



TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Lawrence A. Martin, Executive Director *JAM*
RE: S.F. 2532 (Hayden); H.F. 2554 (Kahn): PERA-P&F; Minneapolis Police and Fire Consolidation Law Post Retirement Adjustment Clarification.
DATE: March 11, 2014

Summary of S.F. 2532 (Hayden); H.F. 2554 (Kahn)

S.F. 2532 (Hayden); H.F. 2554 (Kahn) amends Minnesota Statutes, Sections 353.6511, Subdivision 7, and 353.6512, Subdivision 7, provisions specifying future post-retirement adjustments for the retirees of the former Minneapolis Firefighters Relief Association and the former Minneapolis Police Relief Association, which both consolidated with the Public Employee Police and Fire Retirement Plan (PERA-P&F) in 2011, by clarifying the applicable PERA-P&F post-retirement adjustment provisions (full or reduced, depending on the plan's funded ratio) with the inclusion of appropriate rate since it was adjusted in Laws 2013, Chapter 111, Article 11, Sections 13 and 14.

Discussion and Analysis

The absence of the added cross-references in the proposed legislation was noticed by the Public Employees Retirement Association, a corrective draft of required proposal legislation prepared, and the corrective proposed legislation was prepared after consultation with interested parties.

The proposed legislation corrects an oversight in the 2013 PERA-P&F benefit provision downsizing legislation.

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SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2532

(SENATE AUTHORS: HAYDEN)

DATE	D-PG	OFFICIAL STATUS
03/10/2014	6080	Introduction and first reading Referred to State and Local Government

1.1 A bill for an act
 1.2 relating to retirement; modifying the Public Employees Retirement Association
 1.3 police and fire plan; former Minneapolis Police and Firefighters Relief
 1.4 Association; amending Minnesota Statutes 2012, sections 353.6511, subdivision
 1.5 7; 353.6512, subdivision 7.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2012, section 353.6511, subdivision 7, is amended to read:

1.8 Subd. 7. **Postretirement adjustments.** Effective January 1, 2012, service pensions
 1.9 and survivor benefits in force are entitled to be recomputed with the number of units
 1.10 specified in subdivision 2, subdivision 4, and subdivision 6. Optional annuities under
 1.11 Minnesota Statutes 2010, section 423C.05, subdivision 8, also are entitled to be recomputed
 1.12 as the actuarial equivalent of the service pensions and survivor benefits with the number of
 1.13 units specified in subdivision 2, subdivision 4, and subdivision 6. Retirement annuities,
 1.14 service pensions, disability benefits, and survivor benefits after December 31, 2015, are
 1.15 eligible for postretirement adjustments under section 356.415, subdivision 1c. The unit
 1.16 value for the calculation of a retirement annuity first payable after December 31, 2015, is
 1.17 the calendar year 2015 unit value, plus any annual postretirement adjustment percentage
 1.18 amount payable after December 31, 2015, under section 356.415, subdivision 1c, ~~payable~~
 1.19 ~~after December 31, 2015, and before the date of retirement~~ paragraph (a), clause (1), or,
 1.20 when applicable, under section 356.415, subdivision 1c, paragraph (b), clause (1).

1.21 Sec. 2. Minnesota Statutes 2012, section 353.6512, subdivision 7, is amended to read:

1.22 Subd. 7. **Postretirement adjustments.** Retirement annuities, service pensions,
 1.23 disability benefits, and survivor benefits after December 31, 2015, are eligible for
 1.24 postretirement adjustments under section 356.415, subdivision 1c. The unit value for the

2.1 calculation of a retirement annuity first payable after December 31, 2015, is the calendar
2.2 year 2015 unit value, plus any annual postretirement adjustment percentage amount
2.3 payable after December 31, 2015, under section 356.415, subdivision 1c, ~~payable after~~
2.4 ~~December 31, 2015, and before the date of retirement~~ paragraph (a), clause (1), or, when
2.5 applicable, under section 356.415, subdivision 1c, paragraph (b), clause (1).