

LCPR03-220

1.1 M moves to amend H.F. No.; S.F. No.

1.2, as follows:

1.3 Delete everything after the enacting clause and insert:

1.4 "ARTICLE 1

1.5 PLAN MEMBERSHIP INCLUSIONS

1.6 Section 1. Minnesota Statutes 2002, section 352.01,

1.7 subdivision 2b, is amended to read:

1.8 Subd. 2b. EXCLUDED EMPLOYEES. "State employee" does not

1.9 include:

1.10 (1) students employed by the University of Minnesota, or

1.11 the state colleges and universities, unless approved for

1.12 coverage by the board of regents of the University of Minnesota

1.13 or the board of trustees of the Minnesota state colleges and

1.14 universities, as the case may be whichever is applicable;

1.15 (2) employees who are eligible for membership in the state

1.16 teachers retirement association, except employees of the

1.17 department of children, families, and learning who have chosen

1.18 or may choose to be covered by the general state employees

1.19 retirement plan of the Minnesota state retirement system instead

1.20 of the teachers retirement association;

1.21 (3) employees of the University of Minnesota who are

1.22 excluded from coverage by action of the board of regents;

1.23 (4) officers and enlisted personnel in the national guard

1.24 and the naval militia who are assigned to permanent peacetime

1.25 duty and who under federal law are or are required to be members

1.26 of a federal retirement system;

1.27 (5) election officers;

1.28 (6) persons who are engaged in public work for the state

1.29 but who are employed by contractors when the performance of the

1.30 contract is authorized by the legislature or other competent

1.31 authority;

1.32 (7) officers and employees of the senate, or of the house

1.33 of representatives, or of a legislative committee or commission

1.34 who are temporarily employed;

1.35 (8) receivers, jurors, notaries public, and court employees

1.36 who are not in the judicial branch as defined in section 43A.02,

2.1 subdivision 25, except referees and adjusters employed by the
2.2 department of labor and industry;

2.3 (9) patient and inmate help in state charitable, penal, and
2.4 correctional institutions including the Minnesota veterans home;

2.5 (10) persons who are employed for professional services
2.6 where the service is incidental to their regular professional
2.7 duties and whose compensation is paid on a per diem basis;

2.8 (11) employees of the Sibley House Association;

2.9 (12) the members of any state board or commission who serve
2.10 the state intermittently and are paid on a per diem basis; the
2.11 secretary, secretary-treasurer, and treasurer of those boards if
2.12 their compensation is \$5,000 or less per year, or, if they are
2.13 legally prohibited from serving more than three years; and the
2.14 board of managers of the state agricultural society and its
2.15 treasurer unless the treasurer is also its full-time secretary;

2.16 (13) state troopers;

2.17 (14) temporary employees of the Minnesota state fair who
2.18 are employed on or after July 1 for a period not to extend
2.19 beyond October 15 of that year; and persons who are employed at
2.20 any time by the state fair administration for special events
2.21 held on the fairgrounds;

2.22 (15) emergency employees who are in the classified service;
2.23 except that if an emergency employee, within the same pay
2.24 period, becomes a provisional or probationary employee on other
2.25 than a temporary basis, the employee shall be considered a
2.26 "state employee" retroactively to the beginning of the pay
2.27 period;

2.28 (16) persons who are described in section 352B.01,
2.29 subdivision 2, clauses (2) to (6);

2.30 (17) temporary employees in the classified service, and
2.31 temporary employees in the unclassified service who are
2.32 appointed for a definite period of not more than six months and
2.33 who are employed less than six months in any one-year period;

2.34 (18) trainee employees, except those listed in subdivision
2.35 2a, clause (10);

2.36 (19) persons whose compensation is paid on a fee basis;

3.1 (20) state employees who are employed by the board of
3.2 trustees of the Minnesota state colleges and universities in
3.3 unclassified positions enumerated in section 43A.08, subdivision
3.4 1, clause (9);

3.5 (21) state employees who in any year have credit for 12
3.6 months service as teachers in the public schools of the state
3.7 and as teachers are members of the teachers retirement
3.8 association or a retirement system in St. Paul, Minneapolis, or
3.9 Duluth, except for incidental employment as a state employee not
3.10 covered by one of the teacher retirement associations or
3.11 systems;

3.12 (22) employees of the adjutant general who are employed on
3.13 an unlimited intermittent or temporary basis in the classified
3.14 or unclassified service for the support of army and air national
3.15 guard training facilities;

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

3.23 (24) examination monitors who are employed by departments,
3.24 agencies, commissions, and boards to conduct examinations
3.25 required by law;

3.26 (25) persons who are appointed to serve as members of
3.27 fact-finding commissions or adjustment panels, arbitrators, or
3.28 labor referees under chapter 179;

3.29 (26) temporary employees who are employed for limited
3.30 periods under any state or federal program for training or
3.31 rehabilitation, including persons who are employed for limited
3.32 periods from areas of economic distress, but not including
3.33 skilled and supervisory personnel and persons having civil
3.34 service status covered by the system;

3.35 (27) full-time students who are employed by the Minnesota
3.36 historical society intermittently during part of the year and

4.1 full-time during the summer months;

4.2 (28) temporary employees who are appointed for not more
4.3 than six months, of the metropolitan council and of any of its
4.4 statutory boards, if the board members are appointed by the
4.5 metropolitan council;

4.6 (29) persons who are employed in positions designated by
4.7 the department of employee relations as student workers;

4.8 (30) members of trades who are employed by the successor to
4.9 the metropolitan waste control commission, who have trade union
4.10 pension plan coverage under a collective bargaining agreement,
4.11 and who are first employed after June 1, 1977;

4.12 (31) persons who are employed in subsidized on-the-job
4.13 training, work experience, or public service employment as
4.14 enrollees under the federal Comprehensive Employment and
4.15 Training Act after March 30, 1978, unless the person has as of
4.16 the later of March 30, 1978, or the date of employment
4.17 sufficient service credit in the retirement system to meet the
4.18 minimum vesting requirements for a deferred annuity, or the
4.19 employer agrees in writing on forms prescribed by the director
4.20 to make the required employer contributions, including any
4.21 employer additional contributions, on account of that person
4.22 from revenue sources other than funds provided under the federal
4.23 Comprehensive Employment and Training Act, or the person agrees
4.24 in writing on forms prescribed by the director to make the
4.25 required employer contribution in addition to the required
4.26 employee contribution;

4.27 (32) off-duty peace officers while employed by the
4.28 metropolitan council;

4.29 (33) persons who are employed as full-time police officers
4.30 by the metropolitan council and as police officers are members
4.31 of the public employees police and fire fund;

4.32 (34) persons who are employed as full-time firefighters by
4.33 the department of military affairs and as firefighters are
4.34 members of the public employees police and fire fund;

4.35 (35) foreign citizens with a work permit of less than three
4.36 years, or an H-1b/JV visa valid for less than three years of

5.1 employment, unless notice of extension is supplied which allows
5.2 them to work for three or more years as of the date the
5.3 extension is granted, in which case they are eligible for
5.4 coverage from the date extended; and

5.5 (36) persons who are employed by the board of trustees of
5.6 the Minnesota state colleges and universities and who elect to
5.7 remain members of the public employees retirement association or
5.8 the Minneapolis employees retirement fund, whichever applies,
5.9 under section 136C.75.

5.10 Sec. 2. Minnesota Statutes 2002, section 354B.20,
5.11 subdivision 6, is amended to read:

5.12 Subd. 6. ELIGIBLE UNCLASSIFIED ADMINISTRATIVE POSITION.

5.13 "Eligible unclassified administrative position" means the
5.14 following:

5.15 (1) the chancellor of the board;

5.16 (2) a president of a state college or university; or

5.17 (3) an excluded administrator employed in a state
5.18 university or college, by the board, or by the higher education
5.19 services office; or

5.20 (4) other managers and professionals in academic and
5.21 academic support programs in the unclassified service employed
5.22 in a state university or college, by the board, or by the higher
5.23 education services office.

5.24 Sec. 3. Minnesota Statutes 2002, section 354C.11,
5.25 subdivision 2, is amended to read:

5.26 Subd. 2. ELIGIBILITY. (a) An individual must participate
5.27 in the supplemental retirement plan if the individual is
5.28 employed by the board of trustees in the unclassified service of
5.29 the state and has completed at least two years with a full-time
5.30 contract of applicable unclassified employment with the board or
5.31 an applicable predecessor board in any of the positions
5.32 specified in paragraph (b).

5.33 (b) Eligible positions or employment classifications are:

5.34 (1) an unclassified administrative position as defined in
5.35 section 354B.20, subdivision 6;

5.36 (2) an employment classification included in one of the

6.1 following collective bargaining units under section 179A.10,
6.2 subdivision 2:
6.3 (i) the state university instructional unit;
6.4 (ii) the state college instructional unit; and
6.5 (iii) the state university administrative unit; or
6.6 (3) an unclassified employee of the board:
6.7 (i) included in the general professional unit or
6.8 supervisory employees unit under section 179A.10, subdivision 2;
6.9 or
6.10 (ii) excluded from those units due to its confidential
6.11 status under section 179A.10, subdivision 1, clause (8).

6.12 Sec. 4. EFFECTIVE DATE.

6.13 Sections 1, 2, and 3 are effective on July 1, 2004.

6.14 ARTICLE 2

6.15 PLAN MEMBERSHIP EXCLUSIONS

6.16 Section 1. Minnesota Statutes 2002, section 353.01,
6.17 subdivision 2b, is amended to read:

6.18 Subd. 2b. EXCLUDED EMPLOYEES. The following public
6.19 employees are not eligible to participate as members of the
6.20 association with retirement coverage by the public employees
6.21 retirement plan, the local government correctional employees
6.22 retirement plan under chapter 353E, or the public employees
6.23 police and fire retirement plan:

6.24 (1) public officers, other than county sheriffs, who are
6.25 elected to a governing body, or persons who are appointed to
6.26 fill a vacancy in an elective office of a governing body, whose
6.27 term of office first commences on or after July 1, 2002, for the
6.28 service to be rendered in that elective position. Elected
6.29 governing body officials who were active members of the
6.30 association's coordinated or basic retirement plans as of June
6.31 30, 2002, continue participation throughout incumbency in office
6.32 until termination of public service occurs as defined in
6.33 subdivision 11a;

6.34 (2) election officers or election judges;

6.35 (3) patient and inmate personnel who perform services for a
6.36 governmental subdivision;

7.1 (4) except as otherwise specified in subdivision 12a,
7.2 employees who are hired for a temporary position as defined
7.3 under subdivision 12a, and employees who resign from a
7.4 nontemporary position and accept a temporary position within 30
7.5 days in the same governmental subdivision.; An employer must not
7.6 apply the definition of temporary position so as to exclude
7.7 employees who are hired to fill positions that are permanent or
7.8 that are for an unspecified period but who are serving a
7.9 probationary period at the start of the employment. If the
7.10 period of employment extends beyond six consecutive months and
7.11 the employee earns more than \$425 from one governmental
7.12 subdivision in any calendar month, the department head shall
7.13 report the employee for membership and require employee
7.14 deductions be made on behalf of the employee under section
7.15 353.27, subdivision 4.

7.16 The membership eligibility of an employee who resigns or is
7.17 dismissed from a temporary position and within 30 days accepts
7.18 another temporary position in the same governmental subdivision
7.19 is determined on the total length of employment rather than on
7.20 each separate position. Membership eligibility of an employee
7.21 who holds concurrent temporary and nontemporary positions in one
7.22 governmental subdivision is determined by the length of
7.23 employment and salary of each separate position;

7.24 (5) employees who are employed by reason of work emergency
7.25 caused by fire, flood, storm, or similar disaster;

7.26 (6) employees who by virtue of their employment in one
7.27 governmental subdivision are required by law to be a member of
7.28 and to contribute to any of the plans or funds administered by
7.29 the Minnesota state retirement system, the teachers retirement
7.30 association, the Duluth teachers retirement fund association,
7.31 the Minneapolis teachers retirement association, the St. Paul
7.32 teachers retirement fund association, the Minneapolis employees
7.33 retirement fund, or any police or firefighters relief
7.34 association governed by section 69.77 that has not consolidated
7.35 with the public employees retirement association, or any local
7.36 police or firefighters consolidation account but who have not

8.1 elected the type of benefit coverage provided by the public
8.2 employees police and fire fund under sections 353A.01 to
8.3 353A.10, or any persons covered by section 353.665, subdivision
8.4 4, 5, or 6, who have not elected public employees police and
8.5 fire plan benefit coverage. This clause must not be construed
8.6 to prevent a person from being a member of and contributing to
8.7 the public employees retirement association and also belonging
8.8 to and contributing to another public pension fund for other
8.9 service occurring during the same period of time. A person who
8.10 meets the definition of "public employee" in subdivision 2 by
8.11 virtue of other service occurring during the same period of time
8.12 becomes a member of the association unless contributions are
8.13 made to another public retirement fund on the salary based on
8.14 the other service or to the teachers retirement association by a
8.15 teacher as defined in section 354.05, subdivision 2;

8.16 (7) persons who are members of a religious order and are
8.17 excluded from coverage under the federal Old Age, Survivors,
8.18 Disability, and Health Insurance Program for the performance of
8.19 service as specified in United States Code, title 42, section
8.20 410(a)(8)(A), as amended through January 1, 1987, if no
8.21 irrevocable election of coverage has been made under section
8.22 3121(r) of the Internal Revenue Code of 1954, as amended;

8.23 (8) employees of a governmental subdivision who have not
8.24 reached the age of 23 and are enrolled on a full-time basis to
8.25 attend or are attending classes on a full-time basis at an
8.26 accredited school, college, or university in an undergraduate,
8.27 graduate, or professional-technical program, or a public or
8.28 charter high school;

8.29 (9) resident physicians, medical interns, and pharmacist
8.30 residents and pharmacist interns who are serving in a degree or
8.31 residency program in public hospitals;

8.32 (10) students who are serving in an internship or residency
8.33 program sponsored by an accredited educational institution;

8.34 (11) persons who hold a part-time adult supplementary
8.35 technical college license who render part-time teaching service
8.36 in a technical college;

9.1 (12) except for employees of Hennepin county, foreign
9.2 citizens working for a governmental subdivision with a work
9.3 permit of less than three years, or an H-1b visa valid for less
9.4 than three years of employment. Upon notice to the association
9.5 that the work permit or visa extends beyond the three-year
9.6 period, the foreign citizens are to be reported for membership
9.7 from the date of the extension;

9.8 (13) public hospital employees who elected not to
9.9 participate as members of the association before 1972 and who
9.10 did not elect to participate from July 1, 1988, to October 1,
9.11 1988;

9.12 (14) except as provided in section 353.86, volunteer
9.13 ambulance service personnel, as defined in subdivision 35, but
9.14 persons who serve as volunteer ambulance service personnel may
9.15 still qualify as public employees under subdivision 2 and may be
9.16 members of the public employees retirement association and
9.17 participants in the public employees retirement fund or the
9.18 public employees police and fire fund, whichever applies, on the
9.19 basis of compensation received from public employment service
9.20 other than service as volunteer ambulance service personnel;

9.21 (15) except as provided in section 353.87, volunteer
9.22 firefighters, as defined in subdivision 36, engaging in
9.23 activities undertaken as part of volunteer firefighter duties;
9.24 provided that a person who is a volunteer firefighter may still
9.25 qualify as a public employee under subdivision 2 and may be a
9.26 member of the public employees retirement association and a
9.27 participant in the public employees retirement fund or the
9.28 public employees police and fire fund, whichever applies, on the
9.29 basis of compensation received from public employment activities
9.30 other than those as a volunteer firefighter;

9.31 (16) pipefitters and associated trades personnel employed
9.32 by independent school district No. 625, St. Paul, with coverage
9.33 under a collective bargaining agreement by the pipefitters local
9.34 455 pension plan who were either first employed after May 1,
9.35 1997, or, if first employed before May 2, 1997, elected to be
9.36 excluded under Laws 1997, chapter 241, article 2, section 12;

10.1 (17) electrical workers, plumbers, carpenters, and
10.2 associated trades personnel employed by independent school
10.3 district No. 625, St. Paul, or the city of St. Paul, who have
10.4 retirement coverage under a collective bargaining agreement by
10.5 the electrical workers local 110 pension plan, the united
10.6 association plumbers local 34 pension plan, or the carpenters
10.7 local 87 pension plan who were either first employed after May
10.8 1, 2000, or, if first employed before May 2, 2000, elected to be
10.9 excluded under Laws 2000, chapter 461, article 7, section 5;

10.10 (18) bricklayers, allied craftworkers, cement masons,
10.11 glaziers, glassworkers, painters, allied tradesworkers, and
10.12 plasterers employed by the city of St. Paul or independent
10.13 school district No. 625, St. Paul, with coverage under a
10.14 collective bargaining agreement by the bricklayers and allied
10.15 craftworkers local 1 pension plan, the cement masons local 633
10.16 pension plan, the glaziers and glassworkers local L-1324 pension
10.17 plan, the painters and allied trades local 61 pension plan, or
10.18 the Twin Cities plasterers local 265 pension plan who were
10.19 either first employed after May 1, 2001, or if first employed
10.20 before May 2, 2001, elected to be excluded under Laws 2001,
10.21 First Special Session chapter 10, article 10, section 6;

10.22 (19) plumbers employed by the metropolitan airports
10.23 commission, with coverage under a collective bargaining
10.24 agreement by the plumbers local 34 pension plan, who either were
10.25 first employed after May 1, 2001, or if first employed before
10.26 May 2, 2001, elected to be excluded under Laws 2001, First
10.27 Special Session chapter 10, article 10, section 6;

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

10.33 (21) persons who are provided supported employment or
10.34 work-study positions by a governmental subdivision and who
10.35 participate in an employment or industries program maintained
10.36 for the benefit of these persons where the governmental

11.1 subdivision limits the position's duration to three years or
11.2 less, including persons participating in a federal or state
11.3 subsidized on-the-job training, work experience, senior citizen,
11.4 youth, or unemployment relief program where the training or work
11.5 experience is not provided as a part of, or for, future
11.6 permanent public employment;

11.7 (22) independent contractors and the employees of
11.8 independent contractors; and

11.9 (23) reemployed annuitants of the association during the
11.10 course of that reemployment.

11.11 Sec. 2. Minnesota Statutes 2002, section 354.05,
11.12 subdivision 2, is amended to read:

11.13 Subd. 2. TEACHER. (a) "Teacher" means:

11.14 (1) a person who renders service as a teacher, supervisor,
11.15 principal, superintendent, librarian, nurse, counselor, social
11.16 worker, therapist, or psychologist in a public school of the
11.17 state located outside of the corporate limits of a city of the
11.18 first class, or in any charter school, irrespective of the
11.19 location of the school, or in any charitable, penal, or
11.20 correctional institutions of a governmental subdivision, or who
11.21 is engaged in educational administration in connection with the
11.22 state public school system, but excluding the University of
11.23 Minnesota, whether the position be a public office or an
11.24 employment, not including members or officers of any general
11.25 governing or managing board or body;

11.26 (2) an employee of the teachers retirement association;

11.27 (3) a person who renders teaching service on a part-time
11.28 basis and who also renders other services for a single employing
11.29 unit. A person whose teaching service comprises at least 50
11.30 percent of the combined employment salary is a member of the
11.31 association for all services with the single employing unit. If
11.32 the person's teaching service comprises less than 50 percent of
11.33 the combined employment salary, the executive director must
11.34 determine whether all or none of the combined service is covered
11.35 by the association; or

11.36 (4) a person who is not covered by the plans established

12.1 under chapter 352D, 354A, or 354B and who is employed by the
12.2 board of trustees of the Minnesota state colleges and
12.3 universities system in an unclassified position as:
12.4 (i) a president, vice-president, or dean;
12.5 (ii) a manager or a professional in an academic or an
12.6 academic support program other than specified in item (i);
12.7 (iii) an administrative or a service support faculty
12.8 position; or
12.9 (iv) a teacher or a research assistant.
12.10 (b) "Teacher" does not mean:
12.11 (1) a person who works for a school or institution as an
12.12 independent contractor as defined by the Internal Revenue
12.13 Service;
12.14 (2) a person employed in subsidized on-the-job training,
12.15 work experience or public service employment as an enrollee
12.16 under the federal Comprehensive Employment and Training Act from
12.17 and after March 30, 1978, unless the person has, as of the later
12.18 of March 30, 1978, or the date of employment, sufficient service
12.19 credit in the retirement association to meet the minimum vesting
12.20 requirements for a deferred retirement annuity, or the employer
12.21 agrees in writing on forms prescribed by the executive director
12.22 to make the required employer contributions, including any
12.23 employer additional contributions, on account of that person
12.24 from revenue sources other than funds provided under the federal
12.25 Comprehensive Training and Employment Act, or the person agrees
12.26 in writing on forms prescribed by the executive director to make
12.27 the required employer contribution in addition to the required
12.28 employee contribution;
12.29 (3) a person holding a part-time adult supplementary
12.30 technical college license who renders part-time teaching service
12.31 or a customized trainer as defined by the Minnesota state
12.32 colleges and universities system in a technical college if (i)
12.33 the service is incidental to the regular nonteaching occupation
12.34 of the person; and (ii) the applicable technical college
12.35 employer stipulates annually in advance that the part-time
12.36 teaching service or customized training service will not exceed

13.1 300 hours in a fiscal year and retains the stipulation in its
13.2 records; and (iii) the part-time teaching service or customized
13.3 training service actually does not exceed 300 hours in a fiscal
13.4 year; or

13.5 (4) a person exempt from licensure under section 122A.30.

13.6 Sec. 3. Minnesota Statutes 2002, section 354B.20,
13.7 subdivision 4, is amended to read:

13.8 Subd. 4. COVERED EMPLOYMENT. (a) "Covered employment"
13.9 means employment by a person eligible for coverage by this
13.10 retirement program under section 354B.21 in a faculty position
13.11 or in an eligible unclassified administrative position.

13.12 (b) "Covered employment" does not mean employment specified
13.13 in paragraph (a) by a faculty member employed in a state
13.14 university or a community college the Minnesota state colleges
13.15 and universities system if the person's initial appointment is
13.16 specified as constituting less than 25 percent of a full
13.17 academic year, exclusive of summer session, for the applicable
13.18 institution.

13.19 Sec. 4. REPEALER.

13.20 Minnesota Statutes 2002, section 352D.02, subdivision 5, is
13.21 repealed.

13.22 Sec. 5. EFFECTIVE DATE.

13.23 Sections 1, 2, 3, and 4 are effective on July 1, 2004.

13.24 ARTICLE 3

13.25 PLAN COVERAGE ELECTIONS

13.26 Section 1. Minnesota Statutes 2002, section 352D.02,
13.27 subdivision 3, is amended to read:

13.28 Subd. 3. ELECTION IRREVOCABLE REVISION TO GENERAL PLAN.

13.29 An election to not participate is irrevocable during any period
13.30 of covered employment. An employee credited with employee
13.31 shares in the unclassified program, after acquiring credit for
13.32 ten years of allowable service but prior to and within one month
13.33 following termination of covered employment, may,
13.34 notwithstanding other provisions of this subdivision, elect to
13.35 terminate participation in the unclassified plan and be covered
13.36 by the regular general plan by filing such a written election

14.1 with the executive director. The executive director
14.2 shall thereupon then redeem the employee's total shares and
14.3 shall credit to the employee's account in the regular general
14.4 plan the amount of contributions that would have been so
14.5 credited had the employee been covered by the regular general
14.6 plan during the employee's entire covered employment. The
14.7 balance of money so redeemed and not credited to the employee's
14.8 account shall be transferred to the state contribution reserve
14.9 of the state employees retirement fund, except that (1) the
14.10 employee contribution paid to the unclassified plan must be
14.11 compared to (2) the employee contributions that would have been
14.12 paid to the general plan for the comparable period, if the
14.13 individual had been covered by that plan. If clause (1) is
14.14 greater than clause (2), the difference must be refunded to the
14.15 employee as provided in section 352.22. If clause (2) is
14.16 greater than clause (1), the difference must be paid by the
14.17 employee within six months of electing general plan coverage or
14.18 before the effective date of the annuity, whichever is sooner.

14.19 Sec. 2. EFFECTIVE DATE.

14.20 Section 1 is effective on July 1, 2004.

14.21 ARTICLE 4

14.22 COVERED SALARY DEFINITION AND LIMITS

14.23 Section 1. Minnesota Statutes 2002, section 352.01,
14.24 subdivision 13, is amended to read:

14.25 Subd. 13. SALARY. (a) "Salary" means wages, or other
14.26 periodic compensation, paid to an employee before deductions for
14.27 deferred compensation, supplemental retirement plans, or other
14.28 voluntary salary reduction programs.

14.29 (b) Salary does not include:

14.30 (1) lump sum sick leave payments,;

14.31 (2) severance payments,;

14.32 (3) lump sum annual leave payments and overtime payments
14.33 made at the time of separation from state service,;

14.34 (4) payments in lieu of any employer-paid group insurance
14.35 coverage, including the difference between single and family

14.36 rates that may be paid to an employee with single coverage, and;

15.1 (5) payments made as an employer-paid fringe benefit,;
15.2 (6) workers' compensation payments,;
15.3 (7) employer contributions to a deferred compensation or
15.4 tax sheltered annuity program,; and
15.5 (8) amounts contributed under a benevolent vacation and
15.6 sick leave donation program are not salary.
15.7 (c) Amounts provided to an employee by the employer through
15.8 a grievance proceeding or a legal settlement are salary only if
15.9 the settlement is reviewed by the executive director and the
15.10 amounts are determined by the executive director to be
15.11 consistent with paragraph (a).
15.12 Sec. 2. Minnesota Statutes 2002, section 352B.01,
15.13 subdivision 11, is amended to read:
15.14 Subd. 11. AVERAGE MONTHLY SALARY. "Average monthly
15.15 salary" means the average of the highest monthly salaries for
15.16 five years of service as a member upon which contributions were
15.17 deducted from pay under section 352B.02, or upon which
15.18 appropriate contributions or payments were made to the fund to
15.19 receive allowable service and salary credit as specified under
15.20 applicable law. Average monthly salary must be based upon all
15.21 allowable service if this service is less than five years. It
15.22 does not include any lump-sum annual leave payments and overtime
15.23 payments made at the time of separation from state service, any
15.24 amounts of severance pay, or any reduced salary paid during the
15.25 period the person is entitled to workers' compensation benefit
15.26 payments for temporary disability. A member on leave of absence
15.27 receiving temporary workers' compensation payments and a reduced
15.28 salary or no salary from the employer who is entitled to
15.29 allowable service credit for the period of absence may make
15.30 payment to the fund for the difference between salary received,
15.31 if any, and the salary the member would normally receive if not
15.32 on leave of absence during the period. The member shall pay an
15.33 amount equal to the member and employer contribution rate under
15.34 section 352B.02, subdivisions 1b and 1c, on the differential
15.35 salary amount for the period of the leave of absence. The
15.36 employing department, at its option, may pay the employer amount

16.1 on behalf of the member. Payment made under this subdivision
16.2 must include interest at the rate of 8.5 percent per year, and
16.3 must be completed within one year of the return from the leave
16.4 of absence.

16.5 Sec. 3. Minnesota Statutes 2002, section 353.01,
16.6 subdivision 10, is amended to read:

16.7 Subd. 10. SALARY. (a) "Salary" means:

16.8 (1) periodic compensation of a public employee, before
16.9 deductions for deferred compensation, supplemental retirement
16.10 plans, or other voluntary salary reduction programs, and also
16.11 means "wages" and includes net income from fees; and

16.12 (2) for a public employee who has prior service covered by
16.13 a local police or firefighters relief association that has
16.14 consolidated with the public employees retirement association or
16.15 to which section 353.665 applies and who has elected coverage
16.16 either under the public employees police and fire fund benefit
16.17 plan under section 353A.08 following the consolidation or under
16.18 section 353.665, subdivision 4, "salary" means the rate of
16.19 salary upon which member contributions to the special fund of
16.20 the relief association were made prior to the effective date of
16.21 the consolidation as specified by law and by bylaw provisions
16.22 governing the relief association on the date of the initiation
16.23 of the consolidation procedure and the actual periodic
16.24 compensation of the public employee after the effective date of
16.25 consolidation.

16.26 (b) Salary does not mean:

16.27 (1) fees paid to district court reporters, unused annual
16.28 vacation or sick leave payments, in lump-sum or periodic
16.29 payments, severance payments, reimbursement of expenses,
16.30 lump-sum settlements not attached to a specific earnings period,
16.31 or workers' compensation payments;

16.32 (2) employer-paid amounts used by an employee toward the
16.33 cost of insurance coverage, employer-paid fringe benefits,
16.34 flexible spending accounts, cafeteria plans, health care expense
16.35 accounts, day care expenses, or any payments in lieu of any
16.36 employer-paid group insurance coverage, including the difference

17.1 between single and family rates that may be paid to a member
17.2 with single coverage and certain amounts determined by the
17.3 executive director to be ineligible;

17.4 (3) the amount equal to that which the employing
17.5 governmental subdivision would otherwise pay toward single or
17.6 family insurance coverage for a covered employee when, through a
17.7 contract or agreement with some but not all employees, the
17.8 employer:

17.9 (i) discontinues, or for new hires does not provide,
17.10 payment toward the cost of the employee's selected insurance
17.11 coverages under a group plan offered by the employer;

17.12 (ii) makes the employee solely responsible for all
17.13 contributions toward the cost of the employee's selected
17.14 insurance coverages under a group plan offered by the employer,
17.15 including any amount the employer makes toward other employees'
17.16 selected insurance coverages under a group plan offered by the
17.17 employer; and

17.18 (iii) provides increased salary rates for employees who do
17.19 not have any employer-paid group insurance coverages; and

17.20 (4) except as provided in section 353.86 or 353.87,
17.21 compensation of any kind paid to volunteer ambulance service
17.22 personnel or volunteer firefighters, as defined in subdivision
17.23 35 or 36; and

17.24 (5) compensation that exceeds the limitation provided in
17.25 section 356.611.

17.26 Sec. 4. Minnesota Statutes 2002, section 354.05,
17.27 subdivision 35, is amended to read:

17.28 Subd. 35. SALARY. (a) "Salary" means the periodic
17.29 compensation, upon which member contributions are required
17.30 before deductions for deferred compensation, supplemental
17.31 retirement plans, or other voluntary salary reduction programs.

17.32 (b) "Salary" does not mean:

17.33 (1) lump sum annual leave payments;

17.34 (2) lump sum wellness and sick leave payments;

17.35 (3) employer-paid amounts used by an employee toward the
17.36 cost of insurance coverage, employer-paid fringe benefits,

18.1 flexible spending accounts, cafeteria plans, health care expense
18.2 accounts, day care expenses, or any payments in lieu of any
18.3 employer-paid group insurance coverage, including the difference
18.4 between single and family rates that may be paid to a member
18.5 with single coverage and certain amounts determined by the
18.6 executive director to be ineligible;

18.7 (4) any form of payment made in lieu of any other
18.8 employer-paid fringe benefit or expense;

18.9 (5) any form of severance payments;

18.10 (6) workers' compensation payments;

18.11 (7) disability insurance payments including self-insured
18.12 disability payments;

18.13 (8) payments to school principals and all other
18.14 administrators for services in addition to the normal work year
18.15 contract if these additional services are performed on an
18.16 extended duty day, Saturday, Sunday, holiday, annual leave day,
18.17 sick leave day, or any other nonduty day;

18.18 (9) payments under section 356.24, subdivision 1, clause
18.19 (4); and

18.20 (10) payments made under section 122A.40, subdivision 12,
18.21 except for payments for sick leave accumulated under the
18.22 provisions of a uniform school district policy that applies
18.23 equally to all similarly situated persons in the district; and

18.24 (11) payments to persons employed in the Minnesota state
18.25 colleges and universities system in a faculty position or in an
18.26 eligible unclassified administrative position if the person's
18.27 initial appointment is specified as constituting less than 25
18.28 percent of a full academic year, exclusive of summer session,
18.29 for the applicable institution.

18.30 Sec. 5. Minnesota Statutes 2002, section 356.611,
18.31 subdivision 2, is amended to read:

18.32 Subd. 2. FEDERAL COMPENSATION LIMITS. (a) For members
18.33 first contributing to of a covered pension plan enumerated in
18.34 section 356.30, subdivision 3, on or after July 1, 1995,
18.35 compensation in excess of the limitation set forth specified in
18.36 section 401(a)(17) of the Internal Revenue Code, as amended, for

19.1 changes in the cost of living under section 401(a)(17)(B) of the
19.2 Internal Revenue Code, may not be included for contribution and
19.3 benefit computation purposes.

19.4 (b) Notwithstanding paragraph (a), for members specified in
19.5 paragraph (a) who first contributed to a covered plan before
19.6 July 1, 1995, the annual compensation limit set forth specified
19.7 in Internal Revenue Code 401(a)(17) on June 30, 1993, applies to
19.8 members first contributing before July 1, 1995 if that provides
19.9 a greater allowable annual compensation.

19.10 Sec. 6. Minnesota Statutes 2002, section 356.611, is
19.11 amended by adding a subdivision to read:

19.12 Subd. 3. MAXIMUM BENEFIT LIMITATIONS. A member's annual
19.13 benefit shall, if necessary, be reduced to the extent required
19.14 by section 415(b) of the Internal Revenue Code, as adjusted by
19.15 the United States Secretary of the Treasury under section 415(d)
19.16 of the Internal Revenue Code. For purposes of section 415 of
19.17 the Internal Revenue Code, the limitation year of a pension plan
19.18 covered by this section shall be the fiscal year or calendar
19.19 year of that plan, whichever is applicable. The accrued benefit
19.20 limitation described in section 415(e) of the Internal Revenue
19.21 Code shall cease to be effective for limitation years beginning
19.22 after December 31, 1999.

19.23 Sec. 7. REPEALER.

19.24 Minnesota Statutes 2002, section 352.01, subdivision 13a,
19.25 is repealed.

19.26 Sec. 8. EFFECTIVE DATE.

19.27 Sections 1 to 7 are effective on July 1, 2004.

19.28 ARTICLE 5

19.29 ALLOWABLE SERVICE CREDIT

19.30 Section 1. Minnesota Statutes 2002, section 354.091, is
19.31 amended to read:

19.32 354.091 SERVICE CREDIT.

19.33 (a) In computing service credit, no teacher shall receive
19.34 credit for more than one year of teaching service for any fiscal
19.35 year. Commencing July 1, 1961:

19.36 (1) if a teacher teaches less than five hours in a day,

20.1 service credit must be given for the fractional part of the day
20.2 as the term of service performed bears to five hours;

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

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

20.8 (4) if a teacher teaches for only a fractional part of the
20.9 year, service credit must be given for such fractional part of
20.10 the year as the period of service performed bears to 170 days.

20.11 (b) A teacher shall receive a full year of service credit
20.12 based on the number of days in the employer's full school year
20.13 if it is less than 170 days. Teaching service performed before
20.14 July 1, 1961, must be computed under the law in effect at the
20.15 time it was performed.

20.16 (c) A teacher does not lose or gain retirement service
20.17 credit as a result of the employer converting to a flexible or
20.18 alternate work schedule. If the employer converts to a flexible
20.19 or alternate work schedule, the forms for reporting and the
20.20 procedures for determining service credit must be determined by
20.21 the executive director with the approval of the board of
20.22 trustees.

20.23 (d) For all services rendered on or after July 1, 2002,
20.24 service credit for all members employed by the Minnesota state
20.25 colleges and universities system shall be determined:

20.26 (1) for full-time employees, by the definition of full time
20.27 contained in the collective bargaining agreement for those units
20.28 listed in section 179A.10, subdivision 2, or the applicable
20.29 personnel or salary plan for those positions designated in
20.30 section 179A.10, subdivision 1;

20.31 (2) for part-time employees, by the appropriate proration
20.32 of full-time equivalency based on the provisions contained in
20.33 the collective bargaining agreement for those units listed in
20.34 section 179A.10, subdivision 2, or the applicable personnel or
20.35 salary plan for those positions designated in section 179A.10,
20.36 subdivision 1, and applicable procedures of the Minnesota state

21.1 colleges and universities system; and
21.2 (3) in no case shall a member receive more than one year of
21.3 service credit for any fiscal year.

21.4 Sec. 2. EFFECTIVE DATE.
21.5 Section 1 is effective on July 1, 2004.

21.6 ARTICLE 6
21.7 ON LEAVE MILITARY SERVICE CREDIT

21.8 Section 1. Minnesota Statutes 2002, section 354.53, is
21.9 amended to read:

21.10 354.53 CREDIT FOR MILITARY BREAK IN SERVICE LEAVE OF 21.11 ABSENCE
TO PROVIDE UNIFORMED SERVICE.

21.12 Subdivision 1. EMPLOYEE AND EMPLOYER CONTRIBUTIONS. (a)
21.13 Any employee given a leave of absence to enter military
21.14 service teacher who is absent from employment by reason of
21.15 service in the uniformed services, as defined in United States
21.16 Code, title 38, section 4303(13), and who returns to the
21.17 employer providing teaching service upon discharge from military
21.18 service as provided in the uniformed service within the time
21.19 frames required in United States Code, title 38, section 192.262
21.20 4312(e), may obtain service credit for the period of military
21.21 such uniformed service but shall not receive credit for any
21.22 voluntary extension of military service at the instance of the
21.23 member beyond the initial period of enlistment, induction or
21.24 call to active duty, as further specified in this section.

21.25 (b) The member shall obtain credit by paying into the fund
21.26 an employee contribution based upon the contribution rate or
21.27 rates in effect at the time that the military uniformed service
21.28 was performed multiplied by the years, including fractions of a
21.29 year, being purchased multiplied by the annual salary rate of
21.30 the member for the year beginning with the date of return from
21.31 military service and the number of years of military service
21.32 together with interest thereon at an annual rate of 8.5 percent
21.33 compounded annually from the time the military service was
21.34 rendered to the first date of payment. The annual salary rate
21.35 is the average annual salary during the purchase period that the
21.36 teacher would have received if the teacher had continued to

22.1 provide teaching service to the employer rather than uniformed
22.2 service, or if the determination of that rate is not reasonably
22.3 certain, the annual salary rate is the teacher's average salary
22.4 rate during the 12-month period immediately preceding such
22.5 period, or, if less than 12 months, the period of teacher
22.6 employment immediately preceding such period of uniformed
22.7 service.

22.8 (c) The employer contribution and, if applicable, the
22.9 additional contribution provided in section 354.42 must be paid
22.10 by the employing unit at as provided in section 354.52,
22.11 subdivision 4, using the employer contribution rate or rates in
22.12 effect at the time that the military uniformed service was
22.13 performed, applied to the same annual salary rate of or rates
22.14 used to compute the member for the year beginning with the date
22.15 of return from military service, in the manner provided in
22.16 section 354.52, subdivision 4 employee contribution.

22.17 Subd. 2. CALCULATION OF CREDIT. (a) For purposes of a
22.18 money purchase annuity, all payments into the fund pursuant to
22.19 under this section shall be considered accumulations after July
22.20 1, 1957, for the purpose of computing any annuity in accordance
22.21 with under section 354.44, subdivision 2.

22.22 (b) For purposes of a formula annuity, if the employee
22.23 contributions and interest thereon provided in this section are
22.24 not paid in full, the member's formula service credit shall be
22.25 calculated prorated by multiplying the number of years including
22.26 fractions of a year of military uniformed service eligible for
22.27 purchase by the ratio obtained by dividing the total amount paid
22.28 and employee contribution received by the maximum amount payable
22.29 provided herein total employee contribution otherwise required
22.30 under this section.

22.31 Subd. 3. PAYMENTS ELIGIBLE PAYMENT PERIOD. Payments
22.32 pursuant to this (a) To receive service credit under this
22.33 section, the contributions specified in this section shall must
22.34 be made within transmitted to the teachers retirement
22.35 association during the period beginning with the date the
22.36 individual returns to teaching service and whose duration is

23.1 three times the length of the uniformed service period, not to
23.2 exceed five years from the date of discharge.

23.3 (b) If the payment period specified under paragraph (a) is
23.4 less than one year, the contributions required under this
23.5 section to receive service credit may be made within one year
23.6 from the discharge date.

23.7 Subd. 4. LIMITS OF SERVICE CREDIT PURCHASE. The service
23.8 credit purchase under this section may not exceed five years,
23.9 unless a longer purchase period is required under United States
23.10 Code, title 38, section 4312.

23.11 Subd. 5. INTEREST REQUIREMENTS. The employer shall pay
23.12 interest on all employee and employer contribution amounts
23.13 payable under this section. Interest is to be computed at a
23.14 rate of 8.5 percent compounded annually from the end of each
23.15 fiscal year of the leave or break in service to the end of the
23.16 month in which payment is received.

23.17 Sec. 2. Minnesota Statutes 2002, section 354A.093, is
23.18 amended to read:

23.19 354A.093 MILITARY BREAK IN SERVICE CREDIT TO PROVIDE 23.20 UNIFORM
ED SERVICE.

23.21 Subdivision 1. ELIGIBILITY. Any teacher in the
23.22 coordinated program of either the Minneapolis teachers
23.23 retirement fund association or the St. Paul teachers retirement
23.24 fund association or any teacher in the new law coordinated
23.25 program of the Duluth teachers retirement fund association who
23.26 is granted a leave absent from employment by reason of absence
23.27 to enter military service in the uniformed services as defined
23.28 in United States Code, title 38, section 4303(13) and who
23.29 returns to the employer providing active teaching service upon
23.30 discharge from military uniformed service as provided in within
23.31 the time frames required under United States Code, title 38,
23.32 section 192.262 4312(e), shall be entitled to receive allowable
23.33 service credit in the applicable association for all or a
23.34 portion of the period of military uniformed service but,
23.35 provided that the teacher did not for any voluntary extension of
23.36 military separate from uniformed service beyond the initial

24.1 period of enlistment, induction with a dishonorable or call to
24.2 active duty which occurred at the instance of the teacher bad
24.3 conduct discharge or under other than honorable conditions.

24.4 Subd. 2. CONTRIBUTIONS. If the teacher granted the
24.5 military service leave of absence makes the employee
24.6 contribution for a period of military service leave of absence
24.7 pursuant to service provided to the uniformed services under
24.8 this section, the employing unit shall make an employer
24.9 contribution on behalf of the teacher to the applicable
24.10 association for the period of the military service leave of
24.11 absence being purchased in the manner described in section
24.12 354A.12, subdivision 2a. The employee and employer
24.13 contributions shall be in an amount equal to the employee and
24.14 employer contribution rates in effect for other active members
24.15 of the association covered by the same program applied to a
24.16 salary figure equal to the teacher's average annual salary
24.17 rate at the date of return from military service that the
24.18 teacher would have received if the leave or break in service had
24.19 not occurred, or if the determination of that average salary
24.20 rate is not reasonably certain, on the basis of the teacher's
24.21 average salary rate during the 12-month period immediately
24.22 preceding such period, or, if less than 12 months, the period of
24.23 teacher employment immediately preceding such period of
24.24 uniformed service, multiplied by the number of years and
24.25 fractions of a year constituting the period of service provided
24.26 to the military uniformed service leave of absence which the
24.27 teacher seeks is authorized to purchase under this
24.28 section. Payment shall include interest on the amount payable
24.29 pursuant to this section at the rate of six percent compounded
24.30 annually from the year the military service was rendered to the
24.31 date of payment.

24.32 Subd. 3. PRORATING. If the payments made by a
24.33 teacher pursuant to under this section are less than an the full
24.34 amount equal to the applicable contribution rate applied to a
24.35 salary figure equal to the teacher's annual salary rate at the
24.36 date of return from military service, multiplied by the number

25.1 of years constituting the period of the military service leave
25.2 of absence determined under subdivision 2, the service credit
25.3 shall be prorated. The prorated service credit shall be
25.4 determined by the ratio between the amount of the
25.5 actual employee payment which was made and the full contribution
25.6 amount payable pursuant to employee payment required under this
25.7 section. In order to be entitled to receive service credit
25.8 under this section, payment shall be made within five years from
25.9 the date of discharge from military service.

25.10 Subd. 4. ELIGIBLE PAYMENT PERIOD. (a) To receive service
25.11 credit under this section, the contributions specified in this
25.12 section must be transmitted to the applicable first class city
25.13 teachers retirement fund association during the period beginning
25.14 with the date the individual returns to teaching service and
25.15 whose duration is three times the length of the uniformed
25.16 service period, not to exceed five years.

25.17 (b) If the payment period specified under paragraph (a) is
25.18 less than one year, the contributions required under this
25.19 section to receive service credit may be made within one year
25.20 from the discharge date.

25.21 Subd. 5. LIMITS ON SERVICE CREDIT PURCHASE. The service
25.22 credit purchase under this section may not exceed five years,
25.23 unless a longer purchase period is required under United States
25.24 Code, title 38, section 4312.

25.25 Subd. 6. INTEREST REQUIREMENTS. The employer shall pay
25.26 interest on all employee and employer contribution amounts
25.27 payable under this section. Interest is to be computed at a
25.28 rate of 8.5 percent compounded annually from the end of each
25.29 fiscal year of the leave or break in service to the end of the
25.30 month in which payment is received.

25.31 Sec. 3. EFFECTIVE DATE.

25.32 Sections 1 and 2 are effective on July 1, 2004.

25.33 ARTICLE 7

25.34 PRIOR MILITARY SERVICE CREDIT PURCHASE

25.35 Section 1. Minnesota Statutes 2002, section 354.533,
25.36 subdivision 1, is amended to read:

27.1 Section 1. Minnesota Statutes 2002, section 354.096,
27.2 subdivision 1, is amended to read:

27.3 Subdivision 1. CERTIFICATION. Upon granting a family
27.4 leave to a member, an employing unit must certify the leave to
27.5 the association on a form specified by the executive director
27.6 before the end of the fiscal year during which the leave was
27.7 granted.

27.8 Sec. 2. EFFECTIVE DATE.

27.9 Section 1 is effective on July 1, 2004.

27.10 ARTICLE 9

27.11 SPECIAL SERVICE CREDIT PURCHASE

27.12 Section 1. Minnesota Statutes 2002, section 354.51, is
27.13 amended by adding a subdivision to read:

27.14 Subd. 6. MEMBER CONTRIBUTIONS. Members currently
27.15 employed in the Minnesota state colleges and universities system
27.16 who had previous salary meeting the terms of section 354.05,
27.17 subdivision 35, paragraph (b), clause (11), may elect to make
27.18 member contributions for this salary to receive associated
27.19 service credit as follows:

27.20 (1) the election to make member contributions must be in
27.21 writing on a form provided by the executive director;

27.22 (2) the election must be made within 60 days of the start
27.23 of the member's covered employment;

27.24 (3) the member shall have a time period of one year from
27.25 the date of the election to pay into the fund the normal
27.26 employee contributions in effect at the time on all salary
27.27 earned from initial appointment until the start of covered
27.28 employment plus interest at an annual rate of 8.5 percent
27.29 compounded annually to the end of the month in which payment is
27.30 made and the interest shall be credited to the fund; and

27.31 (4) the employing unit shall pay, within 60 days of payment
27.32 notification, the normal employer contributions in effect at the
27.33 time on all salary earned by the member from initial appointment
27.34 until the start of covered employment plus interest at an annual
27.35 rate of 8.5 percent compounded annually to the end of the month
27.36 in which payment is made and the interest shall be credited to

28.1 the fund.

28.2 Sec. 2. EFFECTIVE DATE.

28.3 Section 1 is effective on July 1, 2004.

28.4 ARTICLE 10

28.5 QUALIFIED PART-TIME TEACHER PROVISIONS

28.6 Section 1. Minnesota Statutes 2002, section 354.66,

28.7 subdivision 2, is amended to read:

28.8 Subd. 2. QUALIFIED PART-TIME TEACHER PROGRAM

28.9 PARTICIPATION REQUIREMENTS. (a) A teacher in a Minnesota public

28.10 elementary school, a Minnesota secondary school, or the

28.11 Minnesota state colleges and universities system who has three

28.12 years or more of allowable service in the association or three

28.13 years or more of full-time teaching service in Minnesota public

28.14 elementary schools, Minnesota secondary schools, or the

28.15 Minnesota state colleges and universities system, by agreement

28.16 with the board of the employing district or with the authorized

28.17 representative of the board, may be assigned to teaching service

28.18 in a part-time teaching position under subdivision 3. The

28.19 agreement must be executed before October 1 of the school year

28.20 for which the teacher requests to make retirement contributions

28.21 under subdivision 4. A copy of the executed agreement must be

28.22 filed with the executive director of the association. If the

28.23 copy of the executed agreement is filed with the association

28.24 after October 1 of the school year for which the teacher

28.25 requests to make retirement contributions under subdivision 4,

28.26 the employing unit shall pay the fine specified in section

28.27 354.52, subdivision 6, for each calendar day that elapsed since

28.28 the October 1 due date. The association may not accept an

28.29 executed agreement that is received by the association more than

28.30 15 months late. The association may not waive the fine required

28.31 by this section.

28.32 (b) Notwithstanding paragraph (a), if the teacher is also a

28.33 legislator:

28.34 (1) the agreement in paragraph (a) must be executed before

28.35 March 1 of the school year for which the teacher requests to

28.36 make retirement contributions under subdivision 4; and

29.1 (2) fines specified in paragraph (a) apply if the employing
29.2 unit does not file the executed agreement with the executive
29.3 director of the association by March 1.

29.4 Sec. 2. EFFECTIVE DATE.

29.5 Section 1 is effective on July 1, 2004.

29.6 ARTICLE 11

29.7 CONTRIBUTION RATES

29.8 Section 1. Minnesota Statutes 2002, section 352D.04,
29.9 subdivision 2, is amended to read:

29.10 Subd. 2. CONTRIBUTION RATES. (a) Except as specified in
29.11 paragraph (c), the money used to purchase shares under this
29.12 section is the employee and employer contributions provided in
29.13 this subdivision are used to purchase shares under this section.

29.14 (b) For an employee other than a judge specified in
29.15 paragraph (g), the employee contribution is an amount equal to
29.16 the employee contribution specified in section 352.04,
29.17 subdivision 2.

29.18 (c) For an employee other than a judge specified in
29.19 paragraph (g), the employer contribution is an amount equal to
29.20 six percent of salary.

29.21 (d) The employer contribution under paragraph (c) must
29.22 include an employer additional contribution equal to 1.5 percent
29.23 of salary.

29.24 (e) The employer additional contribution collected under
29.25 paragraph (d) is not credited to any employee's account and is
29.26 not used to purchase shares. Amounts collected under that
29.27 paragraph will be held in a separate reserve account within the
29.28 Minnesota state retirement system and are to be used to offset
29.29 costs incurred by the general plan when an unclassified plan
29.30 member reverts to the general plan, when mortality adjustments
29.31 are made relating to these transferred members, and to offset
29.32 any other costs relating to these transferred members as deemed
29.33 necessary by the executive director. All assets of this reserve
29.34 account are to be invested by the state board of investment in
29.35 one or more of the investment options established under section
29.36 11A.17, as deemed appropriate by the state board of investment

30.1 given the nature and purpose of the reserve account established
30.2 under this paragraph.

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

30.5 (e) (g) For members of the legislature, the contributions
30.6 under this subdivision also must be made on per diem payments
30.7 received during a regular or special legislative session, but
30.8 may not be made on per diem payments received outside of a
30.9 regular or special legislative session, on the additional
30.10 compensation attributable to a leadership position under section
30.11 3.099, subdivision 3, living expense payments under section
30.12 3.101, or special session living expense payments under section
30.13 3.103.

30.14 (f) (h) For a judge who is a member of the unclassified
30.15 plan under section 352D.02, subdivision 1, paragraph (c), clause
30.16 (16), the employee contribution rate is eight percent of salary,
30.17 and there is no employer contribution.

30.18 Sec. 2. Minnesota Statutes 2002, section 354B.23,
30.19 subdivision 1, is amended to read:

30.20 Subdivision 1. MEMBER CONTRIBUTION RATE. (a) Except as
30.21 provided in paragraph (b), The member contribution rate for
30.22 participants in the individual retirement account plan is 4.5
30.23 percent of salary.

30.24 (b) For participants in the individual retirement account
30.25 plan who were otherwise eligible to elect retirement coverage in
30.26 the state unclassified employees retirement program, the member
30.27 contribution rate is the rate specified in section 352D.04,
30.28 subdivision 2, paragraph (a).

30.29 Sec. 3. EFFECTIVE DATE.

30.30 Sections 1 and 2 are effective on July 1, 2004.

30.31 ARTICLE 12

30.32 EMPLOYER REPORTING

30.33 Section 1. Minnesota Statutes 2002, section 354.52,
30.34 subdivision 4a, is amended to read:

30.35 Subd. 4a. MEMBER DATA REPORTING REQUIREMENTS. (a) An
30.36 employing unit must initially provide the member data specified

31.1 in paragraph (b) or any of that data not previously provided to
31.2 the association for payroll warrants dated after June 30, 1995,
31.3 in a format prescribed by the executive director. Data changes
31.4 and the dates of those changes under this subdivision must be
31.5 reported to the association in a format prescribed by the
31.6 executive director on an ongoing basis within 14 calendar days
31.7 after the date of the end of the payroll cycle in which they
31.8 occur. These data changes must be reported with the payroll
31.9 cycle data under subdivision 4b.

31.10 (b) Data on the member includes:

31.11 (1) legal name, address, date of birth, association member
31.12 number, employer-assigned employee number, and social security
31.13 number;

31.14 (2) association status, including, but not limited to,
31.15 basic, coordinated, exempt annuitant, exempt technical college
31.16 teacher, and exempt independent contractor or consultant;

31.17 (3) employment status, including, but not limited to, full
31.18 time, part time, intermittent, substitute, or part-time
31.19 mobility;

31.20 (4) employment position, including, but not limited to,
31.21 teacher, superintendent, principal, administrator, or other;

31.22 (5) employment activity, including, but not limited to,
31.23 hire, termination, resumption of employment, disability, or
31.24 death;

31.25 (6) leaves of absence;

31.26 (7) county district number assigned by the association for
31.27 the employing unit;

31.28 (8) data center identification number, if applicable; and

31.29 (9) gender;

31.30 (10) position code; and

31.31 (11) other information as may be required by the executive
31.32 director.

31.33 Sec. 2. Minnesota Statutes 2002, section 354.52, is
31.34 amended by adding a subdivision to read:

31.35 Subd. 4c. MNSCU SERVICE CREDIT REPORTING. For all

31.36 part-time service rendered on or after July 1, 2002, the service

32.1 credit reporting requirement in subdivision 4b for all part-time
32.2 employees of the Minnesota state colleges and universities
32.3 system shall be met by the Minnesota state colleges and
32.4 universities system reporting to the association on or before
32.5 July 31 of each year the final calculation of each part-time
32.6 member's service credit for the immediately preceding fiscal
32.7 year based on the employee's assignments for the fiscal year.

32.8 Sec. 3. Minnesota Statutes 2002, section 354.52,
32.9 subdivision 6, is amended to read:

32.10 Subd. 6. NONCOMPLIANCE CONSEQUENCES. An employing unit
32.11 that does not comply with the reporting requirements under this
32.12 section shall subdivision 2a, 4a, or 4b must pay a fine of \$5
32.13 per calendar day until the association receives the required
32.14 data.

32.15 Sec. 4. EFFECTIVE DATE.

32.16 Sections 1, 2, and 3 are effective on July 1, 2004.

32.17 ARTICLE 13

32.18 TRANSMISSION OF RETIREMENT INFORMATION

32.19 Section 1. Minnesota Statutes 2002, section 354.07,
32.20 subdivision 9, is amended to read:

32.21 Subd. 9. All school districts, the Minnesota state
32.22 colleges and universities, community colleges and other
32.23 employers of members of the association are obligated to
32.24 distribute to their employees ballots for the election of
32.25 members to the board of trustees, pamphlets, brochures,
32.26 documents or any other material containing association
32.27 information which are prepared by the executive director or the
32.28 board and are delivered to the employers for distribution.

32.29 Sec. 2. EFFECTIVE DATE.

32.30 Section 1 is effective on July 1, 2004."

32.31 Amend the title accordingly