

1.1 moves to amend S.F. No. 447; H.F. No. 403, as follows:

1.2 Page 1, after line 13, insert:

1.3 "Section 1. Minnesota Statutes 2012, section 353.01, subdivision 17a, is amended to
1.4 read:

1.5 Subd. 17a. **Average salary.** (a) "Average salary," for purposes of calculating a
1.6 retirement annuity under section 353.29, subdivision 3, means an amount equivalent to
1.7 the average of the highest salary of the member, police officer, or firefighter, whichever
1.8 applies, upon which employee contributions were paid for any five successive years of
1.9 allowable service, based on dates of salary periods as listed on salary deduction reports.
1.10 "Average salary" includes the salary of the employee during the period of covered
1.11 employment rendered after reaching the allowable service credit limit of section 353.651,
1.12 subdivision 3, paragraph (b). Average salary must be based upon all allowable service if
1.13 this service is less than five years.

1.14 (b) "Average salary" may not include any reduced salary paid during a period
1.15 in which the employee is entitled to benefit payments from workers' compensation for
1.16 temporary disability, unless the average salary is higher, including this period.

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

1.18 Page 4, after line 26, insert:

1.19 "Sec. 5. Minnesota Statutes 2012, section 353.35, subdivision 1, is amended to read:

1.20 Subdivision 1. **Refund rights.** (a) Except as provided in paragraph (b), when any
1.21 former member accepts a refund, all existing service credits and all rights and benefits to
1.22 which the person was entitled prior to the acceptance of the refund must terminate.

1.23 (b) A refund under section 353.651, subdivision 3, paragraph (c), does not result in a
1.24 forfeiture of salary credit for the allowable service credit covered by the refund.

1.25 (c) The rights and benefits of a former member must not be restored until the person
1.26 returns to active service and acquires at least six months of allowable service credit
1.27 after taking the last refund and repays the refund or refunds taken and interest received
1.28 under section 353.34, subdivisions 1 and 2, plus interest at an annual rate of 8.5 percent
1.29 compounded annually. If the person elects to restore service credit in a particular fund
1.30 from which the person has taken more than one refund, the person must repay all refunds
1.31 to that fund. All refunds must be repaid within six months of the last date of termination
1.32 of public service.

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

1.34 Renumber the sections in sequence

2.1 Amend the title accordingly