

1.1 A bill for an act

1.2 relating to retirement; Public Employees Retirement Association defined benefit  
1.3 retirement plans; increasing the minimum salary threshold for plan coverage  
1.4 eligibility; amending Minnesota Statutes 2015 Supplement, section 353.01,  
1.5 subdivisions 2a, 2b.

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

1.7 Section 1. Minnesota Statutes 2015 Supplement, section 353.01, subdivision 2a,  
1.8 is amended to read:

1.9 Subd. 2a. **Included employees; mandatory membership.** (a) Public employees  
1.10 whose annual salary from one governmental subdivision is stipulated in advance to exceed  
1.11 ~~\$5,100~~ \$14,800 if the person is not a school year employee or ~~\$3,800~~ \$11,100 if the  
1.12 person is a school year employee and who are not specifically excluded under subdivision  
1.13 2b or who have not been provided an option to participate under subdivision 2d, whether  
1.14 individually or by action of the governmental subdivision, must participate as members of  
1.15 the association with retirement coverage by the general employees retirement plan under  
1.16 this chapter, the public employees police and fire retirement plan under this chapter, or the  
1.17 local government correctional employees retirement plan under chapter 353E, whichever  
1.18 applies. Membership commences as a condition of their employment on the first day of  
1.19 their employment or on the first day that the eligibility criteria are met, whichever is later.  
1.20 Public employees include but are not limited to:

1.21 (1) persons whose salary meets the threshold in this paragraph from employment in  
1.22 one or more positions within one governmental subdivision;

1.23 (2) elected county sheriffs;

2.1 (3) persons who are appointed, employed, or contracted to perform governmental  
2.2 functions that by law or local ordinance are required of a public officer, including, but  
2.3 not limited to:

2.4 (i) town and city clerk or treasurer;

2.5 (ii) county auditor, treasurer, or recorder;

2.6 (iii) city manager as defined in section 353.028 who does not exercise the option  
2.7 provided under subdivision 2d; or

2.8 (iv) emergency management director, as provided under section 12.25;

2.9 (4) physicians under section 353D.01, subdivision 2, who do not elect public  
2.10 employees defined contribution plan coverage under section 353D.02, subdivision 2;

2.11 (5) full-time employees of the Dakota County Agricultural Society;

2.12 (6) employees of the Red Wing Port Authority who were first employed by the  
2.13 Red Wing Port Authority before May 1, 2011, and who are not excluded employees  
2.14 under subdivision 2b;

2.15 (7) employees of the Seaway Port Authority of Duluth who are not excluded  
2.16 employees under subdivision 2b;

2.17 (8) employees of the Stevens County Housing and Redevelopment Authority who  
2.18 were first employed by the Stevens County Housing and Redevelopment Authority before  
2.19 May 1, 2014, and who are not excluded employees under subdivision 2b;

2.20 (9) employees of the Minnesota River Area Agency on Aging who were first  
2.21 employed by a Regional Development Commission before January 1, 2016, and who are  
2.22 not excluded employees under subdivision 2b; and

2.23 (10) employees of the Public Employees Retirement Association.

2.24 (b) A public employee or elected official who was a member of the association on  
2.25 June 30, 2002, based on employment that qualified for membership coverage by the public  
2.26 employees retirement plan or the public employees police and fire plan under this chapter,  
2.27 or the local government correctional employees retirement plan under chapter 353E as of  
2.28 June 30, 2002, retains that membership for the duration of the person's employment in that  
2.29 position or incumbency in elected office. Except as provided in subdivision 28, the person  
2.30 shall participate as a member until the employee or elected official terminates public  
2.31 employment under subdivision 11a or terminates membership under subdivision 11b.

2.32 (c) If in any subsequent year the annual salary of an included public employee is  
2.33 less than the minimum salary threshold specified in this subdivision, the member retains  
2.34 membership eligibility.

3.1 (d) For the purpose of participation in the general employees retirement plan, public  
3.2 employees include employees who were members of the former Minneapolis Employees  
3.3 Retirement Fund on June 29, 2010.

3.4 Sec. 2. Minnesota Statutes 2015 Supplement, section 353.01, subdivision 2b, is  
3.5 amended to read:

3.6 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible  
3.7 to participate as members of the association with retirement coverage by the general  
3.8 employees retirement plan, the local government correctional employees retirement plan  
3.9 under chapter 353E, or the public employees police and fire retirement plan:

3.10 (1) persons whose annual salary from one governmental subdivision never exceeds  
3.11 an amount, stipulated in writing in advance, of ~~\$5,100~~ \$14,800 if the person is not a  
3.12 school district employee or ~~\$3,800~~ \$11,100 if the person is a school year employee. If  
3.13 annual compensation from one governmental subdivision to an employee exceeds the  
3.14 stipulated amount in a calendar year or a school year, whichever applies, after being  
3.15 stipulated in advance not to exceed the applicable amount, the stipulation is no longer  
3.16 valid and contributions must be made on behalf of the employee under section 353.27,  
3.17 subdivision 12, from the first month in which the employee received salary exceeding  
3.18 ~~\$425~~ \$1,235 in a month;

3.19 (2) public officers who are elected to a governing body, city mayors, or persons who  
3.20 are appointed to fill a vacancy in an elective office of a governing body, whose term of office  
3.21 commences on or after July 1, 2002, for the service to be rendered in that elective position;

3.22 (3) election judges and persons employed solely to administer elections;

3.23 (4) patient and inmate personnel who perform services for a governmental  
3.24 subdivision;

3.25 (5) except as otherwise specified in subdivision 12a, employees who are employed  
3.26 solely in a temporary position as defined under subdivision 12a, and employees who  
3.27 resign from a nontemporary position and accept a temporary position within 30 days of  
3.28 that resignation in the same governmental subdivision;

3.29 (6) employees who are employed by reason of work emergency caused by fire,  
3.30 flood, storm, or similar disaster, but if the person becomes a probationary or provisional  
3.31 employee within the same pay period, other than on a temporary basis, the person is a  
3.32 "public employee" retroactively to the beginning of the pay period;

3.33 (7) employees who by virtue of their employment in one governmental subdivision  
3.34 are required by law to be a member of and to contribute to any of the plans or funds  
3.35 administered by the Minnesota State Retirement System, the Teachers Retirement

4.1 Association, or the St. Paul Teachers Retirement Fund Association, but this exclusion  
4.2 must not be construed to prevent a person from being a member of and contributing to  
4.3 the Public Employees Retirement Association and also belonging to and contributing to  
4.4 another public pension plan or fund for other service occurring during the same period  
4.5 of time, and a person who meets the definition of "public employee" in subdivision 2 by  
4.6 virtue of other service occurring during the same period of time becomes a member of the  
4.7 association unless contributions are made to another public retirement plan on the salary  
4.8 based on the other service or to the Teachers Retirement Association by a teacher as  
4.9 defined in section 354.05, subdivision 2;

4.10 (8) persons who are members of a religious order and are excluded from coverage  
4.11 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the  
4.12 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),  
4.13 as amended, if no irrevocable election of coverage has been made under section 3121(r) of  
4.14 the Internal Revenue Code of 1954, as amended;

4.15 (9) persons who are:

4.16 (i) employed by a governmental subdivision who have not reached the age of 23  
4.17 and who are enrolled on a full-time basis to attend or are attending classes on a full-time  
4.18 basis at an accredited school, college, or university in an undergraduate, graduate, or  
4.19 professional-technical program, or at a public or charter high school;

4.20 (ii) employed as resident physicians, medical interns, pharmacist residents, or  
4.21 pharmacist interns and are serving in a degree or residency program in a public hospital  
4.22 or in a public clinic; or

4.23 (iii) students who are serving for a period not to exceed five years in an internship  
4.24 or a residency program that is sponsored by a governmental subdivision, including an  
4.25 accredited educational institution;

4.26 (10) persons who hold a part-time adult supplementary technical college license who  
4.27 render part-time teaching service in a technical college;

4.28 (11) except for employees of Hennepin County or employees of Hennepin  
4.29 Healthcare System, Inc., foreign citizens who are employed by a governmental subdivision  
4.30 under a work permit or under an H-1b visa initially issued or extended for a combined  
4.31 period of less than three years of employment but upon extension of the employment of  
4.32 the visa beyond the three-year period, the foreign citizen must be reported for membership  
4.33 beginning on the first of the month following the extension if the monthly earnings  
4.34 threshold as provided under subdivision 2a, paragraph (a), is met;

5.1 (12) public hospital employees who elected not to participate as members of the  
5.2 association before 1972 and who did not elect to participate from July 1, 1988, to October  
5.3 1, 1988;

5.4 (13) except as provided in section 353.86, volunteer ambulance service personnel, as  
5.5 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel  
5.6 may still qualify as public employees under subdivision 2 and may be members of the  
5.7 Public Employees Retirement Association and participants in the general employees  
5.8 retirement plan or the public employees police and fire plan, whichever applies, on the  
5.9 basis of compensation received from public employment service other than service as  
5.10 volunteer ambulance service personnel;

5.11 (14) except as provided in section 353.87, volunteer firefighters, as defined in  
5.12 subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties,  
5.13 but a person who is a volunteer firefighter may still qualify as a public employee under  
5.14 subdivision 2 and may be a member of the Public Employees Retirement Association and  
5.15 a participant in the general employees retirement plan or the public employees police  
5.16 and fire plan, whichever applies, on the basis of compensation received from public  
5.17 employment activities other than those as a volunteer firefighter;

5.18 (15) pipefitters and associated trades personnel employed by Independent School  
5.19 District No. 625, St. Paul, with coverage under a collective bargaining agreement by the  
5.20 pipefitters local 455 pension plan who were either first employed after May 1, 1997, or,  
5.21 if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter  
5.22 241, article 2, section 12;

5.23 (16) electrical workers, plumbers, carpenters, and associated trades personnel who  
5.24 are employed by Independent School District No. 625, St. Paul, or the city of St. Paul,  
5.25 who have retirement coverage under a collective bargaining agreement by the Electrical  
5.26 Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan,  
5.27 or the pension plan applicable to Carpenters Local 322 who were either first employed  
5.28 after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under  
5.29 Laws 2000, chapter 461, article 7, section 5;

5.30 (17) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers,  
5.31 painters, allied tradesworkers, and plasterers who are employed by the city of St. Paul  
5.32 or Independent School District No. 625, St. Paul, with coverage under a collective  
5.33 bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan,  
5.34 the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324  
5.35 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities  
5.36 Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if

6.1 first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special  
6.2 Session chapter 10, article 10, section 6;

6.3 (18) plumbers who are employed by the Metropolitan Airports Commission, with  
6.4 coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan,  
6.5 who either were first employed after May 1, 2001, or if first employed before May 2,  
6.6 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article  
6.7 10, section 6;

6.8 (19) employees who are hired after June 30, 2002, solely to fill seasonal positions  
6.9 under subdivision 12b which are limited in duration by the employer to 185 consecutive  
6.10 calendar days or less in each year of employment with the governmental subdivision;

6.11 (20) persons who are provided supported employment or work-study positions by a  
6.12 governmental subdivision and who participate in an employment or industries program  
6.13 maintained for the benefit of these persons where the governmental subdivision limits the  
6.14 position's duration to up to five years, including persons participating in a federal or state  
6.15 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment  
6.16 relief program where the training or work experience is not provided as a part of, or  
6.17 for, future permanent public employment;

6.18 (21) independent contractors and the employees of independent contractors;

6.19 (22) reemployed annuitants of the association during the course of that reemployment;

6.20 (23) persons appointed to serve on a board or commission of a governmental  
6.21 subdivision or an instrumentality thereof;

6.22 (24) persons employed as full-time fixed-route bus drivers by the St. Cloud  
6.23 Metropolitan Transit Commission who are members of the International Brotherhood  
6.24 of Teamsters Local 638 and who are, by virtue of that employment, members of the  
6.25 International Brotherhood of Teamsters Central States pension plan; and

6.26 (25) electricians or pipefitters employed by the Minneapolis Park and Recreation  
6.27 Board, with coverage under a collective bargaining agreement by the IBEW local 292, or  
6.28 pipefitters local 539 pension plan, who were first employed before May 2, 2015, and who  
6.29 elected to be excluded under Laws 2015, chapter 68, article 11, section 5.

6.30 (b) Any person performing the duties of a public officer in a position defined in  
6.31 subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an  
6.32 employee of an independent contractor.