



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director

RE: Summary of 2003-2004 Administrative Legislation Recommended by the Commission

DATE: November 7, 2003

The Processing of Proposed Administrative Legislation

During the 2003 Legislative Session, several retirement-related pieces of proposed legislation that were partially or wholly administrative in nature were introduced. Due to time constraints on the Commission during the 2003 Session, these administrative bills were deferred for consideration during the 2003-2004 Interim.

The proposed pension legislation relating in whole or in part to administrative issues included:

H.F. 519 (Smith); S.F. 807 (Betzold): TRA; Administrative and Benefit Provisions
H.F. 871 (Smith); S.F. 844 (Higgins): Various Plans; Disability Determinations by Licensed Psychologists
H.F. 890 (Smith); S.F. 676 (Betzold): PERA; Administrative and Benefit Provisions
H.F. 1086 (Smith); S.F. 806 (Betzold): Various Plans; USERRA and Internal Revenue Code Compliance
H.F. 1430 (Smith); S.F. 1460 (Betzold): MSRS; Administrative Provisions
H.F. 1474 (Erickson); S.F. 1420 (Pogemiller): MnSCU; Administrative and Plan Coverage Provisions

A four-member subcommittee considered the substance of the various administrative bills and recommended appropriate action on these bills to the Commission. The Administrative Legislative Subcommittee membership was:

Rep. Steve Smith, Chair	Sen. Don Betzold
Rep. Eric Lipman	Sen. Geoff Michel

The Commission staff reconfigured the contents of the six administrative bills into three sets of amendments. Amendment LCPR03-220 contained the provisions of the administrative bills relating to membership issues, service credit (including credit in Minnesota plans for periods of military service), salary definitions, and plan reporting. Amendment LCPR03-223 contained the provisions of the administrative bills relating to retirement annuity accrual, early retirement, disability, and Internal Revenue compliance issues. Amendment LCPR03-225 contained the provisions of the administrative bills relating to survivorship and death benefit coverage and to member contribution refunds. The Commission staff also prepared Amendments LCPR03-221, LCPR03-224, and LCPR03-226, which made various non-substantive technical, stylistic, or language usage corrections and revisions.

The Administrative Legislation Subcommittee held four meetings and took testimony from various retirement plan administrators and other interested individuals. The Subcommittee reported to the Commission on November 4, 2003. The Commission considered the Subcommittee's recommendations and also considered one technical amendment and six substantive amendments that extended portions of the Subcommittee recommendation to other applicable retirement plans, adopting five of those substantive amendments and the technical amendment. The work product of the Subcommittee as further modified by the Commission on November 4, 2003, is contained in Document LCPR03-253.

Summary of the Substantive Provisions of Document LCPR03-253

Document LCPR03-253 amends various provisions of Minnesota Statutes, Chapters 3A, 352, 352B, 352D, 352F, 353, 353F, 354, 354A, 354B, 354C, 356, 422A, 423B, 423C, and 490, making changes that are largely of an administrative nature, including the following revisions with some substance that merit note:

1. Exclusion of Grievance Awards from the Salary Definition. (Article 2, Sections 1, 2, 3, 4, and 5)
Amounts received as grievance awards or legal settlements are excluded from salary covered by the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) by the MSRS Correctional State Employees Retirement Plan (MSRS-Correctional), by the State Patrol Retirement Plan, by the General Employee Retirement Plan of the Public Employees Retirement

Association (PERA-General), by the Public Employees Police and Fire Retirement Plan (PERA-P&F), the Teachers Retirement Association (TRA), and the first class city teacher retirement fund associations unless reviewed by the applicable executive director and determined to be consistent with the statutory definition.

2. Clarification of the Definition of Average Salary for the State Patrol Retirement Plan. (Article 2, Section 2) The State Patrol Retirement Plan “average salary” definition is clarified by adding a cross-reference to the MSRS-General definition.
3. Special TRA Service Credit Rules for MnSCU Faculty. (Article 3, Section 4; and Article 6, Section 3) For Minnesota State Colleges and Universities System (MnSCU) faculty members covered by the Teachers Retirement Association (TRA), years and days of service will be credited based on the relationship to full-time employment contained in the applicable collective bargaining agreement or personnel plans.
4. On Leave Military Service Credit Provision Conformity with USERRA. (Article 3, Sections 1, 2, 3, 6, 7, and 8) The provisions governing the crediting of allowable service for military service during a leave of absence for the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General), the MSRS Correctional State Employees Retirement Plan (MSRS-Correctional), the State Patrol Retirement Plan, the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General), Public Employees Police and Fire Retirement Plan (PERA-P&F), the Teachers Retirement Association (TRA), the first class city teacher retirement fund associations, and the Judges Retirement Plan are modified to conform with the federal Uniformed Service Employment and Reemployment Rights Act of 1994, 38 U.S.C. §§ 4301-4333, with the TRA provision newly excluding credit for less than honorable armed services discharges, with the MSRS-General and MSRS-Correctional provision newly limited as to the period of time during which equivalent contribution payments may be made, and with interest on member service credit contribution-equivalent payments for all retirement plans newly made payable by the applicable employing unit.
5. Revised Deadline for TRA and First Class City Teacher Retirement Fund Association Part-Time Teaching Program Participation by Teacher-Legislators. (Article 4, Sections 1 and 2) The normal October 1 annual deadline for filing part-time teaching/full-time service credit program agreements for the Teachers Retirement Association (TRA) and the first class city teacher retirement fund associations is postponed to March 1 for teachers who are legislators.
6. Federal Tax Code Compliance Changes. (Article 2, Sections 3, 4, and 5; Article 5, Section 2; and Article 10) The General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) definition of salary is amended to exclude compensation amounts in excess of federal tax law limits, the general law compensation limit is updated for federal tax law changes, a generally applicable maximum benefit limit based on the federal tax laws is added, the Teachers Retirement Association (TRA) erroneous payment provision is amended to accommodate federal tax law transfer limitation, and various current and expired federal tax law requirements that were previously not specifically implemented are adopted or enacted.
7. TRA Omitted Deduction Provision Adjusted for Certain Part-Time MnSCU Faculty Members. (Article 5, Section 3) The employer payment of omitted Teachers Retirement Association (TRA) member contributions provision is amended to exclude minimal service part-time Minnesota State Colleges and Universities System (MnSCU) faculty members who elect TRA coverage upon beginning to teach at least 25 percent of a full-time schedule.
8. MSRS-General and PERA-General Restriction on Disabling Reemployment Relaxation Demonstration Program. (Article 8, Sections 1, 16, and 31) The General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) and the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) reduction in disability benefits upon reemployment provisions are suspended for the first six months of reemployment as demonstration programs until 2006.
9. Psychologists Qualified to Provide Expert Opinion on Disabilities. (Article 8, Sections 4, 8, 12, 13, 14, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 30) Expert testimony from psychologists on the existence of or the continuation of a disability is permitted for the Correctional State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional), the State Patrol Retirement Plan, the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General), the Public Employees Police and Fire Retirement Plan (PERA-P&F),

the Teachers Retirement Association (TRA), the three first class city teacher retirement fund associations, the Minneapolis Employees Retirement Fund (MERF), the Minneapolis Police Relief Association (MPRA), and the Minneapolis Firefighters Relief Association (MFRA).

10. Chiropractors Qualified to Provide Expert Opinion on Disabilities for PERA-General. (Article 8, Sections 12, 13, and 14) Expert assistance from chiropractors on the existence of a disability or the continuation of a disability is permitted as an augmentation of other expert reports for the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General).
11. Daily Interest Rather than Fiscal Year Interest on Refunds for the Legislators Retirement Plan, MSRS-General, MSRS-Correctional, the State Patrol Retirement Plan, and the Judges Retirement Plan. (Article 9, Sections 1, 2, 3, 4, 7, and 23) Interest on various refunds of member contributions would be calculated daily rather than on fiscal year balances for the Legislators Retirement Plan, the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General), the MSRS Correctional State Employees Retirement Plan (MSRS-Correctional), the State Patrol Retirement Plan, and the Judges Retirement Plan.
12. Survivor Coverage under MSRS-General and PERA-General Plans to Privatized Public Employees. (Article 9, Sections 15 and 16) The continuing retirement coverage under the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) or the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) provided to involuntarily privatized public employees is clarified to include any applicable survivor benefit coverage.
13. Increase in the TRA Death-While-Eligible Survivor Benefit. (Article 9, Section 18) The second portion of a 100 percent joint and survivor optional annuity payable to an active or deferred Teachers Retirement Association (TRA) member is to be calculated based on the surviving spouse's age when the benefit accrues, rather than the surviving spouse's age at the member's date of death.
14. Refund Repayments or Leave Contribution Equivalent Payments from Tax Sheltered Annuities or Deferred Compensation Programs. (Article 9, Section 22) The general law authority permitting refund repayments from other pension plan accumulations is expanded to also allow leave of absence member contribution-equivalent payments and to permit the transfers or payments from tax sheltered annuity or deferred compensation program accumulations.
15. Interest on Judges Retirement Plan Refunds Increased. (Article 9, Section 23) The interest payable on member contribution refunds for the Judges Retirement Plan is increased from five percent to six percent.

A section-by-section summary of the administrative legislation as processed by the Legislative Commission on Pensions and Retirement and as contained in Document LCPR03-243 can be found on pages 4 to 11.

Section-By-Section Summary of LCPR03-253

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 (Pogenmiller) 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 (Pogenmiller) Section 7	354B.20, Subdivision 4	Corrects an obsolete reference.
6	Page 9, Lines 13-26	MnSCU IRAP	HF 1474 (Erickson); SF 1420 (Pogenmiller) 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 (Pogenmiller) 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	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.
Article 2: Covered Salary Definition					
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 1-12	State Patrol Plan	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 13-36; Page 13, Lines 1-36; Page 14, Lines 1-2	PERA-General; PERA-P&F	HF 890 (Smith); SF 676 (Betzold): Section 3; Commission Amendment	353.01, Subdivision 10	Excludes from covered salary amounts in excess of Minnesota Statutes, Section 356.611 limitation. Includes grievance or legal settlement payments in covered salary definition if reviewed by the PERA Executive Director and determined as consistent with the salary definition and with prior determinations.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
4	Page 14, Lines 3-36; Page 15, Lines 1-5	TRA	Commission Amendment	354.05, Subdivision 35	Includes grievance or legal settlement payments in covered salary definition if reviewed by the TRA Executive Director and determined as consistent with the salary definition and with prior determinations.
5	Page 15, Lines 6-36; Page 16, Lines 1-10	First Class City Teacher Retirement Fund Associations	Commission Amendment	354A.011, Subdivision 24	Includes grievance or legal settlement payments in covered salary definition if reviewed by the executive director and determined as consistent with the salary definition and with prior determinations.
6	Page 16, Lines 11-26	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.
7	Page 16, Lines 27-36; Page 17, Lines 1-3	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.
8	Page 17, Lines 4-5	--	--	Effective Date	Effective July 1, 2004.
<u>Article 3: Allowable Service Credit</u>					
1	Page 17, Lines 8-36; Page 18, Lines 1-36; Page 19, Lines 1-7	MSRS-General; MSRS-Correctional	Commission Amendment	352.27	Revises the on-leave military service credit purchase provision to comply with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).
2	Page 19, Lines 8-36; Page 20, Lines 1-30	State Patrol Plan	Commission Amendment	352B.01, New Subdivision 3b	Adds an on-leave military service credit purchase provision that complies with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).
3	Page 20, Lines 31-36; Page 21, Lines 1-36; Page 22, Lines 1-36; Page 23, Lines 1-36; Page 24, Lines 1-36; Page 25, Lines 1-22	PERA-General; PERA-P&F	Commission Amendment	353.01, Subdivision 16	Revises the on-leave military service credit purchase provision to comply with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).
4	Page 25, Lines 23-36; Page 26, Lines 1-32	TRA	HF 1474 (Erickson); SF 1420 (Pogenmiller) 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.
5	Page 26, Lines 33-36; Page 27, Lines 1-3	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.
6	Page 27, Lines 4-36; Page 28, Lines 1-36; Page 29, Lines 1-20	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).
7	Page 29, Lines 21-36; Page 30, Lines 1-36; Page 31, Lines 1-36	First Class City Teacher Plans	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).
8	Page 32, Lines 1-36; Page 33, Lines 1-21	Judges Plan	Commission Amendment	490.121, New Subdivision 4b	Adds an on-leave military service credit purchase provision that complies with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).
9	Page 33, Lines 22-23	--	--	Effective Date	Effective July 1, 2004.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
<u>Article 4: Qualified Part-Time Teacher Provisions</u>					
1	Page 33, Lines 26-36; Page 34, Lines 1-23	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 34, Lines 24-36; Page 35, Lines 1-19	First Class City Teacher Retirement Fund Associations	Commission Amendment	354A.094, Subdivision 3	Modifies the date for executing a part-time teaching program agreement for teacher-legislators.
3	Page 35, Lines 20-21	--	--	Effective Date	Effective July 1, 2004.
<u>Article 5: Retirement Plan Contributions and Transfers</u>					
1	Page 35, Lines 24-36; Page 36, Lines 1-36; Page 37, Lines 1-3	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.
2	Page 37, Lines 4-36; Page 38, Lines 1-36; Page 39, Lines 1-8	TRA	HF 1474 (Erickson); SF 1420 (Pogenmiller) 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 39, Lines 9-19	MnSCU-IRAP	HF 1474 (Erickson); SF 1420 (Pogenmiller) Section 9	354B.23, Subdivision 1	Eliminates alternative contribution rate for certain unclassified employees covered by the plan.
4	Page 39, Lines 20-36; Page 40, Lines 1-16	MnSCU-IRAP	HF 1474 (Erickson); SF 1420 (Pogenmiller) 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 40, Lines 17-21	--	--	Effective Date	Effective July 1, 2004. Retroactive application for Section 2.
<u>Article 6: Reporting and Information Provisions</u>					
1	Page 40, Lines 24-34	TRA	HF 1474 (Erickson); SF 1420 (Pogenmiller) Section 3	354.07, Subdivision 9	Corrects reference to MnSCU.
2	Page 40, Lines 35-36; Page 41, Lines 1-36	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 8	354.52, Subdivision 4a	Updates various data reporting requirements.
3	Page 42, Lines 1-11	TRA	HF 1474 (Erickson); SF 1420 (Pogenmiller) Section 6	354.52, New Subdivision 4c	Requires reporting by MnSCU of service credit information.
4	Page 42, Lines 12-18	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 42, Lines 19-20	--	--	Effective Date	Effective July 1, 2004.
<u>Article 7: Retirement Annuity Provisions</u>					
1	Page 42, Lines 23-27	PERA	HF 890 (Smith); SF 676 (Betzold); Section 11	353.37, New Subdivision 1b	Defines retirement age for the reemployed annuitant earnings limit provision.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
2	Page 42, Lines 28-36; Page 43, Lines 1-6	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 43, Lines 7-36	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 44, Lines 1-2	--	--	Effective Date	Effective July 1, 2004.
<u>Article 8: Disability Benefits</u>					
1	Page 44, Lines 3-13	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.
2	Page 44, Lines 14-29	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 44, Lines 30-36; Page 45, Lines 1-6	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 45, Lines 7-36; Page 46, Lines 1-9	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 46, Lines 10-23	State Patrol Plan	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 46, Lines 24-36; Page 47, Lines 1-5	State Patrol Plan	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 47, Lines 6-21	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 3	Clarifies the disabilitant reemployment provision.
8	Page 47, Lines 22-35	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4	352B.10, Subdivision 4	Clarifies the disability proof provision.
9	Page 47, Line 36; Page 48, Lines 1-15	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold) Article 3, Section 4, and Commission Amendment	352B.10, Subdivision 5	Clarifies the disabilitant partial reemployment provision. Requires an expert report to establish eligibility for a disability benefit and authorizes the report from a psychologist.
10	Page 48, Lines 16-36; Page 49, Lines 1-6	State Patrol Plan	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 49, Lines 7-17	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 49, Lines 18-36; Page 50, Lines 1-9	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.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
13	Page 50, Lines 10-32	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 50, Lines 33-36; Page 51, Lines 1-12	PERA-General	HF 890 (Smith); SF 676 (Betzold): Section 9	353.33, Subdivision 6b	Authorizes disability evidence from psychologists or chiropractors.
15	Page 51, Lines 13-36; Page 52, Line 1	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 52, Lines 2-23	PERA-General	Commission Amendment	353.33, New Subdivision 7a	Establishes as a pilot program a six-month moratorium on benefit reductions for reemployed disabilitants.
17	Page 52, Lines 24-36; Page 53, Lines 1-3	PERA-P&F	Commission Amendment	353.656, Subdivision 5	Requires an expert report to establish eligibility for a disability benefit and authorizes the report from a psychologist.
18	Page 53, Lines 4-20	TRA	HF 519 (Smith); SF 807 (Betzold)	354.48, Subdivision 2	Requires that disability applications be in writing and be on a TRA form.
19	Page 53, Lines 21-36; Page 54, Lines 1-8	TRA	HF 871 (Smith); SF 844 (Higgins) Section 2	354.48, Subdivision 4	Authorizes disability evidence from psychologists for mental impairments.
20	Page 54, Lines 9-27	TRA	HF 871 (Smith); SF 844 (Higgins) Section 3	354.48, Subdivision 6	Authorizes disability evidence from psychologists for mental impairments.
21	Page 54, Lines 28-36; Page 55, Lines 1-9	TRA	HF 871 (Smith); SF 844 (Higgins) Section 4	354.48, Subdivision 6a	Authorizes disability evidence from psychologists for mental impairments.
22	Page 55, Lines 10-36; Page 56, Lines 1-6	First Class City Teacher Plans	HF 871 (Smith); SF 844 (Higgins) Section 5	354A.36, Subdivision 4	Authorizes disability evidence from psychologists for mental impairments.
23	Page 56, Lines 7-36; Page 57, Lines 1-11	First Class City Teacher Plans	HF 871 (Smith); SF 844 (Higgins) Section 6	354A.36, Subdivision 6	Authorizes disability evidence from psychologists for mental impairments.
24	Page 57, Lines 12-36; Page 58, Lines 1-2	MERF	Commission Amendment	422A.18, Subdivision 1	Authorizes disability evidence from psychologists for mental impairments.
25	Page 58, Lines 3-33	MERF	Commission Amendment	422A.18, Subdivision 4	Authorizes psychologists to participate in post-disability continuing eligibility examinations.
26	Page 58, Lines 34-36; Page 59, Lines 1-12	Minneapolis Police	Commission Amendment	423B.04, Subdivision 4	Authorizes disability evidence from psychologists for mental impairments.
27	Page 59, Lines 13-36	Minneapolis Fire	Commission Amendment	423C.05, Subdivision 4	Clarifies the use of expert board in the disability determination process.
28	Page 60, Lines 1-11	Minneapolis Fire	Commission Amendment	423C.05, Subdivision 5	Clarifies the use of experts in the disability determination process.
29	Page 60, Lines 12-27	Minneapolis Fire	Commission Amendment	423C.05, Subdivision 6	Clarifies the use of experts in the disability determination process.
30	Page 60, Lines 28-32	Minneapolis Fire	Commission Amendment	423C.05, Subdivision 6a	Includes psychologists as qualified disability determination expert in the case of mental impairment.
31	Page 60, Lines 33-36	MSRS-General, PERA-General, Judges Plan	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.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
32	Page 61, Lines 1-2	--	--	Effective Date	Effective July 1, 2004.
Article 9: Survivor and Death Benefits and Refunds					
1	Page 61, Lines 5-27	Legislators Plan	HF 1430 (Smith); SF 1460 (Betzold)	3A.03, Subdivision 3	Amends the refund provision to permit the interest included with the refund to be compounded daily, rather than annually.
2	Page 61, Lines 28-36; Page 62, Lines 1-21	MSRS-General	HF 1430 (Smith); SF 1460 (Betzold)	352.12, Subdivision 1	Amends the death-while-active refund provision to permit the refund to include interest compounded daily rather than annually, and by clarifying language.
3	Page 62, Lines 22-36	MSRS-General	HF 1430 (Smith); SF 1460 (Betzold)	352.12, Subdivision 6	Amends the death-after-service-termination provision to permit the interest (6%) included with the refund to be compounded daily, rather than annually, and by clarifying language.
4	Page 63, Lines 1-14	MSRS-General	HF 1430 (Smith); SF 1460 (Betzold)	352.22, Subdivision 2	Amends the refund provision to include daily compounding rather than annual compounding.
5	Page 63, Lines 15-36; Page 64, Lines 1-5	MSRS-General	HF 1430 (Smith); SF 1460 (Betzold)	352.22, Subdivision 3	Amends the deferred annuity provision by permitting an application for a refund to be made at any time following termination of service rather than at least 30 days after termination.
6	Page 64, Lines 6-21	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold)	352B.10, Subdivision 5	The disabilitant optional annuity provision is clarified and revised to reference new proposed subdivisions.
7	Page 64, Lines 22-36; Page 65, Lines 1-2	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold)	352B.11, Subdivision 1	Amends a death-while-disabled refund provision to permit daily rather than annual compounding of interest.
8	Page 65, Lines 3-36; Page 66, Lines 1-35	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold)	352B.11, Subdivision 2	Amends the surviving spouse and dependent surviving child benefit provisions by deleting the surviving spouse benefit language being moved to new subdivisions.
9	Page 66, Line 36; Page 67, Lines 1-31	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold)	352B.11, New Subdivision 2b	Clarifies the surviving spouse benefits offered by the plan by creating categories of surviving spouses based on whether the deceased member was vested at the time of death, whether death occurred while active or deferred, or whether the deceased was a disabilitant.
10	Page 67, Lines 32-36; Page 68, Lines 1-36; Page 69, Lines 1-2	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold)	352B.11, New Subdivision 2c	Clarifies the surviving spouse benefits offered by the plan by specifying the benefit or benefits applicable to each category of surviving spouse specified in new Subdivision 2b.
11	Page 69, Lines 3-11	State Patrol Plan	HF 1430 (Smith); SF 1460 (Betzold)	352B.11, New Subdivision 2d	Specifies that workers compensation benefits are not to be deducted from survivor benefits paid by the State Patrol Plan.
12	Page 69, Lines 12-36; Page 70, Lines 1-15	MSRS-Unclassified	HF 1430 (Smith); SF 1460 (Betzold)	352D.075, Subdivision 2	Amends the survivor benefit provision by removing authority to name any beneficiary other than a surviving spouse if there is surviving spouse, by increasing flexibility to provide partial value annuities, and by permitting receipt of a survivor annuity to commence at any age rather than at age 55 or later, but permits the spouse and the participant to jointly specify that the benefit is payable to a beneficiary.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
13	Page 70, Lines 16-25	MSRS-Unclassified	HF 1430 (Smith); SF 1460 (Betzold)	352D.075, New Subdivision 2a	Creates a term-certain surviving spouse benefit annuity option of five, six, 15, or 20 years, which is actuarially equivalent to the “lifetime monthly annuity.”
14	Page 70, Lines 26-36; Page 71, Line 1	MSRS-Unclassified	HF 1430 (Smith); SF 1460 (Betzold)	352D.075, Subdivision 3	Amends the beneficiary provision to make the provision apply only if there is no surviving spouse.
15	Page 71, Lines 2-10	MSRS Privatized Employees	HF 890 (Smith); SF 676 (Betzold): Section 1	New 352F.052	Specifies that survivor and dependent child benefits (refunds or optional annuities) as specified in the MSRS-General statutes in the year prior to the year in which the privatization occurred, is applicable to the survivors of terminated hospital employees of Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians.
16	Page 71, Lines 11-19	PERA Privatized Employees	HF 890 (Smith); SF 676 (Betzold): Section 13	New 353F.052	Specifies that survivor and dependent child benefits (refunds or optional annuities) as specified in the PERA-General statutes in the year prior to the year in which the privatization occurred, is applicable to the survivors of terminated privatized individuals covered by the privatization chapter.
17	Page 71, Lines 20-36	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 1	354.05, Subdivision 22	Amends the definition of designated beneficiary which requires that the designation be on a signed form, is amended by striking a requirement that the form must be signed before two witnesses.
18	Page 72, Lines 1-36; Page 73, Lines 1-26	TRA	HF 519 (Smith); SF 807 (Betzold) Article 2, Section 3	354.46, Subdivision 2	Amends the death-while-active-or-deferred surviving spouse benefit provision by using the surviving spouse’s age at the date receipt commences, rather than the age at the date of the member’s death, for purposes of computing the joint-and-survivor annuity, and by striking language to be moved to another subdivision.
19	Page 73, Lines 27-36; Page 74, Lines 1-10	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 4	354.46, Subdivision 2b	Revises the dependent child survivor benefit provision applicable if there is no eligible surviving spouse by clarifying language.
20	Page 74, Lines 11-21	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 5	354.46, Subdivision 5	Revises a provision which permits the covered employee and spouse to designate some other beneficiary to receive a joint-and-survivor annuity or death refund in lieu of the surviving spouse in death-while-active-or-deferred cases to permit naming more than one beneficiary, and by clarifying language.
21	Page 74, Lines 22-31	TRA	HF 519 (Smith); SF 807 (Betzold) Article 1, Section 6	354.46, New Subdivision 6	Clarifies that all beneficiary designations under this section must be in writing on a form prescribed by the Executive Director, that deferred annuities augmentation and service-in-more-than-one-fund provisions apply, and that unless otherwise stated the annuity or annuities are to be computed under Section 354.44, Subd. 2 (money purchase annuity), or Subd. 6 (formula benefit), as applicable.

Sec.	Page, Lines	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
22	Page 74, Lines 32-36; Page 75, Lines 1-26	Various Plans	HF 519 (Smith); SF 807 (Betzold) Article 2, Section 6	356.441	Revises a provision applicable to all Minnesota public pension plans which permits refund repayments to be made from accounts eligible for tax-free rollovers by expanding the provision to include payments for leave of absences and any payments for allowable service credit.
23	Page 75, Lines 27-36; Page 76, Lines 1-12	Judges Plan	HF 1430 (Smith); SF 1460 (Betzold)	490.124, Subdivision 12	Amends the refund provision to provide six percent interest compounded daily rather than five percent interest compounded annually based on fiscal year balances, and by specifying that a refund repayment must include interest on the total amount previously received.
24	Page 76, Lines 13-14	First Class City Teacher Plans	HF 519 (Smith); SF 807 (Betzold)	Repealer	Repeals Minnesota Statutes, Section 354A.107, the first class city teacher plan provision dealing with tax-free rollovers to finance refund repayments, service credit purchases, and leave of absence contribution requirements, which is made redundant by section 22.
25	Page 76, Lines 15-33	--	--	Effective Date	The article is effective on July 1, 2004. Various State Patrol Retirement Plan benefit revisions have corrections process in the event of an unintended benefit effect. The increase in Judges Retirement Plan refund interest is specified as applicable only to post-July 1, 2004, terminating judges.

Article 10: Federal Internal Revenue Code Compliance

1	Page 77, Lines 1-15	Various	Subcommittee Amendment	356.611, New Subdivision 4	Defines the term “compensation” for federal Internal Revenue Code Section 415 and related testing purposes.
2	Page 77, Lines 16-36; Page 78, Lines 1-36; Page 79, Lines 1-20	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.
3	Page 79, Lines 21-30	Various	HF 1086 (Smith); SF 806 (Betzold) Section 8	Transitional Provision	Incorporates various time-dated federal Internal Revenue Code compliance provisions.
4	Page 79, Lines 31-37; Page 80, Lines 1-19	--	--	Effective Date	Specifies the applicable effective date, generally the day after final enactment.

Article 11: Additional Teachers Retirement Association Administrative Changes

1	Page 80, Lines 23-41; Page 81, Lines 1-25	TRA	Commission Amendment	354.44, Subdivision 5	Revises the reemployed annuitant earnings limit maximum age provision to conform with Social Security changes.
2	Page 81, Lines 26-36; Page 82, Lines 1-24	TRA	Commission Amendment	354.48, Subdivision 10	Revises the age trigger for the conversion of a disability benefit into a retirement annuity from age 65 to the applicable normal retirement age.
3	Page 82, Lines 25-36; Page 83, Lines 1-12	Various	Commission Amendment	356.302, Subdivision 3	Revises the age reference in the disability benefit portability qualification provision from age 65 to the applicable normal retirement age.
4	Page 83, Lines 13-14	--	--	Effective Date	Effective July 1, 2004.