

1.1 moves to amend S.F. No. 2442; H.F. No. 2827, as follows:

1.2 Page 4, delete line 30

1.3 Page 4, after line 31, insert:

1.4 "Section 1. Minnesota Statutes 2013 Supplement, section 354A.27, subdivision 6a,
1.5 is amended to read:

1.6 Subd. 6a. **Postretirement adjustment transition.** (a) If the funded ratio of the
1.7 retirement plan based on the actuarial value of assets is at least 90 percent as reported in
1.8 the two most recent actuarial ~~valuation~~ valuations prepared under sections 356.214 and
1.9 356.215, this subdivision expires and subsequent postretirement adjustments are governed
1.10 by subdivision 7.

1.11 (b) Each annuity or benefit recipient of the retirement plan who has been receiving
1.12 that annuity or benefit for at least 12 months as of the applicable January 1 is eligible to
1.13 receive a postretirement adjustment of one percent, payable on January 1.

1.14 **EFFECTIVE DATE.** (a) This section is voided if Minnesota Statutes 2013
1.15 Supplement, section 354A.27, subdivision 6a, is repealed by action of the 2014 legislature.

1.16 If paragraph (a) does not apply, this section is effective July 1, 2015.

1.17 Sec. 2. Minnesota Statutes 2012, section 354A.29, subdivision 8, is amended to read:

1.18 Subd. 8. **Calculation of postretirement adjustments; transitional provision.** (a)
1.19 For purposes of computing postretirement adjustments for eligible benefit recipients of
1.20 the St. Paul Teachers Retirement Fund Association, the accrued liability funding ratio
1.21 based on the actuarial value of assets of the plan as determined by the two most recent
1.22 actuarial ~~valuation~~ valuations prepared under sections 356.214 and 356.215 determines
1.23 the postretirement increase, as follows:

1.24	Funding ratio	Postretirement increase
1.25	Less than 80 percent	1 percent
1.26	At least 80 percent but less than	
1.27	90 percent	2 percent

1.28 (b) The amount determined under paragraph (a) is the full postretirement increase
1.29 to be applied as a permanent increase to the regular payment of each eligible member
1.30 on January 1 of the next calendar year. For any eligible member whose effective date
1.31 of benefit commencement occurred during the calendar year before the postretirement
1.32 increase is applied, the full increase amount must be prorated on the basis of whole
1.33 calendar quarters in benefit payment status in the calendar year prior to the January 1 on
1.34 which the postretirement increase is applied, calculated to the third decimal place.

2.1 (c) If the accrued liability funding ratio based on the actuarial value of assets is at
2.2 least 90 percent in two consecutive actuarial valuations, this subdivision expires and
2.3 subsequent postretirement increases must be paid as specified in subdivision 9.

2.4 **EFFECTIVE DATE.** This section is effective July 1, 2015."

2.5 Page 6, after line 1, insert:

2.6 "Sec. 4. Minnesota Statutes 2012, section 356.415, subdivision 1d, is amended to read:

2.7 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.**

2.8 (a) Retirement annuity, disability benefit, or survivor benefit recipients of the Teachers
2.9 Retirement Association are entitled to a postretirement adjustment annually on January
2.10 1, as follows:

2.11 (1) for January 1, 2011, and January 1, 2012, no postretirement increase is payable;

2.12 (2) for January 1, 2013, and each successive January 1 until funding stability is
2.13 restored, a postretirement increase of two percent must be applied each year, effective
2.14 on January 1, to the monthly annuity or benefit amount of each annuitant or benefit
2.15 recipient who has been receiving an annuity or a benefit for at least 18 full months prior
2.16 to the January 1 increase;

2.17 (3) for January 1, 2013, and each successive January 1 until funding stability is
2.18 restored, for each annuitant or benefit recipient who has been receiving an annuity or a
2.19 benefit for at least six full months before the January 1 increase, an annual postretirement
2.20 increase of 1/12 of two percent for each month the person has been receiving an annuity or
2.21 benefit must be applied, effective January 1, for which the person has been retired for at
2.22 least six months but less than 18 months;

2.23 (4) for each January 1 following the restoration of funding stability, a postretirement
2.24 increase of 2.5 percent must be applied each year, effective January 1, to the monthly
2.25 annuity or benefit amount of each annuitant or benefit recipient who has been receiving an
2.26 annuity or a benefit for at least 18 full months prior to the January 1 increase; and

2.27 (5) for each January 1 following the restoration of funding stability, for each
2.28 annuitant or benefit recipient who has been receiving an annuity or a benefit for at least
2.29 six full months before the January 1 increase, an annual postretirement increase of 1/12
2.30 of 2.5 percent for each month the person has been receiving an annuity or benefit must
2.31 be applied, effective January 1, for which the person has been retired for at least six
2.32 months but less than 18 months.

2.33 (b) Funding stability is restored when the market value of assets of the Teachers
2.34 Retirement Association equals or exceeds 90 percent of the actuarial accrued liabilities
2.35 of the Teachers Retirement Association in the two most recent prior actuarial valuation

3.1 valuations prepared under section 356.215 and the standards for actuarial work by the
3.2 approved actuary retained by the Teachers Retirement Association under section 356.214.

3.3 (c) An increase in annuity or benefit payments under this section must be made
3.4 automatically unless written notice is filed by the annuitant or benefit recipient with the
3.5 executive director of the Teachers Retirement Association requesting that the increase
3.6 not be made.

3.7 (d) The retirement annuity payable to a person who retires before becoming eligible
3.8 for Social Security benefits and who has elected the optional payment as provided in
3.9 section 354.35 must be treated as the sum of a period-certain retirement annuity and a life
3.10 retirement annuity for the purposes of any postretirement adjustment. The period-certain
3.11 retirement annuity plus the life retirement annuity must be the annuity amount payable
3.12 until age 62, 65, or normal retirement age, as selected by the member at retirement, for an
3.13 annuity amount payable under section 354.35. A postretirement adjustment granted on
3.14 the period-certain retirement annuity must terminate when the period-certain retirement
3.15 annuity terminates.

3.16 **EFFECTIVE DATE.** This section is effective July 1, 2015."

3.17 Renumber the sections in sequence

3.18 Amend the title accordingly