



TO: Members of the Legislative Commission on Pensions and Retirement

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

RE: Amendment Based on LCPR05-375: 2002 Red Wing School District Teacher Strike Service Credit Purchase and Annuity Recalculation, Added to S.F. 2239 (Pogemiller); H.F. 2362 (Smith), Omnibus Retirement Bill I, in Senate Finance Committee

DATE: March 23, 2006

The amendment based on Document LCPR05-375, added to the 2006 Omnibus Retirement Bill I in the Senate Finance Committee, allows teachers who participated in the 2002 Red Wing School District teacher strike and lost service credit in the Teachers Retirement Association (TRA) as a result to purchase that service credit with a full actuarial value payment and permits any former Red Wing teacher who participated in the 2002 strike, retired before July 26, 2005, and purchases the prior service credit from TRA to have the person's retirement annuity recalculated based on the additional service credit under whatever annuity form was initially elected.

The amendment largely replicates the International Falls and Red Wing school strike provision recommended by the Commission in the 2006 Omnibus Retirement Bill I in Article 15, Section 10, with the exception of the addition of the annuity recalculation provision for the Red Wing school strike.

1.1 A bill for an act
1.2 relating to retirement; Teachers Retirement Association; authorizing the
1.3 acquisition of service credit for the Red Wing public school strike.

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

1.5 Section 1. **RED WING PUBLIC SCHOOL STRIKE; SERVICE CREDIT**
1.6 **PURCHASE AUTHORIZATION.**

1.7 Notwithstanding any provision of Minnesota Statutes, section 356.195, to the
1.8 contrary, a teacher who was employed by Independent School District No. 256 (Red
1.9 Wing) and participated in the strike in 2002 and retired before July 26, 2005, is authorized
1.10 to purchase service credit from the Teachers Retirement Association for that strike period
1.11 under Minnesota Statutes, section 356.195, subdivision 2, paragraph (c). The service credit
1.12 must be purchased before July 1, 2007. If a retired Red Wing teacher purchases service
1.13 credit under this section, the person's retirement annuity must be recalculated in light of
1.14 the additional service credit consistent with any optional annuity form originally selected.

1.15 Sec. 2. **EFFECTIVE DATE.**

1.16 (a) Section 1 is effective the day following final enactment.

1.17 (b) Section 1 expires on July 1, 2007.