



Potential Amendments to the 2012 Omnibus Retirement Bill

Amendment Packet #3

Technical Amendment

- H2199-33A (Articles 1 and 12) is suggested by the Pension Commission staff and corrects the duration of the select-and-ultimate rate actuarial assumption to be ten years, eliminates obsolete references to the Minneapolis Police, Minneapolis Fire, and Virginia Fire relief associations.

Article 1: Statutory Actuarial Assumption and Conforming Changes

- Amendments H2199-36A, -46A, -34A, -35A, -37A, -47A, and -49A replace the proposed 8.0% ten-year select and 8.5% ultimate interest rate actuarial assumption with:
 - H2199-36A: a single rate 7.5% interest rate actuarial assumption.
 - H2199-46A: a single rate 8.0% interest rate actuarial assumption (*was included in Amendment Packet #1 as H2199-23A; redrafted to reflect 3/6 Commission action*).
 - H2199-34A: an 8.0% five-year select and 8.5% ultimate interest rate assumption.
 - H2199-35A: an 8.25% five-year select and 8.5% ultimate interest rate assumption.
 - H2199-37A: an 8.25% two-year select, 8.0% succeeding five-year select, and an 8.5% ultimate interest rate assumption.
 - H2199-47A: an 8.25% two-year select and 8.0% ultimate interest rate assumption (*was included in Amendment Packet #1 as H2199-25A; redrafted to reflect 3/6 Commission action*).
 - H2199-49A: an 8.25% ten-year select and 8.5% ultimate interest rate assumption.
- H2199-50A contains a suggestion made by the various retirement system or plan administrators that the next quadrennial experience studies of MSRS-General, PERA-General, and TRA, be delayed to June 30, 2015, and cover a six-year period rather than a four-year period.
- H2199-28A represents the request by the various retirement system or plan administrators to eliminate the proposed resetting of the interest charges on refund repayments and the discount rate for full actuarial value service credit purchases (*was distributed during the 3/6 meeting; updated page and line references*).
- H2199-29A represents the request by the various retirement system or plan administrators to eliminate the requirement that optional annuity form and similar factors be updated promptly upon the interest rate actuarial assumption change (*was distributed during the 3/6 meeting; updated page and line references*).

Article 2: Stacked Hybrid Retirement Arrangements for Irregular Compensation Amounts

- H2199-13A extends the effective date for the new stacked hybrid retirement plan for irregular compensation from 2012 to 2014.
- H2199-24A adds a requirement for the Minnesota Management and Budget Department to report on the adequacy of budgeted and forecasted deferred benefit plan retirement contributions (*contains the language of H.F. 2264 (Banaian); S.F. 2192 (Chamberlain). Was distributed during the 3/6 meeting; updated page and line references*).
- H2199-31A is identical to H2199-24A except for the addition of one additional reporting item (para. (d), cl. (5)), relating to a schedule of accrued benefit obligations and projected benefit obligations (*was distributed during the 3/6 meeting; updated page and line references*).
- H2199-48A deletes the entire article.

Article 3: MSRS-Correctional Plan Membership Changes

- H2199-21A was drafted by Commission staff to implement the February 22, 2012, request from the Department of Human Services for additional modifications in the membership changes it recommended in the Correctional State Employees Retirement Plan. The amendment eliminates the addition of two occupational titles for which there are no incumbents and makes the inclusion of the psychiatric advance practice registered nurse occupational position retroactive to the date on which the occupational name change for the person involved was effective (*was included in Amendment Packet #1; updated page and line references*).

Article 4: Health Care Savings Plan Modifications

- H2199-9A was drafted by Commission staff at the request of the MSRS executive director to provide greater specificity in the change in the Health Care Savings Account administrative expense charge change (*was included in Amendment Packet #1; updated page and line references*).

Article 6: PERA-Administered Retirement Plan Modifications

- H2199-8A is the suggestion of Rep. Tim O'Driscoll for an actuarial study by PERA of the options for revising its minimum salary threshold for membership to replace a proposed change in the threshold figure (*was included in Amendment Packet #1; updated page and line references*).

Article 12: Volunteer Fire Retirement Changes.

- H2199-11A was requested by the PERA executive director to update the effective date for the municipal contribution change in the Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan (*was included in Amendment Packet #1; updated page and line references*).

Article 13: Small Group or One Person Retirement Provisions

Amendments H2199-39A, -40A, -41A, -42A, and -43A relate to the allocation of the prior service credit purchase payment amount for the employee of Crookston Township.

- H2199-39A replicates the original bill, H.F. 1627 (Murphy, M.); S.F. 1475 (Stumpf), with the member responsible for the equivalent employee contributions plus 8.5% compounded interest, and Crookston Township responsible for the balance, with each permitted to make installment payments for up to five years.
- H2199-40A makes Crookston Township wholly responsible for paying the prior service credit purchase payment obligation, with the township permitted to make installment payments for up to five years (*was included in Amendment Packet #1 as H2199-17A; redrafted to allow installment payments*).
- H2199-41A makes the member responsible for one-half of the equivalent member contribution amount, plus interest, increasing Crookston Township's share to roughly three-quarters of the total. The member and the township each are permitted to make installment payments for up to five years (*was included in Amendment Packet #1 as H2199-11A; redrafted to allow installment payments*).
- H2199-42A provides that Crookston Township and PERA split the total prior service credit purchase payment obligation. The township permitted to make installment payments for up to five years (*was included in Amendment Packet #1 as H2199-18A; redrafted to allow installment payments*).
- H2199-43A, suggested by PERA, provides that the member pay the principal amount of the unpaid member contributions, without interest, and that Crookston Township pays the balance, with the member and the township each permitted to make installment payments for up to five years (*was included in Amendment Packet #1 as H2199-16A; redrafted to allow installment payments*).

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 38, line 9, delete "2042" and insert "2040"

1.4 Page 38, line 12, delete "2042" and insert "2040"

1.5 Page 38, lines 24, 26, and 29, delete "2021" and insert "2022"

1.6 Page 39, line 8, after "(2)" insert "age-related future salary increase"

1.7 Page 39, line 22, strike "The designated select"

1.8 Page 39, strike lines 23 and 24

1.9 Page 39, line 25, strike "retirement plan."

1.10 Page 39, line 29, strike "0.2 percent for the"

1.11 Page 39, strike lines 31 and 32

1.12 Page 39, line 34, strike "(3)" and insert "(2)"

1.13 Page 139, line 10, strike "Minneapolis Police Relief Association, the"

1.14 Page 139, line 11, strike the comma

1.15 Page 147, line 21, after "amended;" insert "or"

1.16 Page 147, delete lines 22 to 25

1.17 Page 147, line 26, delete "(4)" and insert "(2)"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 37, delete line 35

1.4 Page 38, delete line 1

1.5 Page 38, lines 5, 6, 7, 14, 15, 16, 18, and 19, strike "8.5" and insert "7.5" and strike "
1.6 6.0" and insert "5.0"

1.7 Page 38, lines 20 and 21, strike "8.5" and insert "7.5" and strike "8.5" and insert "7.5"

1.8 Page 38, delete lines 22 to 30

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 37, delete section 40 and insert:

1.4 "Sec. 40. Minnesota Statutes 2011 Supplement, section 356.215, subdivision 8,
1.5 is amended to read:

1.6 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must
1.7 use the applicable following preretirement interest assumption and, if section 356.415,
1.8 subdivision 1, is applicable, the applicable following postretirement interest assumption:

plan	preretirement interest rate assumption	postretirement interest rate assumption
1.12 general state employees retirement plan	8.5% <u>8.0%</u>	6.0% <u>5.5%</u>
1.13 correctional state employees retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.14 State Patrol retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.15 legislators retirement plan	8.5 <u>0.0</u>	6.0 <u>-2.0 until June 30, 2040, and -2.5 after June 30, 2040</u>
1.18 elective state officers retirement plan	8.5 <u>0.0</u>	6.0 <u>-2.0 until June 30, 2040, and -2.5 after June 30, 2040</u>
1.21 judges retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.22 general public employees retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.23 public employees police and fire retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.24 local government correctional service 1.25 retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.26 teachers retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.27 Duluth teachers retirement plan	8.5 <u>8.0</u>	8.5 <u>8.0</u>
1.28 St. Paul teachers retirement plan	8.5 <u>8.0</u>	8.5 <u>8.0</u>
1.29 Fairmont Police Relief Association	5.0	5.0
1.30 Virginia Fire Department Relief Association	5.0	5.0

2.1	Bloomington Fire Department Relief		
2.2	Association	6.0	6.0
2.3	local monthly benefit volunteer firefighters		
2.4	relief associations	5.0	5.0

2.5 (b) ~~Before July 1, 2010~~, The actuarial valuation must use the applicable following
 2.6 single rate future salary increase assumption, the applicable following modified single
 2.7 rate future salary increase assumption, or the applicable following graded rate future
 2.8 salary increase assumption:

2.9 (1) single rate future salary increase assumption

2.10	plan	future salary increase assumption
2.11	legislators retirement plan	5.0%
2.12	judges retirement plan	4.0 3.0
2.13	Fairmont Police Relief Association	3.5
2.14	Virginia Fire Department Relief Association	3.5
2.15	Bloomington Fire Department Relief	
2.16	Association	4.0

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

2.19	plan	future salary increase assumption
2.20	correctional state employees retirement plan	assumption D
2.21	State Patrol retirement plan	assumption C
2.22	local government correctional service retirement plan	assumption C
2.23	Duluth teachers retirement plan	assumption A
2.24	St. Paul teachers retirement plan	assumption B

2.25 The select calculation is: during the
 2.26 designated select period, a designated
 2.27 percentage rate is multiplied by the result of
 2.28 the designated integer minus T, where T is
 2.29 the number of completed years of service,
 2.30 and is added to the applicable future salary
 2.31 increase assumption. The designated select
 2.32 period is five years and the designated
 2.33 integer is five for the general state employees
 2.34 retirement plan. The designated select period
 2.35 is ten years and the designated integer is ten
 2.36 for all other retirement plans covered by
 2.37 this clause. The designated percentage rate
 2.38 is: (1) 0.2 percent for the ~~correctional state~~

3.1 ~~employees retirement plan, the State Patrol~~
 3.2 ~~retirement plan, and the local government~~
 3.3 ~~correctional service retirement plan; (2)~~
 3.4 0.6 percent for the general state employees
 3.5 retirement plan; and (3) 0.3 percent for the
 3.6 teachers retirement plan, the Duluth Teachers
 3.7 Retirement Fund Association, and the St.
 3.8 Paul Teachers Retirement Fund Association.
 3.9 The select calculation for the Duluth Teachers
 3.10 Retirement Fund Association is 8.00 percent
 3.11 per year for service years one through seven,
 3.12 7.25 percent per year for service years seven
 3.13 and eight, and 6.50 percent per year for
 3.14 service years eight and nine.

3.15 The ultimate future salary increase assumption is:

3.16	age	A	B	C	D
3.17	16	8.00%	6.90%	7.7500% <u>9.00%</u>	7.2500%
3.18	17	8.00	6.90	7.7500 <u>9.00</u>	7.2500
3.19	18	8.00	6.90	7.7500 <u>9.00</u>	7.2500
3.20	19	8.00	6.90	7.7500 <u>9.00</u>	7.2500
3.21	20	6.90	6.90	7.7500 <u>9.00</u>	7.2500
3.22	21	6.90	6.90	7.1454 <u>8.75</u>	6.6454
3.23	22	6.90	6.90	7.0725 <u>8.50</u>	6.5725
3.24	23	6.85	6.85	7.0544 <u>8.25</u>	6.5544
3.25	24	6.80	6.80	7.0363 <u>8.00</u>	6.5363
3.26	25	6.75	6.75	7.0000 <u>7.75</u>	6.5000
3.27	26	6.70	6.70	7.0000 <u>7.50</u>	6.5000
3.28	27	6.65	6.65	7.0000 <u>7.25</u>	6.5000
3.29	28	6.60	6.60	7.0000 <u>7.00</u>	6.5000
3.30	29	6.55	6.55	7.0000 <u>6.75</u>	6.5000
3.31	30	6.50	6.50	7.0000 <u>6.75</u>	6.5000
3.32	31	6.45	6.45	7.0000 <u>6.50</u>	6.5000
3.33	32	6.40	6.40	7.0000 <u>6.50</u>	6.5000
3.34	33	6.35	6.35	7.0000 <u>6.50</u>	6.5000
3.35	34	6.30	6.30	7.0000 <u>6.25</u>	6.5000
3.36	35	6.25	6.25	7.0000 <u>6.25</u>	6.5000
3.37	36	6.20	6.20	6.9019 <u>6.00</u>	6.4019
3.38	37	6.15	6.15	6.8074 <u>6.00</u>	6.3074
3.39	38	6.10	6.10	6.7125 <u>6.00</u>	6.2125
3.40	39	6.05	6.05	6.6054 <u>5.75</u>	6.1054

4.1	40	6.00	6.00	6.5000 <u>5.75</u>	6.0000
4.2	41	5.90	5.95	6.3540 <u>5.75</u>	5.8540
4.3	42	5.80	5.90	6.2087 <u>5.50</u>	5.7087
4.4	43	5.70	5.85	6.0622 <u>5.25</u>	5.5622
4.5	44	5.60	5.80	5.9048 <u>5.25</u>	5.4078
4.6	45	5.50	5.75	5.7500 <u>5.00</u>	5.2500
4.7	46	5.40	5.70	5.6940 <u>5.00</u>	5.1940
4.8	47	5.30	5.65	5.6375 <u>5.00</u>	5.1375
4.9	48	5.20	5.60	5.5822 <u>5.00</u>	5.0822
4.10	49	5.10	5.55	5.5404 <u>5.00</u>	5.0404
4.11	50	5.00	5.50	5.5000 <u>5.00</u>	5.0000
4.12	51	4.90	5.45	5.4384 <u>5.00</u>	4.9384
4.13	52	4.80	5.40	5.3776 <u>5.00</u>	4.8776
4.14	53	4.70	5.35	5.3167 <u>5.00</u>	4.8167
4.15	54	4.60	5.30	5.2826 <u>5.00</u>	4.7826
4.16	55	4.50	5.25	5.2500 <u>4.75</u>	4.7500
4.17	56	4.40	5.20	5.2500 <u>4.75</u>	4.7500
4.18	57	4.30	5.15	5.2500 <u>4.50</u>	4.7500
4.19	58	4.20	5.10	5.2500 <u>4.25</u>	4.7500
4.20	59	4.10	5.05	5.2500 <u>4.25</u>	4.7500
4.21	60	4.00	5.00	5.2500 <u>4.25</u>	4.7500
4.22	61	3.90	5.00	5.2500 <u>4.25</u>	4.7500
4.23	62	3.80	5.00	5.2500 <u>4.25</u>	4.7500
4.24	63	3.70	5.00	5.2500 <u>4.25</u>	4.7500
4.25	64	3.60	5.00	5.2500 <u>4.25</u>	4.7500
4.26	65	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.27	66	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.28	67	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.29	68	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.30	69	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.31	70	3.50	5.00	5.2500 <u>4.00</u>	4.7500

4.32	(3) service-related ultimate future salary increase assumption				
4.33	general state employees retirement plan of the				assumption A
4.34	Minnesota State Retirement System				
4.35	general employees retirement plan of the Public				assumption B
4.36	Employees Retirement Association				
4.37	Teachers Retirement Association				assumption C
4.38	public employees police and fire retirement plan				assumption D
4.39	<u>state patrol retirement plan</u>				<u>assumption E</u>
4.40	<u>correctional state employees retirement plan of the</u>				<u>assumption F</u>
4.41	<u>Minnesota State Retirement System</u>				

5.1	5.2	service		length		A	B	C	D	E	F
5.3	1	10.75	<u>10.50%</u>	12.25	<u>12.03%</u>	12.00%			13.00%	<u>8.00%</u>	<u>6.00%</u>
5.4	2	8.35	<u>8.10</u>	9.15	<u>8.90</u>	9.00			11.00	<u>7.50</u>	<u>5.85</u>
5.5	3	7.15	<u>6.90</u>	7.75	<u>7.46</u>	8.00			9.00	<u>7.00</u>	<u>5.70</u>
5.6	4	6.45	<u>6.20</u>	6.85	<u>6.58</u>	7.50			8.00	<u>6.75</u>	<u>5.55</u>
5.7	5	5.95	<u>5.70</u>	6.25	<u>5.97</u>	7.25			6.50	<u>6.50</u>	<u>5.40</u>
5.8	6	5.55	<u>5.30</u>	5.75	<u>5.52</u>	7.00			6.10	<u>6.25</u>	<u>5.25</u>
5.9	7	5.25	<u>5.00</u>	5.45	<u>5.16</u>	6.85			5.80	<u>6.00</u>	<u>5.10</u>
5.10	8	4.95	<u>4.70</u>	5.15	<u>4.87</u>	6.70			5.60	<u>5.85</u>	<u>4.95</u>
5.11	9	4.75	<u>4.50</u>	4.85	<u>4.63</u>	6.55			5.40	<u>5.70</u>	<u>4.80</u>
5.12	10	4.65	<u>4.40</u>	4.65	<u>4.42</u>	6.40			5.30	<u>5.55</u>	<u>4.65</u>
5.13	11	4.45	<u>4.20</u>	4.45	<u>4.24</u>	6.25			5.20	<u>5.40</u>	<u>4.55</u>
5.14	12	4.35	<u>4.10</u>	4.35	<u>4.08</u>	6.00			5.10	<u>5.25</u>	<u>4.45</u>
5.15	13	4.25	<u>4.00</u>	4.15	<u>3.94</u>	5.75			5.00	<u>5.10</u>	<u>4.35</u>
5.16	14	4.05	<u>3.80</u>	4.05	<u>3.82</u>	5.50			4.90	<u>4.95</u>	<u>4.25</u>
5.17	15	3.95	<u>3.70</u>	3.95	<u>3.70</u>	5.25			4.80	<u>4.80</u>	<u>4.15</u>
5.18	16	3.85	<u>3.60</u>	3.85	<u>3.60</u>	5.00			4.80	<u>4.65</u>	<u>4.05</u>
5.19	17	3.75	<u>3.50</u>	3.75	<u>3.51</u>	4.75			4.80	<u>4.50</u>	<u>3.95</u>
5.20	18	3.75	<u>3.50</u>	3.75	<u>3.50</u>	4.50			4.80	<u>4.35</u>	<u>3.85</u>
5.21	19	3.75	<u>3.50</u>	3.75	<u>3.50</u>	4.25			4.80	<u>4.20</u>	<u>3.75</u>
5.22	20	3.75	<u>3.50</u>	3.75	<u>3.50</u>	4.00			4.80	<u>4.05</u>	<u>3.75</u>
5.23	21	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.90			4.70	<u>4.00</u>	<u>3.75</u>
5.24	22	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.80			4.60	<u>4.00</u>	<u>3.75</u>
5.25	23	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.70			4.50	<u>4.00</u>	<u>3.75</u>
5.26	24	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.60			4.50	<u>4.00</u>	<u>3.75</u>
5.27	25	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.50			4.50	<u>4.00</u>	<u>3.75</u>
5.28	26	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.50			4.50	<u>4.00</u>	<u>3.75</u>
5.29	27	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.50			4.50	<u>4.00</u>	<u>3.75</u>
5.30	28	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.50			4.50	<u>4.00</u>	<u>3.75</u>
5.31	29	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.50			4.50	<u>4.00</u>	<u>3.75</u>
5.32	30 or										
5.33	more	3.75	<u>3.50</u>	3.75	<u>3.50</u>	3.50			4.50	<u>4.00</u>	<u>3.75</u>

5.34 (c) ~~Before July 2, 2010,~~ The actuarial valuation must use the applicable following
 5.35 payroll growth assumption for calculating the amortization requirement for the unfunded
 5.36 actuarial accrued liability where the amortization retirement is calculated as a level
 5.37 percentage of an increasing payroll:

5.38	plan	payroll growth assumption
5.39	general state employees retirement plan of	
5.40	the Minnesota State Retirement System	3.75 <u>3.75%</u>
5.41	correctional state employees retirement plan	4.50 <u>3.75</u>
5.42	State Patrol retirement plan	4.50 <u>3.75</u>
5.43	legislators retirement plan	4.50

6.1	judges retirement plan	4.00 <u>3.00</u>
6.2	general employees retirement plan of the	
6.3	PublicEmployees Retirement Association	3.75 <u>3.75</u>
6.4	public employees police and fire retirement plan	3.75 <u>3.75</u>
6.5	local government correctional service retirement plan	4.50 <u>3.75</u>
6.6	teachers retirement plan	3.75 <u>3.75</u>
6.7	Duluth teachers retirement plan	4.50 <u>4.50</u>
6.8	St. Paul teachers retirement plan	5.00 <u>5.00</u>

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

6.11 (1) has been proposed by the governing board of the applicable retirement plan;

6.12 (2) is accompanied by the concurring recommendation of the actuary retained under
 6.13 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the
 6.14 most recent actuarial valuation report if section 356.214 does not apply; and

6.15 (3) has been approved or deemed approved under subdivision 18.

6.16 **EFFECTIVE DATE.** This section is effective June 30, 2012."

- 1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
- 1.2 amendment (H2199-32A), as follows:

- 1.3 Page 38, lines 24, 26, and 29, delete "2021" and insert "2017"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 38, line 24, delete "2021, is 8.0" and insert "2017, is 8.25"

1.4 Page 38, line 26, delete "2021, is 5.5" and insert "2017, is 5.75"

1.5 Page 38, line 29, delete "2021, of 8.0" and insert "2017, of 8.25"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 38, line 24, before "through " insert "through June 30, 2014, is 8.25 percent
1.4 and after June 30, 2014, " and delete "2021" and insert "2022"

1.5 Page 38, line 26, before "through" insert "through June 30, 2014, is 5.75 percent and
1.6 after June 30, 2014, " and delete "2021" and insert "2022"

1.7 Page 38, line 28, before "through" insert "through June 30, 2014, is 8.25 percent
1.8 and after June 30, 2014, "

1.9 Page 38, line 29, delete "2021" and insert "2022"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 37, delete section 40 and insert:

1.4 "Sec. 40. Minnesota Statutes 2011 Supplement, section 356.215, subdivision 8,
1.5 is amended to read:

1.6 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must
1.7 use the applicable following preretirement interest assumption and, if section 356.415,
1.8 subdivision 1, is applicable, the applicable following postretirement interest assumption:

1.9 (1) select and ultimate interest rate assumption

	<u>ultimate</u> preretirement interest rate assumption	<u>ultimate</u> postretirement interest rate assumption
1.10 plan		
1.11 general state employees retirement plan	8.5% <u>8.0%</u>	6.0% <u>5.5%</u>
1.12 correctional state employees retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.13 State Patrol retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.14 legislators retirement plan	8.5 <u>0.0</u>	6.0 <u>-2.0 until June</u> <u>30, 2040, and -2.5</u> <u>after June 30, 2040</u>
1.15 elective state officers retirement plan	8.5 <u>0.0</u>	6.0 <u>-2.0 until June</u> <u>30, 2040, and -2.5</u> <u>after June 30, 2040</u>
1.16 judges retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.17 general public employees retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.18 public employees police and fire retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.19 local government correctional service 1.20 retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.21 teachers retirement plan	8.5 <u>8.0</u>	6.0 <u>5.5</u>
1.22 Duluth teachers retirement plan	8.5 <u>8.0</u>	8.5 <u>8.0</u>
1.23 St. Paul teachers retirement plan	8.5 <u>8.0</u>	8.5 <u>8.0</u>

1.31 The select preretirement interest rate assumption for the period after June 30, 2012,
1.32 through June 30, 2014, is 8.25 percent. The select postretirement interest rate assumption

2.1 for the period after June 30, 2012, through June 30, 2014, is 5.75 percent, except for the
 2.2 Duluth teachers retirement plan and the St. Paul teachers retirement plan, each with a
 2.3 select postretirement interest rate assumption for the period after June 30, 2012, through
 2.4 June 30, 2014, of 8.25 percent.

2.5 (2) single rate preretirement and postretirement interest rate assumption

2.6		<u>interest rate</u>	
2.7	<u>plan</u>	<u>assumption</u>	
2.8	Fairmont Police Relief Association	5.0	5.0
2.9	Virginia Fire Department Relief Association	5.0	5.0
2.10	Bloomington Fire Department Relief		
2.11	Association	6.0	6.0
2.12	local monthly benefit volunteer firefighters		
2.13	relief associations	5.0	5.0

2.14 (b) ~~Before July 1, 2010,~~ The actuarial valuation must use the applicable following
 2.15 single rate future salary increase assumption, the applicable following modified single
 2.16 rate future salary increase assumption, or the applicable following graded rate future
 2.17 salary increase assumption:

2.18 (1) single rate future salary increase assumption

2.19	<u>plan</u>	<u>future salary increase assumption</u>
2.20	legislators retirement plan	5.0%
2.21	judges retirement plan	4.0 <u>3.0</u>
2.22	Fairmont Police Relief Association	3.5
2.23	Virginia Fire Department Relief Association	3.5
2.24	Bloomington Fire Department Relief	
2.25	Association	4.0

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

2.28	<u>plan</u>	<u>future salary increase assumption</u>
2.29	correctional state employees retirement plan	assumption D
2.30	State Patrol retirement plan	assumption C
2.31	local government correctional service retirement plan	assumption C
2.32	Duluth teachers retirement plan	assumption A
2.33	St. Paul teachers retirement plan	assumption B

2.34 The select calculation is: during the
 2.35 designated select period, a designated
 2.36 percentage rate is multiplied by the result of
 2.37 the designated integer minus T, where T is
 2.38 the number of completed years of service,
 2.39 and is added to the applicable future salary

3.1 increase assumption. The designated select
 3.2 period is five years and the designated
 3.3 integer is five for the general state employees
 3.4 retirement plan. The designated select period
 3.5 is ten years and the designated integer is ten
 3.6 for all other retirement plans covered by
 3.7 this clause. The designated percentage rate
 3.8 is: (1) 0.2 percent for the ~~correctional state~~
 3.9 ~~employees retirement plan, the State Patrol~~
 3.10 ~~retirement plan, and the local government~~
 3.11 correctional service retirement plan; (2)
 3.12 0.6 percent for the general state employees
 3.13 retirement plan; and (3) 0.3 percent for the
 3.14 teachers retirement plan, the Duluth Teachers
 3.15 Retirement Fund Association, and the St.
 3.16 Paul Teachers Retirement Fund Association.
 3.17 The select calculation for the Duluth Teachers
 3.18 Retirement Fund Association is 8.00 percent
 3.19 per year for service years one through seven,
 3.20 7.25 percent per year for service years seven
 3.21 and eight, and 6.50 percent per year for
 3.22 service years eight and nine.

3.23 The ultimate future salary increase assumption is:

3.24 age	A	B	C	D
3.25 16	8.00%	6.90%	7.7500% <u>9.00%</u>	7.2500%
3.26 17	8.00	6.90	7.7500 <u>9.00</u>	7.2500
3.27 18	8.00	6.90	7.7500 <u>9.00</u>	7.2500
3.28 19	8.00	6.90	7.7500 <u>9.00</u>	7.2500
3.29 20	6.90	6.90	7.7500 <u>9.00</u>	7.2500
3.30 21	6.90	6.90	7.1454 <u>8.75</u>	6.6454
3.31 22	6.90	6.90	7.0725 <u>8.50</u>	6.5725
3.32 23	6.85	6.85	7.0544 <u>8.25</u>	6.5544
3.33 24	6.80	6.80	7.0363 <u>8.00</u>	6.5363
3.34 25	6.75	6.75	7.0000 <u>7.75</u>	6.5000
3.35 26	6.70	6.70	7.0000 <u>7.50</u>	6.5000
3.36 27	6.65	6.65	7.0000 <u>7.25</u>	6.5000
3.37 28	6.60	6.60	7.0000 <u>7.00</u>	6.5000
3.38 29	6.55	6.55	7.0000 <u>6.75</u>	6.5000
3.39 30	6.50	6.50	7.0000 <u>6.75</u>	6.5000

4.1	31	6.45	6.45	7.0000 <u>6.50</u>	6.5000
4.2	32	6.40	6.40	7.0000 <u>6.50</u>	6.5000
4.3	33	6.35	6.35	7.0000 <u>6.50</u>	6.5000
4.4	34	6.30	6.30	7.0000 <u>6.25</u>	6.5000
4.5	35	6.25	6.25	7.0000 <u>6.25</u>	6.5000
4.6	36	6.20	6.20	6.9019 <u>6.00</u>	6.4019
4.7	37	6.15	6.15	6.8074 <u>6.00</u>	6.3074
4.8	38	6.10	6.10	6.7125 <u>6.00</u>	6.2125
4.9	39	6.05	6.05	6.6054 <u>5.75</u>	6.1054
4.10	40	6.00	6.00	6.5000 <u>5.75</u>	6.0000
4.11	41	5.90	5.95	6.3540 <u>5.75</u>	5.8540
4.12	42	5.80	5.90	6.2087 <u>5.50</u>	5.7087
4.13	43	5.70	5.85	6.0622 <u>5.25</u>	5.5622
4.14	44	5.60	5.80	5.9048 <u>5.25</u>	5.4078
4.15	45	5.50	5.75	5.7500 <u>5.00</u>	5.2500
4.16	46	5.40	5.70	5.6940 <u>5.00</u>	5.1940
4.17	47	5.30	5.65	5.6375 <u>5.00</u>	5.1375
4.18	48	5.20	5.60	5.5822 <u>5.00</u>	5.0822
4.19	49	5.10	5.55	5.5404 <u>5.00</u>	5.0404
4.20	50	5.00	5.50	5.5000 <u>5.00</u>	5.0000
4.21	51	4.90	5.45	5.4384 <u>5.00</u>	4.9384
4.22	52	4.80	5.40	5.3776 <u>5.00</u>	4.8776
4.23	53	4.70	5.35	5.3167 <u>5.00</u>	4.8167
4.24	54	4.60	5.30	5.2826 <u>5.00</u>	4.7826
4.25	55	4.50	5.25	5.2500 <u>4.75</u>	4.7500
4.26	56	4.40	5.20	5.2500 <u>4.75</u>	4.7500
4.27	57	4.30	5.15	5.2500 <u>4.50</u>	4.7500
4.28	58	4.20	5.10	5.2500 <u>4.25</u>	4.7500
4.29	59	4.10	5.05	5.2500 <u>4.25</u>	4.7500
4.30	60	4.00	5.00	5.2500 <u>4.25</u>	4.7500
4.31	61	3.90	5.00	5.2500 <u>4.25</u>	4.7500
4.32	62	3.80	5.00	5.2500 <u>4.25</u>	4.7500
4.33	63	3.70	5.00	5.2500 <u>4.25</u>	4.7500
4.34	64	3.60	5.00	5.2500 <u>4.25</u>	4.7500
4.35	65	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.36	66	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.37	67	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.38	68	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.39	69	3.50	5.00	5.2500 <u>4.00</u>	4.7500
4.40	70	3.50	5.00	5.2500 <u>4.00</u>	4.7500

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

5.1	general state employees retirement plan of the	assumption A
5.2	Minnesota State Retirement System	
5.3	general employees retirement plan of the Public	assumption B
5.4	Employees Retirement Association	
5.5	Teachers Retirement Association	assumption C
5.6	public employees police and fire retirement plan	assumption D
5.7	<u>state patrol retirement plan</u>	<u>assumption E</u>
5.8	<u>correctional state employees retirement plan of the</u>	<u>assumption F</u>
5.9	<u>Minnesota State Retirement System</u>	

5.10	service						
5.11	length	A	B	C	D	E	F
5.12	1	10.75 <u>10.50%</u>	12.25 <u>12.03%</u>	12.00%	13.00%	<u>8.00%</u>	<u>6.00%</u>
5.13	2	8.35 <u>8.10</u>	9.15 <u>8.90</u>	9.00	11.00	<u>7.50</u>	<u>5.85</u>
5.14	3	7.15 <u>6.90</u>	7.75 <u>7.46</u>	8.00	9.00	<u>7.00</u>	<u>5.70</u>
5.15	4	6.45 <u>6.20</u>	6.85 <u>6.58</u>	7.50	8.00	<u>6.75</u>	<u>5.55</u>
5.16	5	5.95 <u>5.70</u>	6.25 <u>5.97</u>	7.25	6.50	<u>6.50</u>	<u>5.40</u>
5.17	6	5.55 <u>5.30</u>	5.75 <u>5.52</u>	7.00	6.10	<u>6.25</u>	<u>5.25</u>
5.18	7	5.25 <u>5.00</u>	5.45 <u>5.16</u>	6.85	5.80	<u>6.00</u>	<u>5.10</u>
5.19	8	4.95 <u>4.70</u>	5.15 <u>4.87</u>	6.70	5.60	<u>5.85</u>	<u>4.95</u>
5.20	9	4.75 <u>4.50</u>	4.85 <u>4.63</u>	6.55	5.40	<u>5.70</u>	<u>4.80</u>
5.21	10	4.65 <u>4.40</u>	4.65 <u>4.42</u>	6.40	5.30	<u>5.55</u>	<u>4.65</u>
5.22	11	4.45 <u>4.20</u>	4.45 <u>4.24</u>	6.25	5.20	<u>5.40</u>	<u>4.55</u>
5.23	12	4.35 <u>4.10</u>	4.35 <u>4.08</u>	6.00	5.10	<u>5.25</u>	<u>4.45</u>
5.24	13	4.25 <u>4.00</u>	4.15 <u>3.94</u>	5.75	5.00	<u>5.10</u>	<u>4.35</u>
5.25	14	4.05 <u>3.80</u>	4.05 <u>3.82</u>	5.50	4.90	<u>4.95</u>	<u>4.25</u>
5.26	15	3.95 <u>3.70</u>	3.95 <u>3.70</u>	5.25	4.80	<u>4.80</u>	<u>4.15</u>
5.27	16	3.85 <u>3.60</u>	3.85 <u>3.60</u>	5.00	4.80	<u>4.65</u>	<u>4.05</u>
5.28	17	3.75 <u>3.50</u>	3.75 <u>3.51</u>	4.75	4.80	<u>4.50</u>	<u>3.95</u>
5.29	18	3.75 <u>3.50</u>	3.75 <u>3.50</u>	4.50	4.80	<u>4.35</u>	<u>3.85</u>
5.30	19	3.75 <u>3.50</u>	3.75 <u>3.50</u>	4.25	4.80	<u>4.20</u>	<u>3.75</u>
5.31	20	3.75 <u>3.50</u>	3.75 <u>3.50</u>	4.00	4.80	<u>4.05</u>	<u>3.75</u>
5.32	21	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.90	4.70	<u>4.00</u>	<u>3.75</u>
5.33	22	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.80	4.60	<u>4.00</u>	<u>3.75</u>
5.34	23	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.70	4.50	<u>4.00</u>	<u>3.75</u>
5.35	24	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.60	4.50	<u>4.00</u>	<u>3.75</u>
5.36	25	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.50	4.50	<u>4.00</u>	<u>3.75</u>
5.37	26	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.50	4.50	<u>4.00</u>	<u>3.75</u>
5.38	27	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.50	4.50	<u>4.00</u>	<u>3.75</u>
5.39	28	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.50	4.50	<u>4.00</u>	<u>3.75</u>
5.40	29	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.50	4.50	<u>4.00</u>	<u>3.75</u>
5.41	30 or						
5.42	more	3.75 <u>3.50</u>	3.75 <u>3.50</u>	3.50	4.50	<u>4.00</u>	<u>3.75</u>

5.43 (c) ~~Before July 2, 2010~~, The actuarial valuation must use the applicable following
 5.44 payroll growth assumption for calculating the amortization requirement for the unfunded

6.1 actuarial accrued liability where the amortization retirement is calculated as a level
6.2 percentage of an increasing payroll:

6.3	plan	payroll growth assumption
6.4	general state employees retirement plan of	
6.5	the Minnesota State Retirement System	3.75 <u>3.75</u> %
6.6	correctional state employees retirement plan	4.50 <u>3.75</u>
6.7	State Patrol retirement plan	4.50 <u>3.75</u>
6.8	legislators retirement plan	4.50
6.9	judges retirement plan	4.00 <u>3.00</u>
6.10	general employees retirement plan of the	
6.11	Public Employees Retirement Association	3.75 <u>3.75</u>
6.12	public employees police and fire retirement plan	3.75 <u>3.75</u>
6.13	local government correctional service retirement plan	4.50 <u>3.75</u>
6.14	teachers retirement plan	3.75 <u>3.75</u>
6.15	Duluth teachers retirement plan	4.50 <u>4.50</u>
6.16	St. Paul teachers retirement plan	5.00 <u>5.00</u>

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

6.19 (1) has been proposed by the governing board of the applicable retirement plan;

6.20 (2) is accompanied by the concurring recommendation of the actuary retained under
6.21 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the
6.22 most recent actuarial valuation report if section 356.214 does not apply; and

6.23 (3) has been approved or deemed approved under subdivision 18.

6.24 **EFFECTIVE DATE.** This section is effective June 30, 2012."

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 38, lines 24 and 29, delete "8.0" and insert "8.25"

1.4 Page 38, line 26, delete "5.5" and insert "5.75"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 51, after line 17, insert:

1.4 "Sec. 49. **DELAYED REPORTING DATE FOR CERTAIN QUADRENNIAL**
1.5 **EXPERIENCE STUDIES.**

1.6 Notwithstanding any provision of Minnesota Statutes, section 356.215, subdivisions
1.7 2 and 3, paragraph (c), to the contrary, the next experience studies of the general state
1.8 employees retirement plan of the Minnesota State Retirement System, the general
1.9 employees retirement plan of the Public Employees Retirement Association, and the
1.10 Teachers Retirement Association must cover the period of July 1, 2008, through June 30,
1.11 2014, and must be filed with the applicable entities on June 30, 2015.

1.12 **EFFECTIVE DATE.** This section is effective the day following final enactment."

- 1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
- 1.2 amendment (H2199-7A), as follows:
- 1.3 ³²Pages 1 to ~~31~~, delete sections 1 to 38
- 1.4 ^{45 51}Pages ~~42~~ to ~~47~~, delete sections ^{42 47}~~41~~ to ~~46~~
- 1.5 Renumber the sections in sequence
- 1.6 Amend the title accordingly

- 1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
- 1.2 amendment (H2199-~~7A~~), as follows:
- 1.3 Page ⁵⁰~~47~~, delete section ~~47~~ ^{32A} 48
- 1.4 Amend the title accordingly

- 1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
- 1.2 amendment (H2199-7A), as follow:
- 1.3 Page ⁶⁴~~61~~, lines ²⁶~~17~~ and ²⁷~~18~~, delete "2012" and insert "2014"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-7A), as follows:

1.3 Page ⁵¹48, after line ¹⁷10, insert:

1.4 "ARTICLE 2

1.5 CONTRIBUTION ADEQUACY REPORTING

1.6 Section 1. [16A.106] ADEQUACY OF BUDGETED AND FORECASTED
1.7 DEFINED BENEFIT PLAN RETIREMENT CONTRIBUTIONS.

1.8 (a) On or before May 30 or the date occurring 30 days after the conclusion of
1.9 the regular legislative session, whichever is later, in each odd-numbered year, the
1.10 commissioner shall prepare a report to the legislature on the adequacy of the budgeted
1.11 appropriations, including retirement-related state aids, and forecasted member and
1.12 employer retirement contributions to meet the total calculated actuarial funding
1.13 requirements of the statewide and major local defined benefit retirement plans.

1.14 (b) The total calculated actuarial funding requirements are the sum of:

1.15 (1) the normal cost;

1.16 (2) the administrative expenses as defined in section 356.20, subdivision 4,
1.17 paragraph (c); and

1.18 (3) the supplemental amortization contribution requirement using the amortization
1.19 target date specified in section 356.215, subdivision 11.

1.20 The total calculated actuarial funding requirements must be as determined in the
1.21 most recent actuarial valuation of the retirement plan prepared by an approved actuary
1.22 under section 356.215 and the most recent standards for actuarial work adopted by the
1.23 Legislative Commission on Pensions and Retirement.

1.24 (c) The statewide and major local retirement plans are the defined benefit retirement
1.25 plans listed in section 356.20, subdivision 2, clauses (1) to (6), (9), (12), (13), and (14).

- 2.1 (d) The report must also include as an exhibit as of the start of the most recent fiscal
2.2 year, the following information for each statewide and major local retirement plan in a
2.3 single comparative table:
- 2.4 (1) the year the retirement plan was enacted or established;
2.5 (2) the number of active members of the retirement plan;
2.6 (3) the number of retirement annuitants and retirement benefit recipients;
2.7 (4) whether or not the retirement plan supplements the federal Old Age, Survivors
2.8 and Disability Insurance program;
- 2.9 (5) whether or not the retirement plan permits the purchase of service credit for
2.10 out-of-state service or time;
- 2.11 (6) the percentage of covered salary employer contributions;
2.12 (7) the percentage of covered salary member contributions;
2.13 (8) the amount of unfunded actuarial accrued liability calculated using the actuarial
2.14 value of assets and the market value of assets;
- 2.15 (9) the percentage that assets, at actuarial value and at market value, represent of the
2.16 actuarial accrued liability;
- 2.17 (10) the normal retirement age or ages;
2.18 (11) the salary base definition and the percentage of salary base benefit accrual rate
2.19 per year of service credit formula for a normal retirement annuity;
- 2.20 (12) the amount of automatic postretirement adjustment;
2.21 (13) whether or not service credit is available for military service and any limitation
2.22 on its acquisition;
- 2.23 (14) the vesting period for a disability benefit and the definition of a disability
2.24 qualifying for a disability benefit;
- 2.25 (15) investment performance and interest rate actuarial assumptions;
2.26 (16) the amortization target date;
2.27 (17) four fiscal years running statistics of active retirement plan members;
2.28 (18) four fiscal years running statistics of retirement annuitants and retirement
2.29 benefit recipients;
- 2.30 (19) four fiscal years running statistics of deferred annuitants;
2.31 (20) four fiscal years running statistics of unfunded actuarial accrued liability
2.32 determined on an actuarial value of assets basis and on a market value of assets basis;
2.33 (21) four fiscal years running statistics of the percentage that assets, at actuarial
2.34 value and at market value, represent of the actuarial accrued liability;
- 2.35 (22) four fiscal years running statistics of actuarial value of assets; and
2.36 (23) four fiscal years running statistics of market value of assets.

3.1 (e) The report under this section also must be included on the Web site of the
3.2 department.

3.3 **EFFECTIVE DATE. This section is effective the day following final enactment."**

3.4 Renumber the articles in sequence

3.5 Amend the title accordingly

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-7A), as follows:

1.3 Page ⁵¹48, after line ¹⁷10, insert:

1.4 "ARTICLE 2

1.5 CONTRIBUTION ADEQUACY REPORTING

1.6 Section 1. [16A.106] ADEQUACY OF BUDGETED AND FORECASTED
1.7 DEFINED BENEFIT PLAN RETIREMENT CONTRIBUTIONS.

1.8 (a) On or before May 30 or the date occurring 30 days after the conclusion of
1.9 the regular legislative session, whichever is later, in each odd-numbered year, the
1.10 commissioner shall prepare a report to the legislature on the adequacy of the budgeted
1.11 appropriations, including retirement-related state aids, and forecasted member and
1.12 employer retirement contributions to meet the total calculated actuarial funding
1.13 requirements of the statewide and major local defined benefit retirement plans.

1.14 (b) The total calculated actuarial funding requirements are the sum of:

1.15 (1) the normal cost;

1.16 (2) the administrative expenses as defined in section 356.20, subdivision 4,
1.17 paragraph (c); and

1.18 (3) the supplemental amortization contribution requirement using the amortization
1.19 target date specified in section 356.215, subdivision 11.

1.20 The total calculated actuarial funding requirements must be as determined in the
1.21 most recent actuarial valuation of the retirement plan prepared by an approved actuary
1.22 under section 356.215 and the most recent standards for actuarial work adopted by the
1.23 Legislative Commission on Pensions and Retirement.

1.24 (c) The statewide and major local retirement plans are the defined benefit retirement
1.25 plans listed in section 356.20, subdivision 2, clauses (1) to (6), (9), (12), (13), and (14).

- 2.1 (d) The report must also include as an exhibit as of the start of the most recent fiscal
2.2 year, the following information for each statewide and major local retirement plan in a
2.3 single comparative table:
- 2.4 (1) the year the retirement plan was enacted or established;
2.5 (2) the number of active members of the retirement plan;
2.6 (3) the number of retirement annuitants and retirement benefit recipients;
2.7 (4) whether or not the retirement plan supplements the federal Old Age, Survivors
2.8 and Disability Insurance program;
- 2.9 (5) the complete schedule of accrued benefit obligations and projected benefit
2.10 obligations from the latest actuarial valuation reports;
- 2.11 (6) whether or not the retirement plan permits the purchase of service credit for
2.12 out-of-state service or time;
- 2.13 (7) the percentage of covered salary employer contributions;
2.14 (8) the percentage of covered salary member contributions;
2.15 (9) the amount of unfunded actuarial accrued liability calculated using the actuarial
2.16 value of assets and the market value of assets;
- 2.17 (10) the percentage that assets, at actuarial value and at market value, represent
2.18 of the actuarial accrued liability;
- 2.19 (11) the normal retirement age or ages;
2.20 (12) the salary base definition and the percentage of salary base benefit accrual rate
2.21 per year of service credit formula for a normal retirement annuity;
- 2.22 (13) the amount of automatic postretirement adjustment;
2.23 (14) whether or not service credit is available for military service and any limitation
2.24 on its acquisition;
- 2.25 (15) the vesting period for a disability benefit and the definition of a disability
2.26 qualifying for a disability benefit;
- 2.27 (16) investment performance and interest rate actuarial assumptions;
2.28 (17) the amortization target date;
2.29 (18) four fiscal years running statistics of active retirement plan members;
2.30 (19) four fiscal years running statistics of retirement annuitants and retirement
2.31 benefit recipients;
- 2.32 (20) four fiscal years running statistics of deferred annuitants;
2.33 (21) four fiscal years running statistics of unfunded actuarial accrued liability
2.34 determined on an actuarial value of assets basis and on a market value of assets basis;
- 2.35 (22) four fiscal years running statistics of the percentage that assets, at actuarial
2.36 value and at market value, represent of the actuarial accrued liability;

- 3.1 (23) four fiscal years running statistics of actuarial value of assets; and
- 3.2 (24) four fiscal years running statistics of market value of assets.
- 3.3 (e) The report under this section also must be included on the Web site of the
- 3.4 department.

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment."

3.6 Renumber the articles in sequence

3.7 Amend the title accordingly

- 1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
- 1.2 amendment (H2199-32A), as follows:
- 1.3 Pages 51 to 64, delete article 2

32A

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-7A), as follow:

1.3 Page ⁶⁵62, line ¹²3, before "This" insert "(a) " and delete "the day following final
1.4 enactment" and insert "retroactively from August 22, 2011"

1.5 Page ⁶⁵62, after line ¹²3, insert:

1.6 "(b) Service credit under the correctional state employees retirement plan rather than
1.7 under the general state employees retirement plan for the period between August 22, 2011,
1.8 and the day following enactment is contingent on the state employee and the Department
1.9 of Human Services paying the difference between the applicable employee and employer
1.10 contributions in the two retirement plans under section 352.017, subdivision 2."

1.11 Page ⁶⁷62, line ⁷17, delete "clinical program therapist 1;"

1.12 Page ⁶⁷62, delete line ⁸18

1.13 Page ⁶⁷62, line ⁹19, delete "(9)"

1.14 Renumber the clauses in sequence

32A

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete-everything
1.2 amendment H2199-7A, as follows:

1.3 Page ⁶⁹~~66~~, line ¹¹~~8~~, strike "uniform"

1.4 Page ⁶⁹~~66~~, line ¹²~~6~~, strike everything after the period

1.5 Page ⁶⁹~~66~~, line ¹³~~7~~, strike the old language and delete the new language and after the
1.6 stricken period insert "The fees must be deposited in an administrative fee account. On
1.7 January 1, following the end of the prior fiscal year, the executive director shall estimate
1.8 the amount needed to cover plan expenses, record keeping costs, and custodial fees for
1.9 the new fiscal year. If the balance of the administrative fee account is in excess of this
1.10 amount, the excess must revert to participant accounts, or plan fees must be reduced to
1.11 eliminate the excess, or the executive director may use a combination of both approaches
1.12 to eliminate the excess."

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete-everything
 1.2 amendment H2199-7A, as follows:

1.3 ⁷⁰ Pages ~~67~~ to ⁷⁶ ~~73~~, delete sections 1, 2, and 3
 1.4 ⁸² Page ~~79~~, after line ¹⁸ ~~13~~, insert:

1.5 "Sec. 4. **PERA-ADMINISTERED RETIREMENT PLANS; STUDY OF**
 1.6 **UPDATED MEMBERSHIP WAGE THRESHOLD FIGURE.**

1.7 (a) The Public Employees Retirement Association shall identify the options for
 1.8 revising the membership threshold salary under Minnesota Statutes, section 353.01,
 1.9 subdivisions 2a and 2b, for membership in a retirement plan administered by the
 1.10 association, shall determine the actuarial impact on the retirement plans administered by
 1.11 the association, the financial impact on participating employers, and the financial impact
 1.12 on prospective public employees of each option, and shall formulate the recommendations
 1.13 for structuring each identified option.

1.14 (b) The Public Employees Retirement Association shall report its findings and
 1.15 recommendations of its study to the chair, the vice chair, and the executive director of the
 1.16 Legislative Commission on Pensions and Retirement. The report must be filed with the
 1.17 Commission on or before February 15, 2013.

1.18 **EFFECTIVE DATE.** This section is effective the day following final enactment."

1.19 Renumber the sections in sequence

1.20 Amend the title accordingly

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
 1.2 amendment (H2199-7A), as follow: 32A
 1.3 Page ¹⁴⁷~~143~~, line ¹~~33~~, delete "July 1, 2011" and insert "the day following final
 1.4 enactment"

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 166, delete lines 11 to 32 and insert:

1.4 "(e) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
1.5 16, must be granted by the general employees retirement plan of the Public Employees
1.6 Retirement Association to the eligible person in proportion to the portion of the prior
1.7 service credit purchase payment amount bears to the total prior service credit purchase
1.8 payment amount required under Minnesota Statutes, section 356.551. Of the total prior
1.9 service credit purchase payment amount under Minnesota Statutes, section 356.551, the
1.10 eligible person must pay a total amount equal to the employee contribution rates in effect
1.11 during the uncredited employment period applied to the actual salary rates of the eligible
1.12 person during the period, plus annual compound interest at the rate of 8.5 percent from
1.13 the date on which the member contribution payment should have been made if made in a
1.14 timely fashion until the date on which the equivalent contribution is actually made. If the
1.15 eligible person begins to make the payment, Crookston Township shall pay the remainder
1.16 of the total prior service credit purchase payment amount calculated under Minnesota
1.17 Statutes, section 356.551. The executive director of the Public Employees Retirement
1.18 Association shall notify the treasurer of Crookston Township that the member has begun
1.19 paying the member contribution amount within 60 days of the receipt of that payment. If
1.20 Crookston Township fails to pay its portion of the prior service credit purchase payment
1.21 amount under this section, the executive director of the Public Employees Retirement
1.22 Association shall collect the unpaid amount under Minnesota Statutes, section 353.28,
1.23 subdivision 6, paragraph (a). The eligible person and Crookston Township may make
1.24 monthly or quarterly installment payments of their purchase payment portions, with
1.25 interest on the remaining balance of the portion at an 8.5 percent annual compounded rate.

1.26 (f) Authority for an eligible person and Crookston Township to make prior service
1.27 credit purchase installment payments under this section expires on June 30, 2017, or upon

- 2.1 the eligible person's termination of employment by Crookston Township, whereupon any
- 2.2 unpaid installments are due in a lump sum."

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 166, delete lines 11 to 32 and insert:

1.4 "(e) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
1.5 16, must be granted by the general employees retirement plan of the Public Employees
1.6 Retirement Association to the eligible person in proportion to the portion of the prior
1.7 service credit purchase payment amount bears to the total prior service credit purchase
1.8 payment amount required under Minnesota Statutes, section 356.551. Crookston
1.9 Township shall pay the total prior service credit purchase payment amount calculated
1.10 under Minnesota Statutes, section 356.551. The executive director of the Public
1.11 Employees Retirement Association shall notify the treasurer of Crookston Township of
1.12 the prior service credit purchase payment amount. If Crookston Township fails to pay
1.13 the prior service credit purchase payment amount under this section within 60 days of
1.14 the receipt of that notice, the executive director of the Public Employees Retirement
1.15 Association shall collect the unpaid amount under Minnesota Statutes, section 353.28,
1.16 subdivision 6, paragraph (a). Crookston Township may make monthly or quarterly
1.17 installment payments of the purchase payment, with interest on the remaining balance
1.18 of the portion at an 8.5 percent annual compounded rate.

1.19 (f) Authority for Crookston Township to make prior service credit purchase
1.20 installment payments under this section expires on June 30, 2017, or upon the eligible
1.21 person's termination of employment by Crookston Township, whereupon any unpaid
1.22 installments are due in a lump sum."

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 166, delete lines 11 to 32 and insert:

1.4 "(e) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
1.5 16, must be granted by the general employees retirement plan of the Public Employees
1.6 Retirement Association to the eligible person in proportion to the portion of the prior
1.7 service credit purchase payment amount bears to the total prior service credit purchase
1.8 payment amount required under Minnesota Statutes, section 356.551. Of the total prior
1.9 service credit purchase payment amount under Minnesota Statutes, section 356.551, the
1.10 eligible person must pay one-half of an amount equal to the employee contribution rates in
1.11 effect during the uncredited employment period applied to the actual salary rates of the
1.12 eligible person during the period, plus annual compound interest at the rate of 8.5 percent
1.13 from the date on which the member contribution payment should have been made if
1.14 made in a timely fashion until the date on which the equivalent contribution is actually
1.15 made. If the eligible person begins to make the payment, Crookston Township shall pay
1.16 the remainder of the total prior service credit purchase payment amount calculated under
1.17 Minnesota Statutes, section 356.551. The executive director of the Public Employees
1.18 Retirement Association shall notify the treasurer of Crookston Township that the member
1.19 has begun paying the member contribution amount within 60 days of the receipt of that
1.20 payment. If Crookston Township fails to pay its portion of the prior service credit purchase
1.21 payment amount under this section, the executive director of the Public Employees
1.22 Retirement Association shall collect the unpaid amount under Minnesota Statutes, section
1.23 353.28, subdivision 6, paragraph (a). The eligible person and Crookston Township may
1.24 make monthly or quarterly installment payments of their purchase payment portions, with
1.25 interest on the remaining balance of the portion at an 8.5 percent annual compounded rate.

1.26 (f) Authority for an eligible person and Crookston Township to make prior service
1.27 credit purchase installment payments under this section expires on June 30, 2017, or upon

- 2.1 the eligible person's termination of employment by Crookston Township, whereupon any
- 2.2 unpaid installments are due in a lump sum."

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 166, delete lines 11 to 32 and insert:

1.4 "(e) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
1.5 16, must be granted by the general employees retirement plan of the Public Employees
1.6 Retirement Association to the eligible person in proportion to the portion of the prior
1.7 service credit purchase payment amount bears to the total prior service credit purchase
1.8 payment amount required under Minnesota Statutes, section 356.551. Crookston
1.9 Township shall pay one-half of the total prior service credit purchase payment amount
1.10 calculated under Minnesota Statutes, section 356.551. The executive director of the Public
1.11 Employees Retirement Association shall notify the treasurer of Crookston Township of
1.12 its payment amount. If Crookston Township fails to pay its portion of the prior service
1.13 credit purchase payment amount under this section, the executive director of the Public
1.14 Employees Retirement Association shall collect the unpaid amount under Minnesota
1.15 Statutes, section 353.28, subdivision 6, paragraph (a). Crookston Township may make
1.16 monthly or quarterly installment payments of its purchase payment amount, with interest
1.17 on the remaining balance of the portion at an 8.5 percent annual compounded rate. The
1.18 other half of the total prior service credit purchase payment under Minnesota Statutes,
1.19 section 356.551, is the obligation of the Public Employees Retirement Association based
1.20 on its failure to enforce Minnesota Statutes, section 353.27, subdivision 10, and must be
1.21 charged as a administrative expense of the general employees retirement fund and of the
1.22 association in the annual financial report for fiscal year 2012.

1.23 (f) Authority for Crookston Township to make prior service credit purchase
1.24 installment payments under this section expires on June 30, 2017, or upon the eligible
1.25 person's termination of employment by Crookston Township, whereupon any unpaid
1.26 installments are due in a lump sum."

1.1 moves to amend H.F. No. 2199; S.F. No. 1808, the delete everything
1.2 amendment (H2199-32A), as follows:

1.3 Page 166, delete lines 11 to 32 and insert:

1.4 "(e) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
1.5 16, must be granted by the general employees retirement plan of the Public Employees
1.6 Retirement Association to the eligible person in proportion to the portion of the prior
1.7 service credit purchase payment amount bears to the total prior service credit purchase
1.8 payment amount required under Minnesota Statutes, section 356.551. Of the total prior
1.9 service credit purchase payment amount under Minnesota Statutes, section 356.551, the
1.10 eligible person must pay a total amount equal to the employee contribution rates in effect
1.11 during the uncredited employment period applied to the actual salary rates of the eligible
1.12 person during the period. If the eligible person begins to make the payment, Crookston
1.13 Township shall pay the remainder of the total prior service credit purchase payment
1.14 amount calculated under Minnesota Statutes, section 356.551. The executive director of
1.15 the Public Employees Retirement Association shall notify the treasurer of Crookston
1.16 Township that the member has begun paying the member contribution amount within 60
1.17 days of the receipt of that payment. If Crookston Township fails to pay its portion of the
1.18 prior service credit purchase payment amount under this section, the executive director
1.19 of the Public Employees Retirement Association shall collect the unpaid amount under
1.20 Minnesota Statutes, section 353.28, subdivision 6, paragraph (a). The eligible person
1.21 and Crookston Township may make monthly or quarterly installment payments of their
1.22 purchase payment portions, with interest on the remaining balance of the portion at an 8.5
1.23 percent annual compounded rate.

1.24 (f) Authority for an eligible person and Crookston Township to make prior service
1.25 credit purchase installment payments under this section expires on June 30, 2017, or upon
1.26 the eligible person's termination of employment by Crookston Township, whereupon any
1.27 unpaid installments are due in a lump sum."