

1.1 moves to amend H.F. No. 3082; S.F. No. 2720, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 POSTRETIREMENT PROVISIONS

1.5 Section 1. Minnesota Statutes 2006, section 11A.18, is amended by adding a
1.6 subdivision to read:

1.7 Subd. 2a. Composite funded ratio. (a) Annually, following June 30, the executive
1.8 director of the State Board of Investment shall determine the composite funded ratio
1.9 of the postretirement investment fund. The composite funded ratio must be stated as a
1.10 percentage and must be calculated using:

1.11 (1) the total fair market value of the postretirement investment fund as of June 30,
1.12 calculated in accordance with generally accepted accounting principles; divided by

1.13 (2) the total reserves required as of June 30 for the annuities or benefits payable from
1.14 the postretirement investment fund on that June 30 to all recipients of participating public
1.15 pension plans or funds, as determined by the actuary retained under section 356.214 using
1.16 the applicable assumptions in section 356.215.

1.17 (b) The executive director of the State Board of Investment shall certify the
1.18 composite funded ratio to the executive directors of the in the Minnesota postretirement
1.19 investment plans participating retirement fund and to the executive director of the
1.20 Legislative Commission on Pensions and Retirement by November 30 annually.

1.21 EFFECTIVE DATE. This section is effective June 30, 2008.

1.22 Sec. 2. Minnesota Statutes 2006, section 11A.18, subdivision 9, is amended to read:

1.23 Subd. 9. **Calculation of postretirement adjustment.** (a) Annually, following June
1.24 30, the state board shall use the procedures in paragraphs (b), (c), and (d) to determine

2.1 whether a postretirement adjustment under this subdivision is payable and to determine
2.2 the amount of any postretirement adjustment under this subdivision.

2.3 (b) (1) If the Consumer Price Index for urban wage earners and clerical workers all
2.4 items index published by the Bureau of Labor Statistics of the United States Department
2.5 of Labor increases from June 30 of the preceding year to June 30 of the current year, the
2.6 state board shall certify the percentage increase.

2.7 (2) The amount certified must not exceed ~~the lesser of the difference between the~~
2.8 ~~preretirement interest assumption and postretirement interest assumption in section~~
2.9 ~~356.215, subdivision 8, paragraph (a), or~~

2.10 2.5 percent.

2.11 ~~for the Minneapolis Employees Retirement Fund, the amount certified must not~~
2.12 ~~exceed 3.5 percent.~~

2.13 (c) If the amount calculated under paragraph (b), clause (1), is greater than the
2.14 maximum amount allowable under paragraph (b), clause (2), in addition to any percentage
2.15 increase certified under paragraph (b), the board shall use the following procedures to
2.16 determine if a postretirement adjustment is payable under this paragraph:

2.17 (1) the state board shall determine the total fair market value of the fund on June
2.18 30 of that year;

2.19 (2) the amount of reserves required as of the current June 30 for the annuity or
2.20 benefit payable to an annuitant and benefit recipient of the participating public pension
2.21 plans or funds must be determined by the actuary retained under section 356.214. An
2.22 annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12
2.23 full months as of the current June 30 is eligible to receive a full postretirement adjustment.
2.24 An annuitant or benefit recipient who has been receiving an annuity or benefit for at
2.25 least one full month, but less than 12 full months as of the current June 30, is eligible to
2.26 receive a partial postretirement adjustment. Each fund shall report separately the amount
2.27 of the reserves for those annuitants and benefit recipients who are eligible to receive
2.28 a full postretirement benefit adjustment. This amount is known as "eligible reserves."
2.29 Each fund shall also report separately the amount of the reserves for those annuitants
2.30 and benefit recipients who are not eligible to receive a postretirement adjustment. This
2.31 amount is known as "noneligible reserves." For an annuitant or benefit recipient who is
2.32 eligible to receive a partial postretirement adjustment, each fund shall report separately
2.33 as additional "eligible reserves" an amount that bears the same ratio to the total reserves
2.34 required for the annuitant or benefit recipient as the number of full months of annuity
2.35 or benefit receipt as of the current June 30 bears to 12 full months. The remainder of
2.36 the annuitant's or benefit recipient's reserves must be separately reported as additional

3.1 "noneligible reserves." The amount of "eligible" and "noneligible" required reserves
3.2 must be certified to the board by the actuary retained under section 356.214 as soon as is
3.3 practical following the current June 30;

3.4 (3) the state board shall determine the percentage increase certified under paragraph
3.5 (b) multiplied by the eligible required reserves, as adjusted for mortality gains and losses
3.6 under subdivision 11, determined under clause (2);

3.7 (4) the state board shall add the amount of reserves required for the annuities or
3.8 benefits payable to annuitants and benefit recipients of the participating public pension
3.9 plans or funds as of the current June 30 to the amount determined under clause (3);

3.10 (5) the state board shall subtract the amount determined under clause (4) from the
3.11 total fair market value of the fund determined under clause (1);

3.12 (6) the state board shall adjust the amount determined under clause (5) by the
3.13 cumulative current balance determined under clause (8) and any negative balance carried
3.14 forward under clause (9);

3.15 (7) a positive amount resulting from the calculations in clauses (1) to (6) is the
3.16 excess market value. A negative amount is the negative balance;

3.17 (8) the state board shall allocate one-fifth of the excess market value or one-fifth
3.18 of the negative balance to each of five consecutive years, beginning with the fiscal year
3.19 ending the current June 30; ~~and~~

3.20 (9) to calculate the postretirement adjustment under this paragraph ~~based on~~
3.21 ~~investment performance for a fiscal year~~, the state board shall add together all excess
3.22 market value allocated to that year and subtract from the sum all negative balances
3.23 allocated to that year. If this calculation results in a negative number, the entire negative
3.24 balance must be carried forward and allocated to the next year. If the resulting amount is
3.25 positive, a postretirement adjustment is payable under this paragraph. The board shall
3.26 express a positive amount as a percentage of the total eligible required reserves certified to
3.27 the board under clause (2). The percentage determined under this paragraph is not payable
3.28 unless the amount calculated under paragraph (b), clause (i) is greater than 2.5 percent
3.29 and must not exceed the difference by which the amount calculated under paragraph (b),
3.30 clause (i) exceeds

3.31 2.5 percent; and

3.32 (d) The state board shall determine the amount of any postretirement adjustment
3.33 which is payable using the following procedure:

3.34 (1) The total "eligible" required reserves as of the first of January next following the
3.35 end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or
3.36 partial postretirement adjustment as determined by clause (2) must be certified to the state

4.1 board by the actuary retained under section 356.214. The total "eligible" required reserves
4.2 must be determined by the actuary retained under section 356.214 on the assumption that
4.3 all annuitants and benefit recipients eligible to receive a full or partial postretirement
4.4 adjustment will be alive on the January 1 in question; and

4.5 (2) The state board shall add the percentage certified under paragraph (b) to any
4.6 positive percentage calculated under paragraph (c). The board shall not subtract from the
4.7 percentage certified under paragraph (b) any negative amount calculated under paragraph
4.8 (c). The sum of these percentages ~~must be carried to five decimal places and~~ must be
4.9 certified to each participating public pension fund or plan as the full postretirement
4.10 adjustment percentage. The full postretirement adjustment percentage certified to each
4.11 participating public pension plan or fund must not exceed five percent. For the Minneapolis
4.12 Employees Retirement Fund, no maximum percentage adjustment is applicable.

4.13 (e) A retirement annuity payable in the event of retirement before becoming eligible
4.14 for Social Security benefits as provided in section 352.116, subdivision 3; 353.29,
4.15 subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity
4.16 and a life retirement annuity for the purposes of any postretirement adjustment. The
4.17 period certain retirement annuity plus the life retirement annuity must be the annuity
4.18 amount payable until age 62 or 65, whichever applies. A postretirement adjustment
4.19 granted on the period certain retirement annuity must terminate when the period certain
4.20 retirement annuity terminates.

4.21 **EFFECTIVE DATE.** This section is effective June 30, 2008.

4.22 Sec. 3. Minnesota Statutes 2006, section 11A.18, is amended by adding a subdivision
4.23 to read:

4.24 **Subd. 9a. Lost purchasing power increase.** (a) This subdivision applies for fiscal
4.25 years ending June 30 in which all of the following conditions exist:

4.26 (1) the composite funded ratio for the postretirement investment fund as of June 30,
4.27 as certified by the executive director of the State Board of Investment under subdivision
4.28 2a is more than 90 percent;

4.29 (2) the State Board of Investment determines that the time weighted total rate of
4.30 return on investment of assets in the postretirement investment fund for the fiscal year
4.31 ending June 30 exceeds 8.5 percent; and

4.32 (3) the postretirement adjustment percentage certified under subdivision 9, paragraph
4.33 (b), is less than 2.5 percent.

4.34 (b) The lost purchasing power postretirement increase is payable the following
4.35 January 1.

5.1 (c) Each participating public pension plan must annually calculate:

5.2 (1) the cumulative postretirement adjustment percentage applied to the annuity or
5.3 benefit paid to each eligible annuitant and benefit recipient since the person first received a
5.4 postretirement adjustment; and

5.5 (2) the increase in the Consumer Price Index for urban wage earners and clerical
5.6 workers all items index published by the Bureau of Labor Statistics of the United
5.7 States Department of Labor from June 30 of the year before the person first received a
5.8 postretirement adjustment to June 30 of the current year. If a person received a prorated
5.9 increase under subdivision 9, paragraph (c), clause (2), the same ratio of the number of
5.10 months receiving a monthly benefit to twelve months must be applied to the inflation
5.11 calculation for the fiscal year used to calculate the prorated amount of lost purchasing
5.12 power for that period.

5.13 (d) If the percentage in paragraph (c), clause (2), is greater than the percentage in
5.14 paragraph (c), clause (1), with respect to an eligible annuitant or benefit recipient, and
5.15 the conditions in paragraph (a) exist, that person is eligible to receive an increase under
5.16 this subdivision.

5.17 (e) The percentage increase payable to an eligible annuitant or benefit recipient
5.18 under this subdivision may not exceed the difference between 2.5 percent and the amount
5.19 certified under subdivision 9 or the amount calculated under paragraph (c), whichever is
5.20 lower. The percentage increase otherwise payable under this subdivision must be reduced
5.21 as provided in paragraph (f).

5.22 (f) The actuary retained under section 356.214 must determine:

5.23 (1) the reserves that would be required to pay in full the adjustments determined
5.24 under paragraph (c); and

5.25 (2) the excess market value necessary to maintain the accrued liability composite
5.26 funding ratio determined under subdivision 2a is at least 90 percent. If the calculated result
5.27 under clause (1) of this paragraph is greater than the calculated result under clause (2), the
5.28 increase payable to each eligible annuitant or benefit recipient under this subdivision must
5.29 be reduced to that portion of the full potential increase amount that equals the ratio that the
5.30 calculated result under clause (2) bears to the calculated result under clause (1).

5.31 (f) A percentage increase certified under this subdivision must be added to the
5.32 percentage certified under subdivision 9, and the total resulting percentage must be
5.33 certified to each participating public pension plan as the full postretirement adjustment
5.34 percentage.

5.35 **EFFECTIVE DATE.** This section is effective June 30, 2008.

6.1 Sec. 4. Minnesota Statutes 2006, section 11A.18, is amended by adding a subdivision
6.2 to read:

6.3 Subd. 9b. Excess assets trigger. If the composite funded ratio of the postretirement
6.4 investment fund determined under subdivision 2a is 115 percent or greater as of June 30 of
6.5 any year, the governing bodies of the retirement plans participating in the postretirement
6.6 investment fund must jointly report to the Legislative Commission on Pensions and
6.7 Retirement by the next January 15. The report must evaluate and make recommendations
6.8 with respect to the overall benefits and funding of the retirement funds for both active
6.9 employees and benefit recipients.

6.10 **EFFECTIVE DATE.** This section is effective June 30, 2008.

6.11 Sec. 5. Minnesota Statutes 2006, section 356.41, is amended to read:

6.12 **356.41 BENEFIT ADJUSTMENTS FOR CERTAIN DISABILITY AND**
6.13 **SURVIVOR BENEFITS.**

6.14 (a) Disability benefits payable to a disabilitant, if not otherwise included in the
6.15 participation in the Minnesota postretirement investment fund, and survivor benefits
6.16 payable to a survivor from any public pension plan which participates in the Minnesota
6.17 postretirement investment fund must be adjusted in the same manner, at the same times
6.18 and in the same amounts as are benefits payable from the Minnesota postretirement
6.19 investment fund to comparable eligible benefit recipients of that public pension plan.

6.20 (b) If a disability benefit is not included in the participation in the Minnesota
6.21 postretirement investment fund, if the disability benefit is recomputed as a retirement
6.22 annuity and the recipient would have been eligible for an adjustment under this section if
6.23 the disability benefit was not recomputed, the recipient remains eligible for the adjustment
6.24 under this section after the recomputation.

6.25 (c) For the survivor of a deceased annuitant who receives a survivor benefit
6.26 calculated under a prior law rather than the second portion of a joint and survivor
6.27 annuity, any period of receipt of a retirement annuity by the annuitant must be utilized in
6.28 determining the period of receipt for eligibility to receive an adjustment under this section.

6.29 (d) No recipient, however, is entitled to more than one adjustment under this section
6.30 or section 11A.18 applicable to one benefit ~~at one time~~ during a year by reason of this
6.31 section.

6.32 **EFFECTIVE DATE.** This section is effective June 30, 2008.

6.33 Sec. 6. Minnesota Statutes 2007 Supplement, section 422A.06, subdivision 8, is
6.34 amended to read:

7.1 Subd. 8. **Retirement benefit fund.** (a) The retirement benefit fund consists of
7.2 amounts held for payment of retirement allowances for members retired under this chapter,
7.3 including any transfer amount payable under subdivision 3, paragraph (c).

7.4 (b) Unless subdivision 3, paragraph (c), applies, assets equal to the required
7.5 reserves for retirement allowances under this chapter determined in accordance with the
7.6 appropriate mortality table adopted by the board of trustees based on the experience of the
7.7 fund as recommended by the actuary retained under section 356.214 must be transferred
7.8 from the deposit accumulation fund to the retirement benefit fund as of the last business
7.9 day of the month in which the retirement allowance begins. The income from investments
7.10 of these assets must be allocated to this fund and any interest charge under subdivision
7.11 3, paragraph (c), must be credited to the fund. There must be paid from this fund the
7.12 retirement annuities authorized by law. A required reserve calculation for the retirement
7.13 benefit fund must be made by the actuary retained under section 356.214 and must be
7.14 certified to the retirement board by the actuary retained under section 356.214.

7.15 ~~(c) The retirement benefit fund must be governed by the applicable laws governing~~
7.16 ~~the accounting and audit procedures, investment, actuarial requirements, calculation and~~
7.17 ~~payment of postretirement benefit adjustments, discharge of any deficiency in the assets~~
7.18 ~~of the fund when compared to the actuarially determined required reserves, and other~~
7.19 ~~applicable operations and procedures regarding the Minnesota postretirement investment~~
7.20 ~~fund in effect on June 30, 1997, established under Minnesota Statutes 1996, section~~
7.21 ~~11A.18, and any legal or administrative interpretations of those laws of the State Board~~
7.22 ~~of Investment, the legal advisor to the Board of Investment and the executive director of~~
7.23 ~~the State Board of Investment in effect on June 30, 1997. If a deferred yield adjustment~~
7.24 ~~account is established for the Minnesota postretirement investment fund before June 30,~~
7.25 ~~1997, under Minnesota Statutes 1996, section 11A.18, subdivision 5, the retirement board~~
7.26 ~~shall also establish and maintain a deferred yield adjustment account within this fund.~~

7.27 (c) There is hereby established a deferred yield adjustment account which must be
7.28 increased by the sale or disposition of any debt securities at less than book value and must
7.29 be decreased by the sale or disposition of debt securities at more than book value. At the
7.30 end of each fiscal year, a portion of the balance of this account must be offset against the
7.31 investment income for that year. The annual portion of the balance to be offset must be
7.32 proportional to the reciprocal of the average remaining life of the bonds sold, unless the
7.33 amounts are offset by gains on the future sales of these securities. The amount of this
7.34 account must be included in the recognized value of assets other than corporate stocks
7.35 and all other equity investments. In any fiscal year in which the gains on the sales of debt
7.36 securities exceed the discounts realized on the sales of such securities, the excess must

8.1 be used to reduce the balance of the account. If the realized capital gains are sufficient
8.2 to reduce the balance of the account to zero, any excess gains must be available for the
8.3 calculation of postretirement adjustments.

8.4 (d) (1) Annually, following June 30, the board shall use the procedures in clauses
8.5 (2), (3), and (4) to determine whether a postretirement adjustment is payable and to
8.6 determine the amount of any postretirement adjustment.

8.7 (2) If the Consumer Price Index for urban wage earners and clerical workers all
8.8 items index published by the Bureau of Labor Statistics of the United States Department
8.9 of Labor increases from June 30 of the preceding year to June 30 of the current year, the
8.10 board shall certify the percentage increase. The amount certified must not exceed the
8.11 lesser of the difference between the preretirement interest assumption and postretirement
8.12 interest assumption in section 356.215, subdivision 8, paragraph (a), or 3.5 percent.

8.13 (3) In addition to any percentage increase certified under paragraph (b), the board
8.14 shall use the following procedures to determine if a postretirement adjustment is payable
8.15 under this paragraph:

8.16 (i) The board shall determine the market value of the fund on June 30 of that year;

8.17 (ii) The amount of reserves required as of the current June 30 for the annuity or
8.18 benefit payable to an annuitant and benefit recipient must be determined by the actuary
8.19 retained under section 356.214. An annuitant or benefit recipient who has been receiving
8.20 an annuity or benefit for at least 12 full months as of the current June 30 is eligible to
8.21 receive a full postretirement adjustment. An annuitant or benefit recipient who has been
8.22 receiving an annuity or benefit for at least one full month, but less than 12 full months as of
8.23 the current June 30, is eligible to receive a partial postretirement adjustment. The amount
8.24 of the reserves for those annuitants and benefit recipients who are eligible to receive a
8.25 full postretirement benefit adjustment is known as "eligible reserves." The amount of
8.26 the reserves for those annuitants and benefit recipients who are not eligible to receive a
8.27 postretirement adjustment is known as "noneligible reserves." For an annuitant or benefit
8.28 recipient who is eligible to receive a partial postretirement adjustment, additional "eligible
8.29 reserves" is an amount that bears the same ratio to the total reserves required for the
8.30 annuitant or benefit recipient as the number of full months of annuity or benefit receipt as
8.31 of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit
8.32 recipient's reserves are "noneligible reserves";

8.33 (iii) The board shall determine the percentage increase certified under clause (2)
8.34 multiplied by the eligible required reserves, as adjusted for mortality gains and losses,
8.35 determined under subclause (ii);

9.1 (iv) The board shall add the amount of reserves required for the annuities or benefits
9.2 payable to annuitants and benefit recipients of the participating public pension plans or
9.3 funds as of the current June 30 to the amount determined under subclause (iii);

9.4 (v) The board shall subtract the amount determined under subclause (iv) from the
9.5 market value of the fund determined under subclause (i);

9.6 (vi) The board shall adjust the amount determined under subclause (v) by the
9.7 cumulative current balance determined under subclause (viii) and any negative balance
9.8 carried forward under subclause (ix);

9.9 (vii) A positive amount resulting from the calculations in subclauses (i) to (vi) is the
9.10 excess market value. A negative amount is the negative balance;

9.11 (viii) The board shall allocate one-fifth of the excess market value or one-fifth of
9.12 the negative balance to each of five consecutive years, beginning with the fiscal year
9.13 ending the current June 30; and

9.14 (ix) To calculate the postretirement adjustment under this paragraph based on
9.15 investment performance for a fiscal year, the board shall add together all excess market
9.16 value allocated to that year and subtract from the sum all negative balances allocated to
9.17 that year. If this calculation results in a negative number, the entire negative balance must
9.18 be carried forward and allocated to the next year. If the resulting amount is positive, a
9.19 postretirement adjustment is payable under this paragraph. The board shall express a
9.20 positive amount as a percentage of the total eligible required reserves certified to the
9.21 board under subclause (ii).

9.22 (4) The board shall determine the amount of any postretirement adjustment which
9.23 is payable using the following procedure:

9.24 (i) The total "eligible" required reserves as of the first of January next following the
9.25 end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or
9.26 partial postretirement adjustment as determined by subclause (ii) must be certified to the
9.27 board by the actuary retained under section 356.214. The total "eligible" required reserves
9.28 must be determined by the actuary retained under section 356.214 on the assumption that
9.29 all annuitants and benefit recipients eligible to receive a full or partial postretirement
9.30 adjustment will be alive on the January 1 in question; and

9.31 (ii) The board shall add the percentage certified under clause (2) to any positive
9.32 percentage calculated under clause (3). The board shall not subtract from the percentage
9.33 certified under paragraph (b) any negative amount calculated under clause (3). The sum
9.34 of these percentages must be carried to five decimal places and must be certified as the
9.35 full postretirement adjustment percentage.

10.1 (e) The board shall determine the amount of the postretirement adjustment payable
10.2 to each eligible annuitant and benefit recipient. The dollar amount of the postretirement
10.3 adjustment must be calculated by applying the certified postretirement adjustment
10.4 percentage to the amount of the monthly annuity or benefit payable to each eligible
10.5 annuitant or benefit recipient eligible for a full adjustment.

10.6 The dollar amount of the partial postretirement adjustment payable to each annuitant
10.7 or benefit recipient eligible for a partial adjustment must be calculated by first determining
10.8 a partial percentage amount that bears the same ratio to the certified full adjustment
10.9 percentage amount as the number of full months of annuity or benefit receipt as of the
10.10 current June 30 bears to 12 full months. The partial percentage amount determined
10.11 must then be applied to the amount of the monthly annuity or benefit payable to each
10.12 annuitant or benefit recipient eligible to receive a partial postretirement adjustment. The
10.13 postretirement adjustments are payable on January 1 following the calculations required
10.14 under this section and must thereafter be included in the monthly annuity or benefit paid to
10.15 the recipient. Any adjustments under this section must be paid automatically unless the
10.16 intended recipient files a written notice with the applicable participating public pension
10.17 fund or plan requesting that the adjustment not be paid.

10.18 (f) As of June 30 annually, the actuary retained under section 356.214 shall calculate
10.19 the amount of required reserves representing any mortality gains and any mortality losses
10.20 incurred during the fiscal year and report the results of those calculations to the plan.
10.21 The actuary shall report separately the amount of the reserves for annuitants and benefit
10.22 recipients who are eligible for a postretirement benefit adjustment and the amount of
10.23 reserves for annuitants and benefit recipients who are not eligible for a postretirement
10.24 benefit adjustment. If the net amount of required reserves represents a mortality gain,
10.25 the board shall sell sufficient securities or transfer sufficient available cash to equal the
10.26 amount. If the amount of required reserves represents a mortality loss, the plan shall
10.27 transfer an amount equal to the amount of the net mortality loss. The amount of the
10.28 transfers must be determined before any postretirement benefit adjustments have been
10.29 made. All transfers resulting from mortality adjustments must be completed annually
10.30 by December 31 for the preceding June 30. Interest is payable on any transfers after
10.31 December 31 based upon the preretirement interest assumption for the participating plan
10.32 or fund as specified in section 356.215, subdivision 8, stated as a monthly rate. Book
10.33 values of the assets of the fund must be determined only after all adjustments for mortality
10.34 gains and losses for the fiscal year have been made.

11.1 (g) All money necessary to meet the requirements of the certification of withdrawals
 11.2 and all money necessary to pay postretirement adjustments under this section are hereby
 11.3 and from time to time appropriated from the postretirement investment fund to the board.

11.4 ~~(d)~~ (h) Annually, following the calculation of any postretirement adjustment
 11.5 payable from the retirement benefit fund, the board of trustees shall submit a report to
 11.6 the executive director of the Legislative Commission on Pensions and Retirement and
 11.7 to the commissioner of finance indicating the amount of any postretirement adjustment
 11.8 and the underlying calculations on which that postretirement adjustment amount is based,
 11.9 including the amount of dividends, the amount of interest, and the amount of net realized
 11.10 capital gains or losses utilized in the calculations.

11.11 ~~(e)~~ (i) With respect to a former contributing member who began receiving a
 11.12 retirement annuity or disability benefit under section 422A.151, paragraph (a), clause (2),
 11.13 after June 30, 1997, or with respect to a survivor of a former contributing member who
 11.14 began receiving a survivor benefit under section 422A.151, paragraph (a), clause (2),
 11.15 after June 30, 1997, the reserves attributable to the one percent lower amount of the
 11.16 cost-of-living adjustment payable to those annuity or benefit recipients annually must
 11.17 be transferred back to the deposit accumulation fund to the credit of the Metropolitan
 11.18 Airports Commission. The calculation of this annual reduced cost-of-living adjustment
 11.19 reserve transfer must be reviewed by the actuary retained under section 356.214.

11.20 **EFFECTIVE DATE.** This section is effective June 30, 2008.

11.21 **ARTICLE 2**

11.22 **MINNESOTA POSTRETIREMENT INVESTMENT FUND DISSOLUTION**

11.23 Section 1. **[11A.181] DISSOLUTION OF MINNESOTA POSTRETIREMENT**
 11.24 **INVESTMENT FUND.**

11.25 Subdivision 1. **Conditions for dissolution.** The postretirement investment fund
 11.26 established in section 11A.18 must be dissolved according to the schedule in subdivision 2
 11.27 if the composite funded ratio calculated as of June 30 of that year under section 11A.18,
 11.28 subdivision 2a, is:

11.29 (1) less than 85 percent and was less than 85 percent as of June 30 of the immediately
 11.30 preceding year; or

11.31 (2) less than 80 percent.

11.32 Subd. 2. **Transition.** If conditions for dissolution of the postretirement investment
 11.33 fund under subdivision 1 apply:

11.34 (1) the retirement plans shall not transfer reserves as required under sections 11A.18,
 11.35 subdivision 6; 352.119, subdivision 1; 352B.26, subdivision 3; 353.271, subdivision 2;

12.1 354.63, subdivision 2; and 490.123, subdivision 1e, to the postretirement investment
12.2 fund after December 31 of the calendar year in which conditions for dissolution under
12.3 subdivision 1 occur;

12.4 (2) the retirement plans shall not transfer additional funds to the Minnesota
12.5 postretirement investment fund as a result of the calculation by the actuary retained under
12.6 section 356.214 of a net mortality losses under section 11A.18, subdivision 11;

12.7 (3) the assets of the postretirement investment fund must be transferred back to each
12.8 participating public retirement plan on June 30 of the year following the year in which
12.9 conditions for dissolution under subdivision 1 occur. The assets to be transferred to each
12.10 public retirement plan must be based on each plan's participation in the postretirement
12.11 fund as determined under section 11A.18, subdivision 7, on the June 30 when the transfer
12.12 back to the plan occurs; and

12.13 (4) The postretirement investment fund ceases to exist upon the transfer of all assets
12.14 as required in clause (3).

12.15 Subd. 3. **Postretirement adjustments.** (a) Notwithstanding section 11A.18 or any
12.16 other law to the contrary, if the postretirement investment fund is dissolved, postretirement
12.17 adjustments are payable only as follows:

12.18 (1) a postretirement increase of 2.5 percent must be applied, effective January 1 of,
12.19 to the monthly annuity or benefit of each annuitant and benefit recipient who has been
12.20 receiving an annuity or benefit for at least 12 full months as of the prior June 30; and

12.21 (2) for each annuitant or benefit recipient who has been receiving an annuity or
12.22 benefit for at least one full month, an annual postretirement increase of one-twelfth of 2.5
12.23 percent for each month the person has been receiving an annuity or benefit must be applied,
12.24 effective January 1 of the year in which the person has been retired for less than 12 months.

12.25 (b) The increases provided by this subdivision commence on the first January 1
12.26 occurring after the postretirement fund is dissolved under subdivision 2.

12.27 **EFFECTIVE DATE.** This section is effective June 30, 2008.

12.28 Sec. 2. **PROPOSED STATUTORY CHANGES.**

12.29 By November 30 of the year in which conditions for dissolution of the postretirement
12.30 investment fund first occur, the executive directors of the retirement systems that
12.31 participate in the postretirement investment fund must report to the Legislative
12.32 Commission on Pensions and Retirement a draft of proposed legislation that would make
12.33 changes in statute necessary to conform with dissolution of the postretirement investment
12.34 fund.

12.35 **EFFECTIVE DATE.** This section is effective June 30, 2008.

13.1 **ARTICLE 3**

13.2 **PHASED RETIREMENT OR**
 13.3 **RETURN TO EMPLOYMENT PROVISIONS**

13.4 Section 1. Minnesota Statutes 2007 Supplement, section 43A.346, subdivision 1,
 13.5 is amended to read:

13.6 Subdivision 1. **Definition.** For purposes of this section, "terminated state employee"
 13.7 means a person ~~currently occupying~~ who occupied a civil service position in the executive
 13.8 or legislative branch of state government, the Minnesota State Retirement System, the
 13.9 Public Employees Retirement Association, ~~or~~ the Office of the Legislative Auditor, or a
 13.10 person who was employed by the Metropolitan Council.

13.11 **EFFECTIVE DATE.** This section is effective July 1, 2008.

13.12 Sec. 2. Minnesota Statutes 2007 Supplement, section 43A.346, subdivision 2, is
 13.13 amended to read:

13.14 Subd. 2. **Eligibility.** (a) This section applies to a terminated state ~~or Metropolitan~~
 13.15 ~~Council~~ employee who:

13.16 (1) for at least the five years immediately preceding separation under clause (2), ~~has~~
 13.17 ~~been~~ was regularly scheduled to work 1,044 or more hours per year in a position covered
 13.18 by a pension plan administered by the Minnesota State Retirement System or the Public
 13.19 Employees Retirement Association;

13.20 (2) ~~terminates~~ terminated state or Metropolitan Council employment;

13.21 (3) at the time of termination under clause (2), ~~meets~~ met the age and service
 13.22 requirements necessary to receive an unreduced retirement annuity from the plan and
 13.23 ~~satisfies~~ satisfied requirements for the commencement of the retirement annuity or, for
 13.24 ~~an~~ a terminated employee under the unclassified employees retirement plan, ~~meets~~ met
 13.25 the age and service requirements necessary to receive an unreduced retirement annuity
 13.26 from the plan and ~~satisfies~~ satisfied requirements for the commencement of the retirement
 13.27 annuity or ~~elects~~ elected a lump-sum payment; and

13.28 (4) agrees to accept a postretirement option position with the same or a different
 13.29 appointing authority, working a reduced schedule that is both (i) a reduction of at least 25
 13.30 percent from the employee's number of previously regularly scheduled work hours; and
 13.31 (ii) 1,044 hours or less in state or Metropolitan Council service.

13.32 (b) For purposes of this section, an unreduced retirement annuity includes a
 13.33 retirement annuity computed under a provision of law which permits retirement, without
 13.34 application of an earlier retirement reduction factor, whenever age plus years of allowable
 13.35 service total at least 90.

14.1 (c) For purposes of this section, as it applies to staff of the Public Employees
14.2 Retirement Association who are at least age 62, the length of separation requirement and
14.3 termination of service requirement prohibiting return to work agreements under section
14.4 353.01, subdivisions 11a and 28, are not applicable.

14.5 **EFFECTIVE DATE.** This section is effective July 1, 2008.

14.6 Sec. 3. Minnesota Statutes 2006, section 43A.346, subdivision 4, is amended to read:

14.7 Subd. 4. **Annuity reduction not applicable.** Notwithstanding any law to the
14.8 contrary, ~~when an eligible state employee in a postretirement option position under this~~
14.9 ~~section commences receipt of the annuity,~~ the provisions of section 352.115, subdivision
14.10 10, or 353.37 governing annuities of reemployed annuitants, shall not apply for the
14.11 duration of a terminated state employee's employment in the a postretirement option
14.12 position.

14.13 **EFFECTIVE DATE.** This section is effective July 1, 2008.

14.14 Sec. 4. Minnesota Statutes 2006, section 43A.346, subdivision 5, is amended to read:

14.15 Subd. 5. **Appointing authority discretion.** The appointing authority has sole
14.16 discretion to determine if and the extent to which a postretirement option position under
14.17 this section is available to a terminated state employee. Any offer of such a position
14.18 must be made in writing to the ~~employee~~ person by the appointing authority on a form
14.19 prescribed by the Department of Employee Relations and the Minnesota State Retirement
14.20 System or the Public Employees Retirement Association. If the person is under age 62, an
14.21 offer of a postretirement option position and any related verbal offer or agreement must
14.22 not be made until at least 30 days after the person terminated employment. The appointing
14.23 authority may not require a person to waive any rights under a collective bargaining
14.24 agreement or unrepresented employee compensation plan as a condition of participation.

14.25 **EFFECTIVE DATE.** This section is effective July 1, 2008.

14.26 Sec. 5. Minnesota Statutes 2006, section 43A.346, subdivision 6, is amended to read:

14.27 Subd. 6. **Duration.** Postretirement option employment shall be for an initial
14.28 period not to exceed one year. During that period, the appointing authority may not
14.29 modify the conditions specified in the written offer without the ~~employee's agreement~~
14.30 person's consent, except as required by law or by the collective bargaining agreement or
14.31 compensation plan applicable to the ~~employee~~ person. At the end of the initial period,
14.32 the appointing authority has sole discretion to determine if the offer of a postretirement
14.33 option position will be renewed, renewed with modifications, or terminated. If the person

15.1 is under age 62, an offer of renewal and any related verbal offer or agreement must not
15.2 be made until at least 30 days after termination of the person's previous postretirement
15.3 option employment. Postretirement option employment may be renewed for periods of
15.4 up to one year, not to exceed a total duration of five years. No person shall be employed
15.5 in one or a combination of postretirement option positions under this section for a total
15.6 of more than five years.

15.7 **EFFECTIVE DATE.** This section is effective July 1, 2008.

15.8 Sec. 6. Minnesota Statutes 2006, section 43A.346, subdivision 7, is amended to read:

15.9 Subd. 7. **Copy to fund.** The appointing authority shall provide the Minnesota
15.10 State Retirement System or the Public Employees Retirement Association with a copy of
15.11 the offer, the terminated state employee's acceptance of the terms, and any subsequent
15.12 renewal agreement.

15.13 **EFFECTIVE DATE.** This section is effective July 1, 2008.

15.14 Sec. 7. Minnesota Statutes 2006, section 354.05, subdivision 37, is amended to read:

15.15 Subd. 37. **Termination of teaching service.** "Termination of teaching service"
15.16 means the withdrawal of a member from active teaching service by resignation or the
15.17 termination of the member's teaching contract by the employer. A member is not
15.18 considered to have terminated teaching service, if before the age of 62, and before the
15.19 effective date of the termination or retirement, the member has entered into a contract to
15.20 resume teaching service with an employing unit covered by the provisions of this chapter.
15.21 A contract to return to work after retirement for an active member who has attained age
15.22 62 must comply with the provisions of section 354.444.

15.23 **EFFECTIVE DATE.** This section is effective July 1, 2008.

15.24 Sec. 8. Minnesota Statutes 2006, section 354.44, subdivision 5, is amended to read:

15.25 Subd. 5. **Resumption of teaching service after retirement.** (a) Any person who
15.26 retired under the provisions of this chapter and has thereafter resumed teaching in any
15.27 employer unit to which this chapter applies is eligible to continue to receive payments in
15.28 accordance with the annuity except that all or a portion of the annuity payments must be
15.29 ~~reduced~~ deferred during the calendar year immediately following any calendar year in
15.30 which the person's ~~income~~ salary from the teaching service is in an amount greater than ~~the~~
15.31 ~~annual maximum earnings allowable for that age for the continued receipt of full benefit~~
15.32 ~~amounts monthly under the federal old age, survivors and disability insurance program~~
15.33 ~~as set by the secretary of health and human services under United States Code, title 42,~~

16.1 ~~section 403~~ \$46,000. The amount of the ~~reduction must be~~ annuity deferral is one-half of
16.2 the salary amount in excess of ~~the applicable reemployment income maximum specified in~~
16.3 ~~this subdivision~~ \$46,000 and must be deducted from the annuity payable for the calendar
16.4 year immediately following the calendar year in which the excess amount was earned. ~~If~~
16.5 ~~the person has not yet reached the minimum age for the receipt of Social Security benefits,~~
16.6 ~~the maximum earnings for the person must be equal to the annual maximum earnings~~
16.7 ~~allowable for the minimum age for the receipt of Social Security benefits.~~

16.8 (b) If the person is retired for only a fractional part of the calendar year during
16.9 the initial year of retirement, the maximum reemployment ~~income~~ salary exempt from
16.10 triggering a deferral as specified in this subdivision must be prorated for that calendar year.

16.11 (c) After a person has reached the Social Security ~~full~~ normal retirement age, no
16.12 ~~reemployment income maximum~~ deferral requirement is applicable regardless of the
16.13 amount of ~~income~~ salary.

16.14 (d) The amount of the retirement annuity ~~reduction~~ deferral must be handled or
16.15 disposed of as provided in section 356.47.

16.16 (e) For the purpose of this subdivision, ~~income~~ salary from teaching service includes,
16.17 but is not limited to:

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

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

16.24 **EFFECTIVE DATE.** This section is effective January 1, 2008.

16.25 Sec. 9. **[354.444] RETURN TO WORK AGREEMENT.**

16.26 Subdivision 1. **Authorization.** Notwithstanding any other provisions in this chapter,
16.27 an eligible person as specified in subdivision 2 is authorized to commence receipt of a
16.28 retirement annuity from the association and enter into an agreement to return to work.
16.29 This provision must be administered in accordance with the federal Internal Revenue
16.30 Code and applicable rulings.

16.31 Subd. 2. **Eligibility.** An eligible person is a person who:

16.32 (1) is a teacher as defined by section 354.05, subdivision 2, who is at least age 62;

16.33 (2) enters into a written agreement with the employing unit to return to work; and

16.34 (3) retires under the provisions of section 354.44 and begins to draw an annuity
16.35 from the Teacher's Retirement Association.

17.1 Subd. 3. **Work agreement.** Participation, the amount of time worked, and
17.2 the duration of participation under this section must be mutually agreed upon by the
17.3 employing unit and the employee. The employing unit may require up to a one-year notice
17.4 of intent to participate in the program as a condition of participation. The employing unit
17.5 shall determine the time of year the employee shall work. Unless otherwise specified in
17.6 this section, the employing unit may not require a person to waive any rights under a
17.7 collective bargaining agreement as a condition of participation under this section.

17.8 Subd. 4. **Exclusion.** For purposes of this section, "employing unit" does not include
17.9 the Minnesota State Colleges and Universities system.

17.10 Subd. 5. **No service credit or contribution.** Notwithstanding any law to the
17.11 contrary, an eligible person under this section may not, based on employment to which
17.12 this section applies, contribute to or earn further service credit in the Teachers Retirement
17.13 Association.

17.14 Subd. 6. **Annuity application procedure.** A participant in the program specified in
17.15 this section must apply for a retirement annuity under the application procedure specified
17.16 in section 354.44, subdivisions 3 and 4. A copy of the written agreement with the
17.17 employing unit must be included with the person's retirement annuity application. This
17.18 written agreement must include the termination date and reemployment date. The filing
17.19 of the initial executed agreement must occur before reemployment under the agreement
17.20 commences. The reemployment date must be after the member's accrual date.

17.21 Subd. 7. **Annuity treatment.** For purposes of the annuity deferral under section
17.22 354.44, subdivision 5, an eligible person under this section is a reemployed annuitant.

17.23 Subd. 8. **Continuing rights.** A person who returns to work under this section is a
17.24 member of the appropriate bargaining unit and is covered by the appropriate collective
17.25 bargaining contract. Except as provided in this section, the person's coverage is subject to
17.26 any part of the contract limiting rights of part-time employees.

17.27 **EFFECTIVE DATE.** This section is effective July 1, 2008.

17.28 Sec. 10. Minnesota Statutes 2006, section 354A.31, subdivision 3, is amended to read:

17.29 Subd. 3. **Resumption of teaching after commencement of a retirement annuity.**

17.30 (a) Any person who retired and is receiving a coordinated program retirement annuity
17.31 under the provisions of sections 354A.31 to 354A.41 or any person receiving a basic
17.32 program retirement annuity under the governing sections in the articles of incorporation
17.33 or bylaws and who has resumed teaching service for the school district in which the
17.34 teachers retirement fund association exists is entitled to continue to receive retirement

18.1 annuity payments, except that all or a portion of the annuity payments must be ~~reduced~~
18.2 deferred during the calendar year immediately following the calendar year in which the
18.3 person's ~~income~~ salary from the teaching service is in an amount greater than ~~the annual~~
18.4 ~~maximum earnings allowable for that age for the continued receipt of full benefit amounts~~
18.5 ~~monthly under the federal old age, survivors, and disability insurance program as set by~~
18.6 ~~the secretary of health and human services under United States Code, title 42, section 403~~
18.7 \$46,000. The amount of the ~~reduction must be~~ annuity deferral is one-third the salary
18.8 amount in excess of ~~the applicable reemployment income maximum specified in this~~
18.9 ~~subdivision~~ \$46,000 and must be deducted from the annuity payable for the calendar year
18.10 immediately following the calendar year in which the excess amount was earned. ~~If the~~
18.11 ~~person has not yet reached the minimum age for the receipt of Social Security benefits,~~
18.12 ~~the maximum earnings for the person must be equal to the annual maximum earnings~~
18.13 ~~allowable for the minimum age for the receipt of Social Security benefits.~~

18.14 (b) If the person is retired for only a fractional part of the calendar year during
18.15 the initial year of retirement, the maximum reemployment ~~income~~ salary exempt from
18.16 triggering a deferral as specified in this subdivision must be prorated for that calendar year.

18.17 (c) After a person has reached the Social Security normal retirement age ~~of 70~~, no
18.18 ~~reemployment income maximum~~ deferral requirement is applicable regardless of the
18.19 amount of any compensation received for teaching service for the school district in which
18.20 the teachers retirement fund association exists.

18.21 (d) The amount of the retirement annuity ~~reduction~~ deferral must be handled or
18.22 disposed of as provided in section 356.47.

18.23 (e) For the purpose of this subdivision, ~~income~~ salary from teaching service
18.24 includes: (i) all income for services performed as a consultant or independent contractor;
18.25 or income resulting from working with the school district in any capacity; and (ii) the
18.26 greater of either the income received or an amount based on the rate paid with respect to
18.27 an administrative position, consultant, or independent contractor in the school district in
18.28 which the teachers retirement fund association exists and at the same level as the position
18.29 occupied by the person who resumes teaching service.

18.30 (f) On or before February 15 of each year, each applicable employing unit shall
18.31 report to the teachers retirement fund association the amount of postretirement ~~income~~
18.32 salary as defined in this subdivision, earned as a teacher, consultant, or independent
18.33 contractor during the previous calendar year by each retiree of the teachers retirement
18.34 fund association for teaching service performed after retirement. The report must be in
18.35 a format approved by the executive secretary or director.

18.36 **EFFECTIVE DATE.** This section is effective January 1, 2008.

19.1 Sec. 11. PERA POLICE AND FIRE; TEMPORARY EXEMPTION FROM
19.2 REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.

19.3 Notwithstanding any provision of Minnesota Statutes, section 353.37, to the
19.4 contrary, a person who is receiving a retirement annuity from the public employees
19.5 police and fire plan and who is employed as a sworn peace officer by the Metropolitan
19.6 Airports Commission is exempt from the limitation on reemployed annuitant exempt
19.7 earnings under Minnesota Statutes, section 353.37, for the period January 1, 2008, until
19.8 December 31, 2008.

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

19.10 Sec. 12. BYLAW REVISION AUTHORIZATION.

19.11 Consistent with section 4 and Minnesota Statutes, section 354A.12, subdivision 4,
19.12 the St. Paul Teachers Retirement Fund Association and the Duluth Teachers Retirement
19.13 Fund Association are authorized to revise their bylaws or articles of incorporation
19.14 to specify that a person receiving a basic program retirement annuity or an old law
19.15 coordinated program annuity under the governing sections in the articles of incorporation
19.16 or bylaws who has resumed teaching service for the school district is entitled to continue
19.17 receiving retirement annuity payments, except that all or a portion of the annuity payments
19.18 must be deferred during the calendar year immediately following the calendar year in
19.19 which the person's salary from the reemployment exceeds \$46,000. The amount of the
19.20 annuity deferral is one-third of the salary amount in excess of \$46,000. After a person has
19.21 reached Social Security normal retirement age, the deferral requirement no longer applies.
19.22 Any deferral amounts must be treated as specified in Minnesota Statutes, section 356.47.

19.23 EFFECTIVE DATE. This section is effective July 1, 2008.

19.24 **ARTICLE 4**

19.25 **MANDATORY JOINT AND SURVIVOR BENEFIT FORM**

19.26 Section 1. Minnesota Statutes 2006, section 352.12, subdivision 2, is amended to read:

19.27 Subd. 2. **Surviving spouse benefit.** (a) If an employee or former employee has
19.28 credit for at least three years allowable service and dies before an annuity or disability
19.29 benefit has become payable, notwithstanding any designation of beneficiary to the contrary,
19.30 the surviving spouse of the employee may elect to receive, in lieu of the refund with
19.31 interest under subdivision 1, an annuity equal to the joint and 100 percent survivor annuity
19.32 which the employee or former employee could have qualified for on the date of death.

19.33 (b) If the employee was under age 55 and has credit for at least 30 years of allowable
19.34 service on the date of death, the surviving spouse may elect to receive a 100 percent joint

20.1 and survivor annuity based on the age of the employee and surviving spouse on the date
20.2 of death. The annuity is payable using the full early retirement reduction under section
20.3 352.116, subdivision 1, paragraph (a), to age 55 and one-half of the early retirement
20.4 reduction from age 55 to the age payment begins.

20.5 (c) If the employee was under age 55 and has credit for at least three years of
20.6 allowable service credit on the date of death but did not yet qualify for retirement, the
20.7 surviving spouse may elect to receive a 100 percent joint and survivor annuity based on
20.8 the age of the employee and surviving spouse at the time of death. The annuity is payable
20.9 using the full early retirement reduction under section 352.116, subdivision 1 or 1a, to age
20.10 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

20.11 (d) The surviving spouse eligible for benefits under paragraph (a) may apply for the
20.12 annuity at any time after the date on which the employee or former employee would
20.13 have attained the required age for retirement based on the allowable service earned.
20.14 The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c)
20.15 may apply for the annuity at any time after the employee's death. The annuity must be
20.16 computed under sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1,
20.17 1a, and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred
20.18 annuity or surviving spouse benefit payable under this subdivision. The annuity must cease
20.19 with the last payment received by the surviving spouse in the lifetime of the surviving
20.20 spouse, or upon expiration of a term certain benefit payment to a surviving spouse under
20.21 subdivision 2a. An amount equal to the excess, if any, of the accumulated contributions
20.22 credited to the account of the deceased employee in excess of the total of the benefits paid
20.23 and payable to the surviving spouse must be paid to the deceased employee's or former
20.24 employee's last designated beneficiary or, if none, as specified under subdivision 1.

20.25 (e) Any employee or former employee may request in writing, with the signed
20.26 consent of the spouse, that this subdivision not apply and that payment be made only to a
20.27 designated beneficiary as otherwise provided by this chapter.

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

20.29 Sec. 2. Minnesota Statutes 2006, section 352.931, subdivision 1, is amended to read:

20.30 Subdivision 1. **Surviving spouse benefit.** (a) If the correctional employee was at
20.31 least age 50, has credit for at least three years of allowable service, and dies before an
20.32 annuity or disability benefit has become payable, notwithstanding any designation of
20.33 beneficiary to the contrary, the surviving spouse of the employee may elect to receive,
20.34 in lieu of the refund under section 352.12, subdivision 1, an annuity for life equal to the
20.35 joint and 100 percent survivor annuity which the employee could have qualified for had

21.1 the employee terminated service on the date of death. The election may be made at any
21.2 time after the date of death of the employee. The surviving spouse benefit begins to
21.3 accrue as of the first of the month next following the date on which the application for
21.4 the benefit was filed.

21.5 (b) If the employee was under age 50, dies, and had credit for at least three years of
21.6 allowable service credit on the date of death but did not yet qualify for retirement, the
21.7 surviving spouse may elect to receive a 100 percent joint and survivor annuity based on
21.8 the age of the employee and surviving spouse at the time of death. The annuity is payable
21.9 using the early retirement reduction under section 352.93, subdivision 2a, to age 50, and
21.10 one-half of the early retirement reduction from age 50 to the age payment begins. The
21.11 surviving spouse eligible for surviving spouse benefits under this paragraph may apply
21.12 for the annuity at any time after the employee's death. Sections 352.22, subdivision 3,
21.13 and 352.72, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable
21.14 under this subdivision.

21.15 (c) The annuity must cease with the last payment received by the surviving spouse
21.16 in the lifetime of the surviving spouse. Any employee may request in writing, with the
21.17 signed consent of the spouse, that this subdivision not apply and that payment be made
21.18 only to a designated beneficiary as otherwise provided by this chapter.

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

21.20 Sec. 3. Minnesota Statutes 2006, section 353.30, subdivision 3, is amended to read:

21.21 Subd. 3. **Optional retirement annuity forms.** The board of trustees shall establish
21.22 optional annuities which shall take the form of a joint and survivor annuity. Except as
21.23 provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to
21.24 the forms provided in section 353.29 and subdivisions 1, 1a, 1b, 1c, and 5. In establishing
21.25 those optional forms, the board shall obtain the written recommendation of the actuary
21.26 retained under section 356.214. The recommendations shall be a part of the permanent
21.27 records of the board. A member or former member may select an optional form of
21.28 annuity, subject to the provisions of section 356.46, in lieu of accepting any other form of
21.29 annuity which might otherwise be available.

21.30 **EFFECTIVE DATE.** This section is effective January 1, 2009.

21.31 Sec. 4. Minnesota Statutes 2007 Supplement, section 353.32, subdivision 1a, is
21.32 amended to read:

21.33 Subd. 1a. **Surviving spouse optional annuity.** (a) If a member or former member
21.34 who has credit for not less than three years of allowable service and dies before the

22.1 annuity or disability benefit begins to accrue under section 353.29, subdivision 7, or
22.2 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the
22.3 surviving spouse may elect to receive, instead of a refund with interest under subdivision
22.4 1, or surviving spouse benefits otherwise payable under section 353.31, an annuity equal
22.5 to a 100 percent joint and survivor annuity computed consistent with section 353.30,
22.6 subdivision 1a, 1c, or 5, whichever is applicable.

22.7 (b) If a member first became a public employee or a member of a pension fund listed
22.8 in section 356.30, subdivision 3, before July 1, 1989, and has credit for at least 30 years
22.9 of allowable service on the date of death, the surviving spouse may elect to receive a
22.10 100 percent joint and survivor annuity computed using section 353.30, subdivision 1b,
22.11 except that the early retirement reduction under that provision will be applied from age
22.12 62 back to age 55 and one-half of the early retirement reduction from age 55 back to
22.13 the age payment begins.

22.14 (c) If a member who was under age 55 and has credit for at least three years
22.15 of allowable service dies, but did not qualify for retirement on the date of death, the
22.16 surviving spouse may elect to receive a 100 percent joint and survivor annuity computed
22.17 using section 353.30, subdivision 1c or 5, as applicable, except that the early retirement
22.18 reduction specified in the applicable subdivision will be applied to age 55 and one-half of
22.19 the early retirement reduction from age 55 back to the age payment begins.

22.20 (d) Notwithstanding the definition of surviving spouse in section 353.01, subdivision
22.21 20, a former spouse of the member, if any, is entitled to a portion of the monthly surviving
22.22 spouse optional annuity if stipulated under the terms of a marriage dissolution decree filed
22.23 with the association. If there is no surviving spouse or child or children, a former spouse
22.24 may be entitled to a lump-sum refund payment under subdivision 1, if provided for in a
22.25 marriage dissolution decree, but not a monthly surviving spouse optional annuity, despite
22.26 the terms of a marriage dissolution decree filed with the association.

22.27 (e) The surviving spouse eligible for surviving spouse benefits under paragraph (a)
22.28 may apply for the annuity at any time after the date on which the deceased employee
22.29 would have attained the required age for retirement based on the employee's allowable
22.30 service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or
22.31 (c) may apply for an annuity any time after the member's death.

22.32 (f) Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred
22.33 annuity or surviving spouse benefit payable under this subdivision.

22.34 (g) An amount equal to any excess of the accumulated contributions that were
22.35 credited to the account of the deceased employee over and above the total of the annuities
22.36 paid and payable to the surviving spouse must be paid to the surviving spouse's estate.

23.1 (h) A member may specify in writing, with the signed consent of the spouse, that
23.2 this subdivision does not apply and that payment may be made only to the designated
23.3 beneficiary as otherwise provided by this chapter. The waiver of a surviving spouse
23.4 annuity under this section does not make a dependent child eligible for benefits under
23.5 subdivision 1c.

23.6 (i) If the deceased member or former member first became a public employee or a
23.7 member of a public pension plan listed in section 356.30, subdivision 3, on or after July
23.8 1, 1989, a survivor annuity computed under paragraph (a) or (c) must be computed as
23.9 specified in section 353.30, subdivision 5, except for the revised early retirement reduction
23.10 specified in paragraph (c), if paragraph (c) is the applicable provision.

23.11 (j) For any survivor annuity determined under this subdivision, the payment is to be
23.12 based on the total allowable service that the member had accrued as of the date of death
23.13 and the age of the member and surviving spouse on that date.

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

23.15 Sec. 5. Minnesota Statutes 2007 Supplement, section 353.657, subdivision 2a, is
23.16 amended to read:

23.17 Subd. 2a. **Death while eligible survivor benefit.** (a) If a member or former
23.18 member who has attained the age of at least 50 years and has credit for not less than
23.19 three years allowable service or who has credit for at least 30 years of allowable service,
23.20 regardless of age attained, dies before the annuity or disability benefit becomes payable,
23.21 notwithstanding any designation of beneficiary to the contrary, the surviving spouse may
23.22 elect to receive a death while eligible survivor benefit.

23.23 (b) Notwithstanding the definition of surviving spouse in section 353.01, subdivision
23.24 20, a former spouse of the member, if any, is entitled to a portion of the death while
23.25 eligible survivor benefit if stipulated under the terms of a marriage dissolution decree
23.26 filed with the association. If there is no surviving spouse or child or children, a former
23.27 spouse may be entitled to a lump-sum refund payment under section 353.32, subdivision
23.28 1, if provided for in a marriage dissolution decree but not a death while eligible survivor
23.29 benefit despite the terms of a marriage dissolution decree filed with the association.

23.30 (c) The benefit may be elected instead of a refund with interest under section 353.32,
23.31 subdivision 1, or surviving spouse benefits otherwise payable under subdivisions 1 and
23.32 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity
23.33 which the member could have qualified for on the date of death, computed as provided in
23.34 sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3.

24.1 (d) The surviving spouse may apply for the annuity at any time after the date
 24.2 on which the deceased employee would have attained the required age for retirement
 24.3 based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71,
 24.4 subdivision 2, apply to a deferred annuity payable under this subdivision.

24.5 (e) No payment accrues beyond the end of the month in which entitlement to
 24.6 such annuity has terminated. An amount equal to the excess, if any, of the accumulated
 24.7 contributions which were credited to the account of the deceased employee over and
 24.8 above the total of the annuities paid and payable to the surviving spouse must be paid to
 24.9 the deceased member's last designated beneficiary or, if none, to the legal representative of
 24.10 the estate of such deceased member.

24.11 (f) Any member may request in writing, with the signed consent of the spouse, that
 24.12 this subdivision not apply and that payment be made only to the designated beneficiary, as
 24.13 otherwise provided by this chapter.

24.14 (g) For a member who is employed as a full-time firefighter by the Department of
 24.15 Military Affairs of the state of Minnesota, allowable service as a full-time state Military
 24.16 Affairs Department firefighter credited by the Minnesota State Retirement System may be
 24.17 used in meeting the minimum allowable service requirement of this subdivision.

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

24.19 Sec. 6. Minnesota Statutes 2006, section 353E.07, subdivision 7, is amended to read:

24.20 Subd. 7. **Election that section does not apply.** A member may specify in writing,
 24.21 with the signed consent of the spouse, that this section does not apply and that payment
 24.22 must be made only to the designated beneficiary, as otherwise provided by this chapter.

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

24.24 Sec. 7. Minnesota Statutes 2006, section 356.46, as amended by Laws 2007, chapter
 24.25 134, article 2, section 44, is amended to read:

24.26 **356.46 APPLICATION FOR RETIREMENT ANNUITY; PROCEDURE**
 24.27 **FOR ELECTING ANNUITY FORM; MANDATORY JOINT AND SURVIVOR**
 24.28 **OPTIONAL ANNUITY FORM.**

24.29 Subdivision 1. **Definitions.** As used in this section, each of the following terms shall
 24.30 have the meaning given.

24.31 (a) "Annuity form" means the payment procedure and duration of a retirement
 24.32 annuity or disability benefit available to a member of a public pension ~~fund~~ plan, based on
 24.33 the period over which a retirement annuity or disability benefit is payable, determined by

25.1 the number of persons to whom the retirement annuity or disability benefit is payable, and
25.2 the amount of the retirement annuity or disability benefit which is payable to each person.

25.3 (b) "Joint and survivor optional annuity" means an optional annuity form which
25.4 provides a retirement annuity or disability benefit to a retired member or disabilitant
25.5 and the spouse of the member or disabilitant on a joint basis during the lifetime of the
25.6 retired member or disabilitant and all or a portion of the original retirement annuity or
25.7 disability benefit amount to the surviving spouse in the event of the death of the retired
25.8 member or disabilitant.

25.9 (c) "Optional annuity form" means an annuity form which is elected by a member
25.10 and is not provided automatically as the standard annuity form of the public pension plan.

25.11 (d) "Public pension plan" means a public pension plan as defined under section
25.12 356.63, paragraph (b).

25.13 (e) "Retirement annuity" means a series of monthly payments to which a former or
25.14 retired member of a public pension ~~fund~~ plan is entitled due to attaining a specified age
25.15 and acquiring credit for a specified period of service, which includes a retirement annuity,
25.16 retirement allowance, or service pension.

25.17 (f) "Disability benefit" means a series of monthly payments to which a former or
25.18 disabled member of a public pension ~~fund~~ plan is entitled due to a physical or mental
25.19 inability to engage in specified employment.

25.20 Subd. 2. **Provision of information on annuity forms.** (a) Every public pension
25.21 plan which provides for an annuity form other than a single life ~~retirement~~ annuity as an
25.22 option which can be elected by an active, disabled, or retiring member shall provide as a
25.23 part of, or accompanying the annuity application form, a written statement summarizing
25.24 the ~~optional~~ annuity forms which are available, a general indication of the consequences
25.25 of selecting one annuity form over another, a calculation of the actuarial reduction in the
25.26 amount of the retirement annuity which would be required for each optional annuity
25.27 form, and the procedure to be followed to obtain more information from the public
25.28 pension ~~fund~~ plan administration concerning ~~the optional~~ all annuity forms provided by
25.29 the plan. If the public pension plan offers joint and survivor optional annuity forms, the
25.30 annuity application and accompanying information must include a statement informing
25.31 the member and the member's spouse that, notwithstanding any law to the contrary,
25.32 unless the spouse waives any rights to an optional annuity by a notarized statement on
25.33 the annuity application or other form provided by the pension plan administration, the
25.34 public pension plan administration shall assume that the member selected the 50 percent
25.35 joint and survivor optional annuity form.

26.1 (b) In lieu of the notarized statement requirement referred to in paragraph (a), the
26.2 pension plan administration may accept a statement which has been verified, including
26.3 electronic verification, by administrators of the pension plan.

26.4 **Subd. 3. Requirement of notice to member's spouse.** (a) ~~Except as specified~~
26.5 ~~in paragraph (c), if a~~ Every public pension plan administration that provides optional
26.6 ~~retirement annuity forms which include for a joint and survivor optional retirement or~~
26.7 ~~disability annuity form~~ potentially applicable to the surviving spouse of a member, the
26.8 ~~executive director of the public pension plan~~ shall send a copy of the written statement
26.9 required by subdivision 2 to the spouse of the member before the member's election
26.10 selection of a retirement annuity the form of retirement or disability benefit.

26.11 (b) Following the election selection of a retirement or disability annuity by the
26.12 member, a copy of the completed retirement annuity application and retirement annuity
26.13 beneficiary form, if applicable, must be sent by the executive director of the public
26.14 pension plan to the spouse of the retiring or disabled member. A signed acknowledgment
26.15 must be required from the spouse confirming receipt of a copy of the completed retirement
26.16 annuity application and retirement annuity beneficiary form, unless the spouse's signature
26.17 ~~confirming~~ acknowledging the receipt annuity form selected is on the annuity application
26.18 or other form as designated by the plan. If the required signed acknowledgment is public
26.19 pension plan administration has not received from the spouse within 30 days, a signed
26.20 acknowledgment, because the annuity application or other form as designated by the public
26.21 pension plan administration did not include the spouse's signature, the executive director
26.22 of the public pension plan must notify the member send another copy of the completed
26.23 ~~retirement annuity application and retirement annuity beneficiary form, if applicable, to~~
26.24 the member's spouse that the 50 percent joint and survivor annuity form, or a higher joint
26.25 and survivor form if selected, shall be paid if the spouse does not acknowledge the annuity
26.26 form selected by the member by responding to the second notice sent to the spouse within
26.27 30 days. The second notice must be sent by certified mail with restricted delivery.

26.28 (c) If a public pension plan administration receives notice that the provisions of
26.29 this section have not been complied with, or if a member selects a benefit form without
26.30 the valid consent of the member's spouse, the executive director of the public pension
26.31 plan shall suspend the payment of monthly benefits and shall take all actions necessary
26.32 to comply with this subdivision.

26.33 (d) For the Teachers Retirement Association, the statement to the spouse that is
26.34 required under paragraph (a) must be sent before or upon the member's election of an
26.35 annuity.

26.36 **Subd. 4. Plan exclusions.** This section does not apply to:

27.1 (1) any volunteer fire relief association to which sections 69.771 to 69.776 apply; and
27.2 (2) any plan under which the applicable surviving spouse would receive automatic
27.3 surviving spouse coverage if a joint and survivor annuity were not elected.

27.4 Subd. 5. **Disabilitant survivor treatment.** This section should not be interpreted as
27.5 prohibiting payment of a survivor annuity to the spouse of a deceased disabilitant, in lieu of
27.6 any other annuity, if laws specific to the plan provide for a higher surviving spouse annuity.

27.7 Subd. 6. **Limitations due to marriage dissolution.** The requirement to pay a 50
27.8 percent joint and survivor annuity is void if there is a court order to the contrary.

27.9 Subd. 7. **Liability waiver.** The pension fund and plan, its employees, and any agent
27.10 working on behalf of the plan administration are not liable for harm caused by any act of
27.11 fraud committed by the retiring member or current or previous spouse, or any information
27.12 withheld from, or incorrect information supplied to the plan administration.

27.13 **EFFECTIVE DATE.** This section is effective January 1, 2009, and applies to
27.14 annuities that are elected and commence on or after that date.

27.15 **ARTICLE 5**

27.16 **ADMINISTRATIVE PROVISIONS**

27.17 Section 1. Minnesota Statutes 2007 Supplement, section 352.017, subdivision 2,
27.18 is amended to read:

27.19 Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in
27.20 this chapter may purchase credit for allowable service in that plan for a period specified
27.21 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
27.22 whichever applies. The employing unit, at its option, may pay the employer portion of the
27.23 amount specified in paragraph (b) on behalf of its employees.

27.24 (b) If payment is received by the executive director within one year from the ~~end of~~
27.25 date the employee returned to work following the authorized leave, the payment amount is
27.26 equal to the employee and employer contribution rates specified in law for the applicable
27.27 plan at the end of the leave period multiplied by the employee's hourly rate of salary on
27.28 the date of return from the leave of absence and by the days and months of the leave of
27.29 absence for which the employee ~~wants~~ is eligible for allowable service credit. ~~Payments~~
27.30 ~~made under this paragraph~~ The payment must include compound interest at a monthly
27.31 rate of 0.71 percent from the last day of the leave period until the last day of the month in
27.32 which payment is received. If payment is received by the executive director after one year,
27.33 the payment amount is the amount determined under section 356.551. Payment under this

28.1 paragraph must be made before the date of termination from public employment covered
28.2 under chapter 352.

28.3 ~~(c) If payment is received by the executive director after one year, the payment~~
28.4 ~~amount is the amount determined under section 356.551.~~ If the employee terminates
28.5 employment covered by this chapter during the leave or following the leave rather than
28.6 returning to covered employment, payment must be received by the executive director
28.7 within 30 days after the termination date. The payment amount is equal to the employee
28.8 and employer contribution rates specified in law for the applicable plan on the day prior to
28.9 termination date, multiplied by the employee's hourly rate of salary on that date and by the
28.10 days and months of the leave of absence prior to termination.

28.11 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2007.

28.12 Sec. 2. Minnesota Statutes 2006, section 352.22, subdivision 10, is amended to read:

28.13 Subd. 10. **Other refunds.** Former employees covered by the system are entitled
28.14 to apply for refunds if they are or become members of the State Patrol retirement fund,
28.15 the state Teachers Retirement Association, or employees of the University of Minnesota
28.16 excluded from coverage under the system by action of the Board of Regents; or employees
28.17 of the adjutant general who under federal law effectually elect membership in a federal
28.18 retirement system; or officers or employees of the senate or house of representatives,
28.19 excluded from coverage under section 352.01, subdivision 2b, clause (7). The refunds
28.20 must include accumulated contributions plus interest as provided in subdivision 2. ~~These~~
28.21 ~~employees may apply for a refund once 30 days or more have elapsed after their coverage~~
28.22 ~~ceases, even if they continue in state service but in positions not covered by this chapter.~~

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

28.24 Sec. 3. Minnesota Statutes 2007 Supplement, section 352.955, subdivision 3, is
28.25 amended to read:

28.26 Subd. 3. **Payment of additional equivalent contributions; post-June 30, 2007,**
28.27 **coverage transfers.** (a) An eligible employee who ~~was~~ is transferred to plan coverage
28.28 after June 30, 2007, and who elects to transfer past service credit under this section must
28.29 pay an additional member contribution for that prior service period. The additional
28.30 member contribution is ~~(1) the difference between the member contribution rate or rates~~
28.31 ~~for the general state employees retirement plan of the Minnesota State Retirement System~~
28.32 ~~for the period of employment covered by the service credit to be transferred and the~~
28.33 ~~member contribution rate or rates for the correctional state employees retirement plan~~
28.34 ~~for the most recent 12 month period of employment covered by the service credit to be~~

29.1 ~~transferred, plus annual compound interest at the rate of 8.5 percent, and (2) the amount~~
29.2 ~~computed under paragraph (b), plus the greater of the amount computed under paragraph~~
29.3 ~~(c), or 40 percent of the unfunded actuarial accrued liability attributable to the past service~~
29.4 ~~credit transfer. The unfunded actuarial accrued liability attributable to the past service~~
29.5 ~~credit transfer is the present value of the benefit obtained by the transfer of the service~~
29.6 ~~credit to the correctional state employees retirement plan reduced by the amount of the~~
29.7 ~~asset transfer under subdivision 4, by the amount of the member contribution equivalent~~
29.8 ~~payment under clause (1), and by the amount of the employer contribution equivalent~~
29.9 ~~payment under paragraph (c), clause (1).~~

29.10 (b) The executive director shall compute, for the most recent 12 months of service
29.11 credit eligible for transfer, or for the entire period eligible for transfer if less than 12
29.12 months, the difference between the employee contribution rate or rates for the general state
29.13 employees retirement plan and the employee contribution rate or rates for the correctional
29.14 state employees retirement plan applied to the eligible employee's salary during that
29.15 transfer period, plus compound interest at a monthly rate of 0.71 percent.

29.16 (c) The executive director shall compute, for any service credit being transferred
29.17 on behalf of the eligible employee and not included under paragraph (b), the difference
29.18 between the employee contribution rate or rates for the general state employees retirement
29.19 plan and the employee contribution rate or rates for the correctional state employees
29.20 retirement plan applied to the eligible employee's salary during that transfer period, plus
29.21 compound interest at a monthly rate of 0.71 percent.

29.22 (d) The executive director shall compute an amount using the process specified in
29.23 paragraph (b), but based on differences in employer contribution rates between the general
29.24 state employees retirement plan and the correctional state employees retirement plan
29.25 rather than employee contribution rates.

29.26 (e) The executive director shall compute an amount using the process specified in
29.27 paragraph (c), but based on differences in employer contribution rates between the general
29.28 state employees retirement plan and the correctional state employees retirement plan
29.29 rather than employee contribution rates.

29.30 (f) The additional equivalent member contribution under this subdivision must be
29.31 paid in a lump sum. Payment must accompany the election to transfer the prior service
29.32 credit. No transfer election or additional equivalent member contribution payment may be
29.33 made by a person or accepted by the executive director after the one year anniversary date
29.34 of the effective date of the retirement coverage transfer, or the date on which the eligible
29.35 employee terminates state employment, whichever is earlier.

30.1 ~~(e)~~ (g) If an eligible employee elects to transfer past service credit under this section
 30.2 and pays the additional equivalent member contribution amount under ~~subdivision 2~~
 30.3 paragraph (a), the applicable department shall pay an additional equivalent employer
 30.4 contribution amount. The additional employer contribution is ~~(1) the difference between~~
 30.5 ~~the employer contribution rate or rates for the general state employees retirement plan~~
 30.6 ~~for the period of employment covered by the service credit to be transferred and the~~
 30.7 ~~employer contribution rate or rates for the correctional state employees retirement~~
 30.8 ~~plan for the period of employment covered by the service credit to be transferred, plus~~
 30.9 ~~annual compound interest at the rate of 8.5 percent, and (2) the amount computed under~~
 30.10 paragraph (d), plus the greater of the amount computed under paragraph (e), or 60 percent
 30.11 of the unfunded actuarial accrued liability attributable to the past service credit transfer
 30.12 ~~calculated as provided in paragraph (a), clause (2).~~

30.13 (h) The unfunded actuarial accrued liability attributable to the past service credit
 30.14 transfer is the present value of the benefit obtained by the transfer of the service credit
 30.15 to the correctional state employees retirement plan reduced by the amount of the asset
 30.16 transfer under subdivision 4, by the amount of the member contribution equivalent
 30.17 payment computed under paragraph (b), and by the amount of the employer contribution
 30.18 equivalent payment computed under paragraph (d).

30.19 ~~(d)~~ (i) The additional equivalent employer contribution under this subdivision must
 30.20 be paid in a lump sum and must be paid within 30 days of the date on which the executive
 30.21 director of the Minnesota State Retirement System certifies to the applicable department
 30.22 that the employee paid the additional equivalent member contribution.

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

30.24 Sec. 4. Minnesota Statutes 2007 Supplement, section 352.955, subdivision 5, is
 30.25 amended to read:

30.26 Subd. 5. **Effect of the asset transfer.** Upon the transfer of assets under subdivision
 30.27 4, the service credit in the general state employees retirement plan of the Minnesota State
 30.28 Retirement System related to the period being transferred is forfeited and may not be
 30.29 reinstated. The transferred service credit and the transferred assets must be credited to the
 30.30 correctional state employees retirement plan and fund, respectively.

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

30.32 Sec. 5. Minnesota Statutes 2006, section 352D.075, subdivision 2a, is amended to read:

30.33 Subd. 2a. **Surviving spouse coverage term certain.** In lieu of the annuity under
 30.34 subdivision 2, clause (2) or (3), or in lieu of a distribution under subdivision 2, clause (1),

31.1 the surviving spouse of a deceased participant may elect to receive survivor coverage in
31.2 the form of a term certain annuity of ~~five, six~~ ten, 15, or 20 years, based on the value of
31.3 the remaining shares. The monthly term certain annuity must be calculated under section
31.4 352D.06, subdivision 1.

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

31.6 Sec. 6. Minnesota Statutes 2007 Supplement, section 353.01, subdivision 2b, is
31.7 amended to read:

31.8 Subd. 2b. **Excluded employees.** The following public employees are not eligible
31.9 to participate as members of the association with retirement coverage by the public
31.10 employees retirement plan, the local government correctional employees retirement plan
31.11 under chapter 353E, or the public employees police and fire retirement plan:

31.12 (1) public officers, other than county sheriffs, who are elected to a governing body,
31.13 or persons who are appointed to fill a vacancy in an elective office of a governing body,
31.14 whose term of office commences on or after July 1, 2002, for the service to be rendered
31.15 in that elective position;

31.16 (2) election officers or election judges;

31.17 (3) patient and inmate personnel who perform services for a governmental
31.18 subdivision;

31.19 (4) except as otherwise specified in subdivision 12a, employees who are hired for
31.20 a temporary position as defined under subdivision 12a, and employees who resign from
31.21 a nontemporary position and accept a temporary position within 30 days in the same
31.22 governmental subdivision;

31.23 (5) employees who are employed by reason of work emergency caused by fire,
31.24 flood, storm, or similar disaster;

31.25 (6) employees who by virtue of their employment in one governmental subdivision
31.26 are required by law to be a member of and to contribute to any of the plans or funds
31.27 administered by the Minnesota State Retirement System, the Teachers Retirement
31.28 Association, the Duluth Teachers Retirement Fund Association, the St. Paul Teachers
31.29 Retirement Fund Association, the Minneapolis Employees Retirement Fund, or any police
31.30 or firefighters relief association governed by section 69.77 that has not consolidated
31.31 with the Public Employees Retirement Association, or any local police or firefighters
31.32 consolidation account who have not elected the type of benefit coverage provided by the
31.33 public employees police and fire fund under sections 353A.01 to 353A.10, or any persons
31.34 covered by section 353.665, subdivision 4, 5, or 6, who have not elected public employees
31.35 police and fire plan benefit coverage. This clause must not be construed to prevent a person

32.1 from being a member of and contributing to the Public Employees Retirement Association
32.2 and also belonging to and contributing to another public pension plan or fund for other
32.3 service occurring during the same period of time. A person who meets the definition of
32.4 "public employee" in subdivision 2 by virtue of other service occurring during the same
32.5 period of time becomes a member of the association unless contributions are made to
32.6 another public retirement fund on the salary based on the other service or to the Teachers
32.7 Retirement Association by a teacher as defined in section 354.05, subdivision 2;

32.8 (7) persons who are members of a religious order and are excluded from coverage
32.9 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the
32.10 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),
32.11 as amended through January 1, 1987, if no irrevocable election of coverage has been made
32.12 under section 3121(r) of the Internal Revenue Code of 1954, as amended;

32.13 (8) employees of a governmental subdivision who have not reached the age of
32.14 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time
32.15 basis at an accredited school, college, or university in an undergraduate, graduate, or
32.16 professional-technical program, or a public or charter high school;

32.17 (9) resident physicians, medical interns, and pharmacist residents and pharmacist
32.18 interns who are serving in a degree or residency program in public hospitals or clinics;

32.19 (10) students who are serving in an internship or residency program sponsored
32.20 by an accredited educational institution;

32.21 (11) persons who hold a part-time adult supplementary technical college license who
32.22 render part-time teaching service in a technical college;

32.23 (12) except for employees of Hennepin County or Hennepin Healthcare System,
32.24 Inc., foreign citizens working for a governmental subdivision with a work permit of less
32.25 than three years, or an H-1b visa valid for less than three years of employment. Upon
32.26 notice to the association that the work permit or visa extends beyond the three-year period,
32.27 the foreign citizens must be reported for membership from the date of the extension;

32.28 (13) public hospital employees who elected not to participate as members of the
32.29 association before 1972 and who did not elect to participate from July 1, 1988, to October
32.30 1, 1988;

32.31 (14) except as provided in section 353.86, volunteer ambulance service personnel,
32.32 as defined in subdivision 35, but persons who serve as volunteer ambulance service
32.33 personnel may still qualify as public employees under subdivision 2 and may be members
32.34 of the Public Employees Retirement Association and participants in the public employees
32.35 retirement fund or the public employees police and fire fund, whichever applies, on the

33.1 basis of compensation received from public employment service other than service as
33.2 volunteer ambulance service personnel;

33.3 (15) except as provided in section 353.87, volunteer firefighters, as defined in
33.4 subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties;
33.5 provided that a person who is a volunteer firefighter may still qualify as a public
33.6 employee under subdivision 2 and may be a member of the Public Employees Retirement
33.7 Association and a participant in the public employees retirement fund or the public
33.8 employees police and fire fund, whichever applies, on the basis of compensation received
33.9 from public employment activities other than those as a volunteer firefighter;

33.10 (16) pipefitters and associated trades personnel employed by Independent School
33.11 District No. 625, St. Paul, with coverage under a collective bargaining agreement by the
33.12 pipefitters local 455 pension plan who were either first employed after May 1, 1997, or,
33.13 if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter
33.14 241, article 2, section 12;

33.15 (17) electrical workers, plumbers, carpenters, and associated trades personnel
33.16 employed by Independent School District No. 625, St. Paul, or the city of St. Paul,
33.17 who have retirement coverage under a collective bargaining agreement by the Electrical
33.18 Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan,
33.19 or the Carpenters Local 87 pension plan who were either first employed after May 1,
33.20 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000,
33.21 chapter 461, article 7, section 5;

33.22 (18) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers,
33.23 painters, allied tradesworkers, and plasterers employed by the city of St. Paul or
33.24 Independent School District No. 625, St. Paul, with coverage under a collective
33.25 bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan,
33.26 the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324
33.27 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities
33.28 Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if
33.29 first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special
33.30 Session chapter 10, article 10, section 6;

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

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

34.4 (21) persons who are provided supported employment or work-study positions
34.5 by a governmental subdivision and who participate in an employment or industries
34.6 program maintained for the benefit of these persons where the governmental subdivision
34.7 limits the position's duration to three years or less, including persons participating in a
34.8 federal or state subsidized on-the-job training, work experience, senior citizen, youth, or
34.9 unemployment relief program where the training or work experience is not provided as a
34.10 part of, or for, future permanent public employment;

34.11 (22) independent contractors and the employees of independent contractors; and

34.12 (23) reemployed annuitants of the association during the course of that
34.13 reemployment.

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

34.15 Sec. 7. Minnesota Statutes 2006, section 353.01, subdivision 10, is amended to read:

34.16 Subd. 10. **Salary.** (a) Subject to the limitations of section 356.611, "salary" means:

34.17 (1) the periodic compensation of a public employee, before deductions for deferred
34.18 compensation, supplemental retirement plans, or other voluntary salary reduction
34.19 programs, and also means "wages" and includes net income from fees;

34.20 (2) for a public employee who is covered by a supplemental retirement plan under
34.21 section 356.24, subdivision 1, clause (8), (9), or (10), which require all plan contributions
34.22 be made by the employer, the contribution to the applicable supplemental retirement plan
34.23 when an agreement between the parties establishes that the contribution is from will either
34.24 result in a mandatory withholdings from reduction of employees' wages through payroll
34.25 withholdings, or be made in lieu of an amount that would otherwise be paid as wages; and

34.26 (3) for a public employee who has prior service covered by a local police or
34.27 firefighters relief association that has consolidated with the Public Employees Retirement
34.28 Association or to which section 353.665 applies and who has elected coverage either
34.29 under the public employees police and fire fund benefit plan under section 353A.08
34.30 following the consolidation or under section 353.665, subdivision 4, the rate of salary
34.31 upon which member contributions to the special fund of the relief association were made
34.32 prior to the effective date of the consolidation as specified by law and by bylaw provisions
34.33 governing the relief association on the date of the initiation of the consolidation procedure
34.34 and the actual periodic compensation of the public employee after the effective date of
34.35 consolidation.

35.1 (b) Salary does not mean:

35.2 (1) the fees paid to district court reporters, unused annual vacation or sick leave
35.3 payments, in lump-sum or periodic payments, severance payments, reimbursement of
35.4 expenses, lump-sum settlements not attached to a specific earnings period, or workers'
35.5 compensation payments;

35.6 (2) employer-paid amounts used by an employee toward the cost of insurance
35.7 coverage, employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health
35.8 care expense accounts, day care expenses, or any payments in lieu of any employer-paid
35.9 group insurance coverage, including the difference between single and family rates that
35.10 may be paid to a member with single coverage and certain amounts determined by the
35.11 executive director to be ineligible;

35.12 (3) the amount equal to that which the employing governmental subdivision would
35.13 otherwise pay toward single or family insurance coverage for a covered employee when,
35.14 through a contract or agreement with some but not all employees, the employer:

35.15 (i) discontinues, or for new hires does not provide, payment toward the cost of the
35.16 employee's selected insurance coverages under a group plan offered by the employer;

35.17 (ii) makes the employee solely responsible for all contributions toward the cost of
35.18 the employee's selected insurance coverages under a group plan offered by the employer,
35.19 including any amount the employer makes toward other employees' selected insurance
35.20 coverages under a group plan offered by the employer; and

35.21 (iii) provides increased salary rates for employees who do not have any
35.22 employer-paid group insurance coverages;

35.23 (4) except as provided in section 353.86 or 353.87, compensation of any kind paid to
35.24 volunteer ambulance service personnel or volunteer firefighters, as defined in subdivision
35.25 35 or 36; ~~and~~

35.26 (5) the amount of compensation that exceeds the limitation provided in section
35.27 356.611; and

35.28 (6) amounts paid by a federal or state grant for which the grant specifically
35.29 prohibits grant proceeds from being used to make pension plan contributions, unless the
35.30 contributions to the plan are made from sources other than the federal or state grant.

35.31 (c) Amounts provided to an employee by the employer through a grievance
35.32 proceeding or a legal settlement are salary only if the settlement is reviewed by the
35.33 executive director and the amounts are determined by the executive director to be
35.34 consistent with paragraph (a) and prior determinations.

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

36.1 Sec. 8. Minnesota Statutes 2006, section 353.01, subdivision 11a, is amended to read:

36.2 Subd. 11a. **Termination of public service.** (a) "Termination of public service"
 36.3 occurs (1) when a member resigns or is dismissed from public service by the employing
 36.4 governmental subdivision and the employee does not, within 30 days of the date
 36.5 the employment relationship ended, return to an employment position in the same
 36.6 governmental subdivision; or (2) when the employer-employee relationship is severed due
 36.7 to the expiration of a layoff under subdivision 12 or 12c.

36.8 (b) The termination of public service must be recorded in the association records
 36.9 upon receipt of an appropriate notice from the governmental subdivision.

36.10 (c) A termination of public service does not occur if, prior to termination of service,
 36.11 the member has an agreement, verbal or written, to return to a governmental subdivision
 36.12 as an employee, independent contractor, or employee of an independent contractor.

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

36.14 Sec. 9. Minnesota Statutes 2007 Supplement, section 353.0161, subdivision 2, is
 36.15 amended to read:

36.16 Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in
 36.17 subdivision 1 may purchase credit for allowable service in that plan for a period specified
 36.18 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
 36.19 whichever applies. The employing unit, at its option, may pay the employer portion of the
 36.20 amount specified in paragraph (b) on behalf of its employees.

36.21 (b) If payment is received by the executive director within one year from the ~~end~~
 36.22 ~~of~~ date the member returned to work following the authorized leave, or within 30 days
 36.23 after the date of termination of public service if the member did not return to work, the
 36.24 payment amount is equal to the employee and employer contribution rates specified in
 36.25 law for the applicable plan at the end of the leave period, or at termination of public
 36.26 service, whichever is earlier, multiplied by the employee's ~~hourly rate of average monthly~~
 36.27 ~~salary on the date~~ upon which deductions were paid during the six months, or portion
 36.28 thereof, before the commencement of return from the leave of absence and by the ~~days~~
 36.29 ~~and number of~~ months of the leave of absence for which the employee wants allowable
 36.30 service credit. Payments made under this paragraph must include compound interest at
 36.31 a monthly rate of 0.71 percent from the last day of the leave period until the last day of
 36.32 the month in which payment is received.

36.33 (c) If payment is received by the executive director after one year, the payment
 36.34 amount is the amount determined under section 356.551. Payment under this paragraph

37.1 must be made before the date the person terminates public service under section 353.01,
37.2 subdivision 11a.

37.3 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2007.

37.4 Sec. 10. Minnesota Statutes 2006, section 353.27, is amended by adding a subdivision
37.5 to read:

37.6 **Subd. 7c. Limitation on additional plan coverage.** No deductions for any
37.7 plan under this chapter or chapter 353E may be taken from the salary of a person who
37.8 is employed by a governmental subdivision under 353.01, subdivision 6, and who is
37.9 receiving disability benefit payments from any plan under this chapter or chapter 353E
37.10 unless the person waives the right to further disability benefit payments.

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

37.12 Sec. 11. Minnesota Statutes 2007 Supplement, section 353.27, subdivision 14, is
37.13 amended to read:

37.14 **Subd. 14. Treatment of periods before initial coverage date.** (a) If an entity is
37.15 determined to be a governmental subdivision due to receipt of a written notice of eligibility
37.16 from the association, that employer and its employees are subject to the requirements
37.17 of subdivision 12, effective retroactively to the date that the executive director of
37.18 the association determines that the entity first met the definition of a governmental
37.19 subdivision, if that date predates the notice of eligibility.

37.20 (b) If the retroactive time period under paragraph (a) exceeds three years, an
37.21 employee is authorized to purchase service credit in the applicable Public Employees
37.22 Retirement Association plan for the portion of the period in excess of three years, by
37.23 making payment under section 356.551. Notwithstanding section 356.551, subdivision 2,
37.24 regarding time limits on purchases, payment may be made anytime before termination of
37.25 public service.

37.26 (c) This subdivision does not apply if the applicable employment under paragraph
37.27 (a) included coverage by any public or private defined benefit or defined contribution
37.28 retirement plan, other than a volunteer firefighters relief association. If this paragraph
37.29 applies, an individual is prohibited from purchasing service credit for any period or
37.30 periods specified in paragraph (a).

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

37.32 Sec. 12. Minnesota Statutes 2006, section 353.33, subdivision 5, is amended to read:

38.1 Subd. 5. **Benefits paid under workers' compensation law.** (a) Disability benefits
38.2 paid shall be coordinated with any amounts, other than those amounts excluded under
38.3 paragraph (b), received or receivable under workers' compensation law, ~~such as temporary~~
38.4 ~~total, permanent total, temporary partial, permanent partial, or economic recovery~~
38.5 ~~compensation benefits,~~ in either periodic or lump sum payments from the employer
38.6 under applicable workers' compensation laws, after deduction of amount of attorney
38.7 fees, authorized under applicable workers' compensation laws, paid by a disabilitant. If
38.8 the total of the single life annuity actuarial equivalent disability benefit and the workers'
38.9 compensation benefit exceeds: (1) the salary the disabled member received as of the date
38.10 of the disability or (2) the salary currently payable for the same employment position or
38.11 an employment position substantially similar to the one the person held as of the date of
38.12 the disability, whichever is greater, the disability benefit must be reduced to that amount
38.13 which, when added to the workers' compensation benefits, does not exceed the greater of
38.14 the salaries described in clauses (1) and (2).

38.15 (b) Permanent partial disability payments provided for in section 176.101,
38.16 subdivision 2a, and retraining payments provided for in section 176.102, subdivision 11,
38.17 must not be offset from disability payments due under paragraph (a) if the amounts of
38.18 the permanent partial or retraining payments are reported to the executive director in a
38.19 manner specified by the executive director.

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

38.21 Sec. 13. Minnesota Statutes 2006, section 353.656, subdivision 2, is amended to read:

38.22 Subd. 2. **Benefits paid under workers' compensation law.** (a) If a member, as
38.23 described in subdivision 1, is injured under circumstances which entitle the member to
38.24 receive benefits under the workers' compensation law, the member shall receive the same
38.25 benefits as provided in subdivision 1, with disability benefits paid reimbursed and future
38.26 benefits reduced by all periodic or lump sum amounts, other than those amounts excluded
38.27 under paragraph (b), paid to the member under the workers' compensation law, after
38.28 deduction of amount of attorney fees, authorized under applicable workers' compensation
38.29 laws, paid by a disabilitant if the total of the single life annuity actuarial equivalent
38.30 disability benefit and the workers' compensation benefit exceeds: (1) the salary the
38.31 disabled member received as of the date of the disability or (2) the salary currently payable
38.32 for the same employment position or an employment position substantially similar to the
38.33 one the person held as of the date of the disability, whichever is greater. The disability
38.34 benefit must be reduced to that amount which, when added to the workers' compensation
38.35 benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

39.1 (b) Permanent partial disability payments provided for in section 176.101,
39.2 subdivision 2a, and retraining payments provided for in section 176.102, subdivision 11,
39.3 must not be offset from disability payments due under paragraph (a) if the amounts of
39.4 the permanent partial or retraining payments are reported to the executive director in a
39.5 manner specified by the executive director.

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

39.7 Sec. 14. Minnesota Statutes 2006, section 353D.05, subdivision 2, is amended to read:

39.8 Subd. 2. **Investment options.** (a) A participant may elect to purchase shares in
39.9 the income share account, the growth share account, the international share account,
39.10 the money market account, the bond market account, the fixed interest account, or the
39.11 common stock index account established by section 11A.17, or a combination of those
39.12 accounts. The participant may elect to purchase shares in a combination of those accounts
39.13 by specifying the percentage of the total contributions to be used to purchase shares in
39.14 each of the accounts.

39.15 (b) A participant or a former participant may indicate in writing a choice of options
39.16 for subsequent purchases of shares. After a choice is made, until the participant or former
39.17 participant makes a different written indication, the executive director of the association
39.18 shall purchase shares in the supplemental investment account or accounts specified by
39.19 the participant. If no initial option is indicated by a participant or the specifications made
39.20 by the participant exceeds 100 percent to be invested in more than one account, the
39.21 executive director shall invest all contributions made by or on behalf of a participant in
39.22 the income share account. If the specifications are less than 100 percent, the executive
39.23 director shall invest the remaining percentage in the income share account. ~~A choice of~~
39.24 ~~investment options is effective the first of the month following the date of receipt of the~~
39.25 ~~signed written choice of options.~~

39.26 (c) Shares in the fixed interest account attributable to any guaranteed investment
39.27 contract as of July 1, 1994, may not be withdrawn from the fund or transferred to another
39.28 account until the guaranteed investment contract has expired, unless the participant
39.29 qualifies for a benefit payment under section 353D.07.

39.30 (d) A participant or former participant may also change the investment options
39.31 selected for all or a portion of the individual's previously purchased shares in accounts,
39.32 subject to the provisions of paragraph (c) concerning the fixed interest account. ~~A change~~
39.33 ~~under this paragraph is effective the first of the month following the date of receipt of a~~
39.34 ~~signed written choice of options.~~

40.1 (e) The change or selection of an investment option or the transfer of all or a portion
40.2 of the deceased or former participant's shares in the income share, growth share, common
40.3 stock index, bond market, international share, money market, or fixed interest accounts
40.4 must not be made following death of the participant or former participant.

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

40.6 Sec. 15. **[353D.071] FEDERAL COMPLIANCE.**

40.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
40.8 have the meanings given to them.

40.9 (b) "Designated beneficiary" means the person designated as the beneficiary under
40.10 section 353D.07, subdivision 5, and who is the designated beneficiary under section
40.11 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4 of the Treasury
40.12 regulations.

40.13 (c) "Distribution calendar year" means a calendar year for which a minimum
40.14 distribution is required. For distributions beginning before the member's death, the first
40.15 distribution calendar year is the calendar year immediately preceding the calendar year
40.16 which contains the member's required beginning date. For distributions beginning after
40.17 the member's death, the first distribution calendar year is the calendar year in which
40.18 distributions are required to begin under subdivision 2, paragraph (c). The required
40.19 minimum distribution for the member's first distribution calendar year shall be made on or
40.20 before the member's required beginning date.

40.21 (d) "Member's account balance" means the account balance as of the last valuation
40.22 date in the valuation calendar year increased by the amount of any contributions made
40.23 and allocated to the account balance as of dates in the valuation calendar year after the
40.24 valuation date and decreased by distributions made in the valuation calendar year after
40.25 the valuation date. The account balance for the valuation calendar year includes any
40.26 amounts rolled over or transferred to the plan either in the valuation calendar year or in the
40.27 distribution calendar year if distributed or transferred in the valuation calendar year.

40.28 (e) "Required beginning date" means the later of April 1 of the calendar year
40.29 following the calendar year that the member attains age 70.5 or April 1 of the calendar
40.30 year following the calendar year in which the member terminates employment.

40.31 (f) "Valuation calendar year" means the calendar year immediately preceding the
40.32 distribution calendar year.

40.33 Subd. 2. **Required Minimum Distributions.** (a) The provisions of this subdivision
40.34 shall apply for purposes of determining required minimum distributions for calendar years
40.35 beginning with the 2003 calendar year and will take precedence over any inconsistent

41.1 provisions of the plan. All distributions required under this section will be determined and
41.2 made in accordance with the treasury regulations under section 401(a)(9) of the Internal
41.3 Revenue Code, including regulations providing special rules for governmental plans, as
41.4 defined under Internal Revenue Code section 414(d), that comply with a reasonable good
41.5 faith interpretation of the minimum distribution requirements.

41.6 (b) The member's entire interest will be distributed to the member in a lump sum no
41.7 later than the member's required beginning date.

41.8 (c) If the member dies before the required minimum distribution is made, the
41.9 member's entire interest will be distributed in a lump sum no later than as follows:

41.10 (1) If the member's surviving spouse is the member's sole designated beneficiary, the
41.11 distribution must be made by December 31 of the calendar year immediately following the
41.12 calendar year in which the member died, or by December 31 of the calendar year in which
41.13 the member would have attained age 70.5, whichever is later;

41.14 (2) If the member's surviving spouse is not the member's sole beneficiary, or if
41.15 there is no designated beneficiary as of September 30 of the year following the year of
41.16 the member's death, the member's entire interest shall be distributed by December 31 of
41.17 the calendar year containing the fifth anniversary of the member's death as directed under
41.18 353D.07, subdivision 5;

41.19 (3) If the member's surviving spouse is the member's sole designated beneficiary and
41.20 the surviving spouse dies after the member but before the account balance is distributed
41.21 to the surviving spouse, paragraph (c), clause (2) shall apply as if the surviving spouse
41.22 were the member.

41.23 (d) For purposes of paragraph (c), unless clause (3) applies, distributions are
41.24 considered to be made on the member's required beginning date. If paragraph (c), clause
41.25 (3) applies, distributions are considered to begin on the date distributions are required to
41.26 be made to the surviving spouse under paragraph (c), clause (1).

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

41.28 Sec. 16. Minnesota Statutes 2007 Supplement, section 353F.02, subdivision 4, is
41.29 amended to read:

41.30 Subd. 4. **Medical facility.** "Medical facility" means:

41.31 (1) Bridges Medical Services;

41.32 (2) the City of Cannon Falls Hospital;

41.33 (3) Clearwater County Memorial Hospital doing business as Clearwater Health
41.34 Services in Bagley;

41.35 (4) the Dassel Lakeside Community Home;

- 42.1 (5) the Fair Oaks Lodge, Wadena;
- 42.2 (6) the Glencoe Area Health Center;
- 42.3 (7) the Hutchinson Area Health Care;
- 42.4 (8) ~~the Kanabec Hospital;~~
- 42.5 ~~(9) the Lakefield Nursing Home;~~
- 42.6 ~~(10) (9) the Lakeview Nursing Home in Gaylord;~~
- 42.7 ~~(11) (10) the Luverne Public Hospital;~~
- 42.8 ~~(12) the Northfield Hospital;~~
- 42.9 ~~(13) (11) the Oakland Park Nursing Home;~~
- 42.10 ~~(14) (12) the RenVilla Nursing Home;~~
- 42.11 ~~(15) the Renville County Hospital in Olivia;~~
- 42.12 ~~(16) (13) the St. Peter Community Healthcare Center; and~~
- 42.13 ~~(17) (14) the Waconia-Ridgeview Medical Center.~~

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

42.15 Sec. 17. **[353F.025] CERTIFICATION AND DECERTIFICATION OF MEDICAL**

42.16 **FACILITIES AND OTHER PUBLIC EMPLOYING UNITS.**

42.17 **Subdivision 1. Eligibility determination.** (a) The chief clerical officer of a

42.18 governmental subdivision may submit a resolution from the governing body to the

42.19 executive director of the Public Employees Retirement Association which supports

42.20 providing coverage under this chapter for employees of that governmental subdivision

42.21 who are privatized, and which states that the governing body will pay for actuarial

42.22 calculations, as further specified in paragraph (c).

42.23 (b) The governing body must also provide a copy of any applicable purchase or

42.24 lease agreement and any other information requested by the executive director to allow the

42.25 executive director to verify that under the proposed employer change, the new employer

42.26 does not qualify as a governmental subdivision under section 353.01, subdivision 6,

42.27 making the employees ineligible for continued coverage as active members of the general

42.28 employees retirement plan of the Public Employees Retirement Association.

42.29 (c) Following receipt of a resolution and a determination by the executive director

42.30 that the new employer is not a governmental subdivision, the executive director shall

42.31 direct the consulting actuary retained under section 356.214 to determine whether the

42.32 general employees retirement plan of the Public Employees Retirement Association is

42.33 expected to receive a net gain if privatization occurs, by determining whether the actuarial

42.34 liability of the special benefit coverage provided under this chapter, if extended to the

42.35 applicable employees under the privatization, is less than the actuarial gain otherwise to

43.1 accrue to the plan. The date of the actuarial calculations used to make this determination
 43.2 must be within one year of the effective date, as defined in section 353F.02, subdivision 3.

43.3 Subd. 2. **Recommendation to legislature.** (a) If the actuarial calculations under
 43.4 subdivision 1, paragraph (c), indicate that a net gain to the general employees retirement
 43.5 plan of the Public Employees Retirement Association is expected due to the privatization,
 43.6 the executive director shall forward a recommendation and supporting documentation to
 43.7 the chair of the Legislative Commission on Pensions and Retirement, the chair of the
 43.8 Governmental Operations, Reform, Technology and Elections Committee of the house of
 43.9 representatives, the chair of the State and Local Government Operations and Oversight
 43.10 Committee of the senate, and the executive director of the Legislative Commission on
 43.11 Pensions and Retirement. The recommendation must be in the form of an addition to
 43.12 the definition of "medical facility" under section 353F.02, subdivision 4, or to "other
 43.13 public employing unit" under section 353F.02, subdivision 5, whichever is applicable.
 43.14 The recommendation must be forwarded to the legislature before January 15 for the
 43.15 recommendation to be considered in that year's legislative session.

43.16 (b) If a medical facility or other public employing unit listed under section 353F.02,
 43.17 subdivision 4 or 5, fails to privatize within one year of the final enactment date of the
 43.18 legislation adding the entity to the applicable definition, its inclusion under this chapter
 43.19 is voided, and the executive director shall include in the proposed legislation under
 43.20 paragraph (a) a recommendation that the applicable entity be stricken from the definition.

43.21 Subd. 3. **Date of application.** For any privatization added to this chapter after the
 43.22 effective date of this section, the first date of coverage is the effective date as defined in
 43.23 section 353F.02, subdivision 3.

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

43.25 Sec. 18. Minnesota Statutes 2007 Supplement, section 354.096, subdivision 2, is
 43.26 amended to read:

43.27 Subd. 2. **Payment.** (a) Notwithstanding any laws to the contrary, a member who
 43.28 is granted a family leave under United States Code, title 42, section 12631, may receive
 43.29 allowable service credit for the leave by making payment ~~of the employee, employer, and~~
 43.30 ~~additional employer contributions at the rates under section 354.42, during the leave~~
 43.31 ~~period as applied to the member's average full-time monthly salary rate on the date the~~
 43.32 ~~leave commenced~~ under section 354.72.

43.33 ~~(b) If payment is made after the leave terminates, section 354.72 applies.~~

43.34 **EFFECTIVE DATE.** This section is effective July 1, 2008.

44.1 Sec. 19. Minnesota Statutes 2006, section 354.33, subdivision 5, is amended to read:

44.2 Subd. 5. **Retirees not eligible for federal benefits.** ~~Notwithstanding the provisions~~
 44.3 ~~of section 354.55, subdivision 3,~~ When any person retires after July 1, 1973, who (1)
 44.4 has ten or more years of allowable service, and (2) does not have any retroactive Social
 44.5 Security coverage by reason of the person's position in the retirement system, and (3) does
 44.6 not qualify for federal old age and survivor primary benefits at the time of retirement, the
 44.7 annuity must be computed under section 354.44, subdivision 2, of the law in effect on
 44.8 June 30, 1969, except that accumulations after June 30, 1957, must be calculated using the
 44.9 same mortality table and interest assumption as are used to transfer the required reserves
 44.10 to the Minnesota postretirement investment fund.

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

44.12 Sec. 20. Minnesota Statutes 2007 Supplement, section 354.72, subdivision 2, is
 44.13 amended to read:

44.14 Subd. 2. **Purchase procedure.** (a) A teacher may purchase credit for allowable and
 44.15 formula service in the plan for a period specified in subdivision 1 if the teacher makes a
 44.16 payment as specified in paragraph (b) ~~or~~ (c), or (d), whichever applies. The employing
 44.17 unit, at its option, may pay the employer portion of the amount ~~specified in paragraph (b)~~
 44.18 on behalf of its employees.

44.19 (b) If payment is received by the executive director ~~within one year from the end~~
 44.20 by June 30 of the fiscal year of the strike period or authorized leave included under section
 44.21 354.093, 354.095, or 354.096, or payment must equal the total employee and employer
 44.22 contribution rates, including amortization contribution rates if applicable, multiplied by the
 44.23 member's average monthly salary rate on the date the leave or strike period commenced,
 44.24 or for an extended leave under section 354.094, on the salary received during the year
 44.25 immediately preceding the initial year of the leave, multiplied by the months and portions
 44.26 of a month of the leave or strike period for which the teacher seeks allowable service credit.

44.27 (c) If payment is made after June 30 and before the following June 30 for a strike
 44.28 period or for leaves of absence under sections 354.093, 354.095, or 354.096, or for an
 44.29 extended leave of absence under section 354.094, the payment must equal the total
 44.30 employee and employer contributions, including amortization contributions if applicable,
 44.31 given the contribution rates in section 354.42, multiplied by the member's average
 44.32 monthly salary rate on the commencement of the leave or period of strike, multiplied by
 44.33 the months and portions of a month of the leave of absence or period of strike for which
 44.34 the teacher seeks allowable service credit. Payments made under this paragraph must
 44.35 include the amount determined in paragraph (b) plus compound interest at a monthly rate

45.1 of 0.71 percent from ~~the last day of the leave period or strike period, or from~~ June 30 for
45.2 ~~an extended leave of absence under section 354.094,~~ until the last day of the month in
45.3 which payment is received.

45.4 ~~(e)~~ (d) If payment is received by the executive director after the applicable last
45.5 permitted date under paragraph ~~(b)~~ (c), the payment amount is the amount determined
45.6 under section 356.551. Notwithstanding payment deadlines specified in section 356.551,
45.7 payment under this section may be made anytime before the effective date of retirement.

45.8 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2007.

45.9 Sec. 21. Minnesota Statutes 2006, section 356.47, subdivision 3, is amended to read:

45.10 Subd. 3. **Payment.** (a) ~~Upon the retired member attaining the age of 65 years~~
45.11 ~~or upon the first day of the month next following the month occurring~~ Beginning one
45.12 year after the termination of the reemployment withholding period ends relating to the
45.13 reemployment that gave rise to the limitation, whichever is later, and the filing of a written
45.14 application, the retired member is entitled to the payment, in a lump sum, of the value
45.15 of the person's amount under subdivision 2, plus interest at the compound annual rate
45.16 of six percent from the date that the amount was deducted from the retirement annuity
45.17 to the date of payment.

45.18 (b) The written application must be on a form prescribed by the chief administrative
45.19 officer of the applicable retirement plan.

45.20 (c) If the retired member dies before the payment provided for in paragraph (a) is
45.21 made, the amount is payable, upon written application, to the deceased person's surviving
45.22 spouse, or if none, to the deceased person's designated beneficiary, or if none, to the
45.23 deceased person's estate.

45.24 (d) In lieu of the direct payment of the person's amount under subdivision 2, on
45.25 or after the payment date under paragraph (a), if the federal Internal Revenue Code so
45.26 permits, the retired member may elect to have all or any portion of the payment amount
45.27 under this section paid in the form of a direct rollover to an eligible retirement plan as
45.28 defined in section 402(c) of the federal Internal Revenue Code that is specified by the
45.29 retired member. If the retired member dies with a balance remaining payable under this
45.30 section, the surviving spouse of the retired member, or if none, the deceased person's
45.31 designated beneficiary, or if none, the administrator of the deceased person's estate may
45.32 elect a direct rollover under this paragraph.

45.33 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2008.

45.34 Sec. 22. Minnesota Statutes 2006, section 356.551, subdivision 2, is amended to read:

46.1 Subd. 2. **Determination.** (a) Unless the minimum purchase amount set forth in
46.2 paragraph (c) applies, the prior service credit purchase amount is an amount equal to the
46.3 actuarial present value, on the date of payment, as calculated by the chief administrative
46.4 officer of the pension plan and reviewed by the actuary retained under section 356.214,
46.5 of the amount of the additional retirement annuity obtained by the acquisition of the
46.6 additional service credit in this section.

46.7 (b) Calculation of this amount must be made using the preretirement interest rate
46.8 applicable to the public pension plan specified in section 356.215, subdivision 8, and
46.9 the mortality table adopted for the public pension plan. The calculation must assume
46.10 continuous future service in the public pension plan until, and retirement at, the age at
46.11 which the minimum requirements of the fund for normal retirement or retirement with an
46.12 annuity unreduced for retirement at an early age, including section 356.30, are met with
46.13 the additional service credit purchased. The calculation must also assume a full-time
46.14 equivalent salary, or actual salary, whichever is greater, and a future salary history that
46.15 includes annual salary increases at the applicable salary increase rate for the plan specified
46.16 in section 356.215, subdivision 4d.

46.17 ~~(c) The prior service credit purchase amount may not be less than the amount~~
46.18 ~~determined by applying the current employee or member contribution rate, the employer~~
46.19 ~~contribution rate, and the additional employer contribution rate, if any, to the person's~~
46.20 ~~current annual salary and multiplying that result by the number of whole and fraction~~
46.21 ~~years of service to be purchased.~~

46.22 (c) The prior service credit purchase amount may not be less than the amount
46.23 determined by applying, for each year or fraction of a year being purchased, the sum of the
46.24 employee contribution rate, the employer contribution rate, and the additional employer
46.25 contribution rate, if any, applicable during that period, to the person's annual salary during
46.26 that period, or fractional portion of a year's salary, if applicable, plus interest at the annual
46.27 rate of 8.5 percent compounded annually from the end of the year in which contributions
46.28 would otherwise have been made to the date on which the payment is received.

46.29 (d) Unless otherwise provided by statutes governing a specific plan, payment must
46.30 be made in one lump sum within one year of the prior service credit authorization or prior
46.31 to the member's effective date of retirement, whichever is earlier. Payment of the amount
46.32 calculated under this section must be made by the applicable eligible person.

46.33 (e) However, the current employer or the prior employer may, at its discretion, pay
46.34 all or any portion of the payment amount that exceeds an amount equal to the employee
46.35 contribution rates in effect during the period or periods of prior service applied to the
46.36 actual salary rates in effect during the period or periods of prior service, plus interest at the

47.1 rate of 8.5 percent a year compounded annually from the date on which the contributions
47.2 would otherwise have been made to the date on which the payment is made. If the
47.3 employer agrees to payments under this subdivision, the purchaser must make the
47.4 employee payments required under this subdivision within 90 days of the prior service
47.5 credit authorization. If that employee payment is made, the employer payment under this
47.6 subdivision must be remitted to the chief administrative officer of the public pension plan
47.7 within 60 days of receipt by the chief administrative officer of the employee payments
47.8 specified under this subdivision.

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

47.10 Sec. 23. Minnesota Statutes 2006, section 356.611, subdivision 2, is amended to read:

47.11 Subd. 2. **Federal compensation limits.** (a) For members of a covered pension
47.12 plan enumerated in section 356.30, subdivision 3 and of the plan established under
47.13 chapter 353D, compensation in excess of the limitation specified in section 401(a)(17) of
47.14 the Internal Revenue Code, as amended, for changes in the cost of living under section
47.15 401(a)(17)(B) of the Internal Revenue Code, may not be included for contribution and
47.16 benefit computation purposes.

47.17 (b) Notwithstanding paragraph (a), for members specified in paragraph (a) who first
47.18 contributed to a ~~covered~~ plan specified in that paragraph before July 1, 1995, the annual
47.19 compensation limit specified in Internal Revenue Code 401(a)(17) on June 30, 1993,
47.20 applies if that provides a greater allowable annual compensation.

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

47.22 Sec. 24. Minnesota Statutes 2006, section 356.611, is amended by adding a subdivision
47.23 to read:

47.24 Subd. 3a. **Maximum annual addition limitation.** The annual additions on behalf
47.25 of a member to the plan established under chapter 352D or 353D for any limitation year
47.26 beginning after December 31, 2001 shall not exceed the lesser of one hundred percent
47.27 of the member's compensation, as defined for purposes of section 415 (c) of the Internal
47.28 Revenue Code; or \$40,000, as adjusted by the United States secretary of the treasury under
47.29 section 415(d) of the Internal Revenue Code.

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

47.31 Sec. 25. Laws 2002, chapter 392, article 2, section 4, is amended to read:

47.32 Sec. 4. **EFFECTIVE DATE.**

47.33 (a) Sections 1, 2, and 3 are effective retroactive to July 1, 2001.

48.1 (b) The authority to obtain credit for allowable service under section 1, clause (11);
48.2 and section 2, paragraph (a), clause (8), and section 3, clause (9), expires 12 months
48.3 after the date of enactment.

48.4 **EFFECTIVE DATE.** This section is effective retroactively without interruption
48.5 from July 1, 2002.

48.6 Sec. 26. Laws 2006, chapter 271, article 5, section 5, is amended to read:

48.7 Sec. 5. **EFFECTIVE DATE.**

48.8 (a) Sections 1, 3, and 4 are effective the day following final enactment and section 3
48.9 has effect retroactively from July 25, 2005.

48.10 (b) Section 2 with respect to the Cannon Falls Hospital District is effective upon the
48.11 latter of:

48.12 (1) the day after the governing body of the Cannon Falls Hospital District and its
48.13 chief clerical officer meet the requirements under Minnesota Statutes, section 645.021,
48.14 subdivisions 2 and 3; and

48.15 (2) the first day of the month following certification to the Cannon Falls Hospital
48.16 District by the executive director of the Public Employees Retirement Association that the
48.17 actuarial accrued liability of the special benefit coverage proposed for extension to the
48.18 privatized City of Cannon Falls Hospital employees under section 1 does not exceed the
48.19 actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as
48.20 calculated by the consulting actuary retained under Minnesota Statutes, section 356.214.
48.21 The cost of the actuarial calculations must be borne by the current employer or by the
48.22 entity which is the employer following the privatization.

48.23 (c) Section 2, with respect to Clearwater County Memorial Hospital, is effective
48.24 upon the latter of:

48.25 (1) the day after the governing body of Clearwater County and its chief clerical
48.26 officer meet the requirements under Minnesota Statutes, section 645.021, subdivisions 2
48.27 and 3, except that the certificate of approval must be filed before January 1, 2009; and

48.28 (2) the first day of the month following certification to Clearwater County by the
48.29 executive director of the Public Employees Retirement Association that the actuarial
48.30 accrued liability of the special benefit coverage proposed for extension to the privatized
48.31 Clearwater Health Services employees under section 2 does not exceed the actuarial gain
48.32 otherwise to be accrued by the Public Employees Retirement Association, as calculated by
48.33 the consulting actuary retained under Minnesota Statutes, section 356.214. The cost of
48.34 the actuarial calculations must be borne by the current employer or by the entity which is
48.35 the employer following the privatization.

49.1 (d) Section 2 with respect to the Dassel Lakeside Community Home is effective
49.2 upon the latter of:

49.3 (1) the day after the governing body of the city of Dassel and its chief clerical officer
49.4 timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2
49.5 and 3; and

49.6 (2) the first day of the month next following certification to the Dassel City
49.7 Council by the executive director of the Public Employees Retirement Association that
49.8 the actuarial accrued liability of the special benefit coverage proposed for extension to
49.9 the privatized Dassel Lakeside Community Home employees under section 2 does not
49.10 exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement
49.11 Association, as calculated by the consulting actuary retained under Minnesota Statutes,
49.12 section 356.214. The cost of the actuarial calculations must be borne by the city of Dassel
49.13 or by the entity which is the employer following the privatization.

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

49.15 Sec. 27. **REPEALER.**

49.16 (a) Minnesota Statutes 2006, sections 354.44, subdivision 6a; 354.465; 354.51,
49.17 subdivision 4; and 354.55, subdivisions 2, 3, 6, 12, and 15, are repealed effective July
49.18 1, 2008.

49.19 (b) Minnesota Statutes 2006, sections 354A.091, subdivisions 1a and 1b; and
49.20 355.629, are repealed effective July 1, 2008.

49.21 (c) Laws 2005, First Special Session chapter 8, article 1, section 23, is repealed
49.22 retroactive from July 26, 2005.

49.23 **ARTICLE 6**

49.24 **MSRS-CORRECTIONAL PLAN COVERAGE EXPANSION**

49.25 Section 1. Minnesota Statutes 2007 Supplement, section 352.91, subdivision 3d,
49.26 is amended to read:

49.27 Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means
49.28 service by a state employee in one of the employment positions at a correctional facility or
49.29 at the Minnesota Security Hospital specified in paragraph (b) if at least 75 percent of the
49.30 employee's working time is spent in direct contact with inmates or patients and the fact of
49.31 this direct contact is certified to the executive director by the appropriate commissioner.

49.32 (b) The employment positions are ~~as follows~~:

49.33 (1) baker;

49.34 (2) central services administrative specialist, intermediate;

- 50.1 (3) central services administrative specialist, principal;
- 50.2 (4) chaplain;
- 50.3 (5) chief cook;
- 50.4 (6) cook;
- 50.5 (7) cook coordinator;
- 50.6 (8) corrections program therapist 1;
- 50.7 (9) corrections program therapist 2;
- 50.8 (10) corrections program therapist 3;
- 50.9 (11) corrections program therapist 4;
- 50.10 (12) corrections inmate program coordinator;
- 50.11 (13) corrections transitions program coordinator;
- 50.12 (14) corrections security caseworker;
- 50.13 (15) corrections security caseworker career;
- 50.14 (16) corrections teaching assistant;
- 50.15 (17) delivery van driver;
- 50.16 (18) dentist;
- 50.17 (19) electrician supervisor;
- 50.18 (20) general maintenance worker lead;
- 50.19 (21) general repair worker;
- 50.20 (22) library/information research services specialist;
- 50.21 (23) library/information research services specialist senior;
- 50.22 (24) library technician;
- 50.23 (25) painter lead;
- 50.24 (26) plant maintenance engineer lead;
- 50.25 (27) plumber supervisor;
- 50.26 (28) psychologist 1;
- 50.27 (29) psychologist 3;
- 50.28 (30) recreation therapist;
- 50.29 (31) recreation therapist coordinator;
- 50.30 (32) recreation program assistant;
- 50.31 (33) recreation therapist senior;
- 50.32 (34) sports medicine specialist;
- 50.33 (35) work therapy assistant;
- 50.34 (36) work therapy program coordinator; and
- 50.35 (37) work therapy technician.

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

51.1 Sec. 2. **COVERAGE TRANSFER DATES.**

51.2 (a) The coverage transfer under Minnesota Statutes, section 352.91, subdivision 3d,
 51.3 paragraph (b), clause (20), also covers employment in that position after December 11,
 51.4 2007, for purposes of Minnesota Statutes, section 352.955, subdivisions 1, 3, 4, 5, and 6.

51.5 (b) The coverage change under Minnesota Statutes, section 352.91, subdivision 3d,
 51.6 paragraph (b), clause (25), is prospective only.

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

51.8 **ARTICLE 7**
 51.9 **MSRS-UNCLASSIFIED RETIREMENT PROGRAM CHANGES**

51.10 Section 1. Minnesota Statutes 2007 Supplement, section 352D.02, subdivision 1,
 51.11 is amended to read:

51.12 Subdivision 1. **Coverage.** (a) Except as specified in paragraph (b), employees
 51.13 enumerated in paragraph (c), ~~clauses (2), (3), (4), (6) to (14), and (16) to (18)~~, if they are
 51.14 an elected official or in the unclassified service of the state or Metropolitan Council and
 51.15 are eligible for coverage under the general state employees retirement plan under chapter
 51.16 352, are participants in the unclassified program under this chapter unless the employee
 51.17 gives notice to the executive director of the Minnesota State Retirement System within
 51.18 one year following the commencement of employment in the unclassified service that the
 51.19 employee desires coverage under the general state employees retirement plan. For the
 51.20 purposes of this chapter, an employee who does not file notice with the executive director
 51.21 is deemed to have exercised the option to participate in the unclassified program.

51.22 (b) ~~Persons referenced in paragraph (c), clause (5), are participants in the unclassified~~
 51.23 ~~program under this chapter unless the person was eligible to elect different coverage under~~
 51.24 ~~section 3A.07 and elected retirement coverage by the applicable alternative retirement~~
 51.25 ~~plan.~~ Persons referenced in paragraph (c), clause (15), are participants in the unclassified
 51.26 program under this chapter for judicial employment in excess of the service credit limit in
 51.27 section 490.121, subdivision 22, and are not eligible for the choice of coverage specified
 51.28 in paragraph (a).

51.29 (c) Enumerated employees ~~and referenced persons~~ are:

51.30 (1) the governor, the lieutenant governor, the secretary of state, the state auditor,
 51.31 and the attorney general;

51.32 (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary
 51.33 of State, State Auditor, Attorney General;

51.34 (3) an employee of the State Board of Investment;

52.1 (4) the head of a department, division, or agency created by statute in the unclassified
52.2 service, an acting department head subsequently appointed to the position, or an employee
52.3 enumerated in section 15A.0815 or 15A.083, subdivision 4;

52.4 (5) a member of the legislature;

52.5 (6) a full-time unclassified employee of the legislature or a commission or agency of
52.6 the legislature who is appointed without a limit on the duration of the employment or a
52.7 temporary legislative employee having shares in the supplemental retirement fund as a
52.8 result of former employment covered by this chapter, whether or not eligible for coverage
52.9 under the Minnesota State Retirement System;

52.10 (7) a person who is employed in a position established under section 43A.08,
52.11 subdivision 1, clause (3), or in a position authorized under a statute creating or establishing
52.12 a department or agency of the state, which is at the deputy or assistant head of department
52.13 or agency or director level;

52.14 (8) the regional administrator, or executive director of the Metropolitan Council,
52.15 general counsel, division directors, operations managers, and other positions as designated
52.16 by the council, all of which may not exceed 27 positions at the council and the chair;

52.17 (9) the executive director, associate executive director, and not to exceed nine
52.18 positions of the Minnesota Office of Higher Education in the unclassified service, as
52.19 designated by the Minnesota Office of Higher Education before January 1, 1992, or
52.20 subsequently redesignated with the approval of the board of directors of the Minnesota
52.21 State Retirement System, unless the person has elected coverage by the individual
52.22 retirement account plan under chapter 354B;

52.23 (10) the clerk of the appellate courts appointed under article VI, section 2, of the
52.24 Constitution of the state of Minnesota, the state court administrator and judicial district
52.25 administrators;

52.26 (11) the chief executive officers of correctional facilities operated by the Department
52.27 of Corrections and of hospitals and nursing homes operated by the Department of Human
52.28 Services;

52.29 (12) an employee whose principal employment is at the state ceremonial house;

52.30 (13) an employee of the Agricultural Utilization Research Institute;

52.31 (14) an employee of the State Lottery who is covered by the managerial plan
52.32 established under section 43A.18, subdivision 3;

52.33 (15) a judge who has exceeded the service credit limit in section 490.121,
52.34 subdivision 22;

52.35 (16) an employee of Minnesota Technology Incorporated;

53.1 (17) a person employed by the Minnesota State Colleges and Universities as faculty
53.2 or in an eligible unclassified administrative position as defined in section 354B.20,
53.3 subdivision 6, who was employed by the former state university or the former community
53.4 college system before May 1, 1995, and elected unclassified program coverage prior to
53.5 May 1, 1995; and

53.6 (18) a person employed by the Minnesota State Colleges and Universities who
53.7 was employed in state service before July 1, 1995, who subsequently is employed in an
53.8 eligible unclassified administrative position as defined in section 354B.20, subdivision
53.9 6, and who elects coverage by the unclassified program.

53.10 **EFFECTIVE DATE.** This section is effective January 6, 2008.

53.11 Sec. 2. Minnesota Statutes 2007 Supplement, section 352D.02, subdivision 3, is
53.12 amended to read:

53.13 Subd. 3. **Transfer to general plan.** (a) An employee, other than a judge as
53.14 specified in subdivision 1, paragraph (c), clause (15), credited with ~~employee~~ shares in the
53.15 unclassified program, after acquiring credit for ten years of allowable service and not later
53.16 than one month following the termination of covered employment, may elect to terminate
53.17 participation in the unclassified program and be covered by the general plan by filing a
53.18 written election with the executive director. The executive director shall then redeem the
53.19 employee's total shares and shall credit to the employee's account in the general plan the
53.20 amount of contributions that would have been so credited had the employee been covered
53.21 by the general plan during the employee's entire covered employment or elective state
53.22 service. The balance of money so redeemed and not credited to the employee's account
53.23 shall be transferred to the general plan retirement fund, except that (1) the employee
53.24 contribution paid to the unclassified program must be compared to (2) the employee
53.25 contributions that would have been paid to the general plan for the comparable period, if
53.26 the individual had been covered by that plan. If clause (1) is greater than clause (2), the
53.27 difference must be refunded to the employee as provided in section 352.22. If clause (2) is
53.28 greater than clause (1), the difference must be paid by the employee within six months
53.29 of electing general plan coverage or before the effective date of the annuity, whichever
53.30 is sooner.

53.31 (b) An election under paragraph (a) to transfer coverage to the general plan is
53.32 irrevocable during any period of covered employment.

53.33 **EFFECTIVE DATE.** This section is effective January 6, 2008.

54.1 **ARTICLE 8**

54.2 **PERA BENEFITS FOLLOWING PRIVATIZATIONS**

54.3 Section 1. Minnesota Statutes 2007 Supplement, section 353F.02, subdivision 4,
54.4 is amended to read:

54.5 Subd. 4. **Medical facility.** "Medical facility" means:

54.6 (1) Bridges Medical Services;

54.7 (2) the City of Cannon Falls Hospital;

54.8 (3) Clearwater County Memorial Hospital doing business as Clearwater Health
54.9 Services in Bagley;

54.10 (4) the Dassel Lakeside Community Home;

54.11 (5) the Fair Oaks Lodge, Wadena;

54.12 (6) the Glencoe Area Health Center;

54.13 (7) the Hutchinson Area Health Care;

54.14 (8) the Kanabec Hospital;

54.15 (9) the Lakefield Nursing Home;

54.16 (10) the Lakeview Nursing Home in Gaylord;

54.17 (11) the Luverne Public Hospital;

54.18 (12) the Northfield Hospital;

54.19 (13) the Oakland Park Nursing Home;

54.20 (14) the RenVilla Nursing Home;

54.21 (15) the Renville County Hospital in Olivia;

54.22 (16) the Rice Memorial Hospital in Willmar, with respect to the Department of
54.23 Radiology and the Department of Radiation/Oncology;

54.24 (17) the St. Peter Community Healthcare Center; and

54.25 ~~(17)~~ (18) the Waconia-Ridgeview Medical Center; and

54.26 (19) the Worthington Regional Hospital.

54.27 Sec. 2. **EFFECTIVE DATE.**

54.28 (a) Section 1, clause 16, is effective the day after the governing body of the city of
54.29 Willmar and its chief clerical officer timely comply with Minnesota Statutes, section
54.30 645.021, subdivisions 2 and 3.

54.31 (b) Section 1, clause 19, is effective the day after the governing body of the city of
54.32 Worthington and its chief clerical officer timely comply with Minnesota Statutes, section
54.33 645.021, subdivisions 2 and 3.

55.1 **ARTICLE 9**

55.2 **RETIREMENT RELATED STATE AID PROGRAMS**

55.3 Section 1. Minnesota Statutes 2006, section 354A.12, subdivision 3a, is amended to
55.4 read:

55.5 Subd. 3a. **Special direct state aid to first class city teachers retirement fund**
55.6 **associations.** (a) ~~In fiscal year 1998, The state shall pay \$4,827,000 to the St. Paul~~
55.7 ~~Teachers Retirement Fund Association, \$17,954,000 to the Minneapolis Teachers~~
55.8 ~~Retirement Fund Association, and \$486,000 to the Duluth Teachers Retirement Fund~~
55.9 ~~Association. In each fiscal year after fiscal year 2006, these payments to the first class city~~
55.10 ~~teachers retirement fund associations must be \$2,827,000 for to the St. Paul, \$12,954,000~~
55.11 ~~to the Teachers Retirement Fund Association and, for the former Minneapolis Teachers~~
55.12 ~~Retirement Fund Association, and \$486,000 for Duluth \$13,300,000 to the Teachers~~
55.13 Retirement Association.

55.14 (b) The direct state aids under this subdivision are payable October 1 annually. The
55.15 commissioner of finance shall pay the direct state aid. The amount required under this
55.16 subdivision is appropriated annually from the general fund to the commissioner of finance.

55.17 Sec. 2. Minnesota Statutes 2007 Supplement, section 354A.12, subdivision 3c, is
55.18 amended to read:

55.19 Subd. 3c. **Termination of supplemental contributions and direct matching**
55.20 **and state aid.** (a) The supplemental contributions payable to the Minneapolis Teachers
55.21 Retirement Fund Association by Special School District No. 1 and the city of Minneapolis
55.22 under section 423A.02, subdivision 3, must ~~continue to~~ be paid to the Teachers Retirement
55.23 Association and must continue until the current assets of the fund equal or exceed the
55.24 actuarial accrued liability of the fund as determined in the most recent actuarial report
55.25 for the fund by the actuary retained under section 356.214 or 2037, whichever occurs
55.26 earlier. The supplemental contributions payable to the St. Paul Teachers Retirement
55.27 Fund Association by Independent School District No. 625 under section 423A.02,
55.28 subdivision 3, or the direct state ~~aids aid~~ under subdivision 3a to the St. Paul Teachers
55.29 Retirement Fund Association terminate at the end of the fiscal year in which the accrued
55.30 liability funding ratio for that fund, as determined in the most recent actuarial report for
55.31 that fund by the actuary retained under section 356.214, equals or exceeds the accrued
55.32 liability funding ratio for the Teachers Retirement Association, as determined in the most
55.33 recent actuarial report for the Teachers Retirement Association by the actuary retained
55.34 under section 356.214.

56.1 ~~(b) If the state direct matching, state supplemental, or state aid is terminated for a~~
 56.2 ~~first class city teachers retirement fund association under paragraph (a), it may not again~~
 56.3 ~~be received by that fund.~~

56.4 ~~(e) If the St. Paul Teachers Retirement Fund Association is funded at an amount~~
 56.5 ~~equal to or greater than the funding ratio applicable to the Teachers Retirement Association~~
 56.6 ~~when the provisions of paragraph (b) become effective, then any future state aid previously~~
 56.7 ~~distributed to that association must be immediately transferred under subdivision 3a is~~
 56.8 ~~payable to the Teachers Retirement Association.~~

56.9 **Sec. 3. EFFECTIVE DATE; RETROACTIVITY; REPEALER.**

56.10 (a) Sections 1 and 2 are effective on the day following final enactment and apply
 56.11 retroactively to direct state aid paid or payable during fiscal years 2007 and 2008.

56.12 (b) Minnesota Statutes 2006, section 354A.12, subdivision 3a, are repealed effective
 56.13 the first day of the fiscal year next following the fiscal year in which neither the Teachers
 56.14 Retirement Association nor the St. Paul Teachers Retirement Fund Association has an
 56.15 unfunded actuarial accrued liability as determined in the actuarial valuation prepared
 56.16 under Minnesota Statutes, section 356.215, by the actuary retained under Minnesota
 56.17 Statutes, section 356.214.

56.18 (c) Minnesota Statutes 2007 Supplement, section 354A.12, subdivisions 3b and 3c,
 56.19 are repealed effective the first day of the fiscal year next following the fiscal year in which
 56.20 neither the Teachers Retirement Association nor the St. Paul Teachers Retirement Fund
 56.21 Association has an unfunded actuarial accrued liability as determined in the actuarial
 56.22 valuation prepared under Minnesota Statutes, section 356.215, by the actuary retained
 56.23 under Minnesota Statutes, section 356.214.

56.24 **ARTICLE 10**

56.25 **MNSCU-IRAP AND RELATED CHANGES**

56.26 Section 1. Minnesota Statutes 2006, section 354B.20, is amended by adding a
 56.27 subdivision to read:

56.28 Subd. 19. **Unclaimed plan account amounts.** "Unclaimed plan account amounts"
 56.29 means the accounts of any plan participant who has terminated employment by the
 56.30 Minnesota State Colleges and Universities System or who has died, or of the surviving
 56.31 spouse, beneficiary, or estate of the participant if the plan administrator is unable to
 56.32 locate the applicable recipient in accordance with Internal Revenue Service due diligence
 56.33 requirements.

56.34 Sec. 2. Minnesota Statutes 2006, section 354B.25, subdivision 5, is amended to read:

57.1 Subd. 5. **Individual retirement account plan administrative expenses.** (a) The
57.2 reasonable and necessary administrative expenses of the individual retirement account
57.3 plan may be charged to plan participants by the plan sponsor in the form of an annual
57.4 fee, an asset-based fee, a percentage of the contributions to the plan, or a combination
57.5 thereof. This amount shall be offset by interest earned on both the plan reserves and
57.6 unclaimed funds account.

57.7 (b) Any administrative expense charge that is not actually needed for the
57.8 administrative expenses of the individual retirement account plan must be refunded to
57.9 member accounts.

57.10 (c) The Board of Trustees shall report annually, before October 1, to the advisory
57.11 committee created in subdivision 1a on administrative expenses of the plan. The report
57.12 must include a detailed accounting of charges for administrative expenses collected
57.13 from plan participants and expenditure of the administrative expense charges. The
57.14 administrative expense charges collected from plan participants must be kept in a separate
57.15 account from any other funds under control of the Board of Trustees and may be used only
57.16 for the necessary and reasonable administrative expenses of the plan.

57.17 Sec. 3. Minnesota Statutes 2006, section 354B.25, is amended by adding a subdivision
57.18 to read:

57.19 Subd. 6. **Disposition of abandoned public pension amounts.** (a) Any unclaimed
57.20 plan account amounts are presumed to be abandoned, but are not subject to the provisions
57.21 of sections 345.31 to 345.60. If the account remains unclaimed after six months following
57.22 the date that the plan administrator first attempts to locate the former member, surviving
57.23 spouse, or other beneficiary, the unclaimed plan account amount cancels and must be
57.24 credited to the reserve account specified in paragraph (b).

57.25 (b) The board must establish a separate account to receive unclaimed plan account
57.26 amounts. A portion of this reserve account and any investment earnings attributable to
57.27 this reserve account are to be used to offset the reasonable and necessary expenses of
57.28 the individual retirement account plan, including costs incurred in efforts to locate lost
57.29 participants, surviving spouses, or other beneficiaries.

57.30 (c) If the unclaimed plan account amount exceeded \$25 and the inactive member,
57.31 surviving spouse, or beneficiary, whichever is applicable, establishes a valid claim to the
57.32 forfeited account, the forfeited account is to be reestablished in an amount equal to the
57.33 amount originally forfeited. The board must ensure that the reserve account has sufficient
57.34 assets to cover any transfers needed to reestablish accounts.

57.35 Sec. 4. Minnesota Statutes 2006, section 354C.12, subdivision 4, is amended to read:

58.1 Subd. 4. **Administrative expenses.** (a) The Board of Trustees of the Minnesota
58.2 State Colleges and Universities is authorized to pay the necessary and reasonable
58.3 administrative expenses of the supplemental retirement plan and may bill participants to
58.4 recover these expenses. The administrative fees or charges may be charged to participants
58.5 as an annual fee, an asset-based fee, a percentage of contributions to the plan, or a
58.6 contribution thereof. This amount shall be offset by interest earned on both the plan
58.7 reserves and unclaimed funds account.

58.8 (b) Any recovered or assessed amounts that are not needed for the necessary and
58.9 reasonable administrative expenses of the plan must be refunded to member accounts.

58.10 (c) The Board of Trustees shall report annually, before October 1, to the advisory
58.11 committee created in section 354B.25, subdivision 1a, on administrative expenses of the
58.12 plan. The report must include a detailed accounting of charges for administrative expenses
58.13 collected from plan participants and expenditure of the administrative expense charges.
58.14 The administrative expense charges collected from plan participants must be kept in a
58.15 separate account from any other funds under control of the Board of Trustees and may be
58.16 used only for the necessary and reasonable administrative expenses of the plan.

58.17 Sec. 5. **[354C.155] UNCLAIMED PLAN ACCOUNT AMOUNTS.**

58.18 Section 354B.25, subdivision 6, applies to the supplemental retirement plan.

58.19 Sec. 6. Minnesota Statutes 2006, section 354C.165, is amended to read:

58.20 **354C.165 PROHIBITION ON LOANS OR PRETERMINATION**
58.21 **DISTRIBUTIONS.**

58.22 (a) ~~Except as provided in paragraph (c),~~ No participant may obtain a loan ~~or any~~
58.23 ~~distribution~~ from the plan before the participant terminates the employment that gave
58.24 rise to plan coverage.

58.25 (b) No amounts to the credit of the plan are assignable either in law or in equity, or
58.26 are subject to execution, levy, attachment, garnishment, or other legal process, except as
58.27 provided in section 518.58, 518.581, or 518A.53.

58.28 (c) MS 2002 [Expired]

58.29 (d) Except for a participant in a phased retirement program that is part of an approved
58.30 collective bargaining agreement, no participant may obtain a distribution from the plan at a
58.31 time before the participant terminates the employment that gave rise to the plan coverage.

58.32 Sec. 7. **ACTUARIAL IMPACT STUDY; MNSCU TENURED FACULTY**
58.33 **RETIREMENT PLAN COVERAGE CHANGE.**

59.1 (a) The Teachers Retirement Association shall have the actuary retained under
 59.2 Minnesota Statutes, section 356.214, conduct a study of the likely actuarial impact on the
 59.3 Teachers Retirement Association of potentially permitting current tenure track faculty
 59.4 members employed by the Minnesota State Colleges and Universities System who have
 59.5 not yet attained tenure or its equivalent to elect retroactive and prospective retirement
 59.6 coverage by the Teachers Retirement Association within one year of attaining tenure or
 59.7 its equivalent, with the retroactive coverage effected by a service credit purchase under
 59.8 Minnesota Statutes, section 356.551.

59.9 (b) The actuarial study must include an assessment of the likelihood that tenure
 59.10 track Minnesota State Colleges and Universities System faculty members would elect
 59.11 retirement coverage by the Teachers Retirement Association that underlies any election
 59.12 assumption used in the study based on the experience of Minnesota State Colleges and
 59.13 Universities System faculty members employed during the most recent ten years. The
 59.14 Minnesota State Colleges and Universities System shall provide the Teachers Retirement
 59.15 Association with the data on its faculty members necessary to conduct the study.

59.16 (c) The actuarial study must assess the actuarial accrued liability that could be
 59.17 assumed by the Teachers Retirement Association from potential service credit purchases
 59.18 by Minnesota State Colleges and Universities System faculty members attaining tenure or
 59.19 its equivalent. the likely purchase payments related to those potential Minnesota State
 59.20 Colleges and Universities System faculty member service credit purchases, and the effect
 59.21 on the Teachers Retirement Association normal cost rate of the potential prospective
 59.22 inclusion of Minnesota State Colleges and Universities System faculty members upon
 59.23 attaining tenure.

59.24 (d) The report required under this section must be filed with the executive director of
 59.25 the Legislative Commission on Pensions and Retirement on or before January 15, 2009.

59.26 **EFFECTIVE DATE.** This section is effective July 1, 2008.

59.27 **ARTICLE 11**

59.28 **FINANCIAL AND ACTUARIAL REPORTING**

59.29 Section 1. Minnesota Statutes 2006, section 16A.055, subdivision 5, is amended to
 59.30 read:

59.31 Subd. 5. **Retirement fund reporting.** (a) The commissioner may not require a
 59.32 public retirement fund to use financial or actuarial reporting practices or procedures
 59.33 different from those required by section 356.20 or 356.215.

59.34 ~~(b) The commissioner may contract with the consulting actuary retained under~~
 59.35 ~~section 356.214 for the preparation of quadrennial projection valuations as required~~

60.1 ~~under section 356.215, subdivisions 2 and 2a. The initial projection valuation under~~
 60.2 ~~this paragraph, if any, is due on May 1, 2003, and subsequent projection valuations are~~
 60.3 ~~due on May 1 each fourth year thereafter. The commissioner of finance shall assess the~~
 60.4 ~~applicable statewide and major local retirement plan or plans the cost of the quadrennial~~
 60.5 ~~projection valuation.~~

60.6 Sec. 2. Minnesota Statutes 2006, section 356.20, subdivision 1, is amended to read:

60.7 Subdivision 1. **Report required.** (a) The governing or managing board or the
 60.8 chief administrative officials officer of the each public pension and retirement funds plan
 60.9 enumerated in subdivision 2 shall annually prepare and file a financial report following the
 60.10 close of each fiscal year.

60.11 (b) This requirement also applies to any plan or fund which may be a successor to any
 60.12 organization so enumerated or to any newly formed retirement plan, fund or association
 60.13 operating under the control or supervision of any public employee group, governmental
 60.14 unit, or institution receiving a portion of its support through legislative appropriations.

60.15 (c) The report must be prepared under the supervision and at the direction of
 60.16 the management of each fund plan and must be signed by the presiding officer of the
 60.17 managing board of the fund plan and the chief administrative official of the fund plan.

60.18 Sec. 3. Minnesota Statutes 2006, section 356.20, subdivision 2, is amended to read:

60.19 Subd. 2. **Covered public pension plans and funds.** This section applies to the
 60.20 following public pension plans:

60.21 (1) the general state employees retirement plan of the Minnesota State Retirement
 60.22 System;

60.23 (2) the general employees retirement plan of the Public Employees Retirement
 60.24 Association;

60.25 (3) the Teachers Retirement Association;

60.26 (4) the State Patrol retirement plan;

60.27 (5) the St. Paul Teachers Retirement Fund Association;

60.28 (6) the Duluth Teachers Retirement Fund Association;

60.29 (7) the Minneapolis Employees Retirement Fund;

60.30 (8) the University of Minnesota faculty retirement plan;

60.31 (9) the University of Minnesota faculty supplemental retirement plan;

60.32 (10) the judges retirement fund;

60.33 (11) a police or firefighter's relief association specified or described in section 69.77,
 60.34 subdivision 1a, ~~or,~~

61.1 (12) a volunteer firefighter relief association governed by section 69.771, subdivision
 61.2 1;
 61.3 ~~(12)~~ (13) the public employees police and fire plan of the Public Employees
 61.4 Retirement Association;
 61.5 ~~(13)~~ (14) the correctional state employees retirement plan of the Minnesota State
 61.6 Retirement System; and
 61.7 ~~(14)~~ (15) the local government correctional service retirement plan of the Public
 61.8 Employees Retirement Association.

61.9 Sec. 4. Minnesota Statutes 2006, section 356.20, subdivision 3, is amended to read:

61.10 Subd. 3. **Filing requirement.** The financial report is a public record. A copy of the
 61.11 report or a synopsis of the report containing the information required by this section must
 61.12 be ~~distributed~~ made available annually to each member of the fund and to the governing
 61.13 body of each governmental subdivision of the state which makes employers contributions
 61.14 thereto or in whose behalf taxes are levied for the employers' contribution. A signed copy
 61.15 of the report must be delivered to the executive director of the Legislative Commission
 61.16 on Pensions and Retirement and to the Legislative Reference Library not later than six
 61.17 months after the close of each fiscal year or one month following the completion and
 61.18 delivery to the retirement fund of the actuarial valuation report of the fund by the actuary
 61.19 retained under section 356.214, if applicable, whichever is later.

61.20 Sec. 5. Minnesota Statutes 2006, section 356.20, subdivision 4, is amended to read:

61.21 Subd. 4. **Contents of financial report.** (a) The financial report required by
 61.22 this section must contain financial statements and disclosures that indicate the financial
 61.23 operations and position of the retirement plan and fund. The report must conform with
 61.24 generally accepted governmental accounting principles, applied on a consistent basis. The
 61.25 report must be audited.

61.26 (b) The report must include, as part of its exhibits or its footnotes, an actuarial
 61.27 disclosure item based on the actuarial valuation calculations prepared by the actuary
 61.28 retained under section 356.214 or by the actuary retained by the retirement fund or
 61.29 plan, whichever applies, according to applicable actuarial requirements enumerated in
 61.30 section 356.215, and specified in the most recent standards for actuarial work adopted
 61.31 by the Legislative Commission on Pensions and Retirement. The ~~accrued~~ actuarial value
 61.32 of assets, the actuarial accrued liabilities, including accrued reserves, and the unfunded
 61.33 actuarial accrued liability of the fund or plan must be disclosed. The disclosure item
 61.34 must contain a declaration by the actuary retained under section 356.214 or the actuary
 61.35 retained by the fund or plan, whichever applies, specifying that the required reserves

62.1 for any retirement, disability, or survivor benefits provided under a benefit formula are
 62.2 computed in accordance with the entry age actuarial cost method and in accordance
 62.3 with the most recent applicable standards for actuarial work adopted by the Legislative
 62.4 Commission on Pensions and Retirement.

62.5 ~~(b) Assets of the fund or plan contained in the disclosure item must include the~~
 62.6 ~~following statement of the actuarial value of current assets as defined in section 356.215,~~
 62.7 ~~subdivision 1:~~

62.8	Value at	Value at
62.9	cost	market
62.10 Cash, cash equivalents, and
62.11 short-term securities
62.12 Accounts receivable
62.13 Accrued investment income
62.14 Fixed income investments
62.15 Equity investments other
62.16 than real estate
62.17 Real estate investments
62.18 Equipment
62.19 Participation in the Minnesota
62.20 postretirement investment
62.21 fund or the retirement
62.22 benefit fund
62.23 Other
62.24 Total assets		
62.25 Value at cost	
62.26 Value at market	
62.27 Actuarial value of current		
62.28 assets	

62.29 ~~(e) The unfunded actuarial accrued liability of the fund or plan contained in the~~
 62.30 ~~disclosure item must include the following measures of unfunded actuarial accrued~~
 62.31 ~~liability, using the actuarial value of current assets:~~

62.32 ~~(1) the unfunded actuarial accrued liability, determined by subtracting the current~~
 62.33 ~~assets and the present value of future normal costs from the total current and expected~~
 62.34 ~~future benefit obligations; and~~

62.35 ~~(2) the unfunded pension benefit obligation, determined by subtracting the current~~
 62.36 ~~assets from the actuarial present value of credited projected benefits.~~

62.37 ~~If the current assets of the fund or plan exceed the actuarial accrued liabilities, the~~
 62.38 ~~excess must be disclosed and indicated as a surplus.~~

62.39 ~~(d) The pension benefit obligations schedule included in the disclosure must contain~~
 62.40 ~~the following information on the benefit obligations:~~

63.1 ~~(1) the pension benefit obligation, determined as the actuarial present value of~~
 63.2 ~~credited projected benefits on account of service rendered to date, separately identified~~
 63.3 ~~as follows:~~

- 63.4 ~~(i) for annuitants,~~
- 63.5 ~~retirement annuities,~~
- 63.6 ~~disability benefits,~~
- 63.7 ~~surviving spouse and child benefits;~~
- 63.8 ~~(ii) for former members without vested~~
- 63.9 ~~rights;~~
- 63.10 ~~(iii) for deferred annuitants' benefits,~~
- 63.11 ~~including any augmentation;~~
- 63.12 ~~(iv) for active employees,~~
- 63.13 ~~accumulated employee contributions,~~
- 63.14 ~~including allocated investment income,~~
- 63.15 ~~employer-financed benefits vested,~~
- 63.16 ~~employer-financed benefits nonvested,~~
- 63.17 ~~total pension benefit obligation; and~~

63.18 ~~(2) if there are additional benefits not appropriately covered by the foregoing items~~
 63.19 ~~of benefit obligations, a separate identification of the obligation.~~

63.20 ~~(e)~~ (c) The report must contain an itemized exhibit describing the administrative
 63.21 expenses of the plan, including, but not limited to, the following items, classified on a
 63.22 consistent basis from year to year, and with any further meaningful detail:

- 63.23 (1) personnel expenses;
- 63.24 (2) communication-related expenses;
- 63.25 (3) office building and maintenance expenses;
- 63.26 (4) professional services fees; and
- 63.27 (5) other expenses.

63.28 ~~(f)~~ (d) The report must contain an itemized exhibit describing the investment
 63.29 expenses of the plan, including, but not limited to, the following items, classified on a
 63.30 consistent basis from year to year, and with any further meaningful detail:

- 63.31 (1) internal investment-related expenses; and
- 63.32 (2) external investment-related expenses.

63.33 ~~(g)~~ (e) Any additional statements or exhibits or more detailed or subdivided
 63.34 itemization of a disclosure item that will enable the management of the fund plan to
 63.35 portray a true interpretation of the fund's plan's financial condition must be included in the
 63.36 additional statements or exhibits.

63.37 Sec. 6. Minnesota Statutes 2006, section 356.20, subdivision 4a, is amended to read:

64.1 Subd. 4a. **Financial report for police or firefighters relief association.** For any
 64.2 police or firefighter's relief association referred to in subdivision 2, clause (11) or (12), a
 64.3 financial report that is duly filed and meeting that meets the requirements of section 69.051
 64.4 ~~must be~~ is deemed to have met the requirements of subdivision 4.

64.5 Sec. 7. Minnesota Statutes 2006, section 356.214, subdivision 1, is amended to read:

64.6 Subdivision 1. **Joint Actuary retention.** (a) ~~The chief administrative officers of the~~
 64.7 ~~Minnesota State Retirement System, the Public Employees Retirement Association, the~~
 64.8 ~~Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, the~~
 64.9 ~~Minneapolis Employees Retirement Fund, and the St. Paul Teachers Retirement Fund~~
 64.10 ~~Association, jointly, on behalf of the state, its employees, its taxpayers, and its various~~
 64.11 ~~public pension plans, governing board or managing or administrative official of each~~
 64.12 public pension plan and retirement fund or plan enumerated in paragraph (b) shall contract
 64.13 with an established actuarial consulting firm to conduct annual actuarial valuations and
 64.14 related services ~~for the retirement plans named in paragraph (b)~~. The principal from
 64.15 the actuarial consulting firm on the contract must be an approved actuary under section
 64.16 356.215, subdivision 1, paragraph (c). ~~Prior to becoming effective, the contract under this~~
 64.17 ~~section is subject to a review and approval by the Legislative Commission on Pensions~~
 64.18 ~~and Retirement.~~

64.19 (b) ~~The contract for~~ Actuarial services must include the preparation of actuarial
 64.20 valuations and related actuarial work for the following retirement plans:

- 64.21 (1) the teachers retirement plan, Teachers Retirement Association;
- 64.22 (2) the general state employees retirement plan, Minnesota State Retirement System;
- 64.23 (3) the correctional employees retirement plan, Minnesota State Retirement System;
- 64.24 (4) the State Patrol retirement plan, Minnesota State Retirement System;
- 64.25 (5) the judges retirement plan, Minnesota State Retirement System;
- 64.26 (6) the Minneapolis employees retirement plan, Minneapolis Employees Retirement
 64.27 Fund;
- 64.28 (7) the public employees retirement plan, Public Employees Retirement Association;
- 64.29 (8) the public employees police and fire plan, Public Employees Retirement
 64.30 Association;
- 64.31 (9) the Duluth teachers retirement plan, Duluth Teachers Retirement Fund
 64.32 Association;
- 64.33 (10) the St. Paul teachers retirement plan, St. Paul Teachers Retirement Fund
 64.34 Association;
- 64.35 (11) the legislators retirement plan, Minnesota State Retirement System;

65.1 (12) the elective state officers retirement plan, Minnesota State Retirement System;
65.2 and

65.3 (13) local government correctional service retirement plan, Public Employees
65.4 Retirement Association.

65.5 (c) The ~~contract~~ contracts must require completion of the annual actuarial valuation
65.6 calculations on a fiscal year basis, with the contents of the actuarial valuation calculations
65.7 as specified in section 356.215, and in conformity with the standards for actuarial work
65.8 adopted by the Legislative Commission on Pensions and Retirement.

65.9 The ~~contract~~ contracts must require completion of annual experience data collection
65.10 and processing and a quadrennial published experience study for the plans listed in
65.11 paragraph (b), clauses (1), (2), and (7), as provided for in the standards for actuarial work
65.12 adopted by the commission. The experience data collection, processing, and analysis
65.13 must evaluate the following:

65.14 (1) individual salary progression;

65.15 (2) the rate of return on investments based on the current asset value;

65.16 (3) payroll growth;

65.17 (4) mortality;

65.18 (5) retirement age;

65.19 (6) withdrawal; and

65.20 (7) disablement.

65.21 ~~The contract must include provisions for the preparation of cost analyses by the~~
65.22 ~~jointly retained actuary for proposed legislation that include changes in benefit provisions~~
65.23 ~~or funding policies prior to their consideration by the Legislative Commission on Pensions~~
65.24 ~~and Retirement.~~

65.25 (d) The actuary ~~retained by the joint retirement systems~~ shall annually prepare a
65.26 report to the governing or managing board or administrative official and the legislature,
65.27 ~~including a commentary on the actuarial valuation calculations for the plans named in~~
65.28 ~~paragraph (b) and~~ summarizing the results of the actuarial valuation calculations. The
65.29 actuary shall include with the report ~~the actuary's~~ any recommendations ~~to the legislature~~
65.30 concerning the appropriateness of the support rates to achieve proper funding of the
65.31 retirement plans by the required funding dates. The actuary shall, as part of the quadrennial
65.32 experience study, include recommendations ~~to the legislature~~ on the appropriateness of the
65.33 actuarial valuation assumptions required for evaluation in the study.

65.34 (e) If the actuarial gain and loss analysis in the actuarial valuation calculations
65.35 indicates a persistent pattern of sizable gains or losses, ~~as directed by the joint retirement~~
65.36 ~~systems or as requested by the chair of the Legislative Commission on Pensions and~~

66.1 ~~Retirement~~, the governing or managing board or administrative official shall direct the
 66.2 actuary ~~shall~~ to prepare a special experience study for a plan listed in paragraph (b),
 66.3 clause (3), (4), (5), (6), (8), (9), (10), (11), (12), or (13), in the manner provided for in the
 66.4 standards for actuarial work adopted by the commission.

66.5 ~~(f) The term of the contract between the joint retirement systems and the actuary~~
 66.6 ~~retained may not exceed five years. The joint retirement system administrative officers~~
 66.7 ~~shall establish procedures for the consideration and selection of contract bidders and~~
 66.8 ~~the requirements for the contents of an actuarial services contract under this section.~~
 66.9 ~~The procedures and requirements must be submitted to the Legislative Commission on~~
 66.10 ~~Pensions and Retirement for review and comment prior to final approval by the joint~~
 66.11 ~~administrators. The contract is subject to the procurement procedures under chapter 16C.~~
 66.12 ~~The consideration of bids and the selection of a consulting actuarial firm by the chief~~
 66.13 ~~administrative officers must occur at a meeting that is open to the public and reasonable~~
 66.14 ~~timely public notice of the date and the time of the meeting and its subject matter must~~
 66.15 ~~be given.~~

66.16 ~~(g) The actuarial services contract may not limit the ability of the Minnesota~~
 66.17 ~~legislature and its standing committees and commissions to rely on the actuarial results~~
 66.18 ~~of the work prepared under the contract.~~

66.19 ~~(h) The joint retirement systems shall designate one of the retirement system~~
 66.20 ~~executive directors as the actuarial services contract manager.~~

66.21 Sec. 8. Minnesota Statutes 2006, section 356.214, subdivision 3, is amended to read:

66.22 Subd. 3. **Reporting to commission.** A copy of the actuarial valuations, and
 66.23 experience studies, ~~and actuarial cost analyses~~ prepared by the actuary retained ~~by the~~
 66.24 ~~joint retirement systems~~ under the a contract provided for in this section must be filed with
 66.25 the executive director of the Legislative Commission on Pensions and Retirement ~~at the~~
 66.26 ~~same time that the document is transmitted to the actuarial services contract manager or~~
 66.27 ~~to any other document recipient.~~

66.28 Sec. 9. Minnesota Statutes 2006, section 356.214, is amended by adding a subdivision
 66.29 to read:

66.30 Subd. 4. **Commission to contract with auditing actuary.** (a) The Legislative
 66.31 Commission on Pensions and Retirement may contract with an established actuarial
 66.32 consulting firm to audit or review the actuarial valuations, experience studies, and actuarial
 66.33 cost analyses prepared by the actuary retained by the governing or managing boards, or
 66.34 administrative officials of each of the plans or funds listed in paragraph (b). The principal

67.1 representative from the actuarial consulting firm so engaged must be an approved actuary
67.2 under section 356.215, subdivision 1, paragraph (c).

67.3 (b) Any actuarial consulting firm retained under paragraph (a) will, according to a
67.4 schedule determined under the agreement with the Legislative Commission on Pensions
67.5 and Retirement, audit the valuation reports submitted by the actuary retained by each
67.6 governing or managing board or administrative official, and provide an assessment of the
67.7 reasonableness, reliability, and areas of concern or potential improvement in the specific
67.8 reports reviewed, the procedures utilized by any particular reporting actuary, or general
67.9 modifications to standards, procedures, or assumptions that the commission may wish to
67.10 consider. Actuarial firms retained by the retirement funds must cooperate fully and make
67.11 available any data or other materials necessary for the commission-retained actuary to
67.12 conduct an adequate review and to render advice to the commission.

67.13 Sec. 10. Minnesota Statutes 2006, section 356.215, subdivision 1, is amended to read:

67.14 Subdivision 1. **Definitions.** (a) For the purposes of sections 3.85 and 356.20 to
67.15 356.23, each of the terms in the following paragraphs has the meaning given.

67.16 (b) "Actuarial valuation" means a set of calculations prepared by ~~the~~ an actuary
67.17 retained under section 356.214 if so required under section 3.85, or otherwise, by an
67.18 approved actuary, to determine the normal cost and the accrued actuarial liabilities of
67.19 a benefit plan, according to the entry age actuarial cost method and based upon stated
67.20 assumptions including, but not limited to rates of interest, mortality, salary increase,
67.21 disability, withdrawal, and retirement and to determine the payment necessary to amortize
67.22 over a stated period any unfunded accrued actuarial liability disclosed as a result of the
67.23 actuarial valuation of the benefit plan.

67.24 (c) "Approved actuary" means a person who is regularly engaged in the business
67.25 of providing actuarial services and who ~~has at least 15 years of service to major public~~
67.26 ~~employee pension or retirement funds or who~~ is a fellow in the Society of Actuaries.

67.27 (d) "Entry age actuarial cost method" means an actuarial cost method under which
67.28 the actuarial present value of the projected benefits of each individual currently covered
67.29 by the benefit plan and included in the actuarial valuation is allocated on a level basis over
67.30 the service of the individual, if the benefit plan is governed by section 69.773, or over the
67.31 earnings of the individual, if the benefit plan is governed by any other law, between the
67.32 entry age and the assumed exit age, with the portion of the actuarial present value which is
67.33 allocated to the valuation year to be the normal cost and the portion of the actuarial present
67.34 value not provided for at the valuation date by the actuarial present value of future normal
67.35 costs to be the actuarial accrued liability, with aggregation in the calculation process to be

68.1 the sum of the calculated result for each covered individual and with recognition given to
68.2 any different benefit formulas which may apply to various periods of service.

68.3 (e) "Experience study" means a report providing experience data and an actuarial
68.4 analysis of the adequacy of the actuarial assumptions on which actuarial valuations are
68.5 based.

68.6 (f) ~~Current~~ "Actuarial value of assets" means:

68.7 ~~(1) for the July 1, 2001, actuarial valuation, the market value of all assets as of~~
68.8 ~~June 30, 2001, reduced by:~~

68.9 ~~(i) 30 percent of the difference between the market value of all assets as of June 30,~~
68.10 ~~1999, and the actuarial value of assets used in the July 1, 1999, actuarial valuation;~~

68.11 ~~(ii) 60 percent of the difference between the actual net change in the market value of~~
68.12 ~~assets between June 30, 1999, and June 30, 2000, and the computed increase in the market~~
68.13 ~~value of assets between June 30, 1999, and June 30, 2000, if the assets had increased at~~
68.14 ~~the percentage preretirement interest rate assumption used in the July 1, 1999, actuarial~~
68.15 ~~valuation; and~~

68.16 ~~(iii) 80 percent of the difference between the actual net change in the market value~~
68.17 ~~of assets between June 30, 2000, and June 30, 2001, and the computed increase in~~
68.18 ~~the market value of assets between June 30, 2000, and June 30, 2001, if the assets had~~
68.19 ~~increased at the percentage preretirement interest rate assumption used in the July 1,~~
68.20 ~~2000, actuarial valuation;~~

68.21 ~~(2) for the July 1, 2002, actuarial valuation, the market value of all assets as of~~
68.22 ~~June 30, 2002, reduced by:~~

68.23 ~~(i) ten percent of the difference between the market value of all assets as of June 30,~~
68.24 ~~1999, and the actuarial value of assets used in the July 1, 1999, actuarial valuation;~~

68.25 ~~(ii) 40 percent of the difference between the actual net change in the market value of~~
68.26 ~~assets between June 30, 1999, and June 30, 2000, and the computed increase in the market~~
68.27 ~~value of assets between June 30, 1999, and June 30, 2000, if the assets had increased at~~
68.28 ~~the percentage preretirement interest rate assumption used in the July 1, 1999, actuarial~~
68.29 ~~valuation;~~

68.30 ~~(iii) 60 percent of the difference between the actual net change in the market value~~
68.31 ~~of assets between June 30, 2000, and June 30, 2001, and the computed increase in~~
68.32 ~~the market value of assets between June 30, 2000, and June 30, 2001, if the assets had~~
68.33 ~~increased at the percentage preretirement interest rate assumption used in the July 1, 2000,~~
68.34 ~~actuarial valuation; and~~

68.35 ~~(iv) 80 percent of the difference between the actual net change in the market value of~~
68.36 ~~assets between June 30, 2001, and June 30, 2002, and the computed increase in the market~~

69.1 ~~value of assets between June 30, 2001, and June 30, 2002, if the assets had increased at~~
69.2 ~~the percentage preretirement interest rate assumption used in the July 1, 2001, actuarial~~
69.3 ~~valuation; or~~

69.4 ~~(3) for any actuarial valuation after July 1, 2002, the market value of all assets~~
69.5 as of the preceding June 30, reduced by:

69.6 ~~(i)~~ (1) 20 percent of the difference between the actual net change in the market value
69.7 of assets between the June 30 that occurred three years earlier and the June 30 that occurred
69.8 four years earlier and the computed increase in the market value of assets over that
69.9 fiscal year period if the assets had increased at the percentage preretirement interest rate
69.10 assumption used in the actuarial valuation for the July 1 that occurred four years earlier;

69.11 ~~(ii)~~ (2) 40 percent of the difference between the actual net change in the market value
69.12 of assets between the June 30 that occurred two years earlier and the June 30 that occurred
69.13 three years earlier and the computed increase in the market value of assets over that
69.14 fiscal year period if the assets had increased at the percentage preretirement interest rate
69.15 assumption used in the actuarial valuation for the July 1 that occurred three years earlier;

69.16 ~~(iii)~~ (3) 60 percent of the difference between the actual net change in the market
69.17 value of assets between the June 30 that occurred one year earlier and the June 30 that
69.18 occurred two years earlier and the computed increase in the market value of assets over
69.19 that fiscal year period if the assets had increased at the percentage preretirement interest
69.20 rate assumption used in the actuarial valuation for the July 1 that occurred two years
69.21 earlier; and

69.22 ~~(iv)~~ (4) 80 percent of the difference between the actual net change in the market
69.23 value of assets between the immediately prior June 30 and the June 30 that occurred one
69.24 year earlier and the computed increase in the market value of assets over that fiscal year
69.25 period if the assets had increased at the percentage preretirement interest rate assumption
69.26 used in the actuarial valuation for the July 1 that occurred one year earlier.

69.27 (g) "Unfunded actuarial accrued liability" means the total current and expected
69.28 future benefit obligations, reduced by the sum of ~~current~~ the actuarial value of assets and
69.29 the present value of future normal costs.

69.30 (h) "Pension benefit obligation" means the actuarial present value of credited
69.31 projected benefits, determined as the actuarial present value of benefits estimated to be
69.32 payable in the future as a result of employee service attributing an equal benefit amount,
69.33 including the effect of projected salary increases and any step rate benefit accrual rate
69.34 differences, to each year of credited and expected future employee service.

69.35 Sec. 11. Minnesota Statutes 2006, section 356.215, subdivision 2, is amended to read:

70.1 Subd. 2. **Requirements.** (a) It is the policy of the legislature that it is necessary
 70.2 and appropriate to determine annually the financial status of tax supported retirement and
 70.3 pension plans for public employees. To achieve this goal:

70.4 ~~(1) the actuary retained under section 356.214 shall prepare annual actuarial~~
 70.5 ~~valuations of the retirement plans enumerated in section 356.214, subdivision 1, paragraph~~
 70.6 ~~(b), and quadrennial experience studies of the retirement plans enumerated in section~~
 70.7 ~~356.214, subdivision 1, paragraph (b), clauses (1), (2), and (7); and~~

70.8 ~~(2) the commissioner of finance may have prepared by the actuary retained by the~~
 70.9 ~~commission, two years after each set of quadrennial experience studies, quadrennial~~
 70.10 ~~projection valuations of at least one of the retirement plans enumerated in section 6,~~
 70.11 ~~subdivision 1, paragraph (b), for which the commissioner determines that the analysis~~
 70.12 ~~may be beneficial.~~

70.13 (b) The governing or managing board or administrative officials of each public
 70.14 pension and retirement ~~fund or~~ plan enumerated in section 356.20, subdivision 2, clauses
 70.15 (9), ~~(10)~~ (11), and (12), shall have prepared by an approved actuary annual actuarial
 70.16 valuations of their respective funds as provided in this section. This requirement also
 70.17 applies to any ~~fund or~~ plan that is the successor to any organization enumerated in section
 70.18 356.20, subdivision 2, or to the governing or managing board or administrative officials
 70.19 of any newly formed retirement fund, plan, or association operating under the control or
 70.20 supervision of any public employee group, governmental unit, or institution receiving a
 70.21 portion of its support through legislative appropriations, and any local police or fire ~~fund~~
 70.22 relief association to which section 356.216 applies.

70.23 Sec. 12. Minnesota Statutes 2006, section 356.215, subdivision 3, is amended to read:

70.24 Subd. 3. **Reports.** (a) The actuarial valuations required annually must be made as of
 70.25 the beginning of each fiscal year.

70.26 (b) Two copies of the completed valuation must be delivered to the executive
 70.27 director of the Legislative Commission on Pensions and Retirement, to the commissioner
 70.28 of finance, and to the Legislative Reference Library, ~~not later than the first day of the sixth~~
 70.29 ~~month occurring after the end of the previous fiscal year.~~

70.30 (c) Two copies of a quadrennial experience study must be filed with the
 70.31 executive director of the Legislative Commission on Pensions and Retirement, with the
 70.32 commissioner of finance, and with the Legislative Reference Library, not later than the
 70.33 first day of the 11th month occurring after the end of the last fiscal year of the four-year
 70.34 period which the experience study covers.

71.1 (d) For actuarial valuations and experience studies prepared at the direction of the
 71.2 Legislative Commission on Pensions and Retirement, two copies of the document must be
 71.3 delivered to the governing or managing board or administrative officials of the applicable
 71.4 public pension and retirement fund or plan.

71.5 Sec. 13. Minnesota Statutes 2006, section 356.215, subdivision 8, is amended to read:

71.6 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use
 71.7 the applicable following preretirement interest assumption and the applicable following
 71.8 postretirement interest assumption:

71.9		preretirement	postretirement
71.10		interest rate	interest rate
71.11	plan	assumption	assumption
71.12	general state employees retirement plan	8.5%	6.0%
71.13	correctional state employees retirement		
71.14	plan	8.5	6.0
71.15	State Patrol retirement plan	8.5	6.0
71.16	legislators retirement plan	8.5	6.0
71.17	elective state officers retirement plan	8.5	6.0
71.18	judges retirement plan	8.5	6.0
71.19	general public employees retirement		
71.20	plan	8.5	6.0
71.21	public employees police and fire		
71.22	retirement plan	8.5	6.0
71.23	local government correctional service		
71.24	retirement plan	8.5	6.0
71.25	teachers retirement plan	8.5	6.0
71.26	Minneapolis employees retirement plan	6.0	5.0
71.27	Duluth teachers retirement plan	8.5	8.5
71.28	St. Paul teachers retirement plan	8.5	8.5
71.29	Minneapolis Police Relief Association	6.0	6.0
71.30	Fairmont Police Relief Association	5.0	5.0
71.31	Minneapolis Fire Department Relief		
71.32	Association	6.0	6.0
71.33	Virginia Fire Department Relief		
71.34	Association	5.0	5.0
71.35	Bloomington Fire Department Relief		
71.36	Association	6.0	6.0
71.37	local monthly benefit volunteer		5.0
71.38	firefighters relief associations	5.0	

71.39 (b) Before July 1, 2010, the actuarial valuation must use the applicable following
 71.40 single rate future salary increase assumption, the applicable following modified single

72.1 rate future salary increase assumption, or the applicable following graded rate future
72.2 salary increase assumption:

72.3 (1) single rate future salary increase assumption

72.4 future salary
72.5 plan increase assumption

72.6 legislators retirement plan 5.0%

72.7 ~~elective state officers retirement plan~~ ~~5.0~~

72.8 ~~5.0~~

72.9 judges retirement plan 4.0

72.10 Minneapolis Police Relief Association 4.0

72.11 Fairmont Police Relief Association 3.5

72.12 Minneapolis Fire Department Relief
72.13 Association 4.0

72.14 Virginia Fire Department Relief Association 3.5

72.15 Bloomington Fire Department Relief
72.16 Association 4.0

72.17 (2) modified single rate future salary increase assumption

72.18 future salary
72.19 plan increase assumption

72.20 Minneapolis employees the prior calendar year amount
72.21 retirement plan increased first by 1.0198 percent to
72.22 prior fiscal year date and then increased
72.23 by 4.0 percent annually for each future
72.24 year

72.25 (3) select and ultimate future salary increase assumption or graded rate future salary
72.26 increase assumption

72.27 future salary
72.28 plan increase assumption

72.29 general state employees select calculation and assumption A
72.30 retirement plan

72.31 correctional state employees assumption ~~G~~ H
72.32 retirement plan

72.33 State Patrol retirement plan assumption G

72.34 general public employees select calculation and assumption B
72.35 retirement plan

72.36 public employees police and fire assumption C
72.37 fund retirement plan

72.38 local government correctional assumption G
72.39 service retirement plan

72.40 teachers retirement plan assumption D

72.41 Duluth teachers retirement plan assumption E

72.42 St. Paul teachers retirement plan assumption F

73.1 The select calculation is: during the ~~ten-year~~
 73.2 designated select period, a designated
 73.3 ~~percent~~ percentage rate is multiplied by the
 73.4 result of ~~ten~~ the designated integer minus T,
 73.5 where T is the number of completed years
 73.6 of service, and is added to the applicable
 73.7 future salary increase assumption. The
 73.8 designated select period is five years and
 73.9 the designated integer is five for the general
 73.10 state employees retirement plan and the
 73.11 general public employees retirement plan.
 73.12 The designated select period is ten years and
 73.13 the designated integer is ten for all other
 73.14 retirement plans covered by this clause. The
 73.15 designated ~~percent~~ percentage rate is 0.2
 73.16 percent for the correctional state employees
 73.17 retirement plan, the State Patrol retirement
 73.18 plan, the public employees police and fire
 73.19 plan, and the local government correctional
 73.20 service plan; ~~and 0.3~~ is 0.6 percent for
 73.21 the general state employees retirement
 73.22 plan; and the general public employees
 73.23 retirement plan; and is 0.3 percent for the
 73.24 teachers retirement plan, the Duluth Teachers
 73.25 Retirement Fund Association, and the St.
 73.26 Paul Teachers Retirement Fund Association.
 73.27 The select calculation for the Duluth Teachers
 73.28 Retirement Fund Association is 8.00 percent
 73.29 per year for service years one through seven,
 73.30 7.25 percent per year for service years seven
 73.31 through eight, and 6.50 percent per year for
 73.32 service years eight through nine.

73.33 The ultimate future salary increase assumption is:

73.34 age	A	B	C	D	E	F	G
73.35 16	6.95%	6.95%	11.50%	8.20%	8.00%	6.90%	7.7500%
73.36 17	6.90	6.90	11.50	8.15	8.00	6.90	7.7500

74.1	18	6.85	6.85	11.50	8.10	8.00	6.90	7.7500
74.2	19	6.80	6.80	11.50	8.05	8.00	6.90	7.7500
74.3	20	6.75	6.40	11.50	6.00	6.90	6.90	7.7500
74.4	21	6.75	6.40	11.50	6.00	6.90	6.90	7.1454
74.5	22	6.75	6.40	11.00	6.00	6.90	6.90	7.0725
74.6	23	6.75	6.40	10.50	6.00	6.85	6.85	7.0544
74.7	24	6.75	6.40	10.00	6.00	6.80	6.80	7.0363
74.8	25	6.75	6.40	9.50	6.00	6.75	6.75	7.0000
74.9	26	6.75	6.36	9.20	6.00	6.70	6.70	7.0000
74.10	27	6.75	6.32	8.90	6.00	6.65	6.65	7.0000
74.11	28	6.75	6.28	8.60	6.00	6.60	6.60	7.0000
74.12	29	6.75	6.24	8.30	6.00	6.55	6.55	7.0000
74.13	30	6.75	6.20	8.00	6.00	6.50	6.50	7.0000
74.14	31	6.75	6.16	7.80	6.00	6.45	6.45	7.0000
74.15	32	6.75	6.12	7.60	6.00	6.40	6.40	7.0000
74.16	33	6.75	6.08	7.40	6.00	6.35	6.35	7.0000
74.17	34	6.75	6.04	7.20	6.00	6.30	6.30	7.0000
74.18	35	6.75	6.00	7.00	6.00	6.25	6.25	7.0000
74.19	36	6.75	5.96	6.80	6.00	6.20	6.20	6.9019
74.20	37	6.75	5.92	6.60	6.00	6.15	6.15	6.8074
74.21	38	6.75	5.88	6.40	5.90	6.10	6.10	6.7125
74.22	39	6.75	5.84	6.20	5.80	6.05	6.05	6.6054
74.23	40	6.75	5.80	6.00	5.70	6.00	6.00	6.5000
74.24	41	6.75	5.76	5.90	5.60	5.90	5.95	6.3540
74.25	42	6.75	5.72	5.80	5.50	5.80	5.90	6.2087
74.26	43	6.65	5.68	5.70	5.40	5.70	5.85	6.0622
74.27	44	6.55	5.64	5.60	5.30	5.60	5.80	5.9048
74.28	45	6.45	5.60	5.50	5.20	5.50	5.75	5.7500
74.29	46	6.35	5.56	5.45	5.10	5.40	5.70	5.6940
74.30	47	6.25	5.52	5.40	5.00	5.30	5.65	5.6375
74.31	48	6.15	5.48	5.35	5.00	5.20	5.60	5.5822
74.32	49	6.05	5.44	5.30	5.00	5.10	5.55	5.5404
74.33	50	5.95	5.40	5.25	5.00	5.00	5.50	5.5000
74.34	51	5.85	5.36	5.25	5.00	5.00	5.45	5.4384
74.35	52	5.75	5.32	5.25	5.00	5.00	5.40	5.3776
74.36	53	5.65	5.28	5.25	5.00	5.00	5.35	5.3167
74.37	54	5.55	5.24	5.25	5.00	5.00	5.30	5.2826
74.38	55	5.45	5.20	5.25	5.00	5.00	5.25	5.2500
74.39	56	5.35	5.16	5.25	5.00	5.00	5.20	5.2500
74.40	57	5.25	5.12	5.25	5.00	5.00	5.15	5.2500
74.41	58	5.25	5.08	5.25	5.10	5.00	5.10	5.2500
74.42	59	5.25	5.04	5.25	5.20	5.00	5.05	5.2500
74.43	60	5.25	5.00	5.25	5.30	5.00	5.00	5.2500

75.1	61	5.25	5.00	5.25	5.40	5.00	5.00	5.2500
75.2	62	5.25	5.00	5.25	5.50	5.00	5.00	5.2500
75.3	63	5.25	5.00	5.25	5.60	5.00	5.00	5.2500
75.4	64	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.5	65	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.6	66	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.7	67	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.8	68	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.9	69	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.10	70	5.25	5.00	5.25	5.70	5.00	5.00	5.2500
75.11	71	5.25	5.00		5.70			

75.12	<u>age</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
75.13	<u>16</u>	<u>5.95%</u>	<u>5.95%</u>	<u>11.00%</u>	<u>7.70%</u>	<u>8.00%</u>	<u>6.90%</u>	<u>7.7500%</u>	<u>7.2500%</u>
75.14	<u>17</u>	<u>5.90</u>	<u>5.90</u>	<u>11.00</u>	<u>7.65</u>	<u>8.00</u>	<u>6.90</u>	<u>7.7500</u>	<u>7.2500</u>
75.15	<u>18</u>	<u>5.85</u>	<u>5.85</u>	<u>11.00</u>	<u>7.60</u>	<u>8.00</u>	<u>6.90</u>	<u>7.7500</u>	<u>7.2500</u>
75.16	<u>19</u>	<u>5.80</u>	<u>5.80</u>	<u>11.00</u>	<u>7.55</u>	<u>8.00</u>	<u>6.90</u>	<u>7.7500</u>	<u>7.2500</u>
75.17	<u>20</u>	<u>5.75</u>	<u>5.40</u>	<u>11.00</u>	<u>5.50</u>	<u>6.90</u>	<u>6.90</u>	<u>7.7500</u>	<u>7.2500</u>
75.18	<u>21</u>	<u>5.75</u>	<u>5.40</u>	<u>11.00</u>	<u>5.50</u>	<u>6.90</u>	<u>6.90</u>	<u>7.1454</u>	<u>6.6454</u>
75.19	<u>22</u>	<u>5.75</u>	<u>5.40</u>	<u>10.50</u>	<u>5.50</u>	<u>6.90</u>	<u>6.90</u>	<u>7.0725</u>	<u>6.5725</u>
75.20	<u>23</u>	<u>5.75</u>	<u>5.40</u>	<u>10.00</u>	<u>5.50</u>	<u>6.85</u>	<u>6.85</u>	<u>7.0544</u>	<u>6.5544</u>
75.21	<u>24</u>	<u>5.75</u>	<u>5.40</u>	<u>9.50</u>	<u>5.50</u>	<u>6.80</u>	<u>6.80</u>	<u>7.0363</u>	<u>6.5363</u>
75.22	<u>25</u>	<u>5.75</u>	<u>5.40</u>	<u>9.00</u>	<u>5.50</u>	<u>6.75</u>	<u>6.75</u>	<u>7.0000</u>	<u>6.5000</u>
75.23	<u>26</u>	<u>5.75</u>	<u>5.36</u>	<u>8.70</u>	<u>5.50</u>	<u>6.70</u>	<u>6.70</u>	<u>7.0000</u>	<u>6.5000</u>
75.24	<u>27</u>	<u>5.75</u>	<u>5.32</u>	<u>8.40</u>	<u>5.50</u>	<u>6.65</u>	<u>6.65</u>	<u>7.0000</u>	<u>6.5000</u>
75.25	<u>28</u>	<u>5.75</u>	<u>5.28</u>	<u>8.10</u>	<u>5.50</u>	<u>6.60</u>	<u>6.60</u>	<u>7.0000</u>	<u>6.5000</u>
75.26	<u>29</u>	<u>5.75</u>	<u>5.24</u>	<u>7.80</u>	<u>5.50</u>	<u>6.55</u>	<u>6.55</u>	<u>7.0000</u>	<u>6.5000</u>
75.27	<u>30</u>	<u>5.75</u>	<u>5.20</u>	<u>7.50</u>	<u>5.50</u>	<u>6.50</u>	<u>6.50</u>	<u>7.0000</u>	<u>6.5000</u>
75.28	<u>31</u>	<u>5.75</u>	<u>5.16</u>	<u>7.30</u>	<u>5.50</u>	<u>6.45</u>	<u>6.45</u>	<u>7.0000</u>	<u>6.5000</u>
75.29	<u>32</u>	<u>5.75</u>	<u>5.12</u>	<u>7.10</u>	<u>5.50</u>	<u>6.40</u>	<u>6.40</u>	<u>7.0000</u>	<u>6.5000</u>
75.30	<u>33</u>	<u>5.75</u>	<u>5.08</u>	<u>6.90</u>	<u>5.50</u>	<u>6.35</u>	<u>6.35</u>	<u>7.0000</u>	<u>6.5000</u>
75.31	<u>34</u>	<u>5.75</u>	<u>5.04</u>	<u>6.70</u>	<u>5.50</u>	<u>6.30</u>	<u>6.30</u>	<u>7.0000</u>	<u>6.5000</u>
75.32	<u>35</u>	<u>5.75</u>	<u>5.00</u>	<u>6.50</u>	<u>5.50</u>	<u>6.25</u>	<u>6.25</u>	<u>7.0000</u>	<u>6.5000</u>
75.33	<u>36</u>	<u>5.75</u>	<u>4.96</u>	<u>6.30</u>	<u>5.50</u>	<u>6.20</u>	<u>6.20</u>	<u>6.9019</u>	<u>6.4019</u>
75.34	<u>37</u>	<u>5.75</u>	<u>4.92</u>	<u>6.10</u>	<u>5.50</u>	<u>6.15</u>	<u>6.15</u>	<u>6.8074</u>	<u>6.3074</u>
75.35	<u>38</u>	<u>5.75</u>	<u>4.88</u>	<u>5.90</u>	<u>5.40</u>	<u>6.10</u>	<u>6.10</u>	<u>6.7125</u>	<u>6.2125</u>
75.36	<u>39</u>	<u>5.75</u>	<u>4.84</u>	<u>5.70</u>	<u>5.30</u>	<u>6.05</u>	<u>6.05</u>	<u>6.6054</u>	<u>6.1054</u>
75.37	<u>40</u>	<u>5.75</u>	<u>4.80</u>	<u>5.50</u>	<u>5.20</u>	<u>6.00</u>	<u>6.00</u>	<u>6.5000</u>	<u>6.0000</u>
75.38	<u>41</u>	<u>5.75</u>	<u>4.76</u>	<u>5.40</u>	<u>5.10</u>	<u>5.90</u>	<u>5.95</u>	<u>6.3540</u>	<u>5.8540</u>
75.39	<u>42</u>	<u>5.75</u>	<u>4.72</u>	<u>5.30</u>	<u>5.00</u>	<u>5.80</u>	<u>5.90</u>	<u>6.2087</u>	<u>5.7087</u>
75.40	<u>43</u>	<u>5.65</u>	<u>4.68</u>	<u>5.20</u>	<u>4.90</u>	<u>5.70</u>	<u>5.85</u>	<u>6.0622</u>	<u>5.5622</u>
75.41	<u>44</u>	<u>5.55</u>	<u>4.64</u>	<u>5.10</u>	<u>4.80</u>	<u>5.60</u>	<u>5.80</u>	<u>5.9048</u>	<u>5.4078</u>
75.42	<u>45</u>	<u>5.45</u>	<u>4.60</u>	<u>5.00</u>	<u>4.70</u>	<u>5.50</u>	<u>5.75</u>	<u>5.7500</u>	<u>5.2500</u>
75.43	<u>46</u>	<u>5.35</u>	<u>4.56</u>	<u>4.95</u>	<u>4.60</u>	<u>5.40</u>	<u>5.70</u>	<u>5.6940</u>	<u>5.1940</u>

76.1	<u>47</u>	<u>5.25</u>	<u>4.52</u>	<u>4.90</u>	<u>4.50</u>	<u>5.30</u>	<u>5.65</u>	<u>5.6375</u>	<u>5.1375</u>
76.2	<u>48</u>	<u>5.15</u>	<u>4.48</u>	<u>4.85</u>	<u>4.50</u>	<u>5.20</u>	<u>5.60</u>	<u>5.5822</u>	<u>5.0822</u>
76.3	<u>49</u>	<u>5.05</u>	<u>4.44</u>	<u>4.80</u>	<u>4.50</u>	<u>5.10</u>	<u>5.55</u>	<u>5.5404</u>	<u>5.0404</u>
76.4	<u>50</u>	<u>4.95</u>	<u>4.40</u>	<u>4.75</u>	<u>4.50</u>	<u>5.00</u>	<u>5.50</u>	<u>5.5000</u>	<u>5.0000</u>
76.5	<u>51</u>	<u>4.85</u>	<u>4.36</u>	<u>4.75</u>	<u>4.50</u>	<u>4.90</u>	<u>5.45</u>	<u>5.4384</u>	<u>4.9384</u>
76.6	<u>52</u>	<u>4.75</u>	<u>4.32</u>	<u>4.75</u>	<u>4.50</u>	<u>4.80</u>	<u>5.40</u>	<u>5.3776</u>	<u>4.8776</u>
76.7	<u>53</u>	<u>4.65</u>	<u>4.28</u>	<u>4.75</u>	<u>4.50</u>	<u>4.70</u>	<u>5.35</u>	<u>5.3167</u>	<u>4.8167</u>
76.8	<u>54</u>	<u>4.55</u>	<u>4.24</u>	<u>4.75</u>	<u>4.50</u>	<u>4.60</u>	<u>5.30</u>	<u>5.2826</u>	<u>4.7826</u>
76.9	<u>55</u>	<u>4.45</u>	<u>4.20</u>	<u>4.75</u>	<u>4.50</u>	<u>4.50</u>	<u>5.25</u>	<u>5.2500</u>	<u>4.7500</u>
76.10	<u>56</u>	<u>4.35</u>	<u>4.16</u>	<u>4.75</u>	<u>4.50</u>	<u>4.40</u>	<u>5.20</u>	<u>5.2500</u>	<u>4.7500</u>
76.11	<u>57</u>	<u>4.25</u>	<u>4.12</u>	<u>4.75</u>	<u>4.50</u>	<u>4.30</u>	<u>5.15</u>	<u>5.2500</u>	<u>4.7500</u>
76.12	<u>58</u>	<u>4.25</u>	<u>4.08</u>	<u>4.75</u>	<u>4.60</u>	<u>4.20</u>	<u>5.10</u>	<u>5.2500</u>	<u>4.7500</u>
76.13	<u>59</u>	<u>4.25</u>	<u>4.04</u>	<u>4.75</u>	<u>4.70</u>	<u>4.10</u>	<u>5.05</u>	<u>5.2500</u>	<u>4.7500</u>
76.14	<u>60</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>4.80</u>	<u>4.00</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.15	<u>61</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>4.90</u>	<u>3.90</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.16	<u>62</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.00</u>	<u>3.80</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.17	<u>63</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.10</u>	<u>3.70</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.18	<u>64</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.60</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.19	<u>65</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.50</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.20	<u>66</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.50</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.21	<u>67</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.50</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.22	<u>68</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.50</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.23	<u>69</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.50</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.24	<u>70</u>	<u>4.25</u>	<u>4.00</u>	<u>4.75</u>	<u>5.20</u>	<u>3.50</u>	<u>5.00</u>	<u>5.2500</u>	<u>4.7500</u>
76.25	<u>71</u>	<u>4.25</u>	<u>4.00</u>		<u>5.20</u>				

76.26 (c) Before July 2, 2010, the actuarial valuation must use the applicable following
 76.27 payroll growth assumption for calculating the amortization requirement for the unfunded
 76.28 actuarial accrued liability where the amortization retirement is calculated as a level
 76.29 percentage of an increasing payroll:

76.30		payroll growth
76.31	plan	assumption
76.32	general state employees retirement plan	5.00 <u>4.50%</u>
76.33	correctional state employees retirement plan	5.00 <u>4.50</u>
76.34	State Patrol retirement plan	5.00 <u>4.50</u>
76.35	legislators retirement plan	5.00 <u>4.50</u>
76.36	elective state officers retirement plan	5.00
76.37	judges retirement plan	5.00 <u>4.00</u>
76.38	general public employees retirement plan	6.00 <u>4.50</u>
76.39	public employees police and fire retirement	
76.40	plan	6.00 <u>4.50</u>
76.41	local government correctional service	
76.42	retirement plan	6.00 <u>4.50</u>

77.1	teachers retirement plan	5.00 <u>4.50</u>
77.2	Duluth teachers retirement plan	5.00 <u>4.50</u>
77.3	St. Paul teachers retirement plan	5.00

77.4 (d) After July 1, 2010, the assumptions set forth in paragraphs (b) and (c) continue to
 77.5 apply, unless a different salary assumption or a different payroll increase assumption:

77.6 (1) has been proposed by the governing board of the applicable retirement plan;

77.7 (2) is accompanied by the concurring recommendation of the actuary retained under
 77.8 section 356.214, if applicable, or by the approved actuary preparing the most recent
 77.9 actuarial valuation report if section 356.214 does not apply; and

77.10 (3) has been approved or deemed approved under subdivision 18.

77.11 Sec. 14. Minnesota Statutes 2006, section 356.215, subdivision 11, is amended to read:

77.12 Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the
 77.13 level normal cost, the actuarial valuation of the retirement plan must contain an exhibit
 77.14 for financial reporting purposes indicating the additional annual contribution sufficient
 77.15 to amortize the unfunded actuarial accrued liability and must contain an exhibit for
 77.16 contribution determination purposes indicating the additional contribution sufficient to
 77.17 amortize the unfunded actuarial accrued liability. For ~~funds governed by chapters 3A,~~
 77.18 ~~352, 352B, 352C, 353, 354, 354A, and 490~~ the retirement plans listed in subdivision 8,
 77.19 paragraph (c), the additional contribution must be calculated on a level percentage of
 77.20 covered payroll basis by the established date for full funding in effect when the valuation
 77.21 is prepared. ~~For funds governed by chapter 3A, sections 352.90 through 352.951, chapters~~
 77.22 ~~352B, 352C, sections 353.63 through 353.68, and chapters 353C, 354A, and 490, the level~~
 77.23 ~~percent additional contribution must be calculated,~~ assuming annual payroll growth of 6.5
 77.24 percent. ~~For funds governed by sections 352.01 through 352.86 and chapter 354, the level~~
 77.25 ~~percent additional contribution must be calculated assuming an annual payroll growth of~~
 77.26 ~~five percent. For the fund governed by sections 353.01 through 353.46, the level percent~~
 77.27 ~~additional contribution must be calculated assuming an annual payroll growth of six~~
 77.28 ~~percent~~ at the applicable percentage rate set forth in subdivision 8, paragraph (c). For all
 77.29 other ~~funds~~ retirement plans, the additional annual contribution must be calculated on a
 77.30 level annual dollar amount basis.

77.31 (b) For any ~~fund~~ retirement plan other than the Minneapolis Employees Retirement
 77.32 Fund ~~and,~~ the general employees retirement plan of the Public Employees Retirement
 77.33 Association ~~general plan,~~ and the St. Paul Teachers Retirement Fund Association, if
 77.34 there has not been a change in the actuarial assumptions used for calculating the actuarial
 77.35 accrued liability of the fund, a change in the benefit plan governing annuities and benefits

78.1 payable from the fund, a change in the actuarial cost method used in calculating the
78.2 actuarial accrued liability of all or a portion of the fund, or a combination of the three,
78.3 which change or changes by itself or by themselves without inclusion of any other items
78.4 of increase or decrease produce a net increase in the unfunded actuarial accrued liability of
78.5 the fund, the established date for full funding is the first actuarial valuation date occurring
78.6 after June 1, 2020.

78.7 (c) For any ~~fund or~~ retirement plan other than the Minneapolis Employees
78.8 Retirement Fund and the general employees retirement plan of the Public Employees
78.9 Retirement Association ~~general plan~~, if there has been a change in any or all of the
78.10 actuarial assumptions used for calculating the actuarial accrued liability of the fund, a
78.11 change in the benefit plan governing annuities and benefits payable from the fund, a
78.12 change in the actuarial cost method used in calculating the actuarial accrued liability of all
78.13 or a portion of the fund, or a combination of the three, and the change or changes, by itself
78.14 or by themselves and without inclusion of any other items of increase or decrease, produce
78.15 a net increase in the unfunded actuarial accrued liability in the fund, the established date
78.16 for full funding must be determined using the following procedure:

78.17 (i) the unfunded actuarial accrued liability of the fund must be determined in
78.18 accordance with the plan provisions governing annuities and retirement benefits and the
78.19 actuarial assumptions in effect before an applicable change;

78.20 (ii) the level annual dollar contribution or level percentage, whichever is applicable,
78.21 needed to amortize the unfunded actuarial accrued liability amount determined under item
78.22 (i) by the established date for full funding in effect before the change must be calculated
78.23 using the interest assumption specified in subdivision 8 in effect before the change;

78.24 (iii) the unfunded actuarial accrued liability of the fund must be determined in
78.25 accordance with any new plan provisions governing annuities and benefits payable from
78.26 the fund and any new actuarial assumptions and the remaining plan provisions governing
78.27 annuities and benefits payable from the fund and actuarial assumptions in effect before
78.28 the change;

78.29 (iv) the level annual dollar contribution or level percentage, whichever is applicable,
78.30 needed to amortize the difference between the unfunded actuarial accrued liability amount
78.31 calculated under item (i) and the unfunded actuarial accrued liability amount calculated
78.32 under item (iii) over a period of 30 years from the end of the plan year in which the
78.33 applicable change is effective must be calculated using the applicable interest assumption
78.34 specified in subdivision 8 in effect after any applicable change;

79.1 (v) the level annual dollar or level percentage amortization contribution under item
79.2 (iv) must be added to the level annual dollar amortization contribution or level percentage
79.3 calculated under item (ii);

79.4 (vi) the period in which the unfunded actuarial accrued liability amount determined
79.5 in item (iii) is amortized by the total level annual dollar or level percentage amortization
79.6 contribution computed under item (v) must be calculated using the interest assumption
79.7 specified in subdivision 8 in effect after any applicable change, rounded to the nearest
79.8 integral number of years, but not to exceed 30 years from the end of the plan year in
79.9 which the determination of the established date for full funding using the procedure set
79.10 forth in this clause is made and not to be less than the period of years beginning in the
79.11 plan year in which the determination of the established date for full funding using the
79.12 procedure set forth in this clause is made and ending by the date for full funding in effect
79.13 before the change; and

79.14 (vii) the period determined under item (vi) must be added to the date as of which
79.15 the actuarial valuation was prepared and the date obtained is the new established date
79.16 for full funding.

79.17 (d) For the Minneapolis Employees Retirement Fund, the established date for full
79.18 funding is June 30, 2020.

79.19 (e) For the general employees retirement plan of the Public Employees Retirement
79.20 Association, the established date for full funding is June 30, 2031.

79.21 (f) For the Teachers Retirement Association, the established date for full funding is
79.22 June 30, 2037.

79.23 (g) For the correctional state employees retirement plan of the Minnesota State
79.24 Retirement System, the established date for full funding is June 30, 2038.

79.25 (h) For the judges retirement plan, the established date for full funding is June
79.26 30, 2038.

79.27 (i) For the public employees police and fire retirement plan, the established date
79.28 for full funding is June 30, 2038.

79.29 (j) For the St. Paul Teachers Retirement Fund Association, the established date
79.30 for full funding is June 30 of the twenty-fifth year from valuation date. In addition to
79.31 other requirements of this chapter, the annual actuarial valuation shall contain an exhibit
79.32 indicating the funded ratio and the deficiency or sufficiency in annual contributions when
79.33 comparing liabilities to the market value of the assets of the fund as of the close of the
79.34 most recent fiscal year.

79.35 ~~(g)~~ (k) For the retirement plans for which the annual actuarial valuation indicates
79.36 an excess of valuation assets over the actuarial accrued liability, the valuation assets in

80.1 excess of the actuarial accrued liability must be recognized as a reduction in the current
80.2 contribution requirements by an amount equal to the amortization of the excess expressed
80.3 as a level percentage of pay over a 30-year period beginning anew with each annual
80.4 actuarial valuation of the plan.

80.5 (l) In addition to calculating the unfunded actuarial accrued liability of the retirement
80.6 plan for financial reporting purposes under paragraphs (a) to (j), the actuarial valuation
80.7 of the retirement plan must also include a calculation of the unfunded actuarial accrued
80.8 liability of the retirement plan for purposes of determining the amortization contribution
80.9 sufficient to amortize the unfunded actuarial liability of the Minnesota Post Retirement
80.10 Investment Fund. For this exhibit, the calculation must be the unfunded actuarial accrued
80.11 liability net of the postretirement adjustment liability funded from the investment
80.12 performance of the Minnesota Post Retirement Investment Fund or the retirement benefit
80.13 fund.

80.14 Sec. 15. Minnesota Statutes 2006, section 356.215, subdivision 18, is amended to read:

80.15 Subd. 18. **Establishment of actuarial assumptions.** (a) Before July 2, 2010, the
80.16 actuarial assumptions used for the preparation of actuarial valuations under this section
80.17 that are other than ~~those set forth in this section~~ preretirement interest, postretirement
80.18 interest, salary increase, and payroll increase may be changed only with the approval of
80.19 the Legislative Commission on Pensions and Retirement or after a period of one year have
80.20 elapsed since the date on which the proposed assumption change or changes were received
80.21 by the Legislative Commission on Pensions and Retirement without commission action.

80.22 (b) After July 1, 2010, the actuarial assumptions used for the preparation of actuarial
80.23 valuations under this section that are other than postretirement interest and preretirement
80.24 interest may be changed only with the approval of the Legislative Commission on
80.25 Pensions and Retirement or after a period of one year have elapsed since the date on which
80.26 the proposed assumption change or changes were received by the Legislative Commission
80.27 on Pensions and Retirement without commission action.

80.28 ~~(b)~~ (c) A change in the applicable actuarial assumptions may be proposed by the
80.29 governing board of the applicable pension fund or relief association, by the actuary
80.30 retained by the joint retirement systems under section 356.214, ~~by the actuarial advisor to~~
80.31 ~~a pension fund governed by chapter 352, 353, 354, or 354A,~~ or by the actuary retained by
80.32 a local police or firefighters relief association governed by sections 69.77 or 69.771 to
80.33 69.776, if one is retained.

80.34 Sec. 16. Minnesota Statutes 2007 Supplement, section 356.96, subdivision 1, is
80.35 amended to read:

81.1 Subdivision 1. **Definitions.** (a) Unless the language or context clearly indicates that
81.2 a different meaning is intended, for the purpose of this section, the terms in paragraphs
81.3 (b) to (e) have the meanings given them.

81.4 (b) "Chief administrative officer" means the executive director of a covered pension
81.5 plan or the executive director's designee or representative.

81.6 (c) "Covered pension plan" means a plan enumerated in section 356.20, subdivision
81.7 2, clauses (1) to (4), (10), and ~~(12) to (14)~~ (13) to (15), but does not mean the deferred
81.8 compensation plan administered under sections 352.96 and 352.97 or to the postretirement
81.9 health care savings plan administered under section 352.98.

81.10 (d) "Governing board" means the Board of Trustees of the Public Employees
81.11 Retirement Association, the Board of Trustees of the Teachers Retirement Association, or
81.12 the Board of Directors of the Minnesota State Retirement System.

81.13 (e) "Person" includes an active, retired, deferred, or nonvested inactive participant in
81.14 a covered pension plan or a beneficiary of a participant, or an individual who has applied
81.15 to be a participant or who is or may be a survivor of a participant, or a state agency or
81.16 other governmental unit that employs active participants in a covered pension plan.

81.17 Sec. 17. **APPROPRIATION; LEGISLATIVE COMMISSION ON PENSIONS**
81.18 **AND RETIREMENT.**

81.19 \$140,000 is appropriated from the general fund to the Legislative Commission on
81.20 Pensions and Retirement in fiscal year 2010 in order to cover the costs of any contract
81.21 authorized under Minnesota Statutes, section 356.214, subdivision 4. The commissioner
81.22 of finance must include these funds in the base level funding for the commission when
81.23 preparing forecasts of general fund spending and revenue and initial budget estimates
81.24 each biennium, as long as an actuary remains under contract to the commission under
81.25 Minnesota Statutes, section 356.214, subdivision 4.

81.26 Sec. 18. **REPEALER.**

81.27 Minnesota Statutes 2006, sections 356.214, subdivision 2; and 356.215, subdivision
81.28 2a, are repealed.

81.29 Sec. 19. **EFFECTIVE DATE.**

81.30 Sections 1 to 18 are effective June 30, 2008, and apply to annual financial reports
81.31 and actuarial valuations prepared after June 1, 2008.

82.1 **ARTICLE 12**

82.2 **RETIREMENT SAVINGS PROGRAMS**

82.3 Section 1. Minnesota Statutes 2006, section 123B.02, subdivision 15, is amended to
82.4 read:

82.5 Subd. 15. **Annuity contract; payroll allocation.** At the request of an employee
82.6 and as part of the employee's compensation arrangement, the board may purchase an
82.7 individual annuity contract for an employee for retirement or other purposes and may
82.8 make payroll allocations in accordance with such arrangement for the purpose of paying
82.9 the entire premium due and to become due under such contract. The allocation must be
82.10 made in a manner which will qualify the annuity premiums, or a portion thereof, for the
82.11 benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any
82.12 equivalent provision of subsequent federal income tax law. The employee shall own such
82.13 contract and the employee's rights under the contract shall be nonforfeitable except for
82.14 failure to pay premiums. Section 122A.40 shall not be applicable hereto and the board shall
82.15 have no liability thereunder because of its purchase of any individual annuity contracts.
82.16 This statute shall be applied in a nondiscriminatory manner to employees of the school
82.17 district. The identity and number of the available vendors under federal Internal Revenue
82.18 Code section 403(b) is a term and condition of employment under section 179A.03.

82.19 **EFFECTIVE DATE.** This section is effective August 1, 2008.

82.20 Sec. 2. Minnesota Statutes 2006, section 352.03, subdivision 4, is amended to read:

82.21 Subd. 4. **Duties and powers of board of directors.** The board shall:

82.22 (1) elect a chair;

82.23 (2) appoint an executive director;

82.24 (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D,
82.25 and 490 and transact the business of the system, subject to the limitations of law;

82.26 (4) consider and dispose of, or take any other action the board of directors deems
82.27 appropriate concerning denials of applications for annuities or disability benefits under
82.28 this chapter, and complaints of employees and others pertaining to the retirement of
82.29 employees and the operation of the system;

82.30 (5) advise the director on any matters relating to the system and carrying out
82.31 functions and purposes of this chapter. The board's advice shall control; and

82.32 (6) oversee the administration of the state deferred compensation plan established in
82.33 section ~~352.96~~ 352.965.

82.34 The director and assistant director must be in the unclassified service but appointees
82.35 may be selected from civil service lists if desired. The salary of the executive director

83.1 must be as provided by section 15A.0815. The salary of the assistant director must be set
83.2 in accordance with section 43A.18, subdivision 3.

83.3 **EFFECTIVE DATE.** This section is effective August 1, 2008.

83.4 Sec. 3. **[352.965] MINNESOTA STATE DEFERRED COMPENSATION PLAN.**

83.5 Subdivision 1. **Establishment.** (a) The Minnesota state deferred compensation plan
83.6 is established. For purposes of this section, "plan" means the Minnesota state deferred
83.7 compensation plan, unless the context clearly indicates otherwise. The Minnesota State
83.8 Retirement System shall administer the plan.

83.9 (b) The purpose of the plan is to provide a means for a public employee to contribute
83.10 a portion of the employee's compensation to a tax-deferred investment account. The plan
83.11 is an eligible tax-deferred compensation plan under section 457(b) of the Internal Revenue
83.12 Code, United States Code, title 26, section 457(b), and the applicable regulations under
83.13 Code of Federal Regulations, title 26, parts 1.457-3 to 1.457-10.

83.14 (c) The Board of Directors of the Minnesota State Retirement System is the plan
83.15 trustee and the board's executive director is the plan administrator. Fiduciary activities of
83.16 the plan must be undertaken in a manner consistent with chapter 356A.

83.17 (d) The executive director with the approval of the board of directors shall adopt and
83.18 amend, as required to maintain tax-qualified status, a written plan document specifying the
83.19 material terms and conditions for eligibility, benefits, applicable limitations, and the time
83.20 and form under which benefit distributions can be made. With the approval of the board
83.21 of directors, the executive director may also establish policies and procedures necessary
83.22 for the administration of the deferred compensation plan.

83.23 (e) The plan document shall include provisions that are necessary to cause the plan
83.24 to be an eligible deferred compensation plan within the meaning of section 457(b).
83.25 The plan document may provide additional administrative and substantive provisions
83.26 consistent with state law, provided those provisions will not cause the plan to fail to be an
83.27 eligible deferred compensation plan within the meaning of section 457(b) and may include
83.28 provisions for certain optional features and services.

83.29 (f) The board of directors may authorize the executive director to establish and
83.30 administer a Roth 457 plan if authorized by the Internal Revenue Code or a Roth
83.31 individual retirement account as defined under section 408A of the Internal Revenue Code.

83.32 (g) All amounts contributed to the deferred compensation plan and all earnings
83.33 on those amounts must be held in trust, in custodial accounts, or in qualifying annuity
83.34 contracts for the exclusive benefit of the plan participants and beneficiaries, as required by

84.1 section 457(g) of the Internal Revenue Code and in accordance with sections 356.001 and
84.2 356A.06, subdivision 1.

84.3 (h) The information and data maintained in the accounts of the participants and
84.4 beneficiaries are private data and shall not be disclosed to anyone other than the participant
84.5 or beneficiary pursuant to a court order or pursuant to section 356.49.

84.6 (i) The plan document is not subject to the rule adoption process under the
84.7 Administrative Procedures Act, including section 14.386, but must conform with
84.8 applicable federal and state law.

84.9 Subd. 2. **Right to participate in the deferred compensation plan.** At the request
84.10 of an officer or employee of the state, an officer or employee of a political subdivision, or
84.11 an employee covered by a retirement fund in section 356.20, subdivision 2, the appointing
84.12 authority shall defer the payment of part of the compensation of the public officer or
84.13 employee through payroll deduction. The amount to be deferred must be as provided
84.14 in a written agreement between the officer or employee and the public employer. The
84.15 agreement must be in a form specified by the executive director of the Minnesota State
84.16 Retirement System and must be consistent with the requirements for an eligible plan under
84.17 federal and state tax laws, regulations, and rulings.

84.18 Subd. 3. **Failure to implement plan.** The public employer must complete
84.19 implementation of the deferred compensation plan within ... days of the request as
84.20 provided in subdivision 2. If the public employer fails to implement the deferred
84.21 compensation plan, the public employer may not defer compensation under any existing
84.22 or new deferred compensation plan from the date of the request until the date on which the
84.23 deferred compensation plan provided for in this section is implemented. Upon the petition
84.24 of a public officer or employee, the executive director of the Minnesota State Retirement
84.25 System may order the public officer's or employee's public employer to implement the
84.26 deferred compensation plan provided for in this section and may enforce that order
84.27 in appropriate legal proceedings.

84.28 Subd. 4. **Plan investments.** (a) Investments under the plan may include:

84.29 (1) shares in the Minnesota supplemental investment fund established in section
84.30 11A.17 that are selected to be offered under the plan by the State Board of Investment;

84.31 (2) saving accounts in federally insured financial institutions;

84.32 (3) life insurance contracts, fixed annuity and variable annuity contracts from
84.33 companies that are subject to regulation by the commissioner of commerce;

84.34 (4) investment options from open-end investment companies registered under the
84.35 federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1
84.36 to 80a-64;

85.1 (5) investment options from a firm that is a registered investment advisor under the
85.2 Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21;

85.3 (6) investment options of a bank as defined in United States Code, title 15, section
85.4 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank
85.5 Holding Company Act of 1956, United States Code, title 12, section 1841, subsection
85.6 (a), paragraph (1); or

85.7 (7) a combination of clause (1), (2), (3), (4), (5), or (6), as provided by the plan as
85.8 specified by the participant.

85.9 (b) All amounts contributed to the deferred compensation plan and all earnings
85.10 on those amounts must be held for the exclusive benefit of the plan participants and
85.11 beneficiaries. These amounts must be held in trust, in custodial accounts, or in qualifying
85.12 annuity contracts as required by federal law in accordance with section 356A.06,
85.13 subdivision 1. This subdivision does not authorize an employer contribution, except as
85.14 authorized in section 356.24, subdivision 1, paragraph (a), clause (5). The state, political
85.15 subdivision, or other employing unit is not responsible for any loss that may result from
85.16 investment of the deferred compensation.

85.17 Subd. 5. **State Board of Investment to determine investments.** (a) The State
85.18 Board of Investment shall determine the investment products to be made available under
85.19 the plan and may retain appropriate consulting services to assist in making the selections.
85.20 At a minimum, the State Board of Investment shall consider the following:

85.21 (1) the experience and ability of the financial institution to provide benefits and
85.22 products that are suited to meet the needs of plan participants;

85.23 (2) the relationship of those benefits and products provided by the financial
85.24 institution to their cost;

85.25 (3) the financial strength and stability of the financial institution; and

85.26 (4) the fees and expenses associated with the investment products in comparison to
85.27 other products of similar risk and rates of return.

85.28 (b) If the State Board of Investment so elects, it may solicit bids for options under
85.29 subdivision 4, clauses (2), (3), (4), (5), and (6). The State Board of Investment may retain
85.30 consulting services to assist in soliciting and evaluating bids and in the periodic review of
85.31 companies offering options under subdivision 4, clauses (3), (4), (5), and (6). The periodic
85.32 review must occur at least every two years. The State Board of Investment may annually
85.33 establish a budget for its costs in soliciting, evaluation, and periodic review processes. All
85.34 options in subdivision 4 must be presented in an unbiased manner and in a manner that
85.35 conforms to rules adopted by the executive director, be reported on a periodic basis to all
85.36 participants in the deferred compensation plan, and not be the subject of unreasonable

86.1 solicitation of participants in the plan. The State Board of Investment may charge a
86.2 proportional share of all costs related to the periodic review to each company currently
86.3 under contract and may charge a proportional share of all costs related to soliciting and
86.4 evaluating bids to each company selected by the State Board of Investment.

86.5 (c) Under the procedures set forth in the plan document, participants may select the
86.6 funds or combination of funds within which to invest and may reallocate those investments
86.7 as provided in the plan document and procedures established by the executive director.

86.8 (d) This section does not authorize an employer contribution, except as authorized in
86.9 section 356.24, subdivision 1, paragraph (a), clause (5).

86.10 (e) The state, the Minnesota State Retirement System, the executive director and
86.11 board of directors of the system, and participating public employers are not liable and not
86.12 responsible for any loss that may result from investment of the deferred compensation or
86.13 the investment choices made by the participants.

86.14 Subd. 6. **Plan administrative expenses.** (a) The reasonable and necessary
86.15 administrative expenses of the deferred compensation plan may be charged to plan
86.16 participants in the form of an annual fee, an asset-based fee, a percentage of the
86.17 contributions to the plan, or a combination thereof, as set forth in the plan document. The
86.18 executive director of the system at the direction of the board of directors shall establish
86.19 procedures to carry out this section including allocation of administrative costs of the plan
86.20 to participants. Processes and procedures shall be set forth in the plan document. Fees
86.21 cannot be charged on contributions and investment returns attributable to contributions
86.22 made to the Minnesota supplemental investment funds before July 1, 1992.

86.23 (b) The plan document must conform to federal and state tax laws, regulations, and
86.24 rulings, and is not subject to the Administrative Procedure Act.

86.25 (c) The executive director may contract with a third party to perform administrative
86.26 and record keeping functions. The executive director may solicit bids and negotiate such
86.27 contracts.

86.28 (d) The board of directors may authorize a third-party investment consultant to
86.29 provide investment information and advice, provided that the offering of such information
86.30 and advice is consistent with the investment advice requirements applicable to private
86.31 plans under Title VI, subtitle A, of the Pension Protection Act of 2006, Public Law
86.32 109-280, section 601.

86.33 Subd. 7. **Other laws not applicable.** Except as provided in this section, no
86.34 provisions of this chapter or other law specifically referring to this chapter applies to this
86.35 section unless the Minnesota deferred compensation plan is specifically referenced.

87.1 Subd. 8. **Exemption from process.** No amount of deferred compensation is
87.2 assignable or subject to execution, levy, attachment, garnishment, or other legal process,
87.3 except as provided in section 518.58, 518.581, or 518A.53.

87.4 Subd. 9. **Missing participants.** The plan document shall establish procedures to
87.5 assist in locating participants. If a participant cannot be located the participant's benefits
87.6 shall be deemed abandoned and the provisions of section 356.65 shall apply to their
87.7 disposition.

87.8 **EFFECTIVE DATE.** This section is effective August 1, 2008.

87.9 Sec. 4. Minnesota Statutes 2006, section 352.97, is amended to read:

87.10 **352.97 PRIOR DEFERRED COMPENSATION PLANS; CONSTRUCTION.**

87.11 Sections ~~352.96~~ 352.965 and 352.97 do not preempt, prohibit, ratify, or approve any
87.12 other deferred compensation plan established before or after June 3, 1975.

87.13 Sec. 5. Minnesota Statutes 2006, section 353D.12, subdivision 4, is amended to read:

87.14 Subd. 4. **Authorized rollovers.** To the extent allowed by federal law, the employee
87.15 purchase amount may be made with funds distributed from: (1) a plan qualified under
87.16 section 401(a) of the federal Internal Revenue Code, as amended; (2) an annuity qualified
87.17 under section 403(a) of the federal Internal Revenue Code, as amended; (3) an individual
87.18 retirement account used solely to receive a nontaxable rollover from that type of plan or
87.19 annuity; (4) the state deferred compensation plan authorized under section ~~352.96~~ 352.965
87.20 and qualified under section 457 of the federal Internal Revenue Code, as amended; or (5)
87.21 another tax qualified plan or annuity that authorizes rollovers. The participating elected
87.22 local government official shall supply sufficient written documentation that the transfer
87.23 amounts are eligible for tax-free rollover treatment. An authorized tax-free rollover, plus
87.24 any other purchase amount payments under this section, including subdivision 6, may not
87.25 exceed the limitation in subdivision 2, paragraph (a). Notwithstanding any provision of
87.26 state law or rule to the contrary, to the extent permitted under federal law, the employee
87.27 purchase amount may be transferred from the state deferred compensation plan before the
87.28 employee terminates public employment.

87.29 **EFFECTIVE DATE.** This section is effective August 1, 2008.

87.30 Sec. 6. Minnesota Statutes 2006, section 356.24, subdivision 1, is amended to read:

87.31 Subdivision 1. **Restriction; exceptions.** (a) It is unlawful for a school district
87.32 or other governmental subdivision or state agency to levy taxes for, or to contribute
87.33 public funds to a supplemental pension or deferred compensation plan that is established,

88.1 maintained, and operated in addition to a primary pension program for the benefit of the
88.2 governmental subdivision employees other than:

88.3 (1) to a supplemental pension plan that was established, maintained, and operated
88.4 before May 6, 1971;

88.5 (2) to a plan that provides solely for group health, hospital, disability, or death
88.6 benefits;

88.7 (3) to the individual retirement account plan established by chapter 354B;

88.8 (4) to a plan that provides solely for severance pay under section 465.72 to a retiring
88.9 or terminating employee;

88.10 (5) for employees other than personnel employed by the Board of Trustees of the
88.11 Minnesota State Colleges and Universities and covered under the Higher Education
88.12 Supplemental Retirement Plan under chapter 354C, but including city managers covered
88.13 by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph
88.14 (a), or by the defined contribution plan of the Public Employees Retirement Association
88.15 under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is
88.16 provided for in a personnel policy of the public employer or in the collective bargaining
88.17 agreement between the public employer and the exclusive representative of public
88.18 employees in an appropriate unit or in the individual employment contract between a city
88.19 and a city manager, and if for each available investment all fees and historic rates of return
88.20 for the prior one, three, five, and ten-year periods, or since inception, are disclosed in an
88.21 easily comprehended document not to exceed two pages, in an amount matching employee
88.22 contributions on a dollar for dollar basis, but not to exceed an employer contribution of
88.23 ~~\$2,000~~ a one-half of the available elective deferral permitted per year per employee,
88.24 under the Internal Revenue Code:

88.25 (i) to the state of Minnesota deferred compensation plan under section ~~352.96~~
88.26 352.965; ~~or~~

88.27 (ii) in payment of the applicable portion of the contribution made to any investment
88.28 eligible under section 403(b) of the Internal Revenue Code, if the employing unit has
88.29 complied with any applicable pension plan provisions of the Internal Revenue Code with
88.30 respect to the tax-sheltered annuity program during the preceding calendar year; or

88.31 (iii) any other deferred compensation plan offered by the employer under section
88.32 457 of the Internal Revenue Code;

88.33 (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges
88.34 and Universities and not covered by clause (5), to the supplemental retirement plan under
88.35 chapter 354C, if the supplemental plan coverage is provided for in a personnel policy
88.36 or in the collective bargaining agreement of the public employer with the exclusive

89.1 representative of the covered employees in an appropriate unit, in an amount matching
89.2 employee contributions on a dollar for dollar basis, but not to exceed an employer
89.3 contribution of \$2,700 a year for each employee;

89.4 (7) to a supplemental plan or to a governmental trust to save for postretirement
89.5 health care expenses qualified for tax-preferred treatment under the Internal Revenue
89.6 Code, if the supplemental plan coverage is provided for in a personnel policy or in the
89.7 collective bargaining agreement of a public employer with the exclusive representative of
89.8 the covered employees in an appropriate unit;

89.9 (8) to the laborers national industrial pension fund or to a laborers local pension
89.10 fund for the employees of a governmental subdivision who are covered by a collective
89.11 bargaining agreement that provides for coverage by that fund and that sets forth a fund
89.12 contribution rate, but not to exceed an employer contribution of \$5,000 per year per
89.13 employee;

89.14 (9) to the plumbers and pipefitters national pension fund or to a plumbers and
89.15 pipefitters local pension fund for the employees of a governmental subdivision who are
89.16 covered by a collective bargaining agreement that provides for coverage by that fund and
89.17 that sets forth a fund contribution rate, but not to exceed an employer contribution of
89.18 \$5,000 per year per employee;

89.19 (10) to the international union of operating engineers pension fund for the employees
89.20 of a governmental subdivision who are covered by a collective bargaining agreement that
89.21 provides for coverage by that fund and that sets forth a fund contribution rate, but not to
89.22 exceed an employer contribution of \$5,000 per year per employee;

89.23 (11) to a supplemental plan organized and operated under the federal Internal
89.24 Revenue Code, as amended, that is wholly and solely funded by the employee's
89.25 accumulated sick leave, accumulated vacation leave, and accumulated severance pay; ~~or~~

89.26 (12) to the International Association of Machinists national pension fund for the
89.27 employees of a governmental subdivision who are covered by a collective bargaining
89.28 agreement that provides for coverage by that fund and that sets forth a fund contribution
89.29 rate, but not to exceed an employer contribution of \$5,000 per year per employee; or

89.30 (13) for employees of United Hospital District, Blue Earth, to the state of
89.31 Minnesota deferred compensation program under section 352.96, if the employee makes
89.32 a contribution, in an amount that does not exceed the total percentage of covered salary
89.33 under section 353.27, subdivisions 3 and 3a.

89.34 (b) No governmental subdivision may make a contribution to a deferred
89.35 compensation plan operating under section 457 of the Internal Revenue Code for volunteer

90.1 or emergency on-call firefighters in lieu of providing retirement coverage under the federal
90.2 old age, survivors, and disability insurance program.

90.3 **EFFECTIVE DATE.** Paragraph (a), clause (13) is effective July 1, 2008. The
90.4 balance of this section is effective August 1, 2008.

90.5 Sec. 7. Minnesota Statutes 2007 Supplement, section 356.96, subdivision 1, is
90.6 amended to read:

90.7 Subdivision 1. **Definitions.** (a) Unless the language or context clearly indicates that
90.8 a different meaning is intended, for the purpose of this section, the terms in paragraphs
90.9 (b) to (e) have the meanings given them.

90.10 (b) "Chief administrative officer" means the executive director of a covered pension
90.11 plan or the executive director's designee or representative.

90.12 (c) "Covered pension plan" means a plan enumerated in section 356.20, subdivision
90.13 2, clauses (1) to (4), (10), and (12) to (14), but does not mean the deferred compensation
90.14 plan administered under sections ~~352.96~~ 352.965 and 352.97 or to the postretirement
90.15 health care savings plan administered under section 352.98.

90.16 (d) "Governing board" means the Board of Trustees of the Public Employees
90.17 Retirement Association, the Board of Trustees of the Teachers Retirement Association, or
90.18 the Board of Directors of the Minnesota State Retirement System.

90.19 (e) "Person" includes an active, retired, deferred, or nonvested inactive participant in
90.20 a covered pension plan or a beneficiary of a participant, or an individual who has applied
90.21 to be a participant or who is or may be a survivor of a participant, or a state agency or
90.22 other governmental unit that employs active participants in a covered pension plan.

90.23 **EFFECTIVE DATE.** This section is effective August 1, 2008.

90.24 Sec. 8. Minnesota Statutes 2006, section 356B.10, subdivision 3, is amended to read:

90.25 Subd. 3. **Contracting procedures.** (a) The commissioner may enter into a contract
90.26 for facilities with a contractor to furnish the architectural, engineering, and related services
90.27 as well as the labor, materials, supplies, equipment, and related construction services on
90.28 the basis of a request for qualifications and competitive responses received through a
90.29 request for proposals process that must include the items listed in paragraphs (b) to (i).

90.30 (b) Before issuing a request for qualifications and a request for proposals, the
90.31 commissioner, with the assistance of the boards, shall prepare performance criteria and
90.32 specifications that include:

90.33 (1) a general floor plan or layout indicating the general dimensions of the public
90.34 building and space requirements;

- 91.1 (2) design criteria for the exterior and site area;
- 91.2 (3) performance specifications for all building systems and components to ensure
91.3 quality and cost efficiencies;
- 91.4 (4) conceptual floor plans for systems space;
- 91.5 (5) preferred types of interior finishes, styles of windows, lighting and outlets, doors,
91.6 and features such as built-in counters and telephone wiring;
- 91.7 (6) mechanical and electrical requirements;
- 91.8 (7) special interior features required; and
- 91.9 (8) a completion schedule.
- 91.10 (c) The commissioner shall first solicit statements of qualifications from eligible
91.11 contractors and select more than one qualified contractor based upon experience, technical
91.12 competence, past performance, capability to perform, and other appropriate facts.
91.13 Contractors selected under this process must be, employ, or have as a partner, member,
91.14 coventurer, or subcontractor, persons licensed and registered under chapter 326 to provide
91.15 the services required to design and complete the project. The commissioner does not
91.16 have to select any of the respondents if none reasonably fulfill the criteria set forth in
91.17 this paragraph.
- 91.18 (d) The contractors selected shall be asked to respond to a request for proposals.
91.19 Responses must include site plans, design concept, elevation, statement of material to
91.20 be used, floor layouts, a detailed development budget, and a total cost to complete the
91.21 project. The proposal must indicate that the contractor obtained at least two proposals
91.22 from subcontractors for each item of work and must set forth how the subcontractors
91.23 were selected. The commissioner, with the assistance of the boards, shall evaluate the
91.24 proposals based upon design, cost, quality, aesthetics, and the best overall value to the
91.25 state pension funds. The commissioner need not select any of the proposals submitted
91.26 and reserves the right to reject any and all proposals, and may terminate the process or
91.27 revise the request for proposals and solicit new proposals if the commissioner determines
91.28 that the best interests of the pension funds would be better served by doing so. Proposals
91.29 submitted are nonpublic data until the contract is awarded.
- 91.30 (e) The contractor selected must comply with sections 574.26 to 574.261. Before
91.31 executing a final contract, the contractor selected shall certify a firm construction price
91.32 and completion date.
- 91.33 (f) The commissioner may consider building sites in the city of St. Paul and
91.34 surrounding suburbs.
- 91.35 (g) Any land, building, or facility leased, constructed, or acquired and any leasehold
91.36 interest acquired under this section must be held by the state in trust for the three retirement

92.1 systems as tenants in common. Each retirement system fund must consider its interest as a
92.2 fixed asset of its pension fund in accordance with governmental accounting standards.

92.3 (h) The commissioner may lease to another governmental subdivision, to a private
92.4 company under contract with the State Board of Investment, or with the Board of Directors
92.5 of the Minnesota State Retirement System, whichever applies, to provide deferred
92.6 compensation services under section ~~352.96~~ 352.965, any portion of the funds' building
92.7 and lands that is not required for their direct use upon terms and conditions they deem to
92.8 be in the best interest of the pension funds. Any income accruing from the rentals must
92.9 be separately accounted for and utilized to offset ongoing administrative expenses and
92.10 any excess must be carried forward for future administrative expenses. The commissioner
92.11 may also enter into lease agreements for the establishment of satellite offices should the
92.12 boards find them to be necessary in order to assure their members reasonable access to
92.13 their services. The commissioner may lease under section 16B.24 any portion of the
92.14 facilities not required for the direct use of the boards.

92.15 (i) The boards shall formulate and adopt a written working agreement that sets forth
92.16 the nature of each retirement system's ownership interest, the duties and obligations of
92.17 each system toward the construction, operation, and maintenance costs of its facilities, and
92.18 identifies one retirement fund to serve as manager for operating and maintenance purposes.
92.19 The boards may contract with independent third parties for maintenance-related activities,
92.20 services, and supplies, and may use the services of the Department of Administration
92.21 where economically feasible to do so. If the boards cannot agree or resolve a dispute
92.22 about operations or maintenance of the facilities, they may request the commissioner of
92.23 administration to appoint a representative from the department's real estate management
92.24 division to serve as arbitrator of the dispute with authority to issue a written resolution
92.25 of the dispute.

92.26 **EFFECTIVE DATE.** This section is effective August 1, 2008.

92.27 Sec. 9. Minnesota Statutes 2006, section 363A.36, subdivision 1, is amended to read:

92.28 Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in
92.29 excess of \$100,000, no department or agency of the state shall accept any bid or proposal
92.30 for a contract or agreement from any business having more than 40 full-time employees
92.31 within this state on a single working day during the previous 12 months, unless the
92.32 commissioner is in receipt of the business' affirmative action plan for the employment of
92.33 minority persons, women, and qualified disabled individuals. No department or agency of
92.34 the state shall execute any such contract or agreement until the affirmative action plan
92.35 has been approved by the commissioner. Receipt of a certificate of compliance issued by

93.1 the commissioner shall signify that a firm or business has an affirmative action plan that
 93.2 has been approved by the commissioner. A certificate shall be valid for a period of two
 93.3 years. A municipality as defined in section 466.01, subdivision 1, that receives state
 93.4 money for any reason is encouraged to prepare and implement an affirmative action plan
 93.5 for the employment of minority persons, women, and the qualified disabled and submit the
 93.6 plan to the commissioner.

93.7 (b) This paragraph applies to a contract for goods or services in excess of \$100,000
 93.8 to be entered into between a department or agency of the state and a business that is
 93.9 not subject to paragraph (a), but that has more than 40 full-time employees on a single
 93.10 working day during the previous 12 months in the state where the business has its primary
 93.11 place of business. A department or agency of the state may not execute a contract or
 93.12 agreement with a business covered by this paragraph unless the business has a certificate
 93.13 of compliance issued by the commissioner under paragraph (a) or the business certifies
 93.14 that it is in compliance with federal affirmative action requirements.

93.15 (c) This section does not apply to contracts entered into by the State Board of
 93.16 Investment for investment options under section ~~352.96~~ 352.965, subdivision 4.

93.17 **EFFECTIVE DATE.** This section is effective August 1, 2008.

93.18 Sec. 10. Minnesota Statutes 2006, section 383B.914, subdivision 7, is amended to read:

93.19 Subd. 7. **Participation in state deferred compensation plan.** (a) Existing
 93.20 employees of the corporation, at the election of the corporation, if otherwise qualified,
 93.21 are eligible to participate in the Hennepin County supplemental retirement plan under
 93.22 sections 383B.46 and 383B.52.

93.23 (b) Existing and future employees of the corporation, at the election of the
 93.24 corporation, are eligible to participate in the Minnesota state deferred compensation
 93.25 plan under section ~~352.96~~ 352.965, the postretirement health care savings plan under
 93.26 section 352.98, and all other deferred compensation arrangements for which all persons
 93.27 employed by the county whose employment is accounted for in the county enterprise fund
 93.28 for HCMC were eligible.

93.29 **EFFECTIVE DATE.** This section is effective August 1, 2008.

93.30 Sec. 11. Minnesota Statutes 2006, section 518.003, subdivision 8, is amended to read:

93.31 Subd. 8. **Public pension plan.** "Public pension plan" means a pension plan or
 93.32 fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, the deferred
 93.33 compensation plan specified in section ~~352.96~~ 352.965, or any retirement or pension plan
 93.34 or fund, including a supplemental retirement plan or fund, established, maintained, or

94.1 supported by a governmental subdivision or public body whose revenues are derived from
94.2 taxation, fees, assessments, or from other public sources.

94.3 **EFFECTIVE DATE.** This section is effective August 1, 2008.

94.4 Sec. 12. **REPEALER.**

94.5 Minnesota Statutes 2006, section 352.96; and Minnesota Rules, parts 7905.0100;
94.6 7905.0200; 7905.0300; 7905.0400; 7905.0500; 7905.0600; 7905.0700; 7905.0800;
94.7 7905.0900; 7905.1000; 7905.1100; 7905.1200; 7905.1300; 7905.1400; 7905.1500;
94.8 7905.1600; 7905.1700; 7905.1800; 7905.1900; 7905.2000; 7905.2100; 7905.2200;
94.9 7905.2300; 7905.2400; 7905.2450; 7905.2500; 7905.2560; 7905.2600; 7905.2700;
94.10 7905.2800; and 7905.2900, are repealed.

94.11 **EFFECTIVE DATE.** This section is effective August 1, 2008.

94.12 **ARTICLE 13**

94.13 **LOCAL POLICE AND PAID FIRE** 94.14 **RELIEF ASSOCIATION CHANGES**

94.15 Section 1. **[423A.021] DEFINED POSTRETIREMENT BENEFITS.**

94.16 Subdivision 1. **Pension unit increase.** For a salaried firefighters relief association in
94.17 a city of the first class with a population greater than 300,000, when the actuarial value
94.18 of assets of the special fund first exceeds 110 percent of the actuarial accrued liabilities,
94.19 according to an annual actuarial valuation occurring after the effective date of this section
94.20 and performed in accordance with sections 356.215 and 356.216, each service pensioner,
94.21 joint survivor annuitant, and surviving spouse member is entitled to a permanent benefit
94.22 increase. The revised benefit is an increase of one unit for a service pensioner, not to
94.23 exceed 43 units, an increase from 22 to 23 units for a surviving spouse benefit, and an
94.24 increase from 42.3 to 43.2 units for unmarried service pensioners. The association shall
94.25 pay the increased benefit beginning January 1 of the year following the year for which the
94.26 valuation was prepared. If adding an additional unit results in raising total units past the
94.27 maximum, a partial unit may be added to reach the maximum. For joint survivor annuities,
94.28 this subdivision authorizes a benefit increase actuarially equivalent to one unit.

94.29 Subd. 2. **Unit precedence.** The additional benefit provided for in subdivision
94.30 1 shall take precedence over any other benefit provided when the fund reaches 110
94.31 percent funding. In preparing the actuarial valuation under sections 356.215 and 356.216,
94.32 the actuary for the fund shall first account for the benefit provided in subdivision 1 in
94.33 determining the plan's funded ratio. No other benefit payments may be made by the

95.1 association until the actuarial impact of the benefit provided for in subdivision 1 has been
 95.2 determined and factored into the funding ratio.

95.3 Subd. 3. **Excess investment income.** For a salaried firefighters relief association in
 95.4 a city of the first class with a population greater than 300,000 that no longer is entitled to
 95.5 state general fund aid pursuant to section 423A.02, the association shall apply any assets
 95.6 that constitute excess investment income to the payment of a supplemental postretirement
 95.7 benefit to an eligible member notwithstanding any other limitation of law. Any amount
 95.8 of excess investment income not otherwise used to the payment of a supplemental
 95.9 postretirement benefit to an eligible member shall be applied to reduce the municipality's
 95.10 property tax levy to the association in the year following the payment of the postretirement
 95.11 benefit. A supplemental postretirement benefit is a lump sum payment equal to the
 95.12 monthly benefit provided to the benefit recipient in the month prior to payment of the
 95.13 supplemental postretirement benefit. A supplemental postretirement benefit payable under
 95.14 this section is in lieu of any benefit payable under section 423C.06, subdivision 2. No
 95.15 supplemental postretirement benefit is payable under this section if a benefit is payable
 95.16 under section 423C.06, subdivision 3.

95.17 **ARTICLE 14**

95.18 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION CHANGES**

95.19 Section 1. Minnesota Statutes 2006, section 6.67, is amended to read:

95.20 **6.67 PUBLIC ACCOUNTANTS; REPORT OF EVIDENCE POINTING TO** 95.21 **MISCONDUCT.**

95.22 Whenever a public accountant in the course of auditing the books and affairs of a
 95.23 county, city, town, school district, ~~or other public corporations, shall discover~~ corporation,
 95.24 or local public pension plan governed by section 69.77, sections 69.771 to 69.775, or
 95.25 chapter 354A, 422A, 423B, 423C, or 424A, discovers evidence pointing to nonfeasance,
 95.26 misfeasance, or malfeasance, on the part of an officer or employee in the conduct of duties
 95.27 and affairs, the public accountant shall promptly make a report of such discovery to the
 95.28 state auditor and the county attorney of the county in which the governmental unit is
 95.29 situated and the public accountant shall also furnish a copy of the report of audit upon
 95.30 completion to said officers. The county attorney shall act on such report in the same
 95.31 manner as required by law for reports made to the county attorney by the state auditor.

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

95.33 Sec. 2. Minnesota Statutes 2006, section 69.011, subdivision 1, is amended to read:

96.1 Subdivision 1. **Definitions.** Unless the language or context clearly indicates that a
96.2 different meaning is intended, the following words and terms shall for the purposes of this
96.3 chapter and chapters 423, 423A, 424 and 424A have the meanings ascribed to them:

96.4 (a) "Commissioner" means the commissioner of revenue.

96.5 (b) "Municipality" means:

96.6 (1) a home rule charter or statutory city;

96.7 (2) an organized town;

96.8 (3) a park district subject to chapter 398;

96.9 (4) the University of Minnesota;

96.10 (5) for purposes of the fire state aid program only, an American Indian tribal
96.11 government entity located within a federally recognized American Indian reservation;

96.12 (6) for purposes of the police state aid program only, an American Indian tribal
96.13 government with a tribal police department which exercises state arrest powers under
96.14 section 626.90, 626.91, 626.92, or 626.93;

96.15 (7) for purposes of the police state aid program only, the Metropolitan Airports
96.16 Commission with respect to peace officers covered under chapter 422A; and

96.17 (8) for purposes of the police state aid program only, the Department of Natural
96.18 Resources and the Department of Public Safety with respect to peace officers covered
96.19 under chapter 352B.

96.20 (c) "Minnesota Firetown Premium Report" means a form prescribed by the
96.21 commissioner containing space for reporting by insurers of fire, lightning, sprinkler
96.22 leakage and extended coverage premiums received upon risks located or to be performed
96.23 in this state less return premiums and dividends.

96.24 (d) "Firetown" means the area serviced by any municipality having a qualified fire
96.25 department or a qualified incorporated fire department having a subsidiary volunteer
96.26 firefighters' relief association.

96.27 (e) "Market value" means latest available market value of all property in a taxing
96.28 jurisdiction, whether the property is subject to taxation, or exempt from ad valorem
96.29 taxation obtained from information which appears on abstracts filed with the commissioner
96.30 of revenue or equalized by the State Board of Equalization.

96.31 (f) "Minnesota Aid to Police Premium Report" means a form prescribed by the
96.32 commissioner for reporting by each fire and casualty insurer of all premiums received
96.33 upon direct business received by it in this state, or by its agents for it, in cash or otherwise,
96.34 during the preceding calendar year, with reference to insurance written for insuring against
96.35 the perils contained in auto insurance coverages as reported in the Minnesota business
96.36 schedule of the annual financial statement which each insurer is required to file with

97.1 the commissioner in accordance with the governing laws or rules less return premiums
97.2 and dividends.

97.3 (g) "Peace officer" means any person:

97.4 (1) whose primary source of income derived from wages is from direct employment
97.5 by a municipality or county as a law enforcement officer on a full-time basis of not less
97.6 than 30 hours per week;

97.7 (2) who has been employed for a minimum of six months prior to December 31
97.8 preceding the date of the current year's certification under subdivision 2, clause (b);

97.9 (3) who is sworn to enforce the general criminal laws of the state and local
97.10 ordinances;

97.11 (4) who is licensed by the Peace Officers Standards and Training Board and is
97.12 authorized to arrest with a warrant; and

97.13 (5) who is a member of a local police relief association to which section 69.77
97.14 applies, the State Patrol retirement plan, the public employees police and fire fund, or the
97.15 Minneapolis Employees Retirement Fund.

97.16 (h) "Full-time equivalent number of peace officers providing contract service" means
97.17 the integral or fractional number of peace officers which would be necessary to provide
97.18 the contract service if all peace officers providing service were employed on a full-time
97.19 basis as defined by the employing unit and the municipality receiving the contract service.

97.20 (i) "Retirement benefits other than a service pension" means any disbursement
97.21 authorized under section 424A.05, subdivision 3, clauses (2); and (3); ~~and (4)~~.

97.22 (j) "Municipal clerk, municipal clerk-treasurer, or county auditor" means the person
97.23 who was elected or appointed to the specified position or, in the absence of the person,
97.24 another person who is designated by the applicable governing body. In a park district,
97.25 the clerk is the secretary of the board of park district commissioners. In the case of the
97.26 University of Minnesota, the clerk is that official designated by the Board of Regents.
97.27 For the Metropolitan Airports Commission, the clerk is the person designated by the
97.28 commission. For the Department of Natural Resources or the Department of Public Safety,
97.29 the clerk is the respective commissioner. For a tribal police department which exercises
97.30 state arrest powers under section 626.90, 626.91, 626.92, or 626.93, the clerk is the person
97.31 designated by the applicable American Indian tribal government.

97.32 **EFFECTIVE DATE.** This section is effective January 1, 2009.

97.33 Sec. 3. Minnesota Statutes 2006, section 356A.06, subdivision 1, is amended to read:

97.34 Subdivision 1. **Authorized holder of assets; title to assets.** (a) Assets of a covered
97.35 pension plan may be held only by:

- 98.1 (1) the plan treasurer;
98.2 (2) the State Board of Investment;
98.3 (3) the depository agent of the plan;
98.4 (4) a security broker or the broker's agent with, in either case, insurance equal to or
98.5 greater than the plan assets held from the Securities Investor Protection Corporation or
98.6 from excess insurance coverage; or
98.7 (5) the depository agent of the State Board of Investment.
98.8 (b) Legal title to plan assets must be vested in the plan, the State Board of
98.9 Investment, the governmental entity that sponsors the plan, the nominee of the plan, or
98.10 the depository agent. The holder of legal title shall function as a trustee for a person or
98.11 entity with a beneficial interest in the assets of the plan.

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

98.13 Sec. 4. Minnesota Statutes 2006, section 356A.06, subdivision 7, is amended to read:

98.14 Subd. 7. **Expanded list of authorized investment securities.** (a) **Authority.**

98.15 Except to the extent otherwise authorized by law, a covered pension plan not described by
98.16 subdivision 6, paragraph (a), shall invest its assets only in accordance with this subdivision.

98.17 (b) **Securities generally.** The covered pension plan has the authority to purchase,
98.18 sell, lend, or exchange the securities specified in paragraphs (c) to (i), including puts and
98.19 call options and future contracts traded on a contract market regulated by a governmental
98.20 agency or by a financial institution regulated by a governmental agency. These securities
98.21 may be owned as units in commingled trusts that own the securities described in
98.22 paragraphs (c) to (i), including real estate investment trusts and insurance company
98.23 commingled accounts, including separate accounts.

98.24 (c) **Government obligations.** The covered pension plan may invest funds in
98.25 governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the
98.26 issue is backed by the full faith and credit of the issuer or the issue is rated among the top
98.27 four quality rating categories by a nationally recognized rating agency. The obligations in
98.28 which funds may be invested under this paragraph include guaranteed or insured issues
98.29 of (1) the United States, its agencies, its instrumentalities, or organizations created and
98.30 regulated by an act of Congress; (2) Canada and its provinces, provided the principal and
98.31 interest is payable in United States dollars; (3) the states and their municipalities, political
98.32 subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction
98.33 and Development, the Inter-American Development Bank, the Asian Development Bank,
98.34 the African Development Bank, or any other United States government sponsored

99.1 organization of which the United States is a member, provided the principal and interest is
99.2 payable in United States dollars.

99.3 (d) **Corporate obligations.** The covered pension plan may invest funds in bonds,
99.4 notes, debentures, transportation equipment obligations, or any other longer term
99.5 evidences of indebtedness issued or guaranteed by a corporation organized under the laws
99.6 of the United States or any state thereof, or the Dominion of Canada or any province
99.7 thereof if they conform to the following provisions:

99.8 (1) the principal and interest of obligations of corporations incorporated or organized
99.9 under the laws of the Dominion of Canada or any province thereof must be payable in
99.10 United States dollars; and

99.11 (2) obligations must be rated among the top four quality categories by a nationally
99.12 recognized rating agency.

99.13 (e) **Other obligations.** (1) The covered pension plan may invest funds in
99.14 bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage
99.15 participation certificates and pools, asset backed securities, repurchase agreements and
99.16 reverse repurchase agreements, guaranteed investment contracts, savings accounts, and
99.17 guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance
99.18 companies if they conform to the following provisions:

99.19 (i) bankers acceptances and deposit notes of United States banks are limited to those
99.20 issued by banks rated in the highest four quality categories by a nationally recognized
99.21 rating agency;

99.22 (ii) certificates of deposit are limited to those issued by (A) United States banks and
99.23 savings institutions that are rated in the highest four quality categories by a nationally
99.24 recognized rating agency or whose certificates of deposit are fully insured by federal
99.25 agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided
99.26 by the National Credit Union Administration;

99.27 (iii) commercial paper is limited to those issued by United States corporations or
99.28 their Canadian subsidiaries and rated in the highest two quality categories by a nationally
99.29 recognized rating agency;

99.30 (iv) mortgage participation or pass through certificates evidencing interests in pools
99.31 of first mortgages or trust deeds on improved real estate located in the United States where
99.32 the loan to value ratio for each loan as calculated in accordance with section 61A.28,
99.33 subdivision 3, does not exceed 80 percent for fully amortizable residential properties and
99.34 in all other respects meets the requirements of section 61A.28, subdivision 3;

99.35 (v) collateral for repurchase agreements and reverse repurchase agreements is
99.36 limited to letters of credit and securities authorized in this section;

100.1 (vi) guaranteed investment contracts are limited to those issued by insurance
100.2 companies or banks rated in the top four quality categories by a nationally recognized
100.3 rating agency or to alternative guaranteed investment contracts where the underlying
100.4 assets comply with the requirements of this subdivision;

100.5 (vii) savings accounts are limited to those fully insured by federal agencies; and

100.6 (viii) asset backed securities must be rated in the top four quality categories by a
100.7 nationally recognized rating agency.

100.8 (2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates
100.9 of deposit and collateralization agreements executed by the covered pension plan under
100.10 clause (1), item (ii).

100.11 (3) In addition to investments authorized by clause (1), item (iv), the covered
100.12 pension plan may purchase from the Minnesota Housing Finance Agency all or any part of
100.13 a pool of residential mortgages, not in default, that has previously been financed by the
100.14 issuance of bonds or notes of the agency. The covered pension plan may also enter into
100.15 a commitment with the agency, at the time of any issue of bonds or notes, to purchase
100.16 at a specified future date, not exceeding 12 years from the date of the issue, the amount
100.17 of mortgage loans then outstanding and not in default that have been made or purchased
100.18 from the proceeds of the bonds or notes. The covered pension plan may charge reasonable
100.19 fees for any such commitment and may agree to purchase the mortgage loans at a price
100.20 sufficient to produce a yield to the covered pension plan comparable, in its judgment,
100.21 to the yield available on similar mortgage loans at the date of the bonds or notes. The
100.22 covered pension plan may also enter into agreements with the agency for the investment
100.23 of any portion of the funds of the agency. The agreement must cover the period of the
100.24 investment, withdrawal privileges, and any guaranteed rate of return.

100.25 (f) **Corporate stocks.** The covered pension plan may invest funds in stocks or
100.26 convertible issues of any corporation organized under the laws of the United States or the
100.27 states thereof, any corporation organized under the laws of the Dominion of Canada or its
100.28 provinces, or any corporation listed on an exchange regulated by an agency of the United
100.29 States or of the Canadian national government, if they conform to the following provisions:

100.30 (1) the aggregate value of investments under this paragraph, plus paragraphs (g) and
100.31 (k), plus equity investments under paragraphs (h), (i), and (j), as adjusted for realized
100.32 gains and losses, must not exceed 85 percent of the market or book value, whichever is
100.33 less, of a fund; and

100.34 (2) investments must not exceed five percent of the total outstanding shares of
100.35 any one corporation.

101.1 (g) **Developed market foreign stocks investments.** In addition to investments
101.2 authorized under paragraph (f), the covered pension fund may invest in foreign stock sold
101.3 on an exchange in any developed market country that is included in the Europe, Australia,
101.4 and Far East Index.

101.5 (h) **Commingled or mutual investments.** The covered pension plan may invest
101.6 in index funds or mutual funds, including index mutual funds, through bank-sponsored
101.7 collective funds and shares of open-end investment companies registered under the
101.8 Federal Investment Company Act of 1940, ~~if the investments of the index or of the mutual~~
101.9 ~~fund to the extent that these funds comply with paragraphs (c) to (j).~~

101.10 (i) **Real estate investment trust; related investments.** The covered pension plan
101.11 may invest in real estate investment trusts secured by mortgages or deeds of trust and
101.12 sold on an exchange, and insurance company commingled accounts, including separate
101.13 accounts, of a debt or equity nature.

101.14 (j) **Exchange traded funds.** The covered pension plan may invest funds in exchange
101.15 traded funds, subject to the maximums, the requirements, and the limitations set forth in
101.16 paragraphs (c) to (i), as applicable.

101.17 (k) **Other investments.** (1) In addition to the investments authorized in paragraphs
101.18 (b) to (j), and subject to the provisions in clause (2), the covered pension plan may invest
101.19 funds in:

101.20 (i) venture capital investment businesses through participation in limited partnerships
101.21 and corporations;

101.22 (ii) real estate ownership interests or loans secured by mortgages or deeds of trust
101.23 through investment in limited partnerships or bank sponsored collective funds;

101.24 (iii) regional and mutual funds through bank sponsored collective funds and
101.25 open-end investment companies registered under the Federal Investment Company Act
101.26 of 1940 ~~which do~~ to the extent that a fund or a portion of a fund does not qualify under
101.27 paragraph (h);

101.28 (iv) resource investments through limited partnerships, private placements, and
101.29 corporations; and

101.30 (v) international debt securities and emerging market equity securities.

101.31 (2) The investments authorized in clause (1) must conform to the following
101.32 provisions:

101.33 (i) the aggregate value of all investments made according to clause (1), including
101.34 allocated amounts of index and mutual funds, may not exceed 20 percent of the market
101.35 value of the fund for which the covered pension plan is investing;

102.1 (ii) there must be at least four unrelated owners of the investment other than the
102.2 covered pension plan for investments made under clause (1), item (i), (ii), (iii), or (iv);
102.3 (iii) covered pension plan participation in an investment vehicle is limited to 20
102.4 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and
102.5 (iv) covered pension plan participation in a limited partnership does not include a
102.6 general partnership interest or other interest involving general liability. The covered
102.7 pension plan may not engage in any activity as a limited partner which creates general
102.8 liability.

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

102.10 Sec. 5. Minnesota Statutes 2006, section 356A.06, subdivision 8b, is amended to read:

102.11 Subd. 8b. **Disclosure of investment authority; receipt of statement.** (a) For
102.12 this subdivision, the term "broker" means a broker, broker-dealer, investment advisor,
102.13 investment manager, or third party agent who transfers, purchases, sells, or obtains
102.14 investment securities for, or on behalf of, a covered pension plan.

102.15 (b) Before a covered pension plan may complete an investment transaction with or
102.16 in accord with the advice of a broker, the covered pension plan shall provide annually to
102.17 the broker a written statement of investment restrictions applicable under state law to the
102.18 covered pension plan or applicable under the pension plan governing board investment
102.19 policy.

102.20 (c) A broker must acknowledge in writing annually the receipt of the statement of
102.21 investment restrictions and must agree to handle the covered pension plan's investments
102.22 and assets in accord with the provided investment restrictions. A covered pension plan
102.23 may not enter into or continue a business arrangement with a broker until the broker has
102.24 provided this written acknowledgment to the chief administrative officer of the covered
102.25 pension plan.

102.26 (d) If any portion of the plan's assets are held by a security broker or its agent, the
102.27 security broker or its agent must acknowledge in writing annually that sufficient insurance
102.28 has been obtained from the Securities Investor Protection Corporation, supplemented by
102.29 additional insurance, if necessary, to cover the full amount of covered pension plan assets
102.30 held by the security broker or its agent. Uniform acknowledgment forms prepared by the
102.31 state auditor shall be used by covered pension plans and brokers to meet the requirements
102.32 of this subdivision.

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

103.1 Sec. 6. Minnesota Statutes 2006, section 424A.001, is amended by adding a
103.2 subdivision to read:

103.3 Subd. 1a. **Ancillary benefit.** "Ancillary benefit" means a benefit other than a service
103.4 pension that is permitted by law and that is provided for in the relief association bylaws.

103.5 **EFFECTIVE DATE.** This section is effective January 1, 2009.

103.6 Sec. 7. Minnesota Statutes 2006, section 424A.001, subdivision 6, is amended to read:

103.7 Subd. 6. **Surviving spouse.** For purposes of this chapter, and the governing bylaws
103.8 of any relief association to which this chapter applies, the term "surviving spouse" means
103.9 ~~any person who was the dependent spouse of a deceased active member or retired former~~
103.10 ~~member living with the member at the time of the death of the active member or retired~~
103.11 ~~former member for at least one year prior to the date on which the member terminated~~
103.12 ~~active service and membership~~ the spouse of a deceased member who was legally married
103.13 to the member at the time of death.

103.14 **EFFECTIVE DATE.** This section is effective January 1, 2009.

103.15 Sec. 8. Minnesota Statutes 2006, section 424A.02, subdivision 3, is amended to read:

103.16 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August
103.17 1 as part of the certification of the financial requirements and minimum municipal
103.18 obligation determined under section 69.772, subdivision 4, or 69.773, subdivision 5, as
103.19 applicable, the secretary or some other official of the relief association designated in
103.20 the bylaws of each relief association shall calculate and certify to the governing body
103.21 of the applicable qualified municipality the average amount of available financing per
103.22 active covered firefighter for the most recent three-year period. The amount of available
103.23 financing shall include any amounts of fire state aid received or receivable by the relief
103.24 association, any amounts of municipal contributions to the relief association raised from
103.25 levies on real estate or from other available revenue sources exclusive of fire state aid,
103.26 and one-tenth of the amount of assets in excess of the accrued liabilities of the relief
103.27 association calculated under section 69.772, subdivision 2; 69.773, subdivisions 2 and 4;
103.28 or 69.774, subdivision 2, if any.

103.29 (b) The maximum service pension which the relief association has authority to
103.30 provide for in its bylaws for payment to a member retiring after the calculation date when
103.31 the minimum age and service requirements specified in subdivision 1 are met must be
103.32 determined using the table in paragraph (c) or (d), whichever applies.

103.33 (c) For a relief association where the governing bylaws provide for a monthly
103.34 service pension to a retiring member, the maximum monthly service pension amount

104.1 per month for each year of service credited that may be provided for in the bylaws is
 104.2 the greater of the service pension amount provided for in the bylaws on the date of the
 104.3 calculation of the average amount of the available financing per active covered firefighter
 104.4 or the maximum service pension figure corresponding to the average amount of available
 104.5 financing per active covered firefighter:

104.6	Minimum Average Amount of Available	Maximum Service Pension
104.7	Financing per Firefighter	Amount Payable per Month for
104.8		Each Year of Service
104.9	\$...	\$.25
104.10	41	.50
104.11	81	1.00
104.12	122	1.50
104.13	162	2.00
104.14	203	2.50
104.15	243	3.00
104.16	284	3.50
104.17	324	4.00
104.18	365	4.50
104.19	405	5.00
104.20	486	6.00
104.21	567	7.00
104.22	648	8.00
104.23	729	9.00
104.24	810	10.00
104.25	891	11.00
104.26	972	12.00
104.27	1053	13.00
104.28	1134	14.00
104.29	1215	15.00
104.30	1296	16.00
104.31	1377	17.00
104.32	1458	18.00
104.33	1539	19.00
104.34	1620	20.00
104.35	1701	21.00
104.36	1782	22.00
104.37	1823	22.50
104.38	1863	23.00
104.39	1944	24.00
104.40	2025	25.00
104.41	2106	26.00
104.42	2187	27.00
104.43	2268	28.00

105.1	2349	29.00
105.2	2430	30.00
105.3	2511	31.00
105.4	2592	32.00
105.5	2673	33.00
105.6	2754	34.00
105.7	2834	35.00
105.8	2916	36.00
105.9	2997	37.00
105.10	3078	38.00
105.11	3159	39.00
105.12	3240	40.00
105.13	3321	41.00
105.14	3402	42.00
105.15	3483	43.00
105.16	3564	44.00
105.17	3645	45.00
105.18	3726	46.00
105.19	3807	47.00
105.20	3888	48.00
105.21	3969	49.00
105.22	4050	50.00
105.23	4131	51.00
105.24	4212	52.00
105.25	4293	53.00
105.26	4374	54.00
105.27	4455	55.00
105.28	4536	56.00
105.29	<u>Effective beginning December 31, 2008</u>	
105.30	<u>4617</u>	<u>57.00</u>
105.31	<u>4698</u>	<u>58.00</u>
105.32	<u>4779</u>	<u>59.00</u>
105.33	<u>4860</u>	<u>60.00</u>
105.34	<u>4941</u>	<u>61.00</u>
105.35	<u>5022</u>	<u>62.00</u>
105.36	<u>5103</u>	<u>63.00</u>
105.37	<u>5184</u>	<u>64.00</u>
105.38	<u>5265</u>	<u>65.00</u>
105.39	<u>Effective beginning December 31, 2009</u>	
105.40	<u>5346</u>	<u>66.00</u>
105.41	<u>5427</u>	<u>67.00</u>
105.42	<u>5508</u>	<u>68.00</u>
105.43	<u>5589</u>	<u>69.00</u>

106.1	<u>5670</u>	<u>70.00</u>
106.2	<u>5751</u>	<u>71.00</u>
106.3	<u>5832</u>	<u>72.00</u>
106.4	<u>5913</u>	<u>73.00</u>
106.5	<u>5994</u>	<u>74.00</u>
106.6	<u>Effective beginning December 31, 2010</u>	
106.7	<u>6075</u>	<u>75.00</u>
106.8	<u>6156</u>	<u>76.00</u>
106.9	<u>6237</u>	<u>77.00</u>
106.10	<u>6318</u>	<u>78.00</u>
106.11	<u>6399</u>	<u>79.00</u>
106.12	<u>6480</u>	<u>80.00</u>
106.13	<u>6561</u>	<u>81.00</u>
106.14	<u>6642</u>	<u>82.00</u>
106.15	<u>6723</u>	<u>83.00</u>
106.16	<u>Effective beginning December 31, 2011</u>	
106.17	<u>6804</u>	<u>84.00</u>
106.18	<u>6885</u>	<u>85.00</u>
106.19	<u>6966</u>	<u>86.00</u>
106.20	<u>7047</u>	<u>87.00</u>
106.21	<u>7128</u>	<u>88.00</u>
106.22	<u>7209</u>	<u>89.00</u>
106.23	<u>7290</u>	<u>90.00</u>
106.24	<u>7371</u>	<u>91.00</u>
106.25	<u>7452</u>	<u>92.00</u>
106.26	<u>Effective beginning December 31, 2012</u>	
106.27	<u>7533</u>	<u>93.00</u>
106.28	<u>7614</u>	<u>94.00</u>
106.29	<u>7695</u>	<u>95.00</u>
106.30	<u>7776</u>	<u>96.00</u>
106.31	<u>7857</u>	<u>97.00</u>
106.32	<u>7938</u>	<u>98.00</u>
106.33	<u>8019</u>	<u>99.00</u>
106.34	<u>8100</u>	<u>100.00</u>
106.35	<u>any amount in excess</u>	
106.36	<u>of 8100</u>	<u>100.00</u>

106.37 (d) For a relief association in which the governing bylaws provide for a lump sum
106.38 service pension to a retiring member, the maximum lump sum service pension amount for
106.39 each year of service credited that may be provided for in the bylaws is the greater of the
106.40 service pension amount provided for in the bylaws on the date of the calculation of the
106.41 average amount of the available financing per active covered firefighter or the maximum

107.1 service pension figure corresponding to the average amount of available financing per
 107.2 active covered firefighter for the applicable specified period:

107.3	Minimum Average Amount of Available	Maximum Lump Sum Service
107.4	Financing per Firefighter	Pension Amount Payable for
107.5		Each Year of Service
107.6	\$...	\$ 10
107.7	11	20
107.8	16	30
107.9	23	40
107.10	27	50
107.11	32	60
107.12	43	80
107.13	54	100
107.14	65	120
107.15	77	140
107.16	86	160
107.17	97	180
107.18	108	200
107.19	131	240
107.20	151	280
107.21	173	320
107.22	194	360
107.23	216	400
107.24	239	440
107.25	259	480
107.26	281	520
107.27	302	560
107.28	324	600
107.29	347	640
107.30	367	680
107.31	389	720
107.32	410	760
107.33	432	800
107.34	486	900
107.35	540	1000
107.36	594	1100
107.37	648	1200
107.38	702	1300
107.39	756	1400
107.40	810	1500
107.41	864	1600
107.42	918	1700
107.43	972	1800
107.44	1026	1900

108.1	1080	2000
108.2	1134	2100
108.3	1188	2200
108.4	1242	2300
108.5	1296	2400
108.6	1350	2500
108.7	1404	2600
108.8	1458	2700
108.9	1512	2800
108.10	1566	2900
108.11	1620	3000
108.12	1672	3100
108.13	1726	3200
108.14	1753	3250
108.15	1780	3300
108.16	1820	3375
108.17	1834	3400
108.18	1888	3500
108.19	1942	3600
108.20	1996	3700
108.21	2023	3750
108.22	2050	3800
108.23	2104	3900
108.24	2158	4000
108.25	2212	4100
108.26	2265	4200
108.27	2319	4300
108.28	2373	4400
108.29	2427	4500
108.30	2481	4600
108.31	2535	4700
108.32	2589	4800
108.33	2643	4900
108.34	2697	5000
108.35	2751	5100
108.36	2805	5200
108.37	2859	5300
108.38	2913	5400
108.39	2967	5500
108.40	3021	5600
108.41	3075	5700
108.42	3129	5800
108.43	3183	5900

109.1	3237	6000
109.2	3291	6100
109.3	3345	6200
109.4	3399	6300
109.5	3453	6400
109.6	3507	6500
109.7	3561	6600
109.8	3615	6700
109.9	3669	6800
109.10	3723	6900
109.11	3777	7000
109.12	3831	7100
109.13	3885	7200
109.14	3939	7300
109.15	3993	7400
109.16	4047	7500
109.17	<u>Effective beginning December 31, 2008</u>	
109.18	<u>4101</u>	<u>7600</u>
109.19	<u>4155</u>	<u>7700</u>
109.20	<u>4209</u>	<u>7800</u>
109.21	<u>4263</u>	<u>7900</u>
109.22	<u>4317</u>	<u>8000</u>
109.23	<u>4371</u>	<u>8100</u>
109.24	<u>4425</u>	<u>8200</u>
109.25	<u>4479</u>	<u>8300</u>
109.26	<u>Effective beginning December 31, 2009</u>	
109.27	<u>4533</u>	<u>8400</u>
109.28	<u>4587</u>	<u>8500</u>
109.29	<u>4641</u>	<u>8600</u>
109.30	<u>4695</u>	<u>8700</u>
109.31	<u>4749</u>	<u>8800</u>
109.32	<u>4803</u>	<u>8900</u>
109.33	<u>4857</u>	<u>9000</u>
109.34	<u>4911</u>	<u>9100</u>
109.35	<u>Effective beginning December 31, 2010</u>	
109.36	<u>4965</u>	<u>9200</u>
109.37	<u>5019</u>	<u>9300</u>
109.38	<u>5073</u>	<u>9400</u>
109.39	<u>5127</u>	<u>9500</u>
109.40	<u>5181</u>	<u>9600</u>
109.41	<u>5235</u>	<u>9700</u>
109.42	<u>5289</u>	<u>9800</u>
109.43	<u>5343</u>	<u>9900</u>

110.1	<u>5397</u>	<u>10,000</u>
110.2	<u>any amount in excess</u>	
110.3	<u>of 5397</u>	<u>10,000</u>

110.4 (e) For a relief association in which the governing bylaws provide for a monthly
 110.5 benefit service pension as an alternative form of service pension payment to a lump sum
 110.6 service pension, the maximum service pension amount for each pension payment type
 110.7 must be determined using the applicable table contained in this subdivision.

110.8 (f) If a relief association establishes a service pension in compliance with the
 110.9 applicable maximum contained in paragraph (c) or (d) and the minimum average amount
 110.10 of available financing per active covered firefighter is subsequently reduced because of a
 110.11 reduction in fire state aid or because of an increase in the number of active firefighters, the
 110.12 relief association may continue to provide the prior service pension amount specified in
 110.13 its bylaws, but may not increase the service pension amount until the minimum average
 110.14 amount of available financing per firefighter under the table in paragraph (c) or (d),
 110.15 whichever applies, permits.

110.16 (g) No relief association is authorized to provide a service pension in an amount
 110.17 greater than the largest applicable flexible service pension maximum amount even if
 110.18 the amount of available financing per firefighter is greater than the financing amount
 110.19 associated with the largest applicable flexible service pension maximum.

110.20 Sec. 9. Minnesota Statutes 2006, section 424A.02, subdivision 7, is amended to read:

110.21 Subd. 7. **Deferred service pensions.** (a) A member of a relief association is entitled
 110.22 to a deferred service pension if the member:

110.23 (1) has completed the lesser of the minimum period of active service with the fire
 110.24 department specified in the bylaws or 20 years of active service with the fire department;

110.25 (2) has completed at least five years of active membership in the relief association;
 110.26 and

110.27 (3) separates from active service and membership before reaching age 50 or the
 110.28 minimum age for retirement and commencement of a service pension specified in the
 110.29 bylaws governing the relief association if that age is greater than age 50.

110.30 (b) The deferred service pension is payable when the former member reaches age
 110.31 50, or the minimum age specified in the bylaws governing the relief association if that age
 110.32 is greater than age 50, and when the former member makes a valid written application.

110.33 (c) A relief association that provides a lump sum service pension governed by
 110.34 subdivision 3 may, when its governing bylaws so provide, pay interest on the deferred
 110.35 lump sum service pension during the period of deferral. If provided for in the bylaws,
 110.36 interest must be paid in one of the following manners:

111.1 (1) at the investment performance rate actually earned on that portion of the assets
111.2 if the deferred benefit amount is invested by the relief association in a separate account
111.3 established and maintained by the relief association or if the deferred benefit amount is
111.4 invested in a separate investment vehicle held by the relief association; or

111.5 (2) at an interest rate of up to five percent, compounded annually, as set by the board
111.6 of directors and approved as provided in subdivision 10; or.

111.7 ~~(3) at a rate equal to the actual time weighted total rate of return investment~~
111.8 ~~performance of the special fund as reported by the Office of the State Auditor under~~
111.9 ~~section 356.219, up to five percent, compounded annually, and applied consistently for~~
111.10 ~~all deferred service pensioners.~~

111.11 ~~A relief association may not use the method provided for in clause (3), until it has~~
111.12 ~~modified its bylaws to be consistent with that clause.~~

111.13 (d) Interest under paragraph (c), clause (2) ~~or (3)~~, is payable ~~from the first day of~~
111.14 ~~the month next~~ following the date on which the municipality has approved the deferred
111.15 service pension interest rate established by the board of trustees ~~or from the first day of the~~
111.16 ~~month next following the date on which the member separated from active fire department~~
111.17 ~~service and relief association membership, whichever is later, to the last day of the month~~
111.18 ~~immediately before the month in which the deferred member becomes eligible to begin~~
111.19 ~~receipt of the service pension and applies for the deferred service pension.~~

111.20 (e) A relief association that provides a defined contribution service pension may,
111.21 if its governing bylaws so provide, credit interest or additional investment performance
111.22 on the deferred lump sum service pension during the period of deferral. If provided for
111.23 in the bylaws, the interest must be paid in one of the manners specified in paragraph
111.24 (c) or alternatively the relief association may credit any investment return on the assets
111.25 of the special fund of the defined contribution volunteer firefighter relief association in
111.26 proportion to the share of the assets of the special fund to the credit of each individual
111.27 deferred member account through the date on which the investment return is recognized
111.28 by and credited to the special fund.

111.29 (f) For a deferred service pension that is transferred to a separate account established
111.30 and maintained by the relief association or separate investment vehicle held by the relief
111.31 association, the deferred member bears the full investment risk subsequent to transfer and
111.32 in calculating the accrued liability of the volunteer firefighters relief association that pays
111.33 a lump sum service pension, the accrued liability for deferred service pensions is equal
111.34 to the separate relief association account balance or the fair market value of the separate
111.35 investment vehicle held by the relief association.

112.1 (g) The deferred service pension is governed by and must be calculated under
112.2 the general statute, special law, relief association articles of incorporation, and relief
112.3 association bylaw provisions applicable on the date on which the member separated from
112.4 active service with the fire department and active membership in the relief association.

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

112.6 Sec. 10. Minnesota Statutes 2006, section 424A.02, subdivision 9, is amended to read:

112.7 Subd. 9. **Limitation on ancillary benefits.** Any relief association, including
112.8 any volunteer firefighters relief association governed by section 69.77 or any volunteer
112.9 firefighters division of a relief association governed by chapter 424, may only pay
112.10 ancillary benefits which would constitute an authorized disbursement as specified in
112.11 section 424A.05 subject to the following requirements or limitations:

112.12 (1) with respect to a relief association in which governing bylaws provide for a
112.13 lump sum service pension to a retiring member, no ancillary benefit may be paid to any
112.14 former member or paid to any person on behalf of any former member after the former
112.15 member (i) terminates active service with the fire department and active membership
112.16 in the relief association; and (ii) commences receipt of a service pension as authorized
112.17 under this section; and

112.18 (2) with respect to any relief association, no ancillary benefit paid or payable to any
112.19 member, to any former member, or to any person on behalf of any member or former
112.20 member, may exceed in amount the total earned service pension of the member or former
112.21 member. The total earned service pension must be calculated ~~using~~ by multiplying
112.22 the service pension amount specified in the bylaws of the relief association and at the
112.23 time of death or disability, whichever applies, by the years of service credited to the
112.24 member or former member. The years of service must be determined as of (i) the date
112.25 the member or former member became entitled to the ancillary benefit; or (ii) the date
112.26 the member or former member died entitling a survivor or the estate of the member or
112.27 former member to an ancillary benefit. The ancillary benefit must be calculated (i) without
112.28 regard to whether the member or former member had attained the minimum amount of
112.29 service and membership credit specified in the governing bylaws; and (ii) without regard
112.30 to the percentage amounts specified in subdivision 2. For active members, the amount
112.31 of a permanent disability benefit or a survivor benefit must be equal to the member's
112.32 total earned service pension except that the bylaws of any relief association may provide
112.33 for the payment of a survivor benefit in an amount not to exceed five times the yearly
112.34 service pension amount specified in the bylaws on behalf of any member who dies before

113.1 having performed five years of active service in the fire department with which the relief
113.2 association is affiliated.

113.3 **EFFECTIVE DATE.** This section is effective January 1, 2009.

113.4 Sec. 11. Minnesota Statutes 2006, section 424A.05, subdivision 3, is amended to read:

113.5 Subd. 3. **Authorized disbursements from the special fund.** (a) Disbursements
113.6 from the special fund are not permitted to be made for any purpose other than one of
113.7 the following:

113.8 (1) for the payment of service pensions to retired members of the relief association if
113.9 authorized and paid under law and the bylaws governing the relief association;

113.10 (2) for the payment of temporary or permanent disability benefits to disabled
113.11 members of the relief association if authorized and paid pursuant to law and specified in
113.12 amount in the bylaws governing the relief association;

113.13 (3) for the payment of survivor benefits to surviving spouses and surviving children,
113.14 or if none, to designated beneficiaries, of deceased members of the relief association,
113.15 and if survivors and if no designated beneficiary, for the payment of a death benefit to
113.16 the estate of the deceased active firefighter, if authorized by and paid pursuant to law and
113.17 specified in amount in the bylaws governing the relief association;

113.18 ~~(4) for the payment of any funeral benefits to the surviving spouse, or if no surviving~~
113.19 ~~spouse, the estate, of the deceased member of the relief association if authorized by law~~
113.20 ~~and specified in amount in the bylaws governing the relief association;~~

113.21 ~~(5)~~ for the payment of the fees, dues and assessments to the Minnesota State Fire
113.22 Department Association, to the Minnesota Area Relief Association Coalition, and to
113.23 the state Volunteer Firefighters Benefit Association in order to entitle relief association
113.24 members to membership in and the benefits of these associations or organizations; and

113.25 ~~(6)~~ (5) for the payment of administrative expenses of the relief association as
113.26 authorized under section 69.80.

113.27 (b) For purposes of this chapter, a designated beneficiary must be a natural person.

113.28 **EFFECTIVE DATE.** This section is effective January 1, 2009.

113.29 Sec. 12. **VOLUNTARY STATEWIDE VOLUNTEER FIREFIGHTER**
113.30 **RETIREMENT PLAN ADVISORY BOARD.**

113.31 Subdivision 1. Definitions. (a) For purposes of this article, unless the context clearly
113.32 indicates otherwise, the terms or phrases in this subdivision have the meanings given them.

113.33 (b) "Board" means the voluntary statewide lump-sum volunteer firefighter retirement
113.34 plan advisory board established under subdivision 2.

114.1 (c) "Executive director" means the executive director of the Public Employees
114.2 Retirement Association.

114.3 (d) "Fire department" means the agency or department of a municipality or an
114.4 independent nonprofit firefighting corporation that is charged with the prevention and
114.5 suppression of fire and other related emergency activities.

114.6 (e) "Firetown" means the area serviced by any municipality having a qualified fire
114.7 department or a qualified incorporated fire department having a subsidiary volunteer
114.8 firefighters relief association.

114.9 Subd. 2. **Establishment.** The voluntary statewide lump-sum volunteer firefighter
114.10 retirement plan advisory board is established and must be managed and administered by
114.11 the board created under subdivision 3 and by the executive director.

114.12 Subd. 3. **Membership.** (a) The voluntary statewide lump-sum volunteer firefighter
114.13 retirement plan advisory board consists of seven persons. The members of the board must
114.14 be appointed by the governor, as follows:

114.15 (1) board seat A: a firefighter from a firetown with a population under 5,000;

114.16 (2) board seat B: a firefighter from a firetown with a population greater than 5,000
114.17 and less than 9,001;

114.18 (3) board seat C: a firefighter from a firetown with a population greater than 9,000
114.19 and less than 20,000;

114.20 (4) board seat D: a firefighter from a firetown with a population greater than 19,999;

114.21 (5) board seat E: a person from a list of three candidates submitted by the governing
114.22 board of the League of Minnesota Cities;

114.23 (6) board seat F: a person from a list of three candidates submitted by the governing
114.24 board of the Minnesota Association of Townships; and

114.25 (7) board seat G: a person who is a member of the public and is knowledgeable
114.26 in pension matters.

114.27 (b) The members of the board must serve staggered terms. Board members holding
114.28 seats A, C, and E have an initial term of one year, expiring June 30, 2009. Board members
114.29 holding seats B and F have an initial term of two years, expiring June 30, 2010. Board
114.30 members holding seats D and G have an initial term of three years, expiring June 30, 2011.
114.31 Subsequent terms for all board seats are three years. Terms continue to the designated
114.32 expiration date or until their successor is appointed, whichever is later.

114.33 (c) Service as a member of the board is uncompensated by the state or the retirement
114.34 fund and does not qualify for the reimbursement of expenses or for any per diem
114.35 allowance.

115.1 (d) A vacancy on the board must be filled by appointment by the governor in
 115.2 accordance with the requirements specified in paragraph (a).

115.3 Subd. 4. **Board duties.** (a) The board shall:

115.4 (1) elect a chair;

115.5 (2) draft legislative recommendations for establishment, organization, and
 115.6 administration of the voluntary statewide lump-sum volunteer firefighter retirement plan
 115.7 consistent with this section, Minnesota Statutes, chapters 356 and 356A, and any other
 115.8 limitation or requirement of law;

115.9 (3) establish a budget for the administration of the plan with the advice of the
 115.10 commissioner of finance;

115.11 (4) consider and take any action consistent with law that the board deems necessary
 115.12 to resolve issues related to the plan; and

115.13 (5) oversee the administration of the plan by the executive director.

115.14 (b) With respect to the duties undertaken by the executive director under this section,
 115.15 Minnesota Statutes, section 352.03, subdivision 4, clause (5), does not apply.

115.16 Subd. 5. **Information from municipalities and fire departments.** Municipalities
 115.17 and fire departments with volunteer firefighters who would be covered by the plan shall
 115.18 provide all relevant information and records that the board or the executive director
 115.19 requires to perform their duties.

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

115.21 Sec. 13. **APPROPRIATION.**

115.22 \$...... is appropriated from the general fund to the Public Employees Retirement
 115.23 Association to meet the expenses of the statewide volunteer firefighter retirement fund
 115.24 advisory board.

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

115.26 Sec. 14. **REPEALER OF PRIOR INCONSISTENT SPECIAL VOLUNTEER**
 115.27 **FIRE RELIEF ASSOCIATION ANCILLARY BENEFIT LEGISLATION.**

115.28 Subdivision 1. **Anoka.** Laws 1969, chapter 352, section 1, subdivisions 3, 4,
 115.29 5, 6, are repealed.

115.30 Subd. 2. **Butterfield** Laws 1975, chapter 185, section 1, is repealed.

115.31 Subd. 3. **Coon Rapids.** Laws 1973, chapter 304, section 1, subdivisions 3, 4, 5,
 115.32 6, 7, 8, 9, are repealed.

116.1 Subd. 4. **Edina.** Laws 1965, chapter 592, sections 3 as amended by Laws 1969,
116.2 chapter 644, section 2, Laws 1975, chapter 229, section 2; 4 as amended by Laws 1969,
116.3 chapter 644, section 2, Laws 1975, chapter 229, section 3, Laws 1985, chapter 261, section
116.4 37, Laws 1991, chapter 125, section 1; Laws 1985, chapter 261, section 37 as amended by
116.5 Laws 1991, chapter 125, section 1; Laws 1991, chapter 125, section 1, are repealed.

116.6 Subd. 5. **Fairmont** Laws 1967, chapter 575, sections 2 as amended by Laws 1979,
116.7 chapter 201, section 23; 3; 4, are repealed.

116.8 Subd. 6. **Falcon Heights.** Laws 1969, chapter 526, sections 3; 4; 5 as amended by
116.9 Laws 1974, chapter 208, section 2; 7 as amended by Laws 1974, chapter 208, section
116.10 3, are repealed.

116.11 Subd. 7. **Golden Valley** Laws 1971, chapter 140, sections 2 as amended by Laws
116.12 1973, chapter 30, section 2; 3 as amended by Laws 1973, chapter 30, section 3; 4 as
116.13 amended by Laws 1973, chapter 30, section 4; 5 as amended by Laws 1973, chapter 30,
116.14 section 5, Laws 1993, chapter 244, article 4, section 1, are repealed.

116.15 Subd. 8. **Wayzata.** Laws 1973, chapter 472, section 1 as amended by Laws 1976,
116.16 chapter 272, section 1, Laws 1979, chapter 201, section 33, is repealed.

116.17 Subd. 9. **White Bear Lake.** Laws 1971, chapter 214, section 1, subdivisions 1,
116.18 2, 3, 4, 5, are repealed.

116.19 **EFFECTIVE DATE; LOCAL APPROVAL.** (a) Subdivision 1 is effective the day
116.20 after the governing body of Anoka and its chief clerical officer timely complete their
116.21 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, after June
116.22 30, 2009.

116.23 (b) Subdivision 2 is effective the day after the governing body of Butterfield and its
116.24 chief clerical officer timely complete their compliance with Minnesota Statutes, section
116.25 645.021, subdivisions 2 and 3, after June 30, 2009.

116.26 (c) Subdivision 3 is effective the day after the governing body of Coon Rapids and
116.27 its chief clerical officer timely complete their compliance with Minnesota Statutes, section
116.28 645.021, subdivisions 2 and 3, after June 30, 2009.

116.29 (d) Subdivision 4 is effective the day after the governing body of Edina and its
116.30 chief clerical officer timely complete their compliance with Minnesota Statutes, section
116.31 645.021, subdivisions 2 and 3, after June 30, 2009.

116.32 (e) Subdivision 5 is effective the day after the governing body of Fairmont and its
116.33 chief clerical officer timely complete their compliance with Minnesota Statutes, section
116.34 645.021, subdivisions 2 and 3, after June 30, 2009.

117.1 (f) Subdivision 6 is effective the day after the governing body of Falcon Heights
117.2 and its chief clerical officer timely complete their compliance with Minnesota Statutes,
117.3 section 645.021, subdivisions 2 and 3, after June 30, 2009.

117.4 (g) Subdivision 7 is effective the day after the governing body of Golden Valley and
117.5 its chief clerical officer timely complete their compliance with Minnesota Statutes, section
117.6 645.021, subdivisions 2 and 3, after June 30, 2009.

117.7 (h) Subdivision 8 is effective the day after the governing body of Wayzata and its
117.8 chief clerical officer timely complete their compliance with Minnesota Statutes, section
117.9 645.021, subdivisions 2 and 3, after June 30, 2009.

117.10 (i) Subdivision 9 is effective the day after the governing body of White Bear Lake
117.11 and its chief clerical officer timely complete their compliance with Minnesota Statutes,
117.12 section 645.021, subdivisions 2 and 3, after June 30, 2009.

117.13 **ARTICLE 15**

117.14 **MEMBERSHIP DUES WITHHOLDING**

117.15 Section 1. **[356.91] VOLUNTARY MEMBERSHIP DUES DEDUCTION.**

117.16 (a) Upon written authorization of a person receiving an annuity from a public
117.17 pension fund administered by the Minnesota State Retirement System, the Public
117.18 Employees Retirement Association, or the Minneapolis Employees Retirement Fund, the
117.19 executive director of the public pension fund may deduct from the retirement annuity an
117.20 amount requested by the annuitant to be paid as dues to any labor organization that is an
117.21 exclusive bargaining agent representing public employees or an organization representing
117.22 retired public employees of which the annuitant is a member and shall pay the amount to
117.23 the organization so designated by the annuitant.

117.24 (b) A pension fund and the plan fiduciaries which authorize or administer deductions
117.25 of dues payments under paragraph (a) is not liable for failure to properly deduct or transmit
117.26 the dues amounts, provided that the fund and the fiduciaries have acted in good faith.

117.27 (c) The deductions under paragraph (a) may occur no more frequently than two
117.28 times per year.

117.29 (d) Any labor organization specified in paragraph (a) shall reimburse the public
117.30 pension fund for the administrative expense of withholding premium amounts.

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

118.1 **ARTICLE 16**
118.2 **SMALL GROUP PROVISIONS**

118.3 Section 1. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION COVERAGE**
118.4 **TERMINATION.**

118.5 Subdivision 1. **Eligibility.** (a) An eligible individual specified in paragraph (b)
118.6 is authorized to apply for a retirement annuity, provided necessary age and service
118.7 requirements are met, under Minnesota Statutes, section 353.29 or 353.30, as applicable,
118.8 as further specified under subdivision 2.

118.9 (b) An eligible individual is an individual who:

118.10 (1) was employed by Independent School District No. 535, Rochester, on October 6,
118.11 1993, and became a member of the Public Employees Retirement Association coordinated
118.12 plan;

118.13 (2) terminated from Independent School District No. 535, Rochester, on December
118.14 31, 2003;

118.15 (3) was elected to the Rochester City Council on April 22, 2003, and sworn in on
118.16 May 5, 2003;

118.17 (4) was reelected to the Rochester City Council and took office in November 2004;

118.18 (5) continued to work for Olmsted County on a contract basis, while serving on
118.19 the city council;

118.20 (6) elected under law then applicable to have Public Employees Retirement
118.21 Association coordinated plan coverage for the city council elected service; and

118.22 (7) terminated Independent School District No. 535, Rochester, employment but is
118.23 unable to commence receipt of a Public Employees Retirement Association coordinated
118.24 plan annuity because of the continuing Public Employees Retirement Association
118.25 coordinated plan coverage for the elected city council service and for Olmsted County.

118.26 Subd. 2. **Retirement annuity.** (a) Notwithstanding an irrevocable election to
118.27 participate in the Public Employees Retirement Association coordinated plan as an elected
118.28 official and continuation of elected service, an eligible individual under subdivision 1,
118.29 paragraph (b), is deemed to have terminated membership under Minnesota Statutes, section
118.30 353.01, subdivision 11b, following termination of the Olmsted County employment.

118.31 (b) If the requirements of paragraph (a) are satisfied, the eligible individual may
118.32 apply for a retirement annuity under Minnesota Statutes, section 353.29 or 353.30, as
118.33 applicable. In computing the annuity, the Public Employees Retirement Association
118.34 must exclude salary due to the elected Rochester City Council service. Deferred annuity
118.35 augmentation under Minnesota Statutes, section 353.71, applies to this annuity.

119.1 Subd. 3. Treatment of Rochester City Council contributions to the Public
119.2 Employees Retirement Association. (a) All employee contributions to the Public
119.3 Employees Retirement Association coordinated plan by an eligible individual in
119.4 subdivision 1, paragraph (b), due to the elected Rochester City Council service, and all
119.5 corresponding employer contributions, must be determined.

119.6 (b) An eligible individual under subdivision 1, paragraph (b), must elect, within
119.7 one year of the effective date of this section or upon termination of elective service,
119.8 whichever is earlier, a refund under Minnesota Statutes, section 353.34, subdivision 2,
119.9 of employee contributions determined under paragraph (a), or coverage by the public
119.10 employees defined contribution plan under Minnesota Statutes, chapter 353D, as further
119.11 specified in paragraph (c).

119.12 (c) If public employee defined contribution plan coverage is elected under paragraph
119.13 (b), contributions to that plan commence as of the first day of the pay period following
119.14 this election, and accumulated employee and employer contributions determined under
119.15 paragraph (a) must be transferred with six percent annual interest to an account for the
119.16 eligible individual in the public employees defined contribution plan.

119.17 (d) If no election is made by an eligible individual by the required date in paragraph
119.18 (b), the individual is assumed to have elected the refund indicated in paragraph (b).

119.19 (e) Upon an election under paragraph (b), or a mandatory refund under paragraph
119.20 (d), all rights in the Public Employees Retirement Association coordinated plan due to
119.21 elected Rochester City Council service are forfeited and may not be reestablished.

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

119.23 **Sec. 2. PERA-GENERAL; ST. PAUL PUBLIC WORKS EMPLOYEE;**
119.24 **RETIREMENT ANNUITY REVOCATION.**

119.25 (a) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the
119.26 contrary, an eligible person described in paragraph (b) is entitled to withdraw a retirement
119.27 annuity application previously filed with the general employees retirement plan of
119.28 the Public Employees Retirement Association and to apply for a disability benefit if
119.29 determined to have been totally and permanently disabled as of the date of the termination
119.30 of active employment.

119.31 (b) An eligible person is a person who:

119.32 (1) was born on March 9, 1949;

119.33 (2) was an employee of the Department of Public Works of the city of St. Paul
119.34 prior to terminating active employment;

119.35 (3) suffered an employment-related shoulder injury on May 9, 2006;

120.1 (4) suffers from and has been treated for stress and related disorders; and
120.2 (5) filed an application for a retirement annuity from the general employees
120.3 retirement plan of the Public Employees Retirement Association on December 12, 2006,
120.4 without being provided with a disability benefit application and without being provided
120.5 with any benefit counseling by the Public Employees Retirement Association.

120.6 (c) If the eligible person, upon withdrawing the retirement annuity application
120.7 in writing and upon filing a disability benefit application with the Public Employees
120.8 Retirement Association, is determined to have been totally and permanently disabled as
120.9 of the date of the termination of active employment under Minnesota Statutes, sections
120.10 353.01, subdivision 19, and 353.33, the eligible person is entitled to receive a disability
120.11 benefit effective retroactively from the date on which the eligible person terminated active
120.12 employment, under the same annuity option selection made on December 12, 2006. The
120.13 amount of any increased benefit amount between the date of the termination of active
120.14 employment and the disability determination date is payable in a lump sum as soon as
120.15 is practicable following the disability determination date.

120.16 (d) If the previously filed retirement annuity application is withdrawn under this
120.17 section and the eligible person is determined not to have been totally and permanently
120.18 disabled as of the date of the termination of active employment, the prior retirement
120.19 annuity application is reinstated.

120.20 (e) The authority to withdraw a previously filed retirement annuity application under
120.21 this section expires on January 1, 2009.

120.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
120.23 and applies to any eligible person who was a public employee on December 1, 2006.

120.24 Sec. 3. **PERA-P&F; TRANSFER OF SERVICE CREDIT FOR PRIOR MAPLE**
120.25 **GROVE CITY EMPLOYMENT PERIOD.**

120.26 Subdivision 1. **Authorization.** An eligible person described in subdivision 2 is
120.27 authorized to have service credit transferred under subdivision 3 upon the payment of the
120.28 additional amounts required under subdivision 4 and upon the substantiation of the nature
120.29 of the employment under subdivision 5.

120.30 Subd. 2. **Eligible person.** For purposes of this section, an eligible person is a
120.31 person who:

120.32 (1) was born on April 12, 1956;

120.33 (2) was initially employed by the city of Maple Grove on February 16, 1988;

120.34 (3) was employed as a full-time fire inspector by the fire-rescue department of the
120.35 city of Maple Grove, including daytime response to fire calls, with retirement coverage

121.1 by the coordinated program of the general employees retirement plan of the Public
121.2 Employees Retirement Association, on April 2, 1990; and
121.3 (4) was transferred to retirement coverage by the public employees police and fire
121.4 retirement plan as a fire inspector by Maple Grove city council action on January 1, 1996.

121.5 Subd. 3. **Service credit transfer.** (a) An eligible person, upon filing a written
121.6 application as prescribed by the executive director of the Public Employees Retirement
121.7 Association and upon compliance with subdivisions 4 and 5, shall have service credit
121.8 for the period from April 2, 1990, to January 1, 1996, transferred from the coordinated
121.9 program of the general employees retirement plan to the public employees police and
121.10 fire retirement plan on the first of the month next following the receipt of the additional
121.11 payments under subdivision 4.

121.12 (b) Upon the transfer of service credit under paragraph (a), the service credit of
121.13 the eligible person in the coordinated program of the general employees retirement
121.14 plan for the period from April 2, 1990, to January 1, 1996, is forfeited and may not be
121.15 subsequently restored under Minnesota Statutes, section 353.35, or any other applicable
121.16 provision of law.

121.17 Subd. 4. **Additional payment amounts.** (a) Accompanying the written application
121.18 under subdivision 3, the eligible person shall include an additional member contribution
121.19 payment for the period from April 2, 1990, to January 1, 1996. The additional member
121.20 contribution payment amount is the difference between the member contribution rate
121.21 under Minnesota Statutes, section 353.65, subdivision 2, and the member contribution rate
121.22 under Minnesota Statutes, section 353.27, subdivision 2, applied to the eligible person's
121.23 total covered salary for the period from April 2, 1990, to January 1, 1996, plus annual
121.24 compound interest from August 1, 1993, to the date on which the payment is made at the
121.25 rate of 8.5 percent.

121.26 (b) Upon receipt of the additional member contributions under paragraph (a), the
121.27 executive director of the Public Employees Retirement Association shall notify the city
121.28 of Maple Grove that the payment was made and the amount of the additional employer
121.29 contribution. Within 30 days of the receipt of the notification from the Public Employees
121.30 Retirement Association, the city of Maple Grove shall pay the additional employer
121.31 contribution amount. The amount is the difference between the present value of the
121.32 eligible person's combined retirement annuity from the coordinated program of the general
121.33 employees retirement plan and from the public employees police and fire retirement plan
121.34 as of the end of the month preceding the payment of the additional member contribution
121.35 amount and the present value of the potential retirement annuity from the public employees
121.36 police and fire retirement plan if the service credit transfer occurred as of the same date,

122.1 reduced by the amount of the retirement plan asset transfer under paragraph (c) and by the
122.2 amount of the additional member contribution amount. The present value computation
122.3 must be made by the actuary retained under Minnesota Statutes, section 356.214, and must
122.4 utilize the applicable actuarial assumptions under Minnesota Statutes, section 356.215.
122.5 The additional employer contribution amount must be paid in a lump sum. If the additional
122.6 employer contribution payment is not made in a timely fashion, the executive director of
122.7 the Public Employees Retirement Association shall notify the commissioners of finance
122.8 and revenue of that fact and the commissioners shall deduct the required amount from any
122.9 state aid or other state payment amount applicable to the city, plus interest on the amount
122.10 at the rate of one percent per month from the payment due date to the actual payment date.

122.11 (c) Upon the receipt of the additional member contribution under paragraph (a), the
122.12 executive director shall transfer an amount equal to double the eligible person's member
122.13 contributions to the coordinated program of the general employees retirement plan for the
122.14 period from April 2, 1990, to January 1, 1996, plus compound interest at the annual rate
122.15 of 8.5 percent from August 1, 1993, to the date of transfer from the general employees
122.16 retirement fund to the public employees police and fire retirement fund.

122.17 Subd. 5. **Public safety employment substantiation.** Service credit is transferrable
122.18 under this section only if the employment for the city of Maple Grove by the eligible
122.19 person during the period from April 2, 1990, to January 1, 1996, is documented as
122.20 constituting firefighter employment sufficient to qualify for public employees police and
122.21 fire retirement plan membership and eligibility if the city of Maple Grove had adopted the
122.22 resolution under Minnesota Statutes, section 353.64, subdivision 2, as of April 2, 1990.
122.23 The city of Maple Grove and the eligible person must provide any relevant documentation
122.24 required by the executive director of the Public Employees Retirement Association.

122.25 Subd. 6. **Expiration.** Authority to transfer service credit under this section expires
122.26 on July 1, 2009.

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

122.28 Sec. 4. **TEACHERS RETIREMENT ASSOCIATION COVERAGE ELECTION**
122.29 **FOR CERTAIN MNSCU FACULTY MEMBERS.**

122.30 (a) Notwithstanding any provision to the contrary of Minnesota Statutes, chapter
122.31 354B, an eligible person described in paragraph (b) may elect prospective and retroactive
122.32 retirement coverage under paragraph (c).

122.33 (b) An eligible person is a person who:

122.34 (1) was born on December 9, 1954;

123.1 (2) was initially employed by the Minnesota State Colleges and Universities system
123.2 on a part-time basis at Metropolitan State University on January 12, 2004;

123.3 (3) was later employed in excess of 25 percent of full-time employment by the
123.4 Minnesota State Colleges and Universities system in 2004;

123.5 (4) was covered by the higher education individual retirement account plan because
123.6 of a failure of the Minnesota State Colleges and Universities system to advise about the
123.7 default retirement coverage provision of Minnesota Statutes, section 354B.21, subdivision
123.8 3; and

123.9 (5) became a full-time employee of the Minnesota State Colleges and Universities
123.10 system as a full-time faculty member at Metropolitan State University on July 17, 2007.

123.11 (c) An eligible person may elect retirement coverage by the Teachers Retirement
123.12 Association rather than the higher education individual retirement account plan for faculty
123.13 employment rendered after the date of the retirement coverage election under this section
123.14 and for past Minnesota State Colleges and Universities system faculty employment from
123.15 January 12, 2004, until the date of the retirement coverage election. The election must
123.16 be made in writing, must be filed with the executive director of the Teachers Retirement
123.17 Association, and must be accompanied with any relevant documentation required by the
123.18 executive director of the Teachers Retirement Association.

123.19 (d) If an eligible person makes the retirement coverage election under paragraph (c),
123.20 the eligible person's member contributions to the higher education individual retirement
123.21 account plan must be transferred to the Teachers Retirement Association, with any earned
123.22 investment returns on those contributions. If the transferred member contributions and
123.23 investment earnings are less than the calculated amount of the member contribution that
123.24 the eligible person would have made to the Teachers Retirement Association on the
123.25 eligible person's compensation from the Minnesota State Colleges and Universities system
123.26 for the period from on August 27, 2005, to the date of the retirement coverage election, if
123.27 the person had been covered by the Teachers Retirement Association during the period,
123.28 plus annual compound interest at the rate of 8.5 percent, the eligible person shall pay the
123.29 balance of that calculated member contribution obligation within 30 days of the retirement
123.30 coverage election. Any payment may be made through an institution-to-institution
123.31 transfer from the eligible person's account in the Minnesota state deferred compensation
123.32 program or the eligible person's tax-sheltered savings account under the federal Internal
123.33 Revenue Code, section 403(b).

123.34 (e) Upon the transfer of the equivalent member contribution amount and any
123.35 additional payments under paragraph (d), the balance of the eligible person's higher
123.36 education individual retirement account plan account must be transferred to the Teachers

124.1 Retirement Association. If the amounts under paragraph (d) and the individual retirement
124.2 account plan account balance under this paragraph are less than the prior service credit
124.3 purchase payment amount calculated under Minnesota Statutes, section 356.551, the
124.4 Minnesota State Colleges and Universities system shall pay that difference within 60 days
124.5 of the retirement coverage election date.

124.6 (f) Upon the transfers and payments under paragraphs (d) and (e), the eligible
124.7 person must be credited by the Teachers Retirement Association with allowable and
124.8 formula service for Minnesota State Colleges and Universities system employment since
124.9 January 12, 2004.

124.10 (g) The authority to make a retirement coverage election under this section expires
124.11 on January 1, 2009.

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

124.13 **Sec. 5. TEACHERS RETIREMENT ASSOCIATION; SERVICE CREDIT**
124.14 **PURCHASE AUTHORIZATION.**

124.15 (a) Notwithstanding any provision of Minnesota Statutes, chapter 354, to the
124.16 contrary, an eligible person described in paragraph (b) may purchase allowable and
124.17 formula service credit under Minnesota Statutes, section 354.05, subdivisions 13 and 25,
124.18 from the Teachers Retirement Association, for the period of prior out-of-state teaching
124.19 service specified in paragraph (c), by making the payment required under paragraph (d).

124.20 (b) An eligible person is a person who:

124.21 (1) was born on April 7, 1976;

124.22 (2) was a teacher at the Edwardsville High School in O'Fallon, Illinois, during the
124.23 1998-1999, 1999-2000, 2000-2001, and 2001-2002 school years;

124.24 (3) was a teacher for Independent School District No. 196, Rosemount, at the
124.25 Apple Valley High School during the 2002-2003, 2003-2004, 2004-2005, 2005-2006,
124.26 and 2006-2007 school years; and

124.27 (4) was on a leave of absence from Independent School District No. 196,
124.28 Rosemount, for the 2007-2008 school year.

124.29 (c) The period of prior service credit available for purchase is up to 4.188 years,
124.30 representing Illinois teaching service rendered during the 1998-1999, 1999-2000,
124.31 2000-2001, and 2001-2002 school years. The prior service credit may not exceed one year
124.32 of service credit in any school year and may not include any prior teaching service that
124.33 entitles the eligible person to a current or deferred age and service retirement annuity or
124.34 disability benefit from the Illinois Teachers Retirement System or that was previously

125.1 subject to a prior service credit purchase from another defined benefit public employee
125.2 retirement plan.

125.3 (d) The purchase payment amount under this section is the amount calculated under
125.4 Minnesota Statutes, section 356.551. If permitted by federal law and Illinois state law, the
125.5 purchase payment obligation may be met in whole or in part by an institution to institution
125.6 transfer of the eligible person's account balance in the Illinois Teachers Retirement System.

125.7 (e) The election to purchase prior service credit under this section must be made
125.8 in writing and must be filed with the executive director of the Teachers Retirement
125.9 Association. The executive director of the Teachers Retirement System may require the
125.10 documentation of the applicability of this section and any other relevant information
125.11 from the eligible person.

125.12 **EFFECTIVE DATE; EXPIRATION.** This section is effective the day following
125.13 final enactment and expires on January 1, 2010.

125.14 Sec. 6. **PERA-GENERAL; HENNEPIN COUNTY ELECTED SERVICE**
125.15 **CREDIT PURCHASE.**

125.16 (a) Notwithstanding any provision of law to the contrary, an eligible person
125.17 described in paragraph (b) is entitled to purchase allowable service credit from the general
125.18 employees retirement plan of the Public Employees Retirement Association for the period
125.19 of service as elected county commissioner for Hennepin County that is not otherwise
125.20 covered under Minnesota Statutes, chapter 353, if the eligible person makes the payment
125.21 required under paragraph (d).

125.22 (b) An eligible person is a person who:

125.23 (1) was born on November 18, 1946;

125.24 (2) was elected as a Hennepin County commissioner in November 1978 and was
125.25 sworn in as a commissioner on January 2, 1979.

125.26 (c) The eligible person described in paragraph (b) may apply to the executive
125.27 director of the Public Employees Retirement Association to make the service credit
125.28 purchase under this section if the eligible person also elects to participate in the general
125.29 employees retirement plan of the Public Employees Retirement Association governed
125.30 by Minnesota Statutes, chapter 353, effective on the first day of the next following
125.31 month. The application must be in writing and must be accompanied with necessary
125.32 documentation of the applicability of this section and of any other relevant information
125.33 that the executive director may require.

125.34 (d) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
125.35 16, must be granted by the general employees retirement plan of the Public Employees

126.1 Retirement Association to the person upon the receipt of the prior service credit purchase
126.2 payment amount required under Minnesota Statutes, section 356.551. The payment
126.3 obligation must be offset first by a transfer of the account balance to the credit of the
126.4 eligible person from the defined contribution plan of the Public Employees Retirement
126.5 Association. If that transfer is insufficient, the balance of the service credit purchase
126.6 payment may be made from amounts to the credit of the eligible person under Minnesota
126.7 Statutes, section 352.96 or 383B.46.

126.8 (e) Authority for an eligible person to make the prior service credit purchase
126.9 under this section expires on December 31, 2008, or upon the termination of service as
126.10 a Hennepin County commissioner, whichever is earlier.

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

126.12 Sec. 7. **REVISED TOTAL AND PERMANENT DISABILITY BENEFIT,**
126.13 **MINNEAPOLIS BOMB SQUAD DISABILITANT.**

126.14 (a) Notwithstanding Minnesota Statutes 2007 Supplement, section 353.656,
126.15 subdivision 1a, to the contrary, an eligible person specified in paragraph (b) is entitled
126.16 to the benefit specified in paragraph (c).

126.17 (b) An eligible person is a person who:

126.18 (1) was born on September 9, 1964;

126.19 (2) was injured on February 9, 2005, while working as a police officer on the city of
126.20 Minneapolis bomb squad, causing traumatic brain injury;

126.21 (3) because of ineligibility for coverage under the federal Old Age, Survivors, and
126.22 Disability Insurance Program, is not eligible for federal Old Age, Survivors, and Disability
126.23 Insurance Program disability benefits; and

126.24 (4) commenced receiving public employees police and fire retirement plan disability
126.25 benefits on August 12, 2006.

126.26 (c) The disability benefit payable to an eligible person specified in paragraph (b) is
126.27 75 percent of average salary as defined in Minnesota Statutes, section 353.01, subdivision
126.28 17a. The benefit specified in this paragraph commences on the first day of the month after
126.29 the effective date, and is in lieu of the disability benefit otherwise provided by law.

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

126.31 Sec. 8. **PERA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NO.**
126.32 **2859, GLENCOE/SILVER LAKE, ANNUITANT WAIVER OF REPAYMENT**
126.33 **REQUIREMENT.**

127.1 (a) Notwithstanding any provisions of Minnesota Statutes 2008, section 353.01,
127.2 subdivision 28, to the contrary, an eligible person described in paragraph (b) must be
127.3 considered by the executive director of the Public Employees Retirement Association to
127.4 have retired on September 30, 2003, although the person rendered service in October
127.5 2003 as an employee of an independent contractor which provided services to the same
127.6 governmental subdivision from which the individual terminated service on September
127.7 30, 2003.

127.8 (b) An eligible person is a person who:

127.9 (1) was born on November 13, 1944;

127.10 (2) was hired on August 17, 1964, by Independent School District No. 422,
127.11 Glencoe, predecessor of the now consolidated Independent School District No. 2859,
127.12 Glencoe/Silver Lake, with coverage by the general employees retirement plan of the
127.13 Public Employees Retirement Association;

127.14 (3) terminated employment as manager of the grounds and transportation for the
127.15 school district on September 30, 2003; and

127.16 (4) relying upon incomplete or erroneous information provided by the Public
127.17 Employees Retirement Association regarding separation from service requirements as it
127.18 applies to independent contractor employment, became an employee in October 2003 of
127.19 the independent contractor providing bus service for the same school district.

127.20 (c) Notwithstanding Minnesota Statutes, section 353.27, subdivision 7b, an eligible
127.21 person described in paragraph (b) must not be required to repay, through suspension
127.22 or reduction of the annuity or any other means, any Public Employees Retirement
127.23 Association general plan retirement annuity amount received before December 31, 2004.

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

127.25 **Sec. 9. PERA-GENERAL; CITY OF ST. PAUL EMPLOYEE SERVICE CREDIT**
127.26 **PURCHASE.**

127.27 (a) An eligible person described in paragraph (b) is entitled to purchase allowable
127.28 service credit from the general employees retirement plan of the Public Employees
127.29 Retirement Association for the period of employment by the city of St. Paul between
127.30 May 1, 1982, and March 31, 1984, that qualified as employment by a public employee
127.31 under Minnesota Statutes 1982, section 353.01, subdivision 2, that was not previously
127.32 credited by the retirement plan.

127.33 (b) An eligible person is a person who:

127.34 (1) was born on March 25, 1960;

127.35 (2) was first employed by the city of St. Paul on April 23, 1979;

128.1 (3) qualified for Public Employees Retirement Association general plan coverage in
128.2 May 1982 but was not reported by the city of St. Paul to the Public Employees Retirement
128.3 Association for coverage until April 1984; and

128.4 (4) became a member of the general employees retirement plan of the Public
128.5 Employees Retirement Association in April 1984.

128.6 (c) The eligible person described in paragraph (b) is authorized to apply with the
128.7 executive director of the Public Employees Retirement Association to make the service
128.8 credit purchase under this section. The application must be in writing and must include
128.9 all necessary documentation of the applicability of this section and any other relevant
128.10 information that the executive director may require.

128.11 (d) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
128.12 16, must be granted by the general employees retirement plan of the Public Employees
128.13 Retirement Association to the account of the eligible person upon the receipt of the prior
128.14 service credit purchase payment amount required under Minnesota Statutes, section
128.15 356.551.

128.16 (e) Of the prior service credit purchase payment amount under Minnesota Statutes,
128.17 section 356.551, the eligible person must pay an amount equal to the employee
128.18 contribution rate or rates in effect during the uncredited employment period applied to the
128.19 actual salary rates in effect during the period, plus annual compound interest at the rate
128.20 of 8.5 percent from the date the member contribution payment should have been made
128.21 if made in a timely fashion until the date on which the contribution is actually made. If
128.22 the equivalent member contribution payment, plus interest, is made, the city of St. Paul
128.23 shall pay the balance of the total prior service credit purchase payment amount under
128.24 Minnesota Statutes, section 356.551, within 60 days of notification by the executive
128.25 director of the Public Employees Retirement Association that the member contribution
128.26 equivalent payment has been received by the association.

128.27 (f) Authority for an eligible person to make a prior service credit purchase under
128.28 this section expires on June 30, 2009, or upon termination of employment covered by the
128.29 Public Employees Retirement Association, whichever is earlier.

128.30 (g) If the city of St. Paul fails to pay its portion of the prior service credit purchase
128.31 payment amount under paragraph (e), the executive director of the Public Employees
128.32 Retirement Association must notify the commissioners of finance and revenue of that fact
128.33 and the commissioners shall order the deduction of the required payment amount from
128.34 the next payment of any state aid to the city of St. Paul and the commissioners shall
128.35 transmit the applicable amount to the general employees retirement fund of the Public
128.36 Employees Retirement Association.

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

129.2 Sec. 10. **ST. PAUL SCHOOL BOARD; PRIOR SERVICE PURCHASE.**

129.3 (a) An eligible person described in paragraph (b) is entitled to purchase prior
 129.4 uncredited service rendered as a member of the board of education of Independent School
 129.5 District No. 625, St. Paul, from the defined contribution retirement plan of the Public
 129.6 Employees Retirement Association.

129.7 (b) An eligible person is a person who has the following combination of date of
 129.8 birth, date of initial membership of the board of education of Independent School District
 129.9 No. 625, St. Paul, and first enrolled in the public employees defined contribution plan:

	<u>person</u>	<u>birth date</u>	<u>date of initial school board membership</u>	<u>date of enrollment in public employees defined contribution plan</u>
129.10				
129.11				
129.12				
129.13	<u>A</u>	<u>January 10, 1955</u>	<u>January 1, 2000</u>	<u>August 28, 2007</u>
129.14	<u>B</u>	<u>May 15, 1957</u>	<u>January 1, 2006</u>	<u>January 20, 2007</u>
129.15	<u>C</u>	<u>May 7, 1960</u>	<u>January 1, 1992</u>	<u>February 17, 1998</u>
129.16	<u>D</u>	<u>July 16, 1969</u>	<u>January 1, 2004</u>	<u>April 13, 2007</u>
129.17				

129.18 (c) To make the purchase, eligible persons A, B, and D shall pay an amount equal to
 129.19 five percent of the salary of the eligible person between the date of the initial school board
 129.20 membership and the date of enrollment in the public employees defined contribution plan,
 129.21 plus compound interest on that amount from the midpoint of that period to the date of
 129.22 payment. To make the purchase, eligible person C shall make two payments, one before
 129.23 December 15, 2008, and the other after January 1, 2009, and before January 31, 2010,
 129.24 each in an amount equal to 2.5 percent of the salary of the eligible person between January
 129.25 1, 1992, and February 17, 1998, plus compound interest on that amount at the rate of six
 129.26 percent from July 1, 1994, to the date of payment.

129.27 (d) If the eligible person makes the payment under paragraph (c), Independent
 129.28 School District No. 625, St. Paul, shall pay an amount equal to the payment amount or
 129.29 amounts under paragraph (c). The employer payment or payments must be made within
 129.30 ten days of the date of notification of the eligible person's payment by the executive
 129.31 director of the Public Employees Retirement Association.

129.32 (e) This authority expires on May 31, 2010, or on the first day of the month next
 129.33 following the conclusion of the eligible member's elected public service, whichever
 129.34 occurs earlier.

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

129.36 Delete the title and insert:

129.37 "A bill for an act

130.1 relating to retirement; various retirement plans; adding two employment
130.2 positions to the correctional state employees retirement plan; including certain
130.3 departments of the Rice Memorial Hospital in Willmar and the Worthington
130.4 Regional Hospital in privatized public employee retirement coverage; providing
130.5 for the potential dissolution of the Minnesota Post Retirement Investment Fund;
130.6 increasing teacher retirement plan reemployed annuitant earnings limitations;
130.7 temporarily exempting Metropolitan Airports Commission police officers from
130.8 reemployed annuitant earnings limits; mandating joint and survivor optional
130.9 annuities rather than single life annuities as basic annuity form; making various
130.10 changes in retirement plan administrative provisions; clarifying general state
130.11 employee retirement plan alternative coverage elections by certain unclassified
130.12 state employees retirement program participants; clarifying direct state aid
130.13 for the teacher retirement associations; clarifying the handling of unclaimed
130.14 retirement accounts in the individual retirement account plan; providing for
130.15 a study of certain Minnesota State Colleges and Universities System tenure
130.16 track faculty members; modifying the manner in which official actuarial work
130.17 for public pension plans is performed; allowing pension plans greater latitude
130.18 in setting salary and payroll assumptions; extending amortization target dates
130.19 for various retirement plans; making the number and identity of tax-sheltered
130.20 annuity vendors a mandatory bargaining item for school districts and their
130.21 employees; allowing a certain firefighter relief association certain benefit
130.22 increases; allowing security broker-dealers to directly hold local pension
130.23 plan assets; increases upmost flexible service pension maximum amounts
130.24 for volunteer firefighters; creates a voluntary statewide volunteer firefighter
130.25 retirement plan advisory board within the Public Employees Retirement
130.26 Association; allowing various retirement plans to accept labor union retired
130.27 member dues deduction authorizations; authorizing various prior service credit
130.28 purchases; authorizing certain service credit and coverage transfers; authorizing
130.29 a disability benefit application to be rescinded; authorizing a retirement coverage
130.30 termination; provides an additional benefit to certain injured Minneapolis bomb
130.31 squad officers; allows certain Independent School District No. 625 school board
130.32 members to make back defined contribution retirement plan contributions;
130.33 amending Minnesota Statutes 2006, sections 6.67; 11A.18, subdivision 9, by
130.34 adding subdivisions; 16A.055, subdivision 5; 43A.346, subdivisions 4, 5, 6,
130.35 7; 69.011, subdivision 1; 123B.02, subdivision 15; 352.03, subdivision 4;
130.36 352.12, subdivision 2; 352.22, subdivision 10; 352.931, subdivision 1; 352.97;
130.37 352D.075, subdivision 2a; 353.01, subdivisions 10, 11a; 353.27, by adding a
130.38 subdivision; 353.30, subdivision 3; 353.33, subdivision 5; 353.656, subdivision
130.39 2; 353D.05, subdivision 2; 353D.12, subdivision 4; 353E.07, subdivision 7;
130.40 354.05, subdivision 37; 354.33, subdivision 5; 354.44, subdivision 5; 354A.12,
130.41 subdivision 3a; 354A.31, subdivision 3; 354B.20, by adding a subdivision;
130.42 354B.25, subdivision 5, by adding a subdivision; 354C.12, subdivision 4;
130.43 354C.165; 356.20, subdivisions 1, 2, 3, 4, 4a; 356.214, subdivisions 1, 3, by
130.44 adding a subdivision; 356.215, subdivisions 1, 2, 3, 8, 11, 18; 356.24, subdivision
130.45 1; 356.41; 356.46, as amended; 356.47, subdivision 3; 356.551, subdivision 2;
130.46 356.611, subdivision 2, by adding a subdivision; 356A.06, subdivisions 1, 7,
130.47 8b; 356B.10, subdivision 3; 363A.36, subdivision 1; 383B.914, subdivision
130.48 7; 424A.001, subdivision 6, by adding a subdivision; 424A.02, subdivisions
130.49 3, 7, 9; 424A.05, subdivision 3; 518.003, subdivision 8; Minnesota Statutes
130.50 2007 Supplement, sections 43A.346, subdivisions 1, 2; 352.017, subdivision
130.51 2; 352.91, subdivision 3d; 352.955, subdivisions 3, 5; 352D.02, subdivisions
130.52 1, 3; 353.01, subdivision 2b; 353.0161, subdivision 2; 353.27, subdivision
130.53 14; 353.32, subdivision 1a; 353.657, subdivision 2a; 353F.02, subdivision 4;
130.54 354.096, subdivision 2; 354.72, subdivision 2; 354A.12, subdivision 3c; 356.96,
130.55 subdivision 1; 422A.06, subdivision 8; Laws 2002, chapter 392, article 2, section
130.56 4; Laws 2006, chapter 271, article 5, section 5; proposing coding for new law
130.57 in Minnesota Statutes, chapters 11A; 352; 353D; 353F; 354; 354C; 356; 423A;
130.58 repealing Minnesota Statutes 2006, sections 352.96; 354.44, subdivision 6a;

131.1 354.465; 354.51, subdivision 4; 354.55, subdivisions 2, 3, 6, 12, 15; 354A.091,
131.2 subdivisions 1a, 1b; 354A.12, subdivision 3a; 355.629; 356.214, subdivision 2;
131.3 356.215, subdivision 2a; Minnesota Statutes 2007 Supplement, section 354A.12,
131.4 subdivisions 3b, 3c; Laws 1965, chapter 592, sections 3, as amended; 4, as
131.5 amended; Laws 1967, chapter 575, sections 2, as amended; 3; 4; Laws 1969,
131.6 chapter 352, section 1, subdivisions 3, 4, 5, 6; Laws 1969, chapter 526, sections
131.7 3; 4; 5, as amended; 7, as amended; Laws 1971, chapter 140, sections 2, as
131.8 amended; 3, as amended; 4, as amended; 5, as amended; Laws 1971, chapter
131.9 214, section 1, subdivisions 1, 2, 3, 4, 5; Laws 1973, chapter 304, section 1,
131.10 subdivisions 3, 4, 5, 6, 7, 8, 9; Laws 1973, chapter 472, section 1, as amended;
131.11 Laws 1975, chapter 185, section 1; Laws 1985, chapter 261, section 37, as
131.12 amended; Laws 1991, chapter 125, section 1; Laws 2005, First Special Session
131.13 chapter 8, article 1, section 23; Minnesota Rules, parts 7905.0100; 7905.0200;
131.14 7905.0300; 7905.0400; 7905.0500; 7905.0600; 7905.0700; 7905.0800;
131.15 7905.0900; 7905.1000; 7905.1100; 7905.1200; 7905.1300; 7905.1400;
131.16 7905.1500; 7905.1600; 7905.1700; 7905.1800; 7905.1900; 7905.2000;
131.17 7905.2100; 7905.2200; 7905.2300; 7905.2400; 7905.2450; 7905.2500;
131.18 7905.2560; 7905.2600; 7905.2700; 7905.2800; 7905.2900."