

1.1 ..... moves to amend S.F. No. 489; H.F. No. 629, the delete everything  
1.2 amendment (S0489-10A), as follows:

1.3 Page 52, after line 31, insert:

1.4 "ARTICLE 4

1.5 **BENEFIT ACCRUAL RATE SPECIFICATION**

1.6 Section 1. Minnesota Statutes 2012, section 352.115, subdivision 3, is amended to read:

1.7 Subd. 3. **Retirement annuity formula.** (a) This paragraph, in conjunction with  
1.8 section 352.116, subdivision 1, applies to a person who became a covered employee or a  
1.9 member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989,  
1.10 unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a  
1.11 higher annuity amount, in which case paragraph (b) ~~will apply~~ applies. The employee's  
1.12 average salary, as defined in section 352.01, subdivision 14a, multiplied by ~~the 1.2 percent~~  
1.13 ~~specified in section 356.315, subdivision 1,~~ per year of allowable service for the first ten  
1.14 years and ~~the 1.7 percent specified in section 356.315, subdivision 2,~~ for each later year of  
1.15 allowable service and pro rata for completed months less than a full year ~~shall determine~~  
1.16 determines the amount of the retirement annuity to which the employee is entitled.

1.17 (b) This paragraph applies to a person who has become at least 55 years old and  
1.18 first became a covered employee after June 30, 1989, and to any other covered employee  
1.19 who has become at least 55 years old and whose annuity amount, when calculated under  
1.20 this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is  
1.21 when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1.  
1.22 The employee's average salary, as defined in section 352.01, subdivision 14a, multiplied  
1.23 by ~~the 1.7 percent specified in section 356.315, subdivision 2,~~ for each year of allowable  
1.24 service and pro rata for months less than a full year ~~shall determine~~ determines the amount  
1.25 of the retirement annuity to which the employee is entitled.

1.26 Sec. 2. Minnesota Statutes 2012, section 352.87, subdivision 3, is amended to read:

1.27 Subd. 3. **Retirement annuity formula.** A person specified in subdivision 1 is  
1.28 entitled to receive a retirement annuity applicable for allowable service credit under this  
1.29 section calculated by multiplying the employee's average salary, as defined in section  
1.30 352.01, subdivision 14a, by ~~the 2.0 percent specified in section 356.315, subdivision 2a,~~  
1.31 for each year or portions of a year of allowable service credit. No reduction for retirement  
1.32 before the normal retirement age, as specified in section 352.01, subdivision 25, applies  
1.33 to service to which this section applies.

2.1 Sec. 3. Minnesota Statutes 2012, section 352.93, subdivision 2, is amended to read:

2.2 Subd. 2. **Calculating monthly annuity.** The monthly annuity under this section  
2.3 must be determined by multiplying the average monthly salary by the number of years, or  
2.4 completed months, of covered correctional service by the 2.4 percent specified in section  
2.5 356.315, subdivision 5 if employed as a correctional state employee before July 1, 2010,  
2.6 or 2.2 percent if employed as a correctional state employee after June 30, 2010.

2.7 Sec. 4. Minnesota Statutes 2012, section 352.95, subdivision 1, is amended to read:

2.8 Subdivision 1. **Duty disability; computation of benefit.** A covered correctional  
2.9 employee who is determined to have a duty disability, physical or psychological, as  
2.10 defined under section 352.01, subdivision 17b, is entitled to a duty disability benefit. The  
2.11 duty disability benefit must be based on covered correctional service only. The duty  
2.12 disability benefit amount is 50 percent of the average salary defined in section 352.93,  
2.13 plus an additional 2.4 percent equal to that specified in section 356.315, subdivision 5, if  
2.14 employed as a correctional state employee before July 1, 2010, or 2.2 percent if employed  
2.15 as a correctional state employee after June 30, 2010 for each year of covered correctional  
2.16 service in excess of 20 years, ten months, prorated for completed months.

2.17 Sec. 5. Minnesota Statutes 2012, section 352B.08, subdivision 2, is amended to read:

2.18 Subd. 2. **Normal retirement annuity.** The annuity must be paid in monthly  
2.19 installments. The annuity ~~shall be~~ is equal to the amount determined by multiplying the  
2.20 average monthly salary of the member by the 3.0 percent specified in section 356.315,  
2.21 subdivision 6, for each year and pro rata for completed months of service.

2.22 Sec. 6. Minnesota Statutes 2012, section 352B.10, subdivision 1, is amended to read:

2.23 Subdivision 1. **Duty disability.** A member who is determined to qualify for duty  
2.24 disability as defined in section 352B.011, subdivision 7, is entitled to receive a duty  
2.25 disability benefit while disabled. The benefits must be paid monthly. The duty disability  
2.26 benefit is an amount equal to the member's average monthly salary multiplied by 60 percent,  
2.27 plus an additional 3.0 percent equal to that specified in section 356.315, subdivision 6, for  
2.28 each year and pro rata for completed months of service in excess of 20 years, if any.

2.29 Sec. 7. Minnesota Statutes 2012, section 353.29, subdivision 3, is amended to read:

2.30 Subd. 3. **Retirement annuity formula.** (a) This paragraph, in conjunction with  
2.31 section 353.30, subdivisions 1a, 1b, and 1c, applies to any member who first became a  
2.32 public employee or a member of a pension fund listed in section 356.30, subdivision 3,

3.1 before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision  
3.2 5, produces a higher annuity amount, in which case paragraph (b) ~~will apply~~ applies. The  
3.3 average salary as defined in section 353.01, subdivision 17a, multiplied by the 2.2 percent  
3.4 specified in ~~section 356.315, subdivision 3~~, for each year of allowable service for the  
3.5 first ten years and thereafter by the 2.7 percent ~~specified in section 356.315, subdivision~~  
3.6 ~~4~~, per year of allowable service and completed months less than a full year for a basic  
3.7 member, and the 1.2 percent ~~specified in section 356.315, subdivision 1~~, for each year  
3.8 of allowable service for the first ten years and thereafter by the 1.7 percent ~~specified in~~  
3.9 ~~section 356.315, subdivision 2~~, per year of allowable service and completed months less  
3.10 than a full year for a coordinated member ~~shall determine~~ determines the amount of the  
3.11 normal retirement annuity.

3.12 (b) This paragraph applies to a member who has become at least 55 years old and first  
3.13 became a public employee after June 30, 1989, and to any other member whose annuity  
3.14 amount, when calculated under this paragraph and in conjunction with section 353.30,  
3.15 subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with  
3.16 section 353.30, subdivisions 1a, 1b, and 1c. The average salary, as defined in section  
3.17 353.01, subdivision 17a, multiplied by the 2.7 percent ~~specified in section 356.315,~~  
3.18 ~~subdivision 4~~, for each year of allowable service and completed months less than a full  
3.19 year for a basic member and the 1.7 percent ~~specified in section 356.315, subdivision 2~~,  
3.20 per year of allowable service and completed months less than a full year for a coordinated  
3.21 member, ~~shall determine~~ determines the amount of the normal retirement annuity.

3.22 Sec. 8. Minnesota Statutes 2012, section 353.651, subdivision 3, is amended to read:

3.23 Subd. 3. **Retirement annuity formula.** The average salary as defined in section  
3.24 353.01, subdivision 17a, multiplied by the 3.0 percent ~~specified in section 356.315,~~  
3.25 ~~subdivision 6~~, per year of allowable service determines the amount of the normal  
3.26 retirement annuity. If the member has earned allowable service for performing services  
3.27 other than those of a police officer or firefighter, the annuity representing that service must  
3.28 be computed under sections 353.29 and 353.30.

3.29 Sec. 9. Minnesota Statutes 2012, section 353.656, subdivision 1, is amended to read:

3.30 Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the  
3.31 police and fire plan, other than a firefighter covered by section 353.6511, or a police  
3.32 officer covered by section 353.6512, who is determined to qualify for duty disability as  
3.33 defined in section 353.01, subdivision 41, ~~shall~~ is entitled to receive disability benefits  
3.34 during the period of such disability in an amount equal to 60 percent of the average salary

4.1 as defined in section 353.01, subdivision 17a, plus an additional ~~percentage specified~~  
4.2 ~~under section 356.315, subdivision 6,~~ 3.0 percent of that average salary for each year  
4.3 of service in excess of 20 years.

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

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

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

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

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

4.16 Sec. 10. Minnesota Statutes 2012, section 353.656, subdivision 1a, is amended to read:

4.17 Subd. 1a. **Total and permanent duty disability; computation of benefits.** (a) A  
4.18 member of the police and fire plan, other than a firefighter covered by section 353.6511, or  
4.19 a police officer covered by section 353.6512, whose disabling condition is determined  
4.20 to be a duty disability that is also a permanent and total disability as defined in section  
4.21 353.01, subdivision 19, is entitled to receive, for life, disability benefits in an amount  
4.22 equal to 60 percent of the average salary as defined in section 353.01, subdivision 17a,  
4.23 plus an additional 3.0 percent ~~specified in section 356.315, subdivision 6,~~ of that average  
4.24 salary for each year of service in excess of 20 years.

4.25 (b) A disability benefit payable under paragraph (a) is subject to eligibility review  
4.26 under section 353.33, subdivision 6, but the review may be waived if the executive  
4.27 director receives a written statement from the association's medical advisor that no  
4.28 improvement can be expected in the member's disabling condition that was the basis for  
4.29 payment of the benefit under paragraph (a). A member receiving a disability benefit  
4.30 under this subdivision who is found to no longer be permanently and totally disabled as  
4.31 defined under section 353.01, subdivision 19, but continues to meet the definition for  
4.32 receipt of a duty disability under section 353.01, subdivision 41, is subject to subdivision  
4.33 1 upon written notice from the association's medical advisor that the person is no longer  
4.34 considered permanently and totally disabled.

5.1 (c) If a member approved for disability benefits under this subdivision dies before  
5.2 attaining normal retirement age as defined in section 353.01, subdivision 37, paragraph  
5.3 (b), or within 60 months of the effective date of the disability, whichever is later,  
5.4 the surviving spouse is entitled to receive a survivor benefit under section 353.657,  
5.5 subdivision 2, paragraph (a), clause (1), if the death is the direct result of the disabling  
5.6 condition for which disability benefits were approved, or section 353.657, subdivision  
5.7 2, paragraph (a), clause (2), if the death is not directly related to the disabling condition  
5.8 for which benefits were approved under this subdivision.

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

5.15 Sec. 11. Minnesota Statutes 2012, section 353.656, subdivision 3a, is amended to read:

5.16 Subd. 3a. **Total and permanent regular disability; computation of benefits.** (a)  
5.17 A member of the police and fire plan, other than a firefighter covered by section 353.6511,  
5.18 or a police officer covered by section 353.6512, whose disabling condition is determined  
5.19 to be a regular disability under section 353.01, subdivision 46, that is also a permanent  
5.20 and total disability as defined in section 353.01, subdivision 19, is entitled to receive, for  
5.21 life, a disability benefit in an amount equal to 45 percent of the average salary as defined  
5.22 in section 353.01, subdivision 17a, plus an additional 3.0 percent ~~specified in section~~  
5.23 ~~356.315, subdivision 6~~, of that average salary for each year of service in excess of 15 years.

5.24 (b) A disability benefit payable under paragraph (a) is subject to eligibility review  
5.25 under section 353.33, subdivision 6, but the review may be waived if the executive  
5.26 director receives a written statement from the association's medical advisor that no  
5.27 improvement can be expected in the member's disabling condition that was the basis for  
5.28 payment of the benefit under paragraph (a). A member receiving a disability benefit under  
5.29 this subdivision who is found to no longer be permanently and totally disabled as defined  
5.30 under section 353.01, subdivision 19, but continues to meet the definition for receipt  
5.31 of a regular disability under section 353.01, subdivision 46, is subject to subdivision 3  
5.32 upon written notice from the association's medical advisor that the person is no longer  
5.33 considered permanently and totally disabled.

5.34 (c) A member approved for disability benefits under this subdivision may elect  
5.35 to receive a normal disability benefit or an actuarial equivalent optional annuity. If the

6.1 election of an actuarial equivalent optional annuity is not made at the time the total and  
6.2 permanent disability benefit accrues, an election must be made within 90 days before  
6.3 the member attains normal retirement age as defined in section 353.01, subdivision 37,  
6.4 paragraph (b), or having collected disability benefits for 60 months, whichever is later.  
6.5 No surviving spouse benefits are payable if the member dies during the period in which  
6.6 a normal total and permanent disability benefit is being paid. If a member receiving  
6.7 disability benefits who has dependent children dies, subdivision 6a, paragraph (c), applies.

6.8 Sec. 12. Minnesota Statutes 2012, section 353E.04, subdivision 3, is amended to read:

6.9 Subd. 3. **Annuity amount.** (a) The average salary as defined in subdivision 2,  
6.10 multiplied by the 1.9 percent specified in section ~~356.315, subdivision 5a~~, for each year of  
6.11 allowable service, determines the amount of the normal retirement annuity.

6.12 (b) If a person has earned allowable service in the general employees retirement plan  
6.13 of the Public Employees Retirement Association or the public employees police and fire  
6.14 fund prior to retirement plan before participation under this chapter, the retirement annuity  
6.15 representing such service must be computed in accordance with the formula specified in  
6.16 sections 353.29 and 353.30 or 353.651, whichever applies.

6.17 Sec. 13. Minnesota Statutes 2012, section 353E.06, subdivision 1, is amended to read:

6.18 Subdivision 1. **Duty disability qualification requirements.** A local government  
6.19 correctional employee who is determined to qualify for a duty disability as defined in  
6.20 section 353E.001, subdivision 1, is entitled to a disability benefit. The disability benefit  
6.21 must be based on covered service under this chapter only and is an amount equal to 47.5  
6.22 percent of the average salary defined in section 353E.04, subdivision 2, plus an additional  
6.23 1.9 percent equal to that specified in section ~~356.315, subdivision 5a~~, for each year of  
6.24 covered service under this chapter in excess of 25 years.

6.25 Sec. 14. Minnesota Statutes 2012, section 354.44, subdivision 6, is amended to read:

6.26 Subd. 6. **Computation of formula program retirement annuity.** (a) The formula  
6.27 retirement annuity must be computed in accordance with the applicable provisions of the  
6.28 formulas stated in paragraph (b) or (d) on the basis of each member's average salary under  
6.29 section 354.05, subdivision 13a, for the period of the member's formula service credit.

6.30 (b) This paragraph, in conjunction with paragraph (c), applies to a person who first  
6.31 became a member of the association or a member of a pension fund listed in section  
6.32 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with  
6.33 paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The

7.1 average salary as defined in section 354.05, subdivision 13a, multiplied by the following  
 7.2 percentages per year of formula service credit shall determine the amount of the annuity to  
 7.3 which the member qualifying therefor is entitled for service rendered before July 1, 2006:

	Coordinated Member	Basic Member
7.5 Each year of service during 7.6 first ten	7.5 the <u>1.2</u> percent specified 7.6 <del>in section 356.315,</del> 7.7 <del>subdivision 1,</del> per year	7.5 the <u>2.2</u> percent specified 7.6 <del>in section 356.315,</del> 7.7 <del>subdivision 3,</del> per year
7.8 Each year of service 7.9 thereafter	7.8 the <u>1.7</u> percent specified 7.9 <del>in section 356.315,</del> 7.10 <del>subdivision 2,</del> per year	7.8 the <u>2.7</u> percent specified 7.9 <del>in section 356.315,</del> 7.10 <del>subdivision 4,</del> per year

7.11 For service rendered on or after July 1, 2006, the average salary as defined in section  
 7.12 354.05, subdivision 13a, multiplied by the following percentages per year of service credit,  
 7.13 determines the amount the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
7.15 Each year of service during 7.16 first ten	7.15 the <u>1.4</u> percent specified 7.16 <del>in section 356.315,</del> 7.17 <del>subdivision 1a,</del> per year	7.15 the <u>2.2</u> percent specified 7.16 <del>in section 356.315,</del> 7.17 <del>subdivision 3,</del> per year
7.18 Each year of service after 7.19 ten years of service	7.18 the <u>1.9</u> percent specified 7.19 <del>in section 356.315,</del> 7.20 <del>subdivision 2b,</del> per year	7.18 the <u>2.7</u> percent specified 7.19 <del>in section 356.315,</del> 7.20 <del>subdivision 4,</del> per year

7.21 (c)(i) This paragraph applies only to a person who first became a member of the  
 7.22 association or a member of a pension fund listed in section 356.30, subdivision 3, before  
 7.23 July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in  
 7.24 conjunction with this paragraph than when calculated under paragraph (d), in conjunction  
 7.25 with paragraph (e).

7.26 (ii) Where any member retires prior to normal retirement age under a formula  
 7.27 annuity, the member shall be paid a retirement annuity in an amount equal to the normal  
 7.28 annuity provided in paragraph (b) reduced by one-quarter of one percent for each month  
 7.29 that the member is under normal retirement age at the time of retirement except that for  
 7.30 any member who has 30 or more years of allowable service credit, the reduction shall be  
 7.31 applied only for each month that the member is under age 62.

7.32 (iii) Any member whose attained age plus credited allowable service totals 90 years  
 7.33 is entitled, upon application, to a retirement annuity in an amount equal to the normal  
 7.34 annuity provided in paragraph (b), without any reduction by reason of early retirement.

7.35 (d) This paragraph applies to a member who has become at least 55 years old and  
 7.36 first became a member of the association after June 30, 1989, and to any other member  
 7.37 who has become at least 55 years old and whose annuity amount when calculated  
 7.38 under this paragraph and in conjunction with paragraph (e), is higher than it is when  
 7.39 calculated under paragraph (b), in conjunction with paragraph (c). For a basic member,

8.1 the average salary, as defined in section 354.05, subdivision 13a, multiplied by ~~the 2.7~~  
8.2 ~~percent specified by section 356.315, subdivision 4,~~ for each year of service for a basic  
8.3 member ~~shall determine~~ determines the amount of the retirement annuity to which the  
8.4 basic member is entitled. The annuity of a basic member who was a member of the  
8.5 former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be  
8.6 determined according to the annuity formula under the articles of incorporation of the  
8.7 former Minneapolis Teachers Retirement Fund Association in effect as of that date. For a  
8.8 coordinated member, the average salary, as defined in section 354.05, subdivision 13a,  
8.9 multiplied by ~~the 1.7 percent specified in section 356.315, subdivision 2,~~ for each year of  
8.10 service rendered before July 1, 2006, and by ~~the 1.9 percent specified in section 356.315,~~  
8.11 ~~subdivision 2b,~~ for each year of service rendered on or after July 1, 2006, determines the  
8.12 amount of the retirement annuity to which the coordinated member is entitled.

8.13 (e) This paragraph applies to a person who has become at least 55 years old and first  
8.14 becomes a member of the association after June 30, 1989, and to any other member who  
8.15 has become at least 55 years old and whose annuity is higher when calculated under  
8.16 paragraph (d) in conjunction with this paragraph than when calculated under paragraph  
8.17 (b), in conjunction with paragraph (c). An employee who retires under the formula annuity  
8.18 before the normal retirement age shall be paid the normal annuity provided in paragraph  
8.19 (d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would  
8.20 be payable to the employee if the employee deferred receipt of the annuity and the annuity  
8.21 amount were augmented at an annual rate of three percent compounded annually from the  
8.22 day the annuity begins to accrue until the normal retirement age if the employee became  
8.23 an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee  
8.24 becomes an employee after June 30, 2006.

8.25 (f) No retirement annuity is payable to a former employee with a salary that exceeds  
8.26 95 percent of the governor's salary unless and until the salary figures used in computing  
8.27 the highest five successive years average salary under paragraph (a) have been audited by  
8.28 the Teachers Retirement Association and determined by the executive director to comply  
8.29 with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

8.30 Sec. 15. Minnesota Statutes 2012, section 354A.31, subdivision 4, is amended to read:

8.31 Subd. 4. **Computation of normal coordinated retirement annuity; St. Paul**  
8.32 **fund.** (a) This subdivision applies to the coordinated program of the St. Paul Teachers  
8.33 Retirement Fund Association.



9.1 (b) The normal coordinated retirement annuity is an amount equal to a retiring  
9.2 coordinated member's average salary under section 354A.011, subdivision 7a, multiplied  
9.3 by the retirement annuity formula percentage.

9.4 (c) This paragraph, in conjunction with subdivision 6, applies to a person who first  
9.5 became a member or a member in a pension fund listed in section 356.30, subdivision 3,  
9.6 before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a  
9.7 higher annuity amount, in which case paragraph (d) will apply. The retirement annuity  
9.8 formula percentage for purposes of this paragraph is ~~the 1.2 percent specified in section~~  
9.9 ~~356.315, subdivision 1,~~ per year for each year of coordinated service for the first ten  
9.10 years and ~~the 1.7 percent specified in section 356.315, subdivision 2,~~ for each year of  
9.11 coordinated service thereafter.

9.12 (d) This paragraph applies to a person who has become at least 55 years old and who  
9.13 first becomes a member after June 30, 1989, and to any other member who has become  
9.14 at least 55 years old and whose annuity amount, when calculated under this paragraph  
9.15 and in conjunction with subdivision 7 is higher than it is when calculated under paragraph  
9.16 (c), in conjunction with the provisions of subdivision 6. The retirement annuity formula  
9.17 percentage for purposes of this paragraph is ~~the 1.7 percent specified in section 356.315,~~  
9.18 ~~subdivision 2,~~ for each year of coordinated service.

9.19 Sec. 16. Minnesota Statutes 2012, section 354A.31, subdivision 4a, is amended to read:

9.20 Subd. 4a. **Computation of normal coordinated retirement annuity; Duluth**  
9.21 **fund.** (a) This subdivision applies to the new law coordinated program of the Duluth  
9.22 Teachers Retirement Fund Association.

9.23 (b) The normal coordinated retirement annuity is an amount equal to a retiring  
9.24 coordinated member's average salary under section 354A.011, subdivision 7a, multiplied  
9.25 by the retirement annuity formula percentage.

9.26 (c) This paragraph, in conjunction with subdivision 6, applies to a person who first  
9.27 became a member or a member in a pension fund listed in section 356.30, subdivision 3,  
9.28 before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a  
9.29 higher annuity amount, in which case paragraph (d) applies. The retirement annuity  
9.30 formula percentage for purposes of this paragraph is ~~the 1.2 percent specified in section~~  
9.31 ~~356.315, subdivision 1,~~ per year for each year of coordinated service for the first ten  
9.32 years and ~~the 1.7 percent specified in section 356.315, subdivision 2,~~ for each subsequent  
9.33 year of coordinated service.

9.34 (d) This paragraph applies to a person who is at least 55 years old and who first  
9.35 becomes a member after June 30, 1989, and to any other member who is at least 55 years

10.1 old and whose annuity amount, when calculated under this paragraph and in conjunction  
10.2 with subdivision 7, is higher than it is when calculated under paragraph (c) in conjunction  
10.3 with subdivision 6. The retirement annuity formula percentage for purposes of this  
10.4 paragraph is ~~the 1.7 percent specified in section 356.315, subdivision 2,~~ for each year of  
10.5 coordinated service.

10.6 Sec. 17. Minnesota Statutes 2012, section 356.30, subdivision 1, is amended to read:

10.7 Subdivision 1. **Eligibility; computation of annuity.** (a) Notwithstanding any  
10.8 provisions of the laws governing the retirement plans enumerated in subdivision 3, a  
10.9 person who has met the qualifications of paragraph (b) may elect to receive a retirement  
10.10 annuity from each enumerated retirement plan in which the person has at least one-half  
10.11 year of allowable service, based on the allowable service in each plan, subject to the  
10.12 provisions of paragraph (c).

10.13 (b) A person may receive, upon retirement, a retirement annuity from each  
10.14 enumerated retirement plan in which the person has at least one-half year of allowable  
10.15 service, and augmentation of a deferred annuity calculated at the appropriate rate under  
10.16 the laws governing each public pension plan or fund named in subdivision 3, based on  
10.17 the date of the person's initial entry into public employment from the date the person  
10.18 terminated all public service if:

10.19 (1) the person has allowable service in any two or more of the enumerated plans;

10.20 (2) the person has sufficient allowable service in total that equals or exceeds the  
10.21 applicable service credit vesting requirement of the retirement plan with the longest  
10.22 applicable service credit vesting requirement; and

10.23 (3) the person has not begun to receive an annuity from any enumerated plan or the  
10.24 person has made application for benefits from each applicable plan and the effective  
10.25 dates of the retirement annuity with each plan under which the person chooses to receive  
10.26 an annuity are within a one-year period.

10.27 (c) The retirement annuity from each plan must be based upon the allowable service,  
10.28 accrual rates, and average salary in the applicable plan except as further specified or  
10.29 modified in the following clauses:

10.30 (1) the laws governing annuities must be the law in effect on the date of termination  
10.31 from the last period of public service under a covered retirement plan with which the person  
10.32 earned a minimum of one-half year of allowable service credit during that employment;

10.33 (2) the "average salary" on which the annuity from each covered plan in which  
10.34 the employee has credit in a formula plan must be based on the employee's highest five  
10.35 successive years of covered salary during the entire service in covered plans;

11.1 (3) the accrual rates to be used by each plan must be those percentages prescribed by  
11.2 each plan's formula as continued for the respective years of allowable service from one  
11.3 plan to the next, recognizing all previous allowable service with the other covered plans;

11.4 (4) the allowable service in all the plans must be combined in determining eligibility  
11.5 for and the application of each plan's provisions in respect to reduction in the annuity  
11.6 amount for retirement prior to normal retirement age; and

11.7 (5) the annuity amount payable for any allowable service under a nonformula plan  
11.8 of a covered plan must not be affected, but such service and covered salary must be used  
11.9 in the above calculation.

11.10 (d) This section does not apply to any person whose final termination from the last  
11.11 public service under a covered plan was before May 1, 1975.

11.12 (e) For the purpose of computing annuities under this section, the accrual rates  
11.13 used by any covered plan, except the public employees police and fire plan, the judges  
11.14 retirement fund, and the State Patrol retirement plan, must not exceed the 2.7 percent  
11.15 ~~specified in section 356.315, subdivision 4~~, per year of service for any year of service or  
11.16 fraction thereof. The formula percentage used by the judges retirement fund must not  
11.17 exceed ~~the percentage rate specified in section 356.315, subdivision 8~~, 3.2 percent per  
11.18 year of service for any year of service or fraction thereof. The accrual rate used by the  
11.19 public employees police and fire plan and the State Patrol retirement plan must not exceed  
11.20 ~~the percentage rate specified in section 356.315, subdivision 6~~, 3.0 percent per year of  
11.21 service for any year of service or fraction thereof. The accrual rate or rates used by the  
11.22 legislators retirement plan must not exceed 2.5 percent, but this limit does not apply to the  
11.23 adjustment provided under section 3A.02, subdivision 1, paragraph (c).

11.24 (f) Any period of time for which a person has credit in more than one of the covered  
11.25 plans must be used only once for the purpose of determining total allowable service.

11.26 (g) If the period of duplicated service credit is more than one-half year, or the person  
11.27 has credit for more than one-half year, with each of the plans, each plan must apply its  
11.28 formula to a prorated service credit for the period of duplicated service based on a fraction  
11.29 of the salary on which deductions were paid to that fund for the period divided by the total  
11.30 salary on which deductions were paid to all plans for the period.

11.31 (h) If the period of duplicated service credit is less than one-half year, or when  
11.32 added to other service credit with that plan is less than one-half year, the service credit  
11.33 must be ignored and a refund of contributions made to the person in accord with that  
11.34 plan's refund provisions.

11.35 Sec. 18. Minnesota Statutes 2012, section 356.315, subdivision 9, is amended to read:

12.1 Subd. 9. **Future benefit accrual rate increases.** After January 2, 1998, benefit  
12.2 accrual rate increases under ~~this section~~ 352.115, subdivision 3; 352.87, subdivision  
12.3 3; 352.93, subdivision 3; 352.95, subdivision 1; 352B.08, subdivision 2; 352B.10,  
12.4 subdivision 1; 535.29, subdivision 3; 353.651, subdivision 3; 353.656, subdivision  
12.5 1, 1a, or 3a; 353E.04, subdivision 3; 353E.06, subdivision 1; 354.44, subdivision 6;  
12.6 354A.31, subdivision 4 or 4a; 356.30, subdivision 1; 490.121, subdivision 22; or 490.124,  
12.7 subdivision 1, must apply only to allowable service or formula service rendered after the  
12.8 effective date of the benefit accrual rate increase.

12.9 Sec. 19. Minnesota Statutes 2012, section 490.121, subdivision 22, is amended to read:

12.10 Subd. 22. **Service credit limit.** "Service credit limit" means the greater of: (1) 24  
12.11 years of allowable service under this chapter; or (2) for judges with allowable service  
12.12 rendered before July 1, 1980, the number of years of allowable service under chapter 490,  
12.13 which, when multiplied by the percentage ~~listed in section 356.315, subdivision 7~~ 2.7 or 8  
12.14 3.2, whichever is applicable to each year of service, equals 76.8.

12.15 Sec. 20. Minnesota Statutes 2012, section 490.124, subdivision 1, is amended to read:

12.16 Subdivision 1. **Basic retirement annuity.** (a) Except as qualified hereinafter from  
12.17 and after the mandatory retirement date, the normal retirement date, the early retirement  
12.18 date, or one year from the disability retirement date, as the case may be, a retiring judge is  
12.19 eligible to receive a retirement annuity from the judges' retirement fund.

12.20 (b) The retirement annuity is an amount equal to: (1) ~~the 2.7 percent specified in~~  
12.21 ~~section 356.315, subdivision 7,~~ multiplied by the judge's final average compensation with  
12.22 that result then multiplied by the number of years and fractions of years of allowable  
12.23 service rendered before July 1, 1980; plus (2) ~~the 3.2 percent specified in section 356.315,~~  
12.24 ~~subdivision 8,~~ multiplied by the judge's final average compensation with that result then  
12.25 multiplied by the number of years and fractions of years of allowable service rendered  
12.26 after June 30, 1980.

12.27 (c) Service that exceeds the service credit limit in section 490.121, subdivision 22,  
12.28 must be excluded in calculating the retirement annuity, but the compensation earned by  
12.29 the judge during this period of judicial service must be used in determining a judge's final  
12.30 average compensation and calculating the retirement annuity.

12.31 Sec. 21. **REPEALER.**

12.32 Minnesota Statutes 2012, section 356.315, subdivisions 1, 1a, 2, 2a, 2b, 3, 4, 5, 5a,  
12.33 6, 7, and 8, are repealed.

- 13.1      **Sec. 22. EFFECTIVE DATE.**
- 13.2      Sections 1 to 21 are effective the day following final enactment."
- 13.3      Renumber the articles in sequence
- 13.4      Amend the title accordingly