



TO: Members of the Administrative Legislation Subcommittee

FROM: Lawrence A. Martin, Executive Director

RE: Summary of LCPR03-239; Work Product of the Subcommittee through September 16, 2003

DATE: September 29, 2003

Introduction

As the Subcommittee processes portions of the five administrative provisions bills, the Commission staff is engrossing any amendments approved by the Subcommittee and is reformatting the composite proposed administrative legislation in a single document. That composite document, LCPR03-239 (attached), representing the work of the Subcommittee through September 16, 2003, is summarized below.

Section-By-Section Summary of LCPR03-239

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
Article 1: Membership Issues					
1	Page 1, Lines 6-36; Page 2, Lines 1-36; Page 3, Lines 1-36; Page 4, Lines 1-36; Page 5, Lines 1-36; Page 6, Line 1	PERA-General; PERA-P&F	HF 890 (Smith); SF 676 (Betzold): Section 2	353.01, Subdivision 2b	Removes unnecessary language and moves “temporary position” definition.
2	Page 6, Lines 2-23	PERA-General; PERA-P&F	HF 890 (Smith); SF 676 (Betzold): Section 4	353.01, Subdivision 12a	Includes “temporary position” definition language from section 1.
3	Page 6, Lines 24-36; Page 7, Lines 1-3	PERA-General; PERA-P&F	HF 890 (Smith); SF 676 (Betzold): Section 5	353.01, Subdivision 12b	Eliminates reference to “business” year.
4	Page 7, Lines 4-36; Page 8, Lines 1-35	TRA	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 1	354.05, Subdivision 2	Removes obsolete license requirements, removes obsolete technical college references, and eliminates obsolete Comprehensive Employment and Training Act (CETA) exclusion.
5	Page 8, Line 36; Page 9, Lines 1-12	MnSCU IRAP	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 7	354B.20, Subdivision 4	Corrects an obsolete reference.
6	Page 9, Lines 13-26	MnSCU IRAP	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 8	354B.20, Subdivision 6	The eligible unclassified administrative position definition is amended to include MnSCU administrators in general rather than “excluded” administrators.
7	Page 9, Lines 27-36; Page 10, Lines 1-15	MnSCU Higher Education Supplemental Plan	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 11	354C.11, Subdivision 2	The eligibility provision is revised to include unclassified employees of the board, including employees who have confidential status.
8	Page 10, Lines 16-18	MSRS Unclassified Program	HF 1430 (Smith); SF 1460 (Betzold) Article 8, Section 4	Repealer; 352D.02, Subdivision 5	Repeals exclusion of TRA Basic members from MSRS Unclassified Program coverage.
9	Page 10, Lines 19-24	--	--	Effective Date	Generally effective on July 1, 2004. Section 6 is effective retroactive to the affected person’s date of hire and Section 7 is effective retroactively to July 1, 2001.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
<u>Article 2: Covered Salary Definition</u>					
1	Page 10, Lines 27-36; Page 11, Lines 1-15	MSRS-General; MSRS-Correctional	HF 1430 (Smith); SF 1460 (Betzold) Article 2, Section 2	352.01, Subdivision 13	Includes grievance or legal settlement payments in covered salary definition if reviewed by the MSRS Executive Director and determined as consistent with the salary definition and with prior determinations.
2	Page 11, Lines 16-36; Page 12, Lines 1-11	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 2, Section 4	352B.01, Subdivision 11	Revises the average salary definitions to tie covered salary to salary on which member contributions were made or on which prior service credit purchases were made and defines "salary" in the same manner as applicable to MSRS-General.
3	Page 12, Lines 12-36; Page 13, Lines 1-32	PERA-General; PERA-P&F	HF 890 (Smith); SF 676 (Betzold); Section 3	353.01, Subdivision 10	Excludes from covered salary amounts in excess of Minnesota Statutes, Section 356.611 limitation.
4	Page 13, Lines 33-36; Page 14, Lines 1-12	Retirement Generally	HF 1086 (Smith); SF 806 (Betzold) Section 6	356.611, Subdivision 2	Revises maximum salary amount to conform with federal Internal Revenue Code.
5	Page 14, Lines 13-25	Retirement Generally	HF 1086 (Smith); SF 806 (Betzold) Section 7	356.611, New Subdivision 3	Requires reduction of benefit to comply with federal Internal Revenue Code.
6	Page 14, Lines 26-27	--	--	Effective Date	Effective July 1, 2004.
<u>Article 3: Allowable Service Credit</u>					
1	Page 14, Lines 30-36; Page 15, Lines 1-36; Page 16, Lines 1-3	TRA	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 4	354.091	Sets full and fractional service credit rules for MnSCU employees based on full-time and part-time service definitions in the applicable collective bargaining agreements.
2	Page 16, Lines 4-10	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 2	354.096	Removes a data certification deadline that conflicts with the general member data reporting provision.
3	Page 16, Lines 11-36; Page 17, Lines 1-36; Page 18, Lines 1-27	TRA	HF 1086 (Smith); SF 806 (Betzold) Section 2	354.53	Revises the on-leave military service credit purchase provision to comply with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).
4	Page 18, Lines 28-36; Page 19, Lines 1-36; Page 20, Lines 1-36; Page 21, Lines 1-7	First Class City Teachers	HF 1086 (Smith); SF 806 (Betzold) Section 4	354A.093	Revises the on-leave military service credit purchase provision to comply with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).
5	Page 21, Lines 8-9	--	--	Effective Date	Effective July 1, 2004.
<u>Article 4: Qualified Part-Time Teacher Provisions</u>					
1	Page 21, Lines 12-36; Page 22, Lines 1-9	TRA	HF 519 (Smith); SF 807 (Betzold) Article 2, Section 5	354.66, Subdivision 2	Modifies the date for executing a part-time teaching program agreement for teacher-legislators.
2	Page 22, Lines 10-11	--	--	Effective Date	Effective July 1, 2004.
<u>Article 5: Retirement Plan Contributions and Transfers</u>					
1	Page 22, Lines 14-36; Page 23, Lines 1-29	TRA	HF 1086 (Smith); SF 806 (Betzold) Section 1	354.42, Subdivision 7	Modifies the fund transfer provision to conform to federal Internal Revenue Code Requirements.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
2	Page 23, Lines 30-36; Page 24, Lines 1-36; Page 25, Lines 1-34	TRA	HF 1474 (Erickson); SF 1420 (Pogemiller) Alternative to Sections 4 and 5	354.51, Subdivision 5	Creates a special member deduction shortage rule for MnSCU with respect to faculty members and other MnSCU personnel who increase from part-time employment of less than 25 percent of full time and then select TRA coverage, where the member deduction shortage, related employer contributions, and interest on those amounts would be initially paid by MnSCU within 60 days of the person electing TRA coverage, with the member contribution and interest portion recoverable by MnSCU in one year from subsequent compensation paid to the employee or otherwise, and the omitted member contribution recovery requirement would be limited to unpaid member deductions during the 36-month period that preceded the election of TRA retirement coverage.
3	Page 25, Lines 35-36; Page 26, Lines 1-9	MnSCU-IRAP	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 9	354B.23, Subdivision 1	Eliminates alternative contribution rate for certain unclassified employees covered by the plan.
4	Page 26, Lines 10-36; Page 27, Lines 1-6	MnSCU-IRAP	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 10	354B.32	Changes the eligibility event for a transfer of TRA funds to IRAP from retirement to the termination of employment.
5	Page 27, Lines 7-11	--	--	Effective Date	Effective July 1, 2004. Retroactive application for Section 2.

Article 6: Reporting and Information Provisions

1	Page 27, Lines 14-24	TRA	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 3	354.07, Subdivision 9	Corrects reference to MnSCU.
2	Page 27, Lines 25-36; Page 28, Lines 1-26	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 8	354.52, Subdivision 4a	Updates various data reporting requirements.
3	Page 28, Lines 27-36; Page 29, Line 1	TRA	HF 1474 (Erickson); SF 1420 (Pogemiller) Section 6	354.52, New Subdivision 4c	Requires reporting by MnSCU of service credit information.
4	Page 29, Lines 2-8	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 9	354.52, Subdivision 6	Revises the reporting requirements for which a fine may be charged.
5	Page 29, Lines 9-10	--	--	Effective Date	Effective July 1, 2004.

Article 7: Retirement Annuity Provisions

1	Page 29, Lines 13-17	PERA	HF 890 (Smith); SF 676 (Betzold); Section 11	353.37, New Subdivision 1b	Defines retirement age for the reemployed annuitant earnings limit provision.
2	Page 29, Lines 18-32	PERA	HF 890 (Smith); SF 676 (Betzold); Section 12	353.37, Subdivision 3	Updates the reemployed annuitant earnings limit provision for recent Social Security law changes.
3	Page 29, Lines 33-36; Page 30, Lines 1-26	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 3	354.44, Subdivision 4	Removes the limit on the retroactive retirement annuity accrual date.
4	Page 30, Lines 27-28	--	--	Effective Date	Effective July 1, 2004.

Article 8: Disability Benefits

1	Page 30, Lines 31-36; Page 31, Lines 1-3	MSRS-General	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 1	352.113, New Subdivision 7a	Establishes as a pilot program a six-month moratorium on benefit reductions for reemployed disabilitants.
---	---	--------------	---	--------------------------------	---

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
2	Page 31, Lines 4-19	MSRS-Correctional	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 2	352.95, Subdivision 1	Clarifies the duty-related disability provision and specifies that, in order to qualify for a disability benefit, the impairment must be expected to last at least one year.
3	Page 31, Lines 20-32	MSRS-Correctional	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 3	352.95, Subdivision 2	Clarifies the non-duty-related disability provision and specifies that, in order to qualify for a disability benefit, the impairment must be expected to last at least one year.
4	Page 31, Lines 33-36; Page 32, Lines 1-35	MSRS-Correctional	HF 871 (Smith); SF 844 (Higgins) Section 1	352.95, Subdivision 4	Requires a psychologist who is assigned to examine a disability applicant to make a report to the MSRS medical director.
5	Page 32, Line 36; Page 33, Lines 1-13	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 1	Clarifies the duty-related disability provision and specifies that, in order to qualify for a disability benefit, the impairment must be expected to last at least one year.
6	Page 33, Lines 14-31	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 2	Clarifies the non-duty-related disability provision and specifies that, in order to qualify for a disability benefit, the impairment must be expected to last at least one year.
7	Page 33, Lines 32-36; Page 34, Lines 1-11	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 3	Clarifies the disabilitant reemployment provision.
8	Page 34, Lines 12-21	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 4	Clarifies the disability proof provision.
9	Page 34, Lines 22-36; Page 35, Line 1	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 5	Clarifies the disabilitant partial reemployment provision.
10	Page 35, Lines 2-28	State Patrol	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 5	352B.105	Clarifies the transition from disabled status to normal retirement status at age 65 or after five years of disability benefit receipt.
11	Page 35, Lines 29-36; Page 36, Lines 1-3	MSRS-Unclassified	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 6	352D.065, Subdivision 2	Permits more flexibility in the manner of drawing a defined contribution disability benefit.
12	Page 36, Lines 4-31	PERA-General	HF 890 (Smith); SF 676 (Betzold): Section 6	353.33, Subdivision 4	Replaces a general medical evidence requirement for a disability benefit with a signed medical report requirement and authorizes the report from a psychologist or a chiropractor as well as a physician. A chiropractor report may only augment another expert report.
13	Page 36, Lines 32-36; Page 37, Lines 1-18	PERA-General	HF 890 (Smith); SF 676 (Betzold): Section 8	353.33, Subdivision 6	Requires an expert report to establish continuing eligibility for a disability benefit and authorizes the report from a psychologist or a chiropractor. A chiropractor report may only augment another expert report.
14	Page 37, Lines 19-34	PERA-General	HF 890 (Smith); SF 676 (Betzold): Section 9	353.33, Subdivision 6b	Authorizes disability evidence from psychologists or chiropractors.
15	Page 37, Lines 35-36; Page 38, Lines 1-23	PERA-General	HF 890 (Smith); SF 676 (Betzold): Section 10	353.33, Subdivision 7	Revised the partial disabilitant reemployment provision to clarify that the reemployment is not from substantial gainful activity.
16	Page 38, Lines 24-36; Page 39, Lines 1-4	TRA	HF 519 (Smith); SF 807 (Betzold)	354.48, Subdivision 2	Requires that disability applications be in writing and be on a TRA form.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
17	Page 39, Lines 5-28	TRA	HF 871 (Smith); SF 844 (Higgins) Section 2	354.48, Subdivision 4	Authorizes disability evidence from psychologists for mental impairments.
18	Page 39, Lines 29-36; Page 40, Lines 1-11	TRA	HF 871 (Smith); SF 844 (Higgins) Section 3	354.48, Subdivision 6	Authorizes disability evidence from psychologists for mental impairments.
19	Page 40, Lines 12-29	TRA	HF 871 (Smith); SF 844 (Higgins) Section 4	354.48, Subdivision 6a	Authorizes disability evidence from psychologists for mental impairments.
20	Page 40, Lines 30-36; Page 41, Lines 1-26	First Class City Teacher Retirement Fund Associations	HF 871 (Smith); SF 844 (Higgins) Section 5	354A.36, Subdivision 4	Authorizes disability evidence from psychologists for mental impairments.
21	Page 41, Lines 27-36; Page 42, Lines 1-31	First Class City Teacher Retirement Fund Associations	HF 871 (Smith); SF 844 (Higgins) Section 6	354A.36, Subdivision 6	Authorizes disability evidence from psychologists for mental impairments.
22	Page 42, Lines 32-35;	MSRS-General, PERA-General, and Judges	HF 890 (Smith); SF 676 (Betzold): Section 14, and HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 7, and Article 8, Section 4	Repealer	Repeals Section 1 in 2006; Minnesota Statutes, Section 353.33, Subdivision 5b, an obsolete one-time PERA-General disability benefit increase; and repeals Minnesota Statutes, Section 490.11, an obsolete probate court judge disability application provision.
23	Page 42, Line 36; Page 43, Line 1	--	--	Effective Date	Effective July 1, 2004.

Article 9: Federal Internal Revenue Code Compliance

1	Page 43, Lines 5-36; Page 44, Lines 1-36; Page 45, Lines 1-9	Various	HF 1086 (Smith); SF 806 (Betzold) Section 8	New Section 356.635	Adds various definitions and related provisions determined necessary for federal Internal Revenue Code compliance.
2	Page 45, Lines 10-19	Various	HF 1086 (Smith); SF 806 (Betzold) Section 8	Transitional Provision	Incorporates various time-dated federal Internal Revenue Code compliance provisions.
3	Page 45, Lines 20-36	--	--	Effective Date	Specifies the applicable effective date, generally the day after final enactment.