

1.1 A bill for an act

1.2 relating to retirement; various retirement plans; making changes of an
1.3 administrative nature for retirement plans administered by the Minnesota
1.4 State Retirement Association; revising insurance withholding for certain
1.5 retired public employees; authorizing state patrol plan service credit for leave
1.6 procedures; addressing plan coverage errors and omitted contributions; revising
1.7 unlawful discharge annuity repayment requirements; requiring employment
1.8 unit accommodation of daily valuation of investment accounts; eliminating
1.9 administrative fee maximum for the unclassified state employees retirement
1.10 program; making changes of an administrative nature in the general employees
1.11 retirement plan of the Public Employees Retirement Association, the public
1.12 employees police and fire retirement plan, and the defined contribution retirement
1.13 plan; making various administrative modifications in the voluntary statewide
1.14 lump-sum volunteer firefighter retirement plan of the Public Employees
1.15 Retirement Association; revising purchase of salary credit procedures in certain
1.16 partial salary situations; adding new partial salary credit purchase authority for
1.17 partial paid medical leaves and budgetary leaves; redefining TRA allowable
1.18 service credit; defining annual base salary, requiring base salary reporting by
1.19 TRA-covered employing units; making changes of an administrative nature in the
1.20 Minnesota State Colleges and Universities System individual retirement account
1.21 plan; setting deadline dates for actuarial reporting; extending and revising an
1.22 early retirement incentive program; permitting the court-ordered revocation of
1.23 an optional annuity election in certain marriage dissolutions; making various
1.24 technical corrections relating to volunteer fire relief associations; revising
1.25 break-in-service return to firefighting authorizations; authorizing Minnesota
1.26 deferred compensation plan service pension transfers; revising payout defaults
1.27 in survivor benefits; authorizing corrections of certain special fund deposits;
1.28 amending Minnesota Statutes 2008, sections 3A.07; 69.051, subdivision 3;
1.29 352.01, subdivisions 2a, 2b; 352.03, subdivision 4; 352.04, subdivision 9;
1.30 352.115, subdivision 10; 352.91, by adding a subdivision; 352.965, subdivisions
1.31 1, 2, 6; 352B.02, by adding a subdivision; 352D.015, subdivisions 4, 9; 352D.02,
1.32 subdivisions 1, 1c, 1d, 2, 3; 352D.03; 352D.04, subdivisions 1, 2; 352D.05,
1.33 subdivisions 3, 4; 352D.06, subdivision 3; 352D.065, subdivision 3; 352D.09,
1.34 subdivisions 3, 7; 353.01, subdivisions 2b, 2d; 353.0161, subdivision 2; 353.03,
1.35 subdivision 1; 353.27, subdivisions 4, 7a, 10; 353.37, subdivision 3a; 353D.01,
1.36 subdivision 2; 353D.03, subdivision 1; 353D.04, subdivisions 1, 2; 353F.025,
1.37 subdivisions 1, 2; 353G.05, subdivision 2, as added; 353G.09, subdivision
1.38 3, as added; 354.05, by adding a subdivision; 354.091; 354.42, subdivision 7;
1.39 354.52, subdivision 6, by adding a subdivision; 354.66, subdivision 3; 354A.12,

2.1 by adding a subdivision; 354B.25, subdivisions 1, 3; 354C.14; 356.215,
2.2 subdivision 3; 356.24, subdivision 1; 356.351, subdivisions 1, 2, as amended;
2.3 356.50, subdivision 4; 356.96, subdivisions 2, 3, 7, 8; 356A.06, subdivision 8;
2.4 424A.08, as amended; 490.123, by adding a subdivision; 518.58, subdivisions
2.5 3, 4; Minnesota Statutes 2009 Supplement, sections 69.772, subdivision 6;
2.6 69.773, subdivision 6; 352B.011, subdivision 3; 353.01, subdivisions 2, 2a, 16;
2.7 353.27, subdivision 7; 353.371, subdivision 4; 353F.02, subdivision 4; 353G.06,
2.8 subdivision 1; 353G.08; 353G.11, subdivision 1, by adding a subdivision;
2.9 354.52, subdivision 4b; 356.96, subdivision 5; 424A.01, subdivisions 1, 6;
2.10 424A.015, by adding a subdivision; 424A.016, subdivisions 4, 7; 424A.02,
2.11 subdivisions 9, 10; 424A.05, subdivision 3, by adding a subdivision; Laws
2.12 2009, chapter 169, article 4, section 49; article 5, section 2; proposing coding
2.13 for new law in Minnesota Statutes, chapters 352B; 353; 353G; 356; repealing
2.14 Minnesota Statutes 2008, sections 352.91, subdivision 5; 353.01, subdivision
2.15 40; 353.46, subdivision 1a; 353.88; 353D.03, subdivision 2; 353D.12; 354C.15;
2.16 Minnesota Statutes 2009 Supplement, section 424A.001, subdivision 6; Laws
2.17 2009, chapter 169, article 10, section 32.

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

2.19 ARTICLE 1

2.20 MSRS ADMINISTRATIVE PROVISIONS

2.21 Section 1. Minnesota Statutes 2008, section 352.01, subdivision 2a, is amended to read:

2.22 Subd. 2a. **Included employees.** (a) "State employee" includes:

2.23 (1) employees of the Minnesota Historical Society;

2.24 (2) employees of the State Horticultural Society;

2.25 (3) employees of the Minnesota Crop Improvement Association;

2.26 (4) employees of the adjutant general who are paid from federal funds and who are
2.27 not covered by any federal civilian employees retirement system;

2.28 (5) employees of the Minnesota State Colleges and Universities employed under the
2.29 university or college activities program;

2.30 (6) currently contributing employees covered by the system who are temporarily
2.31 employed by the legislature during a legislative session or any currently contributing
2.32 employee employed for any special service as defined in subdivision 2b, clause (8);

2.33 (7) employees of the legislature appointed without a limit on the duration of their
2.34 employment and persons employed or designated by the legislature or by a legislative
2.35 committee or commission or other competent authority to conduct a special inquiry,
2.36 investigation, examination, or installation;

2.37 (8) trainees who are employed on a full-time established training program
2.38 performing the duties of the classified position for which they will be eligible to receive
2.39 immediate appointment at the completion of the training period;

2.40 (9) employees of the Minnesota Safety Council;

3.1 (10) any employees on authorized leave of absence from the Transit Operating
3.2 Division of the former Metropolitan Transit Commission who are employed by the
3.3 labor organization which is the exclusive bargaining agent representing employees of
3.4 the Transit Operating Division;

3.5 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space
3.6 Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito
3.7 Control Commission, ~~or Metropolitan Radio Board~~ unless excluded or covered by another
3.8 public pension fund or plan under section 473.415, subdivision 3;

3.9 (12) judges of the Tax Court;

3.10 (13) personnel employed on June 30, 1992, by the University of Minnesota in the
3.11 management, operation, or maintenance of its heating plant facilities, whose employment
3.12 transfers to an employer assuming operation of the heating plant facilities, so long as the
3.13 person is employed at the University of Minnesota heating plant by that employer or by its
3.14 successor organization;

3.15 (14) seasonal ~~help~~ employees in the classified or unclassified service ~~employed~~
3.16 ~~by the Department of Revenue~~;

3.17 (15) persons employed by the Department of Commerce as a peace officer in
3.18 the Insurance Fraud Prevention Division under section 45.0135 who have attained the
3.19 mandatory retirement age specified in section 43A.34, subdivision 4;

3.20 (16) employees of the University of Minnesota unless excluded under subdivision
3.21 2b, clause (3);

3.22 (17) employees of the Middle Management Association whose employment began
3.23 after July 1, 2007, and to whom section 352.029 does not apply; and

3.24 (18) employees of the Minnesota Government Engineers Council to whom section
3.25 352.029 does not apply.

3.26 (b) Employees specified in paragraph (a), clause (13), are included employees under
3.27 paragraph (a) if employer and employee contributions are made in a timely manner in the
3.28 amounts required by section 352.04. Employee contributions must be deducted from
3.29 salary. Employer contributions are the sole obligation of the employer assuming operation
3.30 of the University of Minnesota heating plant facilities or any successor organizations to
3.31 that employer.

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

3.33 Sec. 2. Minnesota Statutes 2008, section 352.03, subdivision 4, is amended to read:

3.34 Subd. 4. **Duties and powers of board of directors.** (a) The board shall:

3.35 (1) elect a chair;

4.1 (2) appoint an executive director;

4.2 (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D,
4.3 and 490 and transact the business of the system, subject to the limitations of law;

4.4 (4) consider and dispose of, or take any other action the board of directors deems
4.5 appropriate concerning denials of applications for annuities or disability benefits under
4.6 this chapter, and complaints of employees and others pertaining to the retirement of
4.7 employees and the operation of the system;

4.8 (5) oversee the administration of the ~~state~~-deferred compensation plan established
4.9 in section 352.965; and

4.10 (6) oversee the administration of the health care savings plan established in section
4.11 352.98.

4.12 (b) The board shall advise the director on any matters relating to the system and
4.13 carrying out functions and purposes of this chapter. The board's advice shall control.

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

4.15 Sec. 3. Minnesota Statutes 2008, section 352.04, subdivision 9, is amended to read:

4.16 Subd. 9. **Erroneous deductions, canceled warrants.** (a) Deductions taken from the
4.17 salary of an employee for the retirement fund in ~~error~~ excess of required amounts must,
4.18 upon discovery and verification by the department making the deduction, be refunded to
4.19 the employee.

4.20 (b) If a deduction for the retirement fund is taken from a salary warrant or check,
4.21 and the check is canceled or the amount of the warrant or check returned to the funds of
4.22 the department making the payment, the sum deducted, or the part of it required to adjust
4.23 the deductions, must be refunded to the department or institution if the department applies
4.24 for the refund on a form furnished by the director. The department's payments must
4.25 likewise be refunded to the department.

4.26 ~~(c) Employee deductions and employer contributions taken in error may be directly~~
4.27 ~~transferred, without interest, to another Minnesota public employee retirement plan by~~
4.28 ~~which the employee is actually covered.~~

4.29 ~~For purposes of this subdivision, a Minnesota public pension plan means a plan~~
4.30 ~~specified in section 356.30, subdivision 3, or the plan governed by chapter 354B.~~

4.31 (c) If erroneous employee deductions and employer contributions are caused by an
4.32 error in plan coverage involving the plan and any other plans specified in section 356.99,
4.33 that section applies. If the employee should have been covered by the plan governed by
4.34 chapter 352D, 353D, 354B or 354D, the employee deductions and employer contributions
4.35 taken in error must be directly transferred to the applicable employee's account in the

5.1 proper plan, with interest at the rate of 0.71 percent per month, compounded annually, from
5.2 the first day of the month following the month in which coverage should have commenced
5.3 in the defined contribution plan until the end of the month in which the transfer occurs.

5.4 **EFFECTIVE DATE.** This section is effective July 1, 2010.

5.5 Sec. 4. Minnesota Statutes 2008, section 352.115, subdivision 10, is amended to read:

5.6 Subd. 10. **Reemployment of annuitant.** (a) Except for salary or wages received
5.7 as a temporary employee of the legislature during a legislative session, if any retired
5.8 employee again becomes entitled to receive salary or wages from the state, or any
5.9 employer who employs state employees as that term is defined in section 352.01,
5.10 subdivision 2, other than salary or wages received as a temporary employee of the
5.11 legislature during a legislative session in a position covered by this chapter, the annuity or
5.12 retirement allowance shall cease when the retired employee has earned an amount equal
5.13 to the annual maximum earnings allowable for that age for the continued receipt of full
5.14 benefit amounts monthly under the federal old age, survivors, and disability insurance
5.15 program as set by the secretary of health and human services under United States Code,
5.16 title 42, section 403, in any calendar year. If the retired employee has not yet reached
5.17 the minimum age for the receipt of Social Security benefits, the maximum earnings for
5.18 the retired employee shall be equal to the annual maximum earnings allowable for the
5.19 minimum age for the receipt of Social Security benefits.

5.20 (b) The balance of the annual retirement annuity after cessation must be handled or
5.21 disposed of as provided in section 356.47.

5.22 (c) The annuity must be resumed when state service ends, or, if the retired employee
5.23 is still employed at the beginning of the next calendar year, at the beginning of that
5.24 calendar year, and payment must again end when the retired employee has earned the
5.25 applicable reemployment earnings maximum specified in this subdivision. If the retired
5.26 employee is granted a sick leave without pay, but not otherwise, the annuity or retirement
5.27 allowance must be resumed during the period of sick leave.

5.28 (d) No payroll deductions for the retirement fund may be made from the earnings of
5.29 a reemployed retired employee.

5.30 (e) No change shall be made in the monthly amount of an annuity or retirement
5.31 allowance because of the reemployment of an annuitant.

5.32 (f) If a reemployed annuitant whose annuity is suspended under paragraph (a)
5.33 is having insurance premium amounts withheld under section 356.87, subdivision 2,
5.34 insurance premium amounts must continue to be withheld and transferred from the
5.35 suspended portion of the annuity. The balance of the annual retirement annuity after

6.1 cessation, after deduction of the insurance premium amounts, must be treated as specified
6.2 in paragraph (b).

6.3 **EFFECTIVE DATE.** This section is effective January 1, 2010.

6.4 Sec. 5. Minnesota Statutes 2008, section 352.91, is amended by adding a subdivision
6.5 to read:

6.6 **Subd. 6. Correction of plan coverage errors.** If erroneous employee deductions
6.7 and employer contributions are caused by an error in plan coverage involving the
6.8 correctional state employees retirement plan and any other plan specified in section
6.9 356.99, that section applies.

6.10 **EFFECTIVE DATE.** This section is effective July 1, 2010.

6.11 Sec. 6. Minnesota Statutes 2008, section 352.965, subdivision 1, is amended to read:

6.12 Subdivision 1. **Establishment.** (a) The Minnesota ~~state~~ deferred compensation plan
6.13 is established. For purposes of this section, "plan" means the Minnesota ~~state~~ deferred
6.14 compensation plan, unless the context clearly indicates otherwise. The Minnesota State
6.15 Retirement System shall administer the plan.

6.16 (b) The purpose of the plan is to provide a means for a public employee to contribute
6.17 a portion of the employee's compensation to a tax-deferred investment account. The plan
6.18 is an eligible tax-deferred compensation plan under section 457(b) of the Internal Revenue
6.19 Code, United States Code, title 26, section 457(b), and the applicable regulations under
6.20 Code of Federal Regulations, title 26, parts 1.457-3 to 1.457-10.

6.21 (c) The board of directors of the Minnesota State Retirement System is the plan
6.22 trustee and plan sponsor. The board's executive director is the plan administrator. Fiduciary
6.23 activities of the plan must be undertaken in a manner consistent with chapter 356A.

6.24 (d) The executive director, with the approval of the board of directors, shall
6.25 adopt and amend, as required to maintain tax-qualified status, a written plan document
6.26 specifying the material terms and conditions for eligibility, benefits, applicable limitations,
6.27 and the time and form under which benefit distributions can be made. With the approval
6.28 of the board of directors, the executive director may also establish policies and procedures
6.29 necessary for the administration of the deferred compensation plan.

6.30 (e) The plan document shall include provisions that are necessary to cause the plan
6.31 to be an eligible deferred compensation plan within the meaning of section 457(b) of
6.32 the Internal Revenue Code. The plan document may provide additional administrative
6.33 and substantive provisions consistent with state law, provided those provisions will not

7.1 cause the plan to fail to be an eligible deferred compensation plan within the meaning
7.2 of section 457(b) of the Internal Revenue Code and may include provisions for certain
7.3 optional features and services.

7.4 (f) The board of directors may authorize the executive director to establish and
7.5 administer a Roth 457 plan if authorized by the Internal Revenue Code or a Roth
7.6 individual retirement account as defined under section 408A of the Internal Revenue Code.

7.7 (g) All amounts contributed to the deferred compensation plan and all earnings
7.8 on those amounts must be held in trust, in custodial accounts, or in qualifying annuity
7.9 contracts for the exclusive benefit of the plan participants and beneficiaries, as required by
7.10 section 457(g) of the Internal Revenue Code and in accordance with sections 356.001 and
7.11 356A.06, subdivision 1.

7.12 (h) The information and data maintained in the accounts of the participants and
7.13 beneficiaries are private data and shall not be disclosed to anyone other than the participant
7.14 or beneficiary pursuant to a court order or pursuant to section 356.49.

7.15 (i) The plan document is not subject to the rule adoption process under the
7.16 Administrative Procedures Act, including section 14.386, but must conform with
7.17 applicable federal and state laws.

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

7.19 Sec. 7. Minnesota Statutes 2008, section 352.965, subdivision 2, is amended to read:

7.20 Subd. 2. **Right to participate in deferred compensation plan.** At the request of an
7.21 officer or employee of the state, an officer or employee of a political subdivision, or an
7.22 employee covered by a retirement fund in section 356.20, subdivision 2, the appointing
7.23 authority shall defer the payment of part of the compensation of the public officer or
7.24 employee through payroll deduction. The amount to be deferred must be as provided in
7.25 ~~a written~~ an agreement between the officer or employee and the ~~public employer plan~~
7.26 sponsor. The agreement must be in a form specified by the executive director of the
7.27 Minnesota State Retirement System and must be consistent with the requirements for an
7.28 eligible plan under federal and state tax laws, regulations, and rulings.

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

7.30 Sec. 8. Minnesota Statutes 2009 Supplement, section 352B.011, subdivision 3, is
7.31 amended to read:

7.32 Subd. 3. **Allowable service.** (a) "Allowable service" means:

8.1 (1) service in a month during which a member is paid a salary from which a member
8.2 contribution is deducted, deposited, and credited in the State Patrol retirement fund;

8.3 (2) for members defined in subdivision 10, clause (1), service in any month for
8.4 which payments have been made to the State Patrol retirement fund under law; ~~and~~

8.5 (3) for members defined in subdivision 10, clauses (2) and (3), service for which
8.6 payments have been made to the State Patrol retirement fund under law, service for which
8.7 payments were made to the State Police officers retirement fund under law after June
8.8 30, 1961, and all prior service which was credited to a member for service on or before
8.9 June 30, 1961;

8.10 (4) any period of authorized leave of absence without pay that does not exceed one
8.11 year and for which the employee obtained credit by payment to the fund under section
8.12 352B.013;

8.13 (5) any period of authorized leave to provide service to a labor organization as
8.14 permitted under section 352B.012, for which service credit is obtained by payment to
8.15 the fund under that section; and

8.16 (6) eligible periods of uniformed service for which the member obtained service
8.17 credit by payment under section 352B.086 to the fund.

8.18 (b) Allowable service also includes any period of absence from duty by a member
8.19 who, by reason of injury incurred in the performance of duty, is temporarily disabled and
8.20 for which disability the state is liable under the workers' compensation law, until the date
8.21 authorized by the executive director for commencement of payment of a disability benefit
8.22 or until the date of a return to employment.

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

8.24 Sec. 9. **[352B.012] COVERAGE FOR EMPLOYEES OF LABOR**
8.25 **ORGANIZATIONS.**

8.26 Subdivision 1. **Qualifications.** A member on leave of absence without pay to
8.27 provide service as an employee or officer of a labor organization that is an exclusive
8.28 bargaining agent representing state patrol retirement plan members may elect under
8.29 subdivision 2 to be covered by the state patrol retirement plan of the Minnesota State
8.30 Retirement System for service with the labor organization, subject to the limitations set
8.31 forth in subdivisions 3 and 4.

8.32 Subd. 2. **Election.** A person described in subdivision 1 shall be covered by the plan
8.33 if written election to be covered is delivered to the executive director within 90 days of
8.34 being employed by the labor organization, or within 90 days of starting the first leave of
8.35 absence to provide service to the exclusive bargaining agent, whichever is later.

9.1 Subd. 3. **Limitations on salary for benefits and contributions.** (a) The covered
9.2 salary for a labor organization employee who qualifies for membership under this section
9.3 is limited to the lesser of:

9.4 (1) the employee's actual salary as defined under section 352.01, subdivision 13; or

9.5 (2) 75 percent of the salary of the governor as set under section 15A.082.

9.6 (b) The limited covered salary determined under this subdivision must be used
9.7 in determining employee and employer contributions under section 352B.02 and in
9.8 determining retirement annuities and other benefits under this chapter and chapter 356.

9.9 Subd. 4. **Earning restrictions apply.** A retirement annuity is only payable, if the
9.10 person has met any other applicable requirements, upon the termination by the person who
9.11 elected coverage under subdivision 2 of employment by the labor organization.

9.12 Subd. 5. **Contributions.** The employee and employer contributions required by
9.13 section 352B.02 are the obligation of the employee who chooses coverage under this
9.14 section. However, the employing labor organization may pay the employer contributions.
9.15 Contributions made by the employee must be made by salary deduction. The employing
9.16 labor organization shall pay all contributions to the system as required by section 352B.02.

9.17 Subd. 6. **Board membership excluded.** Employees of a labor organization who
9.18 retain active plan membership under this section are not eligible for election to the board
9.19 of directors.

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

9.21 Sec. 10. **[352B.013] AUTHORIZED LEAVE OF ABSENCE SERVICE CREDIT**
9.22 **PURCHASE PROCEDURE.**

9.23 Subdivision 1. **Application.** This section specifies the procedure for purchasing
9.24 service credit in the state patrol retirement plan for authorized leaves of absence under
9.25 section 352B.011, subdivision 3, unless an alternative payment procedure is specified in
9.26 law for a particular form of leave or break in service.

9.27 Subd. 2. **Purchase procedure.** (a) An employee covered by the plan specified in
9.28 this chapter may purchase credit for allowable service in the plan for a period specified
9.29 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
9.30 whichever applies. The employing unit, at its option, may pay the employer portion of the
9.31 amount specified in paragraph (b) on behalf of its employees.

9.32 (b) If payment is received by the executive director within one year from the date
9.33 the employee returned to work following the authorized leave, the payment amount is
9.34 equal to the employee and employer contribution rates specified in section 352B.02 at the
9.35 end of the leave period multiplied by the employee's hourly rate of salary on the date of

10.1 return from the leave of absence and by the days and months of the leave of absence for
10.2 which the employee is eligible for allowable service credit. The payment must include
10.3 compound interest at a monthly rate of 0.71 percent from the last day of the leave period
10.4 until the last day of the month in which payment is received. If payment is received by the
10.5 executive director after one year from the date the employee returned to work following
10.6 the authorized leave, the payment amount is the amount determined under section
10.7 356.551. Payment under this paragraph must be made before the date of termination from
10.8 public employment covered under this chapter.

10.9 (c) If the employee terminates employment covered by this chapter during the leave
10.10 or following the leave rather than returning to covered employment, payment must
10.11 be received by the executive director within 30 days after the termination date. The
10.12 payment amount is equal to the employee and employer contribution rates specified in
10.13 section 352B.02 on the day prior to the termination date, multiplied by the employee's
10.14 hourly rate of salary on that date and by the days and months of the leave of absence
10.15 prior to termination.

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

10.17 Sec. 11. Minnesota Statutes 2008, section 352B.02, is amended by adding a subdivision
10.18 to read:

10.19 Subd. 3. **Correction of plan coverage errors.** If erroneous employee deductions
10.20 and employer contributions are caused by an error in plan coverage involving the state
10.21 patrol retirement plan and any other plan specified in section 356.99, that section applies.

10.22 **EFFECTIVE DATE.** This section is effective July 1, 2010.

10.23 Sec. 12. Minnesota Statutes 2008, section 353.27, subdivision 7a, is amended to read:

10.24 Subd. 7a. **Deductions or contributions transmitted by error.** (a) If employee
10.25 deductions and employer contributions were erroneously transmitted to the association,
10.26 but should have been transmitted to ~~another Minnesota public pension~~ a plan covered by
10.27 chapter 352D, 353D, 354B, or 354D, the executive director shall transfer the erroneous
10.28 employee deductions and employer contributions to the appropriate retirement fund or
10.29 individual account, as applicable, ~~without interest.~~ The time limitations specified in
10.30 subdivisions 7 and 12 do not apply. The transfer to the applicable defined contribution
10.31 plan account must include interest at the rate of 0.71 percent per month, compounded
10.32 annually, from the first day of the month following the month in which coverage should

11.1 have commenced in the defined contribution plan until the end of the month in which
11.2 the transfer occurs.

11.3 ~~(b) For purposes of this subdivision, a Minnesota public pension plan means a~~
11.4 ~~plan specified in section 356.30, subdivision 3, or the plans governed by chapters 353D~~
11.5 ~~and 354B.~~

11.6 (e) (b) A potential transfer under paragraph (a) that is reasonably determined to
11.7 cause the plan to fail to be a qualified plan under section 401(a) of the federal Internal
11.8 Revenue Code, as amended, must not be made by the executive director of the association.
11.9 Within 30 days after being notified by the Public Employees Retirement Association of
11.10 an unmade potential transfer under this paragraph, the employer of the affected person
11.11 must transmit an amount representing the applicable salary deductions and employer
11.12 contributions, without interest, to the retirement fund of the appropriate Minnesota public
11.13 pension plan, or to the applicable individual account if the proper coverage is by a defined
11.14 contribution plan. The association must provide the employing unit a credit for the amount
11.15 of the erroneous salary deductions and employer contributions against future contributions
11.16 from the employer. If the employing unit receives a credit under this paragraph, the
11.17 employing unit is responsible for refunding to the applicable employee any amount that
11.18 had been erroneously deducted from the person's salary.

11.19 (c) If erroneous employee deductions and employer contributions reflect a plan
11.20 coverage error involving any Public Employees Retirement Association plan specified in
11.21 section 356.99 and any other plan specified in that section, section 356.99 applies.

11.22 **EFFECTIVE DATE.** This section is effective July 1, 2010.

11.23 Sec. 13. Minnesota Statutes 2008, section 353.37, subdivision 3a, is amended to read:

11.24 Subd. 3a. **Disposition of suspension or reduction amount.** (a) The balance of
11.25 the annual retirement annuity after suspension or the amount of the retirement annuity
11.26 reduction must be handled or disposed of as provided in section 356.47.

11.27 (b) If a reemployed annuitant whose annuity is suspended is having insurance
11.28 premium amounts withheld under section 356.87, subdivision 2, insurance premium
11.29 amounts must continue to be withheld and transferred from the suspended portion of the
11.30 annuity. The balance of the annual retirement annuity after cessation, after deduction of
11.31 the insurance premium amounts, must be treated as specified in paragraph (a).

11.32 **EFFECTIVE DATE.** This section is effective January 1, 2010.

11.33 Sec. 14. Minnesota Statutes 2008, section 354.42, subdivision 7, is amended to read:

12.1 Subd. 7. **Erroneous salary deductions or direct payments.** (a) Any deductions
12.2 taken from the salary of an employee for the retirement fund in ~~error~~ excess of amounts
12.3 required must be refunded to the employee upon the discovery of the error and after the
12.4 verification of the error by the employing unit making the deduction. The corresponding
12.5 excess employer contribution and excess additional employer contribution amounts
12.6 attributable to the erroneous salary deduction must be refunded to the employing unit.

12.7 (b) If salary deductions and employer contributions were erroneously transmitted
12.8 to the retirement fund and should have been transmitted to ~~another Minnesota public~~
12.9 ~~pension~~ the plan covered by chapter 352D, 353D, 354B, or 354D, the executive director
12.10 must transfer these salary deductions and employer contributions to the account of the
12.11 appropriate public pension fund person under the applicable plan without interest. For
12.12 ~~purposes of this paragraph, a Minnesota public pension plan means a plan specified in~~
12.13 ~~section 356.30, subdivision 3, or the plan governed by chapter 354B.~~ The transfer to the
12.14 applicable defined contribution plan account must include interest at the rate of 0.71
12.15 percent per month, compounded annually, from the first day of the month following the
12.16 month in which coverage should have commenced in the defined contribution plan until
12.17 the end of the month in which the transfer occurs.

12.18 (c) A potential transfer under paragraph (b) that would cause the plan to fail to
12.19 be a qualified plan under section 401(a) of the Internal Revenue Code, as amended,
12.20 must not be made by the executive director. Within 30 days after being notified by the
12.21 Teachers Retirement Association of an unmade potential transfer under this paragraph,
12.22 the employer of the affected person must transmit an amount representing the applicable
12.23 salary deductions and employer contributions, without interest, to the ~~retirement fund of~~
12.24 ~~the appropriate Minnesota public pension plan fund~~ account of the applicable person under
12.25 the appropriate plan. The retirement association must provide a credit for the amount of
12.26 the erroneous salary deductions and employer contributions against future contributions
12.27 from the employer.

12.28 (d) If a salary warrant or check from which a deduction for the retirement fund was
12.29 taken has been canceled or the amount of the warrant or if a check has been returned to
12.30 the funds of the employing unit making the payment, a refund of the amount deducted,
12.31 or any portion of it that is required to adjust the salary deductions, must be made to the
12.32 employing unit.

12.33 (e) Erroneous direct payments of member-paid contributions or erroneous salary
12.34 deductions that were not refunded during the regular payroll cycle processing must be
12.35 refunded to the member, plus interest computed using the rate and method specified in
12.36 section 354.49, subdivision 2.

13.1 (f) Any refund under this subdivision that would cause the plan to fail to be a
13.2 qualified plan under section 401(a) of the Internal Revenue Code, as amended, may not
13.3 be refunded and instead must be credited against future contributions payable by the
13.4 employer. The employer is responsible for refunding to the applicable employee any
13.5 amount that was erroneously deducted from the salary of the employee, with interest as
13.6 specified in paragraph (e).

13.7 (g) If erroneous employee deductions and employer contributions are caused by an
13.8 error in plan coverage involving the plan and any other plan specified in section 356.99,
13.9 that section applies.

13.10 **EFFECTIVE DATE.** This section is effective July 1, 2010.

13.11 Sec. 15. Minnesota Statutes 2008, section 354A.12, is amended by adding a
13.12 subdivision to read:

13.13 Subd. 6a. **Erroneous salary deductions or direct payments.** If erroneous
13.14 employee deductions and employer contributions reflect a plan coverage error involving
13.15 any plan covered by the this chapter and any plan specified in section 356.99, that section
13.16 applies.

13.17 **EFFECTIVE DATE.** This section is effective July 1, 2010.

13.18 Sec. 16. Minnesota Statutes 2008, section 356.24, subdivision 1, is amended to read:

13.19 Subdivision 1. **Restriction; exceptions.** ~~(a)~~ It is unlawful for a school district
13.20 or other governmental subdivision or state agency to levy taxes for, or to contribute
13.21 public funds to a supplemental pension or deferred compensation plan that is established,
13.22 maintained, and operated in addition to a primary pension program for the benefit of the
13.23 governmental subdivision employees other than:

13.24 (1) to a supplemental pension plan that was established, maintained, and operated
13.25 before May 6, 1971;

13.26 (2) to a plan that provides solely for group health, hospital, disability, or death
13.27 benefits;

13.28 (3) to the individual retirement account plan established by chapter 354B;

13.29 (4) to a plan that provides solely for severance pay under section 465.72 to a retiring
13.30 or terminating employee;

13.31 (5) for employees other than personnel employed by the Board of Trustees of the
13.32 Minnesota State Colleges and Universities and covered under the Higher Education
13.33 Supplemental Retirement Plan under chapter 354C, but including city managers covered

14.1 by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph
14.2 (a), or by the defined contribution plan of the Public Employees Retirement Association
14.3 under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is
14.4 provided for in a personnel policy of the public employer or in the collective bargaining
14.5 agreement between the public employer and the exclusive representative of public
14.6 employees in an appropriate unit or in the individual employment contract between a city
14.7 and a city manager, and if for each available investment all fees and historic rates of return
14.8 for the prior one-, three-, five-, and ten-year periods, or since inception, are disclosed in an
14.9 easily comprehended document not to exceed two pages, in an amount matching employee
14.10 contributions on a dollar for dollar basis, but not to exceed an employer contribution of
14.11 one-half of the available elective deferral permitted per year per employee, under the
14.12 Internal Revenue Code:

14.13 (i) to the state of Minnesota deferred compensation plan under section 352.965;

14.14 (ii) in payment of the applicable portion of the contribution made to any investment
14.15 eligible under section 403(b) of the Internal Revenue Code, if the employing unit has
14.16 complied with any applicable pension plan provisions of the Internal Revenue Code with
14.17 respect to the tax-sheltered annuity program during the preceding calendar year; or

14.18 (iii) any other deferred compensation plan offered by the employer under section
14.19 457 of the Internal Revenue Code;

14.20 (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges
14.21 and Universities and not covered by clause (5), to the supplemental retirement plan under
14.22 chapter 354C, if the supplemental plan coverage is provided for in a personnel policy
14.23 or in the collective bargaining agreement of the public employer with the exclusive
14.24 representative of the covered employees in an appropriate unit, in an amount matching
14.25 employee contributions on a dollar for dollar basis, but not to exceed an employer
14.26 contribution of \$2,700 a year for each employee;

14.27 (7) to a supplemental plan or to a governmental trust to save for postretirement
14.28 health care expenses qualified for tax-preferred treatment under the Internal Revenue
14.29 Code, if the supplemental plan coverage is provided for in a personnel policy or in the
14.30 collective bargaining agreement of a public employer with the exclusive representative of
14.31 the covered employees in an appropriate unit;

14.32 (8) to the laborers national industrial pension fund or to a laborers local pension
14.33 fund for the employees of a governmental subdivision who are covered by a collective
14.34 bargaining agreement that provides for coverage by that fund and that sets forth a fund
14.35 contribution rate, but not to exceed an employer contribution of \$5,000 per year per
14.36 employee;

15.1 (9) to the plumbers and pipefitters national pension fund or to a plumbers and
 15.2 pipefitters local pension fund for the employees of a governmental subdivision who are
 15.3 covered by a collective bargaining agreement that provides for coverage by that fund and
 15.4 that sets forth a fund contribution rate, but not to exceed an employer contribution of
 15.5 \$5,000 per year per employee;

15.6 (10) to the international union of operating engineers pension fund for the employees
 15.7 of a governmental subdivision who are covered by a collective bargaining agreement that
 15.8 provides for coverage by that fund and that sets forth a fund contribution rate, but not to
 15.9 exceed an employer contribution of \$5,000 per year per employee;

15.10 (11) to a supplemental plan organized and operated under the federal Internal
 15.11 Revenue Code, as amended, that is wholly and solely funded by the employee's
 15.12 accumulated sick leave, accumulated vacation leave, and accumulated severance pay;

15.13 (12) to the International Association of Machinists national pension fund for the
 15.14 employees of a governmental subdivision who are covered by a collective bargaining
 15.15 agreement that provides for coverage by that fund and that sets forth a fund contribution
 15.16 rate, but not to exceed an employer contribution of \$5,000 per year per employee; or

15.17 (13) for employees of United Hospital District, Blue Earth, to the state of Minnesota
 15.18 deferred compensation program, if the employee makes a contribution, in an amount that
 15.19 does not exceed the total percentage of covered salary under section 353.27, subdivisions
 15.20 3 and 3a.

15.21 ~~(b) No governmental subdivision may make a contribution to a deferred~~
 15.22 ~~compensation plan operating under section 457 of the Internal Revenue Code for volunteer~~
 15.23 ~~or emergency on-call firefighters in lieu of providing retirement coverage under the federal~~
 15.24 ~~Old Age, Survivors, and Disability Insurance Program.~~

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

15.26 Sec. 17. Minnesota Statutes 2008, section 356.50, subdivision 4, is amended to read:

15.27 Subd. 4. **Annuity repayment.** Notwithstanding subdivisions 1 and 2, if after being
 15.28 discharged, the person commences receipt of an annuity from the applicable plan, and it is
 15.29 later determined that the person was wrongfully discharged, the person shall repay the
 15.30 annuity received in a lump sum within 60 days of receipt of the back pay award. ~~If the~~
 15.31 ~~annuity is not repaid, the person is not entitled to reinstatement in the applicable plan as~~
 15.32 ~~an active member, the person is not authorized to make payments under subdivision 2,~~
 15.33 ~~paragraph (a), and, for subsequent employment with the employer, the person shall be~~
 15.34 ~~treated as a reemployed annuitant.~~

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

16.2 **CORRECTION OF PLAN COVERAGE ERRORS**

16.3 **Sec. 18. [356.99] CORRECTION OF ERRONEOUS DEFINED BENEFIT PLAN**
16.4 **COVERAGE.**

16.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in paragraphs
16.6 (b) to (e) have the meanings given them.

16.7 (b) "Chief administrative officer" means the person selected or elected by the
16.8 governing board of a covered pension plan with primary responsibility to administer the
16.9 covered pension plan, or that person's designee or representative.

16.10 (c) "Covered pension plan" means a plan enumerated in section 356.30, subdivision
16.11 3, except clauses (3), (5), (6), and (11).

16.12 (d) "Governing board" means the governing board of the Minnesota State Retirement
16.13 System, the Public Employees Retirement Association, the Teachers Retirement
16.14 Association, the Duluth Teachers Retirement Fund Association, or the St. Paul Teachers
16.15 Retirement Fund Association.

16.16 (e) "Member" means an active plan member in a covered pension plan.

16.17 Subd. 2. **Treatment of terminated employee coverage error.** Any person
16.18 who terminated the erroneously covered service before a chief administrative officer
16.19 determined the covered pension plan coverage was in error retains the coverage with the
16.20 plan that originally credited the service.

16.21 Subd. 3. **Active employee correction of prospective service coverage.** Upon
16.22 determination by a chief administrative officer that a member is covered by the wrong
16.23 pension plan, the employer must stop remitting the erroneous employee deductions and
16.24 employer contributions and report the employee to the correct covered pension plan for all
16.25 subsequent service.

16.26 Subd. 4. **Active employee treatment of past service.** Any plan member, with past
16.27 service credited in an erroneous plan, retains the coverage for that past service with the
16.28 plan that originally credited that service if the reporting error began earlier than two
16.29 fiscal years prior to the current fiscal year in which the error was determined by the chief
16.30 administrative officer. If the reporting error began within two fiscal years prior to the
16.31 current fiscal year, the pension plan coverage for that past service must be corrected as
16.32 provided in subdivision 5.

16.33 Subd. 5. **Past service transfer procedure.** (a) For cases under subdivision 4
16.34 requiring correction of prior service coverage, on behalf of the applicable member the
16.35 chief administrative officer of the covered pension plan fund that has received erroneous

17.1 employee deductions and employer contributions must transfer to the appropriate covered
17.2 retirement plan fund an amount which is the lesser of all contributions made by or on
17.3 behalf of the member for the period of erroneous membership, or the specific amount
17.4 requested by the chief administrative officer of the other covered pension plan which
17.5 represents the employee deductions and employer contributions that would have been
17.6 made had the member been properly reported.

17.7 (b) If excess employee deductions remain in the member's account after the transfer
17.8 of funds, the remaining erroneous amount must be refunded to the person with interest at
17.9 the rate provided under the general refund law of the applicable covered pension plan. The
17.10 chief administrative officer must also return any remaining excess employer contributions
17.11 by providing a credit against future contributions payable by the employer.

17.12 (c) If the contributions transferred to the correct covered pension plan fund are
17.13 less than the amounts required for the period being corrected, the chief administrative
17.14 officer of the correct covered pension plan fund must collect the remaining employee
17.15 deductions and employer contributions from the employer under laws for recovering
17.16 deficient contributions applicable to the correct covered pension plan, except that no
17.17 interest is charged if the additional amounts due under this paragraph are received by the
17.18 chief administrative officer within 30 days of notifying the employer of the amount due.

17.19 (d) A potential transfer under this section that would cause a plan to fail to be a
17.20 qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be
17.21 made. Within 30 days after being notified by a chief administrative officer of an unmade
17.22 potential transfer under this section, the employer of the member must transmit an amount
17.23 representing the applicable salary deductions and employer contributions, without interest,
17.24 to the fund of the appropriate covered pension plan. The chief administrative officer of
17.25 the covered pension plan which erroneously provided coverage must provide a credit for
17.26 the amount of the erroneous salary deductions and employer contributions against future
17.27 contributions from the employer.

17.28 (e) Upon transfer of the required assets, or payment from the employer under
17.29 paragraph (d), whichever is applicable, allowable service and salary credit for the period
17.30 being transferred is forfeited in the erroneous plan and is granted in the correct plan.

17.31 **EFFECTIVE DATE.** This section is effective July 1, 2010.

17.32 Sec. 19. Minnesota Statutes 2008, section 490.123, is amended by adding a subdivision
17.33 to read:

18.1 Subd. 4. **Correction of contribution errors.** (a) If erroneous employee deductions
18.2 and employer contributions are caused by an error in plan coverage involving the judges
18.3 retirement plan and any other plan specified in section 356.99, that section applies.

18.4 (b) The provisions of section 352.04, subdivisions 8 and 9, apply to the judges'
18.5 retirement plan, except that if employee deductions or contributions are erroneously
18.6 transmitted to the judges' retirement fund for service provided after the service credit limit
18.7 under section 490.121, subdivision 22, has been attained, consistent with section 352D.04,
18.8 subdivision 2, no employer contributions shall transfer.

18.9 **EFFECTIVE DATE.** This section is effective July 1, 2010.

18.10 Sec. 20. **REPEALER.**

18.11 Minnesota Statutes 2008, sections 352.91, subdivision 5; and 353.88, are repealed.

18.12 **EFFECTIVE DATE.** This section is effective July 1, 2010.

18.13 **ARTICLE 2**

18.14 **MINNESOTA STATE DEFERRED COMPENSATION PLAN AMENDMENTS**

18.15 Section 1. Minnesota Statutes 2008, section 352.965, subdivision 6, is amended to read:

18.16 Subd. 6. **Plan administrative expenses.** (a) The reasonable and necessary
18.17 administrative expenses of the deferred compensation plan may be charged to plan
18.18 participants in the form of an annual fee, an asset-based fee, a percentage of the
18.19 contributions to the plan, or a combination thereof, as set forth in the plan document. The
18.20 executive director of the system at the direction of the board of directors shall establish
18.21 procedures to carry out this section including allocation of administrative costs of the plan
18.22 to participants. Processes and procedures shall be set forth in the plan document. Fees
18.23 cannot be charged on contributions and investment returns attributable to contributions
18.24 made to the Minnesota supplemental investment funds before July 1, 1992.

18.25 (b) The plan document must conform to federal and state tax laws, regulations, and
18.26 rulings, and is not subject to the Administrative Procedure Act.

18.27 (c) The executive director may contract with a third party to perform administrative
18.28 and record keeping functions. The executive director may solicit bids and negotiate such
18.29 contracts. Participating employers must provide the necessary data to the third-party
18.30 administrator as determined by the executive director. The third-party record keeper and
18.31 the Minnesota State Retirement System shall follow the data privacy provisions under
18.32 chapter 13. The third-party record keeper may not solicit participants for any product or
18.33 services not related to the deferred compensation plan.

19.1 (d) The board of directors may authorize a third-party investment consultant to
19.2 provide investment information and advice, provided that the offering of such information
19.3 and advice is consistent with the investment advice requirements applicable to private
19.4 plans under Title VI, subtitle A, of the Pension Protection Act of 2006, Public Law
19.5 109-280, section 601.

19.6 **EFFECTIVE DATE.** This section is effective July 1, 2010.

19.7 **ARTICLE 3**

19.8 **MSRS UNCLASSIFIED STATE EMPLOYEES RETIREMENT** 19.9 **PROGRAM AMENDMENTS**

19.10 Section 1. Minnesota Statutes 2008, section 3A.07, is amended to read:

19.11 **3A.07 APPLICATION.**

19.12 (a) Except as provided in paragraph (b) or (d), this chapter applies to members
19.13 of the legislature in service after July 1, 1965, who otherwise meet the requirements
19.14 of this chapter.

19.15 (b) Members of the legislature who were elected for the first time after June 30,
19.16 1997, or members of the legislature who were elected before July 1, 1997, and who, after
19.17 July 1, 1998, elect not to be members of the plan established by this chapter are covered
19.18 by the unclassified employees retirement program governed by chapter 352D.

19.19 (c) The post-July 1, 1998, coverage election under paragraph (b) is irrevocable
19.20 and must be made on a form prescribed by the director. The second chance referendum
19.21 election under Laws 2002, chapter 392, article 15, also is irrevocable.

19.22 (d) Members of the legislature who are covered by the retirement plan governed by
19.23 this chapter on July 1, 2010, may, on or before the end of the member's seventh year of
19.24 legislative service or January 1, 2011, whichever is later, elect to have future retirement
19.25 coverage by either the general state employees retirement plan governed by chapter 352
19.26 or the unclassified state employees retirement program governed by chapter 352D. The
19.27 election must be made on a form prescribed by the director and is irrevocable.

19.28 Sec. 2. Minnesota Statutes 2008, section 352.01, subdivision 2a, is amended to read:

19.29 Subd. 2a. **Included employees.** (a) "State employee" includes:

19.30 (1) employees of the Minnesota Historical Society;

19.31 (2) employees of the State Horticultural Society;

19.32 (3) employees of the Minnesota Crop Improvement Association;

20.1 (4) employees of the adjutant general who are paid from federal funds and who are
20.2 not covered by any federal civilian employees retirement system;

20.3 (5) employees of the Minnesota State Colleges and Universities employed under the
20.4 university or college activities program;

20.5 (6) currently contributing employees covered by the system who are temporarily
20.6 employed by the legislature during a legislative session or any currently contributing
20.7 employee employed for any special service as defined in subdivision 2b, clause (8);

20.8 (7) employees of the legislature appointed without a limit on the duration of their
20.9 employment and persons employed or designated by the legislature or by a legislative
20.10 committee or commission or other competent authority to conduct a special inquiry,
20.11 investigation, examination, or installation;

20.12 (8) trainees who are employed on a full-time established training program
20.13 performing the duties of the classified position for which they will be eligible to receive
20.14 immediate appointment at the completion of the training period;

20.15 (9) employees of the Minnesota Safety Council;

20.16 (10) any employees on authorized leave of absence from the Transit Operating
20.17 Division of the former Metropolitan Transit Commission who are employed by the
20.18 labor organization which is the exclusive bargaining agent representing employees of
20.19 the Transit Operating Division;

20.20 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space
20.21 Commission, Metropolitan Sports Facilities Commission, Metropolitan Mosquito Control
20.22 Commission, or Metropolitan Radio Board unless excluded or covered by another public
20.23 pension fund or plan under section 473.415, subdivision 3;

20.24 (12) judges of the Tax Court;

20.25 (13) personnel employed on June 30, 1992, by the University of Minnesota in the
20.26 management, operation, or maintenance of its heating plant facilities, whose employment
20.27 transfers to an employer assuming operation of the heating plant facilities, so long as the
20.28 person is employed at the University of Minnesota heating plant by that employer or by its
20.29 successor organization;

20.30 (14) seasonal help in the classified service employed by the Department of Revenue;

20.31 (15) persons employed by the Department of Commerce as a peace officer in
20.32 the Insurance Fraud Prevention Division under section 45.0135 who have attained the
20.33 mandatory retirement age specified in section 43A.34, subdivision 4;

20.34 (16) employees of the University of Minnesota unless excluded under subdivision
20.35 2b, clause (3);

21.1 (17) employees of the Middle Management Association whose employment began
21.2 after July 1, 2007, and to whom section 352.029 does not apply; ~~and~~

21.3 (18) employees of the Minnesota Government Engineers Council to whom section
21.4 352.029 does not apply; and

21.5 (19) employees who have elected to transfer past service to the general employees
21.6 retirement plan under section 352D.02, subdivision 1d, paragraph (a), or who have not
21.7 elected to transfer to the unclassified program under section 352D.02, subdivision 1d,
21.8 paragraph (b).

21.9 (b) Employees specified in paragraph (a), clause (13), are included employees under
21.10 paragraph (a) if employer and employee contributions are made in a timely manner in the
21.11 amounts required by section 352.04. Employee contributions must be deducted from
21.12 salary. Employer contributions are the sole obligation of the employer assuming operation
21.13 of the University of Minnesota heating plant facilities or any successor organizations to
21.14 that employer.

21.15 **EFFECTIVE DATE.** This section is effective June 30, 2010.

21.16 Sec. 3. Minnesota Statutes 2008, section 352.01, subdivision 2b, is amended to read:

21.17 Subd. 2b. **Excluded employees.** "State employee" does not include:

21.18 (1) students employed by the University of Minnesota, or the state colleges and
21.19 universities, unless approved for coverage by the Board of Regents of the University of
21.20 Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities,
21.21 whichever is applicable;

21.22 (2) employees who are eligible for membership in the state Teachers Retirement
21.23 Association, except employees of the Department of Education who have chosen or may
21.24 choose to be covered by the general state employees retirement plan of the Minnesota
21.25 State Retirement System instead of the Teachers Retirement Association;

21.26 (3) employees of the University of Minnesota who are excluded from coverage by
21.27 action of the Board of Regents;

21.28 (4) officers and enlisted personnel in the National Guard and the naval militia who
21.29 are assigned to permanent peacetime duty and who under federal law are or are required to
21.30 be members of a federal retirement system;

21.31 (5) election officers;

21.32 (6) persons who are engaged in public work for the state but who are employed
21.33 by contractors when the performance of the contract is authorized by the legislature or
21.34 other competent authority;

- 22.1 (7) officers and employees of the senate, or of the house of representatives, or of a
22.2 legislative committee or commission who are temporarily employed;
- 22.3 (8) receivers, jurors, notaries public, and court employees who are not in the judicial
22.4 branch as defined in section 43A.02, subdivision 25, except referees and adjusters
22.5 employed by the Department of Labor and Industry;
- 22.6 (9) patient and inmate help in state charitable, penal, and correctional institutions
22.7 including the Minnesota Veterans Home;
- 22.8 (10) persons who are employed for professional services where the service is
22.9 incidental to their regular professional duties and whose compensation is paid on a per
22.10 diem basis;
- 22.11 (11) employees of the Sibley House Association;
- 22.12 (12) the members of any state board or commission who serve the state intermittently
22.13 and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those
22.14 boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited
22.15 from serving more than three years; and the board of managers of the State Agricultural
22.16 Society and its treasurer unless the treasurer is also its full-time secretary;
- 22.17 (13) state troopers and persons who are described in section 352B.01, subdivision 2,
22.18 clauses (2) to (6);
- 22.19 (14) temporary employees of the Minnesota State Fair who are employed on or
22.20 after July 1 for a period not to extend beyond October 15 of that year; and persons who
22.21 are employed at any time by the state fair administration for special events held on the
22.22 fairgrounds;
- 22.23 (15) emergency employees who are in the classified service; except that if an
22.24 emergency employee, within the same pay period, becomes a provisional or probationary
22.25 employee on other than a temporary basis, the employee shall be considered a "state
22.26 employee" retroactively to the beginning of the pay period;
- 22.27 (16) temporary employees in the classified service, and temporary employees in the
22.28 unclassified service who are appointed for a definite period of not more than six months
22.29 and who are employed less than six months in any one-year period;
- 22.30 (17) interns hired for six months or less and trainee employees, except those listed in
22.31 subdivision 2a, clause (8);
- 22.32 (18) persons whose compensation is paid on a fee basis or as an independent
22.33 contractor;
- 22.34 (19) state employees who are employed by the Board of Trustees of the Minnesota
22.35 State Colleges and Universities in unclassified positions enumerated in section 43A.08,
22.36 subdivision 1, clause (9);

23.1 (20) state employees who in any year have credit for 12 months service as teachers
23.2 in the public schools of the state and as teachers are members of the Teachers Retirement
23.3 Association or a retirement system in St. Paul, Minneapolis, or Duluth, except for
23.4 incidental employment as a state employee that is not covered by one of the teacher
23.5 retirement associations or systems;

23.6 (21) employees of the adjutant general who are employed on an unlimited
23.7 intermittent or temporary basis in the classified or unclassified service for the support of
23.8 Army and Air National Guard training facilities;

23.9 (22) chaplains and nuns who are excluded from coverage under the federal Old
23.10 Age, Survivors, Disability, and Health Insurance Program for the performance of service
23.11 as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no
23.12 irrevocable election of coverage has been made under section 3121(r) of the Internal
23.13 Revenue Code of 1986, as amended through December 31, 1992;

23.14 (23) examination monitors who are employed by departments, agencies,
23.15 commissions, and boards to conduct examinations required by law;

23.16 (24) persons who are appointed to serve as members of fact-finding commissions or
23.17 adjustment panels, arbitrators, or labor referees under chapter 179;

23.18 (25) temporary employees who are employed for limited periods under any state or
23.19 federal program for training or rehabilitation, including persons who are employed for
23.20 limited periods from areas of economic distress, but not including skilled and supervisory
23.21 personnel and persons having civil service status covered by the system;

23.22 (26) full-time students who are employed by the Minnesota Historical Society
23.23 intermittently during part of the year and full-time during the summer months;

23.24 (27) temporary employees who are appointed for not more than six months, of
23.25 the Metropolitan Council and of any of its statutory boards, if the board members are
23.26 appointed by the Metropolitan Council;

23.27 (28) persons who are employed in positions designated by the Department of
23.28 Finance as student workers;

23.29 (29) members of trades who are employed by the successor to the Metropolitan
23.30 Waste Control Commission, who have trade union pension plan coverage under a
23.31 collective bargaining agreement, and who are first employed after June 1, 1977;

23.32 (30) off-duty peace officers while employed by the Metropolitan Council;

23.33 (31) persons who are employed as full-time police officers by the Metropolitan
23.34 Council and as police officers are members of the public employees police and fire fund;

23.35 (32) persons who are employed as full-time firefighters by the Department of Military
23.36 Affairs and as firefighters are members of the public employees police and fire fund;

24.1 (33) foreign citizens with a work permit of less than three years, or an H-1b/JV visa
 24.2 valid for less than three years of employment, unless notice of extension is supplied which
 24.3 allows them to work for three or more years as of the date the extension is granted, in
 24.4 which case they are eligible for coverage from the date extended; ~~and~~

24.5 (34) persons who are employed by the Board of Trustees of the Minnesota State
 24.6 Colleges and Universities and who elected to remain members of the Public Employees
 24.7 Retirement Association or the Minneapolis Employees Retirement Fund, whichever
 24.8 applies, under Minnesota Statutes 1994, section 136C.75; and

24.9 (35) employees who have elected to transfer service to the unclassified program
 24.10 under section 352D.02, subdivision 1d, paragraph (b).

24.11 **EFFECTIVE DATE.** This section is effective June 30, 2010.

24.12 Sec. 4. Minnesota Statutes 2008, section 352D.015, subdivision 4, is amended to read:

24.13 Subd. 4. **General fund.** "General fund" means the general state employees
 24.14 retirement fund under chapter 352 ~~except the moneys for the unclassified program.~~

24.15 Subd. 4a. **General employees retirement plan.** "General employees retirement
 24.16 plan" means the general state employees retirement plan under chapter 352.

24.17 **EFFECTIVE DATE.** This section is effective June 30, 2010.

24.18 Sec. 5. Minnesota Statutes 2008, section 352D.015, subdivision 9, is amended to read:

24.19 Subd. 9. **Value.** "Value" means ~~cash value at the end of the month following receipt~~
 24.20 ~~of an application. If no application is required, "value" means the cash value at the end~~
 24.21 ~~of the month in which the event necessitating the transfer occurs~~ the market value of the
 24.22 account at the end of the United States investment market day.

24.23 **EFFECTIVE DATE.** This section is effective July 1, 2010.

24.24 Sec. 6. Minnesota Statutes 2008, section 352D.02, subdivision 1, is amended to read:

24.25 Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (b), clause
 24.26 (1), are participants in the unclassified program under this chapter. Persons referenced
 24.27 in paragraph (b), clause (15) are participants in the unclassified program under this
 24.28 chapter for judicial employment in excess of the service credit limit in section 490.121,
 24.29 subdivision 22. Employees enumerated in paragraph (c) (b), clauses (2), (3), (4), (6) to
 24.30 (14), and (16) to (18), clauses (2) to (14) and (16) to (18), if they are in the unclassified
 24.31 service of the state or Metropolitan Council and are eligible for coverage under the general
 24.32 state employees retirement plan under chapter 352, are participants in the unclassified

25.1 program under this chapter unless the employee gives notice to the executive director of
25.2 the Minnesota State Retirement System within one year following the commencement
25.3 of employment in the unclassified service that the employee desires coverage under the
25.4 general state employees retirement plan. For the purposes of this chapter, an employee
25.5 who does not file notice with the executive director is deemed to have exercised the option
25.6 to participate in the unclassified program.

25.7 ~~(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified~~
25.8 ~~program under this chapter unless the person was eligible to elect different coverage under~~
25.9 ~~section 3A.07 and elected retirement coverage by the applicable alternative retirement~~
25.10 ~~plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified~~
25.11 ~~program under this chapter for judicial employment in excess of the service credit limit in~~
25.12 ~~section 490.121, subdivision 22.~~

25.13 ~~(c)~~ (b) Enumerated employees and referenced persons are:

25.14 (1) the governor, the lieutenant governor, the secretary of state, the state auditor,
25.15 and the attorney general;

25.16 (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary
25.17 of State, State Auditor, Attorney General;

25.18 (3) an employee of the State Board of Investment;

25.19 (4) the head of a department, division, or agency created by statute in the unclassified
25.20 service, an acting department head subsequently appointed to the position, or an employee
25.21 enumerated in section 15A.0815 or 15A.083, subdivision 4;

25.22 (5) a member of the legislature;

25.23 (6) a full-time unclassified employee of the legislature or a commission or agency of
25.24 the legislature who is appointed without a limit on the duration of the employment or a
25.25 temporary legislative employee having shares in the supplemental retirement fund as a
25.26 result of former employment covered by this chapter, whether or not eligible for coverage
25.27 under the Minnesota State Retirement System;

25.28 (7) a person who is employed in a position established under section 43A.08,
25.29 subdivision 1, clause (3), or in a position authorized under a statute creating or establishing
25.30 a department or agency of the state, which is at the deputy or assistant head of department
25.31 or agency or director level;

25.32 (8) the regional administrator, or executive director of the Metropolitan Council,
25.33 general counsel, division directors, operations managers, and other positions as designated
25.34 by the council, all of which may not exceed 27 positions at the council and the chair;

25.35 (9) the executive director, associate executive director, and not to exceed nine
25.36 positions of the Minnesota Office of Higher Education in the unclassified service, as

26.1 designated by the Minnesota Office of Higher Education before January 1, 1992, or
26.2 subsequently redesignated with the approval of the board of directors of the Minnesota
26.3 State Retirement System, unless the person has elected coverage by the individual
26.4 retirement account plan under chapter 354B;

26.5 (10) the clerk of the appellate courts appointed under article VI, section 2, of the
26.6 Constitution of the state of Minnesota, the state court administrator and judicial district
26.7 administrators;

26.8 (11) the chief executive officers of correctional facilities operated by the Department
26.9 of Corrections and of hospitals and nursing homes operated by the Department of Human
26.10 Services;

26.11 (12) an employee whose principal employment is at the state ceremonial house;

26.12 (13) an employee of the Agricultural Utilization Research Institute;

26.13 (14) an employee of the State Lottery who is covered by the managerial plan
26.14 established under section 43A.18, subdivision 3;

26.15 (15) a judge who has exceeded the service credit limit in section 490.121,
26.16 subdivision 22;

26.17 (16) an employee of Enterprise Minnesota, Inc.;

26.18 (17) a person employed by the Minnesota State Colleges and Universities as faculty
26.19 or in an eligible unclassified administrative position as defined in section 354B.20,
26.20 subdivision 6, who was employed by the former state university or the former community
26.21 college system before May 1, 1995, and elected unclassified program coverage prior to
26.22 May 1, 1995; and

26.23 (18) a person employed by the Minnesota State Colleges and Universities who
26.24 was employed in state service before July 1, 1995, who subsequently is employed in an
26.25 eligible unclassified administrative position as defined in section 354B.20, subdivision
26.26 6, and who elects coverage by the unclassified program.

26.27 Sec. 7. Minnesota Statutes 2008, section 352D.02, subdivision 1c, is amended to read:

26.28 Subd. 1c. **Transfer of contributions.** An employee covered by the ~~regular~~ general
26.29 employees retirement plan who is subsequently employed as a full-time unclassified
26.30 employee of the legislature or any commission or agency of the legislature without a
26.31 limit on the duration of the employment may elect to transfer accumulated employee and
26.32 matching employer contributions; as provided in section 352D.03.

26.33 **EFFECTIVE DATE.** This section is effective June 30, 2010.

26.34 Sec. 8. Minnesota Statutes 2008, section 352D.02, subdivision 1d, is amended to read:

27.1 Subd. 1d. **Election of program participation.** (a) An employee hired before July
27.2 1, 2010, who is a participant in the unclassified program by virtue of employment in a
27.3 position listed in subdivision 1 may elect to remain in the unclassified program upon
27.4 subsequent employment in an unlimited, full-time unclassified position that is not listed
27.5 in subdivision 1. To elect participation in the unclassified program, the employee must
27.6 give notice to the executive director of the Minnesota State Retirement System within one
27.7 year of the commencement of employment in an unclassified position that is not listed
27.8 in subdivision 1. Upon receipt of the notice, the executive director shall transfer to the
27.9 employee's account in the unclassified program an amount equal to the employer and
27.10 employee contributions with six percent interest, compounded annually, that were made to
27.11 the regular general employees retirement plan by or on the employee's behalf from the
27.12 commencement of employment in the position not listed in subdivision 1 to the receipt
27.13 date of the notice by the executive director.

27.14 (b) An employee hired after June 30, 2010, who is able to elect coverage in the
27.15 unclassified program by virtue of employment in a position listed in subdivision 1 is
27.16 a member of the general employees retirement plan unless they make an irrevocable
27.17 election to switch to the unclassified program. An employee may make an election to
27.18 switch from the general employees retirement plan to the unclassified program any time
27.19 within the first three years of service. To elect participation in the unclassified program,
27.20 the employee must give written notice to the executive director of the Minnesota State
27.21 Retirement System. Upon receipt of the notice, the executive director shall transfer to the
27.22 employee's unclassified program account an amount equal to the employer and employee
27.23 contributions with six percent interest compounded annually from the general employees
27.24 retirement plan.

27.25 **EFFECTIVE DATE.** This section is effective June 30, 2010.

27.26 Sec. 9. Minnesota Statutes 2008, section 352D.02, subdivision 2, is amended to read:

27.27 Subd. 2. **Coverage upon employment change.** A person becoming a participant
27.28 in the unclassified program prior to July 1, 2010, by virtue of employment in a position
27.29 specified in subdivision 1, clause (4), and remaining in the unclassified service shall
27.30 remain a participant in the program even though the position the person occupies is
27.31 deleted from any of the sections referenced in subdivision 1, clause (4), by subsequent
27.32 amendment, except that a person shall not be eligible to elect the unclassified program
27.33 after separation from unclassified service if on the return of the person to service, that
27.34 position is not specified in subdivision 1, clause (4). Any person employed in a position

28.1 specified in subdivision 1 shall cease to participate in the unclassified program in the event
28.2 the position is placed in the classified service.

28.3 **EFFECTIVE DATE.** This section is effective June 30, 2010.

28.4 Sec. 10. Minnesota Statutes 2008, section 352D.02, subdivision 3, is amended to read:

28.5 Subd. 3. **Transfer to general employees retirement plan.** (a) An employee
28.6 referred to in subdivision 1, paragraph (c), clauses (2) to (4), (6) to (14), and (16) to
28.7 (18), who is credited with employee shares in the unclassified program, after acquiring
28.8 and who has credit for ten years of allowable service and, not later than one month
28.9 following the termination of covered employment, may elect to terminate participation
28.10 in the unclassified program and be covered by the general employees retirement plan by
28.11 filing a written election with the executive director: if the employee was employed before
28.12 July 1, 2010, and has at least ten years of allowable service as of the date of the election or
28.13 if the employee was employed after June 30, 2010, and has no more than seven years of
28.14 allowable service as of the date of the election.

28.15 (b) A person referred to in subdivision 1, paragraph (c), clause (5), who is credited
28.16 with employee shares in the unclassified program, and who has credit for allowable
28.17 service, prior to the termination of service, may elect to terminate participation in the
28.18 unclassified program and be covered by the general employees retirement plan by filing
28.19 a written election with the executive director if the person first became covered by the
28.20 unclassified program after June 30, 2010, and has no more than seven years of allowable
28.21 service or if the person first became covered by the unclassified program before July 1,
28.22 2010, and makes the election to transfer on or before January 1, 2011.

28.23 (c) If the transfer election is made, the executive director shall then redeem the
28.24 employee's total shares and shall credit to the employee's account in the general employees
28.25 retirement plan the amount of contributions that would have been so credited had the
28.26 employee been covered by the general employees retirement plan during the employee's
28.27 entire covered employment or elective state service. The balance of money so redeemed
28.28 and not credited to the employee's account shall must be transferred to the general
28.29 employees retirement plan retirement fund, except that (1) the employee contribution paid
28.30 to the unclassified program must be compared to (2) the employee contributions that
28.31 would have been paid to the general employees retirement plan for the comparable period,
28.32 if the individual had been covered by that plan. If clause (1) is greater than clause (2),
28.33 the difference must be refunded to the employee as provided in section 352.22. If clause
28.34 (2) is greater than clause (1), the difference must be paid by the employee within six

29.1 months of electing general employees retirement plan coverage or before the effective
 29.2 date of the annuity, whichever is sooner.

29.3 ~~(b)~~ (d) An election under paragraph (a) or (b) to transfer coverage to the general
 29.4 employees retirement plan is irrevocable during any period of covered employment.

29.5 (e) A person referenced to in subdivision 1, paragraph (c), clause (1) or (15), who is
 29.6 credited with employee shares in the unclassified program is not permitted to terminate
 29.7 participation in the unclassified program and be covered by the general employees
 29.8 retirement plan.

29.9 **EFFECTIVE DATE.** This section is effective June 30, 2010.

29.10 Sec. 11. Minnesota Statutes 2008, section 352D.03, is amended to read:

29.11 **352D.03 TRANSFER OF ASSETS.**

29.12 Unless an eligible employee enumerated in section 352D.02, subdivision 1, has
 29.13 elected coverage under the individual retirement account plan under chapter 354B, ~~a~~
 29.14 ~~sum of money representing the assets credited to each employee exercising the option~~
 29.15 ~~contained in section 352D.02, plus an equal employer contribution together with interest~~
 29.16 for an employee exercising an option under section 352D.02, an amount equal to the
 29.17 employee and employer contributions for the employment period ~~at the applicable~~
 29.18 ~~preretirement interest actuarial assumption rate during this period~~ plus six percent interest,
 29.19 compounded annually, must be used for the purchase of shares on behalf of each employee
 29.20 in the accounts of the supplemental retirement fund established by section 11A.17.

29.21 **EFFECTIVE DATE.** This section is effective June 30, 2010.

29.22 Sec. 12. Minnesota Statutes 2008, section 352D.04, subdivision 1, is amended to read:

29.23 Subdivision 1. **Investment options.** (a) A person exercising an option to participate
 29.24 in the retirement program provided by this chapter may elect to purchase shares in one or
 29.25 a combination of the income share account, the growth share account, the international
 29.26 share account, the money market account, the bond market account, the fixed interest
 29.27 account, or the common stock index account established in section 11A.17. The person
 29.28 may elect to participate in one or more of the investment accounts in the fund by
 29.29 specifying, ~~on a form provided~~ in a manner prescribed by the executive director, the
 29.30 percentage of the person's contributions provided in subdivision 2 to be used to purchase
 29.31 shares in each of the accounts.

29.32 (b) A participant may ~~indicate in writing on forms provided~~, in a manner prescribed
 29.33 ~~by the Minnesota State Retirement System a choice of options~~ executive director, choose

30.1 their investment allocation for subsequent purchases of shares. Until a different written
30.2 indication is made by the participant, the executive director shall purchase shares in the
30.3 supplemental fund as selected by the participant. If no initial option is chosen, 100 percent
30.4 income shares must be purchased for a participant. A change in choice of investment
30.5 option is effective ~~no later than the first pay date first occurring after 30 days following the~~
30.6 ~~receipt of the request for a change~~ at the end of the most recent United States investment
30.7 market day.

30.8 ~~(c) Shares in the fixed interest account attributable to any guaranteed investment~~
30.9 ~~contract as of July 1, 1994, may not be withdrawn from the fund or transferred to another~~
30.10 ~~account until the guaranteed investment contract has expired, unless the participant~~
30.11 ~~qualifies for withdrawal under section 352D.05 or for benefit payments under sections~~
30.12 ~~352D.06 to 352D.075.~~

30.13 ~~(d) (c)~~ A participant or former participant may also change the investment options
30.14 selected for all or a portion of the participant's shares previously purchased in accounts,
30.15 subject to the ~~provisions of paragraph (c) concerning the fixed interest account. Changes~~
30.16 ~~in investment options for the participant's shares must be effected as soon as cash flow to~~
30.17 ~~an account practically permits, but not later than six months after the requested change~~
30.18 trading restrictions imposed on the investment option.

30.19 **EFFECTIVE DATE.** This section is effective July 1, 2010.

30.20 Sec. 13. Minnesota Statutes 2008, section 352D.04, subdivision 2, is amended to read:

30.21 Subd. 2. **Contribution rates.** (a) The money used to purchase shares under this
30.22 section is the employee and employer contributions provided in this subdivision.

30.23 (b) The employee contribution is an amount equal to ~~four~~ the percent of salary
30.24 specified in section 352.04, subdivision 2, or 352.045, subdivision 3.

30.25 (c) The employer contribution is an amount equal to six percent of salary.

30.26 (d) For members of the legislature, the contributions under this subdivision also must
30.27 be made on per diem payments received during a regular or special legislative session, but
30.28 may not be made on per diem payments received outside of a regular or special legislative
30.29 session, on the additional compensation attributable to a leadership position under section
30.30 3.099, subdivision 3, living expense payments under section 3.101, or special session
30.31 living expense payments under section 3.103.

30.32 (e) For a judge who is a member of the unclassified plan under section 352D.02,
30.33 subdivision 1, paragraph (c), clause (16), the employee contribution rate is eight percent
30.34 of salary, and there is no employer contribution.

31.1 (f) These contributions must be made in the manner provided in section 352.04,
31.2 subdivisions 4, 5, and 6.

31.3 **EFFECTIVE DATE.** This section is effective the first day of the first full pay
31.4 period beginning after July 1, 2010.

31.5 Sec. 14. Minnesota Statutes 2008, section 352D.05, subdivision 3, is amended to read:

31.6 Subd. 3. **Full or partial withdrawal.** After termination of covered employment
31.7 or at any time thereafter, a participant is entitled, upon application, to withdraw the cash
31.8 value of the participant's total shares or leave such shares on deposit with the supplemental
31.9 retirement fund. The account is valued at the end of the ~~month in which~~ most recent
31.10 United States investment market day following receipt of the application for withdrawal is
31.11 made. Shares not withdrawn remain on deposit with the supplemental retirement fund
31.12 until the former participant becomes at least 55 years old, and applies for an annuity under
31.13 section 352D.06, subdivision 1.

31.14 **EFFECTIVE DATE.** This section is effective July 1, 2010.

31.15 Sec. 15. Minnesota Statutes 2008, section 352D.05, subdivision 4, is amended to read:

31.16 Subd. 4. **Repayment of refund.** (a) A participant in the unclassified program may
31.17 repay regular refunds taken under section 352.22, as provided in section 352.23.

31.18 (b) A participant in the unclassified program or an employee covered by the general
31.19 employees retirement plan who has withdrawn the value of the total shares may repay
31.20 the refund taken and thereupon restore the service credit, rights and benefits forfeited by
31.21 paying into the fund the amount refunded plus interest at an annual rate of 8.5 percent
31.22 compounded annually from the date that the refund was taken until the date that the refund
31.23 is repaid. If the participant had withdrawn only the employee shares as permitted under
31.24 prior laws, repayment must be pro rata.

31.25 (c) Except as provided in section 356.441, the repayment of a refund under this
31.26 section must be made in a lump sum.

31.27 **EFFECTIVE DATE.** This section is effective June 30, 2010.

31.28 Sec. 16. Minnesota Statutes 2008, section 352D.06, subdivision 3, is amended to read:

31.29 Subd. 3. **Accrual date.** An annuity under this section accrues the ~~first day of the~~
31.30 ~~first full month after an application is received or the day following termination of state~~
31.31 ~~service, whichever is later. The account must be valued and redeemed on the later of the~~
31.32 ~~end of the month of termination of covered employment, or the end of the month of receipt~~

32.1 ~~of the annuity application for the purpose of computing the annuity day following receipt~~
32.2 ~~of the application or the day following termination, whichever is later. The benefit will be~~
32.3 ~~based on the value of the account the day following receipt of the application or the date of~~
32.4 ~~termination, whichever is later, plus any contributions and interest received after that date.~~

32.5 **EFFECTIVE DATE.** This section is effective July 1, 2010.

32.6 Sec. 17. Minnesota Statutes 2008, section 352D.065, subdivision 3, is amended to read:

32.7 Subd. 3. **Annuity payment.** The annuity payable under this section shall begin to
32.8 accrue the ~~first day of the month following the date of disability receipt of the application~~
32.9 ~~or the day after termination, whichever is later, plus any contributions and interest received~~
32.10 ~~after that date, and shall be based on the participant's age when the annuity begins to~~
32.11 ~~accrue. The shares shall be valued as of the end of the month following authorization of~~
32.12 ~~payments day on which the benefit accrues.~~

32.13 **EFFECTIVE DATE.** This section is effective July 1, 2010.

32.14 Sec. 18. Minnesota Statutes 2008, section 352D.09, subdivision 3, is amended to read:

32.15 Subd. 3. **Prospectus.** (a) The executive director shall annually distribute make
32.16 available by electronic means to each participant the prospectus prepared by the
32.17 supplemental fund, by July 1 or when received from such fund, whichever is later, to
32.18 ~~each participant in covered employment.~~

32.19 (b) Any participant may contact the Minnesota State Retirement System and request
32.20 a copy of the prospectus.

32.21 **EFFECTIVE DATE.** This section is effective July 1, 2010.

32.22 Sec. 19. Minnesota Statutes 2008, section 352D.09, subdivision 7, is amended to read:

32.23 Subd. 7. **Administrative fees.** The board of directors shall establish a budget
32.24 and charge participants a reasonable fee to pay the administrative expenses of the
32.25 unclassified program. Fees cannot be charged on contributions and investment returns
32.26 attributable to contributions made before July 1, 1992. ~~Annual total fees charged for plan~~
32.27 ~~administration cannot exceed 10/100 of one percent of the contributions and investment~~
32.28 ~~returns attributable to contributions made on or after July 1, 1992.~~

32.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

33.1 **ARTICLE 4**

33.2 **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**
 33.3 **ADMINISTRATIVE PROVISIONS**

33.4 Section 1. Minnesota Statutes 2009 Supplement, section 353.01, subdivision 2, is
 33.5 amended to read:

33.6 Subd. 2. **Public employee.** "Public employee" means a governmental employee
 33.7 or a public officer performing personal services for a governmental subdivision defined
 33.8 in subdivision 6, whose salary is paid, in whole or in part, from revenue derived from
 33.9 taxation, fees, assessments, or from other sources. For purposes of membership in the
 33.10 association, the term includes the classes of persons ~~described or~~ listed in subdivision
 33.11 2a and excludes the classes of persons listed in subdivision 2b. The term also includes
 33.12 persons who elect association membership under subdivision 2d, paragraph (a), and
 33.13 persons for whom the applicable governmental subdivision had elected association
 33.14 membership under subdivision 2d, paragraph (b). ~~The term excludes the classes of persons~~
 33.15 ~~listed in subdivision 2b for purposes of membership in the association.~~

33.16 **EFFECTIVE DATE.** This section is effective July 1, 2010.

33.17 Sec. 2. Minnesota Statutes 2009 Supplement, section 353.01, subdivision 2a, is
 33.18 amended to read:

33.19 Subd. 2a. **Included employees; mandatory membership.** (a) ~~Public employees~~
 33.20 ~~whose salary from employment in one or more positions within one governmental~~
 33.21 ~~subdivision exceeds \$425 in any month shall participate as members of the association.~~
 33.22 ~~If the salary is less than \$425 in a subsequent month, the employee retains membership~~
 33.23 ~~eligibility. Eligible Public employees shall whose salary exceeds \$425 in any month and~~
 33.24 who are not specifically excluded under subdivision 2b or provided an option to participate
 33.25 under subdivision 2d, whether individually or by action of the governmental subdivision,
 33.26 must participate as members of the association with retirement coverage by the public
 33.27 employees retirement plan or the public employees police and fire retirement plan under
 33.28 this chapter, or the local government correctional employees retirement plan under chapter
 33.29 353E, whichever applies; Membership commences as a condition of their employment on
 33.30 the first day of their employment unless they or on the first day the eligibility criteria are
 33.31 met, whichever is later. Public employees include but are not limited to:

33.32 ~~(1) are specifically excluded under subdivision 2b;~~

33.33 ~~(2) do not exercise their option to elect retirement coverage in the association as~~
 33.34 ~~provided in subdivision 2d, paragraph (a); or~~

34.1 ~~(3) are employees of the governmental subdivisions listed in subdivision 2d,~~
 34.2 ~~paragraph (b), where the governmental subdivision has not elected to participate as a~~
 34.3 ~~governmental subdivision covered by the association.~~

34.4 (1) persons whose salary meets the threshold in paragraph (a) from employment in
 34.5 one or more positions within one governmental subdivision;

34.6 (2) elected county sheriffs;

34.7 (3) persons appointed, employed, or contracted to perform governmental functions
 34.8 that by law or local ordinance are required of a public officer, including, but not limited to:

34.9 (i) town and city clerk or treasurer;

34.10 (ii) county auditor, treasurer, or recorder;

34.11 (iii) city manager as defined in section 353.028 who does not exercise the option
 34.12 provided under subdivision 2d; or

34.13 (iv) emergency management director, as provided under section 12.25;

34.14 (4) physicians under section 353D.01, subdivision 2, who do not elect public
 34.15 employees defined contribution plan coverage under section 353D.02, subdivision 2;

34.16 (5) full-time employees of the Dakota County Agricultural Society; and

34.17 (6) employees of the Minneapolis Firefighters Relief Association or Minneapolis
 34.18 Police Relief Association who are not excluded employees under subdivision 2b due
 34.19 to coverage by the relief association pension plan and who elected Public Employee
 34.20 Retirement Association general plan coverage before August 20, 2009.

34.21 (b) A public employee or elected official who was a member of the association on
 34.22 June 30, 2002, based on employment that qualified for membership coverage by the public
 34.23 employees retirement plan or the public employees police and fire plan under this chapter,
 34.24 or the local government correctional employees retirement plan under chapter 353E as of
 34.25 June 30, 2002, retains that membership for the duration of the person's employment in that
 34.26 position or incumbency in elected office. Except as provided in subdivision 28, the person
 34.27 shall participate as a member until the employee or elected official terminates public
 34.28 employment under subdivision 11a or terminates membership under subdivision 11b.

34.29 ~~(c) Public employees under paragraph (a) include:~~

34.30 ~~(1) physicians under section 353D.01, subdivision 2, who do not elect public~~
 34.31 ~~employees defined contribution plan coverage under section 353D.02, subdivision 2;~~

34.32 ~~(2) full-time employees of the Dakota County Agricultural Society; and~~

34.33 ~~(3) employees of the Minneapolis Firefighters Relief Association or Minneapolis~~

34.34 ~~Police Relief Association who are not excluded employees under subdivision 2b due to~~

34.35 ~~coverage by the relief association pension plan and who elect Public Employee Retirement~~
 34.36 ~~Association general plan coverage under Laws 2009, chapter 169, article 12, section 10.~~

35.1 (c) If the salary of an included public employee is less than \$425 in any subsequent
35.2 month, the member retains membership eligibility.

35.3 **EFFECTIVE DATE.** This section is effective July 1, 2010, except that paragraph
35.4 (a), clause (3) applies to any person first appointed, elected or contracted after June 30,
35.5 2010.

35.6 Sec. 3. Minnesota Statutes 2008, section 353.01, subdivision 2b, is amended to read:

35.7 Subd. 2b. **Excluded employees.** (a) The following public employees are not
35.8 eligible to participate as members of the association with retirement coverage by the
35.9 public employees retirement plan, the local government correctional employees retirement
35.10 plan under chapter 353E, or the public employees police and fire retirement plan:

35.11 (1) persons whose salary from one governmental subdivision never exceeds \$425 in
35.12 a month;

35.13 (2) public officers, other than county sheriffs, who are elected to a governing body,
35.14 city mayors, or persons who are appointed to fill a vacancy in an elective office of a
35.15 governing body, whose term of office commences on or after July 1, 2002, for the service
35.16 to be rendered in that elective position;

35.17 ~~(2)~~ (3) election officers or election judges;

35.18 ~~(3)~~ (4) patient and inmate personnel who perform services for a governmental
35.19 subdivision;

35.20 ~~(4)~~ (5) except as otherwise specified in subdivision 12a, employees who are hired
35.21 for a temporary position as defined under subdivision 12a, and employees who resign
35.22 from a nontemporary position and accept a temporary position within 30 days in the
35.23 same governmental subdivision;

35.24 ~~(5)~~ (6) employees who are employed by reason of work emergency caused by fire,
35.25 flood, storm, or similar disaster;

35.26 ~~(6)~~ (7) employees who by virtue of their employment in one governmental
35.27 subdivision are required by law to be a member of and to contribute to any of the plans or
35.28 funds administered by the Minnesota State Retirement System, the Teachers Retirement
35.29 Association, the Duluth Teachers Retirement Fund Association, the St. Paul Teachers
35.30 Retirement Fund Association, the Minneapolis Employees Retirement Fund, or any police
35.31 or firefighters relief association governed by section 69.77 that has not consolidated
35.32 with the Public Employees Retirement Association, or any local police or firefighters
35.33 consolidation account who have not elected the type of benefit coverage provided by the
35.34 public employees police and fire fund under sections 353A.01 to 353A.10, or any persons
35.35 covered by section 353.665, subdivision 4, 5, or 6, who have not elected public employees

36.1 police and fire plan benefit coverage. This clause must not be construed to prevent a person
36.2 from being a member of and contributing to the Public Employees Retirement Association
36.3 and also belonging to and contributing to another public pension plan or fund for other
36.4 service occurring during the same period of time. A person who meets the definition of
36.5 "public employee" in subdivision 2 by virtue of other service occurring during the same
36.6 period of time becomes a member of the association unless contributions are made to
36.7 another public retirement fund on the salary based on the other service or to the Teachers
36.8 Retirement Association by a teacher as defined in section 354.05, subdivision 2;

36.9 ~~(7)~~ (8) persons who are members of a religious order and are excluded from coverage
36.10 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the
36.11 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),
36.12 as amended through January 1, 1987, if no irrevocable election of coverage has been made
36.13 under section 3121(r) of the Internal Revenue Code of 1954, as amended;

36.14 ~~(8)~~ (9) employees of a governmental subdivision who have not reached the age of
36.15 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time
36.16 basis at an accredited school, college, or university in an undergraduate, graduate, or
36.17 professional-technical program, or a public or charter high school;

36.18 ~~(9)~~ (10) resident physicians, medical interns, and pharmacist residents and
36.19 pharmacist interns who are serving in a degree or residency program in public hospitals
36.20 or clinics;

36.21 ~~(10)~~ (11) students who are serving in an internship or residency program sponsored
36.22 by an accredited educational institution;

36.23 ~~(11)~~ (12) persons who hold a part-time adult supplementary technical college license
36.24 who render part-time teaching service in a technical college;

36.25 ~~(12)~~ (13) except for employees of Hennepin County or Hennepin Healthcare System,
36.26 Inc., foreign citizens working for a governmental subdivision with a work permit ~~of less~~
36.27 ~~than three years~~, or an H-1b visa ~~valid~~ initially issued or extended for a combined period
36.28 less than three years of employment. Upon notice to the association that the work permit
36.29 or visa extends extension of the employment beyond the three-year period, the foreign
36.30 citizens must be reported for membership ~~from the date of the extension~~ beginning the
36.31 first of the month thereafter provided the monthly earnings as stated under subdivision 2a
36.32 are met;

36.33 ~~(13)~~ (14) public hospital employees who elected not to participate as members
36.34 of the association before 1972 and who did not elect to participate from July 1, 1988,
36.35 to October 1, 1988;

37.1 ~~(14)~~ (15) except as provided in section 353.86, volunteer ambulance service
37.2 personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance
37.3 service personnel may still qualify as public employees under subdivision 2 and may
37.4 be members of the Public Employees Retirement Association and participants in the
37.5 public employees retirement fund or the public employees police and fire fund, whichever
37.6 applies, on the basis of compensation received from public employment service other than
37.7 service as volunteer ambulance service personnel;

37.8 ~~(15)~~ (16) except as provided in section 353.87, volunteer firefighters, as defined
37.9 in subdivision 36, engaging in activities undertaken as part of volunteer firefighter
37.10 duties; provided that a person who is a volunteer firefighter may still qualify as a public
37.11 employee under subdivision 2 and may be a member of the Public Employees Retirement
37.12 Association and a participant in the public employees retirement fund or the public
37.13 employees police and fire fund, whichever applies, on the basis of compensation received
37.14 from public employment activities other than those as a volunteer firefighter;

37.15 ~~(16)~~ (17) pipefitters and associated trades personnel employed by Independent
37.16 School District No. 625, St. Paul, with coverage under a collective bargaining agreement
37.17 by the pipefitters local 455 pension plan who were either first employed after May 1,
37.18 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997,
37.19 chapter 241, article 2, section 12;

37.20 ~~(17)~~ (18) electrical workers, plumbers, carpenters, and associated trades personnel
37.21 employed by Independent School District No. 625, St. Paul, or the city of St. Paul,
37.22 who have retirement coverage under a collective bargaining agreement by the Electrical
37.23 Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan,
37.24 or the Carpenters Local 87 pension plan who were either first employed after May 1,
37.25 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000,
37.26 chapter 461, article 7, section 5;

37.27 ~~(18)~~ (19) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers,
37.28 painters, allied tradesworkers, and plasterers employed by the city of St. Paul or
37.29 Independent School District No. 625, St. Paul, with coverage under a collective
37.30 bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan,
37.31 the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324
37.32 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities
37.33 Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if
37.34 first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special
37.35 Session chapter 10, article 10, section 6;

38.1 ~~(19)~~ (20) plumbers employed by the Metropolitan Airports Commission, with
38.2 coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan,
38.3 who either were first employed after May 1, 2001, or if first employed before May 2,
38.4 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article
38.5 10, section 6;

38.6 ~~(20)~~ (21) employees who are hired after June 30, 2002, to fill seasonal positions
38.7 under subdivision 12b which are limited in duration by the employer to 185 consecutive
38.8 calendar days or less in each year of employment with the governmental subdivision;

38.9 ~~(21)~~ (22) persons who are provided supported employment or work-study positions
38.10 by a governmental subdivision and who participate in an employment or industries
38.11 program maintained for the benefit of these persons where the governmental subdivision
38.12 limits the position's duration to three years or less, including persons participating in a
38.13 federal or state subsidized on-the-job training, work experience, senior citizen, youth, or
38.14 unemployment relief program where the training or work experience is not provided as a
38.15 part of, or for, future permanent public employment;

38.16 ~~(22)~~ (23) independent contractors and the employees of independent contractors; ~~and~~

38.17 ~~(23)~~ (24) reemployed annuitants of the association during the course of that
38.18 reemployment; and

38.19 (25) persons appointed to serve on a board or commission of a governmental
38.20 subdivision or instrumentality thereof.

38.21 (b) Any person performing the duties of a public officer in a position defined in
38.22 subdivision 2a, paragraph (a), clause (3), is not an independent contractor nor an employee
38.23 of an independent contractor.

38.24 **EFFECTIVE DATE.** This section is effective July 1, 2010, except that clause (25)
38.25 is effective for persons first appointed after June 30, 2010.

38.26 Sec. 4. Minnesota Statutes 2008, section 353.01, subdivision 2d, is amended to read:

38.27 Subd. 2d. **Optional membership.** (a) Membership in the association is optional
38.28 by action of the individual employee for the following public employees who meet the
38.29 conditions set forth in subdivision 2a:

38.30 (1) members of the coordinated plan who are also employees of labor organizations
38.31 as defined in section 353.017, subdivision 1, for their employment by the labor
38.32 organization only, if they elect to have membership under section 353.017, subdivision 2;

38.33 (2) persons who are elected or persons who are appointed to elected positions other
38.34 than local governing body elected positions who elect to participate by filing a written
38.35 election for membership;

39.1 (3) members of the association who are appointed by the governor to be a state
39.2 department head and who elect not to be covered by the general state employees retirement
39.3 plan of the Minnesota State Retirement System under section 352.021;

39.4 (4) city managers as defined in section 353.028, subdivision 1, who do not elect to be
39.5 excluded from membership in the association under section 353.028, subdivision 2; and

39.6 (5) employees of the Port Authority of the city of St. Paul on January 1, 2003,
39.7 who were at least age 45 on that date, and who elected to participate by filing a written
39.8 election for membership.

39.9 (b) Membership in the association is optional by action of the governmental
39.10 subdivision for the employees of the following governmental subdivisions under the
39.11 conditions specified:

39.12 (1) the Minnesota Association of Townships if the board of that association, at its
39.13 option, certifies to the executive director that its employees who meet the conditions set
39.14 forth in subdivision 2a are to be included for purposes of retirement coverage, in which
39.15 case the status of the association as a participating employer is permanent;

39.16 (2) a county historical society if the county in which the historical society is located,
39.17 at its option, certifies to the executive director that the employees of the historical society
39.18 who meet the conditions set forth in subdivision 2a are to be considered county employees
39.19 for purposes of retirement coverage under this chapter. The status as a county employee
39.20 must be accorded to all similarly situated county historical society employees and, once
39.21 established, must continue as long as a person is an employee of the county historical
39.22 society; and

39.23 (3) Hennepin Healthcare System, Inc., a public corporation, with respect to
39.24 employees other than paramedics, emergency medical technicians, and protection officers,
39.25 if the corporate board establishes alternative retirement plans for certain classes of
39.26 employees of the corporation and certifies to the association the applicable employees to
39.27 be excluded from future retirement coverage.

39.28 (c) For employees who are covered by paragraph (a), clause (1), (2), or (3), or
39.29 covered by paragraph (b), clause (1) or (2), if the necessary membership election is
39.30 not made, the employee is excluded from retirement coverage under this chapter. For
39.31 employees who are covered by paragraph (a), clause (4), if the necessary election is not
39.32 made, the employee must become a member and have retirement coverage under this
39.33 chapter. For employees specified in paragraph (b), clause (3), membership continues until
39.34 the exclusion option is exercised for the designated class of employee.

39.35 (d) The option to become a member, once exercised under this subdivision, may not
39.36 be withdrawn until the termination of public service as defined under subdivision 11a.

40.1 **EFFECTIVE DATE.** This section is effective July 1, 2010.

40.2 Sec. 5. Minnesota Statutes 2009 Supplement, section 353.01, subdivision 16, is
40.3 amended to read:

40.4 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service"
40.5 means:

40.6 (1) service during years of actual membership in the course of which employee
40.7 deductions were withheld from salary and contributions were made at the applicable rates
40.8 under section 353.27, 353.65, or 353E.03;

40.9 (2) periods of service covered by payments in lieu of salary deductions under
40.10 sections 353.27, subdivision 12, and 353.35;

40.11 (3) service in years during which the public employee was not a member but for
40.12 which the member later elected, while a member, to obtain credit by making payments to
40.13 the fund as permitted by any law then in effect;

40.14 (4) a period of authorized leave of absence with pay from which deductions for
40.15 employee contributions are made, deposited, and credited to the fund;

40.16 (5) a period of authorized personal, parental, or medical leave of absence without
40.17 pay, including a leave of absence covered under the federal Family Medical Leave Act,
40.18 that does not exceed one year, and for which a member obtained service credit for each
40.19 month in the leave period by payment under section 353.0161 to the fund made in place of
40.20 salary deductions. An employee must return to public service and render a minimum of
40.21 three months of allowable service in order to be eligible to make payment under section
40.22 353.0161 for a subsequent authorized leave of absence without pay. Upon payment, the
40.23 employee must be granted allowable service credit for the purchased period;

40.24 (6) a periodic, repetitive leave that is offered to all employees of a governmental
40.25 subdivision. The leave program may not exceed 208 hours per annual normal work cycle
40.26 as certified to the association by the employer. A participating member obtains service
40.27 credit by making employee contributions in an amount or amounts based on the member's
40.28 average salary, excluding overtime pay, that would have been paid if the leave had not
40.29 been taken. The employer shall pay the employer and additional employer contributions
40.30 on behalf of the participating member. The employee and the employer are responsible
40.31 to pay interest on their respective shares at the rate of 8.5 percent a year, compounded
40.32 annually, from the end of the normal cycle until full payment is made. An employer shall
40.33 also make the employer and additional employer contributions, plus 8.5 percent interest,
40.34 compounded annually, on behalf of an employee who makes employee contributions but
40.35 terminates public service. The employee contributions must be made within one year

41.1 after the end of the annual normal working cycle or within 30 days after termination of
41.2 public service, whichever is sooner. The executive director shall prescribe the manner and
41.3 forms to be used by a governmental subdivision in administering a periodic, repetitive
41.4 leave. Upon payment, the member must be granted allowable service credit for the
41.5 purchased period;

41.6 (7) an authorized temporary or seasonal layoff under subdivision 12, limited to three
41.7 months allowable service per authorized temporary or seasonal layoff in one calendar year.
41.8 An employee who has received the maximum service credit allowed for an authorized
41.9 temporary or seasonal layoff must return to public service and must obtain a minimum of
41.10 three months of allowable service subsequent to the layoff in order to receive allowable
41.11 service for a subsequent authorized temporary or seasonal layoff;

41.12 (8) a period during which a member is absent from employment by a governmental
41.13 subdivision by reason of service in the uniformed services, as defined in United States
41.14 Code, title 38, section 4303(13), if the member returns to public service with the same
41.15 governmental subdivision upon discharge from service in the uniformed service within the
41.16 time frames required under United States Code, title 38, section 4312(e), provided that
41.17 the member did not separate from uniformed service with a dishonorable or bad conduct
41.18 discharge or under other than honorable conditions. The service is credited if the member
41.19 pays into the fund equivalent employee contributions based upon the contribution rate or
41.20 rates in effect at the time that the uniformed service was performed multiplied by the full
41.21 and fractional years being purchased and applied to the annual salary rate. The annual
41.22 salary rate is the average annual salary, excluding overtime pay, during the purchase
41.23 period that the member would have received if the member had continued to be employed
41.24 in covered employment rather than to provide uniformed service, or, if the determination
41.25 of that rate is not reasonably certain, the annual salary rate is the member's average salary
41.26 rate, excluding overtime pay, during the 12-month period of covered employment rendered
41.27 immediately preceding the period of the uniformed service. Payment of the member
41.28 equivalent contributions must be made during a period that begins with the date on which
41.29 the individual returns to public employment and that is three times the length of the
41.30 military leave period, or within five years of the date of discharge from the military service,
41.31 whichever is less. If the determined payment period is less than one year, the contributions
41.32 required under this clause to receive service credit may be made within one year of the
41.33 discharge date. Payment may not be accepted following 30 days after termination of
41.34 public service under subdivision 11a. If the member equivalent contributions provided for
41.35 in this clause are not paid in full, the member's allowable service credit must be prorated
41.36 by multiplying the full and fractional number of years of uniformed service eligible for

42.1 purchase by the ratio obtained by dividing the total member contributions received by the
42.2 total member contributions otherwise required under this clause. The equivalent employer
42.3 contribution, and, if applicable, the equivalent additional employer contribution must be
42.4 paid by the governmental subdivision employing the member if the member makes the
42.5 equivalent employee contributions. The employer payments must be made from funds
42.6 available to the employing unit, using the employer and additional employer contribution
42.7 rate or rates in effect at the time that the uniformed service was performed, applied to the
42.8 same annual salary rate or rates used to compute the equivalent member contribution. The
42.9 governmental subdivision involved may appropriate money for those payments. The
42.10 amount of service credit obtainable under this section may not exceed five years unless a
42.11 longer purchase period is required under United States Code, title 38, section 4312. The
42.12 employing unit shall pay interest on all equivalent member and employer contribution
42.13 amounts payable under this clause. Interest must be computed at a rate of 8.5 percent
42.14 compounded annually from the end of each fiscal year of the leave or the break in service
42.15 to the end of the month in which the payment is received. Upon payment, the employee
42.16 must be granted allowable service credit for the purchased period; or

42.17 (9) a period specified under subdivision 40.

42.18 (b) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for
42.19 state officers and employees displaced by the Community Corrections Act, chapter 401,
42.20 and transferred into county service under section 401.04, "allowable service" means the
42.21 combined years of allowable service as defined in paragraph (a), clauses (1) to (6), and
42.22 section 352.01, subdivision 11.

42.23 (c) For a public employee who has prior service covered by a local police or
42.24 firefighters relief association that has consolidated with the Public Employees Retirement
42.25 Association or to which section 353.665 applies, and who has elected the type of benefit
42.26 coverage provided by the public employees police and fire fund either under section
42.27 353A.08 following the consolidation or under section 353.665, subdivision 4, "applicable
42.28 service" is a period of service credited by the local police or firefighters relief association
42.29 as of the effective date of the consolidation based on law and on bylaw provisions
42.30 governing the relief association on the date of the initiation of the consolidation procedure.

42.31 (d) No member may receive more than 12 months of allowable service credit in a
42.32 year either for vesting purposes or for benefit calculation purposes.

42.33 (e) MS 2002 [Expired]

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

42.35 Sec. 6. Minnesota Statutes 2008, section 353.0161, subdivision 2, is amended to read:

43.1 Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in
43.2 subdivision 1 may purchase credit for allowable service in that plan for a period specified
43.3 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
43.4 whichever applies. The employing unit, at its option, may pay the employer portion of the
43.5 amount specified in paragraph (b) on behalf of its employees.

43.6 (b) If payment is received by the executive director within one year from the date the
43.7 member returned to work following the authorized leave, or within 30 days after the date
43.8 of termination of public service if the member did not return to work, the payment amount
43.9 is equal to the employee and employer contribution rates specified in law for the applicable
43.10 plan at the end of the leave period, or at termination of public service, whichever is earlier,
43.11 multiplied by the employee's average monthly salary, excluding overtime, upon which
43.12 deductions were paid during the six months, or portion thereof, before the commencement
43.13 of the leave of absence and by the number of months of the leave of absence for which
43.14 the employee wants allowable service credit. Payments made under this paragraph must
43.15 include compound interest at a monthly rate of 0.71 percent from the last day of the leave
43.16 period until the last day of the month in which payment is received.

43.17 (c) If payment is received by the executive director after one year, the payment
43.18 amount is the amount determined under section 356.551. Payment under this paragraph
43.19 must be made before the date the person terminates public service under section 353.01,
43.20 subdivision 11a.

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

43.22 Sec. 7. **[353.0162] REDUCED SALARY PERIODS SALARY CREDIT**
43.23 **PURCHASE.**

43.24 (a) A member may purchase additional salary credit for a period specified in this
43.25 section.

43.26 (b) The applicable period is a period during which the member is receiving a reduced
43.27 salary from the employer while:

43.28 (1) receiving temporary workers' compensation payments related to the member's
43.29 service to the public employer;

43.30 (2) on an authorized medical leave of absence; or

43.31 (3) on an authorized partial paid leave of absence as a result of a budgetary or salary
43.32 savings program offered or mandated by a governmental subdivision.

43.33 (c) The differential salary amount is the difference between the average monthly
43.34 salary received by the member during the period of reduced salary under this section and
43.35 the average monthly salary of the member, excluding overtime, on which contributions

44.1 to the applicable plan were made during the period of the last six months of covered
44.2 employment occurring immediately before the period of reduced salary, applied to the
44.3 member's normal employment period, measured in hours or otherwise, as applicable.

44.4 (d) To receive eligible salary credit, the member shall pay an amount equal to
44.5 the applicable employee contribution rate under section 353.27, subdivision 2; 353.65,
44.6 subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential
44.7 salary amount; plus an employer equivalent payment equal to the applicable employer
44.8 contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03,
44.9 subdivision 2, as applicable, multiplied by the differential salary amount; plus, if
44.10 applicable, an equivalent employer additional amount equal to the additional employer
44.11 contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary
44.12 amount.

44.13 (e) The employer may, by appropriate action of its governing body and documented
44.14 in its official records, pay the employer equivalent contributions and, as applicable, the
44.15 equivalent employer additional contributions on behalf of the member.

44.16 (f) Payment under this section must include interest on the contribution amount
44.17 or amounts, whichever applies, at an 8.5 percent annual rate, prorated for applicable
44.18 months from the date on which the period of reduced salary specified under this section
44.19 terminates to the date on which the payment or payments are received by the executive
44.20 director. Payment under this section must be completed within the earlier of 30 days from
44.21 termination of public service by the employee under section 353.01, subdivision 11a, or
44.22 one year after the termination of the period specified in paragraph (b), as further restricted
44.23 under this section.

44.24 (g) The period for which additional allowable salary credit may be purchased is
44.25 limited to the period during which the person receives temporary workers' compensation
44.26 payments, or for those business years in which the governmental subdivision offers or
44.27 mandates a budget or salary savings program, as certified to the executive director by a
44.28 resolution of the governing body of the governmental subdivision. For an authorized
44.29 medical leave of absence, the period for which allowable salary credit may be purchased
44.30 must not exceed 12 consecutive months of authorized medical leave.

44.31 (h) To purchase salary credit for a subsequent period of temporary workers'
44.32 compensation benefits or subsequent authorized medical leave of absence, the member
44.33 must return to public service and render a minimum of three months of allowable service.

44.34 **EFFECTIVE DATE.** This section is effective July 1, 2010. Purchase of reduced
44.35 salary credit may be made for a period mandated or offered by a governmental subdivision

45.1 for purposes of budget or salary savings on or after July 1, 2009, upon enactment of
45.2 this section.

45.3 Sec. 8. Minnesota Statutes 2008, section 353.03, subdivision 1, is amended to read:

45.4 Subdivision 1. **Management; composition; election.** (a) The management of the
45.5 public employees retirement fund is vested in an 11-member board of trustees consisting
45.6 of ten members and the state auditor. The state auditor may designate a deputy auditor
45.7 with expertise in pension matters as the auditor's representative on the board. The
45.8 governor shall appoint five trustees to four-year terms, one of whom shall be designated to
45.9 represent school boards, one to represent cities, one to represent counties, one who is a
45.10 retired annuitant, and one who is a public member knowledgeable in pension matters. The
45.11 membership of the association, including recipients of retirement annuities and disability
45.12 and survivor benefits, shall elect five trustees for terms of four years, one of whom must
45.13 be a member of the police and fire fund and one of whom must be a former member who
45.14 met the definition of public employee under section 353.01, subdivisions 2 and 2a, for at
45.15 least five years prior to terminating membership and who is receiving a retirement annuity
45.16 or a member who receives a disability benefit. Terms expire on January 31 of the fourth
45.17 year, and positions are vacant until newly elected members are seated. Except as provided
45.18 in this subdivision, trustees elected by the membership of the association must be public
45.19 employees and members of the association.

45.20 (b) For seven days beginning October 1 of each year preceding a year in which
45.21 an election is held, the association shall accept ~~at its office filings in person or by mail~~
45.22 of candidates for the board of trustees. A candidate shall submit at the time of filing a
45.23 nominating petition signed by 25 or more members of the association. No name may
45.24 be withdrawn from nomination by the nominee after October 15. At the request of a
45.25 candidate for an elected position on the board of trustees, the board shall ~~mail~~ provide
45.26 a statement of up to 300 words prepared by the candidate to all persons eligible to vote
45.27 in the election of the candidate. The board may adopt policies, ~~subject to review and~~
45.28 ~~approval by the secretary of state under paragraph (c),~~ and procedures to govern the form
45.29 and length of these statements, and the timing of mailings, and deadlines for submitting
45.30 materials to be mailed. ~~The secretary of state shall resolve disputes between the board and~~
45.31 ~~a candidate concerning application of these policies to a particular statement distributed to~~
45.32 the eligible voters.

45.33 (c) By January 10 of each year in which elections are to be held, the board shall
45.34 distribute ~~by mail to the members ballots listing~~ eligible voters the instructions and
45.35 materials necessary to vote for the candidates seeking terms on the board of trustees.

46.1 Eligible voters are the members, retirees, and other benefit recipients. No member voter
 46.2 may vote for more than one candidate for each board position to be filled. A ballot
 46.3 indicating a vote for more than one person for any position is void. No special marking
 46.4 may be used on the ballot to indicate incumbents. Ballots Votes cast by using paper ballots
 46.5 mailed to the association must be postmarked no later than January 31. Votes cast by using
 46.6 phone or other electronic means authorized under the board's procedures must be entered
 46.7 by the end of the day on January 31. The ballot envelopes must be so designated and the
 46.8 ballots must be design of the voting response media must be such that the votes cast are
 46.9 counted in a manner that ensures that each voter's vote is secret.

46.10 (d) A candidate who receives contributions or makes expenditures in excess of \$100,
 46.11 or has given implicit or explicit consent for any other person to receive contributions or
 46.12 make expenditures in excess of \$100 for the purpose of bringing about the candidate's
 46.13 election, shall file a report with the campaign finance and public disclosure board
 46.14 disclosing the source and amount of all contributions to the candidate's campaign. The
 46.15 campaign finance and public disclosure board shall prescribe forms governing these
 46.16 disclosures. Expenditures and contributions have the meaning defined in section 10A.01.
 46.17 These terms do not include the mailing made by the association board on behalf of the
 46.18 candidate. A candidate shall file a report within 30 days from the day that the results of
 46.19 the election are announced. The Campaign Finance and Public Disclosure Board shall
 46.20 maintain these reports and make them available for public inspection in the same manner
 46.21 as the board maintains and makes available other reports filed with it.

46.22 (e) The secretary of state shall review and approve comment on the procedures
 46.23 defined by the board of trustees for conducting the elections specified in this subdivision,
 46.24 including board policies adopted under paragraph (b).

46.25 (f) The board of trustees and the executive director shall undertake their activities
 46.26 consistent with chapter 356A.

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

46.28 Sec. 9. Minnesota Statutes 2008, section 353.27, subdivision 4, is amended to read:

46.29 Subd. 4. **Employer reporting requirements; contributions; member status.**

46.30 (a) A representative authorized by the head of each department shall deduct employee
 46.31 contributions from the salary of each public employee who qualifies for membership
 46.32 under this chapter ~~and~~ or chapter 353D or 353E at the rate under section 353.27, 353.65,
 46.33 353D.03, or 353E.03, whichever is applicable, that is in effect on the date the salary is
 46.34 paid. The employer representative must also remit payment in a manner prescribed by
 46.35 the executive director for the aggregate amount of the employee contributions; and the

47.1 required employer contributions and the additional employer contributions to be received
47.2 by the association within 14 calendar days after each pay date. If payment is less than
47.3 the amount required, the employer must subsequently pay the shortage amount to the
47.4 association and collect reimbursement of any employee contribution shortage paid on
47.5 behalf of a member through subsequent payroll withholdings from the wages of the
47.6 employee. Payment of shortages in employee contributions and associated employer
47.7 contributions, if applicable, must include interest at the rate under section 353.28,
47.8 subdivision 5, if not received within 30 days following the date the amount was initially
47.9 due under this section.

47.10 (b) The head of each department or the person's designee shall for each pay period
47.11 submit to the association a salary deduction report in the format prescribed by the
47.12 executive director. The report must be received by the association within 14 calendar days
47.13 after each pay date or the employer may be assessed a fine of \$5 per calendar day until
47.14 the association receives the required data. Data required to be submitted as part of salary
47.15 deduction reporting must include, but are not limited to:

47.16 (1) the legal names and Social Security numbers of employees who are members;

47.17 (2) the amount of each employee's salary deduction;

47.18 (3) the amount of salary defined in section 353.01, subdivision 10, earned in the
47.19 pay period from which each deduction was made and the salary amount earned by a
47.20 reemployed annuitant under section 353.37, subdivision 1, or 353.371, subdivision 1, or
47.21 by a disabled member under section 353.33, subdivision 7 or 7a;

47.22 (4) the beginning and ending dates of the payroll period covered and the date of
47.23 actual payment; and

47.24 (5) adjustments or corrections covering past pay periods as authorized by the
47.25 executive director.

47.26 ~~(b)~~ (c) Employers must furnish the data required for enrollment for each new
47.27 or reinstating employee who qualifies for membership in the format prescribed by the
47.28 executive director. The required enrollment data on new ~~employees~~ members must be
47.29 submitted to the association prior to or concurrent with the submission of the initial
47.30 employee salary deduction. The employer shall also report to the association all member
47.31 employment status changes, such as leaves of absence, terminations, and death, and shall
47.32 report the effective dates of those changes, on an ongoing basis for the payroll cycle in
47.33 which they occur. If an employer fails to comply with the reporting requirements under
47.34 this paragraph, the executive director may assess a fine of \$25 for each failure if the
47.35 association staff has notified the employer of the noncompliance and attempted to obtain
47.36 the missing data or form from the employer for a period of more than three months.

48.1 (d) The employer shall furnish data, forms, and reports as may be required by
48.2 the executive director for proper administration of the retirement system. Before
48.3 implementing new or different computerized reporting requirements, the executive
48.4 director shall give appropriate advance notice to governmental subdivisions to allow time
48.5 for system modifications.

48.6 ~~(e)~~ (e) Notwithstanding paragraph (a), the association may provide for less frequent
48.7 reporting and payments for small employers.

48.8 (f) The executive director may establish reporting procedures and methods as
48.9 required to review compliance by employers with the salary and contribution reporting
48.10 requirements in this chapter. A review of the payroll records of a participating employer
48.11 may be conducted by the association on a periodic basis or as a result of concerns known
48.12 to exist within a governmental subdivision. An employer under review must extract
48.13 requested data and provide records to the association after receiving reasonable advanced
48.14 notice. Failure to provide requested information or materials will result in the employer
48.15 being liable to the association for any expenses associated with a field audit, including
48.16 staff salaries, administrative expenses and travel expenses.

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

48.18 Sec. 10. Minnesota Statutes 2009 Supplement, section 353.27, subdivision 7, is
48.19 amended to read:

48.20 Subd. 7. **Adjustment for erroneous receipts or disbursements.** (a) Except
48.21 as provided in paragraph (b), erroneous employee deductions and erroneous employer
48.22 contributions and additional employer contributions for a person, who otherwise does not
48.23 qualify for membership under this chapter, are considered:

48.24 (1) valid if the initial erroneous deduction began before January 1, 1990. Upon
48.25 determination of the error by the association, the person may continue membership in the
48.26 association while employed in the same position for which erroneous deductions were
48.27 taken, or file a written election to terminate membership and apply for a refund upon
48.28 termination of public service or defer an annuity under section 353.34; or

48.29 (2) invalid, if the initial erroneous employee deduction began on or after January 1,
48.30 1990. Upon determination of the error, the association shall refund all erroneous employee
48.31 deductions and all erroneous employer contributions as specified in paragraph (e). No
48.32 person may claim a right to continued or past membership in the association based on
48.33 erroneous deductions which began on or after January 1, 1990.

48.34 (b) Erroneous deductions taken from the salary of a person who did not qualify
48.35 for membership in the association by virtue of concurrent employment before July 1,

49.1 1978, which required contributions to another retirement fund or relief association
49.2 established for the benefit of officers and employees of a governmental subdivision, are
49.3 invalid. Upon discovery of the error, the association shall remove all invalid service and,
49.4 upon termination of public service, the association shall refund all erroneous employee
49.5 deductions to the person, with interest as determined under section 353.34, subdivision 2,
49.6 and all erroneous employer contributions without interest to the employer. This paragraph
49.7 has both retroactive and prospective application.

49.8 (c) Adjustments to correct employer contributions and employee deductions taken
49.9 in error from amounts which are not salary under section 353.01, subdivision 10, must
49.10 be made as specified in paragraph (e). The period of adjustment must be limited to the
49.11 fiscal year in which the error is discovered by the association and the immediate two
49.12 preceding fiscal years.

49.13 (d) If there is evidence of fraud or other misconduct on the part of the employee or
49.14 the employer, the board of trustees may authorize adjustments to the account of a member
49.15 or former member to correct erroneous employee deductions and employer contributions
49.16 on invalid salary and the recovery of any overpayments for a period longer than provided
49.17 for under paragraph (c).

49.18 (e) Upon discovery of the receipt of erroneous employee deductions and employer
49.19 contributions under paragraph (a), clause (2), or paragraph (c), the association must require
49.20 the employer to discontinue the erroneous employee deductions and erroneous employer
49.21 contributions reported on behalf of a member. Upon discontinuation, the association must:

49.22 (1) for a member, provide a refund ~~or credit to the employer~~ in the amount of the
49.23 invalid employee deductions with interest on the invalid employee deductions at the rate
49.24 specified under section 353.34, subdivision 2, from the received date of each invalid salary
49.25 transaction through the date the credit or refund is made; ~~and the employer must pay the~~
49.26 ~~refunded employee deductions plus interest to the member;~~

49.27 (2) for a former member who:

49.28 (i) is not receiving a retirement annuity or benefit, return the erroneous employee
49.29 deductions to the former member through a refund with interest at the rate specified under
49.30 section 353.34, subdivision 2, from the received date of each invalid salary transaction
49.31 through the date the credit or refund is made; or

49.32 (ii) is receiving a retirement annuity or disability benefit, or a person who is
49.33 receiving an optional annuity or survivor benefit, for whom it has been determined an
49.34 overpayment must be recovered, adjust the payment amount and recover the overpayments
49.35 as provided under this section; and

50.1 (3) return the invalid employer contributions reported on behalf of a member or
50.2 former member to the employer by providing a credit against future contributions payable
50.3 by the employer.

50.4 (f) In the event that a salary warrant or check from which a deduction for the
50.5 retirement fund was taken has been canceled or the amount of the warrant or check
50.6 returned to the funds of the department making the payment, a refund of the sum
50.7 deducted, or any portion of it that is required to adjust the deductions, must be made
50.8 to the department or institution.

50.9 (g) If the accrual date of any retirement annuity, survivor benefit, or disability benefit
50.10 is within the limitation period specified in paragraph (c), and an overpayment has resulted
50.11 by using invalid service or salary, or due to any erroneous calculation procedure, the
50.12 association must recalculate the annuity or benefit payable and recover any overpayment
50.13 as provided under subdivision 7b.

50.14 (h) Notwithstanding the provisions of this subdivision, the association may apply
50.15 the Revenue Procedures defined in the federal Internal Revenue Service Employee Plans
50.16 Compliance Resolution System and not issue a refund of erroneous employee deductions
50.17 and employer contributions or not recover a small overpayment of benefits if the cost to
50.18 correct the error would exceed the amount of the member refund or overpayment.

50.19 (i) Any fees or penalties assessed by the federal Internal Revenue Service for any
50.20 failure by an employer to follow the statutory requirements for reporting eligible members
50.21 and salary must be paid by the employer.

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

50.23 Sec. 11. Minnesota Statutes 2008, section 353.27, subdivision 10, is amended to read:

50.24 Subd. 10. **Employer exclusion reports.** (a) The head of a department shall annually
50.25 furnish the executive director with an exclusion report listing only those employees in
50.26 potentially PERA-eligible positions who were not reported as members of the association
50.27 and who worked during the school year for school employees and calendar year for
50.28 nonschool employees. The department head must certify the accuracy and completeness
50.29 of the exclusion report to the association. The executive director shall prescribe the
50.30 manner and forms, including standardized exclusion codes, to be used by a governmental
50.31 subdivision in preparing and filing exclusion reports. The executive director shall also
50.32 check the exclusion report to ascertain whether any omissions have been made by a
50.33 department head in the reporting of new public employees for membership. The executive
50.34 director may delegate an association employee under section 353.03, subdivision 3a,

51.1 paragraph (b), clause (5), to conduct a field audit to review the payroll records of a
51.2 governmental subdivision.

51.3 (b) If an employer fails to comply with the reporting requirements under this
51.4 subdivision, the executive director may assess a fine of \$25 for each failure if the
51.5 association staff has notified the employer of the noncompliance and attempted to obtain
51.6 the missing data or form from the employer for a period of more than three months.

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

51.8 Sec. 12. Minnesota Statutes 2009 Supplement, section 353.371, subdivision 4, is
51.9 amended to read:

51.10 Subd. 4. **Duration.** Postretirement option employment shall be for an initial period
51.11 not to exceed one year. At the end of the initial period, the governing body has sole
51.12 discretion to determine if the offer of a postretirement option position will be renewed,
51.13 renewed with modifications, or terminated. Postretirement option employment may be
51.14 renewed annually, but ~~may not be renewed after the individual attains retirement age as~~
51.15 ~~defined in United States Code, title 42, section 416(f)~~ no more than four renewals may
51.16 occur.

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

51.18 Sec. 13. Minnesota Statutes 2008, section 353D.01, subdivision 2, is amended to read:

51.19 Subd. 2. **Eligibility.** (a) Eligibility to participate in the defined contribution plan
51.20 is available to:

51.21 (1) elected local government officials of a governmental subdivision who elect to
51.22 participate in the plan under section 353D.02, subdivision 1, and who, for the elected
51.23 service rendered to a governmental subdivision, are not members of the Public Employees
51.24 Retirement Association within the meaning of section 353.01, subdivision 7;

51.25 (2) physicians who, if they did not elect to participate in the plan under section
51.26 353D.02, subdivision 2, would meet the definition of member under section 353.01,
51.27 subdivision 7;

51.28 (3) basic and advanced life-support emergency medical service personnel employed
51.29 by any public ambulance service that elects to participate under section 353D.02,
51.30 subdivision 3;

51.31 (4) members of a municipal rescue squad associated with Litchfield in Meeker
51.32 County, or of a county rescue squad associated with Kandiyohi County, if an independent
51.33 nonprofit rescue squad corporation, incorporated under chapter 317A, performing

52.1 emergency management services, and if not affiliated with a fire department or ambulance
52.2 service and if its members are not eligible for membership in that fire department's or
52.3 ambulance service's relief association or comparable pension plan;

52.4 (5) employees of the Port Authority of the city of St. Paul who elect to participate in
52.5 the plan under section 353D.02, subdivision 5, and who are not members of the Public
52.6 Employees Retirement Association under section 353.01, subdivision 7;

52.7 (6) city managers who elected to be excluded from the general employees retirement
52.8 plan of the Public Employees Retirement Association under section 353.028 and who
52.9 elected to participate in the public employees defined contribution plan under section
52.10 353.028, subdivision 3, paragraph (b); ~~and~~

52.11 (7) volunteer or emergency on-call firefighters serving in a municipal fire department
52.12 or an independent nonprofit firefighting corporation who are not covered by the public
52.13 employees police and fire retirement plan and who are not covered by a volunteer
52.14 firefighters relief association and who elect to participate in the public employees defined
52.15 contribution plan;

52.16 (8) elected county sheriffs who are former members of the police and fire plan and
52.17 who are receiving a retirement annuity as provided under section 353.651; and

52.18 (9) persons who are excluded from membership under section 353.01, subdivision
52.19 2b, paragraph (a), clause (25).

52.20 (b) For purposes of this chapter, an elected local government official includes
52.21 a person appointed to fill a vacancy in an elective office. Service as an elected local
52.22 government official only includes service for the governmental subdivision for which the
52.23 official was elected by the public at large. Service as an elected local government official
52.24 ceases and eligibility to participate terminates when the person ceases to be an elected
52.25 official. An elected local government official does not include an elected county sheriff
52.26 who must be a member of the police and fire plan as provided under chapter 353.

52.27 (c) Individuals otherwise eligible to participate in the plan under this subdivision
52.28 who are currently covered by a public or private pension plan because of their employment
52.29 or provision of services are not eligible to participate in the public employees defined
52.30 contribution plan.

52.31 (d) A former participant is a person who has terminated eligible employment or
52.32 service and has not withdrawn the value of the person's individual account.

52.33 **EFFECTIVE DATE.** This section is effective July 1, 2010.

52.34 Sec. 14. Minnesota Statutes 2008, section 353D.03, subdivision 1, is amended to read:

53.1 Subdivision 1. ~~Local government official contribution~~ **Contributions for eligible**
 53.2 **participants.** ~~An~~ (a) The following classes of eligible ~~elected local government official~~
 53.3 ~~participants who elects~~ elect to participate in the public employees defined contribution
 53.4 plan under section 353D.02 shall contribute an amount equal to five percent of salary as
 53.5 defined in section 353.01, subdivision 10:

53.6 (1) ~~A participating~~ elected local government official's officials;

53.7 (2) physicians; and

53.8 (3) persons who are excluded from membership under section 353.01, subdivision
 53.9 2b, clause (25).

53.10 (b) A participant's governmental subdivision shall contribute a matching amount.

53.11 **EFFECTIVE DATE.** This section is effective July 1, 2010.

53.12 Sec. 15. Minnesota Statutes 2008, section 353D.04, subdivision 1, is amended to read:

53.13 Subdivision 1. **Crediting of account contributions to participant accounts.** (a)

53.14 Contributions made by or on behalf of a ~~participating elected local government official or~~
 53.15 ~~physician~~ participant under section 353D.03, subdivisions 1, 5, and 6, paragraph (a), must
 53.16 be remitted to the Public Employees Retirement Association and credited to the individual
 53.17 account established for the participant

53.18 (b). ~~Ambulance service~~ Contributions as provided under section 353D.03,
 53.19 subdivision 3, and subdivision 6, paragraph (b), must be remitted on a regular basis to the
 53.20 association together with any member contributions paid or withheld. Those contributions
 53.21 must be credited to the individual account of each participating member.

53.22 **EFFECTIVE DATE.** This section is effective July 1, 2010.

53.23 Sec. 16. Minnesota Statutes 2008, section 353D.04, subdivision 2, is amended to read:

53.24 Subd. 2. **Authority to adopt policies correcting erroneous contributions.** The
 53.25 executive director may adopt policies and procedures regarding deductions taken totally
 53.26 or partially in error by the employer from the salary of an elected official.

53.27 **EFFECTIVE DATE.** This section is effective July 1, 2010.

53.28 Sec. 17. Minnesota Statutes 2009 Supplement, section 353F.02, subdivision 4, is
 53.29 amended to read:

53.30 Subd. 4. **Medical facility.** "Medical facility" means:

53.31 (1) Bridges Medical Services;

53.32 (2) the City of Cannon Falls Hospital;

- 54.1 (3) the Chris Jenson Health and Rehabilitation Center in St. Louis County;
54.2 (4) Clearwater County Memorial Hospital doing business as Clearwater Health
54.3 Services in Bagley;
54.4 ~~(4)~~ (5) the Dassel Lakeside Community Home;
54.5 (6) the Douglas County Hospital, with respect to the Mental Health Unit;
54.6 ~~(5)~~ (7) the Fair Oaks Lodge, Wadena;
54.7 ~~(6)~~ (8) the Glencoe Area Health Center;
54.8 ~~(7)~~ (9) Hutchinson Area Health Care;
54.9 ~~(8)~~ (10) the Lakefield Nursing Home;
54.10 ~~(9)~~ (11) the Lakeview Nursing Home in Gaylord;
54.11 ~~(10)~~ (12) the Luverne Public Hospital;
54.12 ~~(11)~~ (13) the Oakland Park Nursing Home;
54.13 ~~(12)~~ (14) the RenVilla Nursing Home;
54.14 ~~(13)~~ (15) the Rice Memorial Hospital in Willmar, with respect to the Department
54.15 of Radiology and the Department of Radiation/Oncology;
54.16 ~~(14)~~ (16) the St. Peter Community Health Care Center;
54.17 ~~(15)~~ (17) the Waconia-Ridgeview Medical Center;
54.18 ~~(16)~~ (18) the Weiner Memorial Medical Center, Inc.; and
54.19 (19) the Wheaton Community Hospital; and
54.20 ~~(17)~~ (20) the Worthington Regional Hospital.

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

54.22 Sec. 18. Minnesota Statutes 2008, section 353F.025, subdivision 1, is amended to read:

54.23 Subdivision 1. **Eligibility determination.** (a) The chief clerical officer of a
54.24 governmental subdivision may submit a resolution from the governing body to the
54.25 executive director of the Public Employees Retirement Association which supports
54.26 providing coverage under this chapter for employees of that governmental subdivision
54.27 who are privatized, and which states that the governing body will pay for actuarial
54.28 calculations, as further specified in paragraph (c).

54.29 (b) The governing body must also provide a copy of any applicable purchase or
54.30 lease agreement and any other information requested by the executive director to allow the
54.31 executive director to verify that under the proposed employer change, the new employer
54.32 does not qualify as a governmental subdivision under section 353.01, subdivision 6,
54.33 making the employees ineligible for continued coverage as active members of the general
54.34 employees retirement plan of the Public Employees Retirement Association.

55.1 (c) Following receipt of a resolution and a determination by the executive director
55.2 that the new employer is not a governmental subdivision, the executive director shall
55.3 direct the consulting actuary retained under section 356.214 to determine whether the
55.4 general employees retirement plan of the Public Employees Retirement Association, if
55.5 coverage under this chapter is provided, is expected to receive a net gain or a net loss if
55.6 privatization occurs, ~~by determining whether~~. A net gain is expected if the actuarial
55.7 liability of the special benefit coverage provided under this chapter, if extended to the
55.8 applicable employees under the privatization, is less than the actuarial gain otherwise to
55.9 accrue to the plan. A net loss is expected if the actuarial accrued liability of the special
55.10 benefit coverage provided under this chapter, if extended to the applicable employees
55.11 under the privatization, is more than the actuarial gain otherwise to accrue to the plan. The
55.12 date of the actuarial calculations used to make this determination must be within one year
55.13 of the effective date, as defined in section 353F.02, subdivision 3.

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

55.15 Sec. 19. Minnesota Statutes 2008, section 353F.025, subdivision 2, is amended to read:

55.16 Subd. 2. **Recommendation to legislature.** (a) If the actuarial calculations under
55.17 subdivision 1, paragraph (c), indicate that a net gain to the general employees retirement
55.18 plan of the Public Employees Retirement Association is expected due to the privatization,
55.19 or if paragraph (c) applies, the executive director shall forward a recommendation and
55.20 supporting documentation to the chair of the Legislative Commission on Pensions and
55.21 Retirement, the chair of the Governmental Operations, Reform, Technology and Elections
55.22 Committee of the house of representatives, the chair of the State and Local Government
55.23 Operations and Oversight Committee of the senate, and the executive director of the
55.24 Legislative Commission on Pensions and Retirement. The recommendation must be in
55.25 the form of an addition to the definition of "medical facility" under section 353F.02,
55.26 subdivision 4, or to "other public employing unit" under section 353F.02, subdivision 5,
55.27 whichever is applicable. The recommendation must be forwarded to the legislature before
55.28 January 15 for the recommendation to be considered in that year's legislative session. The
55.29 recommendation may be included as part of public pension administrative legislation
55.30 under section 356B.05.

55.31 (b) If a medical facility or other public employing unit listed under section 353F.02,
55.32 subdivision 4 or 5, fails to privatize within one year of the final enactment date of the
55.33 legislation adding the entity to the applicable definition, its inclusion under this chapter
55.34 is voided, and the executive director shall include in the proposed legislation under
55.35 paragraph (a) a recommendation that the applicable entity be stricken from the definition.

56.1 (c) If the calculations under subdivision 1, paragraph (c), indicate a net loss, the
56.2 executive director shall forward a recommendation that the privatization be included as an
56.3 addition under paragraph (a) if the chief clerical officer of the applicable governmental
56.4 subdivision submits a resolution from the governing body specifying that a lump sum
56.5 payment will be made to the executive director equal to the net loss, plus interest. The
56.6 interest must be computed using the preretirement interest rate assumption under section
56.7 356.215, expressed as a monthly rate, from the date of the actuarial valuation from which
56.8 the actuarial accrued liability data was used to determine the net loss in the actuarial study
56.9 under subdivision 1, to the date of payment, with annual compounding. Payment must be
56.10 made on or after the effective date under section 353F.02.

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

56.12 Sec. 20. Minnesota Statutes 2008, section 356.96, subdivision 2, is amended to read:

56.13 Subd. 2. **Right to review.** A determination made by the ~~administration~~ chief
56.14 administrative officer of a covered pension plan regarding a person's eligibility, benefits,
56.15 or other rights under the plan with which the person does not agree is subject to review
56.16 under this section.

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

56.18 Sec. 21. Minnesota Statutes 2008, section 356.96, subdivision 3, is amended to read:

56.19 Subd. 3. **Notice of determination.** If the applicable chief administrative officer
56.20 denies an application or a written request, modifies a benefit, or terminates a benefit
56.21 of a person claiming a right or potential rights under a covered pension plan, the chief
56.22 administrative officer shall notify that person through a written notice containing:

56.23 (1) a statement of the reasons for the determination;

56.24 (2) a notice that the person may petition the governing board of the covered pension
56.25 plan for a review of the determination and that a person's petition for review must be filed
56.26 in the administrative office of the covered pension plan within 60 days of the receipt
56.27 of the written notice of the determination;

56.28 (3) a statement indicating that a failure to petition for review within 60 days
56.29 precludes the person from contesting in any other administrative review or court procedure
56.30 the issues determined by the chief administrative officer; and

56.31 (4) a statement indicating that all relevant materials, documents, affidavits, and other
56.32 records that the person wishes to be reviewed in support of the petition must be filed with

57.1 and received in the administrative office of the covered pension plan at least ~~30~~ 15 days
57.2 before the date of the hearing under subdivision 10; and

57.3 (5) a ~~copy~~ summary of this section, including all filing requirements and deadlines.

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

57.5 Sec. 22. Minnesota Statutes 2009 Supplement, section 356.96, subdivision 5, is
57.6 amended to read:

57.7 Subd. 5. **Petition for review.** (a) A person who claims a right under subdivision 2
57.8 may petition for a review of that decision by the governing board of the covered pension
57.9 plan.

57.10 (b) A petition under this section must be sent to the chief administrative officer by
57.11 mail and must be postmarked no later than 60 days after the person received the notice
57.12 required by subdivision 3. The petition must include the person's statement of the reason
57.13 or reasons that the person believes the decision of the chief administrative officer should
57.14 be reversed or modified. The petition may include all documentation and written materials
57.15 that the petitioner deems to be relevant. In developing a record for review by the board
57.16 when a decision is appealed, the ~~executive director~~ chief administrative officer may direct
57.17 that the applicant participate in a fact-finding session conducted by an administrative law
57.18 judge assigned by the Office of Administrative Hearings and, as applicable, participate in
57.19 a vocational assessment conducted by a qualified rehabilitation counselor on contract with
57.20 the applicable retirement system.

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

57.22 Sec. 23. Minnesota Statutes 2008, section 356.96, subdivision 7, is amended to read:

57.23 Subd. 7. **Notice of hearing.** (a) After receiving a petition, ~~and not less than 30~~
57.24 ~~calendar days from the date of the next regular board meeting,~~ the chief administrative
57.25 officer must schedule a timely review of the petition before the governing board of the
57.26 covered pension plan. The review must be scheduled to take into consideration any
57.27 necessary accommodations to allow the petitioner to participate in the governing board's
57.28 review.

57.29 (b) Not less than ~~15~~ 30 calendar days before the scheduled hearing date, the chief
57.30 administrative officer must provide by mail to the petitioner an acknowledgment of the
57.31 receipt of the person's petition and a follow-up notice of the time and place of the meeting
57.32 at which the governing board is scheduled to consider the petition and must provide a copy

58.1 of all relevant documents, evidence, summaries, and recommendations assembled by or
58.2 on behalf of the plan administration to be considered by the governing board.

58.3 ~~(c) Except as provided in subdivision 8, paragraph (c),~~ All documents and materials
58.4 that the petitioner wishes to be part of the record for review must be filed with the chief
58.5 administrative officer and must be received in the offices of the covered pension plan
58.6 at least ~~30~~ 15 days before the date of the meeting at which the petition is scheduled to
58.7 be heard.

58.8 (d) A petitioner; may request a continuance of a scheduled hearing if the request
58.9 is received by the chief administrative officer within ten calendar days of the scheduled
58.10 date of the applicable board meeting; ~~may request a continuance on a scheduled petition.~~
58.11 The chief administrative officer must reschedule the review within ~~60 days of the date~~
58.12 ~~of the continuance request~~ a reasonable time. Only one continuance may be granted to
58.13 any petitioner.

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

58.15 Sec. 24. Minnesota Statutes 2008, section 356.96, subdivision 8, is amended to read:

58.16 Subd. 8. **Record for review.** (a) All evidence, including all records, documents, and
58.17 affidavits in the possession of the covered pension plan of which the covered pension plan
58.18 desires to avail itself and be considered by the governing board, and all evidence which the
58.19 petitioner wishes to present to the governing board, including any evidence which would
58.20 otherwise be classified by law as "private," must be made part of the hearing record.

58.21 (b) ~~Not later than~~ The chief administrative officer must provide a copy of the record
58.22 to each member of the governing board at least seven days before the scheduled hearing
58.23 ~~date, the chief administrative officer must provide a copy of the record to each member~~
58.24 ~~of the governing board.~~

58.25 (c) ~~At least five days before the hearing, the petitioner may submit to the chief~~
58.26 ~~administrative officer, for submission to the governing board,~~ Any additional document,
58.27 affidavit, or other relevant information that ~~was not initially submitted with the petition~~
58.28 the petitioner requests be part of the record may be admitted with the consent of the
58.29 governing board.

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

58.31 Sec. 25. Laws 2009, chapter 169, article 4, section 49, is amended to read:

59.1 Sec. 49. **CITY OF DULUTH AND DULUTH AIRPORT AUTHORITY AND**
59.2 **CITY OF VIRGINIA; CORRECTING ERRONEOUS EMPLOYEE DEDUCTIONS,**
59.3 **EMPLOYER CONTRIBUTIONS AND ADJUSTING OVERPAID BENEFITS.**

59.4 Subdivision 1. **Application.** Notwithstanding any provisions of Minnesota Statutes,
59.5 section 353.27, subdivisions 7 and 7b, or Minnesota Statutes 2008, chapters 353 and
59.6 356, to the contrary, this section establishes the procedures by which the executive
59.7 director of the Public Employees Retirement Association shall adjust erroneous employee
59.8 deductions and employer contributions paid on behalf of active employees and former
59.9 members by the city of Duluth ~~and~~, by the Duluth Airport Authority, and by the city
59.10 of Virginia on amounts determined by the executive director to be invalid salary under
59.11 Minnesota Statutes, section 353.01, subdivision 10, reported between January 1, 1997,
59.12 and October 23, 2008, and for adjusting benefits that were paid to former members and
59.13 their beneficiaries based upon invalid salary amounts.

59.14 Subd. 2. **Refunds of employee deductions.** (a) The executive director shall refund
59.15 to active employees or former members who are not receiving retirement annuities or
59.16 benefits all erroneous employee deductions identified by the city of Duluth ~~or~~, by the
59.17 Duluth Airport Authority, or by the city of Virginia as deductions taken from amounts
59.18 determined to be invalid salary. The refunds must include interest at the rate specified in
59.19 Minnesota Statutes, section 353.34, subdivision 2, from the date each invalid employee
59.20 deduction was received through the date each refund is paid.

59.21 (b) The refund payment for active employees must be sent to the ~~applicable~~
59.22 ~~governmental subdivision which must pay the refunded employee deductions plus interest~~
59.23 ~~to the active~~ home addresses of the members who are employees of the city of Duluth
59.24 ~~or~~, who are employees of the Duluth Airport Authority, or who are employees of the city
59.25 of Virginia, as applicable.

59.26 (c) Refunds to former members must be mailed by the executive director of the
59.27 Public Employees Retirement Association to the former member's last known address.

59.28 Subd. 3. **Benefit adjustments.** (a) For a former member who is receiving a
59.29 retirement annuity or disability benefit, or for a person receiving an optional annuity or
59.30 survivor benefit, the executive director must:

59.31 (1) adjust the annuity or benefit payment to the correct monthly benefit amount
59.32 payable by reducing the average salary under Minnesota Statutes, section 353.01,
59.33 subdivision 17a, by the invalid salary amounts;

59.34 (2) determine the amount of the overpaid benefits paid from the effective date of
59.35 the annuity or benefit payment to the first of the month in which the monthly benefit
59.36 amount is corrected;

60.1 (3) calculate the amount of employee deductions taken in error on invalid salary,
60.2 including interest at the rate specified in Minnesota Statutes, section 353.34, subdivision 2,
60.3 from the date each invalid employee deduction was received through the date the annuity
60.4 or benefit is adjusted as provided under clause (1); and

60.5 (4) determine the net amount of overpaid benefits by reducing the amount of the
60.6 overpaid annuity or benefit as determined in clause (2) by the amount of the erroneous
60.7 employee deductions with interest determined in clause (3).

60.8 (b) If a former member's erroneous employee deductions plus interest determined
60.9 under this section exceeds the amount of the person's overpaid benefits, the balance must
60.10 be refunded to the person to whom the annuity or benefit is being paid.

60.11 (c) The executive director shall recover the net amount of all overpaid annuities or
60.12 benefits as provided under subdivision 4.

60.13 Subd. 4. **Employer credits and obligations.** (a) The executive director shall
60.14 provide a credit without interest to the city of Duluth~~and~~₂ to the Duluth Airport Authority₂
60.15 and to the city of Virginia, as applicable, for the amount of that governmental subdivision's
60.16 erroneous employer contributions. The credit must first be used to offset the net amount of
60.17 the overpaid retirement annuities and the disability and survivor benefits that remains after
60.18 applying the amount of erroneous employee deductions with interest as provided under
60.19 subdivision 3, paragraph (a), clause (4). The remaining erroneous employer contributions,
60.20 if any, must be credited against future employer contributions required to be paid by
60.21 the applicable governmental subdivision. If the overpaid benefits exceed the employer
60.22 contribution credit, the balance of the overpaid benefits is the obligation of the city of
60.23 Duluth~~or~~₂ the Duluth Airport Authority, or the city of Virginia, whichever is applicable.

60.24 (b) The Public Employees Retirement Association board of trustees shall determine
60.25 the period of time and manner for the collection of overpaid retirement annuities and
60.26 benefits, if any, from the city of Duluth~~and~~₂ the Duluth Airport Authority, and the city of
60.27 Virginia.

60.28 **EFFECTIVE DATE.** (a) This section is effective for the city of Duluth the day after
60.29 the Duluth city council and the chief clerical officer of the city of Duluth timely complete
60.30 their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, for
60.31 members who are, and former members who were, employees of the city of Duluth.

60.32 (b) This section is effective for the Duluth Airport Authority the day after the Duluth
60.33 Airport Authority and the chief clerical officer of the Duluth Airport Authority timely
60.34 complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2
60.35 and 3, for members who are, and former members who were, employees of the Duluth
60.36 Airport Authority.

61.1 (c) This section is effective for the city of Virginia the day after the Virginia
 61.2 city council and the chief clerical officer of the city of Virginia timely complete their
 61.3 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, for members
 61.4 who are, and former members who were, employees of the city of Virginia. If this section
 61.5 becomes effective for the city of Virginia, it applies retroactively from June 23, 2009.

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

61.7 Sec. 26. Laws 2009, chapter 169, article 5, section 2, the effective date, is amended to
 61.8 read:

61.9 **EFFECTIVE DATE.** This section is effective the day following final enactment
 61.10 and expires on June 30, ~~2011~~ 2014. Individuals must not be appointed to a postretirement
 61.11 option position after that date.

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

61.13 Sec. 27. **REPEALER.**

61.14 (a) Minnesota Statutes 2008, section 353.01, subdivision 40, is repealed effective
 61.15 July 1, 2010.

61.16 (b) Minnesota Statutes 2008, sections 353.46, subdivision 1a; and 353D.03,
 61.17 subdivision 2, are repealed the day following final enactment.

61.18 (c) Minnesota Statutes 2008, section 353D.12, is repealed effective July 1, 2011.

61.19 **ARTICLE 5**

61.20 **VOLUNTARY STATEWIDE LUMP-SUM VOLUNTEER FIREFIGHTER** 61.21 **RETIREMENT PLAN**

61.22 Section 1. Minnesota Statutes 2008, section 69.051, subdivision 3, is amended to read:

61.23 Subd. 3. **Report by certain municipalities.** (a) Each municipality which has
 61.24 an organized fire department but which does not have a firefighters' relief association
 61.25 governed by section 69.77 or sections 69.771 to 69.775 and which is not exempted
 61.26 under paragraph (b) shall annually prepare a detailed financial report of the receipts and
 61.27 disbursements by the municipality for fire protection service during the preceding calendar
 61.28 year, on a form prescribed by the state auditor. The financial report ~~shall~~ must contain any
 61.29 information which the state auditor deems necessary to disclose the sources of receipts
 61.30 and the purpose of disbursements for fire protection service. The financial report ~~shall~~
 61.31 must be signed by the municipal clerk or clerk-treasurer of the municipality. The financial

62.1 report ~~shall~~ must be filed by the municipal clerk or clerk-treasurer with the state auditor on
62.2 or before July 1 annually. The state auditor shall forward one copy to the county auditor of
62.3 the county wherein the municipality is located. The municipality shall not qualify initially
62.4 to receive, or be entitled subsequently to retain, state aid ~~pursuant to~~ under this chapter if
62.5 the financial reporting requirement or the applicable requirements of this chapter or any
62.6 other statute or special law have not been complied with or are not fulfilled.

62.7 (b) Each municipality which has an organized fire department and which provides
62.8 retirement coverage to its firefighters through the voluntary statewide lump-sum volunteer
62.9 firefighter retirement plan under chapter 353G qualifies to have fire state aid transmitted
62.10 to and retained in the statewide lump-sum volunteer firefighter retirement fund without
62.11 filing a detailed financial report if the executive director of the Public Employees
62.12 Retirement Association certifies compliance by the municipality with the requirements of
62.13 sections 353G.04 and 353G.08, paragraph (e), and by the applicable fire chief with the
62.14 requirements of section 353G.07.

62.15 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

62.16 Sec. 2. Minnesota Statutes 2009 Supplement, section 353G.05, subdivision 2, as added
62.17 by Laws 2009, chapter 169, article 9, section 14, is amended to read:

62.18 Subd. 2. **Election of coverage.** (a) The process for electing coverage of volunteer
62.19 firefighters by the retirement plan is initiated by a request to the executive director for a
62.20 cost analysis of the prospective retirement coverage.

62.21 (b) If the volunteer firefighters are currently covered by a volunteer firefighters' relief
62.22 association governed by chapter 424A, the cost analysis of the prospective retirement
62.23 coverage must be requested jointly by the secretary of the volunteer firefighters' relief
62.24 association, following approval of the request by the board of the volunteer firefighters'
62.25 relief association, and the chief administrative officer of the entity associated with the
62.26 relief association, following approval of the request by the governing body of the entity
62.27 associated with the relief association. If the relief association is associated with more than
62.28 one entity, the chief administrative officer of each associated entity must execute the
62.29 request. If the volunteer firefighters are not currently covered by a volunteer firefighters'
62.30 relief association, the cost analysis of the prospective retirement coverage must be
62.31 requested by the chief administrative officer of the entity operating the fire department.
62.32 The request must be made in writing and must be made on a form prescribed by the
62.33 executive director.

62.34 (c) The cost analysis of the prospective retirement coverage by the statewide
62.35 retirement plan must be based on the service pension amount under section 353G.11

63.1 closest to the service pension amount provided by the volunteer firefighters' relief
63.2 association; ~~if there is one~~ the relief association is a lump-sum defined benefit plan, or
63.3 the amount equal to 95 percent of the most current average account balance per relief
63.4 association member if the relief association is a defined contribution plan, or to the
63.5 lowest service pension amount under section 353G.11 if there is no volunteer firefighters'
63.6 relief association, rounded up, and any other service pension amount designated by
63.7 the requester or requesters. The cost analysis must be prepared using a mathematical
63.8 procedure certified as accurate by an approved actuary retained by the Public Employees
63.9 Retirement Association.

63.10 (d) If a cost analysis is requested and a volunteer firefighters' relief association exists
63.11 that has filed the information required under section 69.051 in a timely fashion, upon
63.12 request by the executive director, the state auditor shall provide the most recent data
63.13 available on the financial condition of the volunteer firefighters' relief association, the most
63.14 recent firefighter demographic data available, and a copy of the current relief association
63.15 bylaws. If a cost analysis is requested, but no volunteer firefighters' relief association
63.16 exists, the chief administrative officer of the entity operating the fire department shall
63.17 provide the demographic information on the volunteer firefighters serving as members
63.18 of the fire department requested by the executive director.

63.19 (e) If a cost analysis is requested, the executive director of the State Board of
63.20 Investment shall review the investment portfolio of the relief association, if applicable,
63.21 for compliance with the applicable provisions of chapter 11A and for appropriateness
63.22 for retention under the established investment objectives and investment policies of the
63.23 State Board of Investment. If the prospective retirement coverage change is approved
63.24 under paragraph (f), the State Board of Investment may require that the relief association
63.25 liquidate any investment security or other asset which the executive director of the State
63.26 Board of Investment has determined to be an ineligible or inappropriate investment for
63.27 retention by the State Board of Investment. The security or asset liquidation must occur
63.28 before the effective date of the transfer of retirement plan coverage. If requested to do
63.29 so by the chief administrative officer of the relief association, the executive director of
63.30 the State Board of Investment shall provide advice about the best means to conduct the
63.31 liquidation.

63.32 (f) Upon receipt of the cost analysis, the governing body of the municipality or
63.33 independent nonprofit firefighting corporation associated with the fire department shall
63.34 approve or disapprove the retirement coverage change within 90 days. If the retirement
63.35 coverage change is not acted upon within 90 days, it is deemed to be disapproved. If the
63.36 retirement coverage change is approved by the applicable governing body, coverage by

64.1 the voluntary statewide lump-sum volunteer firefighter retirement plan is effective on the
64.2 next following January 1.

64.3 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

64.4 Sec. 3. Minnesota Statutes 2009 Supplement, section 353G.06, subdivision 1, is
64.5 amended to read:

64.6 Subdivision 1. **Special fund disestablishment.** (a) On the date immediately prior
64.7 to the effective date of the coverage change, the special fund of the applicable volunteer
64.8 firefighters' relief association, if one exists, ceases to exist as a pension fund of the
64.9 association and legal title to the assets of the special fund transfers to the State Board of
64.10 Investment, with the beneficial title to the assets of the special fund remaining in the
64.11 applicable volunteer firefighters.

64.12 ~~(b) If the market value of the special fund of the volunteer firefighters' relief~~
64.13 ~~association for which retirement coverage changed under this chapter declines in the~~
64.14 ~~interval between the date of the most recent financial report or statement, and the special~~
64.15 ~~fund disestablishment date, the applicable municipality shall transfer an additional amount~~
64.16 ~~to the State Board of Investment equal to that decline. If more than one municipality is~~
64.17 ~~responsible for the direct management of the fire department, the municipalities shall~~
64.18 ~~allocate the additional transfer amount among the various applicable municipalities~~
64.19 ~~one-half in proportion to the population of each municipality and one-half in proportion~~
64.20 ~~to the market value of each municipality.~~

64.21 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

64.22 Sec. 4. Minnesota Statutes 2009 Supplement, section 353G.08, is amended to read:

64.23 **353G.08 RETIREMENT PLAN FUNDING; DISBURSEMENTS.**

64.24 Subdivision 1. **Annual funding requirements.** (a) Annually, the executive director
64.25 shall determine the funding requirements of each account in the voluntary statewide
64.26 lump-sum volunteer firefighter retirement plan on or before August 1. The funding
64.27 requirements as directed under this section, must be determined using a mathematical
64.28 procedure developed and certified as accurate by an approved actuary retained by the
64.29 Public Employees Retirement Association and based on present value factors using a six
64.30 percent interest rate, without any decrement assumptions. The funding requirements
64.31 must be certified to the entity or entities associated with the fire department whose active
64.32 firefighters are covered by the retirement plan.

65.1 (b) The overall funding balance of each account for the current calendar year must
65.2 be determined in the following manner:

65.3 (1) The total accrued liability for all active and deferred members of the account as
65.4 of December 31 of the current year must be calculated based on the good time service
65.5 credit of active and deferred members as of that date.

65.6 (2) The total present assets of the account projected to December 31 of the current
65.7 year, including receipts by and disbursements from the account anticipated to occur on or
65.8 before December 31, must be calculated. To the extent possible, the market value of assets
65.9 must be utilized in making this calculation.

65.10 (3) The amount of the total present assets calculated under clause (2) must be
65.11 subtracted from the amount of the total accrued liability calculated under clause (1). If the
65.12 amount of total present assets exceeds the amount of the total accrued liability, then the
65.13 account is considered to have a surplus over full funding. If the amount of the total present
65.14 assets is less than the amount of the total accrued liability, then the account is considered
65.15 to have a deficit from full funding. If the amount of total present assets is equal to the
65.16 amount of the total accrued liability, then the special fund is considered to be fully funded.

65.17 (c) The financial requirements of each account for the following calendar year must
65.18 be determined in the following manner:

65.19 (1) The total accrued liability for all active and deferred members of the account
65.20 as of December 31 of the calendar year next following the current calendar year must be
65.21 calculated based on the good time service used in the calculation under paragraph (b),
65.22 clause (1), increased by one year.

65.23 (2) The increase in the total accrued liability of the account for the following calendar
65.24 year over the total accrued liability of the account for the current year must be calculated.

65.25 (3) The amount of anticipated future administrative expenses of the account must be
65.26 calculated by multiplying the dollar amount of the administrative expenses for the most
65.27 recent prior calendar year by the factor of 1.035.

65.28 (4) If the account is fully funded, the financial requirement of the account for the
65.29 following calendar year is the total of the amounts calculated under clauses (2) and (3).

65.30 (5) If the account has a deficit from full funding, the financial requirement of the
65.31 account for the following calendar year is the total of the amounts calculated under clauses
65.32 (2) and (3) plus an amount equal to one-tenth of the amount of the deficit from full
65.33 funding of the account.

65.34 (6) If the account has a surplus over full funding, the financial requirement of
65.35 the account for the following calendar year is the financial requirement of the account
65.36 calculated as though the account was fully funded under clause (4) and, if the account has

66.1 also had a surplus over full funding during the prior two years, additionally reduced by an
66.2 amount equal to one-tenth of the amount of the surplus over full funding of the account.

66.3 (d) The required contribution of the entity or entities associated with the fire
66.4 department whose active firefighters are covered by the retirement plan is the annual
66.5 financial requirements of the account of the retirement plan under paragraph (c) reduced
66.6 by the amount of any fire state aid payable under sections 69.011 to 69.051 reasonably
66.7 anticipated to be received by the retirement plan attributable to the entity or entities during
66.8 the following calendar year, and an amount of interest on the assets projected to be
66.9 received during the following calendar year calculated at the rate of six percent per annum.
66.10 The required contribution must be allocated between the entities if more than one entity
66.11 is involved. A reasonable amount of anticipated fire state aid is an amount that does not
66.12 exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

66.13 (e) The required contribution calculated in paragraph (d) must be paid to the
66.14 retirement plan on or before December 31 of the year for which it was calculated. If
66.15 the contribution is not received by the retirement plan by December 31, it is payable
66.16 with interest at an annual compound rate of six percent from the date due until the date
66.17 payment is received by the retirement plan. If the entity does not pay the full amount of
66.18 the required contribution, the executive director shall collect the unpaid amount under
66.19 section 353.28, subdivision 6.

66.20 (f)

66.21 Subd. 2. Cash flow funding requirement. If the executive director determines that
66.22 an account in the voluntary statewide lump-sum volunteer firefighter retirement plan has
66.23 insufficient assets to meet the service pensions determined payable from the account,
66.24 the executive director shall certify the amount of the potential service pension shortfall
66.25 to the municipality or municipalities and the municipality or municipalities shall make
66.26 an additional employer contribution to the account within ten days of the certification.
66.27 If more than one municipality is associated with the account, unless the municipalities
66.28 agree to a different allocation, the municipalities shall allocate the additional employer
66.29 contribution one-half in proportion to the population of each municipality and one-half in
66.30 proportion to the market value of the property of each municipality.

66.31 Subd. 3. Authorized Account Disbursements. The assets of the retirement fund
66.32 may only be disbursed for:

66.33 (1) the administrative expenses of the retirement plan;

66.34 (2) the investment expenses of the retirement fund;

66.35 (3) the service pensions payable under section 353G.10, 353G.11, 353G.14, or
66.36 353G.15; ~~and~~

- 67.1 (4) the survivor benefits payable under section 353G.12; and
67.2 (5) the disability benefit coverage insurance premiums under section 353G.115.

67.3 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

67.4 Sec. 5. Minnesota Statutes 2009 Supplement, section 353G.09, subdivision 3, as added
67.5 by Laws 2009, chapter 169, article 9, section 18, is amended to read:

67.6 Subd. 3. **Alternative pension eligibility and computation.** (a) An active member
67.7 of the retirement plan is entitled to an alternative lump-sum service pension from the
67.8 retirement plan if the person:

67.9 (1) has separated from active service with the fire department for at least 30 days;

67.10 (2) has attained the age of at least 50 years or the age for receipt of a service pension
67.11 under the benefit plan of the applicable former volunteer firefighters' relief association
67.12 as of the date immediately prior to the election of the retirement coverage change,
67.13 whichever is later;

67.14 (3) has completed at least five years of active service with the fire department and at
67.15 least five years in total as a member of the applicable former volunteer firefighters' relief
67.16 association or of the retirement plan, but has not rendered at least five years of good time
67.17 service credit as a member of the retirement plan; and

67.18 (4) applies in a manner prescribed by the executive director for the service pension.

67.19 (b) If retirement coverage prior to statewide retirement plan coverage was provided
67.20 by a defined benefit plan volunteer firefighters relief association, the alternative lump-sum
67.21 service pension is the service pension amount specified in the bylaws of the applicable
67.22 former volunteer firefighters' relief association either as of the date immediately prior to
67.23 the election of the retirement coverage change or as of the date immediately before the
67.24 termination of firefighting services, whichever is earlier, multiplied by the total number
67.25 of years of service as a member of that volunteer firefighters' relief association and as
67.26 a member of the retirement plan. If retirement coverage prior to statewide retirement
67.27 plan coverage was provided by a defined contribution plan volunteer firefighters relief
67.28 association, the alternative lump-sum service pension is an amount equal to the person's
67.29 account balance as of the date immediately prior to the date on which statewide retirement
67.30 plan coverage was first provided to the person plus six percent annual compound interest
67.31 from that date until the date immediately prior to the date of retirement.

67.32 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

68.1 Sec. 6. Minnesota Statutes 2009 Supplement, section 353G.11, subdivision 1, is
68.2 amended to read:

68.3 Subdivision 1. **Levels.** The retirement plan provides the following levels of service
68.4 pension amounts to be selected at the election of coverage, or, if fully funded, thereafter:

68.5	Level A	\$500 per year of good time service credit
68.6	Level B	\$750 \$600 per year of good time service credit
68.7	<u>Level C</u>	<u>\$700 per year of good time service credit</u>
68.8	<u>Level D</u>	<u>\$800 per year of good time service credit</u>
68.9	<u>Level E</u>	<u>\$900 per year of good time service credit</u>
68.10	<u>Level F</u>	\$1,000 per year of good time service credit
68.11	<u>Level G</u>	<u>\$1,250 per year of good time service credit</u>
68.12	<u>Level H</u>	\$1,500 per year of good time service credit
68.13	<u>Level I</u>	\$2,000 per year of good time service credit
68.14	<u>Level J</u>	\$2,500 per year of good time service credit
68.15	<u>Level K</u>	\$3,000 per year of good time service credit
68.16	<u>Level L</u>	\$3,500 per year of good time service credit
68.17	<u>Level M</u>	\$4,000 per year of good time service credit
68.18	<u>Level N</u>	\$4,500 per year of good time service credit
68.19	<u>Level O</u>	\$5,000 per year of good time service credit
68.20	<u>Level P</u>	\$5,500 per year of good time service credit
68.21	<u>Level Q</u>	\$6,000 per year of good time service credit
68.22	<u>Level R</u>	\$6,500 per year of good time service credit
68.23	<u>Level S</u>	\$7,000 per year of good time service credit
68.24	<u>Level T</u>	\$7,500 per year of good time service credit

68.25 **EFFECTIVE DATE.** This section is effective July 1, 2010.

68.26 Sec. 7. Minnesota Statutes 2009 Supplement, section 353G.11, is amended by adding a
68.27 subdivision to read:

68.28 Subd. 1a. **Continuation of prior service pension levels.** If a municipality or
68.29 independent nonprofit firefighting corporation elects to be covered by the retirement
68.30 plan prior to January 1, 2010, and selects the \$750 per year of good time service credit
68.31 service pension amount effective for January 1, 2010, that level continues for the volunteer
68.32 firefighters of that municipality or independent nonprofit firefighting corporation until a
68.33 different service pension amount is selected under subdivision 2 after January 1, 2010.

68.34 **EFFECTIVE DATE.** This section is effective July 1, 2010.

68.35 Sec. 8. **[353G.115] DISABILITY BENEFIT COVERAGE; AUTHORITY FOR**
68.36 **CASUALTY INSURANCE.**

69.1 (a) Except as provided in paragraph (b), no disability benefit is payable from the
69.2 statewide retirement plan.

69.3 (b) If the board approves the arrangement, disability coverage for statewide
69.4 retirement plan members may be provided through a group disability insurance policy
69.5 obtained from an insurance company licensed to do business in this state. The voluntary
69.6 statewide lump-sum volunteer retirement plan is authorized to pay the premium for the
69.7 disability insurance authorized by this paragraph. The proportional amount of the total
69.8 annual disability insurance premium must be added to the required contribution amount
69.9 determined under section 353G.08.

69.10 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

69.11 Sec. 9. Minnesota Statutes 2008, section 424A.08, as amended by Laws 2009, chapter
69.12 169, article 10, section 45, is amended to read:

69.13 **424A.08 MUNICIPALITY WITHOUT RELIEF ASSOCIATION;**
69.14 **AUTHORIZED DISBURSEMENTS.**

69.15 (a) Any qualified municipality which is entitled to receive fire state aid but which
69.16 has no volunteer firefighters' relief association directly associated with its fire department
69.17 and which has no full-time firefighters with retirement coverage by the public employees
69.18 police and fire retirement plan shall deposit the fire state aid in a special account
69.19 established for that purpose in the municipal treasury. Disbursement from the special
69.20 account may not be made for any purpose except:

69.21 (1) payment of the fees, dues and assessments to the Minnesota State Fire
69.22 Department Association and to the state Volunteer Firefighters' Benefit Association in
69.23 order to entitle its firefighters to membership in and the benefits of these state associations;

69.24 (2) payment of the cost of purchasing and maintaining needed equipment for the
69.25 fire department; and

69.26 (3) payment of the cost of construction, acquisition, repair, or maintenance of
69.27 buildings or other premises to house the equipment of the fire department.

69.28 (b) A qualified municipality which is entitled to receive fire state aid, which has no
69.29 volunteer firefighters' relief association directly associated with its fire department, which
69.30 does not participate in the voluntary lump-sum volunteer firefighter retirement plan under
69.31 chapter 353G, and which has full-time firefighters with retirement coverage by the public
69.32 employees police and fire retirement plan may disburse the fire state aid as provided in
69.33 paragraph (a), for the payment of the employer contribution requirement with respect to

70.1 firefighters covered by the public employees police and fire retirement plan under section
70.2 353.65, subdivision 3, or for a combination of the two types of disbursements.

70.3 (c) A municipality which has no volunteer firefighters' relief association directly
70.4 associated with it and which participates in the voluntary lump-sum volunteer firefighter
70.5 retirement plan under chapter 353G shall transmit any fire state aid that it receives to the
70.6 voluntary lump-sum volunteer firefighter retirement fund.

70.7 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2010.

70.8 **ARTICLE 6**

70.9 **TEACHERS RETIREMENT ASSOCIATION SERVICE CREDIT**

70.10 **PROCEDURE REVISIONS**

70.11 Section 1. Minnesota Statutes 2008, section 354.05, is amended by adding a
70.12 subdivision to read:

70.13 Subd. 41. **Annual base salary.** (a) "Annual base salary" means:

70.14 (1) for an independent school district or educational cooperative, the lowest full-time
70.15 Bachelor of Arts (BA) base contract salary for the previous fiscal year for that employing
70.16 unit;

70.17 (2) for a charter school, the lowest starting annual salary for a full-time licensed
70.18 teacher employed during the previous fiscal year for that employing unit; and

70.19 (3) for a state agency or professional organization, the lowest starting annual salary
70.20 for a full-time Teachers Retirement Association covered position for the previous fiscal
70.21 year for that employing unit.

70.22 (b) If there is no previous fiscal year data because an employer unit is new and
70.23 paragraph (c) does not apply, the annual base salary for the first year of operation will be
70.24 as stated in paragraph (a), except that the base contract salary for the current fiscal year,
70.25 rather than the previous fiscal year, must be used.

70.26 (c) For a new employer unit created as a result of a merger or consolidation, the
70.27 annual base salary will be the lowest annual base salary as specified in paragraph (a) for
70.28 any of the employer units involved in the merger or consolidation.

70.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

70.30 Sec. 2. Minnesota Statutes 2008, section 354.091, is amended to read:

70.31 **354.091 SERVICE CREDIT.**

71.1 Subdivision 1. Definition; monthly base salary. For purposes of this section,
71.2 "monthly base salary" means the annual base salary, as defined in section 354.05,
71.3 subdivision 41, divided by 12.

71.4 Subd. 2. Service credit annual limit. ~~(a) In computing service credit,~~ No teacher
71.5 may receive credit for more than one year of teaching service for any fiscal year.

71.6 ~~Additionally, in crediting allowable service:~~

71.7 ~~(1) if a teacher teaches less than five hours in a day, service credit must be given for~~
71.8 ~~the fractional part of the day as the term of service performed bears to five hours;~~

71.9 ~~(2) if a teacher teaches five or more hours in a day, service credit must be given for~~
71.10 ~~only one day;~~

71.11 ~~(3) if a teacher teaches at least 170 full days in any fiscal year, service credit must be~~
71.12 ~~given for a full year of teaching service; and~~

71.13 ~~(4) if a teacher teaches for only a fractional part of the year, service credit must be~~
71.14 ~~given for such fractional part of the year in the same relationship as the period of service~~
71.15 ~~performed bears to 170 days.~~

71.16 ~~(b) A teacher must receive a full year of service credit based on the number of days~~
71.17 ~~in the employer's full school year if that school year is less than 170 days. Teaching~~
71.18 ~~service performed before July 1, 1961, must be computed under the law in effect at the~~
71.19 ~~time it was performed.~~

71.20 ~~(c) A teacher must not lose or gain retirement service credit as a result of the~~
71.21 ~~employer converting to a flexible or alternate work schedule. If the employer converts~~
71.22 ~~to a flexible or alternate work schedule, the forms for reporting teaching service and the~~
71.23 ~~procedures for determining service credit must be determined by the executive director~~
71.24 ~~with the approval of the board of trustees.~~

71.25 Subd. 3. Service credit calculation. (a) Except as specified in subdivisions 4 and
71.26 5, service credit will be calculated monthly by dividing the teacher's monthly salary by
71.27 the monthly base salary for the teacher's employing unit and multiplying the result by
71.28 11.1 percent.

71.29 (b) For purposes of computing service credit, salary will be allocated to each
71.30 calendar month based on the pay period begin and end dates. If the pay period covers
71.31 more than one calendar month, the salary must be allocated based on the number of days
71.32 in each calendar month.

71.33 (c) A teacher may not receive more than 11.1 percent of a year's service credit in
71.34 a calendar month.

72.1 (d) Annual service credit is calculated by adding the allowable monthly service
 72.2 credit for all 12 months of the fiscal year with the result rounded to two decimal places,
 72.3 subject to the annual limit specified in subdivision 2.

72.4 **Subd. 4. Service credit determination for Minnesota State Colleges and**
 72.5 **Universities system teachers.** ~~(d)~~ For all services rendered on or after July 1, 2003,
 72.6 service credit for all members employed by the Minnesota State Colleges and Universities
 72.7 system must be determined:

72.8 (1) for full-time employees, by the definition of full-time employment contained in
 72.9 the collective bargaining agreement for those units listed in section 179A.10, subdivision
 72.10 2, or contained in the applicable personnel or salary plan for those positions designated in
 72.11 section 179A.10, subdivision 1; and

72.12 (2) for part-time employees, by the appropriate proration of full-time equivalency
 72.13 based on the provisions contained in the collective bargaining agreement for those units
 72.14 listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary
 72.15 plan for those positions designated in section 179A.10, subdivision 1, and the applicable
 72.16 procedures of the Minnesota State Colleges and Universities system; ~~and~~

72.17 ~~(3) in no case may a member receive more than one year of service credit for any~~
 72.18 ~~fiscal year.~~

72.19 **Subd. 5. Service credit procedure, nontraditional schedules.** For employer units
 72.20 that have nontraditional work schedules or pay schedules, the procedure for determining
 72.21 service credit must be specified by the executive director with the approval of the board of
 72.22 trustees.

72.23 **EFFECTIVE DATE.** This section is effective for teaching service performed after
 72.24 June 30, 2010.

72.25 Sec. 3. Minnesota Statutes 2009 Supplement, section 354.52, subdivision 4b, is
 72.26 amended to read:

72.27 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide
 72.28 the following data to the association for payroll warrants on an ongoing basis within 14
 72.29 calendar days after the date of the payroll warrant in a format prescribed by the executive
 72.30 director:

- 72.31 (1) association member number;
 72.32 (2) employer-assigned employee number;
 72.33 (3) Social Security number;
 72.34 (4) amount of each salary deduction;

- 73.1 (5) amount of salary as defined in section 354.05, subdivision 35, from which each
 73.2 deduction was made;
- 73.3 (6) reason for payment;
- 73.4 ~~(7) service credit;~~
- 73.5 ~~(8)~~ (7) the beginning and ending dates of the payroll period covered and the date
 73.6 of actual payment;
- 73.7 ~~(9)~~ (8) fiscal year of salary earnings;
- 73.8 ~~(10)~~ (9) total remittance amount including employee, employer, and additional
 73.9 employer contributions;
- 73.10 ~~(11)~~ (10) reemployed annuitant salary under section 354.44, subdivision 5; and
 73.11 ~~(12)~~ (11) other information as may be required by the executive director.

73.12 **EFFECTIVE DATE.** This section is effective July 1, 2010.

73.13 Sec. 4. Minnesota Statutes 2008, section 354.52, is amended by adding a subdivision
 73.14 to read:

73.15 **Subd. 4d. Annual base salary reporting.** An employing unit must provide the
 73.16 following data to the association on or before June 30 of each fiscal year:

- 73.17 (1) annual base salary, as defined in section 354.05, subdivision 41; and
 73.18 (2) beginning and ending dates for the regular school work year.

73.19 **EFFECTIVE DATE.** This section is effective July 1, 2009.

73.20 Sec. 5. Minnesota Statutes 2008, section 354.52, subdivision 6, is amended to read:

73.21 **Subd. 6. Noncompliance consequences.** (a) An employing unit that does not
 73.22 comply with the reporting requirements under subdivision 2a, 4a, ~~or 4b,~~ or 4d, must pay a
 73.23 fine of \$5 per calendar day until the association receives the required data.

73.24 (b) If the annual base salary required to be reported under subdivision 4d has not
 73.25 been settled or determined as of June 16, the fine must commence if the annual base salary
 73.26 has not been reported to the association within 14 days following the settlement date.

73.27 **EFFECTIVE DATE.** This section is effective July 1, 2009.

73.28 Sec. 6. Minnesota Statutes 2008, section 354.66, subdivision 3, is amended to read:

73.29 **Subd. 3. Part-time teaching position, defined.** (a) For purposes of this section,
 73.30 the term "part-time teaching position" means a teaching position within the district in
 73.31 which the teacher is ~~employed for at least 50 full days or a fractional equivalent thereof as~~
 73.32 ~~prescribed in section 354.091, and for which the teacher is compensated in~~ for an amount

74.1 of at least 30 percent, but not exceeding 80 percent of the compensation established by the
 74.2 board for a full-time teacher with identical education and experience with the employing
 74.3 unit.

74.4 (b) For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time
 74.5 teaching position" means a teaching position within the district in which the teacher is
 74.6 ~~employed for at least 25 full days or a fractional equivalent thereof as prescribed in section~~
 74.7 ~~354.091, and for which the teacher is compensated in~~ for an amount of at least 15 percent,
 74.8 but not exceeding 40 percent of the compensation established by the board for a full-time
 74.9 teacher, with identical education and experience with the employing unit.

74.10 **EFFECTIVE DATE.** This section is effective for service provided after June 30,
 74.11 2010.

74.12 **ARTICLE 7**

74.13 **MnSCU IRAP ADMINISTRATIVE PROVISIONS**

74.14 Section 1. Minnesota Statutes 2008, section 354B.25, subdivision 1, is amended to read:

74.15 Subdivision 1. **General governance.** The individual retirement account plan is the
 74.16 administrative responsibility of the Board of Trustees of the Minnesota State Colleges
 74.17 and Universities. The Board of Trustees of the Minnesota State Colleges and Universities
 74.18 may administer the plan directly or may contract out for administrative services with a
 74.19 qualified third-party plan administrative entity and may contract out for investment review
 74.20 and selection service.

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

74.22 Sec. 2. Minnesota Statutes 2008, section 354B.25, subdivision 3, is amended to read:

74.23 Subd. 3. **Selection of financial institutions.** (a) The investment options provided
 74.24 under subdivision 2 must be selected by the board. The board may contract with the State
 74.25 Board of Investment or with a third party to provide the investment review and selection
 74.26 services. The board must not contract with a third party to provide the investment option
 74.27 review and selection services if the third party markets, offers, or has other material
 74.28 interest in investment products. The board must require any third party contracted to
 74.29 provide investment review and selection services to disclose to the board any contracts
 74.30 for services and any financial relationships it has with vendors under consideration to
 74.31 provide investment products under the plan.

74.32 In making its selection, at a minimum, the ~~State board of Investment~~ shall consider
 74.33 the following:

75.1 (1) the experience and ability of the financial institution to provide benefits and
75.2 products that are suited to meet the needs of plan participants;

75.3 (2) the relationship of those benefits and products provided by the financial
75.4 institution to their cost;

75.5 (3) the financial strength and stability of the financial institution; and

75.6 (4) the fees and expenses associated with the investment products in comparison to
75.7 other products of similar risk and rates of return.

75.8 (b) After selecting a financial institution, the ~~State board of Investment~~ must
75.9 periodically review each financial institution and the offered products. The periodic
75.10 review must occur at least every three years. In making its review, the ~~State board of~~
75.11 ~~Investment~~ may retain appropriate consulting services to assist it in its periodic review,
75.12 establish a budget for the cost of the periodic review process, and charge a proportional
75.13 share of these costs to the reviewed financial institution.

75.14 (c) Contracts with financial institutions under this section must be executed by the
75.15 board ~~and must be approved by the State Board of Investment before execution.~~

75.16 ~~(d) The State Board of Investment shall also establish policies and procedures under~~
75.17 ~~section 11A.04, clause (2), to carry out the provisions of this subdivision.~~

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

75.19 Sec. 3. Minnesota Statutes 2008, section 354C.14, is amended to read:

75.20 **354C.14 INVESTMENT OF DEDUCTIONS AND CONTRIBUTIONS.**

75.21 (a) The Board of Trustees of the Minnesota State Colleges and Universities shall
75.22 invest the deductions and contributions under section 354C.12, after deduction of
75.23 administrative expenses under section 354C.12, subdivision 4, in annuity contracts or
75.24 custodial accounts from financial institutions selected ~~by the State Board of Investment~~
75.25 under section 354B.25, subdivision 3.

75.26 (b) The retirement contributions and death benefits provided by annuity contracts or
75.27 custodial accounts purchased by the Board of Trustees of the Minnesota State Colleges
75.28 and Universities are owned by the supplemental retirement plan and must be paid in
75.29 accordance with those annuity contracts or custodial account agreements.

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

75.31 Sec. 4. **REPEALER.**

75.32 Minnesota Statutes 2008, section 354C.15, is repealed.

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

76.2 **ARTICLE 8**

76.3 **ACTUARIAL VALUATION REPORTING DEADLINE DATES**

76.4 Section 1. Minnesota Statutes 2008, section 356.215, subdivision 3, is amended to read:

76.5 Subd. 3. **Reports.** (a) The actuarial valuations required annually must be made as of
76.6 the beginning of each fiscal year.

76.7 (b) Two copies of the completed valuation must be delivered to the executive
76.8 director of the Legislative Commission on Pensions and Retirement, to the commissioner
76.9 of management and budget, and to the Legislative Reference Library. The copies of the
76.10 actuarial valuation must be filed with the executive director of the Legislative Commission
76.11 on Pensions and Retirement, the commissioner of management and budget, and the
76.12 Legislative Reference Library no later than the last day of the sixth month occurring
76.13 after the end of the previous fiscal year.

76.14 (c) Two copies of a quadrennial experience study must be filed with the
76.15 executive director of the Legislative Commission on Pensions and Retirement, with the
76.16 commissioner of management and budget, and with the Legislative Reference Library, not
76.17 later than the ~~first~~ last day of the ~~11th~~ 12th month occurring after the end of the last fiscal
76.18 year of the four-year period which the experience study covers.

76.19 (d) For actuarial valuations and experience studies prepared at the direction of
76.20 the Legislative Commission on Pensions and Retirement, ~~two copies~~ one copy of the
76.21 document must be delivered to the governing or managing board or administrative officials
76.22 of the applicable public pension and retirement fund or plan.

76.23 **EFFECTIVE DATE.** This section is effective July 1, 2010.

76.24 **ARTICLE 9**

76.25 **EARLY RETIREMENT INCENTIVE MODIFICATIONS**

76.26 Section 1. Minnesota Statutes 2008, section 356.351, subdivision 1, is amended to read:

76.27 Subdivision 1. **Eligibility.** (a) An eligible appointing authority may offer the early
76.28 retirement incentive in this section to an employee who:

76.29 (1) has at least 15 years of ~~allowable service in one or more of the funds listed~~
76.30 ~~in section 356.30, subdivision 3, or has at least 15 years of coverage by the individual~~
76.31 ~~retirement account plan governed by chapter 354B~~ employment as indicated in the
76.32 personnel records of the applicable employing unit and upon retirement is immediately

77.1 eligible for a retirement annuity or benefit from one or more ~~of these funds~~ retirement plan
 77.2 governed by Minnesota Statutes, chapter 354B, or Minnesota Statutes, section 356.30;

77.3 (2) terminates service after the effective date of this section, and before ~~July 15,~~
 77.4 ~~2009~~ October 1, 2012; and

77.5 (3) is not in receipt of a public retirement plan retirement annuity, retirement
 77.6 allowance, or service pension during the month preceding the termination of qualified
 77.7 employment; and

77.8 (4) has not been eligible to receive a retirement annuity for a period longer than
 77.9 10 years.

77.10 (b) An eligible appointing authority is any Minnesota governmental employing unit
 77.11 which employs one or more employees with retirement coverage by a retirement plan
 77.12 listed in section 356.30 by virtue of that employment.

77.13 (c) An elected official is not eligible to receive an incentive under this section.

77.14 (d) Employees of the Minnesota State Colleges and Universities System who
 77.15 participate in the incentive program under section 136F.481 are not eligible for the
 77.16 incentive under this section.

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

77.18 Sec. 2. Minnesota Statutes 2008, section 356.351, subdivision 2, as amended by Laws
 77.19 2009, chapter 169, article 1, section 72, is amended to read:

77.20 Subd. 2. **Incentive.** (a) For an employee who is eligible under subdivision 1, ~~if for~~
 77.21 whom an early retirement incentive is approved under paragraph (b), and who terminates
 77.22 employment as provided for in the agreement, the employer may provide ~~an amount up to~~
 77.23 ~~\$17,000, to an employee who terminates service;~~

77.24 (1) a severance amount in lieu of and not to exceed the maximum amount of regular
 77.25 state-provided unemployment compensation for that particular person if the person had
 77.26 been laid off; and

77.27 (2) an additional severance amount not to exceed the amount of the employer's
 77.28 contribution for health insurance, dental insurance, and basic life insurance that would
 77.29 have been payable to the particular person under the applicable collective bargaining
 77.30 agreement or personnel policy at the time of termination,

77.31 to be used:

77.32 ~~(1)~~ (i) unless the appointing authority has designated the use under clause ~~(2)~~
 77.33 (ii) or the use under clause ~~(3)~~ (iii) for the initial retirement incentive applicable to that
 77.34 employing entity under Laws 2007, chapter 134, after May 26, 2007, for deposit in the
 77.35 employee's account in the health care savings plan established by section 352.98;

78.1 ~~(2)~~ (ii) notwithstanding section 352.01, subdivision 11, or 354.05, subdivision 13,
 78.2 whichever applies, if the appointing authority has designated the use under this clause
 78.3 for the initial retirement incentive applicable to that employing entity under Laws 2007,
 78.4 chapter 134, after May 26, 2007, for purchase of service credit for unperformed service
 78.5 sufficient to enable the employee to retire under section 352.116, subdivision 1, paragraph
 78.6 (b); 353.30; 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph
 78.7 (b), whichever applies; or

78.8 ~~(3)~~ (iii) if the appointing authority has designated the use under this clause for the
 78.9 initial retirement incentive applicable to the employing entity under Laws 2007, chapter
 78.10 134, after May 26, 2007, for purchase of a lifetime annuity or an annuity for a specific
 78.11 number of years from the applicable retirement plan to provide additional benefits, as
 78.12 provided in paragraph (d).

78.13 (b) Approval to provide the incentive must be obtained from the commissioner
 78.14 of finance if the eligible employee is a state employee and must be obtained from the
 78.15 applicable governing board with respect to any other employing entity. An employee is
 78.16 eligible for the payment under paragraph (a), clause ~~(2)~~ (ii), if the employee uses money
 78.17 from a deferred compensation account that, combined with the payment under paragraph
 78.18 (a), clause ~~(2)~~ (ii), would be sufficient to purchase enough service credit to qualify for
 78.19 retirement under section 352.116, subdivision 1, paragraph (b); 353.30, subdivision 1a;
 78.20 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph (b), whichever
 78.21 applies.

78.22 (c) The cost to purchase service credit under paragraph (a), clause ~~(2)~~ (ii), must be
 78.23 made in accordance with section 356.551.

78.24 ~~The~~ An annuity purchase under paragraph (a), clause ~~(3)~~ (iii), must be made using
 78.25 annuity factors, as determined by the actuary retained under section 356.214, derived from
 78.26 the applicable factors used by the applicable retirement plan to calculate optional annuity
 78.27 forms. The purchased annuity must be the actuarial equivalent of the incentive amount.

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

78.29 ARTICLE 10

78.30 OPTIONAL ANNUITY REVOCATION FOLLOWING CERTAIN 78.31 MARRIAGE DISSOLUTIONS

78.32 Section 1. **[356.48] REVOCATION OF OPTIONAL ANNUITY DUE TO**
 78.33 **MARRIAGE DISSOLUTION OR ANNULMENT.**

79.1 Subdivision 1. **Covered plans.** This section applies to the following retirement
79.2 plans:

79.3 (1) the general state employees retirement plan of the Minnesota State Retirement
79.4 System established under chapter 352;

79.5 (2) the correctional state employees retirement plan of the Minnesota State
79.6 Retirement System established under chapter 352;

79.7 (3) the state patrol retirement plan established under chapter 352B;

79.8 (4) the unclassified state employees retirement program of the Minnesota State
79.9 Retirement System established under chapter 352D;

79.10 (5) the general employee retirement plan of the Public Employees Retirement
79.11 Association established under chapter 353;

79.12 (6) the public employees police and fire retirement plan established under chapter
79.13 353;

79.14 (7) the local government correctional employees retirement plan of the Public
79.15 Employees Retirement Association established under chapter 353E;

79.16 (8) the Teachers Retirement Association established under chapter 354; and

79.17 (9) the uniform judicial retirement plan established under chapter 490.

79.18 Subd. 2. **Treatment.** (a) The treatment specified in this section applies if, after
79.19 the accrual date of an annuity or benefit from an applicable plan or plans, a marriage
79.20 dissolution decree or annulment decree specifies that the designation of an optional annuity
79.21 must be revoked and if the other requirements specified in this section are satisfied.

79.22 (b) Notwithstanding any law to the contrary, if the applicable pension plan or plans
79.23 have provisions of law that revise the monthly benefit amount payable to the primary
79.24 annuitant upon the death of the individual named as the optional joint annuitant, the
79.25 monthly benefit amount must be recomputed as though the individual that had been named
79.26 as the optional joint annuitant died on the date a certified copy of the marriage dissolution
79.27 or annulment decree is received by the chief administrative officer. Payment of any benefit
79.28 adjustment is prospective only.

79.29 Subd. 3. **Restrictions.** (a) This section does not apply if the marriage dissolution
79.30 decree or annulment decree is not consistent with the requirements under section 518.58.

79.31 (b) The pension plan benefit recipient must not designate, and the court may not
79.32 require that the member designate, a subsequent optional annuity beneficiary.

79.33 (c) This section does not apply if more than one surviving individual was named as
79.34 an optional joint annuitant.

79.35 Subd. 4. **Submission of documentation.** To receive the treatment provided in
79.36 this section, an eligible retiree or disabilitant must provide, to the chief administrative

80.1 officer of the applicable pension plan, a certified copy of the marriage dissolution or
80.2 annulment decree. The retiree or disabilitant and the joint annuitant must also submit a
80.3 form, prescribed by the chief administrative officer of the applicable pension plan and
80.4 signed by both individuals, requesting the annuity bounce back as provided in subdivision
80.5 2. The individuals must also provide any other documentation the chief administrative
80.6 officer may request.

80.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and
80.8 applies retroactively to any marriage dissolution decree or annulment decree requiring the
80.9 revocation of an optional annuity form granted at any time prior to the date of enactment.

80.10 Sec. 2. Minnesota Statutes 2008, section 518.58, subdivision 3, is amended to read:

80.11 Subd. 3. **Sale or distribution while proceeding pending.** (a) If the court finds
80.12 that it is necessary to preserve the marital assets of the parties, the court may order the
80.13 sale of the homestead of the parties or the sale of other marital assets, as the individual
80.14 circumstances may require, during the pendency of a proceeding for a dissolution of
80.15 marriage or an annulment. If the court orders a sale, it may further provide for the
80.16 disposition of the funds received from the sale during the pendency of the proceeding.
80.17 ~~If liquid or readily liquidated marital property other than property representing vested~~
80.18 ~~pension benefits or rights is available, the court, so far as possible, shall divide the property~~
80.19 ~~representing vested pension benefits or rights by the disposition of an equivalent amount~~
80.20 ~~of the liquid or readily liquidated property.~~

80.21 (b) The court may order a partial distribution of marital assets during the pendency
80.22 of a proceeding for a dissolution of marriage or an annulment for good cause shown or
80.23 upon the request of both parties, provided that the court shall fully protect the interests
80.24 of the other party.

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

80.26 Sec. 3. Minnesota Statutes 2008, section 518.58, subdivision 4, is amended to read:

80.27 Subd. 4. **Pension plans.** (a) The division of marital property that represents pension
80.28 plan benefits or rights in the form of future pension plan payments:

80.29 (1) is payable only to the extent of the amount of the pension plan benefit payable
80.30 under the terms of the plan;

80.31 (2) is not payable for a period that exceeds the time that pension plan benefits are
80.32 payable to the pension plan benefit recipient;

81.1 (3) is not payable in a lump-sum amount from defined benefit pension plan assets
81.2 attributable in any fashion to a spouse with the status of an active member, deferred
81.3 retiree, or benefit recipient of a pension plan;

81.4 (4) if the former spouse to whom the payments are to be made dies prior to the end
81.5 of the specified payment period with the right to any remaining payments accruing to an
81.6 estate or to more than one survivor, is payable only to a trustee on behalf of the estate or
81.7 the group of survivors for subsequent apportionment by the trustee; and

81.8 (5) in the case of defined benefit public pension plan benefits or rights, may not
81.9 commence until the public plan member submits a valid application for a public pension
81.10 plan benefit and the benefit becomes payable.

81.11 (b) The individual retirement account plans established under chapter 354B may
81.12 provide in its plan document, if published and made generally available, for an alternative
81.13 marital property division or distribution of individual retirement account plan assets. If an
81.14 alternative division or distribution procedure is provided, it applies in place of paragraph
81.15 (a), clause (5).

81.16 (c) If liquid or readily liquidated marital property other than property representing
81.17 vested pension benefits or rights is available, the court, so far as possible, shall divide the
81.18 property representing vested pension benefits or rights by the disposition of an equivalent
81.19 amount of the liquid or readily liquidated property.

81.20 (d) If sufficient liquid or readily liquidated marital property other than property
81.21 representing vested pension benefits or rights is not available, the court may order the
81.22 revocation of the designation of an optional annuity beneficiary in pension plans specified
81.23 in section 356.48 or in any other pension plan in which plan-governing law or governing
81.24 documents allow revocation of an optional annuity in marital dissolution or annulment
81.25 situations.

81.26 **EFFECTIVE DATE.** (a) This section is effective the day following final enactment.

81.27 (b) This section applies retroactively, for plans specified in section 1, to any marriage
81.28 dissolution decree or annulment decree requiring the revocation of an optional annuity
81.29 form granted at any time prior to the date of enactment.

81.30 **ARTICLE 11**
81.31 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION MODIFICATIONS**

81.32 Section 1. Minnesota Statutes 2009 Supplement, section 69.772, subdivision 6, is
81.33 amended to read:

82.1 Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the
82.2 relief association does not have a surplus over full funding pursuant to subdivision 3,
82.3 clause (2), subclause (e), ~~or~~ and if the municipality is required to provide financial support
82.4 to the special fund of the relief association pursuant to this section, the adoption of or
82.5 any amendment to the articles of incorporation or bylaws of a relief association which
82.6 increases or otherwise affects the retirement coverage provided by or the service pensions
82.7 or retirement benefits payable from the special fund of any relief association to which this
82.8 section applies is not effective until it is ratified by the governing body of the municipality
82.9 in which the relief association is located and the officers of a relief association shall not
82.10 seek municipal ratification prior to preparing and certifying an estimate of the expected
82.11 increase in the accrued liability and annual accruing liability of the relief association
82.12 attributable to the amendment. If the special fund of the relief association has a
82.13 surplus over full funding pursuant to subdivision 3, clause (2), subclause (e), and if the
82.14 municipality is not required to provide financial support to the special fund of the relief
82.15 association pursuant to this section, the relief association may adopt or amend its articles
82.16 of incorporation or bylaws which increase or otherwise affect the retirement coverage
82.17 provided by or the service pensions or retirement benefits payable from the special fund
82.18 of the relief association which are effective without municipal ratification so long as this
82.19 does not cause the amount of the resulting increase in the accrued liability of the special
82.20 fund of the relief association to exceed 90 percent of the amount of the surplus over full
82.21 funding reported in the prior year and this does not result in the financial requirements of
82.22 the special fund of the relief association exceeding the expected amount of the future fire
82.23 state aid to be received by the relief association as determined by the board of trustees
82.24 following the preparation of an estimate of the expected increase in the accrued liability
82.25 and annual accruing liability of the relief association attributable to the change. If a relief
82.26 association adopts or amends its articles of incorporation or bylaws without municipal
82.27 ratification pursuant to this subdivision, and, subsequent to the amendment or adoption,
82.28 the financial requirements of the special fund of the relief association pursuant to this
82.29 section are such so as to require financial support from the municipality, the provision
82.30 which was implemented without municipal ratification is no longer effective without
82.31 municipal ratification and any service pensions or retirement benefits payable after that
82.32 date may be paid only in accordance with the articles of incorporation or bylaws as
82.33 amended or adopted with municipal ratification.

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

83.1 Sec. 2. Minnesota Statutes 2009 Supplement, section 69.773, subdivision 6, is
83.2 amended to read:

83.3 Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the
83.4 relief association does not have a surplus over full funding pursuant to subdivision 4, ~~or~~
83.5 and if the municipality is required to provide financial support to the special fund of
83.6 the relief association pursuant to this section, the adoption of or any amendment to the
83.7 articles of incorporation or bylaws of a relief association which increases or otherwise
83.8 affects the retirement coverage provided by or the service pensions or retirement benefits
83.9 payable from the special fund of any relief association to which this section applies is
83.10 not effective until it is ratified by the governing body of the municipality in which the
83.11 relief association is located. If the special fund of the relief association has a surplus over
83.12 full funding pursuant to subdivision 4, and if the municipality is not required to provide
83.13 financial support to the special fund of the relief association pursuant to this section,
83.14 the relief association may adopt or amend its articles of incorporation or bylaws which
83.15 increase or otherwise affect the retirement coverage provided by or the service pensions
83.16 or retirement benefits payable from the special fund of the relief association which are
83.17 effective without municipal ratification so long as this does not cause the amount of the
83.18 resulting increase in the accrued liability of the special fund of the relief association to
83.19 exceed 90 percent of the amount of the surplus over full funding reported in the prior year
83.20 and this does not result in the financial requirements of the special fund of the relief
83.21 association exceeding the expected amount of the future fire state aid to be received by the
83.22 relief association as determined by the board of trustees following the preparation of an
83.23 updated actuarial valuation including the proposed change or an estimate of the expected
83.24 actuarial impact of the proposed change prepared by the actuary of the relief association.
83.25 If a relief association adopts or amends its articles of incorporation or bylaws without
83.26 municipal ratification pursuant to this subdivision, and, subsequent to the amendment or
83.27 adoption, the financial requirements of the special fund of the relief association pursuant
83.28 to this section are such so as to require financial support from the municipality, the
83.29 provision which was implemented without municipal ratification is no longer effective
83.30 without municipal ratification and any service pensions or retirement benefits payable after
83.31 that date may be paid only in accordance with the articles of incorporation or bylaws as
83.32 amended or adopted with municipal ratification.

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

83.34 Sec. 3. Minnesota Statutes 2008, section 356A.06, subdivision 8, is amended to read:

84.1 Subd. 8. **Minimum liquidity requirements.** A covered pension plan described by
84.2 subdivision 6, ~~paragraph (a)~~ or 7, in order to pay benefits as they come due, shall invest
84.3 a portion of its assets in authorized short-term debt obligations that can be immediately
84.4 liquidated without accrual of a substantial determinable penalty or loss and that have an
84.5 average maturity of no more than 90 days. The chief administrative officer of the plan
84.6 shall determine the minimum liquidity requirement of the plan and shall retain appropriate
84.7 documentation of that determination for three years from the date of determination.

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

84.9 Sec. 4. Minnesota Statutes 2009 Supplement, section 424A.01, subdivision 1, is
84.10 amended to read:

84.11 Subdivision 1. **Minors.** ~~(a) No volunteer firefighters' relief association associated~~
84.12 ~~with a municipality or an independent nonprofit firefighting corporation may include as a~~
84.13 ~~relief association member a minor serving as a firefighter, except for members of a youth,~~
84.14 ~~civic, or educational organization or program who participate with uninterrupted adult~~
84.15 ~~supervision, as allowed by federal law and by section 181A.04. Such organizations or~~
84.16 ~~programs include, but are not limited to, Boy Scout Explorer programs or firefighting~~
84.17 ~~degree programs.~~

84.18 ~~(b)~~ No volunteer firefighters' relief association associated with a municipality or an
84.19 independent nonprofit firefighting corporation may include as a relief association member
84.20 a minor serving as a volunteer firefighter.

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

84.22 Sec. 5. Minnesota Statutes 2009 Supplement, section 424A.01, subdivision 6, is
84.23 amended to read:

84.24 Subd. 6. **Return to active firefighting after break in service.** (a) The requirements
84.25 of this section apply to all breaks in service, except breaks in service mandated by federal
84.26 or state law.

84.27 (b)(1) If a former active firefighter who has ceased to perform or supervise fire
84.28 suppression and fire prevention duties for at least 60 days resumes performing active
84.29 firefighting with the fire department associated with the relief association, if the bylaws of
84.30 the relief association so permit, the person firefighter may again become an active member
84.31 of the relief association. A firefighter who returns to active service and membership is
84.32 subject to the service pension calculation requirements under this section.

85.1 (2) A firefighter who has been granted an approved leave of absence not exceeding
85.2 one year by the fire department or by the relief association is exempt from the minimum
85.3 period of resumption service requirement of this section.

85.4 (3) A person who has a break in service not exceeding one year but has not been
85.5 granted an approved leave of absence and who has not received a service pension or
85.6 disability benefit may be made exempt from the minimum period of resumption service
85.7 requirement of this section by the relief association bylaws.

85.8 (4) If the bylaws so provide, a firefighter who returns to active relief association
85.9 membership under this paragraph may continue to collect a monthly service pension,
85.10 notwithstanding the service pension eligibility requirements under chapter 424A.

85.11 ~~(b)~~ (c) If a former firefighter who has received a service pension or disability benefit
85.12 returns to active relief association membership under paragraph (a) (b), the firefighter may
85.13 qualify for the receipt of a service pension from the relief association for the resumption
85.14 service period if the firefighter meets a minimum period of resumption service specified in
85.15 the relief association bylaws the service requirements of section 424A.016, subdivision 3,
85.16 or section 424A.02, subdivision 2.

85.17 (d) If a former firefighter who has not received a service pension or disability benefit
85.18 returns to active relief association membership under paragraph (b), the firefighter may
85.19 qualify for the receipt of a service pension from the relief association for the resumption
85.20 service period if the firefighter meets the minimum period of resumption service specified
85.21 in the relief association bylaws and the service requirements of section 424A.016,
85.22 subdivision 3, or section 424A.02, subdivision 2.

85.23 ~~(e)~~ (e) A firefighter who returns to active lump-sum relief association membership
85.24 and who qualifies for a service pension under paragraph (b) (c) or (d) must have, upon
85.25 a subsequent cessation of duties, any service pension for the resumption service period
85.26 calculated as a separate benefit. If a lump-sum service pension had been paid to the
85.27 firefighter upon the firefighter's previous cessation of duties, a second lump-sum service
85.28 pension for the resumption service period must be calculated to apply the service pension
85.29 amount in effect on the date of the firefighter's termination of the resumption service for all
85.30 years of the resumption service. No firefighter may be paid a service pension twice for the
85.31 same period of service. If a lump-sum service pension had not been paid to the firefighter
85.32 upon the firefighter's previous cessation of duties and the firefighter meets the minimum
85.33 service requirement of section 424A.016, subdivision 3, or section 424A.02, subdivision
85.34 2, a service pension must be calculated to apply the service pension amount in effect on the
85.35 date of the firefighter's termination of the resumption service for all years of service credit.

86.1 ~~(d)~~ (f) A firefighter who had not been paid a lump-sum service pension returns
86.2 to active relief association membership under paragraph ~~(a)~~ (b), who does not qualify
86.3 for a service pension under paragraph ~~(b)~~ (d), but who does meet the minimum service
86.4 requirement of section 424A.016, subdivision 3, or section 424A.02, subdivision 2,
86.5 based on the firefighter's previous years of active service, must have, upon a subsequent
86.6 cessation of duties, a service pension calculated for the previous years of service based
86.7 on the service pension amount in effect on the date of the firefighter's termination of the
86.8 resumption service, or, if the bylaws so provide, based on the service pension amount in
86.9 effect on the date of the firefighter's previous cessation of duties.

86.10 ~~(e)~~ (g) If a firefighter receiving a monthly benefit service pension returns to active
86.11 monthly benefit relief association membership under paragraph ~~(a)~~ (b), and if the relief
86.12 association bylaws do not allow for the firefighter to continue collecting a monthly service
86.13 pension, any monthly benefit service pension payable to the firefighter is suspended as
86.14 of the first day of the month next following the date on which the firefighter returns to
86.15 active membership. If the firefighter was receiving a monthly benefit service pension,
86.16 and qualifies for a service pension under paragraph ~~(b)~~ (c), the firefighter is entitled to
86.17 an additional monthly benefit service pension upon a subsequent cessation of duties
86.18 calculated based on the resumption service credit and the service pension accrual amount
86.19 in effect on the date of the termination of the resumption service. ~~The~~ A suspended initial
86.20 service pension resumes as of the first of the month next following the termination of the
86.21 resumption service. If the firefighter was not receiving a monthly benefit service pension
86.22 and meets the minimum service requirement of section 424A.02, subdivision 2, a service
86.23 pension must be calculated to apply the service pension amount in effect on the date of the
86.24 firefighter's termination of the resumption service for all years of service credit.

86.25 ~~(f)~~ (h) A firefighter who was not receiving a monthly benefit service pension returns
86.26 to active relief association membership under paragraph ~~(a)~~ (b), who does not qualify
86.27 for a service pension under paragraph ~~(b)~~ (d), but who does meet the minimum service
86.28 requirement of section 424A.02, subdivision 2, based on the firefighter's previous years
86.29 of active service, must have, upon a subsequent cessation of duties, a service pension
86.30 calculated for the previous years of service based on the service pension amount in effect
86.31 on the date of the firefighter's termination of the resumption service, or, if the bylaws so
86.32 provide, based on the service pension amount in effect on the date of the firefighter's
86.33 previous cessation of duties.

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

87.1 Sec. 6. Minnesota Statutes 2009 Supplement, section 424A.015, is amended by adding
87.2 a subdivision to read:

87.3 Subd. 5. **Minnesota deferred compensation plan transfers.** A relief association
87.4 may directly transfer on an institution-to-institution basis the eligible member's
87.5 lump-sum pension amount to the requesting member's account in the Minnesota deferred
87.6 compensation plan, if:

87.7 (1) the governing articles of incorporation or bylaws so provide;

87.8 (2) the volunteer firefighter participates in the Minnesota deferred compensation
87.9 plan at the time of retirement; and

87.10 (3) the applicable retiring firefighter requests in writing that the relief association
87.11 do so.

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

87.13 Sec. 7. Minnesota Statutes 2009 Supplement, section 424A.016, subdivision 4, is
87.14 amended to read:

87.15 Subd. 4. **Individual accounts.** (a) An individual account must be established for
87.16 each firefighter who is a member of the relief association.

87.17 (b) To each individual active member account must be credited an equal share of:

87.18 (1) any amounts of fire state aid received by the relief association;

87.19 (2) any amounts of municipal contributions to the relief association raised from
87.20 levies on real estate or from other available municipal revenue sources exclusive of fire
87.21 state aid; and

87.22 (3) any amounts equal to the share of the assets of the special fund to the credit of:

87.23 (i) any former member who terminated active service with the fire department to
87.24 which the relief association is associated before meeting the minimum service requirement
87.25 provided for in subdivision 2, paragraph (b), and has not returned to active service with
87.26 the fire department for a period no shorter than five years; or

87.27 (ii) any retired member who retired before obtaining a full nonforfeitable interest in
87.28 the amounts credited to the individual member account under subdivision 2, paragraph
87.29 (b), and any applicable provision of the bylaws of the relief association. In addition, any
87.30 investment return on the assets of the special fund must be credited in proportion to the
87.31 share of the assets of the special fund to the credit of each individual active member
87.32 account. Administrative expenses of the relief association payable from the special
87.33 fund may be deducted from individual accounts in a manner specified in the bylaws of
87.34 the relief association.

88.1 (c) If the bylaws so permit and as the bylaws define, the relief association may credit
88.2 any investment return on the assets of the special fund to the accounts of inactive members.

88.3 (d) Amounts to be credited to individual accounts must be allocated uniformly for
88.4 all years of active service and allocations must be made for all years of service, except for
88.5 caps on service credit if so provided in the bylaws of the relief association. The allocation
88.6 method may utilize monthly proration for fractional years of service, as the bylaws or
88.7 articles of incorporation of the relief association so provide. The bylaws or articles of
88.8 incorporation may define a "month," but the definition must require a calendar month to
88.9 have at least 16 days of active service. If the bylaws or articles of incorporation do not
88.10 define a "month," a "month" is a completed calendar month of active service measured
88.11 from the member's date of entry to the same date in the subsequent month.

88.12 ~~(d)~~ (e) At the time of retirement under subdivision 2 and any applicable provision
88.13 of the bylaws of the relief association, a retiring member is entitled to that portion of the
88.14 assets of the special fund to the credit of the member in the individual member account
88.15 which is nonforfeitable under subdivision 3 and any applicable provision of the bylaws of
88.16 the relief association based on the number of years of service to the credit of the retiring
88.17 member.

88.18 ~~(e)~~ (f) Annually, the secretary of the relief association shall certify the individual
88.19 account allocations to the state auditor at the same time that the annual financial statement
88.20 or financial report and audit of the relief association, whichever applies, is due under
88.21 section 69.051.

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

88.23 Sec. 8. Minnesota Statutes 2009 Supplement, section 424A.016, subdivision 7, is
88.24 amended to read:

88.25 Subd. 7. **Limitation on ancillary benefits.** (a) A defined contribution relief
88.26 association may only pay an ancillary benefit which would constitute an authorized
88.27 disbursement as specified in section 424A.05. The ancillary benefit for active members
88.28 must equal the vested ~~or~~ and nonvested amount of the individual account of the member.

88.29 (b) For deferred members, the ancillary benefit must equal the vested amount of
88.30 the individual account of the member. For the recipient of installment payments of a
88.31 service pension, the ancillary benefit must equal the remaining balance in the individual
88.32 account of the recipient.

88.33 (c)(1) If a survivor or death benefit is payable under the articles of incorporation or
88.34 bylaws, the benefit must be paid:

88.35 (i) as a survivor benefit to the surviving spouse of the deceased firefighter;

89.1 (ii) as a survivor benefit to the surviving child or children of the deceased firefighter
89.2 if no surviving spouse;

89.3 (iii) as a survivor benefit to a designated beneficiary of the deceased firefighter if no
89.4 surviving spouse or surviving child or children; or

89.5 (iv) as a death benefit to the estate of the deceased active or deferred firefighter if no
89.6 surviving spouse, no surviving child or children and no beneficiary designated.

89.7 (2) If there is no surviving child or are no surviving children, the surviving spouse
89.8 may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit.

89.9 (d) For purposes of this section, for a defined contribution volunteer fire relief
89.10 association, a trust created under chapter 501B may be a designated beneficiary. If a
89.11 trust payable to the surviving child or children organized under chapter 501B has been
89.12 established as authorized by this section and there is no surviving spouse, the survivor
89.13 benefit may be paid to the trust, notwithstanding the requirements of this section.

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

89.15 Sec. 9. Minnesota Statutes 2009 Supplement, section 424A.02, subdivision 9, is
89.16 amended to read:

89.17 Subd. 9. **Limitation on ancillary benefits.** A defined benefit relief association,
89.18 including any volunteer firefighters relief association governed by section 69.77 or any
89.19 volunteer firefighters division of a relief association governed by chapter 424, may only
89.20 pay ancillary benefits which would constitute an authorized disbursement as specified in
89.21 section 424A.05 subject to the following requirements or limitations:

89.22 (1) with respect to a defined benefit relief association in which governing bylaws
89.23 provide for a lump-sum service pension to a retiring member, no ancillary benefit may
89.24 be paid to any former member or paid to any person on behalf of any former member
89.25 after the former member (i) terminates active service with the fire department and active
89.26 membership in the relief association; and (ii) commences receipt of a service pension as
89.27 authorized under this section; and

89.28 (2) with respect to any defined benefit relief association, no ancillary benefit paid or
89.29 payable to any member, to any former member, or to any person on behalf of any member
89.30 or former member, may exceed in amount the total earned service pension of the member
89.31 or former member. The total earned service pension must be calculated by multiplying
89.32 the service pension amount specified in the bylaws of the relief association at the time of
89.33 death or disability, whichever applies, by the years of service credited to the member or
89.34 former member. The years of service must be determined as of (i) the date the member or
89.35 former member became entitled to the ancillary benefit; or (ii) the date the member or

90.1 former member died entitling a survivor or the estate of the member or former member to
90.2 an ancillary benefit. The ancillary benefit must be calculated without regard to whether the
90.3 member had attained the minimum amount of service and membership credit specified in
90.4 the governing bylaws. For active members, the amount of a permanent disability benefit
90.5 or a survivor benefit must be equal to the member's total earned service pension except
90.6 that the bylaws of a defined benefit relief association may provide for the payment of a
90.7 survivor benefit in an amount not to exceed five times the yearly service pension amount
90.8 specified in the bylaws on behalf of any member who dies before having performed five
90.9 years of active service in the fire department with which the relief association is affiliated.

90.10 (3)(i) If a lump sum survivor or death benefit is payable under the articles of
90.11 incorporation or bylaws, the benefit must be paid:

90.12 (A) as a survivor benefit to the surviving spouse of the deceased firefighter;

90.13 (B) as a survivor benefit to the surviving child or children of the deceased firefighter
90.14 if no surviving spouse;

90.15 (C) as a survivor benefit to a designated beneficiary of the deceased firefighter if no
90.16 surviving spouse or surviving child or children; or

90.17 (D) as a death benefit to the estate of the deceased active or deferred firefighter if no
90.18 surviving child or children and no beneficiary designated.

90.19 (ii) If there is no surviving child or are no surviving children, the surviving spouse
90.20 may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit.

90.21 (4)(i) If a monthly benefit survivor or death benefit is payable under the articles of
90.22 incorporation or bylaws, the benefit must be paid:

90.23 (A) as a survivor benefit to the surviving spouse of the deceased firefighter;

90.24 (B) as a survivor benefit to the surviving child or children of the deceased firefighter
90.25 if no surviving spouse;

90.26 (C) as a survivor benefit to a designated beneficiary of the deceased firefighter if no
90.27 surviving spouse or surviving child or children; or

90.28 (D) as a death benefit to the estate of the deceased active or deferred firefighter if no
90.29 surviving spouse, no surviving child or children and no beneficiary designated.

90.30 (ii) If there is no surviving child or are no surviving children, the surviving spouse
90.31 may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit.

90.32 (iii) For purposes of this clause, if the relief association bylaws authorize a monthly
90.33 survivor benefit payable to a designated beneficiary, the relief association bylaws may
90.34 limit the total survivor benefit amount payable.

90.35 (5) For purposes of this section, for a monthly benefit volunteer fire relief association
90.36 or for a combination lump-sum and monthly benefit volunteer fire relief association where

91.1 a monthly benefit service pension has been elected by or a monthly benefit is payable with
91.2 respect to a firefighter, a designated beneficiary must be a natural person. For purposes
91.3 of this section, for a lump-sum volunteer fire relief association or for a combination
91.4 lump-sum and monthly benefit volunteer fire relief association where a lump-sum service
91.5 pension has been elected by or a lump-sum benefit is payable with respect to a firefighter,
91.6 a trust created under chapter 501B may be a designated beneficiary. If a trust is payable
91.7 to the surviving child or children organized under chapter 501B as authorized by this
91.8 section and there is no surviving spouse, the survivor benefit may be paid to the trust,
91.9 notwithstanding a requirement of this section to the contrary.

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

91.11 Sec. 10. Minnesota Statutes 2009 Supplement, section 424A.02, subdivision 10,
91.12 is amended to read:

91.13 Subd. 10. **Local approval of bylaw amendments; filing requirements.** (a) Each
91.14 defined benefit relief association to which this section applies must file a revised copy
91.15 of its governing bylaws with the state auditor upon the adoption of any amendment to
91.16 its governing bylaws by the relief association or upon the approval of any amendment
91.17 to its governing bylaws granted by the governing body of each municipality served by
91.18 the fire department to which the relief association is directly associated. Failure of the
91.19 relief association to file a copy of the bylaws or any bylaw amendments with the state
91.20 auditor disqualifies the municipality from the distribution of any future fire state aid until
91.21 this filing requirement has been completed.

91.22 (b) If the special fund of the relief association does not have a surplus over full
91.23 funding under section 69.772, subdivision 3, clause (2), subclause (e), or 69.773,
91.24 subdivision 4, and if the municipality is required to provide financial support to the special
91.25 fund of the relief association under section 69.772 or 69.773, no bylaw amendment which
91.26 would affect the amount of, the manner of payment of, or the conditions for qualification
91.27 for service pensions or ancillary benefits or disbursements other than administrative
91.28 expenses authorized under section 69.80 payable from the special fund of the relief
91.29 association is effective until it has been ratified ~~by the governing body or bodies of the~~
91.30 ~~appropriate municipalities~~ as required under section 69.772, subdivision 6, or 69.773,
91.31 subdivision 6. If the special fund of the relief association has a surplus over full funding
91.32 under section 69.772, subdivision 3, or 69.773, subdivision 4, and if the municipality is
91.33 not required to provide financial support to the special fund under this section, the relief
91.34 association may adopt or amend without municipal ratification its articles of incorporation
91.35 or bylaws which increase or otherwise affect the service pensions or ancillary benefits

92.1 payable from the special fund ~~so long as the changes do not cause the amount of the~~
 92.2 ~~resulting increase in the accrued liability of the special fund to exceed 90 percent of the~~
 92.3 ~~amount of the surplus over full funding reported in the prior year and the changes do not~~
 92.4 ~~result in the financial requirements of the special fund exceeding the expected amount~~
 92.5 ~~of the subsequent calendar year's fire state aid to be received by the relief association if~~
 92.6 authorized under section 69.772, subdivision 6, or 69.773, subdivision 6.

92.7 (c) If the relief association pays only a lump-sum pension, the financial requirements
 92.8 are to be determined by the board of trustees following the preparation of an estimate
 92.9 of the expected increase in the accrued liability and annual accruing liability of the
 92.10 relief association attributable to the change. If the relief association pays a monthly
 92.11 benefit service pension, the financial requirements are to be determined by the board of
 92.12 trustees following either an updated actuarial valuation including the proposed change
 92.13 or an estimate of the expected actuarial impact of the proposed change prepared by the
 92.14 actuary of the relief association. If a relief association adopts or amends its articles
 92.15 of incorporation or bylaws without municipal ratification under this subdivision, and,
 92.16 subsequent to the amendment or adoption, the financial requirements of the special fund
 92.17 under this section are such so as to require financial support from the municipality, the
 92.18 provision which was implemented without municipal ratification is no longer effective
 92.19 without municipal ratification, and any service pensions or ancillary benefits payable after
 92.20 that date must be paid only in accordance with the articles of incorporation or bylaws as
 92.21 amended or adopted with municipal ratification.

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

92.23 Sec. 11. Minnesota Statutes 2009 Supplement, section 424A.05, subdivision 3, is
 92.24 amended to read:

92.25 Subd. 3. **Authorized disbursements from the special fund.** ~~(a)~~ Disbursements
 92.26 from the special fund may not be made for any purpose other than one of the following:

92.27 (1) for the payment of service pensions to retired members of the relief association if
 92.28 authorized and paid under law and the bylaws governing the relief association;

92.29 (2) for the purchase of an annuity for the applicable person under section 424A.015,
 92.30 subdivision 3, for the transfer of service pension or benefit amounts to the applicable
 92.31 person's individual retirement account under section 424A.015, subdivision 4, or to the
 92.32 applicable person's account in the Minnesota deferred compensation plan under section
 92.33 424A.015, subdivision 5;

93.1 ~~(2)~~ (3) for the payment of temporary or permanent disability benefits to disabled
 93.2 members of the relief association if authorized and paid under law and specified in amount
 93.3 in the bylaws governing the relief association;

93.4 ~~(3)~~ (4) for the payment of survivor benefits ~~to surviving spouses and surviving~~
 93.5 ~~children, or if none, to designated beneficiaries, of deceased members of the relief~~
 93.6 ~~association, and if no survivors and if no designated beneficiary, or~~ for the payment of a
 93.7 death benefit to the estate of the deceased active or deferred firefighter, if authorized by
 93.8 and paid under law and specified in amount in the bylaws governing the relief association;

93.9 ~~(4)~~ (5) for the payment of the fees, dues and assessments to the Minnesota State
 93.10 Fire Department Association and to the Minnesota Area Relief Association Coalition in
 93.11 order to entitle relief association members to membership in and the benefits of these
 93.12 associations or organizations;

93.13 ~~(5)~~ (6) for the payment of insurance premiums to the state Volunteer Firefighters
 93.14 Benefit Association, or an insurance company licensed by the state of Minnesota offering
 93.15 casualty insurance, in order to entitle relief association members to membership in and the
 93.16 benefits of the association or organization; and

93.17 ~~(6)~~ (7) for the payment of administrative expenses of the relief association as
 93.18 authorized under section 69.80.

93.19 ~~(b) For purposes of this chapter, for a monthly benefit volunteer fire relief association~~
 93.20 ~~or for a combination lump-sum and monthly benefit volunteer fire relief association where~~
 93.21 ~~a monthly benefit service pension has been elected by or a monthly benefit is payable with~~
 93.22 ~~respect to a firefighter, a designated beneficiary must be a natural person. For purposes of~~
 93.23 ~~this chapter, for a defined contribution volunteer fire relief association, for a lump-sum~~
 93.24 ~~volunteer fire relief association, or for a combination lump-sum and monthly benefit~~
 93.25 ~~volunteer fire relief association where a lump-sum service pension has been elected by~~
 93.26 ~~or a lump-sum benefit is payable with respect to a firefighter, a designated beneficiary~~
 93.27 ~~may be a trust created under chapter 501B.~~

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

93.29 Sec. 12. Minnesota Statutes 2009 Supplement, section 424A.05, is amended by adding
 93.30 a subdivision to read:

93.31 **Subd. 3a. Corrections of erroneous special fund deposits.** Upon notification
 93.32 of funds deposited in error in the special fund and after presentation of evidence that
 93.33 the error occurred in good faith, the state auditor may require the relief association to
 93.34 provide a written legal opinion concluding that the transfer of funds from the special
 93.35 fund is consistent with federal and state law. Taking into consideration the evidence of

94.1 good faith presented and the legal opinion, if any, provided, the state auditor may order
94.2 the transfer from the special fund to the appropriate fund or account an amount equal
94.3 to the funds deposited in error.

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

94.5 Sec. 13. **REPEALER.**

94.6 (a) Minnesota Statutes 2009 Supplement, section 424A.001, subdivision 6, is
94.7 repealed.

94.8 (b) Laws 2009, chapter 169, article 10, section 32, is repealed.

94.9 **EFFECTIVE DATE.** Paragraph (a) of this section is effective the day following
94.10 final enactment. Paragraph (b) of this section is effective retroactively from July 1, 2009.