

1.1 moves to amend S.F. No. 2918, the delete everything amendment
1.2 (S2918-14A), as follows:

1.3 Page 137, delete article 10

1.4 Page 231, after line 3, insert:

1.5 "ARTICLE 15

1.6 MISCELLANEOUS PROVISIONS

1.7 Section 1. **[352.016] UNIVERSITY OF MINNESOTA EMPLOYEES;**
1.8 **FURLOUGH SERVICE AND SALARY CREDIT.**

1.9 A furloughed employee of the University of Minnesota who is a member of the
1.10 general state employees retirement plan of the Minnesota State Retirement System
1.11 may obtain allowable service credit and salary credit for the furlough period. The
1.12 allowable service and salary credit authorization under this section is a leave of absence
1.13 authorization for purposes of section 352.017 and the purchase payment procedure of
1.14 section 352.017, subdivision 2, applies.

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

1.16 Sec. 2. **[353.012] UNIVERSITY OF MINNESOTA EMPLOYEES; FURLOUGH**
1.17 **SERVICE AND SALARY CREDIT.**

1.18 A furloughed employee of the University of Minnesota who is a member of the
1.19 public employees police and fire plan may obtain allowable service and salary credit
1.20 for the furlough period. The allowable service and salary credit authorization is a leave
1.21 of absence authorization for purposes of section 353.0161 and the purchase payment
1.22 procedure of section 353.0161, subdivision 2, applies.

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

2.1 Sec. 3. Minnesota Statutes 2008, section 356.216, is amended to read:

2.2 **356.216 CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE**
2.3 **AND FIRE FUNDS.**

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

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

2.12 (2) in lieu of the amortization date specified in section 356.215, subdivision 11,
2.13 the appropriate amortization target date specified in section 69.77, subdivision 4, or
2.14 69.773, subdivision 4, clause (c), must be used in calculating any required amortization
2.15 contribution, except that if the actuarial report for the Bloomington Fire Department Relief
2.16 Association indicates an unfunded actuarial accrued liability, the unfunded obligation is
2.17 to be amortized on a level dollar basis by December 31 of the year occurring 20 years
2.18 later, and if subsequent actuarial valuations for the Bloomington Fire Department Relief
2.19 Association determine a net actuarial experience loss incurred during the year which
2.20 ended as of the day before the most recent actuarial valuation date, any unfunded liability
2.21 due to that loss is to be amortized on a level dollar basis by December 31 of the year
2.22 occurring 20 years later and except that the amortization date for the Minneapolis Police
2.23 Relief Association is December 31, 2020;

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

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

2.31 (5) the actuarial balance sheet showing accrued assets valued at market value if the
2.32 actuarial valuation is required to be prepared at least every four years or valued as current
2.33 assets under section 356.215, subdivision 1, ~~clause (6)~~ paragraph (f), or paragraph (b),
2.34 whichever applies, if the actuarial valuation is required to be prepared annually, actuarial
2.35 accrued liabilities, and the unfunded actuarial accrued liability must include the following
2.36 required reserves:

- 3.1 (i) for active members:
- 3.2 1. retirement benefits;
- 3.3 2. disability benefits;
- 3.4 3. refund liability due to death or withdrawal;
- 3.5 4. survivors' benefits;
- 3.6 (ii) for deferred annuitants' benefits;
- 3.7 (iii) for former members without vested rights;
- 3.8 (iv) for annuitants;
- 3.9 1. retirement annuities;
- 3.10 2. disability annuities;
- 3.11 3. surviving spouses' annuities;
- 3.12 4. surviving children's annuities;

3.13 In addition to those required reserves, separate items must be shown for additional
 3.14 benefits, if any, which may not be appropriately included in the reserves listed above; and
 3.15 (6) actuarial valuations are due by the first day of the seventh month after the end of
 3.16 the fiscal year which the actuarial valuation covers.

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

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

3.25 (2) in calculating the applicable portions of the actuarial valuation, an annual
 3.26 preretirement interest assumption of six percent, an annual postretirement interest
 3.27 assumption of six percent, and an annual salary increase assumption of four percent must
 3.28 be used.

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

3.30 Sec. 4. Minnesota Statutes 2008, section 356.24, subdivision 1, is amended to read:

3.31 Subdivision 1. **Restriction; exceptions.** (a) It is unlawful for a school district
 3.32 or other governmental subdivision or state agency to levy taxes for, or to contribute
 3.33 public funds to a supplemental pension or deferred compensation plan that is established,
 3.34 maintained, and operated in addition to a primary pension program for the benefit of the
 3.35 governmental subdivision employees other than:

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

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

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

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

4.8 (5) for employees other than personnel employed by the Board of Trustees of the
4.9 Minnesota State Colleges and Universities and covered under the Higher Education
4.10 Supplemental Retirement Plan under chapter 354C, but including city managers covered
4.11 by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph
4.12 (a), or by the defined contribution plan of the Public Employees Retirement Association
4.13 under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is
4.14 provided for in a personnel policy of the public employer or in the collective bargaining
4.15 agreement between the public employer and the exclusive representative of public
4.16 employees in an appropriate unit or in the individual employment contract between a city
4.17 and a city manager, and if for each available investment all fees and historic rates of return
4.18 for the prior one-, three-, five-, and ten-year periods, or since inception, are disclosed in an
4.19 easily comprehended document not to exceed two pages, in an amount matching employee
4.20 contributions on a dollar for dollar basis, but not to exceed an employer contribution of
4.21 one-half of the available elective deferral permitted per year per employee, under the
4.22 Internal Revenue Code:

4.23 (i) to the state of Minnesota deferred compensation plan under section 352.965;

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

4.28 (iii) any other deferred compensation plan offered by the employer under section
4.29 457 of the Internal Revenue Code;

4.30 (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges
4.31 and Universities and not covered by clause (5), to the supplemental retirement plan under
4.32 chapter 354C, if the supplemental plan coverage is provided for in a personnel policy
4.33 or in the collective bargaining agreement of the public employer with the exclusive
4.34 representative of the covered employees in an appropriate unit, in an amount matching
4.35 employee contributions on a dollar for dollar basis, but not to exceed an employer
4.36 contribution of \$2,700 a year for each employee;

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

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

5.11 (9) to the plumbers and pipefitters national pension fund or to a plumbers and
5.12 pipefitters local pension fund for the employees of a governmental subdivision who are
5.13 covered by a collective bargaining agreement that provides for coverage by that fund and
5.14 that sets forth a fund contribution rate, but not to exceed an employer contribution of
5.15 \$5,000 per year per employee;

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

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

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

5.27 (13) for employees of United Hospital District, Blue Earth, to the state of Minnesota
5.28 deferred compensation program, if the employee makes a contribution, in an amount that
5.29 does not exceed the total percentage of covered salary under section 353.27, subdivisions
5.30 3 and 3a; or

5.31 (14) to the alternative retirement plans established by the Hennepin County Medical
5.32 Center under section 383B.914, subdivision 5.

5.33 (b) No governmental subdivision may make a contribution to a deferred
5.34 compensation plan operating under section 457 of the Internal Revenue Code for volunteer
5.35 or emergency on-call firefighters in lieu of providing retirement coverage under the federal
5.36 Old Age, Survivors, and Disability Insurance Program.

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

6.2 Sec. 5. Laws 2009, chapter 169, article 7, section 4, is amended to read:

6.3 Sec. 4. **EFFECTIVE DATE.**

6.4 Sections 1 to 3 are effective January 1, 2010, ~~and~~ Sections 1 and 2 expire June
6.5 30, 2011.

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

6.7 Renumber the articles in sequence and correct the internal references