



TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Lawrence A. Martin, Executive Director *LAM*
RE: 2010 Omnibus Retirement Bill as of February 12, 2010
DATE: February 15, 2010

Introduction

Document LCPR10-035 contains the contents of the 2010 Omnibus Retirement Bill as recommended by the Legislative Commission on Pensions and Retirement through February 12, 2010.

Source Legislation for the 2010 Omnibus Retirement Bill through February 12, 2010

Document LCPR10-035 includes all or portions of the following retirement bills:

1. S.F. 578 (Betzold); H.F. 1123 (Murphy, M.): Various plans; Administrative and benefit-related provisions.
2. S.F. 889 (Betzold); H. F. xxxx: MSRS-Unclassified; Changes in membership transfer authority.
3. S.F. 1180 (Betzold); H.F. 1774 (Nelson): MSRS; Minnesota Deferred Compensation Program and MSRS-Unclassified Program amendments.
4. S.F. 1407 (Tomassoni); H.F. 1358 (Mahoney): MSRS-Unclassified; Transfer option to MSRS-General for legislators.
5. S.F. 1417 (Pogemiller); H.F. 1327 (Murphy, M.): Various plans, extending and modifying an early retirement incentive program.
6. S.F. 2474 (Betzold); H.F. 2739 (Murphy, M.): PERA plans; Salary credit purchase procedure in certain partial salary situations and exclusion of overtime pay in service credit purchase procedure.
7. S.F. xxxx; H.F. 814 (Urdahl): Various plans; Permitting court-ordered optional annuity revocation in certain marriage dissolutions.
8. Document LCPR09-071 (Betzold): Various retirement plans; Actuarial reporting deadline dates.
9. Document LCPR09-080: PERA Volunteer Fire; Administrative provisions.
10. Document LCPR09-081: PERA Volunteer Fire; Expansion of service pension levels.
11. Document LCPR10-003 (Betzold): MnSCU; Administrative provisions.
12. Document LCPR10-005: MSRS plans: Administrative provisions.
13. Document LCPR10-008 (Betzold): PERA; Administrative provisions.
14. Revisor Document 10-5059: State Auditor's volunteer fire relief association working group recommendations.

General Summary of Document LCPR10-035

Article 1: MSRS Administrative Provisions. The article makes administrative and other changes to the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) and to the State Patrol Retirement Plan, and to a wrongful discharge provision applicable to many Minnesota public pension plans. It expands the definition of seasonal employee to include all seasonal employees rather than just Department of Revenue seasonal employees, revises the name of the State Deferred Compensation Plan to the Deferred Compensation Plan, revises insurance withholding for public safety reemployed annuitants to avoid failure to pay insurance premiums, creates specific leave of absence provisions in the State Patrol Retirement Plan (generalized leave provision, labor union leaves), creates a provision to address coverage errors and omitted contributions, revises the supplemental plan restriction provision by removing a prohibition against making contributions to a deferred compensation plan on behalf of volunteer firefighters in lieu of Social Security coverage, and eliminates statements in the wrongful discharge annuity repayment requirement statement regarding actions to occur if the annuity is not repaid.

Article 2: Minnesota State Deferred Compensation Plan Amendments. Employers of public employees participating in the Minnesota State Deferred Compensation Plan are required to provide information to the third-party administrator of the program, who must comply with data practice requirements and who is prohibited from undertaking unrelated service or product sales solicitations.

Article 3: MSRS-Unclassified State Employees Retirement Program Amendments. The definition of "value" for the program is revised to mean the account's market value at the end of the day rather than

value at the end of the month following receipt of an annuity. For legislators elected before July 1, 2010, a member can elect MSRS-General coverage instead of MSRS-Unclassified coverage before July 1, 2011, or the completion of seven years of service. For employees first hired after June 30, 2010, and legislators first elected after June 30, 2010, the default coverage will remain in MSRS-Unclassified but any option to transfer to MSRS-General must be made within the first seven years. For employees first hired after June 30, 2010, and legislators elected after June 30, 2010, the right to transfer from MSRS-Unclassified to MSRS-General at any time up to retirement after ten years of covered MSRS service is eliminated, with any coverage transfer to be exercised within the initial seven years of state service. Any right to retain MSRS-Unclassified Program coverage upon moving to an unclassified position not included in the plan is restricted to those hired before July 1, 2009. MSRS-Unclassified employee contribution rates are indexed to MSRS-General member contribution rates. Transfers from MSRS-General to MSRS-Unclassified will be credited with six percent interest. The MSRS-Unclassified investment option provision is revised consistent with the change from monthly to daily pricing, and to permit changes in the funds used to invest an account to be made electronically rather than in writing. The MSRS-Unclassified asset withdrawal provision is revised to be consistent with daily rather than monthly valuation of accounts. The MSRS-Unclassified retirement and disability benefit accrual date provisions are revised to permit an annuity to accrue the day after receipt of a valid application or the day following termination of employment, whichever is later, rather than at the start of the next full month. The prospectus provision is amended to require the executive director to make the investment prospective available by electronic means and by permitting individuals to request hard copies, rather than by requiring distribution of a prospectus to each participant. The cap on the MSRS-Unclassified administrative fees is eliminated.

Article 4: PERA Amendments. The PERA membership provisions are revised; the PERA board election provision is revised to permit use of internet; employer reporting is clarified and new fines for employer reporting failures are imposed; employee refund treatment when erroneous contributions occur is revised; the Postretirement Option Program (PRO) is modified to permit up to four renewals and the program is extended in duration; elected county sheriff PERA-P&F annuitants are included in the Public Employees Defined Contribution Plan; the Public Employees Defined Contribution Plan membership provisions are clarified; three healthcare organizations are added to the PERA Privatization Chapter; inclusion in the PERA Privatization Chapter is permitted if employer payment is made to eliminate an expected PERA actuarial loss; the major retirement plan appeal procedure is clarified and revised; the City of Virginia is permitted to use the correction of deductions provision enacted in 2009 for City of Duluth and for the Duluth Airport; the provision for purchasing service and salary credit during period of workers' compensation where the individual is receiving partial payment from the employer is replaced with a new section which differs by excluding overtime pay from the salary used to compute the contributions, and by expanding the procedure to also apply to partial paid medical leaves, and partial paid leaves due to a budgetary or salary savings programs offered or mandated by a governmental subdivision, payment is based on the contribution rates in the applicable PERA plan and the difference between salary received during the leave or break in service and the salary received, excluding overtime, during the six-month period prior to the leave or break in service; the service credit purchase used for computing contributions for various other leave forms is revised by excluding overtime pay when determining the salary used to compute contributions required when purchasing service credit for leaves of absence when payment is made within one year of returning from a leave; and obsolete provisions are repealed.

Article 5: Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan. The applicability of fire state aid and local volunteer fire relief association regulation is clarified. The initial benefit level for transferring defined contribution volunteer fire relief associations is clarified. A special additional municipal asset transfer provision is eliminated. A special benefit default municipal funding requirement is added. Disability pension coverage through an insurance arrangement is permitted. The voluntary statewide lump-sum volunteer firefighter retirement plan service pension levels are amended by eliminating one service pension level (\$750), by adding five new service pension levels (\$600, \$700, \$800, \$900, and \$1,250), and by grandparenting any fire department that recently selected the eliminated \$750 service pension level.

Article 6: Teachers Retirement Association Service Credit Procedure Revisions. The Teachers Retirement Association (TRA) K-12 teacher service credit is modified to be a function of the teacher's salary relative to a base salary in the district rather than being based on hours of service, with the district base salary the salary paid in the prior year for the lowest Bachelor of Arts (BA) contract position and service credit will be computed monthly by dividing the teacher's monthly salary by the monthly base salary for the applicable employing unit by multiplying the result by 11.1 percent, with the result capped at 11.1 percent, so that a teacher may not earn more than 11.1 percent of one full year's service credit in a month. Annual service credit is calculated by adding the monthly service credit amounts for the months in the applicable fiscal year and a teacher may not earn more than one year of service credit in a fiscal year. The changes are effective for teaching service performed after June 30, 2010.

Article 7: MnSCU-IRAP Amendments. The Minnesota State Colleges and Universities System (MnSCU) is authorized to contract out for investment selection and review services for the Individual Retirement Account Plan (IRAP) with providers other than the State Board of Investment (SBI); institutions other than SBI are permitted to provide selection and review of investment vehicles for the Higher Education Supplemental Plan; and Minnesota Statutes, Section 354C.15, a provision authorizing the MnSCU Board to redeem SBI Supplemental Investment Fund shares held by plan members who want to redirect their assets to other investments is repealed.

Article 8: Actuarial Reporting Deadline Dates. The deadline date for actuarial valuation reports is set at the last day of the sixth month following the end of the retirement plan year (generally December 31) and the current experience study deadline date is extended from the first day of the eleventh month following the end of the retirement plan year (May 1) to the last day of the twelfth month following the end of the retirement plan year (June 30).

Article 9: Early Retirement Incentive Modifications. An early retirement incentive program that expired on July 15, 2009, is extended to October 1, 2012, and the incentive payment amount is reset from \$17,000 to the total of the maximum state regular unemployment compensation and employer-paid medical, dental, and life insurance premiums payable to the incentive recipient in the event of a layoff.

Article 10: Optional Annuity Revocation Following Certain Marriage Dissolutions. Bounces back to the full annuity amount the optional annuity form of a retired member with a post-retirement marriage dissolution if so ordered by the dissolution judgment, applicable retroactively to past marriage dissolutions, but annuity rescission prospective from the date of enactment.

Article 11: Volunteer Firefighter Relief Association Changes. Technical corrections to Minnesota Statutes, Chapters 69, 356A, and 424A are made. The 2009 break-in-service return to active firefighting authorizations are revised. Transfers of lump sum service pension amounts to the Minnesota Deferred Compensation Plan are permitted. The payout order of volunteer firefighter relief association survivor/death benefits is clarified and revised. The State Auditor is authorized to order the correction of special fund erroneous deposits.

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Section-by-Section Summary of Document LCPR10-035 (2010 Omnibus Retirement Bill as of 2/12/10)

Summary of Document LCPR10-035

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
Article 1: MSRS Administrative Provisions					
1	2.21	LCPR10-005	MSRS-General	352.01 Subd. 2a	The included employee provision is revised by expanding the seasonal employee inclusion to include all seasonal employees, rather than just Dept. of Revenue seasonal employees, and by eliminating an obsolete reference to the Metropolitan Radio Board.
2	3.33	LCPR10-005	MSRS-General	352.03, Subd. 4	The board duties, powers provision is revised by clarifying a reference to the deferred compensation plan.
3	4.15	LCPR10-005	MSRS-General	352.04 Subd. 9	Revises the erroneous deductions provision to conform with the new erroneous membership provision in section 18.
4	5.5	LCPR10-005	MSRS-General	352.115, Subd. 10	The reemployed annuitant provision is revised by clarifying that if the annuity must be suspended, amounts sufficient to cover health insurance premiums deducted under Sec. 356.87 for retired public safety employees must continue, and the remaining amount, after deduction of these premiums, transfers to the reemployed annuitant's savings account created under Sec. 356.47.
5	6.4	LCPR10-005	MSRS-Correctional	352.91, New Subd. 6	Provides for the correction of plan membership errors in conformity with section 18.
6	6.11	LCPR10-005	Deferred Compensation Plan	352.964, Subd. 1	The deferred compensation plan establishment provision is revised by changing the name from "Minnesota state deferred compensation plan" to "Minnesota deferred compensation plan."
7	7.19	LCPR10-005	Deferred Compensation Plan	352.965, Subd. 2	The deferred compensation plan right to participate provision is revised by specifying that the deferred amount must be specified in an agreement, rather than in a written agreement, and that the agreement is between the employee and the plan sponsor (MSRS), rather than between the employee and the employer.
8	7.30	LCPR10-005	State Patrol Retirement Plan	352B.011, Subd. 3	The State Patrol Plan allowable service provision is revised to include service for periods of authorized leave without pay, for certain service with labor organizations, and for periods of uniformed service, providing payments or contributions are made under procedures specified for the plan.
9	8.24	LCPR10-005	State Patrol Retirement Plan	New 352B.012	Modeled after the MSRS-General labor organization provision, the provision permits State Patrol Plan members on an unpaid leave of absence to serve as an employee of a labor organization which is an exclusive bargaining agent for plan members to earn service credit in the plan provided employee and employer contributions are transmitted to the fund. For plan purposes, the salary is limited to 75% of the Governor's salary.
10	9.21	LCPR10-005	State Patrol Retirement Plan	New 352B.013	Specifies procedures for purchasing service credit under the leaves of absence in the State Patrol Plan, except where another procedure is specified in law for a particular leave form. The procedure is comparable to the MSRS-General procedure. Payments (contributions) made within one year must include interest at the equivalent of 8.5% annual interest. Payments made after one year are at full actuarial value.
11	10.17	LCPR10-005	State Patrol Retirement Plan	352B.02, New Subd. 3	Provides for the correction of plan membership errors in conformity with section 18.
12	10.23	LCPR10-005	PERA-General	353.27, Subd. 7a	Revises the erroneous deductions provision to conform with the new erroneous membership provision in section 18.
13	11.23	LCPR10-005	PERA-General	353.37, Subd. 3a	The reemployed annuitant provision is revised by clarifying that if the annuity must be suspended, amounts sufficient to cover health insurance premiums deducted under Sec. 356.87 for retired public safety employees must continue, and the remaining amount, after deduction of these premiums, transfers to the reemployed annuitant's savings account created under Sec. 356.47.
14	11.33	LCPR10-005	TRA	354.42, Subd. 7	Revises the erroneous deductions provision to conform with the new erroneous membership provision in section 18.
15	13.11	LCPR10-005	First class city teacher retirement fund associations	354A.12; New Subd. 6a	Provides for the correction of plan membership errors in conformity with section 18.
16	13.18	LCPR10-005	Retirement Systems, Generally	356.24, Subd. 1	The supplemental plan restrictions exception provision is amended by striking language which prohibited governmental subdivisions from making contributions on behalf of volunteer firefighters to a deferred compensation plan in lieu of providing Social Security coverage.

Summary of Document LCPR10-035

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
17	15.26	LCPR10-005	Retirement Systems, Generally	356.50, Subd. 4	The unlawful discharge annuity repayment provision is amended by deleting statements specifying what is to occur if the annuity is not repaid.
18	16.3	LCPR10-005	Various retirement plans	New 356.99	Adds a procedure to handle the situations of erroneous plan membership and deductions between defined benefit Minnesota public retirement plans.
19	17.32	LCPR10-005	Judges Retirement Plan	490.123, New Subd. 4	Revises the erroneous deductions provision to conform with the new erroneous membership provision in section 18.
20	18.10	LCPR10-005	--	Repealer	The provisions of MSRS-Correctional governing administrative corrections of membership errors and the PERA/PERA-P&F provision penalizing employers which miscertify public employees as police officers for PERA-P&F membership are repealed.

Article 2: Minnesota State Deferred Compensation Plan Amendments

1	18.15	SF 1180 (Betzold); HF xxxx	MSRS Deferred Compensation	352.965, Subd. 6	Requires employers to supply necessary personal and financial data to the third-party administrator on plan participants, and clarifies that the third-party administrator must comply with data privacy requirements.
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Article 3: MSRS-Unclassified State Employees Retirement Program Amendments

1	19.10	SF 1407 (Tomassoni); HF 1358 (Mahoney)	Legislators Plan	3A.07	Permits members of the Legislators Retirement Plan to elect MSRS-Unclassified coverage or MSRS-General coverage by the later of January 1, 2011, or the end of the seventh year of legislative service.
2	19.28	SF 889 (Betzold); HF xxxx	MSRS-General	352.01, Subd. 2a	The MSRS-General included employee provision is amended to include members who transfer from MSRS-Unclassified to MSRS-General, and individuals covered by MSRS-General who have not exercised any existing right to transfer to MSRS-Unclassified.
3	21.16	SF 889 (Betzold); HF xxxx	MSRS-General	352.01, Subd. 2b	The MSRS-General excluded employee provision is amended to exclude employees who transfer to MSRS-Unclassified.
4	24.12	SF 889 (Betzold); HF xxxx	MSRS-Unclassified	352D.015, Subd. 4	The "general fund" definition in MSRS-Unclassified is revised to reference the general state employees retirement plan definition of MSRS-General, meaning the MSRS-General plan under Minnesota Statutes, Chapter 352.
5	24.18	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.015, Subd. 9	Redefines "value" consistent with daily asset valuations.
6	24.24	SF 889 (Betzold); HF xxxx; and SF 1407 (Tomassoni); HF 1358 (Mahoney)	MSRS-Unclassified	352D.02, Subd. 1	The MSRS-Unclassified coverage provision is revised by changing the style of a cross-reference and by consolidating two separated coverage provisions into a single paragraph.
7	26.27	SF 889 (Betzold); HF xxxx	MSRS-Unclassified	352D.02, Subd. 1c	An MSRS-Unclassified transfer of contribution provision is revised by correcting the name of the MSRS-General Plan.
8	26.31	SF 889 (Betzold); HF xxxx	MSRS-Unclassified	352D.02, Subd. 1d	An MSRS-Unclassified election of participation provision is revised by removing authority for those first hired after June 30, 2010, to continue MSRS-Unclassified coverage if the person moves to an unclassified position not normally covered by the program; and by specifying that for post-June 30, 2010, hires the right to elect to transfer to MSRS-General is limited to within the initial seven years of service. If MSRS-Unclassified is elected, the employee and employer contributions will transfer to MSRS-Unclassified with six percent interest.
9	27.26	SF 889 (Betzold); HF xxxx	MSRS-Unclassified	352D.02, Subd. 2	An MSRS-Unclassified coverage-upon-employment-change provision which permits certain individuals in MSRS-Unclassified to remain in the program if the position held is deleted from coverage is revised to apply only to those in the program before July 1, 2010.
10	28.4	SF 889 (Betzold); HF xxxx; and SF 1407 (Tomassoni); HF 1358 (Mahoney)	MSRS-Unclassified	352D.02, Subd. 3	The MSRS-Unclassified provision permitting transfer from MSRS-Unclassified to MSRS-General at any time after ten years of covered service is amended by restricting this treatment to those employees hired before July 1, 2010, and by requiring post-July 1, 2010, hires to make any transfer to MSRS-General within the first seven years of service. It also permits legislators first elected before July 1, 2010, to elect a transfer to MSRS-General before January 1, 2011, or the end of the legislator's seventh year of legislative service, whichever is later.
11	29.10	SF 889 (Betzold); HF xxxx	MSRS-Unclassified	352D.03	The MSRS-Unclassified provision covering the treatment of assets transferred to MSRS-Unclassified reduces the interest on the transfer to six percent and the provision is clarified as to eligibility.

Summary of Document LCPR10-035

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
12	29.22	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.04, Subd. 1	An MSRS-Unclassified investment option provision is amended by permitting individuals to specify the desired investment vehicles in a manner provided by the executive director, rather than in writing on a provided form, and by eliminating references to guaranteed investment contracts.
13	30.20	Amendment to SF 1407 (Tomassoni); HF 1358 (Mahoney)	MSRS-Unclassified	352D.04, Subd. 2	Indexes the MSRS-Unclassified member contribution rates to the MSRS-General member contribution rate.
14	31.5	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.05 Subd. 3	Amends the asset withdrawal provision to be consistent with daily rather than monthly valuation of accounts.
15	31.15	SF 889 (Betzold); HF xxxx	MSRS-Unclassified	352D.05, Subd. 4	The MSRS-Unclassified repayment of refund provision is amended by correcting the reference to MSRS-General.
16	31.28	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.06 Subd. 3	Permits an annuity to accrue the day after receipt of a valid application or the day following termination of employment, whichever is later, rather than at the start of the next full month.
17	32.6	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.065 Subd. 3	Permits disability annuities to accrue the day after receipt of a valid application or the day following termination of employment, whichever is later, rather than at the start of the next full month.
18	32.14	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.09 Subd. 3	Requires the executive director to make the investment prospective available by electronic means rather than requiring the distribution of a prospectus to each participant, and permits individuals to request hard copies.
19	32.22	SF 1180 (Betzold); HF xxxx	MSRS-Unclassified	352D.09, Subd. 7	The MSRS-Unclassified administrative fees provision is revised by removing the cap on the fees.

Article 4: Public Employees Retirement Association Amendments

1	33.4	LCPR10-008 (Betzold)	PERA	353.01, Subd. 2	The definition of "public employee" is revised for clarity, including indicating that it includes public officers not otherwise excluded by other plan provisions.
2	33.17	LCPR10-008 (Betzold)	PERA	353.01, Subd. 2a	The definition of "included employee" is revised for clarity, including indicating that it includes public officers not otherwise excluded by other plan provisions.
3	35.6	LCPR10-008 (Betzold)	PERA	353.01, Subd. 2b	The definition of "excluded employee" is revised by excluding city mayors from PERA-General coverage; the Hennepin Co./Hennepin Healthcare system employees clause for individuals who were on a work permit and whose employment is extended beyond three years is clarified by stating that they remain excluded if the \$450 salary threshold is not met; by stating that persons serving on boards or commissions of governmental subdivisions are excluded from membership, and by stating that independent contractor status does not apply to any individual performing a government function that by law of local ordinance is required of a public officer, including but not limited to clerk or treasurer, county auditor, county treasurer, or county recorder, emergency management director, or city manager.
4	38.26	LCPR10-008 (Betzold)	PERA	353.01, Subd. 2d	The "optional membership" definition is clarified by reformatting the paragraph structure.
5	40.2	SF 2474 (Betzold); HF 2739 (Murphy, M.)	PERA	353.01 Subd. 16	Excludes overtime pay from the salary base used in obtaining allowable service credit for periodic repetitive leaves and from military service.
6	42.35	SF 2474 (Betzold); HF 2739 (Murphy, M.)	PERA	353.0161 Subd. 2	Excludes overtime pay from the salary base used in obtaining allowable service credit for various authorized leaves of absence.
7	43.22	SF 2474 (Betzold); HF 2739 (Murphy, M.)	PERA	New 353.0162	Adds a new section to PERA statutes replacing the similar service/salary credit purchase workers' compensation provision, based on that provision but differing by excluding overtime pay from the salary used to compute the contributions, and expanding the procedure to also apply to partial paid medical leave, and partial paid leaves due to a budgetary or salary savings programs offered or mandated by a governmental subdivision, with payment based on the contribution rates in the applicable PERA plan and the difference between the partial salary received during the leave or break in service and the salary, excluding overtime, received during the six-month period prior to the leave or break in service.
8	45.3	LCPR10-008 (Betzold)	PERA	353.03, Subd. 1	The board election provision is clarified by specifying that the seat for a terminated employee must be filled by a person who is a benefit recipient rather than by a deferred annuitant; and by revising board election provisions to make use of e-mail and the internet rather than being restricted to using regular mail.

Summary of Document LCPR10-035

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9	46.28	LCPR10-008 (Betzold)	PERA	353.27, Subd. 4	The employer reporting requirements member status provision is revised by clarifying the requirements apply to all PERA plans; by specifying a 30-day time limit before interest will be changed on delinquent employee and employer contribution amounts; by specifying that salary deduction reports are due within 14 days of the pay date or a \$5 per calendar day penalty will be applied; that the salary data reports must include data on reemployed annuitants and any reemployed disabilitants; by creating a \$25 fine for failure to report membership data; and by authorizing PERA to review employer payroll records. If the employer fails to provide the requested payroll records, the employer is responsible to pay any PERA field audit expenses, including staff salaries, administrative expenses, and travel expenses.
10	48.18	LCPR10-008 (Betzold)	PERA	353.27, Subd. 7	The adjustments for erroneous receipts provision is revised by removing authority to have the employer pay any employee refund and interest to the employee with the employer being compensated by a credit against future contributions; instead, the pension fund will pay the refund.
11	50.23	LCPR10-008 (Betzold)	PERA	353.27, Subd. 10	The exclusion report provision (an annual report from employers listing individuals occupying positions normally covered by PERA who for various reasons are not covered by the plan), is revised by creating a \$25 fine for employer failure to provide the report.
12	51.8	LCPR10-008 (Betzold)	PERA	353.371, Subd. 4	The Post Retirement Option Program duration provision is revised by permitting renewals after the person attains Social Security normal retirement age and by permitting up to four renewals.
13	51.18	LCPR10-008 (Betzold)	Public Employees Defined Contribution Plan	353D.01, Subd. 2	The Public Employees Defined Contribution Plan eligibility provision is revised by extending eligibility to elected county sheriffs who are receiving PERA-P&F annuities and to persons serving on boards and commissions of governmental subdivisions.
14	52.64	LCPR10-008 (Betzold)	Public Employees Defined Contribution Plan	353D.03, Subd. 1	The Public Employees Defined Contribution Plan local government official contribution provision is revised to make the provision also apply to other classes who elect this coverage, including public physicians and persons serving on boards and commissions of governmental subdivisions.
15	53.12	LCPR10-008 (Betzold)	Public Employees Defined Contribution Plan	353D.04, Subd. 1	The Public Employees Defined Contribution Plan account crediting provision is revised for clarity.
16	53.23	LCPR10-008 (Betzold)	Public Employees Defined Contribution Plan	353D.04, Subd. 2	The Public Employees Defined Contribution Plan authority to adopt policy provision is revised by revising a head note.
17	53.28	LCPR10-008 (Betzold)	PERA Privatizations	3535F.02, Subd. 4	The privatized employee chapter medical facility inclusion provision is revised by adding three facilities to the list: the Chris Jenson Health and Rehabilitation Center in St. Louis County, the Douglas County Hospital Mental Health Unit, and Wheaton Community Hospital.
18	54.22	LCPR10-008 (Betzold)	PERA Privatizations	353F.025, Subd. 1	The privatized employee chapter eligibility determination procedure is revised by adding a definition of net loss.
19	55.15	LCPR10-008 (Betzold)	PERA Privatizations	353F.025, Subd. 2	The privatized employee chapter recommendation to Legislature provision is revised by clarifying that recommendations to add privatized entities to plan coverage can be made as part of the PERA administrative bill; and by permitting inclusion of entities that are expected to create and actuarial loss to PERA if the employer agrees to provide a lump sum payment, with interest, to PERA sufficient to eliminate the computed net loss.
20	56.12	LCPR10-008 (Betzold)	MSRS, PERA, TRA	356.96, Subd. 2	The appeals procedure right to review provision is amended by stating that determinations are made by the plan's chief administrative officer rather than the plan "administration."
21	56.18	LCPR10-008 (Betzold)	MSRS, PERA, TRA	356.96, Subd. 3	The appeals procedure notice of determination provision is amended by requiring a statement of all materials the person wants the board to review to be filed with the board 15 days, rather than 30 days, before the hearing date, and by removing a requirement that the individual must be supplied with a copy of this section of law.
22	57.5	LCPR10-008 (Betzold)	MSRS, PERA, TRA	356.96, Subd. 5	The appeals procedure petition for review provision is amended by replacing the term "executive director" with "chief administrative officer."

Summary of Document LCPR10-035

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23	57.22	LCPR10-008 (Betzold)	MSRS, PERA, TRA	356.96, Subd. 7	The appeals procedure notice of hearing provision is amended by removing any time requirements for scheduling review of a petition; by requiring that the chief administrative officer mail an acknowledgement of the person's petition 30 days, rather than 15 days, before the hearing date; by requiring all materials the petitioner wishes the board to review be submitted at least 15 days, rather than 30 days before the hearing; and by permitting the chief administrative officer to reschedule a hearing review within "a reasonable time," rather than within 60 days.
24	58.15	LCPR10-008 (Betzold)	MSRS, PERA, TRA	356.96, Subd. 8	The appeals procedure record of review provision is amended by revising the provision for clarity; and by allowing the applicable board to permit any additional document or information the petitioner requests at any time, with the consent of the board, rather than at least five days before the hearing.
25	58.31	LCPR10-008 (Betzold)	City of Duluth, Duluth Airport Authority	Laws 2009, Ch. 169, Art. 4, Sec. 49	A provision specifying a procedure to correct erroneous employee deductions and employer contributions and to adjust benefit overpayments applicable to the City of Duluth and the Duluth Airport Authority, is revised by requiring any refund of excess employee contributions to active employees to be paid by the retirement plan fund rather than having that money transmitted to the employer who would then refund the amount to the employee; and by making this section of law also apply to the City of Virginia. Local approval is required.
26	61.7	LCPR10-008 (Betzold)	PERA	Laws 2009, Ch. 169, Art. 5, Sec. 2	The effective date which required the Postretirement Option Program to sunset on June 30, 2011, is revised by extending the program to June 30, 2014.
27	61.13	LCPR10-008 (Betzold)	--	Repealer	M.S., Sec. 353.46, Subd. 1a, a PERA purchase of allowable service savings clause applicable to individuals who purchased service credit which included the date June 30, 1957, and Sec. 353D.03, Subd. 2, a Public Employees Defined Contribution Plan public physician contribution rate provision which is no longer needed because the language is moved to another provision, are repealed effective the day after final enactment. Section 353D.12, a Public Employees Defined Contribution Plan provision permitting elected officials to make prior contribution for elected service that occurred before June 30, 1991, is repealed effective July 1, 2011.

Article 5: Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan

1	61.22	LCPR09-080	Local Volunteer Firefighter Relief Associations	69.051, Subd. 3	Clarifies that the current provision requiring municipalities without local volunteer firefighter relief associations to file annual financial reports with the State Auditor on receipts and disbursements of fire state aid does not apply to municipalities that participate in the voluntary statewide lump-sum volunteer firefighter retirement plan and comply with its governing law, and adds an exemption from the reporting requirement for municipalities participating in the voluntary statewide firefighter plan which comply with the reporting and funding requirements of M.S., Ch. 353G.
2	62.16	LCPR09-080	PERA Statewide Volunteer Fire Plan	353G.05, Subd. 2	Specifies that a service pension level to be initially costed out by PERA for defined contribution volunteer firefighter relief associations contemplating a retirement plan coverage change as that service pension amount of the 16 available levels that is closest to an amount equal to 95 percent of the current account balance of the relief association member.
3	64.4	LCPR09-080	PERA Statewide Volunteer Fire Plan	353G.06, Subd. 1	Eliminates a special pre-statewide plan joining additional municipal contribution based on any decline in the asset value of the volunteer firefighter relief association special fund.
4	64.22	LCPR09-080	PERA Statewide Volunteer Fire Plan	353G.08	Divides the current provision into three subdivisions, with the current subdivision 1 containing the current annual municipal funding requirement provision, with subdivision 2 containing a special municipal contribution requirement triggered if a statewide plan account is in danger of a service pension benefit default, and with subdivision 3 containing the current authorized disbursements provision augmented with specific authorization for disability insurance premium payments.
5	67.4	LCPR09-080	PERA Statewide Volunteer Fire Plan	353G.09, Subd. 3	Adds to the alternative service pension amount applicable to retiring voluntary statewide lump-sum volunteer firefighter retirement plan members during their initial five years of coverage by the statewide plan a specific alternative service pension amount for members of former defined contribution plan volunteer firefighter relief associations equal to the retiring member's account balance as of first coverage by the statewide retirement plan plus six percent annual compound interest from that date until retirement.

Summary of Document LCPR10-035

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
6	68.1	LCPR09-081	PERA Statewide Volunteer Fire Plan	353G.11 Subd. 1	Adds five net new service pension levels.
7	68.26	LCPR09-081	PERA Statewide Volunteer Fire Plan	353G.11 New Subd. 1a	Grandparents the eliminated \$750 service pension level for any municipality or fire department that selected that service pension level for January 1, 2010.
8	68.35	LCPR09-080	PERA Statewide Volunteer Fire Plan	353G.115	Authorizes as disability coverage through casualty insurance coverage arranged with a licensed insurance company, with the portion of the cost of disability insurance premiums attributable to the fire department as an addition to the financial requirement for statewide plan coverage.
9	69.11	LCPR09-080	PERA Statewide Volunteer Fire Plan	424A.08	Clarifies that the provision specifying the authorized disbursements of fire state aid by municipalities which do not have volunteer firefighter relief associations does not apply to municipalities without volunteer firefighter relief associations and with voluntary statewide lump-sum volunteer firefighter retirement plan, and provides that any fire state aid that may be received by a municipality without a volunteer firefighter relief association but with statewide plan coverage must be transmitted to the statewide fund.

Article 6: Teachers Retirement Association Service Credit Procedure Revisions

1	70.11	SF 578 (Betzold); HF 1123 (Murphy, M.)	TRA	354.05, New Subd. 4l	Adds a definition of "annual base salary," set at the lowest BA level full-time teacher base contract salary amount.
2	70.30	SF 578 (Betzold); HF 1123 (Murphy, M.)	TRA	354.091	The TRA K-12 teacher service credit is modified to be a function of the teacher's salary relative to a base salary in the district rather than being based on hours of service, with service credit computed monthly by dividing the teacher's monthly salary by the monthly base salary for the applicable employing unit by multiplying the result by 11.1%, and with the result capped at 11.1%, so that a teacher may not earn more than 11.1% of one full year's service credit in a month. Annual service credit is calculated by adding the monthly service credit amounts for the months in the applicable fiscal year and a teacher may not earn more than one year of service credit in a fiscal year. Effective for teaching service performed after June 30, 2010.
3	72.25	SF 578 (Betzold); HF 1123 (Murphy, M.)	TRA	354.52, New Subd. 4b	Adds to the employer payroll cycle reporting requirements to eliminate the reporting of service credit and to require the reporting of reemployed annuitant salary amounts.
4	73.13	SF 578 (Betzold); HF 1123 (Murphy, M.)	TRA	354.52, New Subd. 4d	Requires employers to report annually, for each active member, the annual school district lowest full-time BA level base salary amount and beginning and ending dates for the regular school work year.
5	73.20	SF 578 (Betzold); HF 1123 (Murphy, M.)	TRA	354.52, Subd. 6	Includes annual base salary reporting in the noncompliance fine provision and sets the fine timeframe date.
6	73.28	SF 578 (Betzold); HF 1123 (Murphy, M.)	TRA	356.66, Subd. 3	Resets the definitions of part-time teacher on a percentage of full-time service credit rather than a minimum number of teaching days to conform to the new service crediting provision.

Article 7: MnSCU-IRAP Amendments

1	74.14	LCPR10-003 (Betzold)	MnSCU IRAP	354B.25 Subd. 1	Permits the MnSCU board to contract out for investment selection and review services.
2	74.22	LCPR10-003 (Betzold)	MnSCU IRAP	354B.25 Subd. 3	Authorizes MnSCU to contract out for investment selection and review services with other providers of those services.
3	75.19	LCPR10-003 (Betzold)	MnSCU Higher Educ. Supplemental Plan	354C.14	Permits the MnSCU board to contract out for investment selection and review services.
4	75.31	LCPR10-003 (Betzold)	MnSCU Higher Educ. Supplemental Plan	Repealer	Repeals M.S., Sec. 354C.15, a provision authorizing the MnSCU board to redeem State Board of Investment Supplemental Investment Fund shares held by plan members who want to redirect their assets to other investments.

Article 8: Actuarial Reporting Deadline Dates

1	76.4	LCPR09-071 (Betzold)	Retirement, Generally	356.215, Subd. 3	Imposes December 31 deadline date for actuarial valuations and extends experience study deadline to June 30.
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Article 9: Early Retirement Incentive Modifications

1	76.26	SF 1417 (Pogemiller); HF 1327 (Murphy, M.)	Various retirement plans	356.351, Subd. 1	Amends eligibility specifications to extend the program from July 15, 2009, to October 1, 2012
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Summary of Document LCPR10-035

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
2	77.18	SF 1417 (Pogemiller); HF 1327 (Murphy, M.)	Various retirement plans	356.351, Subd. 2	Amends incentive amount from \$17,000 to the total of the maximum state regular unemployment compensation and employer-paid medical, dental, and life insurance premiums payable to the incentive recipient in the event of a layoff.

Article 10: Optional Annuity Revocation Following Certain Marriage Dissolutions

1	78.32	SF xxxx; HF 814 (Urdahl)	Various retirement plans	New 356.48	Permits bounce-back to the full annuity amount of optional annuity if marriage dissolution with court-ordered revocation.
2	80.10	SF xxxx; HF 814 (Urdahl)	Various retirement plans	518.58, Subd. 3	Eliminates requirement of a division of only liquid marital property when pension benefits are marital assets from pending proceeding sale or distribution provision.
3	80.26	SF xxxx; HF 814 (Urdahl)	Various retirement plans	518.58, Subd. 4	Adds requirement of a division of only liquid marital property when pension benefits are marital assets to pension plan marital property division provision.

Article 11: Volunteer Firefighter Relief Association Changes

1	81.32	Revisor #10-5059	Lump Sum VFRAs	69.772, Subd. 6	Makes municipal ratification of lump sum benefit increase requirement consistent with M.S., Sec. 424A.02, Subd. 10.
2	83.1	Revisor #10-5059	Monthly Benefit VFRAs	69.773, Subd. 6	Makes municipal ratification of monthly benefit benefit increase requirement consistent with M.S., Sec. 424A.02, Subd. 10.
3	83.34	Revisor #10-5059	Various retirement plans	356A.06, Subd. 8	Clarifies general application of the minimum liquidity need investment requirement of the public pension plan fiduciary responsibility law.
4	84.9	Revisor #10-5059	VFRAs	424A.01, Subd. 1	Removes unnecessary provision that was moved to M.S., Ch. 420, in 2009.
5	84.22	Revisor #10-5059	VFRAs	424A.01, Subd. 6	Breaks the return to firefighting service membership provision into paragraphs, exempts from the membership resumption requirements any return from service break under state or federal law, clarifies leave of absence and break-in-service length qualifier, and permits monthly benefit retirees to receive a service pension after a return to service.
6	87.1	Revisor #10-5059	All VFRAs	424A.015	Permits the transfer of lump sum service pension amounts to the Minnesota Deferred Compensation Plan.
7	87.13	Revisor #10-5059	Defined Contribution VFRAs	424A.016, Subd. 4	Clarifies that the defined contribution volunteer firefighter relief associations may credit investment performance to inactive member accounts.
8	88.23	Revisor #10-5059	Defined Contribution VFRAs	424A.016, Subd. 7	Clarifies that the ancillary benefit level limit is the vested and non-vested account amounts, moves the payment priority provisions previously contained in M.S., Sec. 424A.05, Subd. 3, Para. (a), Clause (3), to the ancillary benefit limitation provision, clarifies when designated beneficiaries may receive a survivor benefit, and permits surviving spouses to waive all or part of survivor benefits in favor of a designated beneficiary if there is no surviving child.
9	89.15	Revisor #10-5059	Defined Benefit VFRAs	424A.02, Subd. 9	Moves the payment priority provisions previously contained in M.S., Sec. 424A.05, Subd. 3, Para. (a), Clause (3), to the ancillary benefit limitation provision, clarifies when designated beneficiaries may receive a survivor benefit, permits surviving spouse to waive all or part of survivor benefits in favor of a designated beneficiary if there is no surviving child, and permits monthly benefit volunteer firefighter relief associations to limit the amount of the survivor benefit amount payable to a designated beneficiary.
10	91.11	Revisor #10-5059	Defined Benefit VFRAs	424A.02, Subd. 10	Makes municipal ratification of defined benefit relief association benefit increase requirement consistent with M.S., Sec. 69.772, Subd. 6, and 69.773, Subd. 6.
11	92.23	Revisor #10-5059	VFRAs, generally	424A.05, Subd. 3	Permits transfers of lump sum pension amounts to the Minnesota Deferred Compensation Plan in the authorized disbursements of the volunteer firefighter relief association special fund, clarifies that the 1988 purchase of insurance carrier annuity authority and 1993 transfer to individual retirement account authority are authorized special fund disbursements, and removes the survivor benefit payment priority provisions moved to other sections (Sec. 8-9).
12	93.29	Revisor #10-5059	VFRAs, generally	424A.05, New Subd. 3b	Permits the State Auditor to order the correction of erroneous special fund deposits if made in good faith and if consistent with state and federal law.
13	94.5	Revisor #10-5059	--	Repealer	Repeals the definition of surviving spouse in favor of its commonly understood definition and repeals a 2009 change in a repealed section to eliminate a Revisor's note.