

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 13, after line 32, insert:

1.4 "(c) Amounts provided to an employee by the employer
1.5 through a grievance proceeding or a legal settlement are salary
1.6 only if the settlement is reviewed by the executive director and
1.7 the amounts are determined by the executive director to be
1.8 consistent with paragraph (a) and prior determinations.

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

1.11 Subd. 35. **SALARY.** (a) "Salary" means the periodic
1.12 compensation, upon which member contributions are required
1.13 before deductions for deferred compensation, supplemental
1.14 retirement plans, or other voluntary salary reduction programs.

1.15 (b) "Salary" does not mean:

1.16 (1) lump sum annual leave payments;

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

1.18 (3) employer-paid amounts used by an employee toward the
1.19 cost of insurance coverage, employer-paid fringe benefits,
1.20 flexible spending accounts, cafeteria plans, health care expense
1.21 accounts, day care expenses, or any payments in lieu of any
1.22 employer-paid group insurance coverage, including the difference
1.23 between single and family rates that may be paid to a member
1.24 with single coverage and certain amounts determined by the
1.25 executive director to be ineligible;

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

1.28 (5) any form of severance payments;

1.29 (6) workers' compensation payments;

1.30 (7) disability insurance payments including self-insured
1.31 disability payments;

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

2.1 (9) payments under section 356.24, subdivision 1, clause

2.2 (4); and

2.3 (10) payments made under section 122A.40, subdivision 12,

2.4 except for payments for sick leave accumulated under the

2.5 provisions of a uniform school district policy that applies

2.6 equally to all similarly situated persons in the district.

2.7 (c) Amounts provided to an employee by the employer through

2.8 a grievance proceeding or a legal settlement are salary only if

2.9 the settlement is reviewed by the executive director and the

2.10 amounts are determined by the executive director to be

2.11 consistent with paragraph (a) and prior determinations.

2.12 Sec. 5. Minnesota Statutes 2002, section 354A.011,

2.13 subdivision 24, is amended to read:

2.14 Subd. 24. **SALARY; COVERED SALARY.** (a) "Salary" or

2.15 "covered salary" means the entire compensation, upon which

2.16 member contributions are required and made, that is paid to a

2.17 teacher before deductions for deferred compensation,

2.18 supplemental retirement plans, or other voluntary salary

2.19 reduction programs.

2.20 (b) "Salary" does not mean:

2.21 (1) lump sum annual leave payments;

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

2.23 (3) employer-paid amounts used by an employee toward the

2.24 cost of insurance coverage, employer-paid fringe benefits,

2.25 flexible spending accounts, cafeteria plans, health care expense

2.26 accounts, day care expenses, or any payments in lieu of any

2.27 employer-paid group insurance coverage, including the difference

2.28 between single and family rates that may be paid to a member

2.29 with single coverage, and certain amounts determined by the

2.30 executive secretary or director to be ineligible;

2.31 (4) any form of payment made in lieu of any other

2.32 employer-paid fringe benefit or expense;

2.33 (5) any form of severance payments;

2.34 (6) workers' compensation payments;

2.35 (7) disability insurance payments, including self-insured

2.36 disability payments;

- 3.1 (8) payments to school principals and all other
3.2 administrators for services in addition to the normal work year
3.3 contract if these additional services are performed on an
3.4 extended duty day, Saturday, Sunday, holiday, annual leave day,
3.5 sick leave day, or any other nonduty day;
- 3.6 (9) payments under section 356.24, subdivision 1, clause
3.7 (4)(ii); and
- 3.8 (10) payments made under section 122A.40, subdivision 12,
3.9 except for payments for sick leave accumulated under the
3.10 provisions of a uniform school district policy that applies
3.11 equally to all similarly situated persons in the district.
- 3.12 (c) Amounts provided to an employee by the employer through
3.13 a grievance proceeding or a legal settlement are salary only if
3.14 the settlement is reviewed by the executive director and the
3.15 amounts are determined by the executive director to be
3.16 consistent with paragraph (a) and prior determinations."
- 3.17 Renumber the sections in sequence
- 3.18 Correct the internal references
- 3.19 Amend the title accordingly

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 14, after line 29, insert:

1.4 "Section 1. Minnesota Statutes 2002, section 352.27, is

1.5 amended to read:

1.6 352.27 **CREDIT FOR MILITARY BREAK IN SERVICE TO PROVIDE**

1.7 **UNIFORMED SERVICE.**

1.8 ~~Any~~ (a) ~~An employee given a leave of absence to enter~~

1.9 ~~military service who is absent from employment by reason of~~

1.10 ~~service in the uniformed services, as defined in United States~~

1.11 ~~Code, title 38, section 4303(13), and who returns to state~~

1.12 ~~service upon discharge from military service as provided in the~~

1.13 ~~uniformed service within the time frames required in United~~

1.14 ~~States Code, title 38, section 192.262 4312(e), may obtain~~

1.15 ~~service credit for the period of military the uniformed service.~~

1.16 ~~The employee is not entitled to credit for any voluntary~~

1.17 ~~extension of military service at the instance of the employee~~

1.18 ~~beyond the initial period of enlistment, induction, or call to~~

1.19 ~~active duty, nor to credit for any period of service following a~~

1.20 ~~voluntary return to military service as further specified in~~

1.21 ~~this section, provided that the employee did not separate from~~

1.22 ~~uniformed service with a dishonorable or bad conduct discharge~~

1.23 ~~or under other than honorable conditions. An~~

1.24 (b) ~~The~~ employee may obtain credit by paying into the fund

1.25 an equivalent employee contribution based upon the contribution

1.26 rate or rates in effect at the time that the uniformed service

1.27 was performed multiplied by the full and fractional years being

1.28 purchased and applied to the annual salary received at the date

1.29 of return from military service. The amount of this contribution

1.30 must be the applicable amounts required in section 352.04,

1.31 subdivision 2, plus interest at an annual rate of 8.5 percent

1.32 compounded annually rate. The annual salary rate is the average

1.33 annual salary during the purchase period that the employee would

1.34 have received if the employee had continued to be employed in

1.35 covered employment rather than to provide uniformed service, or,

1.36 if the determination of that rate is not reasonably certain, the

2.1 annual salary rate is the employee's average salary rate during
2.2 the 12-month period of covered employment immediately preceding
2.3 the period of the uniformed service.

2.4 (c) The ~~matching~~ equivalent employer contribution and, if
2.5 applicable, the equivalent additional employer contribution
2.6 provided in section 352.04 must be paid by the department
2.7 employing the employee ~~upon return to state service~~ from funds
2.8 available to the department at the time and in the manner
2.9 provided in section 352.04, using the employer and additional
2.10 employer contribution rate or rates in effect at the time that
2.11 the uniformed service was performed, applied to the same annual
2.12 salary rate or rates used to compute the equivalent employee
2.13 contribution.

2.14 (d) If the employee equivalent contributions provided in
2.15 this section are not paid in full, the employee's allowable
2.16 service credit must be prorated by multiplying the full and
2.17 fractional number of years of uniformed service eligible for
2.18 purchase by the ratio obtained by dividing the total employee
2.19 contribution received by the total employee contribution
2.20 otherwise required under this section.

2.21 (e) To receive service credit under this section, the
2.22 contributions specified in this section must be transmitted to
2.23 the Minnesota State Retirement System during the period which
2.24 begins with the date on which the individual returns to state
2.25 service and which has a duration of three times the length of
2.26 the uniformed service period, but not to exceed five years. If
2.27 the determined payment period is less than one year, the
2.28 contributions required under this section to receive service
2.29 credit may be made within one year of the discharge date.

2.30 (f) The amount of service credit obtainable under this
2.31 section may not exceed five years unless a longer purchase
2.32 period is required under United States Code, title 38, section
2.33 4312.

2.34 (g) The employing unit shall pay interest on all equivalent
2.35 employee and employer contribution amounts payable under this
2.36 section. Interest must be computed at a rate of 8.5 percent

3.1 compounded annually from the end of each fiscal year of the
3.2 leave or the break in service to the end of the month in which
3.3 the payment is received.

3.4 Sec. 2. Minnesota Statutes 2002, section 352B.01, is
3.5 amended by adding a subdivision to read:

3.6 Subd. 3b. CREDIT FOR BREAK IN SERVICE TO PROVIDE

3.7 **UNIFORMED SERVICE.** (a) A member who is absent from employment
3.8 by reason of service in the uniformed services, as defined in
3.9 United States Code, title 38, section 4303(13), and who returns
3.10 to state employment in a position covered by the plan upon
3.11 discharge from service in the uniformed service within the time
3.12 frame required in United States Code, title 38, section 4312(e),
3.13 may obtain service credit for the period of the uniformed
3.14 service, provided that the member did not separate from
3.15 uniformed service with a dishonorable or bad conduct discharge
3.16 or under other than honorable conditions.

3.17 (b) The member may obtain credit by paying into the fund an
3.18 equivalent member contribution based on the contribution rate or
3.19 rates in effect at the time that the uniformed service was
3.20 performed multiplied by the full and fractional years being
3.21 purchased and applied to the annual salary rate. The annual
3.22 salary rate is the average annual salary during the purchase
3.23 period that the member would have received if the member had
3.24 continued to provide employment services to the state rather
3.25 than to provide uniformed service, or if the determination of
3.26 that rate is not reasonably certain, the annual salary rate is
3.27 the member's average salary rate during the 12-month period
3.28 immediately preceding the purchase period.

3.29 (c) The equivalent employer contribution and, if
3.30 applicable, the equivalent employer additional contribution,
3.31 must be paid by the employing unit, using the employer and
3.32 employer additional contribution rate or rates in effect at the
3.33 time that the uniformed service was performed, applied to the
3.34 same annual salary rate or rates used to compute the equivalent
3.35 member contribution.

3.36 (d) If the member equivalent contributions provided for in

4.1 this subdivision are not paid in full, the member's allowable
4.2 service credit must be prorated by multiplying the full and
4.3 fractional number of years of uniformed service eligible for
4.4 purchase by the ratio obtained by dividing the total member
4.5 contributions received by the total member contributions
4.6 otherwise required under this subdivision.

4.7 (e) To receive allowable service credit under this
4.8 subdivision, the contributions specified in this section must be
4.9 transmitted to the fund during the period which begins with the
4.10 date on which the individual returns to state employment covered
4.11 by the plan and which has a duration of three times the length
4.12 of the uniformed service period, but not to exceed five years.
4.13 If the determined payment period is calculated to be less than
4.14 one year, the contributions required under this subdivision to
4.15 receive service credit may be within one year from the discharge
4.16 date.

4.17 (f) The amount of allowable service credit obtainable under
4.18 this section may not exceed five years, unless a longer purchase
4.19 period is required under United States Code, title 38, section
4.20 4312.

4.21 (g) The employing unit shall pay interest on all equivalent
4.22 member and employer contribution amounts payable under this
4.23 subdivision. Interest must be computed at a rate of 8.5 percent
4.24 compounded annually from the end of each fiscal year of the
4.25 leave or break in service to the end of the month in which
4.26 payment is received.

4.27 Sec. 3. Minnesota Statutes 2002, section 353.01,
4.28 subdivision 16, is amended to read:

4.29 Subd. 16. **ALLOWABLE SERVICE; LIMITS AND COMPUTATION.** (a)
4.30 "Allowable service" means:

4.31 (1) service during years of actual membership in the course
4.32 of which employee contributions were made, periods covered by
4.33 payments in lieu of salary deductions under section 353.35;

4.34 (2) service in years during which the public employee was
4.35 not a member but for which the member later elected, while a
4.36 member, to obtain credit by making payments to the fund as

5.1 permitted by any law then in effect;

5.2 (3) a period of authorized leave of absence with pay from
5.3 which deductions for employee contributions are made, deposited,
5.4 and credited to the fund;

5.5 (4) a period of authorized personal, parental, or medical
5.6 leave of absence without pay, including a leave of absence
5.7 covered under the federal Family Medical Leave Act, that does
5.8 not exceed one year, and during or for which a member obtained
5.9 service credit for each month in the leave period by payments to
5.10 the fund made in place of salary deductions. The payments must
5.11 be made in an amount or amounts based on the member's average
5.12 salary on which deductions were paid for the last six months of
5.13 public service, or for that portion of the last six months while
5.14 the member was in public service, to apply to the period in
5.15 either case that immediately precedes the commencement of the
5.16 leave of absence. If the employee elects to pay the employee
5.17 contributions for the period of any authorized personal,
5.18 parental, or medical leave of absence without pay, or for any
5.19 portion of the leave, the employee shall also, as a condition to
5.20 the exercise of the election, pay to the fund an amount
5.21 equivalent to the required employer and the additional employer
5.22 contributions, if any, for the employee. The payment must be
5.23 made within one year from the expiration of the leave of absence
5.24 or within 20 days after termination of public service under
5.25 subdivision 11a, whichever is earlier. The employer, by
5.26 appropriate action of its governing body which is made a part of
5.27 its official records and which is adopted before the date of the
5.28 first payment of the employee contribution, may certify to the
5.29 association in writing its commitment to pay the employer and
5.30 additional employer contributions from the proceeds of a tax
5.31 levy made under section 353.28. Payments under this paragraph
5.32 must include interest at an annual rate of 8.5 percent
5.33 compounded annually from the date of the termination of the
5.34 leave of absence to the date payment is made. An employee shall
5.35 return to public service and render a minimum of three months of
5.36 allowable service in order to be eligible to pay employee and

6.1 employer contributions for a subsequent authorized leave of
6.2 absence without pay. Upon payment, the employee must be granted
6.3 allowable service credit for the purchased period;

6.4 (5) a periodic, repetitive leave that is offered to all
6.5 employees of a governmental subdivision. The leave program may
6.6 not exceed 208 hours per annual normal work cycle as certified
6.7 to the association by the employer. A participating member
6.8 obtains service credit by making employee contributions in an
6.9 amount or amounts based on the member's average salary that
6.10 would have been paid if the leave had not been taken. The
6.11 employer shall pay the employer and additional employer
6.12 contributions on behalf of the participating member. The
6.13 employee and the employer are responsible to pay interest on
6.14 their respective shares at the rate of 8.5 percent a year,
6.15 compounded annually, from the end of the normal cycle until full
6.16 payment is made. An employer shall also make the employer and
6.17 additional employer contributions, plus 8.5 percent interest,
6.18 compounded annually, on behalf of an employee who makes employee
6.19 contributions but terminates public service. The employee
6.20 contributions must be made within one year after the end of the
6.21 annual normal working cycle or within 20 days after termination
6.22 of public service, whichever is sooner. The association shall
6.23 prescribe the manner and forms to be used by a governmental
6.24 subdivision in administering a periodic, repetitive leave. Upon
6.25 payment, the member must be granted allowable service credit for
6.26 the purchased period;

6.27 (6) an authorized temporary layoff under subdivision 12,
6.28 limited to three months allowable service per authorized
6.29 temporary layoff in one calendar year. An employee who has
6.30 received the maximum service credit allowed for an authorized
6.31 temporary layoff must return to public service and must obtain a
6.32 minimum of three months of allowable service subsequent to the
6.33 layoff in order to receive allowable service for a subsequent
6.34 authorized temporary layoff; or

6.35 (7) a period during which a member is ~~on an authorized~~
6.36 ~~leave of absence to enter military~~ absent from employment by a

7.1 governmental subdivision by reason of service in the armed
7.2 forces of the United States in the uniformed services, as
7.3 defined in United States Code, title 38, section 4303(13), if
7.4 the member returns to public service upon discharge
7.5 from military service in the uniformed service within the time
7.6 frames required under United States Code, title 38, section
7.7 192.262 and 4312(e), provided that the member did not separate
7.8 from uniformed service with a dishonorable or bad conduct
7.9 discharge or under other than honorable conditions. The service
7.10 is credited if the member pays into the fund equivalent employee
7.11 contributions based upon the employee's contribution rate or
7.12 rates in effect at the time that the uniformed service was
7.13 performed multiplied by the full and fractional years being
7.14 purchased and applied to the annual salary at the date of return
7.15 from military service rate. The annual salary rate is the
7.16 average annual salary during the purchase period that the member
7.17 would have received if the member had continued to be employed
7.18 in covered employment rather than to provide uniformed service,
7.19 or, if the determination of that rate is not reasonably certain,
7.20 the annual salary rate is the member's average salary rate
7.21 during the 12-month period of covered employment immediately
7.22 preceding the period of the uniformed service. Payment of the
7.23 member equivalent contributions must be made within during a
7.24 period which begins with the date on which the individual
7.25 returns to public employment and that is three times the length
7.26 of the military leave period, or within five years of the date
7.27 of discharge from the military service, whichever is less. If
7.28 the determined payment period is less than one year, the
7.29 contributions required under this clause to receive service
7.30 credit may be made within one year of the discharge date.
7.31 Payment may not be accepted following 20 days after termination
7.32 of public service under subdivision 11a. ~~The amount of these~~
7.33 ~~contributions must be in accord with the contribution rates and~~
7.34 ~~salary limitations, if any, in effect during the leave, plus~~
7.35 ~~interest at an annual rate of 8.5 percent compounded annually~~
7.36 ~~from the date of return to public service to the date payment is~~

8.1 ~~made.~~ If the member equivalent contributions provided for in
8.2 this clause are not paid in full, the member's allowable service
8.3 credit must be prorated by multiplying the full and fractional
8.4 number of years of uniformed service eligible for purchase by
8.5 the ratio obtained by dividing the total member contributions
8.6 received by the total member contributions otherwise required
8.7 under this clause. The ~~corresponding~~ equivalent employer
8.8 contribution, and, if applicable, the equivalent additional
8.9 employer contribution, ~~if applicable,~~ must be paid by the
8.10 governmental subdivision employing the member ~~upon the person's~~
8.11 ~~return to public service~~ if the member makes the equivalent
8.12 employee contributions. The employer payments must be made from
8.13 funds available to the employing unit, using the employer and
8.14 additional employer contribution rate or rates in effect at the
8.15 time that the uniformed service was performed, applied to the
8.16 same annual salary rate or rates used to compute the equivalent
8.17 member contribution. The governmental subdivision involved may
8.18 appropriate money for those payments. ~~A member may not receive~~
8.19 ~~credit for a voluntary extension of military service at the~~
8.20 ~~instance of the member beyond the initial period of enlistment,~~
8.21 ~~induction, or call to active duty.~~ The amount of service credit
8.22 obtainable under this section may not exceed five years unless a
8.23 longer purchase period is required under United States Code,
8.24 title 38, section 4312. The employing unit shall pay interest
8.25 on all equivalent member and employer contribution amounts
8.26 payable under this clause. Interest must be computed at a rate
8.27 of 8.5 percent compounded annually from the end of each fiscal
8.28 year of the leave or the break in service to the end of the
8.29 month in which the payment is received. Upon payment, the
8.30 employee must be granted allowable service credit for the
8.31 purchased period.

8.32 (b) For calculating benefits under sections 353.30, 353.31,
8.33 353.32, and 353.33 for state officers and employees displaced by
8.34 the Community Corrections Act, chapter 401, and transferred into
8.35 county service under section 401.04, "allowable service" means
8.36 the combined years of allowable service as defined in paragraph

9.1 (a), clauses (1) to (6), and section 352.01, subdivision 11.

9.2 (c) For a public employee who has prior service covered by

9.3 a local police or firefighters relief association that has

9.4 consolidated with the Public Employees Retirement Association or

9.5 to which section 353.665 applies, and who has elected the type

9.6 of benefit coverage provided by the public employees police and

9.7 fire fund either under section 353A.08 following the

9.8 consolidation or under section 353.665, subdivision 4,

9.9 "applicable service" is a period of service credited by the

9.10 local police or firefighters relief association as of the

9.11 effective date of the consolidation based on law and on bylaw

9.12 provisions governing the relief association on the date of the

9.13 initiation of the consolidation procedure.

9.14 (d) No member may receive more than 12 months of allowable

9.15 service credit in a year either for vesting purposes or for

9.16 benefit calculation purposes.

9.17 (e) "Allowable service" also means a period purchased under

9.18 section 356.555."

9.19 Page 21, after line 7, insert:

9.20 "Sec. 9. Minnesota Statutes 2002, section 490.121, is

9.21 amended by adding a subdivision to read:

9.22 Subd. 4b. CREDIT FOR BREAK IN SERVICE TO PROVIDE

9.23 **UNIFORMED SERVICE.** (a) A judge who is absent from employment by

9.24 reason of service in the uniformed services, as defined in

9.25 United States Code, title 38, section 4303(13), and who returns

9.26 to state employment as a judge upon discharge from service in

9.27 the uniformed service within the time frame required in United

9.28 States Code, title 38, section 4312(e) may obtain service credit

9.29 for the period of the uniformed service, provided that the judge

9.30 did not separate from uniformed service with a dishonorable or

9.31 bad conduct discharge or under other than honorable conditions.

9.32 (b) The judge may obtain credit by paying into the fund

9.33 equivalent member contribution based on the contribution rate

9.34 rates in effect at the time that the uniformed service was

9.35 performed multiplied by the full and fractional years being

9.36 purchased and applied to the annual salary rate. The annual

10.1 salary rate is the average annual salary during the purchase
10.2 period that the judge would have received if the judge had
10.3 continued to provide employment services to the state rather
10.4 than to provide uniformed service, or if the determination of
10.5 that rate is not reasonably certain, the annual salary rate is
10.6 the judge's average salary rate during the 12-month period
10.7 immediately preceding the purchase period.

10.8 (c) The equivalent employer contribution and, if
10.9 applicable, the equivalent employer additional contribution,
10.10 must be paid by the employing unit, using the employer and
10.11 employer additional contribution rate or rates in effect at the
10.12 time that the uniformed service was performed, applied to the
10.13 same annual salary rate or rates used to compute the equivalent
10.14 member contribution.

10.15 (d) If the member equivalent contributions provided for in
10.16 this subdivision are not paid in full, the judge's allowable
10.17 service credit must be prorated by multiplying the full and
10.18 fractional number of years of uniformed service eligible for
10.19 purchase by the ratio obtained by dividing the total member
10.20 contributions received by the total member contributions
10.21 otherwise required under this subdivision.

10.22 (e) To receive allowable service credit under this
10.23 subdivision, the contributions specified in this section must be
10.24 transmitted to the fund during the period which begins with the
10.25 date on which the individual returns to judicial employment and
10.26 which has a duration of three times the length of the uniformed
10.27 service period, but not to exceed five years. If the determined
10.28 payment period is calculated to be less than one year, the
10.29 contributions required under this subdivision to receive service
10.30 credit may be within one year from the discharge date.

10.31 (f) The amount of allowable service credit obtainable under
10.32 this section may not exceed five years, unless a longer purchase
10.33 period is required under United States Code, title 38, section
10.34 4312.

10.35 (g) The state court administrator shall pay interest on all
10.36 equivalent member and employer contribution amounts payable

10/24/03 2:11 p.m.

[COM] LM/PO LCPR03-245

- 11.1 under this subdivision. Interest must be computed at a rate of
- 11.2 8.5 percent compounded annually from the end of each fiscal year
- 11.3 of the leave or break in service to the end of the month in
- 11.4 which payment is received."
- 11.5 Renumber the sections in sequence
- 11.6 Correct the internal references
- 11.7 Amend the title accordingly

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 22, after line 9, insert:

1.4 "Sec. 2. Minnesota Statutes 2002, section 354A.094,

1.5 subdivision 3, is amended to read:

1.6 Subd. 3. **QUALIFIED PART-TIME TEACHER PROGRAM**

1.7 **PARTICIPATION REQUIREMENTS.** (a) A teacher in the public schools

1.8 of a city of the first class who has three years or more

1.9 allowable service in the applicable retirement fund association

1.10 or three years or more of full-time teaching service in

1.11 Minnesota public elementary schools, Minnesota secondary

1.12 schools, and Minnesota State Colleges and Universities system

1.13 may, by agreement with the board of the employing district, be

1.14 assigned to teaching service within the district in a part-time

1.15 teaching position. The agreement must be executed before

1.16 October 1 of the year for which the teacher requests to make

1.17 retirement contributions under subdivision 4. A copy of the

1.18 executed agreement must be filed with the executive director of

1.19 the retirement fund association. If the copy of the executed

1.20 agreement is filed with the association after October 1 of the

1.21 year for which the teacher requests to make retirement

1.22 contributions under subdivision 4, the employing school district

1.23 shall pay a fine of \$5 for each calendar day that elapsed since

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

1.25 executed agreement that is received by the association more than

1.26 15 months late. The association may not waive the fine required

1.27 by this section.

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

1.29 legislator:

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

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

1.32 make retirement contributions under subdivision 4; and

1.33 (2) fines specified in paragraph (a) apply if the employing

1.34 unit does not file the executed agreement with the executive

1.35 director of the Teachers Retirement Fund Association by March 1."

1.36 Renumber the sections in sequence

10/21/03 2:28 p.m.

[COM] LM/LD LCPR03-246

2.1 Correct the internal references

2.2 Amend the title accordingly

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 38, after line 23, insert:

1.4 "Sec. 16. Minnesota Statutes 2002, section 353.33, is

1.5 amended by adding a subdivision to read:

1.6 Subd. 7a. **TRIAL WORK PERIOD.** (a) If, following a work or

1.7 non-work related injury or illness, a disabled member attempts

1.8 to return to work for their previous public employer or attempts

1.9 to return to a similar position with another public employer, on

1.10 a full-time or less than full-time basis, the Public Employees

1.11 Retirement Association shall continue paying the disability

1.12 benefit for a period not to exceed six months. The disability

1.13 benefit must continue in an amount that, when added to the

1.14 subsequent employment earnings and workers' compensation

1.15 benefit, does not exceed the salary at the date of disability or

1.16 the salary currently paid for similar positions, whichever is

1.17 higher.

1.18 (b) No deductions for the retirement fund may be taken from

1.19 the salary of a disabled person who is attempting to return to

1.20 work under this provision unless the member waives further

1.21 disability benefits.

1.22 (c) A member only may return to employment and continue

1.23 disability benefit payments once while receiving disability

1.24 benefits from a plan administered by the Public Employees

1.25 Retirement Association."

1.26 Page 42, line 35, delete "Section 1 is" and insert

1.27 "Sections 1 and 16 are"

1.28 Renumber the sections in sequence

1.29 Correct the internal references

1.30 Amend the title accordingly

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 34, line 14, before "No" insert "(a)"

1.4 Page 34, line 18, before "Following" insert:

1.5 "(b) Adequate proof of a disability must include a written

1.6 expert report by a licensed physician, or with respect to a

1.7 mental impairment, by a licensed psychologist.

1.8 (c)"

1.9 Page 38, after line 23, insert:

1.10 "Sec. 16. Minnesota Statutes 2002, section 353.656,

1.11 subdivision 5, is amended to read:

1.12 Subd. 5. **PROOF OF DISABILITY.** (a) A disability benefit

1.13 payment must not be made except upon adequate proof furnished to

1.14 the executive director of the association of the existence of

1.15 such disability, and during the time when disability benefits

1.16 are being paid, the executive director of the association has

1.17 the right, at reasonable times, to require the disabled member

1.18 to submit proof of the continuance of the disability claimed.

1.19 (b) Adequate proof of a disability must include a written

1.20 expert report by a licensed physician, or with respect to a

1.21 mental impairment, by a licensed psychologist.

1.22 (c) A person applying for or receiving a disability benefit

1.23 shall provide or authorize release of medical evidence,

1.24 including all medical records and information from any source,

1.25 relating to an application for disability benefits."

1.26 Page 42, after line 31, insert:

1.27 "Sec. 23. Minnesota Statutes 2002, section 422A.18,

1.28 subdivision 1, is amended to read:

1.29 Subdivision 1. ~~MEDICAL~~ **EXPERT EXAMINATION.** (a) Upon the

1.30 application of the head of the department in which a

1.31 contributing employee is employed, or upon the application of

1.32 the contributing employee or of one acting in the employee's

1.33 behalf, the retirement board shall place the contributor on

1.34 disability, ~~provided~~ and pay the person a disability allowance

1.35 under this section if the medical board, after ~~a medical~~ an

1.36 expert examination of the contributor made at the place of

2.1 residence of the contributor or at a place mutually agreed upon,
2.2 shall certify to the retirement board that the contributor is
2.3 physically or mentally incapacitated for the performance of
2.4 further service to the city and recommend that the contributor
2.5 be placed on disability.

2.6 (b) The medical board shall consist of the city physician,
2.7 a physician or licensed psychologist to be selected by the
2.8 retirement board, and a physician or licensed psychologist to be
2.9 selected by the employee.

2.10 (c) Disability of an employee resulting from injury or
2.11 illness received in the performance of the duties of the city
2.12 service shall be defined as duty disability.

2.13 (d) Disability incurred as a result of injury or illness
2.14 not connected with the performance of such service shall be
2.15 defined as nonduty disability. In order to be entitled to a
2.16 retirement allowance for a nonduty disability an employee shall
2.17 have rendered five or more years of service to the city.

2.18 Sec. 24. Minnesota Statutes 2002, section 422A.18,
2.19 subdivision 4, is amended to read:

2.20 Subd. 4. **ADDITIONAL MEDICAL EXAMINATIONS.** (a) Once each
2.21 year, the retirement board may require any disability
2.22 beneficiary while still under the established age for retirement
2.23 to undergo ~~medical~~ an expert examination by ~~a physician or one~~
2.24 or more physicians or one or more licensed psychologists
2.25 designated by the retirement board⁷. The examination ~~to~~ must be
2.26 made at the place of residence of the beneficiary or other place
2.27 mutually agreed upon. ~~Should~~

2.28 (b) If the medical board ~~report and certify~~ certifies to
2.29 the retirement board that ~~such~~ the disability beneficiary is no
2.30 longer physically or mentally incapacitated for the performance
2.31 of duty, the beneficiary's allowance ~~shall~~ must be discontinued
2.32 and the head of the department in which the beneficiary was
2.33 employed at the time of retirement shall, upon notification by
2.34 the retirement board of the report of the medical board,
2.35 reemploy the beneficiary at a rate of salary not less than the
2.36 amount of the disability allowance, ~~but~~.

3.1 (c) After the expiration of five years subsequent to the
3.2 retirement of ~~such~~ the beneficiary, the restoration to duty,
3.3 notwithstanding the recommendation of the medical board, ~~shall~~
3.4 ~~be~~ is optional with the head of the department. ~~Should~~ If any
3.5 disability beneficiary while under the established age for
3.6 retirement ~~refuse~~ refuses to submit to at least one
3.7 ~~medical expert~~ examination in any year by a ~~physician or one or~~
3.8 more physicians or one or more licensed psychologists designated
3.9 by the medical board, the allowance ~~shall~~ must be discontinued
3.10 until the withdrawal of such refusal, and should such refusal
3.11 continue for one year, all the beneficiary's rights in and to
3.12 any retirement or disability allowance ~~shall be~~ are forfeited.

3.13 Sec. 25. Minnesota Statutes 2002, section 423B.09,
3.14 subdivision 4, is amended to read:

3.15 Subd. 4. **CERTIFICATE OF PHYSICIANS REQUIRED.** (a) No
3.16 member is entitled to a pension under subdivision 1, paragraph
3.17 (b) or (c), except upon the certificate of two or more
3.18 physicians ~~or~~, surgeons, licensed psychologists, or a
3.19 combination of experts chosen by the governing board. This
3.20 certificate must set forth the cause, nature, and extent of the
3.21 disability, disease, or injury of the member.

3.22 (b) No active member may be awarded, granted, or paid a
3.23 disability pension under subdivision 1, paragraph (c), unless
3.24 the certificate states that the disability, disease, or injury
3.25 was incurred or sustained by the member while in the service of
3.26 the police department of the city. The certificate must be
3.27 filed with the secretary of the association.

3.28 Sec. 26. Minnesota Statutes 2002, section 423C.05,
3.29 subdivision 4, is amended to read:

3.30 Subd. 4. **TEMPORARY DISABILITY PENSION.** (a) An active
3.31 member who, by sickness or accident, becomes temporarily
3.32 disabled from performing firefighter duties for the fire
3.33 department ~~shall be~~ is entitled to a temporary disability
3.34 pension.

3.35 (b) No allowance for disability ~~shall~~ may be made unless
3.36 notice of the disability and an application for benefits is made

4.1 by or on behalf of the disabled member within 90 days after the
4.2 beginning of the disability. This application ~~shall~~ must
4.3 include a certificate from a qualified ~~medical professional~~
4.4 expert setting forth the cause, nature, and extent of the
4.5 disability. This certificate must also conclude that the
4.6 disability was incurred or sustained while the member was in the
4.7 service of the fire department.

4.8 (c) The board shall utilize the board of examiners
4.9 established ~~pursuant to~~ under section 423C.03, subdivision 6, to
4.10 investigate and report on an application for benefits ~~pursuant~~
4.11 ~~to~~ under this section and to make recommendations as to
4.12 eligibility and the benefit amount to be paid.

4.13 (d) A member entitled to a disability pension ~~shall~~ must
4.14 receive benefits in the amount and manner determined by the
4.15 board.

4.16 Sec. 27. Minnesota Statutes 2002, section 423C.05,
4.17 subdivision 5, is amended to read:

4.18 Subd. 5. **SERVICE-RELATED PERMANENT DISABILITY PENSION.**

4.19 An active member who becomes permanently disabled as the result
4.20 of a service-related disease or injury ~~shall~~ is, upon
4.21 application and approval of the board, ~~be~~ entitled to a pension
4.22 of 41 units or in the amount determined under subdivision 8.

4.23 The application for service-related permanent disability ~~shall~~
4.24 must include a certificate from a qualified ~~medical professional~~
4.25 expert setting forth the permanent nature of the disability or
4.26 disease and that it was service related.

4.27 Sec. 28. Minnesota Statutes 2002, section 423C.05,
4.28 subdivision 6, is amended to read:

4.29 Subd. 6. **NON-SERVICE-RELATED PERMANENT DISABILITY**

4.30 **PENSION.** An active member who, by sickness or accident, becomes
4.31 permanently disabled and unable to perform firefighter duties
4.32 for the fire department due to non-service-related disease or
4.33 injury ~~shall be~~ is entitled to a permanent disability pension.

4.34 No allowance for disability ~~shall~~ may be made unless notice of
4.35 the disability and an application for benefits is made by or on
4.36 behalf of the disabled member within 90 days after the beginning

5.1 of the disability. This application ~~shall~~ must include a
5.2 certificate from a qualified medical professional setting forth
5.3 the cause, nature, and extent of the disability. A member
5.4 entitled to a disability pension under this subdivision ~~shall~~
5.5 must receive benefits in the amount and manner determined by the
5.6 board, not to exceed 41 units.

5.7 Sec. 29. Minnesota Statutes 2002, section 423C.05, is
5.8 amended by adding a subdivision to read:

5.9 Subd. 6a. **QUALIFIED EXPERT.** A qualified expert includes
5.10 a licensed physician, or in the case of mental impairment,
5.11 includes a licensed psychologist."

5.12 Renumber the sections in sequence

5.13 Correct the internal references

5.14 Amend the title accordingly

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 51, after line 9, insert:

1.4 "Sec. 12. Minnesota Statutes 2002, section 352C.09,

1.5 subdivision 2, is amended to read:

1.6 Subd. 2. **REFUND.** ~~(1)~~ (a) Any person who has made

1.7 contributions ~~pursuant to~~ under subdivision 1 who is no longer a

1.8 constitutional officer is entitled to receive, upon filing a

1.9 written application to the director, a refund of all

1.10 contributions credited to the individual's account with interest

1.11 ~~at the rate of six percent per annum compounded~~

1.12 ~~annually~~ computed as provided in section 352.22, subdivision 2.

1.13 ~~(2)~~ (b) The refund of contributions as provided in ~~clause~~

1.14 ~~(1)~~ above paragraph (a) terminates all rights of a former

1.15 constitutional officer or commissioner or survivors thereof

1.16 under the provisions of this chapter. ~~Should~~ If the former

1.17 constitutional officer or commissioner again ~~held~~ holds such

1.18 office after having taken a refund as provided above, the former

1.19 officer or commissioner ~~shall be~~ is considered a new member and

1.20 may reinstate the rights and credit for service

1.21 forfeited ~~provided if~~ if all refunds previously taken are repaid

1.22 with interest at an annual rate of 8.5 percent compounded

1.23 annually.

1.24 ~~(3)~~ (c) No person ~~shall be~~ is required to apply for or

1.25 accept a refund.

1.26 ~~(4)~~ (d) The provisions of section 352.15 ~~shall~~ apply to the

1.27 Elective State Officers Retirement Plan, chapter 352C.

1.28 Sec. 13. Minnesota Statutes 2002, section 352C.09,

1.29 subdivision 3, is amended to read:

1.30 Subd. 3. **DEATH REFUND.** If a constitutional officer who

1.31 has not received other benefits under this chapter dies and

1.32 there are no survivor benefits payable under this chapter, a

1.33 refund plus interest computed as provided in ~~subdivision 2,~~

1.34 ~~clause (1)~~ section 352.22, subdivision 2, is payable to the last

1.35 designated beneficiary named on a form filed with the director

1.36 before the death of the constitutional officer, ~~or~~ or. If no

2.1 designation is on file, the refund is payable to the estate of
2.2 the deceased constitutional officer."

2.3 Page 53, after line 8, insert:

2.4 "Sec. 18. Minnesota Statutes 2002, section 352F.07, is
2.5 amended to read:

2.6 352F.07 **EFFECT ON REFUND.**

2.7 (a) Notwithstanding any provision of chapter 352 to the
2.8 contrary, terminated hospital employees may receive a refund of
2.9 employee accumulated contributions ~~plus interest at the rate of~~
2.10 ~~six percent per year compounded annually~~ in accordance with
2.11 Minnesota Statutes 1994, section 352.22, subdivision 2, plus
2.12 interest computed as provided in section 352.22, subdivision 2,
2.13 at any time after the transfer of employment to Fairview,
2.14 University of Minnesota Physicians, or University Affiliated
2.15 Family Physicians.

2.16 (b) If a terminated hospital employee has received a refund
2.17 from a pension plan enumerated in section 356.30, subdivision 3,
2.18 the person may not repay that refund unless the person again
2.19 becomes a member of one of those enumerated plans and complies
2.20 with section 356.30, subdivision 2.

2.21 Sec. 19. Minnesota Statutes 2002, section 353.32,
2.22 subdivision 1, is amended to read:

2.23 Subdivision 1. **BEFORE RETIREMENT.** If a member or former
2.24 member who terminated public service dies before retirement or
2.25 before receiving any retirement annuity and no other payment of
2.26 any kind is or may become payable to any person, a refund ~~shall~~
2.27 ~~be paid~~ is payable to the designated beneficiary or, if there be
2.28 none, to the surviving spouse, or, if none, to the legal
2.29 representative of the decedent's estate. ~~Such~~ The refund ~~shall~~
2.30 ~~be~~ is in an amount equal to accumulated deductions plus interest
2.31 ~~thereon at the rate of six percent per annum compounded annually~~
2.32 computed as provided in section 353.34, subdivision 2, less the
2.33 sum of any disability or survivor benefits, if any, that may
2.34 have been paid by the fund; ~~provided that.~~ A survivor who has a
2.35 right to benefits ~~pursuant to~~ under section 353.31 may waive
2.36 such benefits in writing, except ~~such~~ that the benefits for a

3.1 dependent child under the age of 18 years may only be waived
3.2 ~~pursuant to~~ under an order of the district court.

3.3 Sec. 20. Minnesota Statutes 2002, section 353.34,
3.4 subdivision 1, is amended to read:

3.5 Subdivision 1. **REFUND OR DEFERRED ANNUITY.** (a) A former
3.6 member is entitled to a refund of accumulated employee
3.7 deductions under subdivision 2, or to a deferred annuity under
3.8 subdivision 3. Application for a refund may not be made ~~prior~~
3.9 ~~to~~ before the date of the termination of public service or the
3.10 termination of membership, whichever ~~is sooner~~ occurs earlier.
3.11 Except as specified in paragraph (b), a refund must be paid
3.12 within 120 days following receipt of the application unless the
3.13 applicant has again become a public employee who is required to
3.14 be covered by a retirement plan administered by the association.

3.15 (b) If an individual was granted an authorized temporary
3.16 layoff, a refund is not payable before the termination of
3.17 membership under section 353.01, subdivision 11b, clause (3).

3.18 (c) An individual who terminates public service covered by
3.19 the Public Employees Retirement Association General Plan, the
3.20 Public Employees Retirement Association Police and Fire Plan, or
3.21 the Public Employees Local Government Corrections Service
3.22 Retirement Plan, and who becomes an active member covered by one
3.23 of the other two plans, may receive a refund of employee
3.24 contributions plus ~~six percent~~ interest ~~compounded annually~~
3.25 computed as provided in subdivision 2 from the plan in which the
3.26 member terminated service.

3.27 Sec. 21. Minnesota Statutes 2002, section 353.34,
3.28 subdivision 2, is amended to read:

3.29 Subd. 2. **REFUND WITH INTEREST.** Except as provided in
3.30 subdivision 1, any person who ceases to be a public employee
3.31 shall receive a refund in an amount equal to accumulated
3.32 deductions with interest to the first day of the month in which
3.33 the refund is processed at the rate of six percent compounded
3.34 ~~annually based on fiscal year balances~~ daily from the date that
3.35 the contribution was made until the date on which the refund is
3.36 paid. If a person repays a refund and subsequently applies for

4.1 another refund, the repayment amount, including interest, is
4.2 added to the fiscal year balance in which the repayment was
4.3 made."

4.4 Page 53, after line 17, insert:

4.5 "Sec. 23. Minnesota Statutes 2002, section 353F.07, is
4.6 amended to read:

4.7 353F.07 **EFFECT ON REFUND.**

4.8 (a) Notwithstanding any provision of chapter 353 to the
4.9 contrary, terminated medical facility or other public employing
4.10 unit employees may receive a refund of employee accumulated
4.11 contributions ~~plus interest at the rate of six percent per year~~
4.12 ~~compounded annually~~ in accordance with section 353.34,
4.13 subdivision 2, plus interest computed as provided in section
4.14 353.34, subdivision 2, of the edition of Minnesota Statutes
4.15 published in the year in which the privatization occurred, at
4.16 any time after the transfer of employment to the successor
4.17 employer to the medical facility or other public employing unit.

4.18 (b) If a terminated medical facility employee has received
4.19 a refund from a pension plan enumerated in section 356.30,
4.20 subdivision 3, the person may not repay that refund unless the
4.21 person again becomes a member of one of those enumerated plans
4.22 and complies with section 356.30, subdivision 2."

4.23 Page 56, after line 29, insert:

4.24 "Sec. 29. Minnesota Statutes 2002, section 354.47,
4.25 subdivision 1, is amended to read:

4.26 Subdivision 1. **DEATH BEFORE RETIREMENT.** (a) If a member
4.27 dies before retirement and is covered under section 354.44,
4.28 subdivision 2, and neither an optional annuity, nor a
4.29 reversionary annuity, nor a benefit under section 354.46,
4.30 subdivision 1, is payable to the survivors, if the member was a
4.31 basic member, then the surviving spouse, or if there is no
4.32 surviving spouse, the designated beneficiary is entitled to a
4.33 refund of an amount equal to the member's accumulated deductions
4.34 with interest credited to the account of the member to the date
4.35 of death of the member. If the designated beneficiary is a
4.36 minor, interest must be credited to the date the beneficiary

5.1 reaches legal age, or the date of receipt, whichever is earlier.

5.2 (b) If a member dies before retirement and is covered under
5.3 section 354.44, subdivision 6, and neither an optional annuity,
5.4 nor reversionary annuity, nor the benefit described in section
5.5 354.46, subdivision 1, is payable to the survivors if the member
5.6 was a basic member, then the surviving spouse, or if there is no
5.7 surviving spouse, the designated beneficiary is entitled to a
5.8 refund of an amount equal to the member's accumulated deductions
5.9 credited to the account of the member as of June 30, 1957, and
5.10 from July 1, 1957, to the date of death of the member, the
5.11 member's accumulated deductions plus ~~six percent~~ interest
5.12 ~~compounded annually~~ computed as provided in section 354.49,
5.13 subdivision 2.

5.14 (c) If the designated beneficiary under paragraph (b) is a
5.15 minor, any interest credited under that paragraph must be
5.16 credited to the date the beneficiary reaches legal age, or the
5.17 date of receipt, whichever is earlier.

5.18 Sec. 30. Minnesota Statutes 2002, section 354.49,
5.19 subdivision 2, is amended to read:

5.20 Subd. 2. **CALCULATION.** Except as provided in section
5.21 354.44, subdivision 1, any person who ceases to be a member by
5.22 reason of termination of teaching service, shall receive a
5.23 refund in an amount equal to the accumulated deductions credited
5.24 to the account as of June 30, 1957, and after July 1, 1957, the
5.25 accumulated deductions with interest at the rate of six percent
5.26 per annum compounded ~~annually. For the purpose of this~~
5.27 ~~subdivision, interest shall be computed on fiscal year end~~
5.28 ~~balances to the first day of the month in which the refund is~~
5.29 ~~issued~~ daily from the date that the contribution was made or
5.30 June 30, 1957, whichever is later, until the date on which the
5.31 refund is paid.

5.32 Sec. 31. Minnesota Statutes 2002, section 354.49,
5.33 subdivision 3, is amended to read:

5.34 Subd. 3. **REFUND IN CERTAIN INSTANCES.** Any person who is
5.35 not covered by the formula program, who has attained normal
5.36 retirement age with less than the minimum service required for

6.1 an annuity, and who ceases to be a member because of termination
6.2 of teaching service is entitled, upon filing a written
6.3 application to a refund in an amount equal to the person's
6.4 accumulated deductions plus interest at the rates used to
6.5 compute annuities under section 354.44, subdivision 2 in lieu of
6.6 a proportionate annuity pursuant to section 356.32. If a person
6.7 who has attained normal retirement age is eligible for an
6.8 annuity or is covered by the formula program, the refund is an
6.9 amount equal to the accumulated deductions credited to the
6.10 person's account as of June 30, 1957, and after July 1, 1957,
6.11 the accumulated deductions plus interest ~~at the rate of six~~
6.12 ~~percent compounded annually. For the purpose of this~~
6.13 ~~subdivision, interest must be computed on fiscal year end~~
6.14 ~~balances to the first day of the month in which the refund is~~
6.15 ~~issued~~ computed as provided in subdivision 2.

6.16 Sec. 32. Minnesota Statutes 2002, section 354A.35,
6.17 subdivision 1, is amended to read:

6.18 Subdivision 1. **DEATH BEFORE RETIREMENT; REFUND.** If a
6.19 coordinated member or former coordinated member dies ~~prior to~~
6.20 before retirement or ~~prior to~~ before the receipt of any
6.21 retirement annuity or other benefit payment which is or may be
6.22 payable and a surviving spouse optional annuity is not
6.23 payable ~~pursuant to~~ under subdivision 2, a refund ~~shall be paid~~
6.24 is payable to the person's surviving spouse, or if there is
6.25 none, to the person's designated beneficiary, or if there is
6.26 none, to the legal representative of the person's estate. The
6.27 refund shall be in an amount equal to the person's accumulated
6.28 contributions plus interest ~~at the rate of six percent per annum~~
6.29 ~~compounded annually~~ computed as provided in section 354A.37,
6.30 subdivision 3.

6.31 Sec. 33. Minnesota Statutes 2002, section 354A.37,
6.32 subdivision 3, is amended to read:

6.33 Subd. 3. **COMPUTATION OF REFUND AMOUNT.** A former
6.34 coordinated member who qualifies for a refund ~~pursuant to~~ under
6.35 subdivision 1 ~~shall~~ is entitled to receive a refund equal to the
6.36 amount of the former coordinated member's accumulated

7.1 contributions with interest at the rate of six percent per annum
7.2 compounded ~~annually~~ daily from the date that the contribution
7.3 was made until the date on which the refund is paid.

7.4 Sec. 34. Minnesota Statutes 2002, section 354A.37,
7.5 subdivision 4, is amended to read:

7.6 Subd. 4. **CERTAIN REFUNDS AT NORMAL RETIREMENT AGE.** Any
7.7 coordinated member who has attained the normal retirement age
7.8 with less than ten years of allowable service credit and who has
7.9 terminated active teaching service ~~shall be~~ is entitled, upon
7.10 receipt of a written application, to a refund in lieu of a
7.11 proportionate annuity ~~pursuant to~~ under section 356.32. The
7.12 refund ~~shall be~~ is an amount equal to the coordinated member's
7.13 accumulated employee contributions plus interest ~~at the rate of~~
7.14 ~~six percent compounded annually~~ computed as provided in section
7.15 354A.37, subdivision 3."

7.16 Renumber the sections in sequence

7.17 Correct the internal references

7.18 Amend the title accordingly

1.1 moves to amend the amendment to H.F. No.

1.2; S.F. No. (LCPR03-243), as follows:

1.3 Page 62, after line 16, insert:

1.4 "ARTICLE 11

1.5 ADDITIONAL TEACHERS RETIREMENT

1.6 ASSOCIATION ADMINISTRATIVE CHANGES

1.7 Section 1. Minnesota Statutes 2002, section 354.44,

1.8 subdivision 5, is amended to read:

1.9 Subd. 5. **RESUMPTION OF TEACHING SERVICE AFTER**

1.10 **RETIREMENT.** (a) Any person who retired under the provisions of

1.11 this chapter and has thereafter resumed teaching in any employer

1.12 unit to which this chapter applies is eligible to continue to

1.13 receive payments in accordance with the annuity except that

1.14 annuity payments must be reduced during the calendar year

1.15 immediately following any calendar year in which the person's

1.16 income from the teaching service is in an amount greater than

1.17 the annual maximum earnings allowable for that age for the

1.18 continued receipt of full benefit amounts monthly under the

1.19 federal old age, survivors and disability insurance program as

1.20 set by the secretary of health and human services under United

1.21 States Code, title 42, section 403. The amount of the reduction

1.22 must be one-half of the amount in excess of the applicable

1.23 reemployment income maximum specified in this subdivision and

1.24 must be deducted from the annuity payable for the calendar year

1.25 immediately following the calendar year in which the excess

1.26 amount was earned. If the person has not yet reached the

1.27 minimum age for the receipt of social security benefits, the

1.28 maximum earnings for the person must be equal to the annual

1.29 maximum earnings allowable for the minimum age for the receipt

1.30 of social security benefits.

1.31 (b) If the person is retired for only a fractional part of

1.32 the calendar year during the initial year of retirement, the

1.33 maximum reemployment income specified in this subdivision must

1.34 be prorated for that calendar year.

1.35 (c) After a person has reached the social security full

1.36 retirement age of ~~67~~70, no reemployment income maximum is

2.1 applicable regardless of the amount of income.

2.2 (d) The amount of the retirement annuity reduction must be
2.3 handled or disposed of as provided in section 356.47.

2.4 (e) For the purpose of this subdivision, income from
2.5 teaching service includes, but is not limited to:

2.6 (1) all income for services performed as a consultant or an
2.7 independent contractor for an employer unit covered by the
2.8 provisions of this chapter; and

2.9 (2) the greater of either the income received or an amount
2.10 based on the rate paid with respect to an administrative
2.11 position, consultant, or independent contractor in an employer
2.12 unit with approximately the same number of pupils and at the
2.13 same level as the position occupied by the person who resumes
2.14 teaching service.

2.15 Sec. 2. Minnesota Statutes 2002, section 354.48,
2.16 subdivision 10, is amended to read:

2.17 Subd. 10. **RETIREMENT STATUS AT NORMAL RETIREMENT AGE.**

2.18 (a) No person ~~shall be~~ is entitled to receive both a disability
2.19 benefit and a retirement annuity provided by this chapter.

2.20 (b) The disability benefit paid to a person hereunder ~~shall~~
2.21 must terminate at the end of the month in which the person
2.22 attains the normal retirement age. If the person is still
2.23 totally and permanently disabled at the beginning of the month
2.24 next following the month in which the person attains the normal
2.25 retirement age, the person ~~shall~~ must be deemed to be on
2.26 retirement status and, if the person had elected an optional
2.27 annuity ~~pursuant to~~ under subdivision 3a, ~~shall~~ must receive an
2.28 annuity in accordance with the terms of the optional annuity
2.29 previously elected, or, if the person had not elected an
2.30 optional annuity ~~pursuant to~~ under subdivision 3a, may elect to
2.31 receive a straight life retirement annuity equal to the
2.32 disability benefit paid ~~prior to~~ before the date on which the
2.33 person attains age 65 or reaches the five-year anniversary of
2.34 the effective date of the disability benefit, whichever is
2.35 later, or may elect to receive an optional annuity as provided
2.36 in section 354.45, subdivision 1.

3.1 (c) Election of an optional annuity must be made within 90
3.2 days of the normal retirement age ~~65~~ or the five-year
3.3 anniversary of the effective date of the disability benefit,
3.4 whichever is later.

3.5 (d) If an optional annuity is elected, the election ~~shall~~
3.6 ~~be~~ is effective on the date on which the person attains the
3.7 normal retirement age ~~65~~ or reaches the five-year anniversary of
3.8 the effective date of the disability benefit, whichever is
3.9 later. The optional annuity ~~shall begin~~ begins to accrue on the
3.10 first day of the month next following the month in which the
3.11 person attains the normal retirement age ~~65~~ or reaches the
3.12 five-year anniversary of the effective date of the disability
3.13 benefit, whichever is later.

3.14 Sec. 3. Minnesota Statutes 2002, section 356.302,
3.15 subdivision 3, is amended to read:

3.16 Subd. 3. **GENERAL EMPLOYEE PLAN ELIGIBILITY REQUIREMENTS.**

3.17 A disabled member of a covered retirement plan who has credit
3.18 for allowable service in a combination of general employee
3.19 retirement plans is entitled to a combined service disability
3.20 benefit if the member:

3.21 (1) is less than ~~65 years of~~ the normal retirement age on
3.22 the date of the application for the disability benefit;

3.23 (2) has become totally and permanently disabled;

3.24 (3) has credit for allowable service in any combination of
3.25 general employee retirement plans totaling at least three years;

3.26 (4) has credit for at least one-half year of allowable
3.27 service with the current general employee retirement plan before
3.28 the commencement of the disability;

3.29 (5) has at least three continuous years of allowable
3.30 service credit by the general employee retirement plan or has at
3.31 least a total of three years of allowable service credit by a
3.32 combination of general employee retirement plans in a 72-month
3.33 period during which no interruption of allowable service credit
3.34 from a termination of employment exceeded 29 days; and

3.35 (6) was not receiving a retirement annuity or disability
3.36 benefit from any covered general employee retirement plan at the

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4.1 time of the commencement of the disability.

4.2 Sec. 4. **EFFECTIVE DATE.**

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

4.4 Amend the title accordingly

- 1.1 moves to amend the amendment to H.F. No.
- 1.2; S.F. No. (LCPR03-243), as follows:
- 1.3 Page 11, line 23, after "under" insert "the"
- 1.4 Page 14, lines 16, 21, and 24, delete "shall" and insert
- 1.5 "must"
- 1.6 Page 16, line 35, delete the underscored comma
- 1.7 Page 17, line 8, after "or" insert an underscored comma
- 1.8 Page 17, line 15, before "uniformed" insert "the"
- 1.9 Page 18, line 10, before the third "the" insert "on which"
- 1.10 Page 18, line 26, before "break" insert "the"
- 1.11 Page 18, line 27, before "payment" insert "the"
- 1.12 Page 47, line 36, strike "shall" and insert "is entitled to"
- 1.13 Page 48, line 4, strike the comma
- 1.14 Page 48, line 7, after "school" insert an underscored comma
- 1.15 Page 48, lines 9 and 10, strike "shall" and insert "must"