line 29, strike "under a collective"
6 Page 4, line 30, strike "bargaining agreement"
7 Page 5, line 1, after "coverage" insert "under a collective
8 bargaining agreement"
9 Page 5, line 3, strike "under a collective bargaining"
10 Page 5, line 4, strike "agreement"
11 Page 5, line 9, after "cover" insert "under a collective
12 bargaining agreement"
13 Page 5, line 14, after "plan" delete the balance of the
14 line
15 Page 5, line 19, after "coverage" insert "under a
16 collective bargaining agreement"
17 Page 5, line 20, delete the line up to "who"
18 Page 5, line 29, after "coverage" insert "under a
19 collective bargaining agreement"
20 Page 5, line 33, delete "under a collective"
21 Page 5, line 34, delete "bargaining agreement"
22 Page 6, line 2, after "coverage" insert "under a collective
23 bargaining agreement" and delete "under a"
24 Page 6, line 3, delete "collective bargaining agreement"

1 M moves to amend S.F. No. 77; H.F. No.
2 _____, as follows:
3 Page 5, line 9, after "St. Paul" insert "or independent
4 school district No. 625, St. Paul,"
5 Page 5, line 28, after "St. Paul" insert "or independent
6 school district No. 625, St. Paul,"
7 Page 6, line 30, after "Paul" insert ", or independent
8 school district No. 625, St. Paul, as applicable, "
9 Page 6, line 31, after "council" insert "or governing board
10 of independent school district No. 625, St. Paul, as applicable,"

Senator Wiger introduced--

S.F. No. 77: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to retirement; excluding certain public
3 employees from coverage by the public employees
4 retirement plan; amending Minnesota Statutes 2000,
5 section 353.01, subdivision 2b.

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

7 Section 1. Minnesota Statutes 2000, section 353.01,
8 subdivision 2b, is amended to read:

9 Subd. 2b. [EXCLUDED EMPLOYEES.] The following public
10 employees shall not participate as members of the association
11 with retirement coverage by the public employees retirement plan
12 or the public employees police and fire retirement plan:

13 (1) elected public officers, or persons appointed to fill a
14 vacancy in an elective office, who do not elect to participate
15 in the association by filing an application for membership;

16 (2) election officers;

17 (3) patient and inmate personnel who perform services in
18 charitable, penal, or correctional institutions of a
19 governmental subdivision;

20 (4) employees who are hired for a temporary position under
21 subdivision 12a, and employees who resign from a nontemporary
22 position and accept a temporary position within 30 days in the
23 same governmental subdivision, but not those employees who are
24 hired for an unlimited period but are serving a probationary
25 period. If the period of employment extends beyond six

1 consecutive months and the employee earns more than \$425 from
2 one governmental subdivision in any one calendar month, the
3 department head shall report the employee for membership and
4 require employee deductions be made on behalf of the employee
5 under section 353.27, subdivision 4.

6 Membership eligibility of an employee who resigns or is
7 dismissed from a temporary position and within 30 days accepts
8 another temporary position in the same governmental subdivision
9 is determined on the total length of employment rather than on
10 each separate position. Membership eligibility of an employee
11 who holds concurrent temporary and nontemporary positions in one
12 governmental subdivision is determined by the length of
13 employment and salary of each separate position;

14 (5) employees whose actual salary from one governmental
15 subdivision does not exceed \$425 per month, or whose annual
16 salary from one governmental subdivision does not exceed a
17 stipulation prepared in advance, in writing, that the salary
18 must not exceed \$5,100 per calendar year or per school year for
19 school employees for employment expected to be of a full year's
20 duration or more than the prorated portion of \$5,100 per
21 employment period for employment expected to be of less than a
22 full year's duration;

23 (6) employees who are employed by reason of work emergency
24 caused by fire, flood, storm, or similar disaster;

25 (7) employees who by virtue of their employment in one
26 governmental subdivision are required by law to be a member of
27 and to contribute to any of the plans or funds administered by
28 the Minnesota state retirement system, the teachers retirement
29 association, the Duluth teachers retirement fund association,
30 the Minneapolis teachers retirement association, the St. Paul
31 teachers retirement fund association, the Minneapolis employees
32 retirement fund, or any police or firefighters relief
33 association governed by section 69.77 that has not consolidated
34 with the public employees retirement association, or any local
35 police or firefighters consolidation account but who have not
36 elected the type of benefit coverage provided by the public

1 employees police and fire fund under sections 353A.01 to
2 353A.10, or any persons covered by section 353.665, subdivision
3 4, 5, or 6, who have not elected public employees police and
4 fire plan benefit coverage. This clause must not be construed
5 to prevent a person from being a member of and contributing to
6 the public employees retirement association and also belonging
7 to and contributing to another public pension fund for other
8 service occurring during the same period of time. A person who
9 meets the definition of "public employee" in subdivision 2 by
10 virtue of other service occurring during the same period of time
11 becomes a member of the association unless contributions are
12 made to another public retirement fund on the salary based on
13 the other service or to the teachers retirement association by a
14 teacher as defined in section 354.05, subdivision 2;

15 (8) persons who are excluded from coverage under the
16 federal Old Age, Survivors, Disability, and Health Insurance
17 Program for the performance of service as specified in United
18 States Code, title 42, section 410(a)(8)(A), as amended through
19 January 1, 1987, if no irrevocable election of coverage has been
20 made under section 3121(r) of the Internal Revenue Code of 1954,
21 as amended;

22 (9) full-time students who are enrolled and are regularly
23 attending classes at an accredited school, college, or
24 university and who are part-time employees as defined by a
25 governmental subdivision;

26 (10) resident physicians, medical interns, and pharmacist
27 residents and pharmacist interns who are serving in a degree or
28 residency program in public hospitals;

29 (11) students who are serving in an internship or residency
30 program sponsored by an accredited educational institution;

31 (12) persons who hold a part-time adult supplementary
32 technical college license who render part-time teaching service
33 in a technical college;

34 (13) foreign citizens working for a governmental
35 subdivision with a work permit of less than three years, or an
36 H-1b visa valid for less than three years of employment. Upon

1 notice to the association that the work permit or visa extends
2 beyond the three-year period, the foreign citizens are eligible
3 for membership from the date of the extension;

4 (14) public hospital employees who elected not to
5 participate as members of the association before 1972 and who
6 did not elect to participate from July 1, 1988, to October 1,
7 1988;

8 (15) except as provided in section 353.86, volunteer
9 ambulance service personnel, as defined in subdivision 35, but
10 persons who serve as volunteer ambulance service personnel may
11 still qualify as public employees under subdivision 2 and may be
12 members of the public employees retirement association and
13 participants in the public employees retirement fund or the
14 public employees police and fire fund on the basis of
15 compensation received from public employment service other than
16 service as volunteer ambulance service personnel;

17 (16) except as provided in section 353.87, volunteer
18 firefighters, as defined in subdivision 36, engaging in
19 activities undertaken as part of volunteer firefighter duties;
20 provided that a person who is a volunteer firefighter may still
21 qualify as a public employee under subdivision 2 and may be a
22 member of the public employees retirement association and a
23 participant in the public employees retirement fund or the
24 public employees police and fire fund on the basis of
25 compensation received from public employment activities other
26 than those as a volunteer firefighter;

27 (17) pipefitters and associated trades personnel employed
28 by independent school district No. 625, St. Paul, with coverage
29 by the pipefitters local 455 pension plan under a collective
30 bargaining agreement who were either first employed after May 1,
31 1997, or, if first employed before May 2, 1997, elected to be
32 excluded under Laws 1997, chapter 241, article 2, section 12;
33 and

34 (18) electrical workers, plumbers, carpenters, and
35 associated trades personnel employed by independent school
36 district No. 625, St. Paul, or the city of St. Paul, with

1 coverage by the electrical workers local 110 pension plan, the
2 united association plumbers local 34 pension plan, or the
3 carpenters local 87 pension plan under a collective bargaining
4 agreement who were either first employed after May 1, 2000, or,
5 if first employed before May 2, 2000, elected to be excluded
6 under Laws 2000, chapter 461, article 7, section 5;

7 (19) bricklayers, allied craftworkers, cement masons,
8 glaziers, glassworkers, painters, allied tradesworkers, and
9 plasterers employed by the city of St. Paul, with coverage by
10 the bricklayers and allied craftworkers local 1 pension plan,
11 the cement masons local 633 pension plan, the glaziers and
12 glassworkers local L-1324 pension plan, the painters and allied
13 trades local 61 pension plan, or the Twin Cities plasterers
14 local 265 pension plan under a collective bargaining agreement
15 who were either first employed after May 1, 2001, or if first
16 employed before May 2, 2001, elected to be excluded under
17 section 2; and

18 (20) plumbers employed by the metropolitan airports
19 commission, with coverage by the plumbers local 34 pension plan
20 under a collective bargaining agreement who were either first
21 employed after May 1, 2001, or if first employed before May 2,
22 2001, elected to be excluded under section 2.

23 Sec. 2. [PUBLIC PENSION COVERAGE EXCLUSION FOR CERTAIN
24 TRADES PERSONNEL.]

25 Subdivision 1. [EXCLUSION ELECTION.] (a) A bricklayer,
26 allied craftworker, cement mason, glazier, glassworker, painter,
27 allied tradesworker, or plasterer who is employed by the city of
28 St. Paul on the effective date of this section and who has
29 pension coverage by the bricklayers and allied craftworkers
30 local 1 pension plan, the cement masons local 633 pension plan,
31 the glaziers and glassworkers local L-1324 pension plan, the
32 painters and allied trades local 61 pension plan, or the Twin
33 Cities plasterers local 265 pension plan under a collective
34 bargaining agreement may elect to be excluded from pension
35 coverage by the public employees retirement association.

36 (b) A plumber who is employed by the metropolitan airports

1 commission on the effective date of this section and who has
2 pension coverage by the plumbers local 34 pension plan under a
3 collective bargaining agreement may elect to be excluded from
4 pension coverage by the public employees retirement association.

5 (c) The exclusion election under this section must be made
6 in writing on a form prescribed by the executive director of the
7 public employees retirement association and must be filed with
8 the executive director. The exclusion election is irrevocable.
9 Authority to make the coverage exclusion expires on January 1,
10 2002.

11 Subd. 2. [ELIGIBILITY FOR MEMBER CONTRIBUTION REFUND.] A
12 person who has less than three years of allowable service in the
13 public employees retirement association and who elects the
14 pension coverage exclusion under subdivision 1 is entitled to
15 immediately apply for a refund under Minnesota Statutes, section
16 353.34, subdivisions 1 and 2, following the effective date of
17 the exclusion election.

18 Subd. 3. [DEFERRED ANNUITY ELIGIBILITY.] In lieu of the
19 refund under subdivision 2, a person who elects the pension
20 coverage exclusion under subdivision 1 is entitled to a deferred
21 retirement annuity under Minnesota Statutes, sections 353.34,
22 subdivision 3; and 353.71, subdivision 2, based on any length of
23 allowable service credit under Minnesota Statutes, section
24 353.01, subdivision 16, to the credit of the person as of the
25 date of the coverage exclusion election.

26 Sec. 3. [EFFECTIVE DATE.]

27 (a) Sections 1 and 2 are effective for bricklayers, allied
28 craftworkers, cement masons, glaziers, glassworkers, painters,
29 allied tradesworkers, and plasterers employed by the city of St.
30 Paul on the day following approval by majority vote of the St.
31 Paul city council and compliance with Minnesota Statutes,
32 section 645.021.

33 (b) Sections 1 and 2 are effective for plumbers employed by
34 the metropolitan airports commission on the day following
35 approval by majority vote of the metropolitan airports
36 commission and compliance with Minnesota Statutes, section

01/08/01

[REVISOR] CMG/SA 01-0594

1 645.021.