

1.1 Senator moves to amend the delete everything amendment (S2573-5A)
1.2 to S.F. No. 2573 as follows:

1.3 Page 9, line 28, before "chapter" insert "Laws 2009,"

1.4 Page 37, lines 31, 33, and 35, delete "St. Paul Teachers Retirement Fund
1.5 Association"

1.6 Page 41, line 4, delete "in" and insert "under"

1.7 Page 57, line 4, delete "subdivisions" and insert "subdivision"

1.8 Page 57, line 30, after "adding" insert "a"

1.9 Page 57, line 31, delete "subdivisions" and insert "subdivision"

1.10 Page 57, line 33, delete "-administered"

1.11 Page 58, delete lines 33 to 36

1.12 Page 59, delete lines 1 to 35

1.13 Page 60, delete lines 1 to 36

1.14 Page 61, delete lines 1 to 36

1.15 Page 62, delete lines 1 to 36

1.16 Page 63, after line 1, insert:

1.17 "Sec. 77. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding
1.18 a subdivision to read:

1.19 **Subd. 1b. Annual postretirement adjustments; PERA; general employees**
1.20 **retirement plan and local government correctional retirement plan.** (a) Retirement
1.21 annuity, disability benefit, or survivor benefit recipients of the general employees
1.22 retirement plan of the Public Employees Retirement Association and the local government
1.23 correctional service retirement plan are entitled to a postretirement adjustment annually
1.24 on January 1, as follows:

1.25 (1) for January 1, 2011, and each successive January 1 until funding stability is
1.26 restored for the applicable retirement plan, a postretirement increase of one percent must
1.27 be applied each year, effective on January 1, to the monthly annuity or benefit amount of
1.28 each annuitant or benefit recipient who has been receiving an annuity or benefit for at least
1.29 12 full months as of the current June 30;

1.30 (2) for January 1, 2011, and each successive January 1 until funding stability is
1.31 restored for the applicable retirement plan, for each annuitant or benefit recipient who has
1.32 been receiving an annuity or a benefit for at least one full month, but less than 12 full
1.33 months as of the current June 30, an annual postretirement increase of 1/12 of one percent
1.34 for each month the person has been receiving an annuity or benefit must be applied;

1.35 (3) for each January 1 following the restoration of funding stability for the applicable
1.36 retirement plan, a postretirement increase of 2.5 percent must be applied each year,

2.1 effective January 1, to the monthly annuity or benefit amount of each annuitant or benefit
2.2 recipient who has been receiving an annuity or benefit for at least 12 full months as of
2.3 the current June 30; and

2.4 (4) for each January 1 following restoration of funding stability for the applicable
2.5 retirement plan, for each annuity or benefit recipient who has been receiving an annuity or
2.6 a benefit for at least one full month, but less than 12 full months as of the current June
2.7 30, an annual postretirement increase of 1/12 of 2.5 percent for each month the person
2.8 has been receiving an annuity or benefit must be applied.

2.9 (b) Funding stability is restored when the market value of assets of the applicable
2.10 retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities of the
2.11 applicable plan in the most recent prior actuarial valuation prepared under section 356.215
2.12 and the standards for actuarial work by the approved actuary retained by the Public
2.13 Employees Retirement Association under section 356.214.

2.14 (c) If, after applying the increase as provided for in paragraph (a), clauses (3)
2.15 and (4), the market value of the applicable retirement plan is determined in the next
2.16 subsequent actuarial valuation prepared under section 356.215 to be less than 90 percent
2.17 of the actuarial accrued liability of any of the applicable Public Employees Retirement
2.18 Association plans, the increase provided in paragraph (a), clauses (1) and (2), are to be
2.19 applied as of the next successive January until funding stability is again restored.

2.20 (d) An increase in annuity or benefit payments under this section must be made
2.21 automatically unless written notice is filed by the annuitant or benefit recipient with the
2.22 executive director of the Public Employees Retirement Association requesting that the
2.23 increase not be made.

2.24 (e) The retirement annuity payable to a person who retires before becoming eligible
2.25 for Social Security benefits and who has elected the optional payment, as provided in
2.26 section 353.29, subdivision 6, must be treated as the sum of a period-certain retirement
2.27 annuity and a life retirement annuity for the purposes of any postretirement adjustment.
2.28 The period-certain retirement annuity plus the life retirement annuity must be the
2.29 annuity amount payable until age 62 for section 353.29, subdivision 6. A postretirement
2.30 adjustment granted on the period-certain retirement annuity must terminate when the
2.31 period-certain retirement annuity terminates.

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

2.33 Sec. 78. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding
2.34 a subdivision to read:

3.1 Subd. 1c. Annual postretirement adjustments; PERA-P&F. (a) Retirement
3.2 annuity, disability benefit, or survivor benefit recipients of the public employees police
3.3 and fire retirement plan are entitled to a postretirement adjustment annually on January
3.4 1, as follows:

3.5 (1) for January 1, 2011, and for January 1, 2012, for each annuitant or benefit
3.6 recipient who has been receiving the annuity or benefit for at least 12 full months as of the
3.7 immediate preceding June 30, an amount equal to one percent in each year;

3.8 (2) for January 1, 2011, and for January 1, 2012, for each annuitant or benefit
3.9 recipient who has been receiving the annuity or benefit for at least one full month as of the
3.10 immediate preceding June 30, an amount equal to 1/12 of one percent in each year;

3.11 (3) for January 1, 2013, and each successive January 1 that follows the loss of
3.12 funding stability as defined under paragraph (b) until funding stability as defined under
3.13 paragraph (b) is again restored, for each annuitant or benefit recipient who has been
3.14 receiving the annuity or benefit for at least 12 full months as of the immediate preceding
3.15 June 30, an amount equal to the percentage increase in the Consumer Price Index for
3.16 urban wage earners and clerical workers all items index published by the Bureau of Labor
3.17 Statistics of the United States Department of Labor between the immediate preceding June
3.18 30 and the June 30 occurring 12 months previous, but not to exceed 1.5 percent;

3.19 (4) for January 1, 2013, and each successive January 1 that follows the loss of
3.20 funding stability as defined under paragraph (b) until funding stability as defined under
3.21 paragraph (b) is again restored, for each annuitant or benefit recipient who has been
3.22 receiving the annuity or benefit for at least one full month as of the immediate preceding
3.23 June 30, an amount equal to 1/12 of the percentage increase in the Consumer Price Index
3.24 for urban wage earners and clerical workers all items index published by the Bureau
3.25 of Labor Statistics of the United States Department of Labor between the immediate
3.26 preceding June 30 and the June 30 occurring 12 months previous for each full month of
3.27 annuity or benefit receipt, but not to exceed 1/12 of 1.5 percent for each full month of
3.28 annuity or benefit receipt;

3.29 (5) for each January 1 following the restoration of funding stability as defined under
3.30 paragraph (b) and during the continuation of funding stability as defined under paragraph
3.31 (b), for each annuitant or benefit recipient who has been receiving the annuity or benefit
3.32 for at least 12 full months as of the immediate preceding June 30, an amount equal to the
3.33 percentage increase in the Consumer Price Index for urban wage earners and clerical
3.34 workers all items index published by the Bureau of Labor Statistics of the United States
3.35 Department of Labor between the immediate preceding June 30 and the June 30 occurring
3.36 12 months previous, but not to exceed 2.5 percent; and

4.1 (6) for each January 1 following the restoration of funding stability as defined under
 4.2 paragraph (b) and during the continuation of funding stability as defined under paragraph
 4.3 (b), for each annuitant or benefit recipient who has been receiving the annuity or benefit
 4.4 for at least one full month as of the immediate preceding June 30, an amount equal to
 4.5 1/12 of the percentage increase in the Consumer Price Index for urban wage earners and
 4.6 clerical workers all items index published by the Bureau of Labor Statistics of the United
 4.7 States Department of Labor between the immediate preceding June 30 and the June 30
 4.8 occurring 12 months previous for each full month of annuity or benefit receipt, but not to
 4.9 exceed 1/12 of 2.5 percent for each full month of annuity or benefit receipt.

4.10 (b) Funding stability is restored when the market value of assets of the public
 4.11 employees police and fire retirement plan equals or exceeds 90 percent of the actuarial
 4.12 accrued liabilities of the applicable plan in the most recent prior actuarial valuation
 4.13 prepared under section 356.215 and under the standards for actuarial work of the
 4.14 Legislative Commission on Pensions and Retirement by the approved actuary retained by
 4.15 the Public Employees Retirement Association under section 356.214.

4.16 (c) An increase in annuity or benefit payments under this section must be made
 4.17 automatically unless written notice is filed by the annuitant or benefit recipient with the
 4.18 executive director of the Public Employees Retirement Association requesting that the
 4.19 increase not be made.

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

4.21 Sec. 79. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding
 4.22 a subdivision to read:

4.23 **Subd. 1d. Teachers Retirement Association annual postretirement adjustments.**

4.24 (a) Retirement annuity, disability benefit, or survivor benefit recipients of the Teachers
 4.25 Retirement Association are entitled to a postretirement adjustment annually on January
 4.26 1, as follows:

4.27 (1) for January 1, 2011, and January 1, 2012, no postretirement increase is payable;

4.28 (2) for January 1, 2013, and each successive January 1 until funding stability is
 4.29 restored, a postretirement increase of two percent must be applied each year, effective on
 4.30 January 1, to the monthly annuity or benefit amount of each annuitant or benefit recipient
 4.31 who has been receiving an annuity or a benefit for at least 18 full months prior to the
 4.32 January 1 increase;

4.33 (3) for January 1, 2013, and each successive January 1 until funding stability is
 4.34 restored, for each annuitant or benefit recipient who has been receiving an annuity or
 4.35 a benefit for at least six full months, an annual postretirement increase of 1/12 of two

5.1 percent for each month the person has been receiving an annuity or benefit must be
 5.2 applied, effective January 1, following the year in which the person has been retired
 5.3 for less than 12 months;

5.4 (4) for each January 1 following the restoration of funding stability, a postretirement
 5.5 increase of 2.5 percent must be applied each year, effective January 1, to the monthly
 5.6 annuity or benefit amount of each annuitant or benefit recipient who has been receiving an
 5.7 annuity or a benefit for at least 18 full months prior to the January 1 increase; and

5.8 (5) for each January 1 following the restoration of funding stability, for each
 5.9 annuitant or benefit recipient who has been receiving an annuity or a benefit for at least
 5.10 six full months, an annual postretirement increase of 1/12 of 2.5 percent for each month
 5.11 the person has been receiving an annuity or benefit must be applied, effective January 1,
 5.12 following the year in which the person has been retired for less than 12 months.

5.13 (b) Funding stability is restored when the market value of assets of the Teachers
 5.14 Retirement Association equals or exceeds 90 percent of the actuarial accrued liabilities of
 5.15 the Teachers Retirement Association in the most recent prior actuarial valuation prepared
 5.16 under section 356.215 and the standards for actuarial work by the approved actuary
 5.17 retained by the Teachers Retirement Association under section 356.214.

5.18 (c) An increase in annuity or benefit payments under this section must be made
 5.19 automatically unless written notice is filed by the annuitant or benefit recipient with the
 5.20 executive director of the Teachers Retirement Association requesting that the increase
 5.21 not be made.

5.22 (d) The retirement annuity payable to a person who retires before becoming eligible
 5.23 for Social Security benefits and who has elected the optional payment as provided in
 5.24 section 354.35 must be treated as the sum of a period-certain retirement annuity and a life
 5.25 retirement annuity for the purposes of any postretirement adjustment. The period-certain
 5.26 retirement annuity plus the life retirement annuity must be the annuity amount payable
 5.27 until age 62, 65, or normal retirement age, as selected by the member at retirement, for an
 5.28 annuity amount payable under section 354.35. A postretirement adjustment granted on
 5.29 the period-certain retirement annuity must terminate when the period-certain retirement
 5.30 annuity terminates.

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

5.32 Page 66, line 9, delete the comma and insert a semicolon

5.33 Page 66, line 36, delete "a subdivision" and insert "subdivisions"

5.34 Renumber the sections in sequence and correct the internal references

5.35 Amend the title accordingly