

1.1 Senator moves to amend the delete-everything amendment (H0659-2A)
1.2 to S.F. No. 588 as follows:

1.3 Page 50, line 25, before the period insert ", or January 1, 2017, whichever is earlier"

1.4 Page 53, line 13, delete "(f) or"

1.5 Page 53, line 28, strike "was placed on any paid or unpaid leave of absence or "

1.6 Page 54, line 22, strike "within 18 months of filing the "

1.7 Page 54, line 23, strike "application," and delete "if the disability occurred " and
1.8 strike ", and the "

1.9 Page 54, line 24, strike everything before the period and insert "and constitutes a
1.10 total and permanent disability as defined in section 353.01, subdivision 17"

1.11 Page 54, line 30, delete "(f) or"

1.12 Page 54, line 31, after "determined" insert "by the board of directors"

1.13 Page 54, line 32, delete "applicable standard" and insert "application"

1.14 Page 54, line 33, delete "standard" and insert "application"

1.15 Page 65, after line 7, insert:

1.16 "Section 1. Minnesota Statutes 2015 Supplement, section 353.01, subdivision 16,
1.17 is amended to read:

1.18 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service"
1.19 means:

1.20 (1) service during years of actual membership in the course of which employee
1.21 deductions were withheld from salary and contributions were made at the applicable rates
1.22 under section 353.27, 353.65, or 353E.03;

1.23 (2) periods of service covered by payments in lieu of salary deductions under
1.24 sections 353.27, subdivisions 12 and 12a, and 353.35;

1.25 (3) service in years during which the public employee was not a member but for
1.26 which the member later elected, while a member, to obtain credit by making payments to
1.27 the fund as permitted by any law then in effect;

1.28 (4) a period of authorized leave of absence during which the employee receives pay
1.29 as specified in subdivision 10, paragraph (a), clause (4) or (5), from which deductions for
1.30 employee contributions are made, deposited, and credited to the fund;

1.31 (5) a period of authorized leave of absence without pay, or with pay that is not
1.32 included in the definition of salary under subdivision 10, paragraph (a), clause (4) or
1.33 (5), for which salary deductions are not authorized, and for which a member obtained
1.34 service credit for up to 12 months of the authorized leave period by payment under section
1.35 ~~353.0161~~ or 353.0162, to the fund made in place of salary deductions;

2.1 (6) a periodic, repetitive leave that is offered to all employees of a governmental
2.2 subdivision. The leave program may not exceed 208 hours per annual normal work cycle
2.3 as certified to the association by the employer. A participating member obtains service
2.4 credit by making employee contributions in an amount or amounts based on the member's
2.5 average salary, excluding overtime pay, that would have been paid if the leave had not
2.6 been taken. The employer shall pay the employer and additional employer contributions
2.7 on behalf of the participating member. The employee and the employer are responsible
2.8 to pay interest on their respective shares at the rate of 8.5 percent until June 30, 2015,
2.9 and eight percent thereafter, compounded annually, from the end of the normal cycle
2.10 until full payment is made. An employer shall also make the employer and additional
2.11 employer contributions, plus 8.5 percent interest until June 30, 2015, and eight percent
2.12 interest thereafter, compounded annually, on behalf of an employee who makes employee
2.13 contributions but terminates public service. The employee contributions must be made
2.14 within one year after the end of the annual normal working cycle or within 30 days after
2.15 termination of public service, whichever is sooner. The executive director shall prescribe
2.16 the manner and forms to be used by a governmental subdivision in administering a
2.17 periodic, repetitive leave. Upon payment, the member must be granted allowable service
2.18 credit for the purchased period;

2.19 (7) an authorized temporary or seasonal layoff under subdivision 12, limited to three
2.20 months allowable service per authorized temporary or seasonal layoff in one calendar year.
2.21 An employee who has received the maximum service credit allowed for an authorized
2.22 temporary or seasonal layoff must return to public service and must obtain a minimum of
2.23 three months of allowable service subsequent to the layoff in order to receive allowable
2.24 service for a subsequent authorized temporary or seasonal layoff;

2.25 (8) a period during which a member is absent from employment by a governmental
2.26 subdivision by reason of service in the uniformed services, as defined in United States
2.27 Code, title 38, section 4303(13), if the member returns to public service with the same
2.28 governmental subdivision upon discharge from service in the uniformed service within the
2.29 time frames required under United States Code, title 38, section 4312(e), provided that
2.30 the member did not separate from uniformed service with a dishonorable or bad conduct
2.31 discharge or under other than honorable conditions. The service must be credited if the
2.32 member pays into the fund equivalent employee contributions based upon the contribution
2.33 rate or rates in effect at the time that the uniformed service was performed multiplied by
2.34 the full and fractional years being purchased and applied to the annual salary rate. The
2.35 annual salary rate is the average annual salary during the purchase period that the member
2.36 would have received if the member had continued to be employed in covered employment

3.1 rather than to provide uniformed service, or, if the determination of that rate is not
3.2 reasonably certain, the annual salary rate is the member's average salary rate during the
3.3 12-month period of covered employment rendered immediately preceding the period of the
3.4 uniformed service. Payment of the member equivalent contributions must be made during
3.5 a period that begins with the date on which the individual returns to public employment
3.6 and that is three times the length of the military leave period, or within five years of the
3.7 date of discharge from the military service, whichever is less. If the determined payment
3.8 period is less than one year, the contributions required under this clause to receive service
3.9 credit may be made within one year of the discharge date. Payment may not be accepted
3.10 following 30 days after termination of public service under subdivision 11a. If the member
3.11 equivalent contributions provided for in this clause are not paid in full, the member's
3.12 allowable service credit must be prorated by multiplying the full and fractional number
3.13 of years of uniformed service eligible for purchase by the ratio obtained by dividing
3.14 the total member contributions received by the total member contributions otherwise
3.15 required under this clause. The equivalent employer contribution, and, if applicable, the
3.16 equivalent additional employer contribution must be paid by the governmental subdivision
3.17 employing the member if the member makes the equivalent employee contributions. The
3.18 employer payments must be made from funds available to the employing unit, using the
3.19 employer and additional employer contribution rate or rates in effect at the time that the
3.20 uniformed service was performed, applied to the same annual salary rate or rates used to
3.21 compute the equivalent member contribution. The governmental subdivision involved
3.22 may appropriate money for those payments. The amount of service credit obtainable
3.23 under this section may not exceed five years unless a longer purchase period is required
3.24 under United States Code, title 38, section 4312. The employing unit shall pay interest
3.25 on all equivalent member and employer contribution amounts payable under this clause.
3.26 Interest must be computed at the rate of 8.5 percent until June 30, 2015, and eight percent
3.27 thereafter, compounded annually, from the end of each fiscal year of the leave or the break
3.28 in service to the end of the month in which the payment is received. Upon payment, the
3.29 employee must be granted allowable service credit for the purchased period; or

3.30 (9) a period specified under section 353.0162.

3.31 (b) No member may receive more than 12 months of allowable service credit in a
3.32 year either for vesting purposes or for benefit calculation purposes.

3.33 (c) For an active member who was an active member of the former Minneapolis
3.34 Firefighters Relief Association on December 29, 2011, "allowable service" is the period
3.35 of service credited by the Minneapolis Firefighters Relief Association as reflected in
3.36 the transferred records of the association up to December 30, 2011, and the period

4.1 of service credited under paragraph (a), clause (1), after December 30, 2011. For an
 4.2 active member who was an active member of the former Minneapolis Police Relief
 4.3 Association on December 29, 2011, "allowable service" is the period of service credited
 4.4 by the Minneapolis Police Relief Association as reflected in the transferred records of the
 4.5 association up to December 30, 2011, and the period of service credited under paragraph
 4.6 (a), clause (1), after December 30, 2011.

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

4.8 Sec. 2. Minnesota Statutes 2014, section 353.012, is amended to read:

4.9 **353.012 UNIVERSITY OF MINNESOTA EMPLOYEES; FURLOUGH**
 4.10 **SERVICE AND SALARY CREDIT.**

4.11 A furloughed employee of the University of Minnesota who is a member of the
 4.12 public employees police and fire plan may obtain allowable service and salary credit
 4.13 for the furlough period. The allowable service and salary credit authorization is a leave
 4.14 of absence authorization for purposes of section ~~353.0161~~ and the purchase payment
 4.15 procedure of section ~~353.0161~~, subdivision 2, applies 353.0162.

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

4.17 Sec. 3. Minnesota Statutes 2014, section 353.32, subdivision 4, is amended to read:

4.18 Subd. 4. **Lack, or death, of beneficiary.** If a member or former member dies
 4.19 without having designated a beneficiary or if the beneficiary should die before making
 4.20 application for refund, and if there is no surviving spouse, and if the legal representative of
 4.21 such member or former member does not apply for refund within five years from the date
 4.22 of death of the member or former member, the accumulated deductions to the member or
 4.23 former member's credit at the time of death shall be disposed of in the manner provided
 4.24 in section ~~353.34~~, subdivision ~~6~~ 356.631.

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

4.26 Renumber the sections in sequence

4.27 Amend the title accordingly