

1.1 ..... moves to amend H.F. No. ....; S.F. No. ...., as follows:

1.2 Page ..., after line ..., insert:

1.3 "ARTICLE ...

1.4 VOLUNTARY CONSOLIDATION OF THE MINNEAPOLIS  
1.5 FIREFIGHTERS RELIEF ASSOCIATION

1.6 Section 1. Minnesota Statutes 2010, section 353.01, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 10a. Unit value; Minneapolis firefighters. "Unit value," for a member of  
1.9 the public employees police and fire retirement plan who was a member of the former  
1.10 Minneapolis Firefighters Relief Association on the day prior to the effective date of  
1.11 consolidation under section 18, is \$86.71 for calendar year 2011, \$104.651 for calendar  
1.12 year 2012, \$109.011 for calendar year 2013, \$114.825 for calendar year 2014, \$124.031  
1.13 for calendar year 2015, and for calendar years after calendar year 2015, the prior year's  
1.14 unit value plus an increase equal to the adjustment percentage determined under section  
1.15 356.415, subdivision 1c, effective for the January 1 of the calendar year.

1.16 Sec. 2. Minnesota Statutes 2010, section 353.01, subdivision 16, is amended to read:

1.17 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service"  
1.18 means:

1.19 (1) service during years of actual membership in the course of which employee  
1.20 deductions were withheld from salary and contributions were made at the applicable rates  
1.21 under section 353.27, 353.65, or 353E.03;

1.22 (2) periods of service covered by payments in lieu of salary deductions under  
1.23 sections 353.27, subdivision 12, and 353.35;

2.1 (3) service in years during which the public employee was not a member but for  
2.2 which the member later elected, while a member, to obtain credit by making payments to  
2.3 the fund as permitted by any law then in effect;

2.4 (4) a period of authorized leave of absence with pay from which deductions for  
2.5 employee contributions are made, deposited, and credited to the fund;

2.6 (5) a period of authorized personal, parental, or medical leave of absence without  
2.7 pay, including a leave of absence covered under the federal Family Medical Leave Act,  
2.8 that does not exceed one year, and for which a member obtained service credit for each  
2.9 month in the leave period by payment under section 353.0161 to the fund made in place of  
2.10 salary deductions. An employee must return to public service and render a minimum of  
2.11 three months of allowable service in order to be eligible to make payment under section  
2.12 353.0161 for a subsequent authorized leave of absence without pay. Upon payment, the  
2.13 employee must be granted allowable service credit for the purchased period;

2.14 (6) a periodic, repetitive leave that is offered to all employees of a governmental  
2.15 subdivision. The leave program may not exceed 208 hours per annual normal work cycle  
2.16 as certified to the association by the employer. A participating member obtains service  
2.17 credit by making employee contributions in an amount or amounts based on the member's  
2.18 average salary, excluding overtime pay, that would have been paid if the leave had not been  
2.19 taken. The employer shall pay the employer and additional employer contributions on  
2.20 behalf of the participating member. The employee and the employer are responsible to pay  
2.21 interest on their respective shares at the rate of 8.5 percent a year, compounded annually,  
2.22 from the end of the normal cycle until full payment is made. An employer shall also make  
2.23 the employer and additional employer contributions, plus 8.5 percent interest, compounded  
2.24 annually, on behalf of an employee who makes employee contributions but terminates  
2.25 public service. The employee contributions must be made within one year after the end of  
2.26 the annual normal working cycle or within 30 days after termination of public service,  
2.27 whichever is sooner. The executive director shall prescribe the manner and forms to be  
2.28 used by a governmental subdivision in administering a periodic, repetitive leave. Upon  
2.29 payment, the member must be granted allowable service credit for the purchased period;

2.30 (7) an authorized temporary or seasonal layoff under subdivision 12, limited to three  
2.31 months allowable service per authorized temporary or seasonal layoff in one calendar year.  
2.32 An employee who has received the maximum service credit allowed for an authorized  
2.33 temporary or seasonal layoff must return to public service and must obtain a minimum of  
2.34 three months of allowable service subsequent to the layoff in order to receive allowable  
2.35 service for a subsequent authorized temporary or seasonal layoff;

3.1 (8) a period during which a member is absent from employment by a governmental  
3.2 subdivision by reason of service in the uniformed services, as defined in United States  
3.3 Code, title 38, section 4303(13), if the member returns to public service with the same  
3.4 governmental subdivision upon discharge from service in the uniformed service within the  
3.5 time frames required under United States Code, title 38, section 4312(e), provided that  
3.6 the member did not separate from uniformed service with a dishonorable or bad conduct  
3.7 discharge or under other than honorable conditions. The service must be credited if the  
3.8 member pays into the fund equivalent employee contributions based upon the contribution  
3.9 rate or rates in effect at the time that the uniformed service was performed multiplied by  
3.10 the full and fractional years being purchased and applied to the annual salary rate. The  
3.11 annual salary rate is the average annual salary, excluding overtime pay, during the purchase  
3.12 period that the member would have received if the member had continued to be employed  
3.13 in covered employment rather than to provide uniformed service, or, if the determination  
3.14 of that rate is not reasonably certain, the annual salary rate is the member's average salary  
3.15 rate, excluding overtime pay, during the 12-month period of covered employment rendered  
3.16 immediately preceding the period of the uniformed service. Payment of the member  
3.17 equivalent contributions must be made during a period that begins with the date on which  
3.18 the individual returns to public employment and that is three times the length of the  
3.19 military leave period, or within five years of the date of discharge from the military service,  
3.20 whichever is less. If the determined payment period is less than one year, the contributions  
3.21 required under this clause to receive service credit may be made within one year of the  
3.22 discharge date. Payment may not be accepted following 30 days after termination of  
3.23 public service under subdivision 11a. If the member equivalent contributions provided for  
3.24 in this clause are not paid in full, the member's allowable service credit must be prorated  
3.25 by multiplying the full and fractional number of years of uniformed service eligible for  
3.26 purchase by the ratio obtained by dividing the total member contributions received by the  
3.27 total member contributions otherwise required under this clause. The equivalent employer  
3.28 contribution, and, if applicable, the equivalent additional employer contribution must be  
3.29 paid by the governmental subdivision employing the member if the member makes the  
3.30 equivalent employee contributions. The employer payments must be made from funds  
3.31 available to the employing unit, using the employer and additional employer contribution  
3.32 rate or rates in effect at the time that the uniformed service was performed, applied to the  
3.33 same annual salary rate or rates used to compute the equivalent member contribution. The  
3.34 governmental subdivision involved may appropriate money for those payments. The  
3.35 amount of service credit obtainable under this section may not exceed five years unless a  
3.36 longer purchase period is required under United States Code, title 38, section 4312. The

4.1 employing unit shall pay interest on all equivalent member and employer contribution  
4.2 amounts payable under this clause. Interest must be computed at a rate of 8.5 percent  
4.3 compounded annually from the end of each fiscal year of the leave or the break in service  
4.4 to the end of the month in which the payment is received. Upon payment, the employee  
4.5 must be granted allowable service credit for the purchased period; or

4.6 (9) a period specified under subdivision 40.

4.7 (b) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for  
4.8 state officers and employees displaced by the Community Corrections Act, chapter 401,  
4.9 and transferred into county service under section 401.04, "allowable service" means the  
4.10 combined years of allowable service as defined in paragraph (a), clauses (1) to (6), and  
4.11 section 352.01, subdivision 11.

4.12 (c) For a public employee who has prior service covered by a local police or  
4.13 firefighters relief association that has consolidated with the Public Employees Retirement  
4.14 Association under chapter 353A or to which section 353.665 applies, and who has elected  
4.15 the type of benefit coverage provided by the public employees police and fire fund either  
4.16 under section 353A.08 following the consolidation or under section 353.665, subdivision  
4.17 4, "~~applicable~~ allowable service" is a period of service credited by the local police or  
4.18 firefighters relief association as of the effective date of the consolidation based on law  
4.19 and on bylaw provisions governing the relief association on the date of the initiation  
4.20 of the consolidation procedure.

4.21 (d) No member may receive more than 12 months of allowable service credit in  
4.22 a year either for vesting purposes or for benefit calculation purposes. For an active  
4.23 member who was an active member of the former Minneapolis Firefighters Relief  
4.24 Association on the day prior to the effective date of consolidation under section 18,  
4.25 "allowable service" is the period of service credited by the Minneapolis Firefighters Relief  
4.26 Association as reflected in the transferred records of the association up to the effective  
4.27 date of consolidation under section 18 and the period of service credited under paragraph  
4.28 (a), clause (1), after the effective date of consolidation under section 18.

4.29 (e) MS 2002 [Expired]

4.30 Sec. 3. Minnesota Statutes 2010, section 353.65, subdivision 1, is amended to read:

4.31 Subdivision 1. **Fund established.** (a) The public employees police and fire fund  
4.32 is established for police officers and firefighters who meet the eligibility criteria under  
4.33 section 353.64.

4.34 (b) Employee contributions other than those made under subdivision 2, paragraph  
4.35 (b), employer contributions under subdivision 3 and under section 353.667, subdivision 6,

5.1 other than the excess contribution established by section 69.031, subdivision 5, paragraphs  
5.2 (2), clauses (b) and (c), and (3), and other amounts authorized by law, including all  
5.3 employee and employer contributions of members transferred, must be deposited in the  
5.4 public employees police and fire fund.

5.5 (c) Within the public employees police and fire fund is established a special health  
5.6 benefit contribution account. The member contributions in excess of 25 years of service  
5.7 under subdivision 2, paragraph (b), must be deposited in the special account. The special  
5.8 account must be deposited in the postretirement health care savings account under section  
5.9 352.98.

5.10 Sec. 4. Minnesota Statutes 2010, section 353.65, subdivision 2, is amended to read:

5.11 Subd. 2. **Employee contribution.** (a) For members other than members who were  
5.12 active members of the former Minneapolis Firefighters Relief Association on the day prior  
5.13 to the effective date of consolidation under section 18, the employee contribution is 9.4  
5.14 percent of the salary of the member in calendar year 2010 and is 9.6 percent of the salary  
5.15 of the member in each calendar year after 2010. ~~This contribution~~

5.16 (b) For members who were active members of the former Minneapolis Firefighters  
5.17 Relief Association on the day prior to the effective date of consolidation under section 18,  
5.18 the employee contribution is an amount equal to eight percent of the base salary of the  
5.19 member. The employee contribution made by a member with at least 25 years of service  
5.20 credit as an active member of the former Minneapolis Firefighters Relief Association  
5.21 must be deposited in the special health benefit contribution account established under  
5.22 subdivision 1, paragraph (c).

5.23 (c) Contributions under this section must be made by deduction from salary in  
5.24 the manner provided in subdivision 4. Where any portion of a member's salary is paid  
5.25 from other than public funds, the member's employee contribution is based on the total  
5.26 salary received from all sources.

5.27 Sec. 5. Minnesota Statutes 2010, section 353.65, subdivision 3, is amended to read:

5.28 Subd. 3. **Employer contribution.** (a) With respect to members other than members  
5.29 who were active members of the former Minneapolis Firefighters Relief Association  
5.30 on the day prior to the effective date of consolidation under section 18, the employer  
5.31 contribution is 14.1 percent of the salary of the member in calendar year 2010 and is 14.4  
5.32 percent of the salary of the member in each calendar year after 2010. ~~This contribution~~

5.33 (b) With respect to members who were active members of the former Minneapolis  
5.34 Firefighters Relief Association on the day prior to the effective date of consolidation under

6.1 section 18, the employer contribution is \$114,825 per month or an amount equal to the  
6.2 amount of the member contributions under subdivision 3, paragraph (b), whichever is less.

6.3 (c) Contributions under this subdivision must be made from funds available to the  
6.4 employing subdivision by the means and in the manner provided in section 353.28.

6.5 Sec. 6. Minnesota Statutes 2010, section 353.651, subdivision 1, is amended to read:

6.6 Subdivision 1. **Age and allowable service requirements.** Upon separation from  
6.7 public service, any police officer or firefighter member, other than a firefighter covered  
6.8 by section 353.6511, who has attained the age of at least 55 years and who is vested  
6.9 under section 353.01, subdivision 47, is entitled upon application to a retirement annuity,  
6.10 known as the "normal" retirement annuity.

6.11 Sec. 7. **[353.6511] ALTERNATIVE RETIREMENT BENEFIT COVERAGE IN**  
6.12 **CERTAIN INSTANCES.**

6.13 Subdivision 1. **Applicability.** The alternative benefit coverage under this section  
6.14 applies only to an active member of the public employees police and fire retirement plan  
6.15 who was an active member of the former Minneapolis Firefighters Relief Association on  
6.16 the day prior to the consolidation effective date under section 18 and who retires after the  
6.17 consolidation effective date under section 18.

6.18 Subd. 2. **Retirement annuity.** (a) A member described in subdivision 1, if the  
6.19 member meets the eligibility requirements of paragraph (b), is only entitled to a retirement  
6.20 annuity under this subdivision.

6.21 (b) The member, upon application, if the person is at least age 50 and has credit for  
6.22 at least 20 years of allowable service, is entitled to a normal retirement annuity. The  
6.23 normal retirement annuity is the following amount based on the service credit of the  
6.24 retiring member as a Minneapolis firefighter:

<u>years of service</u>	<u>retirement annuity amount</u>
<u>20</u>	<u>34 units</u>
<u>21</u>	<u>35.6 units</u>
<u>22</u>	<u>37.2 units</u>
<u>23</u>	<u>38.8 units</u>
<u>24</u>	<u>40.4 units</u>
<u>25 or more</u>	<u>42.0 units</u>

6.32 Subd. 3. **Disability benefit.** A member described in subdivision 1, if the member is  
6.33 disabled under section 353.01, subdivision 41 or 46, and has not yet attained the age of 50  
6.34 years, is entitled to a disability benefit equal to 41 units.

7.1 Subd. 4. **Surviving spouse benefit.** A surviving spouse under section 353.01,  
7.2 subdivision 20, of a deceased member described in subdivision 1 is entitled to a surviving  
7.3 spouse benefit equal to 22 units.

7.4 Subd. 5. **Surviving dependent child benefit.** A surviving dependent child under  
7.5 section 353.01, subdivision 15a, of a deceased member described in subdivision 1 is  
7.6 entitled to a surviving child benefit equal to eight units.

7.7 Subd. 6. **Surviving family benefit maximum.** The surviving spouse and surviving  
7.8 dependent child under subdivisions 4 and 5 are entitled to a combined family benefit under  
7.9 subdivisions 4 and 5 of 42 units.

7.10 Subd. 7. **Health insurance account.** Member contributions transferred for deposit  
7.11 in the separate account under section 353.65, subdivision 1, paragraph (c), as of the  
7.12 effective date of consolidation under section 18 or made in excess of 25 years of service  
7.13 credit that are deposited in the separate account under section 353.65, subdivision 1,  
7.14 paragraph (c), upon the retirement, disablement, or death of a member described in  
7.15 subdivision 1, must be deposited into the postretirement health care savings plan under  
7.16 section 352.98, for the reimbursement of health or medical expenses of the member or the  
7.17 deceased member's heirs.

7.18 Subd. 8. **Postretirement adjustments.** Retirement annuities, service pensions,  
7.19 disability benefits, and survivor benefits after December 31, 2015, are eligible for  
7.20 postretirement adjustments under section 356.415, subdivision 1c. The unit value for  
7.21 the calculation of a retirement annuity first payable after December 31, 2015, is the  
7.22 calendar year 2015 unit value, plus any postretirement adjustment percentage amount  
7.23 under section 356.415, subdivision 1c, payable after December 31, 2015, and before the  
7.24 date of retirement.

7.25 Sec. 8. Minnesota Statutes 2010, section 353.656, subdivision 1, is amended to read:

7.26 Subdivision 1. **Duty disability; computation of benefits.** (a) A member of  
7.27 the police and fire plan, other than a firefighter covered by section 353.6511, who is  
7.28 determined to qualify for duty disability as defined in section 353.01, subdivision 41,  
7.29 shall receive disability benefits during the period of such disability in an amount equal to  
7.30 60 percent of the average salary as defined in section 353.01, subdivision 17a, plus an  
7.31 additional percentage specified under section 356.315, subdivision 6, of that average  
7.32 salary for each year of service in excess of 20 years.

7.33 (b) To be eligible for a benefit under paragraph (a), the member must have:

7.34 (1) not met the requirements for a retirement annuity under section 353.651,  
7.35 subdivision 1; or

8.1 (2) met the requirements under that subdivision, but does not have at least 20 years  
8.2 of allowable service credit.

8.3 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a  
8.4 period of 60 months from the disability benefit accrual date and at the end of that period  
8.5 is subject to provisions of subdivision 5a.

8.6 (d) If the disability under this subdivision occurs before the member has at least five  
8.7 years of allowable service credit in the police and fire plan, the disability benefit must be  
8.8 computed on the average salary from which deductions were made for contribution to  
8.9 the police and fire fund.

8.10 Sec. 9. Minnesota Statutes 2010, section 353.656, subdivision 1a, is amended to read:

8.11 Subd. 1a. **Total and permanent duty disability; computation of benefits.** (a) A  
8.12 member of the police and fire plan, other than a firefighter covered by section 353.6511,  
8.13 whose disabling condition is determined to be a duty disability that is also a permanent  
8.14 and total disability as defined in section 353.01, subdivision 19, is entitled to receive, for  
8.15 life, disability benefits in an amount equal to 60 percent of the average salary as defined in  
8.16 section 353.01, subdivision 17a, plus an additional percent specified in section 356.315,  
8.17 subdivision 6, of that average salary for each year of service in excess of 20 years.

8.18 (b) A disability benefit payable under paragraph (a) is subject to eligibility review  
8.19 under section 353.33, subdivision 6, but the review may be waived if the executive  
8.20 director receives a written statement from the association's medical advisor that no  
8.21 improvement can be expected in the member's disabling condition that was the basis for  
8.22 payment of the benefit under paragraph (a). A member receiving a disability benefit  
8.23 under this subdivision who is found to no longer be permanently and totally disabled as  
8.24 defined under section 353.01, subdivision 19, but continues to meet the definition for  
8.25 receipt of a duty disability under section 353.01, subdivision 41, is subject to subdivision  
8.26 1 upon written notice from the association's medical advisor that the person is no longer  
8.27 considered permanently and totally disabled.

8.28 (c) If a member approved for disability benefits under this subdivision dies before  
8.29 attaining normal retirement age as defined in section 353.01, subdivision 37, paragraph  
8.30 (b), or within 60 months of the effective date of the disability, whichever is later,  
8.31 the surviving spouse is entitled to receive a survivor benefit under section 353.657,  
8.32 subdivision 2, paragraph (a), clause (1), if the death is the direct result of the disabling  
8.33 condition for which disability benefits were approved, or section 353.657, subdivision  
8.34 2, paragraph (a), clause (2), if the death is not directly related to the disabling condition  
8.35 for which benefits were approved under this subdivision.



9.1 (d) If the election of an actuarial equivalent optional annuity is not made at the time  
9.2 the permanent and total disability benefit accrues, an election must be made within 90  
9.3 days before the member attains normal retirement age as defined under section 353.01,  
9.4 subdivision 37, paragraph (b), or having collected total and permanent disability benefits  
9.5 for 60 months, whichever is later. If a member receiving disability benefits who has  
9.6 dependent children dies, subdivision 6a, paragraph (c), applies.

9.7 Sec. 10. Minnesota Statutes 2010, section 353.656, subdivision 3, is amended to read:

9.8 Subd. 3. **Regular disability benefit.** (a) A member of the police and fire plan, other  
9.9 than a firefighter covered by section 353.6511, who qualifies for a regular disability benefit  
9.10 as defined in section 353.01, subdivision 46, is entitled to receive a disability benefit,  
9.11 after filing a valid application, in an amount equal to 45 percent of the average salary as  
9.12 defined in section 353.01, subdivision 17a.

9.13 (b) To be eligible for a benefit under paragraph (a), the member must have at least  
9.14 one year of allowable service credit and have:

9.15 (1) not met the requirements for a retirement annuity under section 353.651,  
9.16 subdivision 1, or

9.17 (2) met the requirements under that subdivision, but does not have at least 15 years  
9.18 of allowable service credit.

9.19 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a  
9.20 period of 60 months from the disability benefit accrual date and, at the end of that period,  
9.21 is subject to provisions of subdivision 5a.

9.22 (d) For a member who is employed as a full-time firefighter by the Department of  
9.23 Military Affairs of the state of Minnesota, allowable service as a full-time state Military  
9.24 Affairs Department firefighter credited by the Minnesota State Retirement System may be  
9.25 used in meeting the minimum allowable service requirement of this subdivision.

9.26 Sec. 11. Minnesota Statutes 2010, section 353.656, subdivision 3a, is amended to read:

9.27 Subd. 3a. **Total and permanent regular disability; computation of benefits.** (a)  
9.28 A member of the police and fire plan, other than a firefighter covered by section 353.6511,  
9.29 whose disabling condition is determined to be a regular disability under section 353.01,  
9.30 subdivision 46, that is also a permanent and total disability as defined in section 353.01,  
9.31 subdivision 19, is entitled to receive, for life, a disability benefit in an amount equal to  
9.32 45 percent of the average salary as defined in section 353.01, subdivision 17a, plus an  
9.33 additional percent specified in section 356.315, subdivision 6, of that average salary for  
9.34 each year of service in excess of 15 years.

10.1 (b) A disability benefit payable under paragraph (a) is subject to eligibility review  
10.2 under section 353.33, subdivision 6, but the review may be waived if the executive  
10.3 director receives a written statement from the association's medical advisor that no  
10.4 improvement can be expected in the member's disabling condition that was the basis for  
10.5 payment of the benefit under paragraph (a). A member receiving a disability benefit under  
10.6 this subdivision who is found to no longer be permanently and totally disabled as defined  
10.7 under section 353.01, subdivision 19, but continues to meet the definition for receipt  
10.8 of a regular disability under section 353.01, subdivision 46, is subject to subdivision 3  
10.9 upon written notice from the association's medical advisor that the person is no longer  
10.10 considered permanently and totally disabled.

10.11 (c) A member approved for disability benefits under this subdivision may elect  
10.12 to receive a normal disability benefit or an actuarial equivalent optional annuity. If the  
10.13 election of an actuarial equivalent optional annuity is not made at the time the total and  
10.14 permanent disability benefit accrues, an election must be made within 90 days before  
10.15 the member attains normal retirement age as defined in section 353.01, subdivision 37,  
10.16 paragraph (b), or having collected disability benefits for 60 months, whichever is later.  
10.17 No surviving spouse benefits are payable if the member dies during the period in which  
10.18 a normal total and permanent disability benefit is being paid. If a member receiving  
10.19 disability benefits who has dependent children dies, subdivision 6a, paragraph (c), applies.

10.20 Sec. 12. Minnesota Statutes 2010, section 353.657, subdivision 1, is amended to read:

10.21 Subdivision 1. **Generally.** (a) In the event that a member of the police and fire fund,  
10.22 other than a firefighter covered by section 353.6511, dies from any cause before retirement  
10.23 or before becoming disabled and receiving disability benefits, the association shall grant  
10.24 survivor benefits to a surviving spouse, as defined in section 353.01, subdivision 20, and  
10.25 to a dependent child or children, as defined in section 353.01, subdivision 15, except  
10.26 that if the death is not a line of duty death, the member must be vested under section  
10.27 353.01, subdivision 47.

10.28 (b) Notwithstanding the definition of surviving spouse, a former spouse of the  
10.29 member, if any, is entitled to a portion of the monthly surviving spouse benefit if  
10.30 stipulated under the terms of a marriage dissolution decree filed with the association. If  
10.31 there is no surviving spouse or child or children, a former spouse may be entitled to  
10.32 a lump-sum refund payment under section 353.32, subdivision 1, if provided for in a  
10.33 marriage dissolution decree but not a monthly surviving spouse benefit despite the terms  
10.34 of a marriage dissolution decree filed with the association.

11.1 (c) The spouse and child or children are entitled to monthly benefits as provided in  
11.2 subdivisions 2 to 4.

11.3 Sec. 13. **[353.667] CONSOLIDATION OF THE MINNEAPOLIS**  
11.4 **FIREFIGHTERS RELIEF ASSOCIATION.**

11.5 Subdivision 1. **Membership transfer.** On the effective date of consolidation under  
11.6 section 18, the active, inactive, and retired members of the Minneapolis Firefighters Relief  
11.7 Association are transferred to the public employees police and fire retirement plan, are  
11.8 no longer members of the Minneapolis Firefighters Relief Association, and are members  
11.9 of the public employees police and fire retirement plan.

11.10 Subd. 2. **Service credit and benefit liability transfer.** (a) Allowable service  
11.11 credit and base salary credit of the active members of the Minneapolis Firefighters  
11.12 Relief Association, as contained in the records of the Minneapolis Firefighters Relief  
11.13 Association through the day before the effective date of consolidation under section 18,  
11.14 are transferred to the public employees police and fire retirement plan and is credited as  
11.15 provided in section 353.01, subdivisions 10a and 16, paragraph (c), on the effective date  
11.16 of consolidation under section 18.

11.17 (b) The liability for the payment of retirement annuities, service pensions, and  
11.18 retirement benefits of the Minneapolis Firefighters Relief Association retired members,  
11.19 service pensioners, disabilitants, and other retirement benefit recipients as specified  
11.20 in the records of the Minneapolis Firefighters Relief Association is transferred to the  
11.21 public employees police and fire retirement plan on the effective date of consolidation  
11.22 under section 18.

11.23 Subd. 3. **Transfer of records.** On the effective date of the consolidation under  
11.24 section 18, the chief administrative officer of the Minneapolis Firefighters Relief  
11.25 Association shall transfer all records and documents relating to the special fund of the  
11.26 Minneapolis Firefighters Relief Association to the executive director of the Public  
11.27 Employees Retirement Association. To the extent possible, original copies of all records  
11.28 and documents must be transferred.

11.29 Subd. 4. **Transfer of assets; transfer of title to assets.** (a) On the effective date  
11.30 of the consolidation under section 18, the chief administrative officer of the Minneapolis  
11.31 Firefighters Relief Association shall transfer the entire assets of the special fund of the  
11.32 Minneapolis Firefighters Relief Association other than the health insurance account to  
11.33 the public employees police and fire retirement fund. Unless ineligible or inappropriate,  
11.34 the transfer must be in the form of investment securities and must include any accounts  
11.35 receivable that are determined by the State Board of Investment as being capable of being

12.1 collected. An amount, in cash, must be transferred by the city of Minneapolis equal to  
12.2 the carrying value recognized by the relief association of investment securities that are  
12.3 determined to be ineligible or inappropriate by the executive director of the State Board of  
12.4 Investment or of accounts receivable determined as being incapable of being collected by  
12.5 the executive director of the State Board of Investment. Legal and beneficial title to assets  
12.6 that are ineligible or inappropriate securities or that are uncollectible accounts receivable  
12.7 are transferred to the city of Minneapolis on the effective date of consolidation under  
12.8 section 18. Any accounts payable on the effective date of consolidation under section 18  
12.9 are an obligation of the public employees police and fire retirement fund and reduce the  
12.10 asset value for purposes of subdivision 6. The transferred assets must be deposited in the  
12.11 public employees police and fire retirement fund. The amount of the transferred health  
12.12 insurance account must be deposited in the special account established under section  
12.13 353.65, subdivision 1, paragraph (c).

12.14 (b) Upon the transfer of assets to the State Board of Investment under paragraph  
12.15 (a), legal title to those transferred assets vests with the State Board of Investment on  
12.16 behalf of the public employees police and fire retirement plan, and beneficial title to  
12.17 the transferred assets remains with the former membership of the former Minneapolis  
12.18 Firefighters Relief Association.

12.19 (c) The public employees police and fire retirement plan and fund is the successor  
12.20 in interest to all claims for or against the Minneapolis Firefighters Relief Association,  
12.21 but the public employees police and fire retirement plan and fund is not liable for any  
12.22 claim against the Minneapolis Firefighters Relief Association, its governing board, or its  
12.23 administrative staff acting in a fiduciary capacity, under chapter 356A or common law,  
12.24 which is founded upon a claim of a breach of fiduciary duty, but where the act or acts  
12.25 constituting the claimed breach were not undertaken in good faith. The public employees  
12.26 police and fire retirement plan may assert any applicable defense to any claim in any  
12.27 judicial or administrative proceeding that the Minneapolis Firefighters Relief Association,  
12.28 its board, or its administrative staff would otherwise have been entitled to assert, and the  
12.29 public employees police and fire retirement plan may assert any applicable defense that it  
12.30 has in its capacity as a statewide agency.

12.31 (d) The Public Employees Retirement Association shall indemnify any former  
12.32 fiduciary of the Minneapolis Firefighters Relief Association consistent with the provisions  
12.33 of section 356A.11. The indemnification may be effected by the purchase by the Public  
12.34 Employees Retirement Association of reasonable fiduciary liability tail insurance for the  
12.35 officers and directors of the former Minneapolis Firefighters Relief Association.

13.1 Subd. 5. **Benefits.** The annuities, service pensions, and other retirement benefits  
13.2 of or attributable to retired, disabled, deferred, or inactive Minneapolis Firefighters  
13.3 Relief Association members who had that status as of the day before the effective date of  
13.4 consolidation under section 18 continue after consolidation in the same amount and under  
13.5 the same terms as provided in Minnesota Statutes 2010, chapter 423B, except that the unit  
13.6 value is governed by section 353.01, subdivision 10a, and the postretirement adjustments  
13.7 after December 31, 2015, must be calculated solely under section 353.6511, subdivision 8.

13.8 Subd. 6. **Additional employer contributions.** As of the effective date of the  
13.9 consolidation under section 18, the approved actuary retained by the Public Employees  
13.10 Retirement Association shall calculate the present value of future benefits of the former  
13.11 Minneapolis Firefighters Relief Association, and, after subtracting the market value of  
13.12 the transferred assets of the former Minneapolis Firefighters Relief Association and the  
13.13 present value of the employer contribution under section 353.64, subdivision 3, paragraph  
13.14 (c), shall calculate the remainder present value of future benefits amount. Annually,  
13.15 following the effective date of consolidation under section 18, the city of Minneapolis  
13.16 shall pay an amount sufficient to amortize on a level annual dollar basis the remainder  
13.17 present value of future benefits amount by December 31, 2031. The amortization payment  
13.18 is payable annually on December 1.

13.19 Subd. 7. **Health and dental insurance program deductions.** The executive  
13.20 director shall withhold any health insurance or dental insurance premiums designated  
13.21 by the annuitant or benefit recipient and shall transfer them to the city of Minneapolis.  
13.22 The Public Employees Retirement Association may charge a necessary and reasonable  
13.23 monthly administrative fee to the city of Minneapolis for this function and bill it in  
13.24 addition to the employer contribution under section 353.65, subdivision 3, paragraph (b).  
13.25 Notwithstanding any provision of chapter 13 to the contrary, the executive director shall  
13.26 provide the city of Minneapolis with the current addresses of former members of the  
13.27 Minneapolis Firefighters Relief Association.

13.28 Subd. 8. **Exception to data privacy law.** (a) This subdivision applies if the  
13.29 membership of the former Minneapolis Firefighters Relief Association approves the  
13.30 continuation of the relief association as a fraternal organization under section 16.

13.31 (b) Notwithstanding any provision of chapter 13 to the contrary, the executive  
13.32 director shall provide the Minneapolis firefighters fraternal association with the names and  
13.33 current addresses of former members of the Minneapolis Firefighters Relief Association  
13.34 annually.

13.35 Subd. 9. **Fire insurance surcharge.** Notwithstanding any provision of section  
13.36 297I.10 to the contrary, the proceeds of the first class city fire insurance premium tax

14.1 surcharge with respect to Minneapolis must be paid to the city of Minneapolis to defray a  
14.2 portion of the employer retirement cost under section 353.65, subdivision 3, with respect  
14.3 to Minneapolis firefighters.

14.4 Sec. 14. Minnesota Statutes 2010, section 423A.02, subdivision 1b, is amended to read:

14.5 Subd. 1b. **Additional amortization state aid.** (a) Annually, on October 1, the  
14.6 commissioner of revenue shall allocate the additional amortization state aid transferred  
14.7 under section 69.021, subdivision 11, to:

14.8 (1) all police or salaried firefighters relief associations governed by and in full  
14.9 compliance with the requirements of section 69.77, that had an unfunded actuarial accrued  
14.10 liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the  
14.11 preceding December 31;

14.12 (2) all local police or salaried firefighter consolidation accounts governed by chapter  
14.13 353A that are certified by the executive director of the public employees retirement  
14.14 association as having for the current fiscal year an additional municipal contribution  
14.15 amount under section 353A.09, subdivision 5, paragraph (b), and that have implemented  
14.16 section 353A.083, subdivision 1, if the effective date of the consolidation preceded May  
14.17 24, 1993, and that have implemented section 353A.083, subdivision 2, if the effective date  
14.18 of the consolidation preceded June 1, 1995; and

14.19 (3) the municipalities that are required to make an additional municipal contribution  
14.20 under section 353.665, subdivision 8, or 353.667, subdivision 6, for the duration of the  
14.21 required additional contribution.

14.22 (b) The commissioner shall allocate the state aid on the basis of the proportional share  
14.23 of the relief association or consolidation account of the total unfunded actuarial accrued  
14.24 liability of all recipient relief associations and consolidation accounts as of December 31,  
14.25 1993, for relief associations, and as of June 30, 1994, for consolidation accounts.

14.26 (c) Beginning October 1, 2000, and annually thereafter, the commissioner shall  
14.27 allocate the state aid, including any state aid in excess of the limitation in subdivision  
14.28 4, on the following basis:

14.29 (1) 64.5 percent to the municipalities to which section 353.665, subdivision  
14.30 8, paragraph (b), or 353A.09, subdivision 5, paragraph (b), apply for distribution in  
14.31 accordance with paragraph (b) and subject to the limitation in subdivision 4;

14.32 (2) 34.2 percent to the city of Minneapolis to fund any unfunded actuarial accrued  
14.33 liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the  
14.34 preceding December 31 for the Minneapolis Police Relief Association or the Minneapolis  
14.35 Fire Department Relief Association; and

15.1 (3) 1.3 percent to the city of Virginia to fund any unfunded actuarial accrued liability  
15.2 in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding  
15.3 December 31 for the Virginia Fire Department Relief Association.

15.4 If there is no unfunded actuarial accrued liability in both the Minneapolis Police  
15.5 Relief Association and the Minneapolis Fire Department Relief Association as disclosed  
15.6 in the most recent actuarial valuations for the relief associations prepared under sections  
15.7 356.215 and 356.216, the commissioner shall allocate that 34.2 percent of the aid as  
15.8 follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul  
15.9 Teachers Retirement Fund Association, and 30 percent as additional funding to support  
15.10 minimum fire state aid for volunteer firefighters relief associations. If there is no unfunded  
15.11 actuarial accrued liability in the Virginia Fire Department Relief Association as disclosed  
15.12 in the most recent actuarial valuation for the relief association prepared under sections  
15.13 356.215 and 356.216, the commissioner shall allocate that 1.3 percent of the aid as  
15.14 follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul  
15.15 Teachers Retirement Fund Association, and 30 percent as additional funding to support  
15.16 minimum fire state aid for volunteer firefighters relief associations. Upon the final  
15.17 payment to municipalities required by section 353.665, subdivision 8, paragraph (b),  
15.18 or 353A.09, subdivision 5, paragraph (b), the commissioner shall allocate that 64.5  
15.19 percent of the aid as follows: 20 percent to the St. Paul Teachers Retirement Fund  
15.20 Association, 20 percent to the city of Minneapolis to fund any unfunded actuarial accrued  
15.21 liability in the actuarial valuation proposed under sections 356.215 and 356.216 as of the  
15.22 preceding December 31 for the Minneapolis Police Relief Association or the Minneapolis  
15.23 Firefighters Relief Association, 20 percent for the city of Duluth to pay for any costs  
15.24 associated with the police and firefighters pensions, and 40 percent as additional funding to  
15.25 support minimum fire state aid for volunteer firefighters relief associations. The allocation  
15.26 must be made by the commissioner at the same time and under the same procedures  
15.27 as specified in subdivision 3. With respect to the St. Paul Teachers Retirement Fund  
15.28 Association, annually, beginning on July 1, 2005, if the applicable teacher's association  
15.29 five-year average time-weighted rate of investment return does not equal or exceed the  
15.30 performance of a composite portfolio assumed passively managed (indexed) invested ten  
15.31 percent in cash equivalents, 60 percent in bonds and similar debt securities, and 30 percent  
15.32 in domestic stock calculated using the formula under section 11A.04, clause (11), the aid  
15.33 allocation to that retirement fund under this section ceases until the five-year annual rate  
15.34 of investment return equals or exceeds the performance of that composite portfolio.

16.1 (d) The amounts required under this subdivision are the amounts annually  
16.2 appropriated to the commissioner of revenue under section 69.021, subdivision 11,  
16.3 paragraph (e).

16.4 Sec. 15. **MINNEAPOLIS FIREFIGHTERS RELIEF ASSOCIATION; SPECIAL**  
16.5 **ACTUARIAL VALUATION PENDING CONSOLIDATION.**

16.6 (a) On or before August 1, 2011, the approved actuarial consulting firm retained by  
16.7 the Public Employees Retirement Association under Minnesota Statutes, section 356.214,  
16.8 shall prepare an alternative actuarial valuation of the Minneapolis Firefighters Relief  
16.9 Association under Minnesota Statutes, section 356.215, and the most recent standards  
16.10 for actuarial work adopted by the Legislative Commission on Pensions and Retirement  
16.11 as of August 11, 2010, using the applicable actuarial assumptions and the applicable  
16.12 amortization target date of the public employee police and fire retirement plan.

16.13 (b) The officers of the Minneapolis Firefighters Relief Association shall supply the  
16.14 approved actuary retained by the Public Employees Retirement Association with the  
16.15 financial and demographic data necessary to perform the alternative actuarial valuation.

16.16 (c) The alternative actuarial valuation of the Minneapolis Firefighters Relief  
16.17 Association must be filed with the mayor of the city of Minneapolis, with the Minneapolis  
16.18 city coordinator, with the executive director of the Minneapolis Firefighters Relief  
16.19 Association, with the executive director of the Public Employees Retirement Association,  
16.20 with the executive director of the Legislative Commission on Pensions and Retirement,  
16.21 and with the Legislative Reference Library.

16.22 (d) The expense of preparing the alternative actuarial valuation must be paid by the  
16.23 city of Minneapolis within 30 days of its certification to the finance director of the city of  
16.24 Minneapolis by the executive director of the Public Employees Retirement Association.

16.25 Sec. 16. **TERMINATION OF THE RELIEF ASSOCIATION.**

16.26 (a) On the effective date of the consolidation under section 18, the special fund of  
16.27 the Minneapolis Firefighters Relief Association ceases to exist.

16.28 (b) Unless the former membership of the Minneapolis Firefighters Relief Association  
16.29 approves its continuation of the relief association as a fraternal organization other than as a  
16.30 pension or retirement organization at a special meeting held for that purpose before April  
16.31 15, 2012, and approves the changes in its articles of incorporation and bylaws necessary to  
16.32 effect that redesignation and reorientation of the organization, the Minneapolis Firefighters  
16.33 Relief Association ceases to exist as a legal entity on June 30, 2012.



17.1 (c) If the Minneapolis Firefighters Relief Association continues the relief association  
17.2 as a fraternal organization under paragraph (b), the transfer of relief association assets  
17.3 must not include assets of the Minneapolis Firefighters Relief Association general fund,  
17.4 which must be retained by the fraternal organization for organization purposes other than  
17.5 for pension or retirement benefit payment purposes.

17.6 (d) As of the effective date of the consolidation under section 18, the employment  
17.7 of the employees of the Minneapolis Firefighters Relief Association terminates. The  
17.8 employees of the Minneapolis Firefighters Relief Association who were employed by the  
17.9 relief association before May 1, 2011, have an employment preference with the Public  
17.10 Employees Retirement Association equal to that under the veterans preference act.

17.11 (e) If, on October 2, 2011, the consolidation has been approved by all applicable  
17.12 entities under section 18, the officers of the Minneapolis Firefighters Relief Association  
17.13 shall certify to the city of Minneapolis and to the Hennepin County auditor the financial  
17.14 requirements of the relief association and the minimum municipal obligation under  
17.15 Minnesota Statutes, section 69.77, subdivision 4, revised consistent with the actuarial  
17.16 valuation results under section 15.

17.17 Sec. 17. **REPEALER.**

17.18 Minnesota Statutes 2010, sections 423A.021; 423C.01; 423C.02; 423C.03; 423C.04;  
17.19 423C.05; 423C.06; 423C.07; 423C.08; 423C.09; 423C.10; 423C.11; 423C.12; 423C.13;  
17.20 423C.14; 423C.15; and 423C.16, are repealed.

17.21 Sec. 18. **EFFECTIVE DATE; LOCAL APPROVAL.**

17.22 (a) Sections 1 to 15, 16, paragraphs (a) to (d), and 17 are effective December  
17.23 30, 2011, if the board of trustees of the Minneapolis Firefighters Relief Association  
17.24 approves the article and if a majority of the membership of the Minneapolis Firefighters  
17.25 Relief Association voting on the question approves the article, if the chief administrative  
17.26 officer of the Minneapolis Firefighters Relief Association certifies those approvals to the  
17.27 mayor of the city of Minneapolis and the president of the Minneapolis city council on or  
17.28 before September 15, 2011, if the board of trustees of the Public Employees Retirement  
17.29 Association approves the article, if the executive director of the Public Employees  
17.30 Retirement Association certifies that approval to the mayor of the city of Minneapolis  
17.31 and the president of the Minneapolis city council, and if the governing body of the  
17.32 city of Minneapolis and the chief clerical officer of Minneapolis timely complete their  
17.33 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, on or before  
17.34 September 30, 2011, or on the first day of the month occurring two months after the

18.1 governing body of the city of Minneapolis and the chief clerical officer of Minneapolis  
18.2 timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions  
18.3 2 and 3, if that completion occurs on or after October 1, 2011.

18.4 (b) If the approvals occur under paragraph (a) in a timely fashion, section 16,  
18.5 paragraph (e), is effective October 2, 2011.

18.6 **ARTICLE ...**

18.7 **VOLUNTARY CONSOLIDATION OF THE MINNEAPOLIS POLICE**  
18.8 **RELIEF ASSOCIATION**

18.9 Section 1. Minnesota Statutes 2010, section 353.01, is amended by adding a  
18.10 subdivision to read:

18.11 Subd. 10b. **Unit value; Minneapolis police.** "Unit value," for a member  
18.12 of the public employees police and fire retirement plan who was a member of the  
18.13 former Minneapolis Police Relief Association on the day prior to the effective date of  
18.14 consolidation under section 18, is \$86.71 for calendar year 2011, \$104.651 for calendar  
18.15 year 2012, \$109.011 for calendar year 2013, \$114.825 for calendar year 2014, \$124.031  
18.16 for calendar year 2015, and for calendar years after calendar year 2015, the prior year's  
18.17 unit value plus an increase equal to the adjustment percentage determined under section  
18.18 356.415, subdivision 1c, effective for the January 1 of the calendar year.

18.19 Sec. 2. Minnesota Statutes 2010, section 353.01, subdivision 16, is amended to read:

18.20 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service"  
18.21 means:

18.22 (1) service during years of actual membership in the course of which employee  
18.23 deductions were withheld from salary and contributions were made at the applicable rates  
18.24 under section 353.27, 353.65, or 353E.03;

18.25 (2) periods of service covered by payments in lieu of salary deductions under  
18.26 sections 353.27, subdivision 12, and 353.35;

18.27 (3) service in years during which the public employee was not a member but for  
18.28 which the member later elected, while a member, to obtain credit by making payments to  
18.29 the fund as permitted by any law then in effect;

18.30 (4) a period of authorized leave of absence with pay from which deductions for  
18.31 employee contributions are made, deposited, and credited to the fund;

18.32 (5) a period of authorized personal, parental, or medical leave of absence without  
18.33 pay, including a leave of absence covered under the federal Family Medical Leave Act,  
18.34 that does not exceed one year, and for which a member obtained service credit for each  
18.35 month in the leave period by payment under section 353.0161 to the fund made in place of

19.1 salary deductions. An employee must return to public service and render a minimum of  
19.2 three months of allowable service in order to be eligible to make payment under section  
19.3 353.0161 for a subsequent authorized leave of absence without pay. Upon payment, the  
19.4 employee must be granted allowable service credit for the purchased period;

19.5 (6) a periodic, repetitive leave that is offered to all employees of a governmental  
19.6 subdivision. The leave program may not exceed 208 hours per annual normal work cycle  
19.7 as certified to the association by the employer. A participating member obtains service  
19.8 credit by making employee contributions in an amount or amounts based on the member's  
19.9 average salary, excluding overtime pay, that would have been paid if the leave had not been  
19.10 taken. The employer shall pay the employer and additional employer contributions on  
19.11 behalf of the participating member. The employee and the employer are responsible to pay  
19.12 interest on their respective shares at the rate of 8.5 percent a year, compounded annually,  
19.13 from the end of the normal cycle until full payment is made. An employer shall also make  
19.14 the employer and additional employer contributions, plus 8.5 percent interest, compounded  
19.15 annually, on behalf of an employee who makes employee contributions but terminates  
19.16 public service. The employee contributions must be made within one year after the end of  
19.17 the annual normal working cycle or within 30 days after termination of public service,  
19.18 whichever is sooner. The executive director shall prescribe the manner and forms to be  
19.19 used by a governmental subdivision in administering a periodic, repetitive leave. Upon  
19.20 payment, the member must be granted allowable service credit for the purchased period;

19.21 (7) an authorized temporary or seasonal layoff under subdivision 12, limited to three  
19.22 months allowable service per authorized temporary or seasonal layoff in one calendar year.  
19.23 An employee who has received the maximum service credit allowed for an authorized  
19.24 temporary or seasonal layoff must return to public service and must obtain a minimum of  
19.25 three months of allowable service subsequent to the layoff in order to receive allowable  
19.26 service for a subsequent authorized temporary or seasonal layoff;

19.27 (8) a period during which a member is absent from employment by a governmental  
19.28 subdivision by reason of service in the uniformed services, as defined in United States  
19.29 Code, title 38, section 4303(13), if the member returns to public service with the same  
19.30 governmental subdivision upon discharge from service in the uniformed service within the  
19.31 time frames required under United States Code, title 38, section 4312(e), provided that  
19.32 the member did not separate from uniformed service with a dishonorable or bad conduct  
19.33 discharge or under other than honorable conditions. The service must be credited if the  
19.34 member pays into the fund equivalent employee contributions based upon the contribution  
19.35 rate or rates in effect at the time that the uniformed service was performed multiplied by  
19.36 the full and fractional years being purchased and applied to the annual salary rate. The

20.1 annual salary rate is the average annual salary, excluding overtime pay, during the purchase  
20.2 period that the member would have received if the member had continued to be employed  
20.3 in covered employment rather than to provide uniformed service, or, if the determination  
20.4 of that rate is not reasonably certain, the annual salary rate is the member's average salary  
20.5 rate, excluding overtime pay, during the 12-month period of covered employment rendered  
20.6 immediately preceding the period of the uniformed service. Payment of the member  
20.7 equivalent contributions must be made during a period that begins with the date on which  
20.8 the individual returns to public employment and that is three times the length of the  
20.9 military leave period, or within five years of the date of discharge from the military service,  
20.10 whichever is less. If the determined payment period is less than one year, the contributions  
20.11 required under this clause to receive service credit may be made within one year of the  
20.12 discharge date. Payment may not be accepted following 30 days after termination of  
20.13 public service under subdivision 11a. If the member equivalent contributions provided for  
20.14 in this clause are not paid in full, the member's allowable service credit must be prorated  
20.15 by multiplying the full and fractional number of years of uniformed service eligible for  
20.16 purchase by the ratio obtained by dividing the total member contributions received by the  
20.17 total member contributions otherwise required under this clause. The equivalent employer  
20.18 contribution, and, if applicable, the equivalent additional employer contribution must be  
20.19 paid by the governmental subdivision employing the member if the member makes the  
20.20 equivalent employee contributions. The employer payments must be made from funds  
20.21 available to the employing unit, using the employer and additional employer contribution  
20.22 rate or rates in effect at the time that the uniformed service was performed, applied to the  
20.23 same annual salary rate or rates used to compute the equivalent member contribution. The  
20.24 governmental subdivision involved may appropriate money for those payments. The  
20.25 amount of service credit obtainable under this section may not exceed five years unless a  
20.26 longer purchase period is required under United States Code, title 38, section 4312. The  
20.27 employing unit shall pay interest on all equivalent member and employer contribution  
20.28 amounts payable under this clause. Interest must be computed at a rate of 8.5 percent  
20.29 compounded annually from the end of each fiscal year of the leave or the break in service  
20.30 to the end of the month in which the payment is received. Upon payment, the employee  
20.31 must be granted allowable service credit for the purchased period; or

20.32 (9) a period specified under subdivision 40.

20.33 (b) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for  
20.34 state officers and employees displaced by the Community Corrections Act, chapter 401,  
20.35 and transferred into county service under section 401.04, "allowable service" means the

21.1 combined years of allowable service as defined in paragraph (a), clauses (1) to (6), and  
21.2 section 352.01, subdivision 11.

21.3 (c) For a public employee who has prior service covered by a local police or  
21.4 firefighters relief association that has consolidated with the Public Employees Retirement  
21.5 Association under chapter 353A or to which section 353.665 applies, and who has elected  
21.6 the type of benefit coverage provided by the public employees police and fire fund either  
21.7 under section 353A.08 following the consolidation or under section 353.665, subdivision  
21.8 4, "~~applicable~~ allowable service" is a period of service credited by the local police or  
21.9 firefighters relief association as of the effective date of the consolidation based on law  
21.10 and on bylaw provisions governing the relief association on the date of the initiation  
21.11 of the consolidation procedure.

21.12 (d) No member may receive more than 12 months of allowable service credit in a  
21.13 year either for vesting purposes or for benefit calculation purposes. For an active member  
21.14 who was an active member of the former Minneapolis Police Relief Association on the  
21.15 day prior to the effective date of consolidation under section 18, "allowable service" is the  
21.16 period of service credited by the Minneapolis Police Relief Association as reflected in  
21.17 the transferred records of the association up to the effective date of consolidation under  
21.18 section 18 and the period of service credited under paragraph (a), clause (1), after the  
21.19 effective date of consolidation under section 18.

21.20 (e) MS 2002 [Expired]

21.21 Sec. 3. Minnesota Statutes 2010, section 353.65, subdivision 1, is amended to read:

21.22 Subdivision 1. **Fund established.** (a) The public employees police and fire fund  
21.23 is established for police officers and firefighters who meet the eligibility criteria under  
21.24 section 353.64.

21.25 (b) Employee contributions other than those made under subdivision 2, paragraph  
21.26 (b), employer contributions under subdivision 3 and under section 353.668, subdivision 6,  
21.27 other than the excess contribution established by section 69.031, subdivision 5, paragraphs  
21.28 (2), clauses (b) and (c), and (3), and other amounts authorized by law, including all  
21.29 employee and employer contributions of members transferred, must be deposited in the  
21.30 public employees police and fire fund.

21.31 (c) Within the public employees police and fire fund is established a special health  
21.32 benefit contribution account. The member contributions in excess of 25 years of service  
21.33 under subdivision 2, paragraph (b), must be deposited in the special account. The special  
21.34 account must be deposited in the postretirement health care savings account under section  
21.35 352.98.

22.1 Sec. 4. Minnesota Statutes 2010, section 353.65, subdivision 2, is amended to read:

22.2 Subd. 2. **Employee contribution.** (a) For members other than members who were  
22.3 active members of the former Minneapolis Police Relief Association on the day prior to  
22.4 the effective date of consolidation under section 18, the employee contribution is 9.4  
22.5 percent of the salary of the member in calendar year 2010 and is 9.6 percent of the salary  
22.6 of the member in each calendar year after 2010. ~~This contribution~~

22.7 (b) For members who were active members of the former Minneapolis Police  
22.8 Relief Association on the day prior to the effective date of consolidation under section  
22.9 18, the employee contribution is an amount equal to eight percent of the base salary of  
22.10 the member. The employee contribution made by a member with at least 25 years of  
22.11 service credit as an active member of the former Minneapolis Police Relief Association  
22.12 must be deposited in the special health benefit contribution account established under  
22.13 subdivision 1, paragraph (c).

22.14 (c) Contributions under this section must be made by deduction from salary in  
22.15 the manner provided in subdivision 4. Where any portion of a member's salary is paid  
22.16 from other than public funds, the member's employee contribution is based on the total  
22.17 salary received from all sources.

22.18 Sec. 5. Minnesota Statutes 2010, section 353.65, subdivision 3, is amended to read:

22.19 Subd. 3. **Employer contribution.** (a) With respect to members other than members  
22.20 who were active members of the former Minneapolis Police Relief Association on the day  
22.21 prior to the effective date of consolidation under section 18, the employer contribution is  
22.22 14.1 percent of the salary of the member in calendar year 2010 and is 14.4 percent of the  
22.23 salary of the member in each calendar year after 2010. ~~This contribution~~

22.24 (b) With respect to members who were active members of the former Minneapolis  
22.25 Police Relief Association on the day prior to the effective date of consolidation under  
22.26 section 18, the employer contribution is \$239,215 per month or an amount equal to the  
22.27 amount of the member contributions under subdivision 2, paragraph (b), whichever is less.

22.28 (c) Contributions under this subdivision must be made from funds available to the  
22.29 employing subdivision by the means and in the manner provided in section 353.28.

22.30 Sec. 6. Minnesota Statutes 2010, section 353.651, subdivision 1, is amended to read:

22.31 Subdivision 1. **Age and allowable service requirements.** Upon separation from  
22.32 public service, any police officer or firefighter member, other than a police officer covered  
22.33 by section 353.6512, who has attained the age of at least 55 years and who is vested

23.1 under section 353.01, subdivision 47, is entitled upon application to a retirement annuity,  
23.2 known as the "normal" retirement annuity.

23.3 **Sec. 7. [353.6512] ALTERNATIVE RETIREMENT BENEFIT COVERAGE IN**  
23.4 **CERTAIN INSTANCES.**

23.5 Subdivision 1. **Applicability.** The alternative benefit coverage under this section  
23.6 applies only to an active member of the public employees police and fire retirement plan  
23.7 who was an active member of the former Minneapolis Police Relief Association on the  
23.8 day prior to the consolidation effective date under section 18 and who retires after the  
23.9 consolidation effective date under section 18.

23.10 Subd. 2. **Retirement annuity.** (a) A member described in subdivision 1, if the  
23.11 member meets the eligibility requirements of paragraph (b), is only entitled to a retirement  
23.12 annuity under this subdivision.

23.13 (b) The member, upon application, if the person is at least age 50 and has credit for  
23.14 at least 20 years of allowable service, is entitled to a normal retirement annuity. The  
23.15 normal retirement annuity is the following amount based on the service credit of the  
23.16 retiring member as a Minneapolis police officer:

<u>years of service</u>	<u>retirement annuity amount</u>
<u>20</u>	<u>35 units</u>
<u>21</u>	<u>36.6 units</u>
<u>22</u>	<u>38.2 units</u>
<u>23</u>	<u>39.8 units</u>
<u>24</u>	<u>41.4 units</u>
<u>25 or more</u>	<u>43.0 units</u>

23.24 Subd. 3. **Disability benefit.** A member described in subdivision 1, if the member is  
23.25 disabled under section 353.01, subdivision 41 or 46, and has not yet attained the age of 50  
23.26 years, is entitled to a disability benefit equal to 34 units.

23.27 Subd. 4. **Surviving spouse benefit.** A surviving spouse under section 353.01,  
23.28 subdivision 20, of a deceased member described in subdivision 1 is entitled to a surviving  
23.29 spouse benefit equal to 23 units.

23.30 Subd. 5. **Surviving dependent child benefit.** A surviving dependent child under  
23.31 section 353.01, subdivision 15a, of a deceased member described in subdivision 1 is  
23.32 entitled to a surviving child benefit equal to eight units.

23.33 Subd. 6. **Surviving family benefit maximum.** The surviving spouse and surviving  
23.34 dependent child under subdivisions 4 and 5 are entitled to a combined family benefit under  
23.35 subdivisions 4 and 5 of 41 units.

24.1           Subd. 7. **Health insurance account.** Member contributions transferred for deposit  
24.2 in the separate account under section 353.65, subdivision 1, paragraph (c), as of the  
24.3 effective date of consolidation under section 18 or made in excess of 25 years of service  
24.4 credit that are deposited in the separate account under section 353.65, subdivision 1,  
24.5 paragraph (c), upon the retirement, disablement, or death of a member described in  
24.6 subdivision 1, must be deposited into the postretirement health care savings plan under  
24.7 section 352.98, for the reimbursement of health or medical expenses of the member or the  
24.8 deceased member's heirs.

24.9           Subd. 8. **Postretirement adjustments.** Retirement annuities, service pensions,  
24.10 disability benefits, and survivor benefits after December 31, 2015, are eligible for  
24.11 postretirement adjustments under section 356.415, subdivision 1c. The unit value for  
24.12 the calculation of a retirement annuity first payable after December 31, 2015, is the  
24.13 calendar year 2015 unit value, plus any postretirement adjustment percentage amount  
24.14 under section 356.415, subdivision 1c, payable after December 31, 2015, and before the  
24.15 date of retirement.

24.16           Sec. 8. Minnesota Statutes 2010, section 353.656, subdivision 1, is amended to read:

24.17           Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the  
24.18 police and fire plan, other than a police officer covered by section 353.6512, who is  
24.19 determined to qualify for duty disability as defined in section 353.01, subdivision 41,  
24.20 shall receive disability benefits during the period of such disability in an amount equal to  
24.21 60 percent of the average salary as defined in section 353.01, subdivision 17a, plus an  
24.22 additional percentage specified under section 356.315, subdivision 6, of that average  
24.23 salary for each year of service in excess of 20 years.

24.24           (b) To be eligible for a benefit under paragraph (a), the member must have:

24.25           (1) not met the requirements for a retirement annuity under section 353.651,  
24.26 subdivision 1; or

24.27           (2) met the requirements under that subdivision, but does not have at least 20 years  
24.28 of allowable service credit.

24.29           (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a  
24.30 period of 60 months from the disability benefit accrual date and at the end of that period  
24.31 is subject to provisions of subdivision 5a.

24.32           (d) If the disability under this subdivision occurs before the member has at least five  
24.33 years of allowable service credit in the police and fire plan, the disability benefit must be  
24.34 computed on the average salary from which deductions were made for contribution to  
24.35 the police and fire fund.



25.1 Sec. 9. Minnesota Statutes 2010, section 353.656, subdivision 1a, is amended to read:

25.2 Subd. 1a. **Total and permanent duty disability; computation of benefits.** (a) A  
25.3 member of the police and fire plan, other than a police officer covered by section 353.6512,  
25.4 whose disabling condition is determined to be a duty disability that is also a permanent  
25.5 and total disability as defined in section 353.01, subdivision 19, is entitled to receive, for  
25.6 life, disability benefits in an amount equal to 60 percent of the average salary as defined in  
25.7 section 353.01, subdivision 17a, plus an additional percent specified in section 356.315,  
25.8 subdivision 6, of that average salary for each year of service in excess of 20 years.

25.9 (b) A disability benefit payable under paragraph (a) is subject to eligibility review  
25.10 under section 353.33, subdivision 6, but the review may be waived if the executive  
25.11 director receives a written statement from the association's medical advisor that no  
25.12 improvement can be expected in the member's disabling condition that was the basis for  
25.13 payment of the benefit under paragraph (a). A member receiving a disability benefit  
25.14 under this subdivision who is found to no longer be permanently and totally disabled as  
25.15 defined under section 353.01, subdivision 19, but continues to meet the definition for  
25.16 receipt of a duty disability under section 353.01, subdivision 41, is subject to subdivision  
25.17 1 upon written notice from the association's medical advisor that the person is no longer  
25.18 considered permanently and totally disabled.

25.19 (c) If a member approved for disability benefits under this subdivision dies before  
25.20 attaining normal retirement age as defined in section 353.01, subdivision 37, paragraph  
25.21 (b), or within 60 months of the effective date of the disability, whichever is later,  
25.22 the surviving spouse is entitled to receive a survivor benefit under section 353.657,  
25.23 subdivision 2, paragraph (a), clause (1), if the death is the direct result of the disabling  
25.24 condition for which disability benefits were approved, or section 353.657, subdivision  
25.25 2, paragraph (a), clause (2), if the death is not directly related to the disabling condition  
25.26 for which benefits were approved under this subdivision.

25.27 (d) If the election of an actuarial equivalent optional annuity is not made at the time  
25.28 the permanent and total disability benefit accrues, an election must be made within 90  
25.29 days before the member attains normal retirement age as defined under section 353.01,  
25.30 subdivision 37, paragraph (b), or having collected total and permanent disability benefits  
25.31 for 60 months, whichever is later. If a member receiving disability benefits who has  
25.32 dependent children dies, subdivision 6a, paragraph (c), applies.

25.33 Sec. 10. Minnesota Statutes 2010, section 353.656, subdivision 3, is amended to read:

25.34 Subd. 3. **Regular disability benefit.** (a) A member of the police and fire plan, other  
25.35 than a police officer covered by section 353.6512, who qualifies for a regular disability

26.1 benefit as defined in section 353.01, subdivision 46, is entitled to receive a disability  
26.2 benefit, after filing a valid application, in an amount equal to 45 percent of the average  
26.3 salary as defined in section 353.01, subdivision 17a.

26.4 (b) To be eligible for a benefit under paragraph (a), the member must have at least  
26.5 one year of allowable service credit and have:

26.6 (1) not met the requirements for a retirement annuity under section 353.651,  
26.7 subdivision 1, or

26.8 (2) met the requirements under that subdivision, but does not have at least 15 years  
26.9 of allowable service credit.

26.10 (c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a  
26.11 period of 60 months from the disability benefit accrual date and, at the end of that period,  
26.12 is subject to provisions of subdivision 5a.

26.13 (d) For a member who is employed as a full-time firefighter by the Department of  
26.14 Military Affairs of the state of Minnesota, allowable service as a full-time state Military  
26.15 Affairs Department firefighter credited by the Minnesota State Retirement System may be  
26.16 used in meeting the minimum allowable service requirement of this subdivision.

26.17 Sec. 11. Minnesota Statutes 2010, section 353.656, subdivision 3a, is amended to read:

26.18 Subd. 3a. **Total and permanent regular disability; computation of benefits.**

26.19 (a) A member of the police and fire plan, other than a police officer covered by section  
26.20 353.6512, whose disabling condition is determined to be a regular disability under section  
26.21 353.01, subdivision 46, that is also a permanent and total disability as defined in section  
26.22 353.01, subdivision 19, is entitled to receive, for life, a disability benefit in an amount  
26.23 equal to 45 percent of the average salary as defined in section 353.01, subdivision 17a,  
26.24 plus an additional percent specified in section 356.315, subdivision 6, of that average  
26.25 salary for each year of service in excess of 15 years.

26.26 (b) A disability benefit payable under paragraph (a) is subject to eligibility review  
26.27 under section 353.33, subdivision 6, but the review may be waived if the executive  
26.28 director receives a written statement from the association's medical advisor that no  
26.29 improvement can be expected in the member's disabling condition that was the basis for  
26.30 payment of the benefit under paragraph (a). A member receiving a disability benefit under  
26.31 this subdivision who is found to no longer be permanently and totally disabled as defined  
26.32 under section 353.01, subdivision 19, but continues to meet the definition for receipt  
26.33 of a regular disability under section 353.01, subdivision 46, is subject to subdivision 3  
26.34 upon written notice from the association's medical advisor that the person is no longer  
26.35 considered permanently and totally disabled.

27.1 (c) A member approved for disability benefits under this subdivision may elect  
27.2 to receive a normal disability benefit or an actuarial equivalent optional annuity. If the  
27.3 election of an actuarial equivalent optional annuity is not made at the time the total and  
27.4 permanent disability benefit accrues, an election must be made within 90 days before  
27.5 the member attains normal retirement age as defined in section 353.01, subdivision 37,  
27.6 paragraph (b), or having collected disability benefits for 60 months, whichever is later.  
27.7 No surviving spouse benefits are payable if the member dies during the period in which  
27.8 a normal total and permanent disability benefit is being paid. If a member receiving  
27.9 disability benefits who has dependent children dies, subdivision 6a, paragraph (c), applies.

27.10 Sec. 12. Minnesota Statutes 2010, section 353.657, subdivision 1, is amended to read:

27.11 Subdivision 1. **Generally.** (a) In the event that a member of the police and fire  
27.12 fund, other than a police officer covered by section 353.6512, dies from any cause  
27.13 before retirement or before becoming disabled and receiving disability benefits, the  
27.14 association shall grant survivor benefits to a surviving spouse, as defined in section  
27.15 353.01, subdivision 20, and to a dependent child or children, as defined in section 353.01,  
27.16 subdivision 15, except that if the death is not a line of duty death, the member must be  
27.17 vested under section 353.01, subdivision 47.

27.18 (b) Notwithstanding the definition of surviving spouse, a former spouse of the  
27.19 member, if any, is entitled to a portion of the monthly surviving spouse benefit if  
27.20 stipulated under the terms of a marriage dissolution decree filed with the association. If  
27.21 there is no surviving spouse or child or children, a former spouse may be entitled to  
27.22 a lump-sum refund payment under section 353.32, subdivision 1, if provided for in a  
27.23 marriage dissolution decree but not a monthly surviving spouse benefit despite the terms  
27.24 of a marriage dissolution decree filed with the association.

27.25 (c) The spouse and child or children are entitled to monthly benefits as provided in  
27.26 subdivisions 2 to 4.

27.27 Sec. 13. **[353.668] CONSOLIDATION OF THE MINNEAPOLIS POLICE**  
27.28 **RELIEF ASSOCIATION.**

27.29 Subdivision 1. **Membership transfer.** On the effective date of consolidation under  
27.30 section 18, the active, inactive, and retired members of the Minneapolis Police Relief  
27.31 Association are transferred to the public employees police and fire retirement plan, are no  
27.32 longer members of the Minneapolis Police Relief Association, and are members of the  
27.33 public employees police and fire retirement plan.

28.1            **Subd. 2. Service credit and benefit liability transfer.** (a) Allowable service credit  
28.2 and base salary credit of the active members of the Minneapolis Police Relief Association,  
28.3 as contained in the records of the Minneapolis Police Relief Association through the  
28.4 day before the effective date of consolidation under section 18, are transferred to the  
28.5 public employees police and fire retirement plan and is credited as provided in section  
28.6 353.01, subdivisions 10a and 16, paragraph (c), on the effective date of consolidation  
28.7 under section 18.

28.8            (b) The liability for the payment of retirement annuities, service pensions, and  
28.9 retirement benefits of the Minneapolis Police Relief Association retired members, service  
28.10 pensioners, disabilitants, and other retirement benefit recipients as specified in the records  
28.11 of the Minneapolis Police Relief Association is transferred to the public employees police  
28.12 and fire retirement plan on the effective date of consolidation under section 18.

28.13           **Subd. 3. Transfer of records.** On the effective date of the consolidation under  
28.14 section 18, the chief administrative officer of the Minneapolis Police Relief Association  
28.15 shall transfer all records and documents relating to the special fund of the Minneapolis  
28.16 Police Relief Association to the executive director of the Public Employees Retirement  
28.17 Association. To the extent possible, original copies of all records and documents must  
28.18 be transferred.

28.19           **Subd. 4. Transfer of assets; transfer of title to assets.** (a) On the effective date  
28.20 of the consolidation under section 18, the chief administrative officer of the Minneapolis  
28.21 Police Relief Association shall transfer the entire assets of the special fund of the  
28.22 Minneapolis Police Relief Association other than the health insurance account to the  
28.23 public employees police and fire retirement fund. Unless ineligible or inappropriate,  
28.24 the transfer must be in the form of investment securities and must include any accounts  
28.25 receivable that are determined by the State Board of Investment as being capable of being  
28.26 collected. An amount, in cash, must be transferred by the city of Minneapolis equal to  
28.27 the carrying value recognized by the relief association of investment securities that are  
28.28 determined to be ineligible or inappropriate by the executive director of the State Board of  
28.29 Investment or of accounts receivable determined as being incapable of being collected  
28.30 by the executive director of the State Board of Investment. Legal and beneficial title to  
28.31 assets that are ineligible or inappropriate securities or that are uncollectible accounts  
28.32 receivable are transferred to the city of Minneapolis on the effective date of consolidation  
28.33 under section 18. Any accounts payable on the effective date of consolidation under  
28.34 section 18 are an obligation of the public employees police and fire retirement fund and  
28.35 reduce the asset value for purposes of subdivision 6. The transferred assets must be  
28.36 deposited in the public employees police and fire retirement fund. The amount of the

29.1 health insurance account as of the date of the consolidation must remain deposited in the  
29.2 financial institution retained by the former Minneapolis Police Relief Association on  
29.3 May 1, 2011, and that financial institution must act as the custodian of the account. The  
29.4 executive director of the Public Employees Retirement Association, prior to the effective  
29.5 date of consolidation, shall estimate three calendar years of the administrative expenses  
29.6 related to the operation of the account and shall prepay those expenses from the account to  
29.7 the financial institution prior to the effective date of consolidation.

29.8 (b) Upon the transfer of assets to the State Board of Investment under paragraph  
29.9 (a), legal title to those transferred assets vests with the State Board of Investment on  
29.10 behalf of the public employees police and fire retirement plan, and beneficial title to the  
29.11 transferred assets remains with the former membership of the former Minneapolis Police  
29.12 Relief Association.

29.13 (c) The public employees police and fire retirement plan and fund is the successor  
29.14 in interest to all claims for or against the Minneapolis Police Relief Association, but  
29.15 the public employees police and fire retirement plan and fund is not liable for any  
29.16 claim against the Minneapolis Police Relief Association, its governing board, or its  
29.17 administrative staff acting in a fiduciary capacity, under chapter 356A or common law,  
29.18 which is founded upon a claim of a breach of fiduciary duty, but where the act or acts  
29.19 constituting the claimed breach were not undertaken in good faith. The public employees  
29.20 police and fire retirement plan may assert any applicable defense to any claim in any  
29.21 judicial or administrative proceeding that the Minneapolis Police Relief Association, its  
29.22 board, or its administrative staff would otherwise have been entitled to assert, and the  
29.23 public employees police and fire retirement plan may assert any applicable defense that it  
29.24 has in its capacity as a statewide agency.

29.25 (d) The Public Employees Retirement Association shall indemnify any former  
29.26 fiduciary of the Minneapolis Police Relief Association consistent with the provisions of  
29.27 section 356A.11. The indemnification may be effected by the purchase by the Public  
29.28 Employees Retirement Association of reasonable fiduciary liability tail insurance for the  
29.29 officers and directors of the former Minneapolis Police Relief Association.

29.30 Subd. 5. **Benefits.** The annuities, service pensions, and other retirement benefits  
29.31 of or attributable to retired, disabled, deferred, or inactive Minneapolis Police Relief  
29.32 Association members who had that status as of the day before the effective date of  
29.33 consolidation under section 18 continue after consolidation in the same amount and under  
29.34 the same terms as provided in Minnesota Statutes 2010, chapter 423B, except that the unit  
29.35 value is governed by section 353.01, subdivision 10b, and the postretirement adjustments  
29.36 after December 31, 2015, must be calculated solely under section 353.6512, subdivision 8.

30.1 Subd. 6. **Additional employer contributions.** As of the effective date of the  
30.2 consolidation under section 18, the approved actuary retained by the Public Employees  
30.3 Retirement Association shall calculate the present value of future benefits of the former  
30.4 Minneapolis Police Relief Association, and, after subtracting the market value of the  
30.5 transferred assets of the former Minneapolis Police Relief Association and the present  
30.6 value of the employer contribution under section 353.64, subdivision 3, paragraph (c),  
30.7 shall calculate the remainder present value of future benefits amount. Annually, following  
30.8 the effective date of consolidation under section 18, the city of Minneapolis shall pay an  
30.9 amount sufficient to amortize on a level annual dollar basis the remainder present value  
30.10 of future benefits amount by December 31, 2031. The amortization payment is payable  
30.11 annually on December 1.

30.12 Subd. 7. **Health and dental insurance program deductions.** The executive  
30.13 director shall withhold any health insurance or dental insurance premiums designated  
30.14 by the annuitant or benefit recipient and shall transfer them to the city of Minneapolis.  
30.15 The Public Employees Retirement Association may charge a necessary and reasonable  
30.16 monthly administrative fee to the city of Minneapolis for this function and bill it in  
30.17 addition to the employer contribution under section 353.65, subdivision 3, paragraph  
30.18 (b). Notwithstanding any provision of chapter 13 to the contrary, the executive director  
30.19 shall provide the city of Minneapolis with the current addresses of former members of  
30.20 the Minneapolis Police Relief Association.

30.21 Subd. 8. **Exception to data privacy law.** (a) This subdivision applies if  
30.22 the membership of the former Minneapolis Police Relief Association approves the  
30.23 continuation of the relief association as a fraternal organization under section 16.

30.24 (b) Notwithstanding any provision of chapter 13 to the contrary, the executive  
30.25 director shall provide the Minneapolis police fraternal association with the names and  
30.26 current addresses of former members of the Minneapolis Police Relief Association  
30.27 annually.

30.28 Sec. 14. Minnesota Statutes 2010, section 423A.02, subdivision 1b, is amended to read:

30.29 Subd. 1b. **Additional amortization state aid.** (a) Annually, on October 1, the  
30.30 commissioner of revenue shall allocate the additional amortization state aid transferred  
30.31 under section 69.021, subdivision 11, to:

30.32 (1) all police or salaried firefighters relief associations governed by and in full  
30.33 compliance with the requirements of section 69.77, that had an unfunded actuarial accrued  
30.34 liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the  
30.35 preceding December 31;

31.1 (2) all local police or salaried firefighter consolidation accounts governed by chapter  
31.2 353A that are certified by the executive director of the public employees retirement  
31.3 association as having for the current fiscal year an additional municipal contribution  
31.4 amount under section 353A.09, subdivision 5, paragraph (b), and that have implemented  
31.5 section 353A.083, subdivision 1, if the effective date of the consolidation preceded May  
31.6 24, 1993, and that have implemented section 353A.083, subdivision 2, if the effective date  
31.7 of the consolidation preceded June 1, 1995; and

31.8 (3) the municipalities that are required to make an additional municipal contribution  
31.9 under section 353.665, subdivision 8, or 353.668, subdivision 6, for the duration of the  
31.10 required additional contribution.

31.11 (b) The commissioner shall allocate the state aid on the basis of the proportional share  
31.12 of the relief association or consolidation account of the total unfunded actuarial accrued  
31.13 liability of all recipient relief associations and consolidation accounts as of December 31,  
31.14 1993, for relief associations, and as of June 30, 1994, for consolidation accounts.

31.15 (c) Beginning October 1, 2000, and annually thereafter, the commissioner shall  
31.16 allocate the state aid, including any state aid in excess of the limitation in subdivision  
31.17 4, on the following basis:

31.18 (1) 64.5 percent to the municipalities to which section 353.665, subdivision  
31.19 8, paragraph (b), or 353A.09, subdivision 5, paragraph (b), apply for distribution in  
31.20 accordance with paragraph (b) and subject to the limitation in subdivision 4;

31.21 (2) 34.2 percent to the city of Minneapolis to fund any unfunded actuarial accrued  
31.22 liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the  
31.23 preceding December 31 for the Minneapolis Police Relief Association or the Minneapolis  
31.24 Fire Department Relief Association; and

31.25 (3) 1.3 percent to the city of Virginia to fund any unfunded actuarial accrued liability  
31.26 in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding  
31.27 December 31 for the Virginia Fire Department Relief Association.

31.28 If there is no unfunded actuarial accrued liability in both the Minneapolis Police  
31.29 Relief Association and the Minneapolis Fire Department Relief Association as disclosed  
31.30 in the most recent actuarial valuations for the relief associations prepared under sections  
31.31 356.215 and 356.216, the commissioner shall allocate that 34.2 percent of the aid as  
31.32 follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul  
31.33 Teachers Retirement Fund Association, and 30 percent as additional funding to support  
31.34 minimum fire state aid for volunteer firefighters relief associations. If there is no unfunded  
31.35 actuarial accrued liability in the Virginia Fire Department Relief Association as disclosed  
31.36 in the most recent actuarial valuation for the relief association prepared under sections

32.1 356.215 and 356.216, the commissioner shall allocate that 1.3 percent of the aid as  
32.2 follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul  
32.3 Teachers Retirement Fund Association, and 30 percent as additional funding to support  
32.4 minimum fire state aid for volunteer firefighters relief associations. Upon the final  
32.5 payment to municipalities required by section 353.665, subdivision 8, paragraph (b),  
32.6 or 353A.09, subdivision 5, paragraph (b), the commissioner shall allocate that 64.5  
32.7 percent of the aid as follows: 20 percent to the St. Paul Teachers Retirement Fund  
32.8 Association, 20 percent to the city of Minneapolis to fund any unfunded actuarial accrued  
32.9 liability in the actuarial valuation proposed under sections 356.215 and 356.216 as of the  
32.10 preceding December 31 for the Minneapolis Police Relief Association or the Minneapolis  
32.11 Firefighters Relief Association, 20 percent for the city of Duluth to pay for any costs  
32.12 associated with the police and firefighters pensions, and 40 percent as additional funding to  
32.13 support minimum fire state aid for volunteer firefighters relief associations. The allocation  
32.14 must be made by the commissioner at the same time and under the same procedures  
32.15 as specified in subdivision 3. With respect to the St. Paul Teachers Retirement Fund  
32.16 Association, annually, beginning on July 1, 2005, if the applicable teacher's association  
32.17 five-year average time-weighted rate of investment return does not equal or exceed the  
32.18 performance of a composite portfolio assumed passively managed (indexed) invested ten  
32.19 percent in cash equivalents, 60 percent in bonds and similar debt securities, and 30 percent  
32.20 in domestic stock calculated using the formula under section 11A.04, clause (11), the aid  
32.21 allocation to that retirement fund under this section ceases until the five-year annual rate  
32.22 of investment return equals or exceeds the performance of that composite portfolio.

32.23 (d) The amounts required under this subdivision are the amounts annually  
32.24 appropriated to the commissioner of revenue under section 69.021, subdivision 11,  
32.25 paragraph (e).

32.26 Sec. 15. **MINNEAPOLIS POLICE RELIEF ASSOCIATION; SPECIAL**  
32.27 **ACTUARIAL VALUATION PENDING CONSOLIDATION.**

32.28 (a) On or before August 1, 2011, the approved actuarial consulting firm retained  
32.29 by the Public Employees Retirement Association under Minnesota Statutes, section  
32.30 356.214, shall prepare an alternative actuarial valuation of the Minneapolis Police Relief  
32.31 Association under Minnesota Statutes, section 356.215, and the most recent standards  
32.32 for actuarial work adopted by the Legislative Commission on Pensions and Retirement  
32.33 as of August 11, 2010, using the applicable actuarial assumptions and the applicable  
32.34 amortization target date of the public employee police and fire retirement plan.



33.1 (b) The officers of the Minneapolis Police Relief Association shall supply the  
33.2 approved actuary retained by the Public Employees Retirement Association with the  
33.3 financial and demographic data necessary to perform the alternative actuarial valuation.

33.4 (c) The alternative actuarial valuation of the Minneapolis Police Relief Association  
33.5 must be filed with the mayor of the city of Minneapolis, with the Minneapolis city  
33.6 coordinator, with the executive director of the Minneapolis Police Relief Association,  
33.7 with the executive director of the Public Employees Retirement Association, with the  
33.8 executive director of the Legislative Commission on Pensions and Retirement, and with  
33.9 the Legislative Reference Library.

33.10 (d) The expense of preparing the alternative actuarial valuation must be paid by the  
33.11 city of Minneapolis within 30 days of its certification to the finance director of the city of  
33.12 Minneapolis by the executive director of the Public Employees Retirement Association.

33.13 Sec. 16. **TERMINATION OF THE RELIEF ASSOCIATION.**

33.14 (a) On the effective date of the consolidation under section 18, the special fund of  
33.15 the Minneapolis Police Relief Association ceases to exist.

33.16 (b) Unless the former membership of the Minneapolis Police Relief Association  
33.17 approves its continuation of the relief association as a fraternal organization other than as a  
33.18 pension or retirement organization at a special meeting held for that purpose before April  
33.19 15, 2012, and approves the changes in its articles of incorporation and bylaws necessary  
33.20 to effect that redesignation and reorientation of the organization, the Minneapolis Police  
33.21 Relief Association ceases to exist as a legal entity on June 30, 2012.

33.22 (c) If the Minneapolis Police Relief Association continues the relief association as a  
33.23 fraternal organization under paragraph (b), the transfer of relief association assets must  
33.24 not include assets of the Minneapolis Police Relief Association general fund, which must  
33.25 be retained by the fraternal organization for organization purposes other than for pension  
33.26 or retirement benefit payment purposes.

33.27 (d) As of the effective date of the consolidation under section 18, the employment of  
33.28 the employees of the Minneapolis Police Relief Association terminates. The employees of  
33.29 the Minneapolis Police Relief Association who were employed by the relief association  
33.30 before May 1, 2011, have an employment preference with the Public Employees  
33.31 Retirement Association equal to that under the veterans preference act.

33.32 (e) If, on October 2, 2011, the consolidation has been approved by all applicable  
33.33 entities under section 18, the officers of the Minneapolis Police Relief Association shall  
33.34 certify to the city of Minneapolis and to the Hennepin County auditor the financial  
33.35 requirements of the relief association and the minimum municipal obligation under

34.1 Minnesota Statutes, section 69.77, subdivision 4, revised consistent with the actuarial  
 34.2 valuation results under section 15.

34.3 Sec. 17. **REPEALER.**

34.4 Minnesota Statutes 2010, sections 423B.01; 423B.03; 423B.04; 423B.05; 423B.06;  
 34.5 423B.07; 423B.08; 423B.09; 423B.10; 423B.11; 423B.12; 423B.13; 423B.14; 423B.15;  
 34.6 423B.151; 423B.16; 423B.17; 423B.18; 423B.19; 423B.20; 423B.21; and 423B.23, are  
 34.7 repealed.

34.8 Sec. 18. **EFFECTIVE DATE; LOCAL APPROVAL.**

34.9 Sections 1 to 15, 16, paragraphs (a) to (d), and 17 are effective December 30, 2011,  
 34.10 if the board of trustees of the Minneapolis Police Relief Association approves the article  
 34.11 and if a majority of the membership of the Minneapolis Police Relief Association voting  
 34.12 on the question approves the article, if the chief administrative officer of the Minneapolis  
 34.13 Police Relief Association certifies those approvals to the mayor of the city of Minneapolis  
 34.14 and the president of the Minneapolis city council on or before September 15, 2011, if the  
 34.15 board of trustees of the Public Employees Retirement Association approves the article,  
 34.16 if the executive director of the Public Employees Retirement Association certifies that  
 34.17 approval to the mayor of the city of Minneapolis and the president of the Minneapolis  
 34.18 city council, and if the governing body of the city of Minneapolis and the chief clerical  
 34.19 officer of Minneapolis timely complete their compliance with Minnesota Statutes, section  
 34.20 645.021, subdivisions 2 and 3, on or before September 30, 2011, or on the first day of the  
 34.21 month occurring two months after the governing body of the city of Minneapolis and the  
 34.22 chief clerical officer of Minneapolis timely complete their compliance with Minnesota  
 34.23 Statutes, section 645.021, subdivisions 2 and 3, if that completion occurs on or after  
 34.24 October 1, 2011.

34.25 (b) If the approvals occur under paragraph (a) in a timely fashion, section 16,  
 34.26 paragraph (e), is effective October 2, 2011.

## 34.27 ARTICLE ...

### 34.28 CONFORMING CHANGES

34.29 Section 1. Minnesota Statutes 2010, section 6.67, is amended to read:

#### 34.30 **6.67 PUBLIC ACCOUNTANTS; REPORT OF POSSIBLE MISCONDUCT.**

34.31 Whenever a public accountant in the course of auditing the books and affairs of a  
 34.32 political subdivision or a local public pension plan governed by section 69.77, sections  
 34.33 69.771 to 69.775, or chapter 354A, ~~423B, 423C~~, or 424A, discovers evidence pointing

35.1 to nonfeasance, misfeasance, or malfeasance, on the part of an officer or employee in  
 35.2 the conduct of duties and affairs, the public accountant shall promptly make a report of  
 35.3 such discovery to the state auditor and the county attorney of the county in which the  
 35.4 governmental unit is situated and the public accountant shall also furnish a copy of the  
 35.5 report of audit upon completion to said officers. The county attorney shall act on such  
 35.6 report in the same manner as required by law for reports made to the county attorney  
 35.7 by the state auditor.

35.8 Sec. 2. Minnesota Statutes 2010, section 13D.01, subdivision 1, is amended to read:

35.9 Subdivision 1. **In executive branch, local government.** All meetings, including  
 35.10 executive sessions, must be open to the public

35.11 (a) of a state

35.12 (1) agency,

35.13 (2) board,

35.14 (3) commission, or

35.15 (4) department,

35.16 when required or permitted by law to transact public business in a meeting;

35.17 (b) of the governing body of a

35.18 (1) school district however organized,

35.19 (2) unorganized territory,

35.20 (3) county,

35.21 (4) statutory or home rule charter city,

35.22 (5) town, or

35.23 (6) other public body;

35.24 (c) of any

35.25 (1) committee,

35.26 (2) subcommittee,

35.27 (3) board,

35.28 (4) department, or

35.29 (5) commission,

35.30 of a public body; and

35.31 (d) of the governing body or a committee of:

35.32 (1) a statewide public pension plan defined in section 356A.01, subdivision 24; or

35.33 (2) a local public pension plan governed by section 69.77, sections 69.771 to 69.775,

35.34 or chapter 354A or 423B.

36.1 Sec. 3. Minnesota Statutes 2010, section 43A.316, subdivision 8, is amended to read:

36.2 Subd. 8. **Continuation of coverage.** (a) A former employee of an employer  
36.3 participating in the program who is receiving a public pension disability benefit or an  
36.4 annuity or has met the age and service requirements necessary to receive an annuity  
36.5 under chapter 353, 353C, 354, 354A, 356, or 423, ~~423A, 424~~, or Minnesota Statutes  
36.6 2008, chapter 422A, and the former employee's dependents, are eligible to participate in  
36.7 the program. This participation is at the person's expense unless a collective bargaining  
36.8 agreement or personnel policy provides otherwise. Premiums for these participants must  
36.9 be established by the commissioner.

36.10 The commissioner may provide policy exclusions for preexisting conditions  
36.11 only when there is a break in coverage between a participant's coverage under the  
36.12 employment-based group insurance program and the participant's coverage under this  
36.13 section. An employer shall notify an employee of the option to participate under this  
36.14 paragraph no later than the effective date of retirement. The retired employee or the  
36.15 employer of a participating group on behalf of a current or retired employee shall notify  
36.16 the commissioner within 30 days of the effective date of retirement of intent to participate  
36.17 in the program according to the rules established by the commissioner.

36.18 (b) The spouse of a deceased employee or former employee may purchase the  
36.19 benefits provided at premiums established by the commissioner if the spouse was a  
36.20 dependent under the employee's or former employee's coverage under this section at the  
36.21 time of the death. The spouse remains eligible to participate in the program as long as  
36.22 the group that included the deceased employee or former employee participates in the  
36.23 program. Coverage under this clause must be coordinated with relevant insurance benefits  
36.24 provided through the federally sponsored Medicare program.

36.25 (c) The program benefits must continue in the event of strike permitted by section  
36.26 179A.18, if the exclusive representative chooses to have coverage continue and the  
36.27 employee pays the total monthly premiums when due.

36.28 (d) A participant who discontinues coverage may not reenroll.

36.29 Persons participating under these paragraphs shall make appropriate premium  
36.30 payments in the time and manner established by the commissioner.

36.31 Sec. 4. Minnesota Statutes 2010, section 69.77, subdivision 1a, is amended to read:

36.32 Subd. 1a. **Covered retirement plans.** The provisions of this section apply to the  
36.33 following local retirement plans:

36.34 (1) the Bloomington Firefighters Relief Association;

36.35 (2) the Fairmont Police Relief Association; and

37.1 ~~(3) the Minneapolis Firefighters Relief Association;~~  
 37.2 ~~(4) the Minneapolis Police Relief Association; and~~  
 37.3 ~~(5) (3) the Virginia Fire Department Relief Association.~~

37.4 Sec. 5. Minnesota Statutes 2010, section 69.77, subdivision 4, is amended to read:

37.5 Subd. 4. **Relief association financial requirements; minimum municipal**  
 37.6 **obligation.** (a) The officers of the relief association shall determine the financial  
 37.7 requirements of the relief association and minimum obligation of the municipality for  
 37.8 the following calendar year in accordance with the requirements of this subdivision.  
 37.9 The financial requirements of the relief association and the minimum obligation of the  
 37.10 municipality must be determined on or before the submission date established by the  
 37.11 municipality under subdivision 5.

37.12 (b) The financial requirements of the relief association for the following calendar  
 37.13 year must be based on the most recent actuarial valuation or survey of the special fund of  
 37.14 the association if more than one fund is maintained by the association, or of the association,  
 37.15 if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions  
 37.16 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared  
 37.17 by the actuary of the relief association as part of obtaining a modification of the benefit  
 37.18 plan of the relief association and the modification is implemented, the actuarial estimate  
 37.19 must be used in calculating the subsequent financial requirements of the relief association.

37.20 (c) If the relief association has an unfunded actuarial accrued liability as reported in  
 37.21 the most recent actuarial valuation or survey, the total of the amounts calculated under  
 37.22 clauses (1), (2), and (3), constitute the financial requirements of the relief association for  
 37.23 the following year. If the relief association does not have an unfunded actuarial accrued  
 37.24 liability as reported in the most recent actuarial valuation or survey, the amount calculated  
 37.25 under clauses (1) and (2) constitute the financial requirements of the relief association for  
 37.26 the following year. The financial requirement elements are:

37.27 (1) the normal level cost requirement for the following year, expressed as a dollar  
 37.28 amount, which must be determined by applying the normal level cost of the relief  
 37.29 association as reported in the actuarial valuation or survey and expressed as a percentage  
 37.30 of covered payroll to the estimated covered payroll of the active membership of the relief  
 37.31 association, including any projected change in the active membership, for the following  
 37.32 year;

37.33 (2) for the Bloomington Fire Department Relief Association, the Fairmont Police  
 37.34 Relief Association, and the Virginia Fire Department Relief Association, to the dollar  
 37.35 amount of normal cost determined under clause (1) must be added an amount equal to the

38.1 dollar amount of the administrative expenses of the special fund of the association if more  
38.2 than one fund is maintained by the association, or of the association if only one fund is  
38.3 maintained, for the most recent year, multiplied by the factor of 1.035. The administrative  
38.4 expenses are those authorized under section 69.80. ~~No amount of administrative expenses~~  
38.5 ~~under this clause are to be included in the financial requirements of the Minneapolis~~  
38.6 ~~Firefighters Relief Association or the Minneapolis Police Relief Association; and~~

38.7 (3) to the dollar amount of normal cost and expenses determined under clauses  
38.8 (1) and (2) must be added an amount equal to the level annual dollar amount which  
38.9 is sufficient to amortize the unfunded actuarial accrued liability as determined from  
38.10 the actuarial valuation or survey of the fund, using an interest assumption set at the  
38.11 applicable rate specified in section 356.215, subdivision 8, by that fund's amortization  
38.12 date as specified in paragraph (d).

38.13 (d) ~~The Minneapolis Firefighters Relief Association special fund amortization date~~  
38.14 ~~is determined under section 423C.15, subdivisions 3 and 4. The Virginia Fire Department~~  
38.15 ~~Relief Association special fund amortization date is December 31, 2010. The Minneapolis~~  
38.16 ~~Police Relief Association special fund and the Fairmont Police Relief Association~~  
38.17 ~~special fund amortization date is December 31, 2020. The Bloomington Fire Department~~  
38.18 ~~Relief Association special fund amortization date is determined under section 356.216,~~  
38.19 ~~paragraph (a), clause (2). The amortization date specified in this paragraph supersedes any~~  
38.20 ~~amortization date specified in any applicable special law.~~

38.21 (e) The minimum obligation of the municipality is an amount equal to the financial  
38.22 requirements of the relief association reduced by the estimated amount of member  
38.23 contributions from covered salary anticipated for the following calendar year and the  
38.24 estimated amounts anticipated for the following calendar year from the applicable state aid  
38.25 program established under sections 69.011 to 69.051 receivable by the relief association  
38.26 after any allocation made under section 69.031, subdivision 5, paragraph (b), clause (2),  
38.27 or 423A.01, subdivision 2, paragraph (a), clause (6), from the local police and salaried  
38.28 firefighters' relief association amortization aid program established under section 423A.02,  
38.29 subdivision 1, from the supplementary amortization state-aid program established under  
38.30 section 423A.02, subdivision 1a, and from the additional amortization state aid under  
38.31 section 423A.02, subdivision 1b.

38.32 Sec. 6. Minnesota Statutes 2010, section 356.215, subdivision 8, is amended to read:

38.33 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use  
38.34 the applicable following preretirement interest assumption and the applicable following  
38.35 postretirement interest assumption:

	preretirement interest rate assumption	postretirement interest rate assumption
39.1		
39.2		
39.3	plan	
39.4	general state employees retirement plan	8.5% 6.0%
39.5	correctional state employees retirement plan	8.5 6.0
39.6	State Patrol retirement plan	8.5 6.0
39.7	legislators retirement plan	8.5 6.0
39.8	elective state officers retirement plan	8.5 6.0
39.9	judges retirement plan	8.5 6.0
39.10	general public employees retirement plan	8.5 6.0
39.11	public employees police and fire retirement plan	8.5 6.0
39.12	local government correctional service retirement	
39.13	plan	8.5 6.0
39.14	teachers retirement plan	8.5 6.0
39.15	Duluth teachers retirement plan	8.5 8.5
39.16	St. Paul teachers retirement plan	8.5 8.5
39.17	<del>Minneapolis Police Relief Association</del>	<del>6.0 6.0</del>
39.18	Fairmont Police Relief Association	5.0 5.0
39.19	<del>Minneapolis Fire Department Relief Association</del>	<del>6.0 6.0</del>
39.20	Virginia Fire Department Relief Association	5.0 5.0
39.21	Bloomington Fire Department Relief Association	6.0 6.0
39.22	local monthly benefit volunteer firefighters relief	
39.23	associations	5.0 5.0

39.24 (b) Before July 1, 2010, the actuarial valuation must use the applicable following  
 39.25 single rate future salary increase assumption, the applicable following modified single  
 39.26 rate future salary increase assumption, or the applicable following graded rate future  
 39.27 salary increase assumption:

39.28 (1) single rate future salary increase assumption

	future salary increase assumption
39.29	
39.30	plan
39.31	legislators retirement plan 5.0%
39.32	judges retirement plan 4.0
39.33	<del>Minneapolis Police Relief Association 4.0</del>
39.34	Fairmont Police Relief Association 3.5
39.35	<del>Minneapolis Fire Department Relief</del>
39.36	<del>Association 4.0</del>
39.37	Virginia Fire Department Relief Association 3.5
39.38	Bloomington Fire Department Relief
39.39	Association 4.0

39.40 (2) age-related select and ultimate future salary increase assumption or graded rate  
 39.41 future salary increase assumption

40.1		future salary
40.2	plan	increase assumption
40.3	general state employees retirement plan	select calculation and
40.4		assumption A
40.5	correctional state employees retirement plan	assumption G
40.6	State Patrol retirement plan	assumption F
40.7	public employees police and fire fund retirement plan	assumption B
40.8	local government correctional service retirement plan	assumption F
40.9	teachers retirement plan	assumption C
40.10	Duluth teachers retirement plan	assumption D
40.11	St. Paul teachers retirement plan	assumption E

40.12 The select calculation is: during the  
40.13 designated select period, a designated  
40.14 percentage rate is multiplied by the result  
40.15 of the designated integer minus T, where  
40.16 T is the number of completed years of  
40.17 service, and is added to the applicable  
40.18 future salary increase assumption. The  
40.19 designated select period is five years and the  
40.20 designated integer is five for the general state  
40.21 employees retirement plan. The designated  
40.22 select period is ten years and the designated  
40.23 integer is ten for all other retirement plans  
40.24 covered by this clause. The designated  
40.25 percentage rate is: (1) 0.2 percent for the  
40.26 correctional state employees retirement plan,  
40.27 the State Patrol retirement plan, the public  
40.28 employees police and fire plan, and the local  
40.29 government correctional service plan; (2)  
40.30 0.6 percent for the general state employees  
40.31 retirement plan; and (3) 0.3 percent for the  
40.32 teachers retirement plan, the Duluth Teachers  
40.33 Retirement Fund Association, and the St.  
40.34 Paul Teachers Retirement Fund Association.  
40.35 The select calculation for the Duluth Teachers  
40.36 Retirement Fund Association is 8.00 percent  
40.37 per year for service years one through seven,  
40.38 7.25 percent per year for service years seven



41.1 and eight, and 6.50 percent per year for  
 41.2 service years eight and nine.

41.3 The ultimate future salary increase assumption is:

41.4	age	A	B	C	D	E	F	G
41.5	16	5.95%	11.00%	7.70%	8.00%	6.90%	7.7500%	7.2500%
41.6	17	5.90	11.00	7.65	8.00	6.90	7.7500	7.2500
41.7	18	5.85	11.00	7.60	8.00	6.90	7.7500	7.2500
41.8	19	5.80	11.00	7.55	8.00	6.90	7.7500	7.2500
41.9	20	5.75	11.00	5.50	6.90	6.90	7.7500	7.2500
41.10	21	5.75	11.00	5.50	6.90	6.90	7.1454	6.6454
41.11	22	5.75	10.50	5.50	6.90	6.90	7.0725	6.5725
41.12	23	5.75	10.00	5.50	6.85	6.85	7.0544	6.5544
41.13	24	5.75	9.50	5.50	6.80	6.80	7.0363	6.5363
41.14	25	5.75	9.00	5.50	6.75	6.75	7.0000	6.5000
41.15	26	5.75	8.70	5.50	6.70	6.70	7.0000	6.5000
41.16	27	5.75	8.40	5.50	6.65	6.65	7.0000	6.5000
41.17	28	5.75	8.10	5.50	6.60	6.60	7.0000	6.5000
41.18	29	5.75	7.80	5.50	6.55	6.55	7.0000	6.5000
41.19	30	5.75	7.50	5.50	6.50	6.50	7.0000	6.5000
41.20	31	5.75	7.30	5.50	6.45	6.45	7.0000	6.5000
41.21	32	5.75	7.10	5.50	6.40	6.40	7.0000	6.5000
41.22	33	5.75	6.90	5.50	6.35	6.35	7.0000	6.5000
41.23	34	5.75	6.70	5.50	6.30	6.30	7.0000	6.5000
41.24	35	5.75	6.50	5.50	6.25	6.25	7.0000	6.5000
41.25	36	5.75	6.30	5.50	6.20	6.20	6.9019	6.4019
41.26	37	5.75	6.10	5.50	6.15	6.15	6.8074	6.3074
41.27	38	5.75	5.90	5.40	6.10	6.10	6.7125	6.2125
41.28	39	5.75	5.70	5.30	6.05	6.05	6.6054	6.1054
41.29	40	5.75	5.50	5.20	6.00	6.00	6.5000	6.0000
41.30	41	5.75	5.40	5.10	5.90	5.95	6.3540	5.8540
41.31	42	5.75	5.30	5.00	5.80	5.90	6.2087	5.7087
41.32	43	5.65	5.20	4.90	5.70	5.85	6.0622	5.5622
41.33	44	5.55	5.10	4.80	5.60	5.80	5.9048	5.4078
41.34	45	5.45	5.00	4.70	5.50	5.75	5.7500	5.2500
41.35	46	5.35	4.95	4.60	5.40	5.70	5.6940	5.1940
41.36	47	5.25	4.90	4.50	5.30	5.65	5.6375	5.1375
41.37	48	5.15	4.85	4.50	5.20	5.60	5.5822	5.0822
41.38	49	5.05	4.80	4.50	5.10	5.55	5.5404	5.0404
41.39	50	4.95	4.75	4.50	5.00	5.50	5.5000	5.0000
41.40	51	4.85	4.75	4.50	4.90	5.45	5.4384	4.9384
41.41	52	4.75	4.75	4.50	4.80	5.40	5.3776	4.8776
41.42	53	4.65	4.75	4.50	4.70	5.35	5.3167	4.8167
41.43	54	4.55	4.75	4.50	4.60	5.30	5.2826	4.7826

42.1	55	4.45	4.75	4.50	4.50	5.25	5.2500	4.7500
42.2	56	4.35	4.75	4.50	4.40	5.20	5.2500	4.7500
42.3	57	4.25	4.75	4.50	4.30	5.15	5.2500	4.7500
42.4	58	4.25	4.75	4.60	4.20	5.10	5.2500	4.7500
42.5	59	4.25	4.75	4.70	4.10	5.05	5.2500	4.7500
42.6	60	4.25	4.75	4.80	4.00	5.00	5.2500	4.7500
42.7	61	4.25	4.75	4.90	3.90	5.00	5.2500	4.7500
42.8	62	4.25	4.75	5.00	3.80	5.00	5.2500	4.7500
42.9	63	4.25	4.75	5.10	3.70	5.00	5.2500	4.7500
42.10	64	4.25	4.75	5.20	3.60	5.00	5.2500	4.7500
42.11	65	4.25	4.75	5.20	3.50	5.00	5.2500	4.7500
42.12	66	4.25	4.75	5.20	3.50	5.00	5.2500	4.7500
42.13	67	4.25	4.75	5.20	3.50	5.00	5.2500	4.7500
42.14	68	4.25	4.75	5.20	3.50	5.00	5.2500	4.7500
42.15	69	4.25	4.75	5.20	3.50	5.00	5.2500	4.7500
42.16	70	4.25	4.75	5.20	3.50	5.00	5.2500	4.7500
42.17	71	4.25		5.20				

42.18 (3) service-related ultimate future salary increase assumption

42.19								
42.20								
42.21								
42.22								
42.23								
42.24								
42.25								
42.26								
42.27								
42.28								
42.29								
42.30								
42.31								
42.32								
42.33								
42.34								
42.35								
42.36								
42.37								
42.38								
42.39								
42.40								
42.41								
42.42								
42.43								

43.1	24	3.50
43.2	25	3.50
43.3	26	3.50
43.4	27	3.50
43.5	28	3.50
43.6	29	3.50
43.7	30 or more	3.50

43.8 (c) Before July 2, 2010, the actuarial valuation must use the applicable following  
 43.9 payroll growth assumption for calculating the amortization requirement for the unfunded  
 43.10 actuarial accrued liability where the amortization retirement is calculated as a level  
 43.11 percentage of an increasing payroll:

43.12	plan	payroll growth assumption
43.13	general state employees retirement plan	4.50%
43.14	correctional state employees retirement plan	4.50
43.15	State Patrol retirement plan	4.50
43.16	legislators retirement plan	4.50
43.17	judges retirement plan	4.00
43.18	general employees retirement plan of the Public Employees Retirement Association	4.00
43.19	public employees police and fire retirement plan	4.50
43.20	local government correctional service retirement plan	4.50
43.21	teachers retirement plan	4.50
43.22	Duluth teachers retirement plan	4.50
43.23	St. Paul teachers retirement plan	5.00

43.24 (d) After July 1, 2010, the assumptions set forth in paragraphs (b) and (c) continue to  
 43.25 apply, unless a different salary assumption or a different payroll increase assumption:

- 43.26 (1) has been proposed by the governing board of the applicable retirement plan;  
 43.27 (2) is accompanied by the concurring recommendation of the actuary retained under  
 43.28 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the  
 43.29 most recent actuarial valuation report if section 356.214 does not apply; and  
 43.30 (3) has been approved or deemed approved under subdivision 18.

43.31 Sec. 7. Minnesota Statutes 2010, section 356.216, is amended to read:

43.32 **356.216 CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE**  
 43.33 **AND FIRE FUNDS.**

44.1           ~~(a)~~ The provisions of section 356.215 that govern the contents of actuarial valuations  
44.2 must apply to any local police or fire pension fund or relief association required to make  
44.3 an actuarial report under this section, except as follows:

44.4           (1) in calculating normal cost and other requirements, if required to be expressed as  
44.5 a level percentage of covered payroll, the salaries used in computing covered payroll must  
44.6 be the maximum rate of salary on which retirement and survivorship credits and amounts  
44.7 of benefits are determined and from which any member contributions are calculated and  
44.8 deducted;

44.9           (2) in lieu of the amortization date specified in section 356.215, subdivision 11,  
44.10 the appropriate amortization target date specified in section 69.77, subdivision 4, or  
44.11 69.773, subdivision 4, clause (c), must be used in calculating any required amortization  
44.12 contribution, except that if the actuarial report for the Bloomington Fire Department Relief  
44.13 Association indicates an unfunded actuarial accrued liability, the unfunded obligation is  
44.14 to be amortized on a level dollar basis by December 31 of the year occurring 20 years  
44.15 later, and if subsequent actuarial valuations for the Bloomington Fire Department Relief  
44.16 Association determine a net actuarial experience loss incurred during the year which  
44.17 ended as of the day before the most recent actuarial valuation date, any unfunded liability  
44.18 due to that loss is to be amortized on a level dollar basis by December 31 of the year  
44.19 occurring 20 years later ~~and except that the amortization date for the Minneapolis Police~~  
44.20 ~~Relief Association is December 31, 2020;~~

44.21           (3) in addition to the tabulation of active members and annuitants provided for in  
44.22 section 356.215, subdivision 13, the member contributions for active members for the  
44.23 calendar year and the prospective annual retirement annuities under the benefit plan for  
44.24 active members must be reported;

44.25           (4) actuarial valuations required under section 69.773, subdivision 2, must be made  
44.26 at least every four years and actuarial valuations required under section 69.77 shall be  
44.27 made annually;

44.28           (5) the actuarial balance sheet showing accrued assets valued at market value if the  
44.29 actuarial valuation is required to be prepared at least every four years or valued as current  
44.30 assets under section 356.215, subdivision 1, paragraph (b) or (f), whichever applies, if the  
44.31 actuarial valuation is required to be prepared annually, actuarial accrued liabilities, and the  
44.32 unfunded actuarial accrued liability must include the following required reserves:

44.33           (i) for active members:

- 44.34           1. retirement benefits;
- 44.35           2. disability benefits;
- 44.36           3. refund liability due to death or withdrawal;

- 45.1 4. survivors' benefits;
- 45.2 (ii) for deferred annuitants' benefits;
- 45.3 (iii) for former members without vested rights;
- 45.4 (iv) for annuitants;
- 45.5 1. retirement annuities;
- 45.6 2. disability annuities;
- 45.7 3. surviving spouses' annuities;
- 45.8 4. surviving children's annuities;

45.9 In addition to those required reserves, separate items must be shown for additional  
45.10 benefits, if any, which may not be appropriately included in the reserves listed above; and  
45.11 (6) actuarial valuations are due by the first day of the seventh month after the end of  
45.12 the fiscal year which the actuarial valuation covers.

45.13 ~~(b) For the Minneapolis Firefighters Relief Association or the Minneapolis Police~~  
45.14 ~~Relief Association, the following provisions additionally apply:~~

45.15 ~~(1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability,~~  
45.16 ~~and amortization contribution of the relief association, "current assets" means the value of~~  
45.17 ~~all assets at cost, including realized capital gains and losses, plus or minus, whichever~~  
45.18 ~~applies, the average value of total unrealized capital gains or losses for the most recent~~  
45.19 ~~three-year period ending with the end of the plan year immediately preceding the actuarial~~  
45.20 ~~valuation report transmission date; and~~

45.21 ~~(2) in calculating the applicable portions of the actuarial valuation, an annual~~  
45.22 ~~preretirement interest assumption of six percent, an annual postretirement interest~~  
45.23 ~~assumption of six percent, and an annual salary increase assumption of four percent must~~  
45.24 ~~be used.~~

45.25 Sec. 8. Minnesota Statutes 2010, section 356.401, subdivision 3, is amended to read:

45.26 Subd. 3. **Covered retirement plans.** The provisions of this section apply to the  
45.27 following retirement plans:

- 45.28 (1) the legislators retirement plan, established by chapter 3A;
- 45.29 (2) the general state employees retirement plan of the Minnesota State Retirement  
45.30 System, established by chapter 352;
- 45.31 (3) the correctional state employees retirement plan of the Minnesota State  
45.32 Retirement System, established by chapter 352;
- 45.33 (4) the State Patrol retirement plan, established by chapter 352B;
- 45.34 (5) the elective state officers retirement plan, established by chapter 352C;

- 46.1 (6) the unclassified state employees retirement program, established by chapter  
 46.2 352D;
- 46.3 (7) the general employees retirement plan of the Public Employees Retirement  
 46.4 Association, established by chapter 353, including the MERF division of the Public  
 46.5 Employees Retirement Association;
- 46.6 (8) the public employees police and fire plan of the Public Employees Retirement  
 46.7 Association, established by chapter 353;
- 46.8 (9) the public employees defined contribution plan, established by chapter 353D;
- 46.9 (10) the local government correctional service retirement plan of the Public  
 46.10 Employees Retirement Association, established by chapter 353E;
- 46.11 (11) the voluntary statewide lump-sum volunteer firefighter retirement plan,  
 46.12 established by chapter 353G;
- 46.13 (12) the Teachers Retirement Association, established by chapter 354;
- 46.14 (13) the Duluth Teachers Retirement Fund Association, established by chapter 354A;
- 46.15 (14) the St. Paul Teachers Retirement Fund Association, established by chapter  
 46.16 354A;
- 46.17 (15) the individual retirement account plan, established by chapter 354B;
- 46.18 (16) the higher education supplemental retirement plan, established by chapter  
 46.19 354C; and
- 46.20 ~~(17) the Minneapolis Police Relief Association, established by chapter 423B;~~
- 46.21 ~~(18) the Minneapolis Firefighters Relief Association, established by chapter 423C;~~
- 46.22 **and**
- 46.23 ~~(19)~~ (17) the judges retirement fund, established by chapter 490.

46.24 Sec. 9. Minnesota Statutes 2010, section 356.465, subdivision 3, is amended to read:

46.25 Subd. 3. **Covered retirement plans.** The provisions of this section apply to the  
 46.26 following retirement plans:

- 46.27 (1) the general state employees retirement plan of the Minnesota State Retirement  
 46.28 System established under chapter 352;
- 46.29 (2) the correctional state employees retirement plan of the Minnesota State  
 46.30 Retirement System established under chapter 352;
- 46.31 (3) the State Patrol retirement plan established under chapter 352B;
- 46.32 (4) the legislators retirement plan established under chapter 3A;
- 46.33 (5) the judges retirement plan established under chapter 490;

47.1 (6) the general employees retirement plan of the Public Employees Retirement  
 47.2 Association established under chapter 353, including the MERF division of the Public  
 47.3 Employees Retirement Association;

47.4 (7) the public employees police and fire plan of the Public Employees Retirement  
 47.5 Association established under chapter 353;

47.6 (8) the teachers retirement plan established under chapter 354;

47.7 (9) the Duluth Teachers Retirement Fund Association established under chapter  
 47.8 354A;

47.9 (10) the St. Paul Teachers Retirement Fund Association established under chapter  
 47.10 354A; and

47.11 ~~(11) the Minneapolis Firefighters Relief Association established under chapter 423C;~~

47.12 ~~(12) the Minneapolis Police Relief Association established under chapter 423B; and~~

47.13 ~~(13)~~ (11) the local government correctional service retirement plan of the Public  
 47.14 Employees Retirement Association established under chapter 353E.

47.15 Sec. 10. Minnesota Statutes 2010, section 423A.01, subdivision 3, is amended to read:

47.16 Subd. 3. **Benefit increase for certain relief association members.** Notwithstanding  
 47.17 any law to the contrary, any member of a local police or salaried firefighters' relief  
 47.18 association located in a municipality which has not adopted a municipal resolution  
 47.19 retaining the local relief association ~~pursuant to~~ under subdivision 1, ~~except the city of~~  
 47.20 ~~Minneapolis~~, shall be entitled to receive, after the effective date for the modification of  
 47.21 pension coverage for newly employed personnel, a retirement annuity in addition to the  
 47.22 service pension to which the member may be eligible upon retirement. The additional  
 47.23 retirement annuity ~~shall be~~ is payable for the life of the retired member. The additional  
 47.24 retirement annuity ~~shall be~~ is equal to one-half of one percent of the salary upon which the  
 47.25 service pension is calculated payable on the date of termination of active service per year  
 47.26 of service credit acquired in excess of 25 years of service credit. The retirement annuity  
 47.27 under this subdivision ~~shall be~~ is not subject to any postretirement increases granted  
 47.28 ~~pursuant to~~ under increases in the salary payable to a certain employment category or in  
 47.29 the salaries payable to active members or be in any other manner escalated or increased  
 47.30 after retirement.

47.31 Sec. 11. Minnesota Statutes 2010, section 423A.02, subdivision 1, is amended to read:

47.32 Subdivision 1. **Amortization state aid.** (a) A municipality in which is located  
 47.33 a local police or salaried firefighters' relief association to which the provisions of  
 47.34 section 69.77, apply, that had an unfunded actuarial accrued liability in the most

48.1 recent relief association actuarial valuation, is entitled, upon application as required  
48.2 by the commissioner of revenue, to receive local police and salaried firefighters' relief  
48.3 association amortization state aid if the municipality and the appropriate relief association  
48.4 both comply with the applicable provisions of sections 69.031, subdivision 5, 69.051,  
48.5 subdivisions 1 and 3, and 69.77.

48.6 (b) The total amount of amortization state aid to all entitled municipalities must  
48.7 not exceed \$5,055,000.

48.8 (c) Subject to the adjustment for the city of Minneapolis provided in this paragraph,  
48.9 the amount of amortization state aid to which a municipality is entitled annually is an  
48.10 amount equal to the level annual dollar amount required to amortize, by December 31,  
48.11 2010, the unfunded actuarial accrued liability of the special fund of the appropriate  
48.12 relief association as reported in the December 31, 1978, actuarial valuation of the  
48.13 relief association prepared under sections 356.215 and 356.216, reduced by the dollar  
48.14 amount required to pay the interest on the unfunded actuarial accrued liability of the  
48.15 special fund of the relief association for calendar year 1981 set at the rate specified in  
48.16 Minnesota Statutes 1978, section 356.215, subdivision 8. For the city of Minneapolis, the  
48.17 amortization state aid amount thus determined must be reduced by \$747,232 on account  
48.18 of the former Minneapolis Police Relief Association and by \$772,768 on account of  
48.19 the former Minneapolis Fire Department Relief Association. If the amortization state  
48.20 aid amounts determined under this paragraph exceed the amount appropriated for this  
48.21 purpose, the amortization state aid for actual allocation must be reduced pro rata.

48.22 (d) Payment of amortization state aid to municipalities must be made directly to  
48.23 the municipalities involved in three equal installments on July 15, September 15, and  
48.24 November 15 annually. Upon receipt of amortization state aid, the municipal treasurer  
48.25 shall transmit the aid amount to the treasurer of the local relief association for immediate  
48.26 deposit in the special fund of the relief association.

48.27 (e) The commissioner of revenue shall prescribe and periodically revise the form for  
48.28 and content of the application for the amortization state aid.

48.29 (f) The amount required under this section, as provided in subdivision 3a, is  
48.30 appropriated annually from the general fund to the commissioner of revenue.

48.31 Sec. 12. Minnesota Statutes 2010, section 609B.455, is amended to read:

48.32 **609B.455 MINNEAPOLIS POLICE-PUBLIC PENSION; HOMICIDE;**  
48.33 **BENEFIT LOSS.**

48.34 Subdivision 1. **Scope.** The collateral sanctions discussed in this section are codified  
48.35 in section 356.406.



49.1 Subd. 2. **Homicide; loss of death benefits.** A person charged with a felony causing  
49.2 the death of a public pension plan member has the entitlement to the pension suspended.

49.3 Subd. 3. **Forfeiture of survivor benefits upon felony conviction.** A person who is  
49.4 a survivor and convicted of a felony that caused the death of a public pension member  
49.5 forfeits the survivor pension benefit.

49.6 Subd. 4. **Benefit recovery.** If pension benefits have already been paid, the chief  
49.7 administrative officer of the pension plan must attempt to recover amounts paid.

49.8 Sec. 13. Minnesota Statutes 2010, section 609B.460, is amended to read:

49.9 **609B.460 FORMER MINNEAPOLIS POLICE RELIEF ASSOCIATION**  
49.10 **PENSION SERVICE PENSIONER; FELONS NOT ENTITLED TO PENSION**  
49.11 **DURING INCARCERATION.**

49.12 ~~Under section 423B.09,~~ A person who is a member of the public employees police  
49.13 and fire retirement plan, who was a member of the former Minneapolis Police Relief  
49.14 Association, and who was convicted of a felony<sub>2</sub> is not entitled to a pension or an annuity  
49.15 from the public employee police and fire retirement plan during the person's period of  
49.16 incarceration in a penal institution.

49.17 Sec. 14. **EFFECTIVE DATE.**

49.18 This article is effective on the date on which article ... is effective."

49.19 Renumber the articles in sequence and correct the internal references

49.20 Amend the title accordingly