

A bill for an act

relating to retirement; PERA-General; authorizing the purchase of prior service credit for a period of omitted member deductions for certain Inver Grove Heights public school employees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. PERA-GENERAL; PURCHASE OF OMITTED INVER GROVE HEIGHTS SCHOOL DISTRICT OMITTED MEMBER CONTRIBUTIONS.

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is entitled to purchase from the general employees retirement plan of the Public Employees Retirement Association allowable service credit under Minnesota Statutes, section 353.01, subdivision 16, for the period of omitted member deductions described in paragraph (c).

(b) An eligible person is a person who:

(1) was born on (insert applicable date of birth);

(2) is a current employee of Independent School District No. 199, Inver Grove Heights;

(3) is a current member of the general employees retirement plan of the Public Employees Retirement Association;

(4) was employed by Independent School District No. 199, Inver Grove Heights, on August 26, 1985; and

(5) was not reported by Independent School District No. 199, Inver Grove Heights, for retirement coverage by and membership in the general employees retirement plan of the Public Employees Retirement Association until September 1, 1986.

2.1 (c) The period of uncredited service authorized for purchase is the period of August
2.2 26, 1985, until August 31, 1986, during which no member contributions for the general
2.3 employees retirement plan of the Public Employees Retirement Association were
2.4 deducted from the eligible person's salary by Independent School District No. 199, Inver
2.5 Grove Heights.

2.6 (d) The purchase payment amount payable by the eligible person is four percent of
2.7 the eligible person's salary under Minnesota Statutes 1984, section 353.01, subdivision
2.8 10, from Independent School District No. 199, Inver Grove Heights, during the period of
2.9 August 26, 1985, until August 31, 1986, plus annual compound interest on that amount at
2.10 the rate of 8.5 percent from March 1, 1986, until the date on which payment is made to
2.11 the Public Employees Retirement Association. The purchase payment amount payable
2.12 by Independent School District No. 199, Inver Grove Heights, is the balance of the full
2.13 actuarial value prior service credit purchase payment amount determined under Minnesota
2.14 Statutes, section 356.551, as of the first day of the month next following the receipt of the
2.15 eligible person's payment that is remaining after deducting the purchase payment amount
2.16 payable by the eligible person.

2.17 (e) The school district purchase payment amount payable under paragraph (d) must
2.18 be made on or before the 15th of the month next following the receipt of the eligible
2.19 person's payment under paragraph (d). If the school district purchase payment amount is
2.20 not paid in a timely fashion, the amount due accrues compound monthly interest at the
2.21 rate of 0.71 percent per month from the first day of the month next following the receipt
2.22 of the eligible person's payment until the school district purchase payment amount is
2.23 received by the Public Employees Retirement Association. If the school district purchase
2.24 payment amount is not paid to the Public Employees Retirement Association 90 days
2.25 after the receipt of the eligible person's payment, the executive director shall notify the
2.26 commissioner of Minnesota Management and Budget, the commissioner of education, and
2.27 the commissioner of revenue of that unpaid obligation and the unpaid obligation must be
2.28 deducted from any state aid otherwise payable to the school district, plus interest.

2.29 (f) The eligible person must provide the executive director of the Public Employees
2.30 Retirement Association with any relevant requested information pertaining to this service
2.31 credit purchase.

2.32 (g) Authority to make a service credit purchase under this section expires on June
2.33 30, 2011, or upon the termination from public employment under Minnesota Statutes,
2.34 section 353.01, subdivision 11a, whichever occurs earlier.

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