



TO: Senate Members of the Legislative Commission on Pensions and Retirement
FROM: Lawrence A. Martin, Executive Director *LAM*
RE: 2011 Omnibus Retirement Bill S.F. 1369-Rosen, First Engrossment), as Recommended by the Senate State Government Innovation and Veterans Committee and by the Senate Finance Committee
DATE: May 22, 2011

Introduction

S.F. 1369 (Rosen), the first engrossment, contains the contents of the 2011 Senate Omnibus Retirement Bill as recommended by the Legislative Commission on Pensions and Retirement on May 13, 2011, and further modified by the Senate State Government Innovation and Veterans Committee and the Senate Finance Committee on May 21, 2011.

Source Legislation for the Senate Version of the 2011 Omnibus Retirement Bill

The Senate Version of the 2011 Omnibus Retirement Bill includes all or portions of the substance of the following retirement bills:

1. HF 81 (Rukavina); SF 1398 (Tomassoni): PERA; Purchase of service and salary credit authorized for certain former employees of Babbit and Buhl for eligible unreported employment.
2. HF 409 (Poppe); SF xxxx: IRAP/TRA; MnSCU employee retirement coverage specified, and employer required to provide certain notices.
3. HF 476 (Kelly); SF 176 (Howe): PERA; Red Wing Port Authority employees included and retroactive retirement coverage validated.
4. HF 1338 (McFarlane); SF 1113 (Chamberlain): White Bear Lake Volunteer Fire Department Relief Association; Use of special actuarial work authorized in determining the 2009 and 2010 special fund financial requirements and minimum municipal obligations.
5. HF 1354 (Lesch); SF 1088 (Pappas): SPTRFA; Postretirement adjustment procedures revised, refund interest rate reduced, interest payments on reemployed annuitant savings accounts terminated, and deferred annuity augmentation rate lowered.
6. HF 1415 (Melin); SF 1129 (Tomassoni): Police and fire plans; Relief associations extension provided for submitting reports.
7. HF 1628 (Murphy, M.); SF xxxx: DTRFA; Definition for vesting added, and leave of absence, retirement, survivor, and disability benefits eligibility modified.
8. HF 1647 (Lanning); SF 1369 (Rosen): Major plans; Statutory salary scale and payroll growth actuarial assumptions revisions.
9. HF 1668 (Murphy, M.); SF xxxx: PERA; Duluth and Duluth Airport Authority optional correction of erroneous employee deductions and employer contributions.
10. HF 1671 (Smith); SF 1252 (Olson, G.): TRA; Independent school district #270, Hopkins; part time teacher participant salary credit purchase authorization.
11. HF 1712 (Davnie); SF 1419 (Dibble): PERA-P&F; Consolidation of the Minneapolis police and fire relief associations.

General Summary of S.F. 1369 (Rosen), the First Engrossment

Article 1: Public Employees Retirement Association. Minnesota Statutes, Section 353.01, Subdivisions 2 and 6, specifying local government employees included in General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General) retirement coverage and defining the term “governmental subdivision” are amended to specifically include current and past Red Wing Port Authority employees in PERA-General; specifically include the Red Wing Port Authority as a PERA-covered governmental subdivision; and validate the past retirement coverage, allowable service credit, salary credit, and contributions in or to PERA-General for Red Wing Port Authority since 1984. A special law provision is created for the City of Duluth and the Duluth Airport Authority to handle overpayments of employee and employer contributions, and the resulting overpayment of benefits that occurred due to use of invalid salary amounts for determining Public Employees Retirement Association (PERA) contributions reported from January 1, 1997, through October 23, 2008.

Article 2: Teacher Retirement Coverage. For the St. Paul Teachers Retirement Fund Association (SPTRFA), the post-retirement adjustment mechanism is modified to provide lower increases until greater funding ratios are achieved, the refund interest rate is reduced, the deferred annuities augmentation rate is reduced, the deferred annuities augmentation rate is reduced, and interest on reemployed annuitant earnings limitation deferrals is eliminated. Vesting is revised from three years to five years for purposes of Duluth Teachers Retirement Fund Association (DTRFA) early retirement provisions, survivor benefits, disability benefits, and for the qualified part-time teacher provision as it applies to DTRFA teachers. For any new Minnesota State Colleges and Universities System (MnSCU) employees, the default coverage is revised to be the Teachers Retirement Association (TRA) rather than the Higher Education Individual Retirement Account Plan (IRAP) if the employee has any service in a plan included in the combined service annuity portability provision and adds a notification provision requiring notice and counseling by MnSCU before any coverage election deadline.

Article 3: Actuarial Assumption Update. The salary increase and payroll growth actuarial assumptions are revised for the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General), the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General), the Public Employees Police and Fire Retirement Plan (PERA-P&F), and the Teachers Retirement Association (TRA), based on recent actuarial experience studies.

Article 4: Volunteer Firefighter Relief Associations. An extension for the deadline for filing the calendar year 2009 volunteer firefighter relief association annual financial reporting is granted for Hibbing, Makinen and Mapleview to qualify for 2010 fire state aid from November 30, 2010, to April 30, 2011, without any aid forfeiture or future aid disqualification, if the 2009 annual volunteer firefighter relief association financial reporting is filed before May 1, 2011. An authorization is granted for the White Bear Lake Volunteer Fire Department Relief Association and the City of White Bear Lake to utilize an October 19, 2009, interim actuarial valuation of the relief association special fund as confirmed by a January 1, 2011, actuarial valuation of the relief association special fund as the basis for determining the actuarial requirements of the relief association and the minimum municipal obligation of the city for the 2010 and 2011 required municipal contributions, effective retroactively from July 31, 2009, if approved by the City of White Bear Lake.

Article 5: Small Group Retirement Provisions.

- A 53-year-old full-time police officer employed by the City of Babbitt, Minnesota, who has, in addition to the person's full-time Babbitt City police officer employment, two periods of employment as a part-time police officer for Buhl, Minnesota (July 1988 to November 1996), and for Babbitt, Minnesota (April 1992 to September 1992), during which the person was eligible for retirement coverage by the Public Employees Retirement Association (PERA), but for which he was not reported to PERA and for which no member deductions were taken, is permitted to purchase seven years and eight months of service and salary credit from the Coordinated Program of the PERA General Employees Retirement Plan (PERA-General) for the person's prior uncredited public employment as a part-time police officer by the City of Buhl and the City of Babbitt, accomplished by the member paying the equivalent member contributions that the person would have made if covered, plus 8.5% interest from the date the contribution should have been made to the date on which payment is made, and by the City of Buhl and the City of Babbitt paying the balance of the full actuarial value of the benefit obtained by the purchase, allocated between the two based on the portions of the benefit amount attributable to each, with a deadline of the earlier of July 1, 2012, or the date of the person's retirement.
- A 60-year-old school teacher in the Hopkins School District is permitted to purchase the balance of the full-time equivalent salary for the 2008-2009 school year employed by the Hopkins Public School District with the payment of \$609.98, the member contribution rate applied to the balance of the person's full-time compensation for the 2008-2009 school year, plus 8.5% annual compound interest from January 31, 2009, the midpoint of the 2008-2009 school year, until the date of actual payment and if the person makes the member contribution equivalent payment, the Hopkins Public School District is obligated to pay the balance of the full actuarial value of the benefit to be obtained by the salary credit increase purchase in excess of the person's member contribution equivalent payment, with the deadline for making the member payment July 1, 2012, and the special legislation expires on August 1, 2012.

Article 6: Voluntary Consolidation of the Minneapolis Firefighters Relief Association (MFRA).

1. Voluntary Consolidation of MFRA. The Minneapolis Firefighters Relief Association (MFRA) is authorized to consolidate its retirement plan and retirement fund with the Public Employees Police and Fire Retirement Plan (PERA-P&F) on December 30, 2011, if:
 - a. Relief Association Board Approval. The MFRA board of trustees vote to approve the consolidation before September 15, 2011;

- b. Relief Association Membership Approval. The active and retirement members, including the surviving spouse benefit recipients, vote to approve the consolidation in a member referendum before September 15, 2011;
 - c. PERA Board of Trustees Approval. The board of trustees of the Public Employees Retirement Association (PERA) approve the consolidation;
 - d. Minneapolis City Approval. The city council of the City of Minneapolis approves the consolidation and that approval is filed with the Minnesota Secretary of State; and
 - e. Consolidation Contingency. The consolidation occurs if (a) through (d) are satisfied and if the Minneapolis Police Relief Association (MPRA) consolidation under the second article is also approved by all applicable bodies. (*Art. 6, Sec. 19*)
2. Pre-Consolidation MFRA Benefit Plan Except for Post-Retirement Adjustments. If the MFRA consolidates with the PERA-P&F, the benefits of the former active and retired members of the relief association will be based on the current relief association benefit plan except that the number of units is generally increased by one unit, with the unit value adjusted from \$82.32 for calendar year 2011 to \$124.031 for calendar year 2015, and increased by the post-retirement adjustment rate under the PERA-P&F post-retirement adjustment mechanism after December 31, 2015. Active members would have their eventual benefits calculated under the former MFRA benefit plan plus the additional unit and not under the PERA-P&F benefit plan. (*Art. 6, Sec. 1, 8*)
 3. Post-Consolidation MFRA Member Contributions. If the MFRA consolidates with the PERA-P&F, the active member contribution will be 8.00% of the monthly unit value, multiplied by 80 and expressed as a biweekly amount, with contributions by active members with 25 years of service or more deposited in a post-retirement health care savings account, a defined contribution program reimbursing medical coverage expenditures after retirement. The post-retirement health care savings account balances as of the date of consolidation would be retained and managed by the currently retained financial institution, with three years of administrative expenses prepaid. (*Art. 6, Sec. 4-5, 14*)
 4. Post-Consolidation MFRA Employer Contributions. If the MFRA consolidates with the PERA-P&F, the City of Minneapolis would be obligated to make regular biweekly contributions equal to the employee contributions, and to make an annual lump sum contribution equal to the balance of the amount required to amortize any unfunded actuarial accrued liability brought by the consolidating relief association to the PERA-P&F retirement plan, under the PERA-P&F actuarial assumptions, by 2031, the PERA General Employees Retirement Plan target amortization date. (*Art. 6, Sec. 6; Sec. 14, Subd. 6*)
 5. Post-Consolidation MFRA Successor In Interest. If the MFRA consolidates with the PERA-P&F, PERA would administer the former relief association benefit plan for the former relief association members and PERA-P&F and, in general, would be the successor in interest for the relief association's affairs thereafter. (*Art. 6, Sec. 14*)
 6. Consolidation Relief Association Special Fund Termination and Fraternal Organization Continuation. If the MFRA consolidates, the special fund of the MFRA would terminate, but the former MFRA membership is authorized to elect to continue the relief association as a fraternal organization and not a retirement plan. (*Art. 6, Sec. 17*)
 7. Employment Preference for Current MFRA Employees. Existing MFRA employees would have an employment preference for subsequent employment by PERA. (*Art. 6, Sec. 17, Para. (d)*)

Article 7: Voluntary Consolidation of the Minneapolis Police Relief Association (MPRA).

1. Voluntary Consolidation of MPRA. The Minneapolis Police Relief Association (MPRA) is authorized to consolidate its retirement plan and retirement fund with the Public Employees Police and Fire Retirement Plan (PERA-P&F) on December 30, 2011, if:
 - a. Relief Association Board Approval. The MPRA board of trustees vote to approve the consolidation before September 15, 2011;
 - b. Relief Association Membership Approval. The active and retirement members, including the surviving spouse benefit recipients, vote to approve the consolidation in a member referendum before September 15, 2011;
 - c. PERA Board of Trustees Approval. The board of trustees of the Public Employees Retirement Association (PERA) approve the consolidation;
 - d. Minneapolis City Approval. The city council of the City of Minneapolis approves the consolidation and that approval is filed with the Minnesota Secretary of State; and

- e. Consolidation Contingency. The consolidation occurs if (a) through (d) are satisfied and if the Minneapolis Firefighters Relief Association (MFRA) consolidation under the first article is also approved by all applicable bodies. (*Art. 7, Sec. 19*)
2. Pre-Consolidation MPRA Benefit Plan Except for Post-Retirement Adjustments. If the MPRA consolidates with the PERA-P&F, the benefits of the former active and retired members of the relief association will be based on the current relief association benefit plan, with the unit value adjusted from \$86.71 for calendar year 2011 to \$124.031 for calendar year 2015, and increased by the post-retirement adjustment rate under the PERA-P&F post-retirement adjustment mechanism after December 31, 2015. Active members would have their eventual benefits calculated under the former MPRA benefit plan and not under the PERA-P&F benefit plan. (*Art. 7, Sec. 1, 8*)
3. Post-Consolidation MPRA Member Contributions. If the MPRA consolidates with the PERA-P&F, the active member contribution will be 8.00% of the monthly unit value, multiplied by 80 and expressed as a biweekly amount, with contributions by active members with 25 years of service or more deposited in a post-retirement health care savings account, a defined contribution program reimbursing medical coverage expenditures after retirement. The post-retirement health care savings account balances as of the date of consolidation would be retained and managed by the currently retained financial institution, with three years of administrative expenses prepaid. (*Art. 7, Sec. 4-5, 14*)
4. Post-Consolidation MPRA Employer Contributions. If the MPRA consolidates with the PERA-P&F, the City of Minneapolis would be obligated to make regular biweekly contributions equal to the employee contributions, and to make an annual lump sum contribution equal to the balance of the amount required to amortize any unfunded actuarial accrued liability brought by the consolidating relief association to the PERA-P&F retirement plan, under the PERA-P&F actuarial assumptions, by 2031, the PERA General Employees Retirement Plan target amortization date. (*Art. 7, Sec. 6; Sec. 14, Subd. 6*)
5. Post-Consolidation MPRA Successor In Interest. If the MPRA consolidates with the PERA-P&F, PERA would administer the former relief association benefit plan for the former relief association members and PERA-P&F and, in general, would be the successor in interest for the relief association's affairs thereafter. (*Art. 7, Sec. 14*)
6. Consolidation Relief Association Special Fund Termination and Fraternal Organization Continuation. If the MPRA consolidates, the special fund of the MPRA would terminate, but the former MPRA membership is authorized to elect to continue the relief association as a fraternal organization and not a retirement plan. (*Art. 7, Sec. 17*)
7. Employment Preference for Current MPRA Employees. Existing MPRA employees would have an employment preference for subsequent employment by PERA. (*Art. 7, Sec. 17, Para. (d)*)

Article 8: Conforming Changes. If the MFRA or the MPRA consolidates, various statutory references to the relief associations in various portions of Minnesota Statutes are corrected or eliminated.

Section-by-Section Summary of S.F. 1369 (Rosen), the First Engrossment

A section-by-section summary of S.F. 1369 (Rosen), the first engrossment, as recommended by the Senate State Government Innovation and Veterans Committee and the Senate Finance Committee, is attached.

cc: Senator Claire A. Robling, Finance Committee Chair
 Amy Walstien, Finance Committee Administrator
 Senator Mike Parry, State Government Innovation and Veterans Committee Chair
 Lucas Nesse, State Government Innovation and Veterans Committee Administrator
 Tom Bottern, Senate Counsel and Research
 Kevin Lundeen, Senate Fiscal Analyst
 Craig Sondag, Senate Majority Research
 Daniel Hicks, Senate Minority Research
 Scott Magnuson, Senate Information
 Ric Almer, Senate Index
 Cara Clausing, Assistant Revisor

Section-by-Section Summary of S.F. 1369, 1st Engrossment

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
Article 1: Public Employees Retirement Association					
1	2.4	HF 476 (Kelly); SF 176 (Howe)	PERA-General	353.01, Subd. 2a	Includes pre-5/1/2011 employees of the Red Wing Port Authority in plan coverage.
2	3.16	HF 476 (Kelly); SF 176 (Howe)	PERA-General	353.01, Subd. 6	Designates the Red Wing Port Authority as a governmental subdivision covered by PERA-General and removes the Red Wing Port Authority from the exclusions from the definition of governmental subdivision.
3	4.32	HF 476 (Kelly); SF 176 (Howe)	PERA-General	Uncoded	Validates all past Red Wing Port Authority employee and employer contributions made by pre-5/1/2011 hires.
4	5.15	HF 1668 (Murphy, M) SF xxxx	PERA-General	Uncoded	Reenacts a prior special law for the City of Duluth and the Duluth Airports Authority providing an alternative procedure for resolving previous overpayments of contributions and benefits that was not previously approved locally due to intervening appeal proceedings.
Article 2: Teacher Retirement Coverage					
1	7.28	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.011, New Subd. 29	Defines "vesting" and requires five years of service credit to qualify for benefits for DTRFA-covered teachers employed after 6/30/2010.
2	8.11	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.094, Subd.3	Requires the same service credit length as vesting to participate in the DTRFA part-time teaching full-time service credit program.
3	9.2	HF 1354 (Lesch); SF 1088 (Pappas)	SPTRFA	354A.29, New Subd. 7	Sets eligibility for a post-retirement adjustment at three months of benefit receipt.
4	9.13	HF 1354 (Lesch); SF 1088 (Pappas)	SPTRFA	354A.29, New Subd. 8	Provides for a reduced post-retirement adjustment until the retirement plan achieves a 90% funding ratio on an actuarial value of assets basis.
5	10.2	HF 1354 (Lesch); SF 1088 (Pappas)	SPTRFA	354A.29, New Subd. 9	Bases the post-retirement adjustment on the Consumer Price Index increase, up to 5% annually, if the retirement plan is funded at least at 90% on an actuarial value of assets basis.
6	10.29	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.31, Subd. 1	Revises the 2010 DTRFA vesting change to accommodate the new "vesting" definition.
7	11.12	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.31, Subd. 5	Replaces a specific vesting requirement with a reference to the "vesting" definition.
8	11.18	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.31, Subd. 6	Replaces a specific vesting requirement with a reference to the "vesting" definition.
9	12.7	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.35, Subd. 2	Replaces a specific vesting requirement with a reference to the "vesting" definition.
10	13.2	HF 1628 (Murphy, M.); SF xxxx	DTRFA	354A.36, Subd. 1	Replaces a specific vesting requirement with a reference to the "vesting" definition.
11	13.11	HF 1354 (Lesch); SF 1088 (Pappas)	SPTRFA	354A.37	Revises the refund and deferred annuity provision, reducing the deferred annuity augmentation rate and the refund interest rate.
12	16.4	HF 409 (Poppe); SF xxx	MnSCU	354B.21, Subd. 1	Revises the eligibility provision to accommodate the coverage default provision change in Sec. 14 and 15.
13	16.20	HF 409 (Poppe); SF xxx	MnSCU	354B.21, New Subd. 1a	Requires benefit counseling by MnSCU at least 90 days before the end of the benefit coverage election period.
14	17.2	HF 409 (Poppe); SF xxx	MnSCU	354B.21, Subd. 2	Modifies the election provision to accommodate the coverage default provision change in Sec. 15.
15	18.13	HF 409 (Poppe); SF xxx	MnSCU	354B.21, Subd. 3	Sets default retirement plan coverage most likely to be appropriate based on prior employment.
16	19.28	HF 409 (Poppe); SF xxx	MnSCU	354B.21, Subd.	Clarifies the retention of prior defined benefit retirement plan coverage for pre-1995 or pre-1997 hires.
17	20.15	HF 409 (Poppe); SF xxx	MnSCU	354B.21, Subd. 5	Adds a reference to eligible unclassified administrators to authority to purchase prior uncovered service.
18	21.1	HF 409 (Poppe); SF xxx	MnSCU	354B.21, Subd. 6	Adds a reference to eligible unclassified administrators to authority to the continuation of coverage provision.
19	21.8	HF 409 (Poppe); SF xxx	MnSCU	354B.21, New Subd. 7	Clarifies coverage for certain part-time MnSCU employees.
20	21.20	HF 1354 (Lesch); SF 1088 (Pappas)	SPTRFA	356.47, Subd. 3	Eliminates interest on reemployed annuitant earnings limitation deferrals after 6/30/2011.

Section-by-Section Summary of S.F. 1369, 1st Engrossment

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
21	22.21	HF 1354 (Lesch); SF 1088 (Pappas)	SPTRFA	Uncoded	Authorizes the necessary bylaw and articles of incorporation changes needed to make the same changes for the Basic Program.
22	22.27	HF 409 (Poppe); SF xxx HF 1354 (Lesch); SF 1088 (Pappas)	MnSCU, SPTRFA	Repealer	Repeals an obsolete 1995 technical college employee provision and an obsolete pre-2004 contribution transfer provision. Repeals the current SPTRFA post-retirement adjustment provision, replaced in Sec. 3-5.

Article 3: Actuarial Assumption Update

1	23.3	HF 1647 (Lanning); SF 1369 (Rosen)	Various retirement plans	356.215, Subd. 8	Replaces the current salary increase and payroll growth actuarial assumptions with the new assumptions recommended in the quadrennial experience studies.
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Article 4: Volunteer Firefighter Relief Associations

1	28.15	HF 1415 (Melin); SF 1129 (Tomassoni);	Fire State Aid	Uncoded	Extends the deadline for the 2009 calendar volunteer firefighter relief association financial report to be filed with the State Auditor to qualify for the 2010 fire state aid distribution until May 1, 2011, for Hibbing, Makinen, and Mapleview.
2	28.22	HF 1338 (McFarlane); SF 1113 (Chamberlain)	Fire State Aid	Uncoded	Allows White Bear Lake to use interim actuarial valuation work that was validated by a subsequent regular actuarial valuation to be used in financial reporting to qualify for the 2010 and 2011 fire state aid.

Article 5: Small Group Retirement Provisions

1	29.12	HF 81 (Rukavina); SF 1398 (Tomassoni)	PERA-General	Uncoded	Allows a full actuarial value service credit purchase for prior part-time Buhl and Babbit police employment that was not reported by the cities to PERA-General, with a mandatory contribution by the employers of the balance of the full actuarial value payment amount if the person pays the equivalent member contribution amount plus interest.
2	30.33	HF 1671 (Smith); SF 1252 (Olson, G.)	TRA	Uncoded	Permits a full actuarial value salary credit purchase from TRA for a part-time teaching year for which the applicable agreement was not filed in a timely fashion, with a mandatory Hopkins school district contribution of the full actuarial value balance if the person pays the equivalent member contribution plus interest.

Article 6: Voluntary Consolidation of the Minneapolis Fire Relief Association

1	32.4	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	353.01, New Subd. 10a	<p>Adds a definition of base salary applicable to members of the former Minneapolis Firefighters Relief Association (MFRA) for purposes of calculating benefits, set at the following amounts:</p> <table border="1"> <thead> <tr> <th>Calendar Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>\$82.32</td> </tr> <tr> <td>2012</td> <td>\$104.651</td> </tr> <tr> <td>2013</td> <td>\$109.011</td> </tr> <tr> <td>2014</td> <td>\$114.825</td> </tr> <tr> <td>2015</td> <td>\$124.031</td> </tr> </tbody> </table>	Calendar Year	Amount	2011	\$82.32	2012	\$104.651	2013	\$109.011	2014	\$114.825	2015	\$124.031
Calendar Year	Amount																
2011	\$82.32																
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2	32.14	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	353.01, Subd. 16	Includes as allowable service any service credit rendered as an active member of the former MFRA.												
3	35.16	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	353.03, New Subd. 3b	Requires the PERA executive director to deduct from annuities any dues applicable to a continuing Minneapolis firefighters fraternal organization.												
4	35.22	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.65, Subd. 1	Clarifies the PERA-P&F retirement fund provision.												
5	35.32	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.65, Subd. 2	Sets a separate member contribution rate of 8.00% for former active members of the MFRA with contributions after 25 years of service deposited in a post-retirement health care benefit defined contribution account in the PERA-P&F retirement fund.												
6	36.18	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.65, Subd. 3	Sets a separate employer contribution equal to the employee contributions on behalf of the former members of the MFRA.												
7	36.30	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.651, Subd. 1	Adds an exception to the general normal retirement age of 55 for active members of the former MFRA, where it is age 50.												

Section-by-Section Summary of S.F. 1369, 1st Engrossment

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
8	37.3	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	New 353.6511	Specifies retirement and alternative benefits for members of the former MFRA that are sets as a unit value number (80ths of the maximums alary of a first grade firefighter) with amounts generally increased by one unit compared to the current MFRA plan. Specifies that benefits are eligible for post-retirement adjustments under the PERA-P&F post-retirement adjustment mechanism. Adds dispute resolution procedures.
9	39.3	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 1	Adds an exception to the duty disability benefit provision for active members of the former MFRA, with benefits under new section 353.6511.
10	39.23	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 1a	Adds an exception to the total and permanent duty disability benefit provision for active members of the former MFRA, where benefit coverage is under section 7.
11	40.21	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 3	Adds an exception to the regular disability benefit provision for active members of the former MFRA, where benefit coverage is under new section 353.6511.
12	41.5	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 3a	Adds an exception to the total and permanent regular disability benefit provision for active members of the former MFRA, where benefit coverage is under new section 353.6511.
13	41.33	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.657, Subd. 1	Adds an exception to the survivor benefit provision for active members of the former MFRA, where benefit coverage is under new section 353.6511.
14	42.17	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	New 353.667	Provides for the transfer of the membership, the service credit and benefit liability, the records, and the assets of the former MFRA, requires the City of Minneapolis to pay the full actuarial requirements related to members of the former MFRA, with a 2031 amortization full funding date, requires the prior post-retirement health care benefit account balances to be retained by the current financial institution; continues fire surcharge to Minneapolis to defray employer costs; and requires employer amortization payments to be recomputed if the interest rate assumption is revised.
15	46.13	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Additional Amortization Aid	423A.02, Subd. 1b	Continues eligibility for additional amortization aid for the duration of the Minneapolis/MFRA amortization agreement.
16	48.12	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	Uncoded	Provides for the preparation by the PERA actuary of a special alternative valuation of the MFRA under the PERA-P&F actuarial assumptions and amortization target date prior to the consolidation, with results provided to the mayor of Minneapolis, the Minneapolis Police Relief Association, the Public Employees Retirement Association, the Legislative Commission on Pensions and Retirement, and the Legislative Reference Library.
17	48.33	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	MPRA	Uncoded	Terminates the special fund of the MFRA, permits the MFRA membership to elect to continue the relief association as a fraternal organization at a special meeting held before April 15, 2012, and redirects the MFRA general fund assets to the fraternal organization if one is established. The employees of the current MFRA have an employment preference with PERA comparable to the veterans preference act.
18	49.29	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	MPRA	Repealer	Repeals the statute chapter governing the MFRA.
19	49.33	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	--	Effective Date	Provides for a December 30, 2011, effective date for the consolidation if the consolidation is approved by the MFRA board of trustees, the MFRA membership, the Minneapolis city council, and the PERA board of trustees, and if the Minneapolis Police Relief Association (MPRA) also consolidates.

Article 7: Voluntary Consolidation of the Minneapolis Police Relief Association

1	50.36	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	353.01, New Subd. 10b	Adds a definition of base salary applicable to members of the former Minneapolis Police Relief Association (MPRA) for purposes of calculating benefits, set at the following amounts:												
					<table border="1"> <thead> <tr> <th>Calendar Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>\$86.71</td> </tr> <tr> <td>2012</td> <td>\$104.651</td> </tr> <tr> <td>2013</td> <td>\$109.011</td> </tr> <tr> <td>2014</td> <td>\$114.825</td> </tr> <tr> <td>2015</td> <td>\$124.031</td> </tr> </tbody> </table>	Calendar Year	Amount	2011	\$86.71	2012	\$104.651	2013	\$109.011	2014	\$114.825	2015	\$124.031
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Section-by-Section Summary of S.F. 1369, 1st Engrossment

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
2	51.1	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	353.01, Subd. 16	Includes as allowable service any service credit rendered as an active member of the former MPRA.
3	54.2	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	353.03, New Subd. 3b	Requires the PERA executive director to deduct from annuities any dues applicable to a continuing Minneapolis police fraternal organization.
4	54.8	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.65, Subd. 1	Clarifies the PERA-P&F retirement fund provision.
5	54.18	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.65, Subd. 2	Sets a separate member contribution rate of 8.00% for former active members of the MPRA with contributions after 25 years of service deposited in the post-retirement health care benefit defined contribution account in the PERA-P&F retirement fund.
6	55.3	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.65, Subd. 3	Sets a separate employer contribution equal to the employee contributions on behalf of the former members of the MPRA.
7	55.15	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.651, Subd. 1	Adds an exception to the general normal retirement age of 55 for active members of the former MPRA, where it is age 50.
8	55.21	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	New 353.6511	Specifies retirement and alternative benefits for members of the former MPRA that are sets as a unit value number (80ths of the maximums alary of a first grade Minneapolis patrol officer. Specifies that benefits are eligible for post-retirement adjustments under the PERA-P&F post-retirement adjustment mechanism. Adds dispute resolution procedure.
9	57.8	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 1	Adds an exception to the duty disability benefit provision for active members of the former MPRA, with benefits under new section 353.6511.
10	57.28	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 1a	Adds an exception to the total and permanent duty disability benefit provision for active members of the former MPRA, where benefit coverage is under new section 353.6511.
11	58.27	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 3	Adds an exception to the regular disability benefit provision for active members of the former MPRA, where benefit coverage is under new section 353.6511.
12	59.12	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.656, Subd. 3a	Adds an exception to the total and permanent regular disability benefit provision for active members of the former MPRA, where benefit coverage is under new section 353.6511.
13	60.5	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	353.657, Subd. 1	Adds an exception to the survivor benefit provision for active members of the former MPRA, where benefit coverage is under new section 353.6511.
14	60.22	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA-P&F	New 353.668	Provides for the transfer of the membership, the service credit and benefit liability, the records, and the assets of the former MPRA, requires the City of Minneapolis to pay the full actuarial requirements related to members of the former MPRA, with a 2031 amortization full funding date, requires the prior post-retirement health care benefit account balances to be retained by the current financial institution; and requires employer amortization payments to be recomputed if the interest rate assumption is revised.
15	64.11	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Additional Amortization Aid	423A.02, Subd. 1b	Continues eligibility for additional amortization aid for the duration of the Minneapolis/MPRA amortization agreement.
16	66.9	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	PERA	Uncoded	Provides for the preparation by the PERA actuary of a special alternative valuation of the MPRA under the PERA-P&F actuarial assumptions and amortization target date prior to the consolidation, with results provided to the mayor of Minneapolis, the Minneapolis Police Relief Association, the Public Employees Retirement Association, the Legislative Commission on Pensions and Retirement, and the Legislative Reference Library.
17	66.30	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	MPRA	Uncoded	Terminates the special fund of the MPRA, permits the MPRA membership to elect to continue the relief association as a fraternal organization at a special meeting held before April 15, 2012, and redirects the MPRA general fund assets to the fraternal organization if one is established. The employees of the current MPRA have an employment preference with PERA comparable to the veterans preference act.

Section-by-Section Summary of S.F. 1369, 1st Engrossment

Sec.	Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
18	67.25	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	MPRA	Repealer	Repeals the statute chapter governing the MPRA.
19	67.30	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	--	Effective Date	Provides for a December 30, 2011, effective date for the consolidation if the consolidation is approved by the MPRA board of trustees, the MPRA membership, the Minneapolis city council, and the PERA board of trustees, and if the Minneapolis Firefighters Relief Association (MFRA) also consolidates.
Article 8: Conforming Changes					
1	68.21	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	State Auditor Duties	6.67	Eliminates the MFRA and MPRA governing chapters from application of the possible misconduct reporting requirement.
2	69.1	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Open Meeting Law	13D.01, Subd. 1	Eliminates the MPRA governing chapter from the specification of local public pension plan for the open meeting requirement.
3	69.27	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Public Employees Insurance Program	43A.316, Subd. 8	Eliminates the MFRA governing chapter and the defunct Second Class City Firefighters Relief Association chapter citations from an insurance coverage provision.
4	70.22	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Local Police and Paid Fire Guidelines Act	69.77, Subd. 1a	Removes a reference to MFRA and MPRA in the guidelines act provision.
5	70.30	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Local Police and Paid Fire Guidelines Act	69.77, Subd. 4	Eliminates special administrative expense exception provisions only applicable to MFRA and MPRA.
6	72.23	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Actuarial Valuation Law	356.215, Subd. 8	Eliminates MFRA and MPRA references from the interest and salary increase actuarial assumption specification.
7	77.25	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Local Police & Fire Actuarial Valuations	356.216	Eliminates MFRA and MPRA references in the actuarial valuation adaptations law.
8	79.15	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Legal Process Exemption	356.401, Subd. 3	Eliminates MFRA and MPRA references from the legal process exemption provision.
9	80.14	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Supplemental Needs Trust Optional Annuity	356.465, Subd. 3	Eliminates MFRA and MPRA references from the special optional annuity provision.
10	81.3	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	1980 Phase-Out Benefit Increase	423A.01, Subd. 3	Eliminates a Minneapolis reference from the special benefit increase provision applicable to local relief associations.
11	81.19	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Amortization State Aid	423A.02, Subd. 1	Clarifies references to MPRA as a former relief association.
12	82.19	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Criminal Law	609B.455	Eliminates an incorrect MFRA and MPRA reference in a head note.
13	82.31	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	Criminal Law	609B.460	Clarifies an MPRA reference for benefit suspension during incarceration provision.
14	83.6	LCPR11-14A, Drawn from HF 1712 (Davnie); SF 1419 (Dibble)	--	Effective Date	The changes related to the MFRA are effective on the same date as the applicable substantive article, and the changes related to the MPRA are effective on the same date as the applicable substantive article.