

1.1 **POTENTIAL 2011 OMNIBUS RETIREMENT BILL THROUGH MAY 11, 2011**

1.2 ..... moves to amend H.F. No. 1647; S.F. No. 1369, as follows:

1.3 Delete everything after the enacting clause and insert:

1.4 **"ARTICLE 1**

1.5 **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

1.6 Section 1. Minnesota Statutes 2010, section 353.01, subdivision 2a, is amended to read:

1.7 Subd. 2a. **Included employees; mandatory membership.** (a) Public employees  
1.8 whose salary exceeds \$425 in any month and who are not specifically excluded under  
1.9 subdivision 2b or who have not been provided an option to participate under subdivision  
1.10 2d, whether individually or by action of the governmental subdivision, must participate as  
1.11 members of the association with retirement coverage by the general employees retirement  
1.12 plan under this chapter, the public employees police and fire retirement plan under this  
1.13 chapter, or the local government correctional employees retirement plan under chapter  
1.14 353E, whichever applies. Membership commences as a condition of their employment on  
1.15 the first day of their employment or on the first day that the eligibility criteria are met,  
1.16 whichever is later. Public employees include but are not limited to:

1.17 (1) persons whose salary meets the threshold in this paragraph from employment in  
1.18 one or more positions within one governmental subdivision;

1.19 (2) elected county sheriffs;

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

1.23 (i) town and city clerk or treasurer;

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

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

2.1 (iv) emergency management director, as provided under section 12.25;  
2.2 (4) physicians under section 353D.01, subdivision 2, who do not elect public  
2.3 employees defined contribution plan coverage under section 353D.02, subdivision 2;  
2.4 (5) full-time employees of the Dakota County Agricultural Society; ~~and~~  
2.5 (6) employees of the Minneapolis Firefighters Relief Association or Minneapolis  
2.6 Police Relief Association who are not excluded employees under subdivision 2b due  
2.7 to coverage by the relief association pension plan and who elected general employee  
2.8 retirement plan coverage before August 20, 2009; and  
2.9 (7) employees of the Red Wing Port Authority who were first employed by the  
2.10 Red Wing Port Authority before May 1, 2011, and who are not excluded employees  
2.11 under subdivision 2b.

2.12 (b) A public employee or elected official who was a member of the association on  
2.13 June 30, 2002, based on employment that qualified for membership coverage by the public  
2.14 employees retirement plan or the public employees police and fire plan under this chapter,  
2.15 or the local government correctional employees retirement plan under chapter 353E as of  
2.16 June 30, 2002, retains that membership for the duration of the person's employment in that  
2.17 position or incumbency in elected office. Except as provided in subdivision 28, the person  
2.18 shall participate as a member until the employee or elected official terminates public  
2.19 employment under subdivision 11a or terminates membership under subdivision 11b.

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

2.22 (d) For the purpose of participation in the MERF division of the general employees  
2.23 retirement plan, public employees include employees who were members of the former  
2.24 Minneapolis Employees Retirement Fund on June 29, 2010, and who participate as  
2.25 members of the MERF division of the association.

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

2.27 Sec. 2. Minnesota Statutes 2010, section 353.01, subdivision 6, is amended to read:

2.28 Subd. 6. **Governmental subdivision.** (a) "Governmental subdivision" means a  
2.29 county, city, town, school district within this state, or a department, unit or instrumentality  
2.30 of state or local government, or any public body established under state or local  
2.31 authority that has a governmental purpose, is under public control, is responsible for the  
2.32 employment and payment of the salaries of employees of the entity, and receives a major  
2.33 portion of its revenues from taxation, fees, assessments or from other public sources.

2.34 (b) Governmental subdivision also means the Public Employees Retirement  
2.35 Association, the League of Minnesota Cities, the Association of Metropolitan

3.1 Municipalities, charter schools formed under section 124D.10, service cooperatives  
3.2 exercising retirement plan participation under section 123A.21, subdivision 5, joint powers  
3.3 boards organized under section 471.59, subdivision 11, paragraph (a), family service  
3.4 collaboratives and children's mental health collaboratives organized under section 471.59,  
3.5 subdivision 11, paragraph (b) or (c), provided that the entities creating the collaboratives  
3.6 are governmental units that otherwise qualify for retirement plan membership, public  
3.7 hospitals owned or operated by, or an integral part of, a governmental subdivision or  
3.8 governmental subdivisions, the Association of Minnesota Counties, the Minnesota  
3.9 Inter-county Association, the Minnesota Municipal Utilities Association, the Metropolitan  
3.10 Airports Commission, the University of Minnesota with respect to police officers covered  
3.11 by the public employees police and fire retirement plan, the Minneapolis Employees  
3.12 Retirement Fund for employment initially commenced after June 30, 1979, the Range  
3.13 Association of Municipalities and Schools, soil and water conservation districts, economic  
3.14 development authorities created or operating under sections 469.090 to 469.108, the Port  
3.15 Authority of the city of St. Paul, the Red Wing Port Authority, the Spring Lake Park Fire  
3.16 Department, incorporated, the Lake Johanna Volunteer Fire Department, incorporated,  
3.17 the Red Wing Environmental Learning Center, the Dakota County Agricultural Society,  
3.18 Hennepin Healthcare System, Inc., and the Minneapolis Firefighters Relief Association  
3.19 and Minneapolis Police Relief Association with respect to staff covered by the Public  
3.20 Employees Retirement Association general plan.

3.21 (c) Governmental subdivision does not mean any municipal housing and  
3.22 redevelopment authority organized under the provisions of sections 469.001 to 469.047;  
3.23 or any port authority organized under sections 469.048 to 469.089 other than the Port  
3.24 Authority of the city of St. Paul; and other than the Red Wing Port Authority; or any  
3.25 hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to  
3.26 447.37 or the successor of the district; or the board of a family service collaborative or  
3.27 children's mental health collaborative organized under sections 124D.23, 245.491 to  
3.28 245.495, or 471.59, if that board is not controlled by representatives of governmental units.

3.29 (d) A nonprofit corporation governed by chapter 317A or organized under Internal  
3.30 Revenue Code, section 501(c)(3), which is not covered by paragraph (a) or (b), is not a  
3.31 governmental subdivision unless the entity has obtained a written advisory opinion from  
3.32 the United States Department of Labor or a ruling from the Internal Revenue Service  
3.33 declaring the entity to be an instrumentality of the state so as to provide that any future  
3.34 contributions by the entity on behalf of its employees are contributions to a governmental  
3.35 plan within the meaning of Internal Revenue Code, section 414(d).

4.1 (e) A public body created by state or local authority may request membership on  
4.2 behalf of its employees by providing sufficient evidence that it meets the requirements in  
4.3 paragraph (a).

4.4 (f) An entity determined to be a governmental subdivision is subject to the reporting  
4.5 requirements of this chapter upon receipt of a written notice of eligibility from the  
4.6 association.

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

4.8 Sec. 3. **VALIDATION OF PAST RETIREMENT COVERAGE AND**  
4.9 **CONTRIBUTIONS FOR RED WING PORT AUTHORITY EMPLOYEES.**

4.10 (a) Retirement coverage by the general employees retirement plan of the Public  
4.11 Employees Retirement Association, allowable service credit, and salary credit for  
4.12 employees of the Red Wing Port Authority who were so employed after December 31,  
4.13 1984, and were first so employed before May 1, 2011, who had monthly salary in any  
4.14 month of at least \$325 until June 30, 1988, and who had monthly salary in any month of  
4.15 at least \$425 after June 30, 1988, who were not otherwise excluded under the applicable  
4.16 edition of Minnesota Statutes, section 353.01, subdivision 2b, and who had member  
4.17 deductions taken and transferred in a timely manner to the general employees retirement  
4.18 fund before the effective date of this section are hereby validated.

4.19 (b) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the  
4.20 contrary, employee contributions deducted from employees of the Red Wing Port  
4.21 Authority described in paragraph (a) before the effective date of this section and associated  
4.22 employer contributions are valid assets of the general employees retirement fund and are  
4.23 not subject to refund or adjustment for erroneous receipt except as provided in Minnesota  
4.24 Statutes, section 353.32, subdivision 1 or 2; or 353.34, subdivisions 1 and 2.

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

4.26 Sec. 4. **CITY OF DULUTH AND DULUTH AIRPORT AUTHORITY;**  
4.27 **CORRECTING ERRONEOUS EMPLOYEE DEDUCTIONS, EMPLOYER**  
4.28 **CONTRIBUTIONS, AND ADJUSTING OVERPAID BENEFITS.**

4.29 Subdivision 1. **Application.** Notwithstanding any provisions of Minnesota Statutes,  
4.30 section 353.27, subdivisions 7 and 7b, or Minnesota Statutes 2010, chapters 353 and 356,  
4.31 to the contrary, this section establishes the procedures by which the executive director of  
4.32 the Public Employees Retirement Association shall adjust erroneous employee deductions  
4.33 and employer contributions paid on behalf of active employees and former members

5.1 by the city of Duluth and by the Duluth Airport Authority on amounts determined by  
5.2 the executive director to be invalid salary under Minnesota Statutes, section 353.01,  
5.3 subdivision 10, reported between January 1, 1997, and October 23, 2008, and for  
5.4 adjusting benefits that were paid to former members and their beneficiaries based upon  
5.5 invalid salary amounts.

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

5.13 (b) The refund payment for active employees must be sent to the applicable members  
5.14 who are employees of the city of Duluth or who are employees of the Duluth Airport  
5.15 Authority, whichever is applicable.

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

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

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

5.24 (2) determine the amount of the overpaid benefits paid from the effective date of the  
5.25 annuity or benefit payment to July 1, 2009;

5.26 (3) calculate the amount of employee deductions taken in error on invalid salary,  
5.27 including interest at the rate specified in Minnesota Statutes, section 353.34, subdivision  
5.28 2, from the date each invalid employee deduction was received through the first day of the  
5.29 month in which the refund under paragraph (b), or action to recover net overpayments  
5.30 under subdivision 4, occurs; and

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

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

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

6.6 Subd. 4. **Employer credits and obligations.** (a) The executive director shall  
6.7 provide a credit without interest to the city of Duluth and to the Duluth Airport Authority  
6.8 for the amount of that governmental subdivision's erroneous employer contributions. The  
6.9 credit must first be used to offset the net amount of the overpaid retirement annuities and  
6.10 the disability and survivor benefits that remain after applying the amount of erroneous  
6.11 employee deductions with interest as provided under subdivision 3, paragraph (a),  
6.12 clause (4). The remaining erroneous employer contributions, if any, must be credited  
6.13 against future employer contributions required to be paid by the applicable governmental  
6.14 subdivision. If the overpaid benefits exceed the employer contribution credit, the balance  
6.15 of the overpaid benefits is the obligation of the city of Duluth or the Duluth Airport  
6.16 Authority, whichever is applicable.

6.17 (b) The Public Employees Retirement Association board of trustees shall determine  
6.18 the period of time and manner for the collection of overpaid retirement annuities and  
6.19 benefits, if any, from the city of Duluth and the Duluth Airport Authority.

6.20 Subd. 5. **Treatment of invalid salary amounts in process.** (a) The governing body  
6.21 of the city of Duluth or the Duluth Airport Authority, as applicable, may elect to limit the  
6.22 period of adjustment for amounts determined to be invalid salary to apply to the fiscal  
6.23 year in which the error was reported to, and the salary determined to be invalid by, the  
6.24 Public Employees Retirement Association, and the immediate two preceding fiscal years,  
6.25 by a resolution of the applicable governing body transmitted to the Public Employees  
6.26 Retirement Association executive director within 30 days following the effective date  
6.27 of this section.

6.28 (b) If the governing body of the applicable governmental subdivision declines the  
6.29 treatment permitted under paragraph (a) or fails to submit a resolution in a timely manner,  
6.30 the statute of limitations specified in paragraph (a) does not apply.

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

7.1 (b) This section is effective for the Duluth Airport Authority the day after the Duluth  
 7.2 Airport Authority board of directors and the chief clerical officer of the Duluth Airport  
 7.3 Authority timely complete their compliance with Minnesota Statutes, section 645.021,  
 7.4 subdivisions 2 and 3, for members who are, and former members who were, employees  
 7.5 of the Duluth Airport Authority.

## 7.6 ARTICLE 2

### 7.7 TEACHER RETIREMENT COVERAGE

7.8 Section 1. Minnesota Statutes 2010, section 354A.011, is amended by adding a  
 7.9 subdivision to read:

7.10 Subd. 29. **Vesting; vested.** (a) "Vesting" or "vested" means having entitlement to a  
 7.11 nonforfeitable annuity or benefit from a coordinated member program administered by a  
 7.12 teachers retirement fund association by having credit for sufficient allowable service under  
 7.13 paragraph (b) or (c), whichever applies.

7.14 (b) For purposes of qualifying for an annuity or a benefit as a coordinated plan  
 7.15 member of the St. Paul Teachers Retirement Fund Association, the teacher is vested when  
 7.16 the teacher has accrued credit for at least three years of service.

7.17 (c) For purposes of qualifying for an annuity or a benefit as a coordinated plan  
 7.18 member of the Duluth Teachers Retirement Fund Association:

7.19 (1) a teacher who first became a member of the plan before July 1, 2010, is vested  
 7.20 when the teacher has accrued at least three years of service; and

7.21 (2) a teacher who first became a member of the plan after June 30, 2010, is vested  
 7.22 when the teacher has accrued at least five years of service.

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

7.24 Sec. 2. Minnesota Statutes 2010, section 354A.094, subdivision 3, is amended to read:

7.25 **Subd. 3. **Qualified part-time teacher program participation requirements.** (a)**  
 7.26 **A teacher in the public schools of a city of the first class who ~~has three years or more~~**  
 7.27 **~~allowable service in the applicable retirement fund association is vested, or three who has~~**  
 7.28 **combined years or more of full-time teaching service in Minnesota public elementary**  
 7.29 **schools, Minnesota secondary schools, and Minnesota State Colleges and Universities**  
 7.30 **system at least equal to the number of years specified for vesting in the applicable first**  
 7.31 **class city teacher plan, may, by agreement with the board of the employing district, be**  
 7.32 **assigned to teaching service within the district in a part-time teaching position. The**  
 7.33 **agreement must be executed before October 1 of the year for which the teacher requests to**  
 7.34 **make retirement contributions under subdivision 4. A copy of the executed agreement**

8.1 must be filed with the executive director of the retirement fund association. If the copy  
8.2 of the executed agreement is filed with the association after October 1 of the year for  
8.3 which the teacher requests to make retirement contributions under subdivision 4, the  
8.4 employing school district shall pay a fine of \$5 for each calendar day that elapsed since  
8.5 the October 1 due date. The association may not accept an executed agreement that is  
8.6 received by the association more than 15 months late. The association may not waive  
8.7 the fine required by this section.

8.8 (b) Notwithstanding paragraph (a), if the teacher is also a legislator:

8.9 (1) the agreement in paragraph (a) must be executed before March 1 of the school  
8.10 year for which the teacher requests to make retirement contributions under subdivision  
8.11 4; and

8.12 (2) the fines specified in paragraph (a) apply if the employing unit does not file the  
8.13 executed agreement with the executive director of the applicable Teachers Retirement  
8.14 Fund Association by March 1.

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

8.16 Sec. 3. Minnesota Statutes 2010, section 354A.29, is amended by adding a subdivision  
8.17 to read:

8.18 **Subd. 7. Eligibility for payment of postretirement adjustments.** (a) Annually,  
8.19 after June 30, the board of trustees of the St. Paul Teachers Retirement Fund Association  
8.20 must determine the amount of any postretirement adjustment using the procedures in this  
8.21 subdivision and subdivision 8 or 9, whichever is applicable.

8.22 (b) On January 1, each eligible person who has been receiving an annuity or benefit  
8.23 under the articles of incorporation, the bylaws, or this chapter for at least three calendar  
8.24 months as of the end of the last day of the previous calendar year is eligible to receive a  
8.25 postretirement increase as specified in subdivision 8 or 9.

8.26 **EFFECTIVE DATE.** This section is effective July 1, 2011.

8.27 Sec. 4. Minnesota Statutes 2010, section 354A.29, is amended by adding a subdivision  
8.28 to read:

8.29 **Subd. 8. Calculation of postretirement adjustments; transitional provision.** (a)  
8.30 For purposes of computing postretirement adjustments for eligible benefit recipients of the  
8.31 St. Paul Teachers Retirement Fund Association, the accrued liability funding ratio based  
8.32 on the actuarial value of assets of the plan as determined by the most recent actuarial



9.1 valuation prepared under sections 356.214 and 356.215 determines the postretirement  
 9.2 increase, as follows:

9.3	<u>Funding ratio</u>	<u>Postretirement increase</u>
9.4	<u>Less than 80 percent</u>	<u>1 percent</u>
9.5	<u>At least 80 percent but less</u>	
9.6	<u>than 90 percent</u>	<u>2 percent</u>

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

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

9.17 **EFFECTIVE DATE.** This section is effective July 1, 2011.

9.18 Sec. 5. Minnesota Statutes 2010, section 354A.29, is amended by adding a subdivision  
 9.19 to read:

9.20 **Subd. 9. Calculation of postretirement adjustments.** (a) This subdivision applies  
 9.21 if subdivision 8 has expired.

9.22 (b) A percentage adjustment must be computed and paid under this subdivision to  
 9.23 eligible persons under subdivision 7. This adjustment is determined by reference to the  
 9.24 Consumer Price Index for urban wage earners and clerical workers all items index as  
 9.25 reported by the Bureau of Labor Statistics within the United States Department of Labor  
 9.26 each year as part of the determination of annual cost-of-living adjustments to recipients of  
 9.27 federal old-age, survivors, and disability insurance. For calculations of postretirement  
 9.28 adjustments under paragraph (c), the term "average third quarter Consumer Price Index  
 9.29 value" means the sum of the monthly index values as initially reported by the Bureau of  
 9.30 Labor Statistics for the months of July, August, and September, divided by three.

9.31 (c) Before January 1 of each year, the executive director must calculate the amount  
 9.32 of the postretirement adjustment by dividing the most recent average third quarter index  
 9.33 value by the same average third quarter index value from the previous year, subtract one  
 9.34 from the resulting quotient, and express the result as a percentage amount, which must be  
 9.35 rounded to the nearest one-tenth of one percent.

10.1 (d) The amount calculated under paragraph (c) is the full postretirement adjustment  
 10.2 to be applied as a permanent increase to the regular payment of each eligible member  
 10.3 on January 1 of the next calendar year. For any eligible member whose effective date  
 10.4 of benefit commencement occurred during the calendar year before the postretirement  
 10.5 adjustment is applied, the full increase amount must be prorated on the basis of whole  
 10.6 calendar quarters in benefit payment status in the calendar year prior to the January 1 on  
 10.7 which the postretirement adjustment is applied, calculated to the third decimal place.

10.8 (e) The adjustment must not be less than zero nor greater than five percent.

10.9 **EFFECTIVE DATE.** This section is effective July 1, 2011.

10.10 Sec. 6. Minnesota Statutes 2010, section 354A.31, subdivision 1, is amended to read:

10.11 Subdivision 1. **Age and service requirements.** Any coordinated member or former  
 10.12 coordinated member of the Duluth Teachers Retirement Fund Association or of the St.  
 10.13 Paul Teachers Retirement Fund Association who has ceased to render teaching service for  
 10.14 the school district in which the teachers retirement fund association exists, who is vested  
 10.15 and who has either attained the age of at least 55 years with not less than three years of  
 10.16 allowable service credit or received credit for not less than 30 years of allowable service  
 10.17 regardless of age, shall be entitled upon written application to a retirement annuity. Any  
 10.18 coordinated member or former coordinated member of the Duluth Teachers Retirement  
 10.19 Fund Association who has ceased to render teaching service for the school district in  
 10.20 which the teacher retirement fund association exists and who has either attained the age of  
 10.21 at least 55 years with not less than three years of allowable service credit if the member  
 10.22 became an employee before July 1, 2010, or not less than five years of allowable service  
 10.23 credit if the member became an employee after June 30, 2010, or received service credit  
 10.24 for not less than 30 years of allowable service regardless of age, shall be entitled upon  
 10.25 written application to a retirement annuity.

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

10.27 Sec. 7. Minnesota Statutes 2010, section 354A.31, subdivision 5, is amended to read:

10.28 Subd. 5. **Unreduced normal retirement annuity.** Upon retirement at normal  
 10.29 retirement age ~~with at least three years of service credit~~, a vested coordinated member is  
 10.30 entitled to a normal retirement annuity calculated under subdivision 4 or 4a, whichever  
 10.31 applies.

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

11.1 Sec. 8. Minnesota Statutes 2010, section 354A.31, subdivision 6, is amended to read:

11.2 Subd. 6. **Reduced retirement annuity.** This subdivision applies only to a person  
11.3 who first became a coordinated member or a member of a pension fund listed in section  
11.4 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated  
11.5 using the retirement annuity formula percentage in subdivision 4, paragraph (c), or  
11.6 subdivision 4a, paragraph (c), in conjunction with this subdivision than when calculated  
11.7 under subdivision 4, paragraph (d), or subdivision 4a, paragraph (d), in conjunction with  
11.8 subdivision 7.

11.9 (a) Upon retirement at an age before normal retirement age ~~with three years~~  
11.10 ~~of service credit~~ or prior to age 62 with at least 30 years of service credit, a vested  
11.11 coordinated member shall be entitled to a retirement annuity in an amount equal to the  
11.12 normal retirement annuity calculated using the retirement annuity formula percentage in  
11.13 subdivision 4, paragraph (c), or subdivision 4a, paragraph (c), reduced by one-quarter of  
11.14 one percent for each month that the coordinated member is under normal retirement age if  
11.15 the coordinated member has less than 30 years of service credit or is under the age of 62 if  
11.16 the coordinated member has at least 30 years of service credit.

11.17 (b) Any coordinated member whose attained age plus credited allowable service  
11.18 totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to  
11.19 the normal retirement annuity calculated using the retirement annuity formula percentage  
11.20 in subdivision 4, paragraph (c), or subdivision 4a, paragraph (c), without any reduction by  
11.21 reason of early retirement.

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

11.23 Sec. 9. Minnesota Statutes 2010, section 354A.35, subdivision 2, is amended to read:

11.24 Subd. 2. **Death while eligible to retire; surviving spouse optional annuity.** (a)  
11.25 The surviving spouse of a vested coordinated member who ~~has credit for at least three~~  
11.26 ~~years of service and~~ dies prior to retirement may elect to receive, instead of a refund with  
11.27 interest under subdivision 1, an annuity equal to the 100 percent joint and survivor annuity  
11.28 the member could have qualified for had the member terminated service on the date of  
11.29 death. The surviving spouse eligible for a surviving spouse benefit under this paragraph  
11.30 may apply for the annuity at any time after the date on which the deceased employee  
11.31 would have attained the required age for retirement based on the employee's allowable  
11.32 service. A surviving spouse eligible for surviving spouse benefits under paragraph (b)  
11.33 or (c) may apply for an annuity at any time after the member's death. The member's  
11.34 surviving spouse shall be paid a joint and survivor annuity under section 354A.32 and  
11.35 computed under section 354A.31.

12.1 (b) If the member was under age 55 and has credit for at least 30 years of allowable  
 12.2 service on the date of death, the surviving spouse may elect to receive a 100 percent joint  
 12.3 and survivor annuity based on the age of the member and surviving spouse on the date  
 12.4 of death. The annuity is payable using the full early retirement reduction under section  
 12.5 354A.31, subdivision 6, paragraph (a), to age 55 and one-half of the early retirement  
 12.6 reduction from age 55 to the age payment begins.

12.7 (c) If ~~the a vested~~ member was under age 55 ~~and has credit for at least three years of~~  
 12.8 ~~allowable service~~ on the date of death but did not yet qualify for retirement, the surviving  
 12.9 spouse may elect to receive the 100 percent joint and survivor annuity based on the age  
 12.10 of the member and the survivor at the time of death. The annuity is payable using the  
 12.11 full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and  
 12.12 one-half of the early retirement reduction from age 55 to the date payment begins.

12.13 (d) Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity or  
 12.14 surviving spouse benefit payable under this section. The benefits are payable for the life  
 12.15 of the surviving spouse, or upon expiration of the term certain benefit payment under  
 12.16 subdivision 2b.

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

12.18 Sec. 10. Minnesota Statutes 2010, section 354A.36, subdivision 1, is amended to read:

12.19 Subdivision 1. **Minimum age, service, and salary requirements.** Any coordinated  
 12.20 member who ~~has at least three years of allowable service credit~~ is vested, who has an  
 12.21 average salary of at least \$75 per month, and who has become totally and permanently  
 12.22 disabled shall be entitled to a disability benefit. If the disabled coordinated member's  
 12.23 allowable service credit has not been continuous, at least two years of the required  
 12.24 allowable service shall be required to have been rendered subsequent to the last  
 12.25 interruption in service.

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

12.27 Sec. 11. Minnesota Statutes 2010, section 354A.37, is amended to read:

12.28 **354A.37 REFUNDS; DEFERRED ANNUITY.**

12.29 Subdivision 1. **Eligibility for refund.** Any coordinated member who ceases to  
 12.30 render teaching service for the school district in which the teachers retirement fund  
 12.31 association is located shall be entitled to a refund in lieu of any other annuity or benefit  
 12.32 from the teachers retirement fund association, other than an annuity from a tax shelter  
 12.33 annuity program and fund as authorized ~~pursuant to~~ under section 354A.021, subdivision

13.1 5. The amount of the refund ~~shall~~ must be calculated ~~pursuant to~~ under subdivision 3. The  
13.2 application for the refund ~~shall~~ must not be made prior to 30 days after the cessation of  
13.3 teaching services if the coordinated member has not resumed active teaching services for  
13.4 the district. Payment of the refund ~~shall~~ must be made within 90 days after receipt of the  
13.5 refund application by the board.

13.6 Subd. 2. **Eligibility for deferred retirement annuity.** (a) Any coordinated member  
13.7 who ceases to render teaching services for the school district in which the teachers  
13.8 retirement fund association is located, with sufficient allowable service credit to meet  
13.9 the minimum service requirements specified in section 354A.31, subdivision 1, shall be  
13.10 entitled to a deferred retirement annuity in lieu of a refund ~~pursuant to~~ under subdivision  
13.11 1. The deferred retirement annuity ~~shall~~ must be computed ~~pursuant to~~ under section  
13.12 354A.31 and shall be augmented as provided in this subdivision. The deferred annuity  
13.13 ~~shall commence~~ commences upon application after the person on deferred status attains at  
13.14 least the minimum age specified in section 354A.31, subdivision 1.

13.15 (b) The monthly annuity amount that had accrued when the member ceased to  
13.16 render teaching service must be augmented from the first day of the month following the  
13.17 month during which the member ceased to render teaching service to the effective date  
13.18 of retirement. There is no augmentation if this period is less than three months. ~~For a~~  
13.19 ~~member of the St. Paul Teachers Retirement Fund Association, the rate of augmentation~~  
13.20 ~~is three percent compounded annually until January 1 of the year following the year in~~  
13.21 ~~which the former member attains age 55, and five percent compounded annually after that~~  
13.22 ~~date to the effective date of retirement if the employee became an employee before July~~  
13.23 ~~1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee~~  
13.24 ~~after June 30, 2006. For a member of the Duluth Teachers Retirement Fund Association,~~  
13.25 The rate of augmentation is three percent compounded annually until January 1 of the year  
13.26 following the year in which the former member attains age 55, five percent compounded  
13.27 annually after that date to July 1, 2012, and two percent compounded annually after  
13.28 that date to the effective date of retirement if the employee became an employee before  
13.29 July 1, 2006, and at 2.5 percent compounded annually to July 1, 2012, and two percent  
13.30 compounded annually after that date to the effective date of retirement if the employee  
13.31 ~~becomes~~ became an employee after June 30, 2006. If a person has more than one period of  
13.32 uninterrupted service, a separate average salary determined under section 354A.31 must  
13.33 be used for each period, and the monthly annuity amount related to each period must be  
13.34 augmented as provided in this subdivision. The sum of the augmented monthly annuity  
13.35 amounts determines the total deferred annuity payable. If a person repays a refund, the  
13.36 service restored by the repayment must be considered as continuous with the next period

14.1 of service for which the person has credit with the fund. If a person does not render  
14.2 teaching services in any one fiscal year or more consecutive fiscal years and then resumes  
14.3 teaching service, the formula percentages used from the date of resumption of teaching  
14.4 service are those applicable to new members. The mortality table and interest assumption  
14.5 used to compute the annuity are the table established by the fund to compute other  
14.6 annuities, and the interest assumption under section 356.215 in effect when the member  
14.7 retires. A period of uninterrupted service for the purpose of this subdivision means a  
14.8 period of covered teaching service during which the member has not been separated from  
14.9 active service for more than one fiscal year.

14.10 (c) The augmentation provided by this subdivision applies to the benefit provided  
14.11 in section 354A.35, subdivision 2. The augmentation provided by this subdivision does  
14.12 not apply to any period in which a person is on an approved leave of absence from an  
14.13 employer unit.

14.14 Subd. 3. **Computation of refund amount.** A former coordinated member ~~of the St.~~  
14.15 ~~Paul Teachers Retirement Fund Association who qualifies for a refund under subdivision 1~~  
14.16 ~~shall receive a refund equal to the amount of the former coordinated member's accumulated~~  
14.17 ~~employee contributions with interest at the rate of six percent per annum compounded~~  
14.18 ~~annually. A former coordinated member of the Duluth Teachers Retirement Fund~~  
14.19 ~~Association who qualifies for a refund under subdivision 1 shall receive a refund equal~~  
14.20 to the amount of the former coordinated member's accumulated employee contributions  
14.21 with interest at the rate of six percent per annum compounded annually to July 1, 2010,  
14.22 if the person is a former member of the Duluth Teachers Retirement Fund Association, or  
14.23 to July 1, 2011, if the person is a former member of the St. Paul Teachers Retirement Fund  
14.24 Association, and four percent per annum compounded annually thereafter.

14.25 Subd. 4. **Certain refunds at normal retirement age.** Any coordinated member  
14.26 who has attained the normal retirement age with less than ten years of allowable service  
14.27 credit and has terminated active teaching service shall be entitled to a refund in lieu of a  
14.28 proportionate annuity ~~pursuant to~~ under section 356.32. The refund ~~for a member of the~~  
14.29 ~~St. Paul Teachers Retirement Fund Association shall be equal to the coordinated member's~~  
14.30 ~~accumulated employee contributions plus interest at the rate of six percent compounded~~  
14.31 ~~annually. The refund for a member of the Duluth Teachers Retirement Fund Association~~  
14.32 ~~shall~~ must be equal to the coordinated member's accumulated employee contributions plus  
14.33 interest at the rate of six percent compounded annually to July 1, 2010, if the person is a  
14.34 former member of the Duluth Teachers Retirement Fund Association, or to July 1, 2011, if  
14.35 the person is a former member of the St. Paul Teachers Retirement Fund Association, and  
14.36 four percent per annum compounded annually thereafter.

15.1 Subd. 5. **Unclaimed minimal refund amounts; disposition.** If a coordinated  
 15.2 member ceases to render teaching services for the school district in which the teachers  
 15.3 retirement fund association is located but does not apply for a refund ~~pursuant to~~ under  
 15.4 subdivision 1 within five years after the end of the plan year next following the cessation  
 15.5 of teaching services and if the amount of the refund that the former coordinated member  
 15.6 would have been entitled to ~~pursuant to~~ under subdivision 3 is \$500 or less, then the  
 15.7 amount of the refund and any accumulated interest ~~shall~~ must be credited to and become  
 15.8 a part of the retirement fund. If the former coordinated member subsequently renders  
 15.9 teaching services for the school district in which the teachers retirement fund association  
 15.10 is located and the amount of the refund that the former coordinated member would have  
 15.11 previously been entitled to ~~pursuant to~~ under subdivision 3 is at least \$5, then the amount  
 15.12 of the refund and any accumulated interest ~~shall be~~ must be restored to the member's  
 15.13 individual account. If the amount of the refund that the former coordinated member  
 15.14 would have previously been entitled to ~~pursuant to~~ under subdivision 3 is at least \$5 and  
 15.15 the former coordinated member applies for a refund ~~pursuant to~~ under subdivision 1 or  
 15.16 for an annuity ~~pursuant to~~ under sections 354A.31 and 354A.32 or section 356.30, the  
 15.17 amount of the refund and any accumulated interest ~~shall~~ must be restored to the member's  
 15.18 individual account.

15.19 **EFFECTIVE DATE.** This section is effective July 1, 2011.

15.20 Sec. 12. Minnesota Statutes 2010, section 354B.21, subdivision 1, is amended to read:

15.21 Subdivision 1. **Eligibility.** The following persons are eligible to have coverage by  
 15.22 the individual retirement account plan ~~and to be participants in the~~ or coverage by another  
 15.23 plan as further specified in this section:

15.24 (1) employees of the board who are employed as faculty in an employment  
 15.25 classification included in the state university instructional unit or the state college  
 15.26 instructional unit under section 179A.10, subdivision 2;

15.27 (2) the chancellor and employees of the board in eligible unclassified administrative  
 15.28 positions;

15.29 (3) the employees in eligible unclassified administrative positions in the state  
 15.30 universities;

15.31 (4) the employees in eligible unclassified administrative positions in the technical  
 15.32 colleges; and

15.33 (5) the employees in eligible unclassified administrative positions of the Minnesota  
 15.34 Office of Higher Education or of the community colleges.

16.1 **EFFECTIVE DATE.** This section is effective July 1, 2011.

16.2 Sec. 13. Minnesota Statutes 2010, section 354B.21, is amended by adding a  
16.3 subdivision to read:

16.4 Subd. 1a. **Required notice; counseling.** (a) No later than 90 days before the end of  
16.5 any applicable election period specified in this section, the employer must provide to a  
16.6 person beginning work in a position subject to this section for which an option to elect  
16.7 alternative retirement plan coverage is authorized the following information:

16.8 (1) the default retirement coverage;

16.9 (2) election procedures, if applicable, for electing coverage other than the default  
16.10 coverage; and

16.11 (3) the Web site and the telephone number for the plan providing default coverage  
16.12 and comparable information for the plan which the person is eligible to elect.

16.13 (b) The election of coverage forms must include a certification statement that the  
16.14 employee has received and reviewed materials on the optional coverage and the default  
16.15 coverage prior to making the election.

16.16 **EFFECTIVE DATE.** This section is effective July 1, 2011.

16.17 Sec. 14. Minnesota Statutes 2010, section 354B.21, subdivision 2, is amended to read:

16.18 Subd. 2. **Coverage; election.** (a) An eligible persons who were employed by the  
16.19 Minnesota State Colleges and Universities System on or after June 30, 2009, unless  
16.20 otherwise person employed by the board has the default coverage specified in subdivision  
16.21 3, or other subdivisions of this section, whichever is applicable, and retains that coverage  
16.22 for the period of covered employment unless a timely election to change that coverage  
16.23 is made as specified in this section, are.

16.24 (b) An eligible person under subdivision 3, paragraph (b) or (c), is authorized to elect  
16.25 prospective Teachers Retirement Association plan coverage rather than.

16.26 (c) An eligible person under subdivision 3, paragraph (d), is authorized to elect  
16.27 prospective coverage by the plan established by this chapter.

16.28 (d) The election of prospective Teachers Retirement Association plan coverage  
16.29 under paragraph (a) must be made within one year of commencing eligible Minnesota  
16.30 State Colleges and Universities system employment. If an election is not made within the  
16.31 specified election period due to a termination of Minnesota State Colleges and Universities  
16.32 system employment, an election may be made within 90 days of returning to eligible  
16.33 Minnesota State Colleges and Universities system employment. Except as specified in



17.1 paragraph (f), all elections are irrevocable. ~~Before making an election, the eligible person~~  
17.2 ~~is covered by the plan indicated as default coverage under subdivision 3.~~

17.3 ~~(b)~~ (e) Except as provided in paragraph ~~(e)~~ (f), a purchase of service credit in the  
17.4 Teachers Retirement Association plan for any period or periods of Minnesota State  
17.5 Colleges and Universities system employment occurring before the election under  
17.6 ~~paragraph (a)~~ this section is prohibited.

17.7 ~~(e)~~ (f) Notwithstanding other paragraphs (a) and (b) in this subdivision, a faculty  
17.8 member who is a member of the individual retirement account plan ~~who first achieves~~  
17.9 ~~tenure or its equivalent at a Minnesota state college or university after June 30, 2009~~, may  
17.10 elect to transfer retirement coverage ~~under~~ to the teachers retirement plan within one year  
17.11 of the faculty member first achieving tenure or its equivalent at a Minnesota state college  
17.12 or university. The faculty member electing Teachers Retirement Association coverage  
17.13 under this paragraph must purchase service credit in the Teachers Retirement Association  
17.14 for the entire period of time covered under the individual retirement account plan and the  
17.15 purchase payment amount must be determined under section 356.551. The Teachers  
17.16 Retirement Association may charge a faculty member transferring coverage a reasonable  
17.17 fee to cover the costs associated with computing the actuarial cost of purchasing service  
17.18 credit and making the transfer. A faculty member transferring from the individual  
17.19 retirement account plan to the Teachers Retirement Association may use any balances to  
17.20 the credit of the faculty member in the individual retirement account plan, any balances  
17.21 to the credit of the faculty member in the higher education supplemental retirement plan  
17.22 established under chapter 354C, or any source specified in section 356.441, subdivision 1,  
17.23 to purchase the service credit in the Teachers Retirement Association. If the total amount  
17.24 of payments under this paragraph are less than the total purchase payment amount under  
17.25 section 356.551, the payment amounts must be refunded to the applicable source. The  
17.26 retirement coverage transfer and service credit purchase authority under this paragraph  
17.27 expires with respect to any Minnesota State Colleges and Universities System faculty  
17.28 initially hired after June 30, 2014.

17.29 **EFFECTIVE DATE.** This section is effective July 1, 2011.

17.30 Sec. 15. Minnesota Statutes 2010, section 354B.21, subdivision 3, is amended to read:

17.31 Subd. 3. **Default coverage.** (a) Prior to making an election under subdivision 2,  
17.32 or if an eligible person fails to elect coverage by the plan under subdivision 2 or if the  
17.33 person fails to make a timely election, the ~~following retirement coverage~~ specified in  
17.34 this subdivision applies.

18.1 ~~(1) for employees of the board who are employed in faculty positions in the technical~~  
18.2 ~~colleges, in the state universities or in the community colleges, the retirement coverage~~  
18.3 ~~is by the plan established by this chapter;~~

18.4 ~~(2) for employees of the board who are employed in faculty positions in the technical~~  
18.5 ~~colleges, the retirement coverage is by the plan established by this chapter unless on June~~  
18.6 ~~30, 1997, the employee was a member of the Teachers Retirement Association established~~  
18.7 ~~under chapter 354 and then the retirement coverage is by the Teachers Retirement~~  
18.8 ~~Association, or, unless the employee was a member of a first class city teacher retirement~~  
18.9 ~~fund established under chapter 354A on June 30, 1995, and then the retirement coverage~~  
18.10 ~~is by the Duluth Teachers Retirement Fund Association if the person was a member of~~  
18.11 ~~that plan on June 30, 1995, or the Teachers Retirement Association if the person was a~~  
18.12 ~~member of the former Minneapolis Teachers Retirement Fund Association on June 30,~~  
18.13 ~~1995, or the St. Paul Teachers Retirement Fund Association if the person was a member~~  
18.14 ~~of that plan on June 30, 1995; and~~

18.15 ~~(3) for employees of the board who are employed in eligible unclassified~~  
18.16 ~~administrative positions, the retirement coverage is by the plan established by this chapter.~~

18.17 ~~(b) If an employee fails to correctly certify prior membership in the Teachers~~  
18.18 ~~Retirement Association to the Minnesota State colleges and Universities system, the~~  
18.19 ~~system shall not pay interest on employee contributions, employer contributions, and~~  
18.20 ~~additional employer contributions to the Teachers Retirement Association under section~~  
18.21 ~~354.52, subdivision 4.~~

18.22 (b) If an eligible person is employed by the board before July 1, 2011, in an eligible  
18.23 unclassified administrative position or in a faculty position in a technical college,  
18.24 community college, or state university, the retirement coverage is by the plan established  
18.25 by this chapter, unless otherwise specified in this section.

18.26 (c) An eligible person described in paragraph (b), except that first employment by  
18.27 the board is on or after July 1, 2011, has retirement coverage by the plan established by  
18.28 this chapter if the eligible person has no:

18.29 (1) allowable service credit in any plan listed in section 356.30, subdivision 3; or  
18.30 (2) prior employment covered by the state unclassified employees retirement  
18.31 program under chapter 352D.

18.32 (d) An eligible person described in paragraph (c) has retirement coverage by the  
18.33 Teachers Retirement Association if the person has:

18.34 (1) prior employment covered by the state unclassified employees retirement  
18.35 program under chapter 352D and has not withdrawn or transferred assets from that  
18.36 account; or

19.1 (2) allowable service credit in a plan listed in section 356.30, subdivision 3.

19.2 (e) To ensure that coverage is provided by the proper plan, the employee must  
 19.3 certify to the board the existence of any service credit in any plan listed in section 356.30,  
 19.4 subdivision 3, or whether the person retains a state unclassified employees retirement  
 19.5 program account. If an employee fails to correctly certify prior membership in a plan  
 19.6 or the existence of an unclassified program account, the Minnesota State Colleges and  
 19.7 Universities system and its board shall be held harmless, and notwithstanding any law to  
 19.8 the contrary, any resulting cost or financial liability becomes the employee's responsibility.

19.9 **EFFECTIVE DATE.** This section is effective July 1, 2011.

19.10 Sec. 16. Minnesota Statutes 2010, section 354B.21, subdivision 3a, is amended to read:

19.11 Subd. 3a. ~~Continuation of Plan coverage in and election; certain instances past~~  
 19.12 ~~service technical college faculty.~~ For a person with retirement coverage by a first class  
 19.13 city teacher retirement fund association instead of the individual retirement account plan  
 19.14 under subdivision 3, clause (2), coverage by the applicable retirement fund association  
 19.15 continues (a) Notwithstanding subdivision 3, if an employee of the board was employed in  
 19.16 a faculty position in a technical college on June 30, 1997, with coverage by the Teachers  
 19.17 Retirement Association, the employee retains that coverage. If the employee was a  
 19.18 technical college faculty member on June 30, 1995, covered by a first class city teacher  
 19.19 retirement fund established under chapter 354A, the retirement coverage continues with  
 19.20 the Duluth Teachers Retirement Fund Association or the St. Paul Teachers Retirement  
 19.21 Fund Association, whichever is applicable. If the person was a technical college faculty  
 19.22 member on June 30, 1995, covered by the former Minneapolis Teachers Retirement Fund  
 19.23 Association, the Teachers Retirement Association shall provide coverage.

19.24 (b) An employee under paragraph (a) who has coverage by a first class city teacher  
 19.25 fund association retains that coverage for the duration of the person's employment by  
 19.26 the board of Trustees of the Minnesota State Colleges and Universities unless, within  
 19.27 90 days one year of a change in employment within the Minnesota State Colleges and  
 19.28 Universities system, the person elects the individual retirement account plan for all future  
 19.29 employment by the board of Trustees of the Minnesota State Colleges and Universities.  
 19.30 The election is irrevocable.

19.31 **EFFECTIVE DATE.** This section is effective July 1, 2011.

19.32 Sec. 17. Minnesota Statutes 2010, section 354B.21, subdivision 5, is amended to read:

20.1           Subd. 5. **Payment for certain prior uncovered service.** (a) A person employed in a  
20.2 faculty position or in an eligible unclassified administrative position by the board who was  
20.3 initially excluded from participation in the individual retirement account plan coverage,  
20.4 who was not covered by any other Minnesota public pension plan for that service, and  
20.5 who is subsequently eligible to participate in the individual retirement account plan may  
20.6 make member contributions for that period of prior uncovered teaching employment or  
20.7 eligible unclassified administrative employment with the board.

20.8           (b) The member contributions for prior uncovered board service are the amount  
20.9 that the person would have paid if the prior service had been covered employment. The  
20.10 payment must be made to the individual retirement account plan administrator and may be  
20.11 made only by payroll deduction. The payment must be made by the later of:

20.12           (1) 45 days of the start of covered employment; or

20.13           (2) the end of the fiscal year in which covered employment began.

20.14           (c) The board must contribute an amount to match any contribution made by a plan  
20.15 participant under this subdivision.

20.16           (d) Payments of contributions for prior uncovered board service under this  
20.17 subdivision must be invested in the same manner as the regular contributions made by or  
20.18 on behalf of the plan participant.

20.19           **EFFECTIVE DATE.** This section is effective July 1, 2011.

20.20           Sec. 18. Minnesota Statutes 2010, section 354B.21, subdivision 6, is amended to read:

20.21           Subd. 6. **Continuation of coverage.** Except as otherwise specified in this section,  
20.22 once a person is employed in a position that qualifies for participation in the individual  
20.23 retirement account plan and elects to participate in the plan, all subsequent service by the  
20.24 person as a faculty member or in an eligible unclassified administrative position employed  
20.25 by the board or other employing unit is covered by the individual retirement account plan.

20.26           **EFFECTIVE DATE.** This section is effective July 1, 2011.

20.27           Sec. 19. Minnesota Statutes 2010, section 354B.21, is amended by adding a  
20.28 subdivision to read:

20.29           Subd. 7. **Coverage; certain part-time employees.** A person employed in a  
20.30 part-time faculty position or in a part-time eligible unclassified administrative position  
20.31 who does not meet the definition of covered employment under section 354B.20,  
20.32 subdivision 4, because the employment does not meet the threshold required under that  
20.33 provision, must certify prior membership in the Teachers Retirement Association to the

21.1 Minnesota State Colleges and Universities system. If the certification is incorrect, the  
21.2 employee, and not the employer, is required to pay interest on the employee and employer  
21.3 contributions, and, if applicable, on the employer additional contributions to the Teachers  
21.4 Retirement Association under section 354.52, subdivision 4.

21.5 **EFFECTIVE DATE.** This section is effective July 1, 2011.

21.6 Sec. 20. Minnesota Statutes 2010, section 356.47, subdivision 3, is amended to read:

21.7 Subd. 3. **Payment.** (a) Beginning one year after the reemployment withholding  
21.8 period ends relating to the reemployment that gave rise to the limitation, and the filing of a  
21.9 written application, the retired member is entitled to the payment, in a lump sum, of the  
21.10 value of the person's amount under subdivision 2, plus annual compound interest. For the  
21.11 general state employees retirement plan, the correctional state employees retirement plan,  
21.12 the general employees retirement plan of the Public Employees Retirement Association,  
21.13 the public employees police and fire retirement plan, the local government correctional  
21.14 employees retirement plan, and the teachers retirement plan, the annual interest rate is six  
21.15 percent from the date on which the amount was deducted from the retirement annuity to  
21.16 the date of payment or until January 1, 2011, whichever is earlier, and no interest after  
21.17 January 1, 2011. For the Duluth Teachers Retirement Fund Association, the annual interest  
21.18 is six percent from the date on which the amount was deducted from the retirement annuity  
21.19 to the date of payment or until June 30, 2010, whichever is earlier, and with no interest  
21.20 accrual after June 30, 2010. For the St. Paul Teachers Retirement Fund Association, the  
21.21 annual interest is the rate of six percent from the date that the amount was deducted from  
21.22 the retirement annuity to the date of payment or June 30, 2011, whichever is earlier, and  
21.23 with no interest accrual after June 30, 2011.

21.24 (b) The written application must be on a form prescribed by the chief administrative  
21.25 officer of the applicable retirement plan.

21.26 (c) If the retired member dies before the payment provided for in paragraph (a) is  
21.27 made, the amount is payable, upon written application, to the deceased person's surviving  
21.28 spouse, or if none, to the deceased person's designated beneficiary, or if none, to the  
21.29 deceased person's estate.

21.30 (d) In lieu of the direct payment of the person's amount under subdivision 2, on  
21.31 or after the payment date under paragraph (a), if the federal Internal Revenue Code so  
21.32 permits, the retired member may elect to have all or any portion of the payment amount  
21.33 under this section paid in the form of a direct rollover to an eligible retirement plan as  
21.34 defined in section 402(c) of the federal Internal Revenue Code that is specified by the  
21.35 retired member. If the retired member dies with a balance remaining payable under this

22.1 section, the surviving spouse of the retired member, or if none, the deceased person's  
 22.2 designated beneficiary, or if none, the administrator of the deceased person's estate may  
 22.3 elect a direct rollover under this paragraph.

22.4 **EFFECTIVE DATE.** This section is effective July 1, 2011.

22.5 Sec. 21. **BYLAW AUTHORIZATION.**

22.6 Consistent with the requirements of Minnesota Statutes, section 354A.12,  
 22.7 subdivision 4, the board of the St. Paul Teachers Retirement Fund Association is  
 22.8 authorized to revise the bylaws and articles of incorporation so that the requirements of  
 22.9 this act, where applicable, apply to the basic program.

22.10 **EFFECTIVE DATE.** This section is effective July 1, 2011.

22.11 Sec. 22. **REPEALER.**

22.12 (a) Minnesota Statutes 2010, section 354A.29, subdivision 3, is repealed.

22.13 (b) Minnesota Statutes 2010, sections 354B.21, subdivision 3c; and 354B.32, are  
 22.14 repealed.

22.15 **EFFECTIVE DATE.** This section is effective July 1, 2011.

### 22.16 **ARTICLE 3**

#### 22.17 **ACTUARIAL ASSUMPTION UPDATE**

22.18 Section 1. Minnesota Statutes 2010, section 356.215, subdivision 8, is amended to read:

22.19 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use  
 22.20 the applicable following preretirement interest assumption and the applicable following  
 22.21 postretirement interest assumption:

22.22	22.23	22.24	22.25	22.26	22.27	22.28	22.29	22.30	22.31	22.32	22.33	22.34
		plan	preretirement interest rate assumption	postretirement interest rate assumption								
		general state employees retirement plan	8.5%	6.0%								
		correctional state employees retirement plan	8.5	6.0								
		State Patrol retirement plan	8.5	6.0								
		legislators retirement plan	8.5	6.0								
		elective state officers retirement plan	8.5	6.0								
		judges retirement plan	8.5	6.0								
		general public employees retirement plan	8.5	6.0								
		public employees police and fire retirement plan	8.5	6.0								
		local government correctional service retirement plan	8.5	6.0								

23.1	teachers retirement plan	8.5	6.0
23.2	Duluth teachers retirement plan	8.5	8.5
23.3	St. Paul teachers retirement plan	8.5	8.5
23.4	Minneapolis Police Relief Association	6.0	6.0
23.5	Fairmont Police Relief Association	5.0	5.0
23.6	Minneapolis Fire Department Relief Association	6.0	6.0
23.7	Virginia Fire Department Relief Association	5.0	5.0
23.8	Bloomington Fire Department Relief Association	6.0	6.0
23.9	local monthly benefit volunteer firefighters relief		
23.10	associations	5.0	5.0

23.11 (b) Before July 1, 2010, the actuarial valuation must use the applicable following  
 23.12 single rate future salary increase assumption, the applicable following modified single  
 23.13 rate future salary increase assumption, or the applicable following graded rate future  
 23.14 salary increase assumption:

23.15 (1) single rate future salary increase assumption

23.16	plan	future salary increase assumption
23.17	legislators retirement plan	5.0%
23.18	judges retirement plan	4.0
23.19	Minneapolis Police Relief Association	4.0
23.20	Fairmont Police Relief Association	3.5
23.21	Minneapolis Fire Department Relief	
23.22	Association	4.0
23.23	Virginia Fire Department Relief Association	3.5
23.24	Bloomington Fire Department Relief	
23.25	Association	4.0

23.26 (2) age-related select and ultimate future salary increase assumption or graded rate  
 23.27 future salary increase assumption

23.28	plan	future salary increase assumption
23.29	<del>general state employees retirement plan</del>	<del>select calculation and</del>
23.30		<del>assumption A</del>
23.31	correctional state employees retirement plan	assumption <del>G</del> <u>D</u>
23.32	State Patrol retirement plan	assumption <del>F</del> <u>C</u>
23.33	<del>public employees police and fire fund retirement plan</del>	<del>assumption B</del>
23.34	local government correctional service retirement plan	assumption <del>F</del> <u>C</u>
23.35	<del>teachers retirement plan</del>	<del>assumption C</del>
23.36	Duluth teachers retirement plan	assumption <del>D</del> <u>A</u>
23.37	St. Paul teachers retirement plan	assumption <del>E</del> <u>B</u>

23.38 The select calculation is: during the  
 23.39 designated select period, a designated  
 23.40 percentage rate is multiplied by the result of

24.1 the designated integer minus T, where T is  
 24.2 the number of completed years of service,  
 24.3 and is added to the applicable future salary  
 24.4 increase assumption. The designated select  
 24.5 period is five years and the designated  
 24.6 integer is five for the general state employees  
 24.7 retirement plan. The designated select period  
 24.8 is ten years and the designated integer is ten  
 24.9 for all other retirement plans covered by  
 24.10 this clause. The designated percentage rate  
 24.11 is: (1) 0.2 percent for the correctional state  
 24.12 employees retirement plan, the State Patrol  
 24.13 retirement plan, ~~the public employees police~~  
 24.14 ~~and fire plan~~, and the local government  
 24.15 correctional service retirement plan; (2)  
 24.16 0.6 percent for the general state employees  
 24.17 retirement plan; and (3) 0.3 percent for the  
 24.18 teachers retirement plan, the Duluth Teachers  
 24.19 Retirement Fund Association, and the St.  
 24.20 Paul Teachers Retirement Fund Association.  
 24.21 The select calculation for the Duluth Teachers  
 24.22 Retirement Fund Association is 8.00 percent  
 24.23 per year for service years one through seven,  
 24.24 7.25 percent per year for service years seven  
 24.25 and eight, and 6.50 percent per year for  
 24.26 service years eight and nine.

24.27 The ultimate future salary increase assumption is:

24.28	age	<del>A</del>	<del>B</del>	<del>C</del>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
24.29	16	<del>5.95%</del>	<del>11.00%</del>	<del>7.70%</del>	8.00%	6.90%	7.7500%	7.2500%
24.30	17	<del>5.90</del>	<del>11.00</del>	<del>7.65</del>	8.00	6.90	7.7500	7.2500
24.31	18	<del>5.85</del>	<del>11.00</del>	<del>7.60</del>	8.00	6.90	7.7500	7.2500
24.32	19	<del>5.80</del>	<del>11.00</del>	<del>7.55</del>	8.00	6.90	7.7500	7.2500
24.33	20	<del>5.75</del>	<del>11.00</del>	<del>5.50</del>	6.90	6.90	7.7500	7.2500
24.34	21	<del>5.75</del>	<del>11.00</del>	<del>5.50</del>	6.90	6.90	7.1454	6.6454
24.35	22	<del>5.75</del>	<del>10.50</del>	<del>5.50</del>	6.90	6.90	7.0725	6.5725
24.36	23	<del>5.75</del>	<del>10.00</del>	<del>5.50</del>	6.85	6.85	7.0544	6.5544
24.37	24	<del>5.75</del>	<del>9.50</del>	<del>5.50</del>	6.80	6.80	7.0363	6.5363
24.38	25	<del>5.75</del>	<del>9.00</del>	<del>5.50</del>	6.75	6.75	7.0000	6.5000



25.1	26	<del>5.75</del>	<del>8.70</del>	<del>5.50</del>	6.70	6.70	7.0000	6.5000
25.2	27	<del>5.75</del>	<del>8.40</del>	<del>5.50</del>	6.65	6.65	7.0000	6.5000
25.3	28	<del>5.75</del>	<del>8.10</del>	<del>5.50</del>	6.60	6.60	7.0000	6.5000
25.4	29	<del>5.75</del>	<del>7.80</del>	<del>5.50</del>	6.55	6.55	7.0000	6.5000
25.5	30	<del>5.75</del>	<del>7.50</del>	<del>5.50</del>	6.50	6.50	7.0000	6.5000
25.6	31	<del>5.75</del>	<del>7.30</del>	<del>5.50</del>	6.45	6.45	7.0000	6.5000
25.7	32	<del>5.75</del>	<del>7.10</del>	<del>5.50</del>	6.40	6.40	7.0000	6.5000
25.8	33	<del>5.75</del>	<del>6.90</del>	<del>5.50</del>	6.35	6.35	7.0000	6.5000
25.9	34	<del>5.75</del>	<del>6.70</del>	<del>5.50</del>	6.30	6.30	7.0000	6.5000
25.10	35	<del>5.75</del>	<del>6.50</del>	<del>5.50</del>	6.25	6.25	7.0000	6.5000
25.11	36	<del>5.75</del>	<del>6.30</del>	<del>5.50</del>	6.20	6.20	6.9019	6.4019
25.12	37	<del>5.75</del>	<del>6.10</del>	<del>5.50</del>	6.15	6.15	6.8074	6.3074
25.13	38	<del>5.75</del>	<del>5.90</del>	<del>5.40</del>	6.10	6.10	6.7125	6.2125
25.14	39	<del>5.75</del>	<del>5.70</del>	<del>5.30</del>	6.05	6.05	6.6054	6.1054
25.15	40	<del>5.75</del>	<del>5.50</del>	<del>5.20</del>	6.00	6.00	6.5000	6.0000
25.16	41	<del>5.75</del>	<del>5.40</del>	<del>5.10</del>	5.90	5.95	6.3540	5.8540
25.17	42	<del>5.75</del>	<del>5.30</del>	<del>5.00</del>	5.80	5.90	6.2087	5.7087
25.18	43	<del>5.65</del>	<del>5.20</del>	<del>4.90</del>	5.70	5.85	6.0622	5.5622
25.19	44	<del>5.55</del>	<del>5.10</del>	<del>4.80</del>	5.60	5.80	5.9048	5.4078
25.20	45	<del>5.45</del>	<del>5.00</del>	<del>4.70</del>	5.50	5.75	5.7500	5.2500
25.21	46	<del>5.35</del>	<del>4.95</del>	<del>4.60</del>	5.40	5.70	5.6940	5.1940
25.22	47	<del>5.25</del>	<del>4.90</del>	<del>4.50</del>	5.30	5.65	5.6375	5.1375
25.23	48	<del>5.15</del>	<del>4.85</del>	<del>4.50</del>	5.20	5.60	5.5822	5.0822
25.24	49	<del>5.05</del>	<del>4.80</del>	<del>4.50</del>	5.10	5.55	5.5404	5.0404
25.25	50	<del>4.95</del>	<del>4.75</del>	<del>4.50</del>	5.00	5.50	5.5000	5.0000
25.26	51	<del>4.85</del>	<del>4.75</del>	<del>4.50</del>	4.90	5.45	5.4384	4.9384
25.27	52	<del>4.75</del>	<del>4.75</del>	<del>4.50</del>	4.80	5.40	5.3776	4.8776
25.28	53	<del>4.65</del>	<del>4.75</del>	<del>4.50</del>	4.70	5.35	5.3167	4.8167
25.29	54	<del>4.55</del>	<del>4.75</del>	<del>4.50</del>	4.60	5.30	5.2826	4.7826
25.30	55	<del>4.45</del>	<del>4.75</del>	<del>4.50</del>	4.50	5.25	5.2500	4.7500
25.31	56	<del>4.35</del>	<del>4.75</del>	<del>4.50</del>	4.40	5.20	5.2500	4.7500
25.32	57	<del>4.25</del>	<del>4.75</del>	<del>4.50</del>	4.30	5.15	5.2500	4.7500
25.33	58	<del>4.25</del>	<del>4.75</del>	<del>4.60</del>	4.20	5.10	5.2500	4.7500
25.34	59	<del>4.25</del>	<del>4.75</del>	<del>4.70</del>	4.10	5.05	5.2500	4.7500
25.35	60	<del>4.25</del>	<del>4.75</del>	<del>4.80</del>	4.00	5.00	5.2500	4.7500
25.36	61	<del>4.25</del>	<del>4.75</del>	<del>4.90</del>	3.90	5.00	5.2500	4.7500
25.37	62	<del>4.25</del>	<del>4.75</del>	<del>5.00</del>	3.80	5.00	5.2500	4.7500
25.38	63	<del>4.25</del>	<del>4.75</del>	<del>5.10</del>	3.70	5.00	5.2500	4.7500
25.39	64	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.60	5.00	5.2500	4.7500
25.40	65	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.50	5.00	5.2500	4.7500
25.41	66	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.50	5.00	5.2500	4.7500
25.42	67	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.50	5.00	5.2500	4.7500
25.43	68	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.50	5.00	5.2500	4.7500

26.1	69	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.50	5.00	5.2500	4.7500
26.2	70	<del>4.25</del>	<del>4.75</del>	<del>5.20</del>	3.50	5.00	5.2500	4.7500
26.3	71	<del>4.25</del>		<del>5.20</del>				

26.4 (3) service-related ultimate future salary increase assumption

26.5	<u>general state employees retirement plan of the</u>	<u>assumption A</u>
26.6	<u>Minnesota State Retirement System</u>	
26.7	<u>general employees retirement plan of the Public</u>	<u>assumption B</u>
26.8	<u>Employees Retirement Association</u>	
26.9	<u>Teachers Retirement Association</u>	<u>assumption C</u>
26.10	<u>public employees police and fire retirement plan</u>	<u>assumption D</u>

26.11 ~~general employees~~  
 26.12 ~~retirement plan of~~  
 26.13 ~~the Public Employees~~  
 26.14 ~~Retirement Association~~

26.15	service length	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
26.16	1	<del>12.03%</del> <u>10.75%</u>	<u>12.25%</u>	<u>12.00%</u>	<u>13.00%</u>
26.17	2	<del>8.90</del> <u>8.35</u>	<u>9.15</u>	<u>9.00</u>	<u>11.00</u>
26.18	3	<del>7.46</del> <u>7.15</u>	<u>7.75</u>	<u>8.00</u>	<u>9.00</u>
26.19	4	<del>6.58</del> <u>6.45</u>	<u>6.85</u>	<u>7.50</u>	<u>8.00</u>
26.20	5	<del>5.97</del> <u>5.95</u>	<u>6.25</u>	<u>7.25</u>	<u>6.50</u>
26.21	6	<del>5.52</del> <u>5.55</u>	<u>5.75</u>	<u>7.00</u>	<u>6.10</u>
26.22	7	<del>5.16</del> <u>5.25</u>	<u>5.45</u>	<u>6.85</u>	<u>5.80</u>
26.23	8	<del>4.87</del> <u>4.95</u>	<u>5.15</u>	<u>6.70</u>	<u>5.60</u>
26.24	9	<del>4.63</del> <u>4.75</u>	<u>4.85</u>	<u>6.55</u>	<u>5.40</u>
26.25	10	<del>4.42</del> <u>4.65</u>	<u>4.65</u>	<u>6.40</u>	<u>5.30</u>
26.26	11	<del>4.24</del> <u>4.45</u>	<u>4.45</u>	<u>6.25</u>	<u>5.20</u>
26.27	12	<del>4.08</del> <u>4.35</u>	<u>4.35</u>	<u>6.00</u>	<u>5.10</u>
26.28	13	<del>3.94</del> <u>4.25</u>	<u>4.15</u>	<u>5.75</u>	<u>5.00</u>
26.29	14	<del>3.82</del> <u>4.05</u>	<u>4.05</u>	<u>5.50</u>	<u>4.90</u>
26.30	15	<del>3.70</del> <u>3.95</u>	<u>3.95</u>	<u>5.25</u>	<u>4.80</u>
26.31	16	<del>3.60</del> <u>3.85</u>	<u>3.85</u>	<u>5.00</u>	<u>4.80</u>
26.32	17	<del>3.51</del> <u>3.75</u>	<u>3.75</u>	<u>4.75</u>	<u>4.80</u>
26.33	18	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>4.50</u>	<u>4.80</u>
26.34	19	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>4.25</u>	<u>4.80</u>
26.35	20	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>4.00</u>	<u>4.80</u>
26.36	21	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.90</u>	<u>4.70</u>
26.37	22	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.80</u>	<u>4.60</u>
26.38	23	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.70</u>	<u>4.50</u>
26.39	24	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.60</u>	<u>4.50</u>
26.40	25	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.50</u>	<u>4.50</u>
26.41	26	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.50</u>	<u>4.50</u>
26.42	27	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.50</u>	<u>4.50</u>
26.43	28	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.50</u>	<u>4.50</u>

27.1	29	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.50</u>	<u>4.50</u>
27.2	30 or more	<del>3.50</del> <u>3.75</u>	<u>3.75</u>	<u>3.50</u>	<u>4.50</u>

27.3 (c) Before July 2, 2010, the actuarial valuation must use the applicable following  
 27.4 payroll growth assumption for calculating the amortization requirement for the unfunded  
 27.5 actuarial accrued liability where the amortization retirement is calculated as a level  
 27.6 percentage of an increasing payroll:

27.7	plan	payroll growth assumption
27.8	general state employees retirement plan of the	
27.9	<u>Minnesota State Retirement System</u>	<del>4.50%</del> <u>3.75%</u>
27.10	correctional state employees retirement plan	4.50
27.11	State Patrol retirement plan	4.50
27.12	legislators retirement plan	4.50
27.13	judges retirement plan	4.00
27.14	general employees retirement plan of the Public	
27.15	Employees Retirement Association	<del>4.00</del> <u>3.75</u>
27.16	public employees police and fire retirement plan	<del>4.50</del> <u>3.75</u>
27.17	local government correctional service retirement	
27.18	plan	4.50
27.19	teachers retirement plan	<del>4.50</del> <u>3.75</u>
27.20	Duluth teachers retirement plan	4.50
27.21	St. Paul teachers retirement plan	5.00

27.22 (d) After July 1, 2010, the assumptions set forth in paragraphs (b) and (c) continue to  
 27.23 apply, unless a different salary assumption or a different payroll increase assumption:

- 27.24 (1) has been proposed by the governing board of the applicable retirement plan;  
 27.25 (2) is accompanied by the concurring recommendation of the actuary retained under  
 27.26 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the  
 27.27 most recent actuarial valuation report if section 356.214 does not apply; and  
 27.28 (3) has been approved or deemed approved under subdivision 18.

27.29 **EFFECTIVE DATE.** This section as it relates to the general state employees  
 27.30 retirement plan of the Minnesota State Retirement System, the general employees  
 27.31 retirement plan of the Public Employees Retirement Association, and the teachers  
 27.32 retirement plan is effective retroactively from June 30, 2010, and as it relates to the public  
 27.33 employees police and fire retirement plan is effective June 30, 2011.

#### 27.34 ARTICLE 4

#### 27.35 VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS

27.36 Section 1. **DEADLINE FOR REPORTS EXTENDED.**

28.1 Notwithstanding Minnesota Statutes, section 69.051, subdivision 1b, the deadline  
28.2 for reports submitted under Minnesota Statutes, section 69.051, subdivisions 1 and 1a,  
28.3 for 2009 is extended to April 30, 2011. A municipality or relief association does not  
28.4 forfeit its 2010 state aid or any future state aid if 2009 reports are received by the state  
28.5 auditor on or before April 30, 2011.

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

28.7 Sec. 2. **WHITE BEAR LAKE; SPECIAL ACTUARIAL WORK**  
28.8 **AUTHORIZATION.**

28.9 Notwithstanding any provision to the contrary of Minnesota Statutes, sections  
28.10 69.771, subdivision 3; 69.773, subdivisions 2, 4, and 5; 356.215; and 356.216, a document  
28.11 styled as an interim valuation at October 19, 2009, of the White Bear Lake Volunteer  
28.12 Fire Department Relief Association prepared by the actuarial consulting firm of Gabriel,  
28.13 Roeder, Smith & Company, as confirmed as to its funded status results by an actuarial  
28.14 valuation as of January 1, 2011, of the White Bear Lake Volunteer Fire Department Relief  
28.15 Association pension plan prepared by the actuarial consulting firm of Gabriel, Roeder,  
28.16 Smith & Company may be considered by the relief association officers, the city of White  
28.17 Bear Lake, and the Office of the State Auditor to be a qualifying actuarial valuation of  
28.18 the special fund of the relief association for the determination of the actuarial condition  
28.19 of the relief association and the financial requirements of the relief association amounts  
28.20 and the minimum municipal obligation amounts calculated by relief association officers  
28.21 certified to the city of White Bear Lake on or before August 1, 2009, and on or before  
28.22 August 1, 2010, may be considered by the City of White Bear Lake and by the Office of  
28.23 the State Auditor to be properly determined.

28.24 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective retroactively  
28.25 from July 31, 2009, if the White Bear Lake city council and the White Bear Lake chief  
28.26 clerical officer timely complete their compliance with Minnesota Statutes, section  
28.27 645.021, subdivisions 2 and 3.

28.28 **ARTICLE 5**

28.29 **SMALL GROUP RETIREMENT PROVISIONS**

28.30 Section 1. **PERA-GENERAL; BABBITT AND BUHL SERVICE AND SALARY**  
28.31 **CREDIT PURCHASE AUTHORIZATION IN CERTAIN CASES.**

28.32 (a) An eligible person described in paragraph (b) is eligible to purchase from the  
28.33 general employees retirement plan of the Public Employees Retirement Association

29.1 allowable service credit and salary credit for the period of uncredited prior employment  
29.2 and salary specified in paragraph (c) by making the payment required under paragraph (d).

29.3 (b) An eligible person is a person who:

29.4 (1) was born on November 10, 1957;

29.5 (2) was employed as a part-time police officer by the city of Buhl from July 1988  
29.6 until November 1996;

29.7 (3) was employed as a part-time police officer by Embarrass Township from March  
29.8 1992 until August 1997;

29.9 (4) was employed as a part-time police officer by the City of Babbitt from April  
29.10 1992 until September 1992; and

29.11 (5) was employed as a full-time police officer by the city of Babbitt since October 4,  
29.12 1992, and as such is a member of the public employees police and fire retirement plan.

29.13 (c) The periods of unreported employment and salary that qualified for coverage by  
29.14 the general employees retirement plan of the Public Employees Retirement Association  
29.15 and eligible for purchase are employment by the city of Buhl from October 1989 until  
29.16 November 1996 and employment by the city of Babbitt as a part-time police officer from  
29.17 April 1992 until September 1992.

29.18 (d) The allowable service and salary credit purchase payment amount must be  
29.19 calculated under Minnesota Statutes, section 356.551. Of the total payment amount,  
29.20 the eligible person is obligated to pay the amount of member contributions that the  
29.21 eligible person would have paid by deduction to the coordinated program of the general  
29.22 employees retirement plan of the Public Employees Retirement Association if made in  
29.23 a timely fashion, plus annual compound interest at the rate of 8.5 percent from the date  
29.24 that the contribution should have been made until the date that the contribution equivalent  
29.25 payment is made. The balance of the total payment amount must be allocated between  
29.26 the city of Buhl and the city of Babbitt on the basis of the additional retirement benefit  
29.27 associated with the applicable period of past unreported eligible employment. The city  
29.28 of Buhl and the city of Babbitt shall make their payments within 30 days of the date on  
29.29 which the executive director of the Public Employees Retirement Association certifies that  
29.30 the eligible person has paid the equivalent member contribution payment and interest. If a  
29.31 city fails to make a timely payment, the executive director shall collect the unpaid amount  
29.32 under Minnesota Statutes, section 353.28.

29.33 (e) The eligible person shall provide the executive director of the Public Employees  
29.34 Retirement Association with any necessary documentation of the applicability of this  
29.35 section that the executive director requests.

30.1 (f) The authority of the eligible person to make the equivalent member contribution  
30.2 and interest payment under this section expires on the earlier of July 1, 2012, or the date  
30.3 on which the eligible person finally terminates public employment covered by Minnesota  
30.4 Statutes, chapter 353.

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

30.6 Sec. 2. **INDEPENDENT SCHOOL DISTRICT NO. 270, HOPKINS; SALARY**  
30.7 **CREDIT PURCHASE FOR PART-TIME TEACHING PROGRAM SERVICE**  
30.8 **AUTHORIZED.**

30.9 (a) An eligible person described in paragraph (b) is entitled, upon application to the  
30.10 executive director of the Teachers Retirement Association, to purchase salary credit from  
30.11 the Teachers Retirement Association for the period of part-time teaching service specified  
30.12 in paragraph (c) if the purchase payment required under paragraph (d) is paid on or before  
30.13 July 1, 2012, or the date of the person's retirement, whichever is earlier.

30.14 (b) An eligible person is a person who:

30.15 (1) was born on January 20, 1951;

30.16 (2) was hired by Independent School District No. 270, Hopkins, as a teacher;

30.17 (3) first participated in the qualified part-time teacher association membership  
30.18 program with a properly submitted teacher-school district agreement for the 2007-2008  
30.19 school year;

30.20 (4) was employed part-time as a teacher by Independent School District No. 270,  
30.21 Hopkins, during the 2008-2009 school year, but the Minnesota Statutes, section 354.66,  
30.22 agreement was not filed with the Teachers Retirement Association until September 20,  
30.23 2010; and

30.24 (5) was employed by Independent School District No. 270, Hopkins, as a part-time  
30.25 teacher under Minnesota Statutes, section 354.66, for the 2009-2010 school year and  
30.26 for the 2010-2011 school year.

30.27 (c) The period of part-time teaching service is the period during the 2008-2009  
30.28 school year during which the eligible person was paid 80 percent of the eligible person's  
30.29 full-time service salary rate for part-time teaching service rendered for Independent  
30.30 School District No. 270, Hopkins.

30.31 (d) The total purchase payment amount for the increase in the annual salary credit  
30.32 for the 2008-2009 school year of \$11,090.60 in the employ of Independent School  
30.33 District No. 270, Hopkins, is the service credit purchase payment amount required  
30.34 under Minnesota Statutes, section 356.551. The eligible person shall pay \$609.98 plus  
30.35 compound interest at the annual rate of 8.5 percent from January 31, 2009, until the date

31.1 of payment. Independent School District No. 270, Hopkins, must pay the balance of  
31.2 the purchase payment amount under Minnesota Statutes, section 356.551, in excess of  
31.3 the eligible person's payment amount. The school district payment is due 30 days after  
31.4 notification by the executive director of the Teachers Retirement Association that the  
31.5 eligible person's payment amount has been received by the association. If the school  
31.6 district fails to make the required payment in a timely manner, the executive director of  
31.7 the Teachers Retirement Association shall notify the commissioner of management and  
31.8 budget and the commissioner of education of that failure and those commissioners shall  
31.9 subtract the unpaid amount from and state aid otherwise payable to the school district.

31.10 (e) Upon receipt by the Teachers Retirement Association of the total amount required  
31.11 under paragraph (d), the eligible person shall receive annual salary credit for an additional  
31.12 \$11,090.60 for the 2008-2009 school year.

31.13 (f) The salary credit purchase payment authorization under this section expires  
31.14 August 1, 2012.

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

31.16 Sec. 3. **INCREASED ANNUITY FOR SURVIVING SPOUSE OF EMPLOYEE**  
31.17 **KILLED WHILE ENGAGED IN EMERGENCY RESPONSE TO FLOODING.**

31.18 (a) Notwithstanding Minnesota Statutes 2010, section 352.12, a surviving spouse  
31.19 of an eligible person specified in paragraph (b) is entitled, upon application filed with  
31.20 the executive director of the Minnesota State Retirement System, to the additional  
31.21 surviving spouse benefit, payable for the lifetime of the surviving spouse, from the general  
31.22 state employees retirement fund of the Minnesota State Retirement System specified in  
31.23 paragraph (c).

31.24 (b) An eligible person is a person who is a state employee who suffered a violent  
31.25 death while performing assigned duties responding to a flood emergency and:

31.26 (1) was born on November 7, 1971;

31.27 (2) began working for the state on September 25, 2002; and

31.28 (3) was killed on March 22, 2011, while working as an employee of the Department  
31.29 of Transportation engaged in emergency response to flooding by using a backhoe to clear  
31.30 debris from a culvert that drains into the Minnesota River between St. Peter and Mankato.

31.31 (c) The monthly annuity payable to the surviving spouse of an eligible person  
31.32 specified in paragraph (b) is 34 percent of the average monthly salary of the eligible  
31.33 person, and accrues as of the first day of the first week after the surviving spouse ceases to  
31.34 receive workers' compensation payments attributable to the death of the eligible person  
31.35 specified in paragraph (b).

32.1 (d) "Average salary" has the meaning given in Minnesota Statutes 2010, section  
 32.2 352.01, subdivision 14a.

32.3 (e) The actuarial present value of the projected special additional survivor benefit  
 32.4 under this section must be calculated, within 30 days of the date of final enactment, by  
 32.5 the consulting actuary retained by the Minnesota State Retirement System under section  
 32.6 356.214 using the applicable actuarial assumptions set forth in Minnesota Statutes, section  
 32.7 356.215, subdivision 8, or approved by the Legislative Commission on Pensions and  
 32.8 Retirement under Minnesota Statutes, section 356.215, subdivision 18. A summary of the  
 32.9 actuarial present value calculations prepared by the consulting actuary must be certified  
 32.10 by the executive director of the Minnesota State Retirement System to the executive  
 32.11 director of the Legislative Commission on Pensions and Retirement, to the commissioner  
 32.12 of transportation, to the commissioner of management and budget, and to the legislative  
 32.13 auditor. The payment amount must be charged against the fund or funds from which  
 32.14 the March 2011 compensation of the eligible person was paid. The commissioner of  
 32.15 transportation shall pay, within 30 days of the receipt of the certification of the actuarial  
 32.16 present value of the special additional survivor benefit by the executive director of the  
 32.17 Minnesota State Retirement System, the certified amount to the General State Employees  
 32.18 Retirement Fund of the Minnesota State Retirement System.

32.19 (f) The benefit under this section is eligible for postretirement adjustments under  
 32.20 Minnesota Statutes, section 356.415, subdivision 1a. The initial payment of the additional  
 32.21 survivor benefit must include the postretirement adjustments under Minnesota Statutes,  
 32.22 section 356.415, that would have been paid on and after January 1, 2012, if the additional  
 32.23 survivor benefit were paid since April 1, 2011, and the adjusted additional survivor benefit  
 32.24 is subject to regular postretirement adjustments on each January 1 thereafter.

32.25 **EFFECTIVE DATE.** This section is effective retroactively from March 22, 2011."

32.26 Delete the title and insert:

32.27 "A bill for an act  
 32.28 relating to retirement; including pre-May 1, 2011, hires of the Red Wing Port  
 32.29 Authority in the general employees retirement plan of the Public Employees  
 32.30 Retirement Association; providing an optional procedure for the correction of  
 32.31 erroneous member deductions and employer contributions for the city of Duluth  
 32.32 and the Duluth Airport Authority; revising postretirement adjustments, reducing  
 32.33 the refund interest rate, eliminating interest on reemployed annuitant earnings  
 32.34 limitation deferral amounts, and lowering the deferred annuity augmentation rate  
 32.35 for the St. Paul Teachers Retirement Fund Association; increasing various vesting  
 32.36 requirements for the Duluth Teachers Retirement Fund Association; revising the  
 32.37 default retirement plan coverage determination for Minnesota State Colleges  
 32.38 and Universities System employees; revising statutory salary scale and payroll  
 32.39 growth actuarial assumptions; extending a financial report reporting deadline  
 32.40 date for the 2010 fire state aid allocation; authorizing the use of special actuarial  
 32.41 work in determining the 2009 and 2010 special fund financial requirements and



33.1 minimum municipal obligations for the White Bear Lake Fire Department Relief  
33.2 Association; authorizing a purchase of allowable service credit or salary credit  
33.3 for public employees and teachers; authorizing an additional employer-funded  
33.4 survivor benefit for a Minnesota Department of Transportation employee killed  
33.5 while engaged an emergency response to Minnesota River flooding; amending  
33.6 Minnesota Statutes 2010, sections 353.01, subdivisions 2a, 6; 354A.011, by  
33.7 adding a subdivision; 354A.094, subdivision 3; 354A.29, by adding subdivisions;  
33.8 354A.31, subdivisions 1, 5, 6; 354A.35, subdivision 2; 354A.36, subdivision  
33.9 1; 354A.37; 354B.21, subdivisions 1, 2, 3, 3a, 5, 6, by adding subdivisions;  
33.10 356.215, subdivision 8; 356.47, subdivision 3; repealing Minnesota Statutes  
33.11 2010, sections 354A.29, subdivision 3; 354B.21, subdivision 3c; 354B.32."