

**Comparison of MSRS, PERA, and TRA Financial Sustainability Proposals (Amendment S2573-1A)**

	SF2573/HF2952						SF2631/HF2999			SF2499/HF2953
	MSRS-General	MSRS-Correct.	State Patrol	Judges	Legislators	ESO	PERA-General	PERA- Correct.	PERA-P&F	TRA
a. Contributions										
1. Member	--	--	+0.8%	--	--	--	+0.25%	--	+0.2%	+2.0%
2. Employer	--	--	+1.2%	--	--	--	+0.25%	--	+0.3%	+2.0%
3. Empl'er add'l	--	--	+10.0%	--	--	--	--	--	--	--
4. Contribution rate stabilizer	--	--	--	--	--	--	Modified	--	--	Added
b. Post-retirement adjustments	Reduced from 2.5% to 2.0%, restored when 90% funded on MVB,* 6-mo. waiting period imposed for initial increase.	Reduced from 2.5% to 2.0%, restored when 90% funded on MVB,* 6-mo. waiting period imposed for initial increase.	Reduced from 2.5% to 2.0%, restored when 90% funded on MVB,* 6-mo. waiting period imposed for initial increase.	Reduced from 2.5% to 2.0%, restored when 90% funded on MVB,* 6-mo. waiting period imposed for initial increase.	Reduced from 2.5% to 2.0%, restored once MSRS-Gen'l is 90% funded on MVB,* 6-mo. waiting period for initial increase.	Reduced from 2.5% to 2.0%, restored once MSRS-Gen'l is 90% funded on MVB,* 6-mo. waiting period for initial increase.	Reduced from 2.5% to 1.0%, restored when 90% funded on MVB,* rate reduced if fund later declines from 90% funded.	Reduced from 2.5% to 1.0%, restored when 90% funded on MVB,* rate reduced if fund later declines from 90% funded.	Reduced from 2.5% to 1.0%, restored when 90% funded on MVB,* rate reduced if fund later declines from 90% funded.	Adjustments suspended for 1/1/2011 & 1/1/2012, reduced from 2.5% to 2.0%, restored when 90% funded on MVB,* 6-mo. waiting period for initial increase.
c. Interest on refunds	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011	--	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011	Reduced from 6% to 4% after 6/30/2011
d. Deferred annuities augmentation	Reduced from 5, 3, or 2.5% to 2% after 12/31/2010	Reduced from 5, 3, or 2.5% to 2% after 12/31/2010	Reduced from 5, 3, or 2.5% to 2% after 12/31/2010	Reduced from 5, 3, or 2.5% to 2% after 12/31/2010	Reduced from 5, 3, or 2.5% to 2% after 12/31/2010	--	Eliminated after 12/31/2010	Eliminated after 12/31/2010	Eliminated after 12/31/2010	Reduced from 5, 3, or 2.5% to 2% after 6/30/2010
e. Reempl. annuitant earnings limitation deferral account interest	Eliminated after 1/1/2011	Eliminated after 1/1/2011	Eliminated after 1/1/2011	--	--	--	Eliminated after 1/1/2011	Eliminated after 1/1/2011	Eliminated after 1/1/2011	Eliminated after 1/1/2011
f. Vesting service requirement	For new members after 6/30/2010, increased from 3 years to 5 years.	For new members after 6/30/2010, increased from 3 years to 10 years.	For new members after 6/30/2010, increased from 3 years to 5 years.	--	--	--	For new members after 6/30/2010, increased from 3 years to 5 years.	For new members after 6/30/2010, incr. from 3 yrs to 50% vested w/ 5 yrs – 100% w/10 yrs.	For new members after 6/30/2010, incr. from 3 yrs to 50% vested w/ 5 yrs – 100% w/10 yrs.	--
g. Early retirement reduction factor, per year under age 55	--	For pre-6/30/2010 members retiring after 6/30/2010 & for new members after 6/30/2010, increased from 2.4% to 5.0%	For new members after 6/30/2010, increased from 1.2% to 2.4%	--	--	--	--	--	--	--
h. Benefit accrual rate percentage, per year of high-5 avg. salary	--	For new members after 6/30/2010, reduced from 2.4% to 2.2%	--	--	--	--	--	--	--	--

\*MVB = Market Value Basis



TO: Members of the Legislative Commission on Pensions and Retirement  
 FROM: Lawrence A. Martin, Executive Director *JAM*  
 RE: Amendment S2573-1A; Composite Financial Sustainability Proposals  
 DATE: March 2, 2010

Introduction

Following consideration of the financial sustainability proposals assembled and recommended by the governing boards of the Minnesota State Retirement System (S.F. 2573 (Betzold); H.F. 2952 (Murphy, M.)), the Public Employees Retirement Association (S.F. 2631 (Betzold); H.F. 2999 (Murphy, M., by request)), and the Teachers Retirement Association (S.F. 2499 (Betzold); H.F. 2953 (Murphy, M., by request)), the Commission Chair, Senator Don Betzold, requested that the Commission staff prepare a composite amendment containing the three financial sustainability proposals. That amendment, Amendment S2573-1A, is attached

General Summary of Amendment S2573-1A

Amendment S2573-1A contains the following benefit reductions and changes, contribution increases, and other provisions formulated and recommended by the governing boards of the Minnesota State Retirement System (MSRS), the Public Employees Retirement Association (PERA), and the Teachers Retirement Association (TRA):

1. Contribution Increases.

- a. MSRS Plans. The member contribution rate for the State Patrol Retirement Plan is increased by 0.8 percent of salary, the employer contribution rate for the State Patrol Retirement Plan is increased by 1.2 percent of salary, and an additional employer contribution of 10.0 percent of salary is created for the State Patrol Retirement Plan. (*Section 15*)
- b. PERA Plans. The member contribution rate for the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) is increased from 6.0 percent to 6.25 percent and for the Public Employees Police and Fire Retirement Plan (PERA-P&F) is increased from 9.4 percent to 9.6 percent. The employer contribution rate for PERA-General is increased from 6.0 percent to 6.25 percent and for PERA-P&F is increased from 14.1 percent to 14.4 percent. The automatic PERA-General contribution adjustment provision enacted in 2006 is modified to cover larger potential contribution increases in the event of large contribution deficiencies. (*Sections 23-25, and 34-35*)
- c. TRA. The Teachers Retirement Association (TRA) member contribution rates would be increased on a phase-in basis by two percent of covered salary over four years, with 0.5 percent increases occurring every July 1 beginning July 1, 2011. Employing unit contribution rates for TRA would be increased by two percent of covered salary on a phase-in basis over four years, with 0.5 percent increases occurring every July 1 beginning July 1, 2011. After July 1, 2015, if the TRA actuarial valuation indicates a contribution rate deficiency (i.e., total support as a percentage of covered salary compared to total financial requirements expressed as a percentage of covered salary) of at least 0.5 percent of covered payroll, with the approval of (or inaction by) the Legislative Commission on Pensions and Retirement, the member contribution rate will increase by 0.25 percent of covered salary and the employer contribution rate will increase by 0.25 percent of covered salary, with the downward adjustment if there is a contribution sufficiency. (*Sections 47-52*)

2. Post-Retirement Increase Rate Reduction.

- a. MSRS. Until the respective MSRS-administered plan achieves a 90 percent funding ratio (market value of assets as a percentage of actuarial accrued liability), the annual post-retirement adjustment rate is reduced from 2.5 percent to 2.0 percent for the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General), the Correctional Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional), the Legislators Retirement Plan, the Constitutional Officers Retirement Plan, the State Patrol Retirement Plan, and the Judges Retirement Plan. (*Section 65, New Subdivision 1a*)
- b. PERA Plans. Until the respective PERA-administered retirement plan achieves a 90 percent funding ratio on a market value of assets basis, the annual post-retirement adjustment rate is reduced from 2.5 percent to 1.0 percent for PERA-General, PERA-P&F, and the Local Government Correctional Service Retirement Plan (PERA-Correctional). (*Section 65, New Subdivision 1b*)

- c. TRA. The automatic 2.5 percent annual post-retirement adjustment enacted in 2008 and implemented in 2009 with the dissolution of the Minnesota Post Retirement Investment Fund, is suspended for the Teachers Retirement Association (TRA) for January 1, 2011, and for January 1, 2012 until the plan becomes 90 percent funded on a market value of assets. (*Section 65, New Subdivision 1c*)
3. Reinstitution of Minimum Waiting Period for the Initial Post-Retirement Adjustment. A retiree or other benefit recipient of any retirement plan administered by MSRS and of TRA would be required to be in receipt of the annuity or benefit for at least six months before qualifying for the initial post-retirement adjustment. (*Section 65, New Subdivisions 1a and 1c*)
  4. Refund Interest Rate Reduction. The rate of interest on refunds paid from any retirement plan administered by MSRS, PERA, or TRA is reduced from six percent annually to four percent annually. (*Sections 5, 21, 28, 31-32, and 53-54*)
  5. Deferred Annuity Augmentation Rate Reduction.
    - a. MSRS. The rate of compound increase during the deferred period on deferred retirement annuities is reduced from its current rates (three percent before age 55 and five percent after age 54 for pre-2006 hires and 2.5 percent at any age for post-2005 hires) to two percent for the Legislators Retirement Plan, MSRS-General, MSRS-Correctional, and the State Patrol Retirement Plan. (*Sections 1, 8, 9, and 20*)
    - b. PERA. The rate of compound increase during the deferral period on deferred retirement annuities is reduced from current rates (three percent before age 55 and five percent after age 54 for pre-2006 hires and 2.5 percent at any age for post-2005 hires) to no augmentation for PERA-General, PERA-P&F, and PERA-Correctional. (*Section 41*)
    - c. TRA. The current TRA deferred annuity augmentation rates of three percent per year until age 55 and five percent per year after age 55 for pre-July 1, 2006, hires and of 2.5 percent for post-June 30, 2006, hires are reduced to two percent per year. (*Section 55*)
  6. Elimination of the Reemployed Retiree Earnings Limitation Deferral Account Interest. The interest payable on the deferred benefit account for reemployed retirees who exceed the earnings limitation, set at a six percent compound rate, is eliminated for MSRS-General, MSRS-Correctional, PERA-General, PERA-P&F, PERA-Correctional, and TRA. (*Section 66*)
  7. Increased Vesting Requirements.
    - a. MSRS. The minimum allowable service credit required to obtain entitlement to a retirement annuity or other retirement benefit is increased from three years to five years for plan members newly hired after June 30, 2010, for MSRS-General and the State Patrol Retirement Plan, and from three years to ten years for plan members newly hired after June 30, 2010, for MSRS-Correctional. (*Sections 2-4, 6-7, 10-11, 13-14, and 16-19*)
    - b. PERA. For post-June 30, 2010, hires covered by PERA-General, the vesting period for retirement annuity and other benefit entitlement is increased from the current three years to five years of allowable service. For post-June 30, 2010, hires covered by PERA-P&F and PERA-Correctional, the vesting period for retirement annuity and certain other benefit entitlements is shifted from three-year cliff vesting to scaling-up vesting (50 percent with five years of allowable service to 100 percent with ten years of allowable service. (*Sections 22, 26-27, 29-31, 33, 36-40, and 42-46*)
  8. Increased Early Retirement Reduction Factor. The amount of the retirement annuity per year before the normal retirement age is reduced upon early retirement is increased from 1.2 percent to 2.4 percent for members of the State Patrol Retirement Plan newly hired after June 30, 2010, and from 2.4 percent to 5.0 percent for members of MSRS-Correctional if employed before July 1, 2010, and retiring after June 30, 2015, or if employed after June 30, 2010. (*Sections 11 and 17*)
  9. Reduced Benefit Accrual Formula Percentage Rate. The percentage rate applied to a final average salary and multiplied by the number of years of allowable service in calculating a single-life retirement annuity for MSRS-Correctional is reduced from 2.4 percent per year to 2.2 percent per year for newly hired plan members after June 30, 2010. (*Section 63*)
  10. Amortization Date Extension. The amortization date for MSRS-General is extended from 2020 to 2040. (*Section 57*)
  11. Revised Salary Increase Actuarial Assumption. The PERA-General salary increase and payroll increase assumptions are revised as recommended by its consulting actuary in the 2004-2008 PERA-General Quadrennial Experience Study. (*Section 56*)

## Section-by-Section Summary of Amendment S2573-1A

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
1	1.3	SF2573 (Betzold); HF2952 (Murphy, M.)	Legislators Retirement Plan	3A.02, Subd. 4	The rate of compound increase during the deferred period on deferred retirement annuities is reduced from its current rates (3% before age 55 and 5% after age 54 for pre-2006 hires and 2.5% at any age for post-2005 hires) to 2%.
2	1.19	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.113, Subd. 1	The minimum allowable service credit required to obtain entitlement to a disability benefit is increased from three years to five years for plan members newly hired after 6/30/2010.
3	1.30	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.115, Subd. 1	The minimum allowable service credit required to obtain entitlement to a retirement annuity is increased from three years to five years for plan members newly hired after 6/30/2010.
4	2.3	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.12, Subd. 2	The minimum allowable service credit required to obtain entitlement to a survivor benefit is increased from three years to five years for plan members newly hired after 6/30/2010.
5	3.8	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS- General	352.22, Subd. 2	The rate of interest on refunds is reduced from 6% annually to 4% annually.
6	3.18	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.22, Subd. 3	The minimum allowable service credit required to obtain entitlement to a deferred retirement annuity is increased from three years to five years for plan members newly hired after 6/30/2010.
7	4.5	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.72, Subd. 1	The minimum allowable service credit required to obtain entitlement to a retirement annuity with multiple retirement plan service credit is increased from three years to five years for plan members newly hired after 6/30/2010.
8	4.28	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.72, Subd. 2	The rate of compound increase during the deferred period on deferred retirement annuities is reduced from its current rates (3% before age 55 and 5% after age 54 for pre-2006 hires and 2.5% at any age for post-2005 hires) to 2%.
9	5.32	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	352.75, Subd. 4	The rate of compound increase during the deferred period on deferred retirement annuities is reduced from its current rates (3% before age 55 and 5% after age 54 for pre-2006 hires and 2.5% at any age for post-2005 hires) to 2%.
10	6.32	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-Correctional	352.93, Subd. 1	The minimum allowable service credit required to obtain entitlement to a retirement annuity is increased from three years to ten years for plan members newly hired after 6/30/2010.
11	7.9	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-Correctional	352.93, Subd. 2a	The minimum allowable service credit required to obtain entitlement to a retirement annuity is increased from three years to ten years for plan members newly hired after 6/30/2010, and the amount of the retirement annuity per year before the normal retirement age is reduced upon early retirement is increased from 2.4% to 5% for plan members if employed before 7/1/2010 and retiring after 6/30/2015 or if employed after 6/30/2010.
12	7.22	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-Correctional	352.93, Subd. 3a	Clarifies the age parameters for the Social Security leveling optional annuity form.
13	7.30	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-Correctional	352.931, Subd. 1	The minimum allowable service credit required to obtain entitlement to a surviving spouse benefit is increased from three years to ten years for plan members newly hired after 6/30/2010.
14	8.26	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-Correctional	352.95, Subd. 2	The minimum allowable service credit required to obtain entitlement to a disability benefit is increased from three years to ten years for plan members newly hired after 6/30/2010.
15	9.7	SF2573 (Betzold); HF2952 (Murphy, M.)	State Patrol Retirement Plan	352B.02	The member contribution rate is increased by 0.8% of salary, the employer contribution rate is increased by 1.2% of salary, and an additional employer contribution of 10% of salary is imposed.
16	10.21	SF2573 (Betzold); HF2952 (Murphy, M.)	State Patrol Retirement Plan	352B.08, Subd. 1	The minimum allowable service credit required to obtain entitlement to a retirement annuity is increased from three years to five years for plan members newly hired after 6/30/2010.
17	10.33	SF2573 (Betzold); HF2952 (Murphy, M.)	State Patrol Retirement Plan	352B.08, Subd. 2a	The minimum allowable service credit required to obtain entitlement to an early retirement annuity is increased from three years to five years for plan members newly hired after 6/30/2010. The early retirement reduction rate for plan members newly hired after 6/30/2010 is increased from 1.2% per year under age 55 to 2.4% per year under age 55.
18	11.9	SF2573 (Betzold); HF2952 (Murphy, M.)	State Patrol Retirement Plan	352B.11, Subd. 2a	The minimum allowable service credit required to obtain entitlement to a survivor benefit is increased from three years to five years for plan members newly hired after 6/30/2010.

## Section-by-Section Summary of Amendment S2573-1A

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
19	12.1	SF2573 (Betzold); HF2952 (Murphy, M.)	State Patrol Retirement Plan	352B.30, Subd. 1	The minimum allowable service credit required to obtain entitlement to a retirement annuity with multiple retirement plan service credit is increased from three years to five years for plan members newly hired after 6/30/2010.
20	12.21	SF2573 (Betzold); HF2952 (Murphy, M.)	State Patrol Retirement Plan	352B.30, Subd. 2	The rate of compound increase during the deferred period on deferred retirement annuities is reduced from its current rates (3% before age 55 and 5% after age 54 for pre-2006 hires and 2.5% at any age for post-2005 hires) to 2%.
21	13.1	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS Privatized Employees	352F.07	The rate of interest on refunds is reduced from 6% annually to 4% annually.
22	13.12	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-administered defined benefit plans	353.01, New Subd. 47	Adds a definition of "vesting," set at three years for pre-July 1, 2010, PERA-General plan members, five years for post-6/30/2010, PERA-General plan members, and scaled-up vesting between five years and ten years for PERA-P&F and PERA-Correctional plan members.
23	14.6	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.27, Subd. 2	Increases the coordinated program member contribution from 6.00% to 6.25%, effective on 1/1/2011.
24	14.18	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.27, Subd. 3	Increases the coordinated program employer contribution from 6.00% to 6.25%, effective on 1/1/2011.
25	14.28	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.27, Subd. 3b	Modifies the 2006 automatic contribution rate revision provision, provides for 0.5 or 0.75% of pay contribution increases with significant contribution deficiencies, requires a 1% of pay reserve if there is a future contribution sufficiency, requires implementation of any experience study related actuarial assumption changes before reducing contribution rates upon having a contribution sufficiency, and requires that funding for any future benefit increases be provided upon any future benefit increase proposal.
26	17.19	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.29, Subd. 1	Makes retirement annuity entitlement vesting consistent with vesting change in Sec. 22.
27	17.25	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.30, Subd. 1c	Makes retirement annuity entitlement vesting consistent with vesting change in Sec. 22.
28	18.1	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.32, Subd. 1	Makes refund interest rate change for death-related refund consistent with Sec. 32.
29	18.14	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.32, Subd. 1a	Makes the surviving spouse optional annuity entitlement vesting consistent with the vesting change in Sec. 22.
30	19.33	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.33, Subd. 1	Makes the disability benefit entitlement vesting consistent with the vesting change in Sec. 22.
31	20.9	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.34, Subd. 1	Makes refund interest rate change for post-termination refund consistent with Sec. 32.
32	20.26	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-administered retirement plans	353.34, Subd. 2	Reduces the refund interest rate from 6% to 4% for the post-6/20/2011, period.
33	21.6	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-General	353.34, Subd. 3	Makes the deferred annuitant annuity entitlement vesting consistent with the vesting change in Sec. 22.
34	21.22	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-P&F	353.65, Subd. 2	Increases the member contribution rate from 9.4% of salary to 9.6% of salary beginning for calendar year 2011.
35	21.30	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-P&F	353.65, Subd. 3	Increases the employer contribution rate from 14.1% of salary to 14.4% of salary beginning for calendar year 2011.
36	22.3	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-P&F	353.651, Subd. 1	Makes the retirement annuity entitlement vesting consistent with the vesting change in Sec. 22.
37	22.9	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-P&F	353.651, Subd. 4	Makes the early reduced retirement annuity entitlement vesting consistent with the vesting change in Sec. 22.
38	22.22	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-P&F	353.657, Subd. 1	Makes the not-in-line-of-duty death survivor benefit entitlement vesting consistent with the vesting change in Sec. 22.
39	23.6	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-P&F	353.657, Subd. 2a	Makes the death-while-eligible death survivor benefit entitlement vesting consistent with the vesting change in Sec. 22.
40	24.8	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-administered retirement plans	353.71, Subd. 1	Makes the service-in-more-than-one-plan retirement annuity entitlement vesting consistent with the vesting change in Sec. 22.
41	24.29	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-administered retirement plans	353.71, Subd. 2	Reduces the deferred annuity augmentation rates to 0% for post-12/31/2010, deferral periods.
42	26.5	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-Correctional	353E.04, Subd. 1	Makes the retirement annuity entitlement vesting consistent with the vesting change in Sec. 22.

## Section-by-Section Summary of Amendment S2573-1A

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
43	26.13	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-Correctional	353E.04, Subd. 4	Makes the reduced early retirement entitlement vesting consistent with the vesting change in Sec. 22.
44	26.21	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-Correctional	353E.07, Subd. 1	Makes the over age 49 disability benefit entitlement vesting consistent with the vesting change in Sec. 22.
45	26.31	SF2631 (Betzold); HF2999 (Murphy, M.)	PERA-Correctional	353E.07, Subd. 2	Makes the under age 50 disability benefit entitlement vesting consistent with the vesting change in Sec. 22.
46	27.10	SF2631 (Betzold); HF2999 (Murphy, M.)	Privatized employee provisions	353F.03	Makes a special vesting provision reference consistent with the vesting change in Sec. 22.
47	27.17	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.42, Subd. 2	Increases the Basic member contribution rate from 9% to 11% and the Coordinated member contribution rate from 5.5% to 7.5% in 0.5% annual increments from 7/1/2011, until 7/1/2014.
48	28.7	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.42, Subd. 3	Increases the employer contribution rate for Basic members from 9.5% to 11.5% and for Coordinated members from 5.5% to 7.5% in 0.5% annual increments from 7/1/2011, until 7/1/2014.
49	29.7	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.42, New Subd. 4a	Creates a procedure for determining whether or not there is a contribution deficiency or a contribution sufficiency.
50	29.24	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.42, New Subd. 4b	Provides for an automatic member and employer contribution rate increase of 0.25% each if there is a 2.00% of covered pay or smaller contribution deficiency and of 0.50% each if there is a greater than 2.00% of covered pay contribution deficiency.
51	30.9	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.42, New Subd. 4c	Requires that any contribution sufficiency of up to one percent of pay be reserved to offset any future funding requirement increase and requires any future proposed benefit increase include a recommendation on the additional funding for the modification.
52	30.32	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.42, New Subd. 4c	Requires Legislative Commission on Pensions and Retirement review and approval (or inaction) of any automatic member and employer contribution rate increase under Sec. 49 and 50.
53	31.9	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.47, Subd. 1	Reduces the interest on a refund payable upon the death of an active member where no larger survivor benefit is payable from 6% to 4%.
54	32.3	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.49, Subd. 2	Reduces the interest on a refund payable upon termination from 6% to 4%.
55	32.18	SF2499 (Betzold); HF2953 (Murphy, M.)	TRA	354.55, Subd. 11	Reduces the deferred annuity augmentation rate from 3% before age 56 and 5% after age 55 for pre-7/1/2006 hires and from 2.5% for post-6/30/2006 hires to 2%.
56	34.11	SF2631 (Betzold); HF2999 (Murphy, M.)	Retirement plan actuarial work	356.215, Subd. 8	Replaces the PERA-General age-related select and ultimate select and ultimate future salary increase actuarial assumption with a service-related salary increase actuarial assumption.
57	39.20	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-General	356.215, Subd. 11	The amortization target date is extended from 2020 to 2040.
58	42.7	SF2573 (Betzold); HF2952 (Murphy, M.)	Combined service annuity	356.30, Subd. 1	Accommodates longer retirement plan vesting requirements in qualifying for a combined service annuity.
59	44.3	SF2573 (Betzold); HF2952 (Murphy, M.)	Combined service disability benefit	356.302, Subd. 3	Accommodates longer retirement plan vesting requirements in qualifying for a combined service disability benefit for general employees.
60	44.23	SF2573 (Betzold); HF2952 (Murphy, M.)	Combined service disability benefit	356.302, Subd. 4	Accommodates longer retirement plan vesting requirements in qualifying for a combined service disability benefit for public safety employees.
61	45.7	SF2573 (Betzold); HF2952 (Murphy, M.)	Combined service disability benefit	356.302, Subd. 5	Accommodates longer retirement plan vesting requirements in qualifying for a combined service disability benefit for combined general and public safety employees.
62	45.19	SF2573 (Betzold); HF2952 (Murphy, M.)	Combined service survivor benefit	356.303, Subd. 2	Accommodates longer retirement plan vesting requirements in qualifying for a combined service survivor benefit.
63	46.1	SF2573 (Betzold); HF2952 (Murphy, M.)	MSRS-Correctional	356.315, Subd. 5	The percentage rate applied to a final average salary and multiplied by the number of years of allowable service in calculating a single-life retirement annuity is reduced from 2.4 percent per year to 2.2 percent per year for newly hired plan members after June 30, 2010.
64	46.5	SF2499 (Betzold); HF2953 (Murphy, M.); SF2573 (Betzold); HF2952 (Murphy, M.); SF2631 (Betzold); HF2999 (Murphy, M.)	Various statewide retirement plans	356.415, Subd. 1	Excludes the various statewide retirement plans from the general statewide retirement plan post-retirement adjustment provision until financial sustainability is regained.

## Section-by-Section Summary of Amendment S2573-1A

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
65	46.33	SF2499 (Betzold); HF2953 (Murphy, M.); SF2573 (Betzold); HF2952 (Murphy, M.); SF2631 (Betzold); HF2999 (Murphy, M.)	Various statewide retirement plans	356.415, New Subd. 1a, 1b, and 1c	Until the respective plan achieves a 90% funding ratio (market value of assets as a percentage of actuarial accrued liability), the annual post-retirement adjustment rate is reduced from 2.5% to 2.0% for MSRS-administered plans, suspended for TRA in 2011 and 2012, reduced from 2.5% to 2.0% for TRA after 2012, and from 2.5% to 1% for PERA-administered retirement plans. A retiree or other benefit recipient of any retirement plan administered by MSRS and TRA would be required to be in receipt of the annuity or benefit for at least six months before qualifying for the initial post-retirement adjustment.
66	50.22	SF2499 (Betzold); HF2953 (Murphy, M.); SF2573 (Betzold); HF2952 (Murphy, M.); SF2631 (Betzold); HF2999 (Murphy, M.)	Various retirement plans	356.47, Subd. 3	The interest payable on the deferred benefit account for reemployed retirees who exceed the earnings limitation, set at a 6% compound rate, is eliminated.
67	51.16	--	--	Effective date	The proposed legislation is effective upon final enactment.