

1.1 ..... moves to amend H.F. No. 3281, the first committee engrossment,  
1.2 as follows:

1.3 Page 12, line 13, delete "11.20" and insert "12.40"

1.4 Page 12, line 28, delete "16.80" and insert "18.60"

1.5 Page 12, delete lines 31 to 36

1.6 Page 13, lines 1 and 6, reinstate the stricken language and delete the new language

1.7 Page 59, line 4, delete "or" and before "retirement" insert "or 1e,"

1.8 Page 59, line 33, after "plans" insert "other than the State Patrol retirement plan"

1.9 Page 59, line 35, delete "the State Patrol retirement plan,"

1.10 Page 60, line 15, delete "the State Patrol retirement plan,"

1.11 Page 65, after line 14, insert:

1.12 "Sec. 80. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding  
1.13 a subdivision to read:

1.14 **Subd. 1e. Annual postretirement adjustments; State Patrol retirement plan.**

1.15 (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol  
1.16 retirement plan are entitled to a postretirement adjustment annually on January 1, as  
1.17 follows:

1.18 (1) a postretirement increase of 1.5 percent must be applied each year, effective on  
1.19 January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who  
1.20 has been receiving an annuity or a benefit for at least 18 full months before the January 1  
1.21 increase; and

1.22 (2) for each annuitant or benefit recipient who has been receiving an annuity or a  
1.23 benefit for at least six full months, an annual postretirement increase of 1/12 of 1.5 percent  
1.24 for each month that the person has been receiving an annuity or benefit must be applied,  
1.25 effective January 1, following the calendar year in which the person has been retired for at  
1.26 least six months, but has been retired for less than 18 months.

2.1 (b) The increases provided by this subdivision commence on January 1, 2011.  
 2.2 Increases under this subdivision for the State Patrol retirement plan terminate on December  
 2.3 31 of the calendar year in which the actuarial valuation prepared by the approved actuary  
 2.4 under sections 356.214 and 356.215 and the standards for actuarial work promulgated by  
 2.5 the Legislative Commission on Pensions and Retirement indicates that the market value of  
 2.6 assets of the retirement plan equals or exceeds 90 percent of the actuarial accrued liability  
 2.7 of the retirement plan and increases under subdivision 1 recommence after that date.

2.8 (c) An increase in annuity or benefit payments under this subdivision must be made  
 2.9 automatically unless written notice is filed by the annuitant or benefit recipient with the  
 2.10 executive director of the applicable covered retirement plan requesting that the increase  
 2.11 not be made.

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

2.13 Sec. 81. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding  
 2.14 a subdivision to read:

2.15 **Subd. 3. Actuarial valuation reports until funding is stabilized.** Notwithstanding  
 2.16 any provision of section 356.215, subdivision 8, to the contrary, until the actuarial  
 2.17 valuations, prepared annually by the approved actuary under sections 356.214 and  
 2.18 356.215 and the standards for actuarial work promulgated by the Legislative Commission  
 2.19 on Pensions and Retirement, indicate that the market value of assets of the applicable  
 2.20 covered plans equals or exceeds 90 percent of the actuarial accrued liabilities, the actuarial  
 2.21 valuation reports must utilize a post-retirement interest rate assumption that is equal to  
 2.22 the difference between the pre-retirement interest rate assumption provided in section  
 2.23 356.215, subdivision 8, and the stated annual post-retirement adjustment rate provided  
 2.24 under this section, as applicable to each covered plan.

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

2.26 Page 85, delete section 2

2.27 Page 89, line 24, delete "paragraph (b)"

2.28 Page 145, after line 17, insert:

2.29 "Sec. 3. Laws 2006, chapter 271, article 3, section 43, as amended by Laws 2007,  
 2.30 chapter 134, article 11, section 11, the effective date, is amended to read:

2.31 **EFFECTIVE DATE.** ~~(a)~~ This section is effective the day following final enactment.

2.32 ~~(b) This section expires on July 15, 2009.~~

2.33 **EFFECTIVE DATE.** This section is effective retroactively from July 2, 2009."

3.1 Page 236, after line 15, insert:

3.2 "Section 1. Minnesota Statutes 2008, section 356.216, is amended to read:

3.3 **356.216 CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE**  
3.4 **AND FIRE FUNDS.**

3.5 (a) The provisions of section 356.215 that govern the contents of actuarial valuations  
3.6 must apply to any local police or fire pension fund or relief association required to make  
3.7 an actuarial report under this section, except as follows:

3.8 (1) in calculating normal cost and other requirements, if required to be expressed as  
3.9 a level percentage of covered payroll, the salaries used in computing covered payroll must  
3.10 be the maximum rate of salary on which retirement and survivorship credits and amounts  
3.11 of benefits are determined and from which any member contributions are calculated and  
3.12 deducted;

3.13 (2) in lieu of the amortization date specified in section 356.215, subdivision 11,  
3.14 the appropriate amortization target date specified in section 69.77, subdivision 4, or  
3.15 69.773, subdivision 4, clause (c), must be used in calculating any required amortization  
3.16 contribution, except that if the actuarial report for the Bloomington Fire Department Relief  
3.17 Association indicates an unfunded actuarial accrued liability, the unfunded obligation is  
3.18 to be amortized on a level dollar basis by December 31 of the year occurring 20 years  
3.19 later, and if subsequent actuarial valuations for the Bloomington Fire Department Relief  
3.20 Association determine a net actuarial experience loss incurred during the year which  
3.21 ended as of the day before the most recent actuarial valuation date, any unfunded liability  
3.22 due to that loss is to be amortized on a level dollar basis by December 31 of the year  
3.23 occurring 20 years later and except that the amortization date for the Minneapolis Police  
3.24 Relief Association is December 31, 2020;

3.25 (3) in addition to the tabulation of active members and annuitants provided for in  
3.26 section 356.215, subdivision 13, the member contributions for active members for the  
3.27 calendar year and the prospective annual retirement annuities under the benefit plan for  
3.28 active members must be reported;

3.29 (4) actuarial valuations required under section 69.773, subdivision 2, must be made  
3.30 at least every four years and actuarial valuations required under section 69.77 shall be  
3.31 made annually;

3.32 (5) the actuarial balance sheet showing accrued assets valued at market value if the  
3.33 actuarial valuation is required to be prepared at least every four years or valued as current  
3.34 assets under section 356.215, subdivision 1, ~~clause (c)~~ paragraph (f), or paragraph (b),  
3.35 whichever applies, if the actuarial valuation is required to be prepared annually, actuarial

4.1 accrued liabilities, and the unfunded actuarial accrued liability must include the following  
4.2 required reserves:

4.3 (i) for active members:

- 4.4 1. retirement benefits;
- 4.5 2. disability benefits;
- 4.6 3. refund liability due to death or withdrawal;
- 4.7 4. survivors' benefits;

4.8 (ii) for deferred annuitants' benefits;

4.9 (iii) for former members without vested rights;

4.10 (iv) for annuitants;

- 4.11 1. retirement annuities;
- 4.12 2. disability annuities;
- 4.13 3. surviving spouses' annuities;
- 4.14 4. surviving children's annuities;

4.15 In addition to those required reserves, separate items must be shown for additional  
4.16 benefits, if any, which may not be appropriately included in the reserves listed above; and

4.17 (6) actuarial valuations are due by the first day of the seventh month after the end of  
4.18 the fiscal year which the actuarial valuation covers.

4.19 (b) For the Minneapolis Firefighters Relief Association or the Minneapolis Police  
4.20 Relief Association, the following provisions additionally apply:

4.21 (1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability,  
4.22 and amortization contribution of the relief association, "current assets" means the value of  
4.23 all assets at cost, including realized capital gains and losses, plus or minus, whichever  
4.24 applies, the average value of total unrealized capital gains or losses for the most recent  
4.25 three-year period ending with the end of the plan year immediately preceding the actuarial  
4.26 valuation report transmission date; and

4.27 (2) in calculating the applicable portions of the actuarial valuation, an annual  
4.28 preretirement interest assumption of six percent, an annual postretirement interest  
4.29 assumption of six percent, and an annual salary increase assumption of four percent must  
4.30 be used.

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

4.32 Page 238, after line 24, insert:

4.33 "Sec. 3. Laws 2009, chapter 169, article 7, section 4, is amended to read:

4.34 Sec. 4. **EFFECTIVE DATE.**

5.1 Sections 1 to 3 are effective January 1, 2010, ~~and~~ Sections 1 and 2 expire June  
5.2 30, 2011.

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

5.4 Renumber the sections in sequence and correct the internal references

5.5 Amend the title accordingly