

1.1 ..... moves to amend S.F. No. ....; H.F. No. 1152, the delete everything  
1.2 amendment (H1152-1A), as follows:

1.3 Page 23, delete article 4 and insert:

1.4 "ARTICLE 4

1.5 JUDGES RETIREMENT COVERAGE REVISIONS

1.6 Section 1. Minnesota Statutes 2012, section 352D.015, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 4b. **Judges retirement plan tier III.** "Judges retirement plan tier III" means  
1.9 the retirement program in the judges retirement plan governed by section 490.121,  
1.10 subdivision 26.

1.11 **EFFECTIVE DATE.** This section is effective July 1, 2013.

1.12 Sec. 2. Minnesota Statutes 2012, section 352D.015, subdivision 5, is amended to read:

1.13 Subd. 5. **Covered employment.** "Covered employment" means employment  
1.14 covered by this chapter or by chapter 352, or by chapter 490.

1.15 **EFFECTIVE DATE.** This section is effective July 1, 2013.

1.16 Sec. 3. Minnesota Statutes 2012, section 352D.02, subdivision 1, is amended to read:

1.17 Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (c), clauses (2),  
1.18 (3), (4), (6) to (14), and (16) to (18), if they are in the unclassified service of the state or  
1.19 Metropolitan Council and are eligible for coverage under the general state employees  
1.20 retirement plan under chapter 352, are participants in the unclassified program under this  
1.21 chapter unless the employee gives notice to the executive director of the Minnesota State  
1.22 Retirement System within one year following the commencement of employment in the  
1.23 unclassified service that the employee desires coverage under the general state employees

2.1 retirement plan. For the purposes of this chapter, an employee who does not file notice  
2.2 with the executive director is deemed to have exercised the option to participate in the  
2.3 unclassified program.

2.4 (b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified  
2.5 program under this chapter unless the person was eligible to elect different coverage under  
2.6 section 3A.07 and elected retirement coverage by the applicable alternative retirement  
2.7 plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified  
2.8 program under this chapter for judicial employment in excess of the service credit limit  
2.9 in section 490.121, subdivision 22. Persons referenced in paragraph (c), clause (19), are  
2.10 participants in the unclassified program under this chapter for judicial employment from  
2.11 the effective date of the judges's coverage by judges retirement plan tier III.

2.12 (c) Enumerated employees and referenced persons are:

2.13 (1) the governor, the lieutenant governor, the secretary of state, the state auditor,  
2.14 and the attorney general;

2.15 (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary  
2.16 of State, State Auditor, Attorney General;

2.17 (3) an employee of the State Board of Investment;

2.18 (4) the head of a department, division, or agency created by statute in the unclassified  
2.19 service, an acting department head subsequently appointed to the position, or an employee  
2.20 enumerated in section 15A.0815 or 15A.083, subdivision 4;

2.21 (5) a member of the legislature;

2.22 (6) a full-time unclassified employee of the legislature or a commission or agency of  
2.23 the legislature who is appointed without a limit on the duration of the employment or a  
2.24 temporary legislative employee having shares in the supplemental retirement fund as a  
2.25 result of former employment covered by this chapter, whether or not eligible for coverage  
2.26 under the Minnesota State Retirement System;

2.27 (7) a person who is employed in a position established under section 43A.08,  
2.28 subdivision 1, clause (3), or in a position authorized under a statute creating or establishing  
2.29 a department or agency of the state, which is at the deputy or assistant head of department  
2.30 or agency or director level;

2.31 (8) the regional administrator, or executive director of the Metropolitan Council,  
2.32 general counsel, division directors, operations managers, and other positions as designated  
2.33 by the council, all of which may not exceed 27 positions at the council and the chair;

2.34 (9) the executive director, associate executive director, and not to exceed nine  
2.35 positions of the Minnesota Office of Higher Education in the unclassified service, as  
2.36 designated by the Minnesota Office of Higher Education before January 1, 1992, or

3.1 subsequently redesignated with the approval of the board of directors of the Minnesota  
3.2 State Retirement System, unless the person has elected coverage by the individual  
3.3 retirement account plan under chapter 354B;

3.4 (10) the clerk of the appellate courts appointed under article VI, section 2, of the  
3.5 Constitution of the state of Minnesota, the state court administrator and judicial district  
3.6 administrators;

3.7 (11) the chief executive officers of correctional facilities operated by the Department  
3.8 of Corrections and of hospitals and nursing homes operated by the Department of Human  
3.9 Services;

3.10 (12) an employee whose principal employment is at the state ceremonial house;

3.11 (13) an employee of the Agricultural Utilization Research Institute;

3.12 (14) an employee of the State Lottery who is covered by the managerial plan  
3.13 established under section 43A.18, subdivision 3;

3.14 (15) a judge covered by tier I of the judges retirement plan who has exceeded the  
3.15 service credit limit in section 490.121, subdivision 22, for the limited purpose of coverage  
3.16 for service rendered after the service credit limit is reached;

3.17 (16) an employee of Enterprise Minnesota, Inc.;

3.18 (17) a person employed by the Minnesota State Colleges and Universities as faculty  
3.19 or in an eligible unclassified administrative position as defined in section 354B.20,  
3.20 subdivision 6, who was employed by the former state university or the former community  
3.21 college system before May 1, 1995, and elected unclassified program coverage prior to  
3.22 May 1, 1995; ~~and~~

3.23 (18) a person employed by the Minnesota State Colleges and Universities who  
3.24 was employed in state service before July 1, 1995, who subsequently is employed in an  
3.25 eligible unclassified administrative position as defined in section 354B.20, subdivision 6,  
3.26 and who elects coverage by the unclassified program; and

3.27 (19) a judge covered by the judges retirement plan tier III.

3.28 **EFFECTIVE DATE.** This section is effective July 1, 2013.

3.29 Sec. 4. Minnesota Statutes 2012, section 352D.02, subdivision 3, is amended to read:

3.30 Subd. 3. **Transfer to general employees retirement plan.** (a) If permitted under  
3.31 paragraph (b), an employee referred to in subdivision 1, paragraph (c), clauses (2) to (4),  
3.32 (6) to (14), and (16) to (18), who is credited with shares in the unclassified program and  
3.33 has credit for allowable service may elect to terminate participation in the unclassified  
3.34 program and be covered by the general employees retirement plan.

4.1 (b) An employee specified in paragraph (a) other than a judge covered by the judges  
4.2 retirement plan tier I or tier III is permitted to terminate participation in the unclassified  
4.3 program and be covered by the general employees retirement plan if the employee:

4.4 (1) was employed before July 1, 2010, and has at least ten years of allowable  
4.5 service; or

4.6 (2) was first employed after June 30, 2010, and has no more than seven years of  
4.7 allowable service.

4.8 The election must be in writing on a form provided by the executive director, and  
4.9 can be made no later than one month following the termination of covered employment.

4.10 (c) If the transfer election is made, the executive director shall redeem the employee's  
4.11 total shares and credit to the employee's account in the general employees retirement  
4.12 plan the amount of contributions that would have been credited had the employee been  
4.13 covered by the general employees retirement plan during the employee's entire covered  
4.14 employment. The balance of money redeemed and not credited to the employee's account  
4.15 must be transferred to the general employees retirement plan, except that the executive  
4.16 director must determine:

4.17 (1) the employee contributions paid to the unclassified program; and

4.18 (2) the employee contributions that would have been paid to the general employees  
4.19 retirement plan for the comparable period, if the individual had been covered by that plan.

4.20 If clause (1) is greater than clause (2), the difference must be refunded to the  
4.21 employee as provided in section 352.22. If clause (2) is greater than clause (1), the  
4.22 difference must be paid by the employee within six months of electing general employees  
4.23 retirement plan coverage or before the effective date of the annuity, whichever is sooner.

4.24 (d) An election under paragraph (b) to transfer coverage to the general employees  
4.25 retirement plan is irrevocable during any period of covered employment.

4.26 (e) A person referenced in subdivision 1, paragraph (c), clause (1), (5), or (15), who  
4.27 is credited with employee shares in the unclassified program is not permitted to terminate  
4.28 participation in the unclassified program and be covered by the general employees  
4.29 retirement plan.

4.30 **EFFECTIVE DATE.** This section is effective July 1, 2013.

4.31 Sec. 5. Minnesota Statutes 2012, section 352D.03, is amended to read:

4.32 **352D.03 TRANSFER OF ASSETS.**

4.33 Unless an eligible employee enumerated in section 352D.02, subdivision 1, other  
4.34 than a judge covered by judges retirement plan tier I or tier III, has elected coverage under

5.1 the individual retirement account plan under chapter 354B, for an employee exercising  
5.2 an option under section 352D.02, an amount equal to the employee and employer  
5.3 contributions for the employment period plus six percent interest, compounded annually,  
5.4 must be used for the purchase of shares on behalf of each employee in the accounts of the  
5.5 supplemental retirement fund established by section 11A.17.

5.6 **EFFECTIVE DATE.** This section is effective July 1, 2013.

5.7 Sec. 6. Minnesota Statutes 2012, section 352D.04, subdivision 2, is amended to read:

5.8 Subd. 2. **Contribution rates.** (a) The money used to purchase shares under this  
5.9 section is the employee and employer contributions provided in this subdivision.

5.10 (b) The employee contribution is an amount equal to the percent of salary specified  
5.11 in section 352.04, subdivision 2, or 352.045, subdivision 3.

5.12 (c) The employer contribution is an amount equal to six percent of salary.

5.13 (d) For members of the legislature, the contributions under this subdivision also must  
5.14 be made on per diem payments received during a regular or special legislative session, but  
5.15 may not be made on per diem payments received outside of a regular or special legislative  
5.16 session, on the additional compensation attributable to a leadership position under section  
5.17 3.099, subdivision 3, living expense payments under section 3.101, or special session  
5.18 living expense payments under section 3.103.

5.19 (e) For a judge covered by tier I of the judges retirement plan who is a member of  
5.20 the unclassified plan under section 352D.02, subdivision 1, paragraph (c), clause (16), the  
5.21 employee contribution rate is eight percent of salary, and there is no employer contribution.

5.22 (f) For a judge who is a member of the judges retirement plan tier III, the employee  
5.23 contribution rate and the employer contribution rate are governed by section 490.123,  
5.24 subdivisions 1a and 1b.

5.25 (f) (g) These contributions must be made in the manner provided in section 352.04,  
5.26 subdivisions 4, 5, and 6.

5.27 **EFFECTIVE DATE.** This section is effective July 1, 2013.

5.28 Sec. 7. Minnesota Statutes 2012, section 352D.05, subdivision 3, is amended to read:

5.29 Subd. 3. **Full or partial withdrawal.** (a) Except as provided in paragraph (b), after  
5.30 termination of covered employment or at any time thereafter, a participant is entitled, upon  
5.31 application, to withdraw the cash value of the participant's total shares or leave such shares  
5.32 on deposit with the supplemental ~~retirement~~ investment fund.

6.1 (b) A judge covered by judges retirement plan tier I or tier III is only entitled, after  
6.2 the termination of judicial service and upon application, to withdraw the cash value of  
6.3 the judge's total shares.

6.4 (c) The account is valued at the end of the most recent United States investment  
6.5 market day following receipt of the application for withdrawal.

6.6 (d) Shares not withdrawn remain on deposit with the supplemental retirement fund  
6.7 until the former participant becomes at least 55 years old, and applies for an annuity under  
6.8 section 352D.06, subdivision 1.

6.9 **EFFECTIVE DATE.** This section is effective July 1, 2013.

6.10 Sec. 8. Minnesota Statutes 2012, section 352D.05, is amended by adding a subdivision  
6.11 to read:

6.12 Subd. 5. **Annuity contract purchase.** On behalf of a judge covered by judges  
6.13 retirement plan tier III, at the request of the judge at termination of judicial service, the  
6.14 executive director of the Minnesota State Retirement System may purchase an annuity with  
6.15 the judge's total shares from an insurance carrier that is licensed to do business in this state.

6.16 **EFFECTIVE DATE.** This section is effective July 1, 2013.

6.17 Sec. 9. Minnesota Statutes 2012, section 352D.06, subdivision 1, is amended to read:

6.18 Subdivision 1. **Annuity; reserves.** When a participant other than a judge covered by  
6.19 the judges retirement plan tier III attains at least age 55, terminates from covered service,  
6.20 and applies for a retirement annuity, the cash value of the participant's shares must be  
6.21 transferred to the general state employees retirement fund and must be used to provide an  
6.22 annuity for the retired employee based upon the participant's age when the benefit begins  
6.23 to accrue according to the reserve basis used by the general state employees retirement  
6.24 plan in determining pensions and reserves. The annuity under this subdivision is eligible  
6.25 for postretirement adjustments under section 356.415.

6.26 **EFFECTIVE DATE.** This section is effective July 1, 2013.

6.27 Sec. 10. Minnesota Statutes 2012, section 352D.06, subdivision 2, is amended to read:

6.28 Subd. 2. **Partial value annuity.** A participant other than a judge covered by the  
6.29 judges retirement plan tier III has the option in an application for an annuity to apply for  
6.30 and receive a partial value of the total shares and thereafter receive an annuity, as provided  
6.31 in subdivision 1, based on the remaining value of the total shares.

7.1 **EFFECTIVE DATE.** This section is effective July 1, 2013.

7.2 Sec. 11. Minnesota Statutes 2012, section 352D.065, subdivision 2, is amended to read:

7.3 Subd. 2. **Disability benefit amount.** (a) Except as provided in paragraph (b),  
7.4 a participant who becomes totally and permanently disabled has the option, even if on  
7.5 leave of absence without pay, to receive:

7.6 (1) the value of the participant's total shares;

7.7 (2) the value of a portion of the total shares and an annuity based on the remainder  
7.8 of the total shares; or

7.9 (3) an annuity based on the value of the participant's total shares.

7.10 (b) A judge covered by the judges retirement plan tier III who becomes totally  
7.11 and permanently disabled, even if on a leave of absence without pay, is entitled, upon  
7.12 application, to withdraw the cash value of the judge's total shares.

7.13 **EFFECTIVE DATE.** This section is effective July 1, 2013.

7.14 Sec. 12. Minnesota Statutes 2012, section 352D.075, subdivision 2, is amended to read:

7.15 Subd. 2. **Surviving spouse benefit.** (a) Except as provided in paragraph (b),  
7.16 notwithstanding any designation of a beneficiary to the contrary, if a participant or a  
7.17 former participant dies before an annuity or a disability benefit becomes payable, the  
7.18 surviving spouse is entitled to receive:

7.19 (1) a lump-sum payment of the value of the participant's total shares;

7.20 (2) a lump-sum payment of a portion of the value of the total shares and, at any time  
7.21 after the participant's death, an annuity based on the remaining value of the total shares. If  
7.22 the spouse dies before receiving any annuity payments, the remaining value of the shares  
7.23 is payable to the spouse's children in equal shares, and if no children survive, then to the  
7.24 parents of the spouse in equal shares, and if no children or parents survive, then to the  
7.25 estate of the spouse; or

7.26 (3) at any time after the participant's death, an annuity based on the value of the total  
7.27 shares. If the spouse dies before receiving any annuity payments, the value of the shares is  
7.28 payable to the spouse's children in equal shares, and if no children survive, then to the  
7.29 parents of the spouse in equal shares, and if no such children or parents survive, then to  
7.30 the estate of the spouse; and if the spouse dies after receiving annuity payments but before  
7.31 receiving payments equal to the value of the employee shares, the value of the employee  
7.32 shares remaining is payable to the spouse's children in equal shares, and if no children  
7.33 survive, then to the parents of the spouse in equal shares, and if no children or parents  
7.34 survive, then to the estate of the spouse.

8.1 (b) The surviving spouse of a judge covered by the judges retirement plan tier III,  
8.2 upon application, is entitled to withdraw the case value of the judge's total shares.

8.3 ~~(b)~~ (c) A participant or a former participant and the person's spouse may make a joint  
8.4 specification, in writing, on a form prescribed by the executive director, that the benefits  
8.5 provided in this section must be paid only to the designated beneficiary.

8.6 **EFFECTIVE DATE.** This section is effective July 1, 2013.

8.7 Sec. 13. Minnesota Statutes 2012, section 356.315, is amended by adding a subdivision  
8.8 to read:

8.9 Subd. 8a. **Judges plan tier II.** The applicable benefit accrual rate is 2.5 percent.

8.10 **EFFECTIVE DATE.** This section is effective July 1, 2013.

8.11 Sec. 14. Minnesota Statutes 2012, section 356.415, subdivision 1, is amended to read:

8.12 Subdivision 1. **Annual postretirement adjustments; generally.** (a) Except as  
8.13 otherwise provided in subdivision 1a, 1b, 1c, 1d, ~~or 1e,~~ or 1f, retirement annuity, disability  
8.14 benefit, or survivor benefit recipients of a covered retirement plan are entitled to a  
8.15 postretirement adjustment annually on January 1, as follows:

8.16 (1) a postretirement increase of 2.5 percent must be applied each year, effective  
8.17 January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has  
8.18 been receiving an annuity or a benefit for at least 12 full months prior to the January 1  
8.19 increase; and

8.20 (2) for each annuitant or benefit recipient who has been receiving an annuity or a  
8.21 benefit amount for at least one full month, an annual postretirement increase of 1/12 of 2.5  
8.22 percent for each month that the person has been receiving an annuity or benefit must be  
8.23 applied, effective on January 1 following the calendar year in which the person has been  
8.24 retired for less than 12 months.

8.25 (b) The increases provided by this subdivision commence on January 1, 2010.

8.26 (c) An increase in annuity or benefit payments under this section must be made  
8.27 automatically unless written notice is filed by the annuitant or benefit recipient with the  
8.28 executive director of the covered retirement plan requesting that the increase not be made.

8.29 (d) The retirement annuity payable to a person who retires before becoming eligible  
8.30 for Social Security benefits and who has elected the optional payment as provided in  
8.31 section 353.29, subdivision 6, must be treated as the sum of a period certain retirement  
8.32 annuity and a life retirement annuity for the purposes of any postretirement adjustment.  
8.33 The period certain retirement annuity plus the life retirement annuity must be the



9.1 annuity amount payable until age 62 for section 353.29, subdivision 6. A postretirement  
9.2 adjustment granted on the period certain retirement annuity must terminate when the  
9.3 period certain retirement annuity terminates.

9.4 **EFFECTIVE DATE.** This section is effective July 1, 2013.

9.5 Sec. 15. Minnesota Statutes 2012, section 356.415, is amended by adding a subdivision  
9.6 to read:

9.7 **Subd. 1f. Annual postretirement adjustments; Minnesota State Retirement**  
9.8 **System judges retirement plan.** (a) The increases provided under this subdivision begin  
9.9 on January 1, 2014, and are in lieu of increases under subdivision 1 or 1a for retirement  
9.10 annuity, disability benefit, or survivor benefit recipients of the judges retirement plan.

9.11 (b) Retirement annuity, disability benefit, or survivor benefit recipients of the  
9.12 judges retirement plan are entitled to a postretirement adjustment annually on January  
9.13 1, as follows:

9.14 (1) a postretirement increase of 1.75 percent must be applied each year, effective  
9.15 on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient  
9.16 who has been receiving an annuity or a benefit for at least 18 full months before the  
9.17 January 1 increase; and

9.18 (2) for each annuitant or benefit recipient who has been receiving an annuity or a  
9.19 benefit for at least six full months, an annual postretirement increase of 1/12 of 1.75  
9.20 percent for each month that the person has been receiving an annuity or benefit must be  
9.21 applied, effective January 1, following the calendar year in which the person has been  
9.22 retired for at least six months, but has been retired for less than 18 months.

9.23 (c) Increases under this subdivision terminate on December 31 of the calendar  
9.24 year in which the actuarial valuation prepared by the approved actuary under sections  
9.25 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative  
9.26 Commission on Pensions and Retirement indicates that the market value of assets of the  
9.27 judges retirement plan equals or exceeds 70 percent of the actuarial accrued liability of  
9.28 the retirement plan. Increases under subdivision 1 or 1a, whichever is applicable, begin  
9.29 on the January 1 next following that date.

9.30 (d) An increase in annuity or benefit payments under this subdivision must be made  
9.31 automatically unless written notice is filed by the annuitant or benefit recipient with the  
9.32 executive director of the applicable covered retirement plan requesting that the increase  
9.33 not be made.

9.34 **EFFECTIVE DATE.** This section is effective July 1, 2013.

10.1 Sec. 16. Minnesota Statutes 2012, section 490.121, subdivision 21f, is amended to read:

10.2 Subd. 21f. **Normal retirement date.** (a) For a judge in the tier I program, "normal  
10.3 retirement date" means the date a the judge attains the age of 65.

10.4 (b) For a judge in the tier II program, "normal retirement date" means the date  
10.5 the judge attains age 66.

10.6 (c) For a judge in the tier III program, "normal retirement date" means the date on  
10.7 which the retiring judge elects to receive a withdrawal or retirement benefit.

10.8 **EFFECTIVE DATE.** This section is effective July 1, 2013.

10.9 Sec. 17. Minnesota Statutes 2012, section 490.121, subdivision 22, is amended to read:

10.10 Subd. 22. **Service credit limit.** "Service credit limit" means, for a judge covered  
10.11 by tier I, the greater of: (1) 24 years of allowable service under this chapter; or (2)<sub>2</sub> for  
10.12 judges a judge with allowable service rendered before July 1, 1980, the number of years of  
10.13 allowable service under chapter 490, which, when multiplied by the percentage listed in  
10.14 section 356.315, subdivision 7 or 8, whichever is applicable to each year of service, equals  
10.15 76.8. For a judge covered by tier II or tier III, there is no service credit limit.

10.16 **EFFECTIVE DATE.** This section is effective July 1, 2013.

10.17 Sec. 18. Minnesota Statutes 2012, section 490.121, is amended by adding a subdivision  
10.18 to read:

10.19 Subd. 25. **Tier I.** "Tier I" is the benefit program of the retirement plan with a  
10.20 membership specified by section 490.1221, paragraph (b), and governed by sections  
10.21 356.315, subdivisions 7 and 8; 356.415, subdivisions 1 and 1f; and 490.121 to 490.133,  
10.22 except as modified in sections 356.315, subdivision 8a; 490.121, subdivision 21f,  
10.23 paragraph (b); 490.1222; 490.123, subdivision 1a, paragraph (b); and 490.124, subdivision  
10.24 1, paragraphs (c) and (d).

10.25 **EFFECTIVE DATE.** This section is effective July 1, 2013.

10.26 Sec. 19. Minnesota Statutes 2012, section 490.121, is amended by adding a subdivision  
10.27 to read:

10.28 Subd. 26. **Tier II.** "Tier II" is the benefit program of the retirement plan with a  
10.29 membership specified by section 490.1221, paragraph (c), who elected coverage by that  
10.30 tier and that is governed by sections 356.315, subdivision 8a; 356.415, subdivisions 1 and  
10.31 1f; 490.121 to 490.133, as modified in section 490.121, subdivision 21f, paragraph (b);

11.1 490.1222; 490.123, subdivision 1a, paragraph (b); and 490.124, subdivision 1, paragraphs  
11.2 (c) and (d).

11.3 **EFFECTIVE DATE.** This section is effective July 1, 2013.

11.4 Sec. 20. Minnesota Statutes 2012, section 490.121, is amended by adding a subdivision  
11.5 to read:

11.6 Subd. 27. **Tier III.** "Tier III" is the benefit program of the retirement plan with  
11.7 a membership specified by section 490.1221, paragraph (c), who elected coverage by  
11.8 that tier and that is governed by the applicable provisions of chapter 352D and sections  
11.9 490.1221 and 490.123, subdivisions 1a and 1b.

11.10 Sec. 21. **[490.1221] JUDGES PLAN PROGRAMS.**

11.11 (a) Members of the judges retirement plan are members of either the tier I or tier II  
11.12 program.

11.13 (b) A tier I program judge is a person who was first appointed or elected as a judge  
11.14 before July 1, 2013, who was not eligible for the tier II program because the judge had  
11.15 five or more years of allowable service on or before December 30, 2013, or did not elect  
11.16 that program.

11.17 (c) A tier II program judge is a person who:

11.18 (1) was first appointed or elected as a judge after June 30, 2013; or

11.19 (2) was first appointed or elected as a judge before July 1, 2013, had less than five  
11.20 years of allowable service on or before December 30, 2013, and made an election under  
11.21 section 27 to be in the tier II program.

11.22 (d) A tier III program judge is a person who:

11.23 (1) was first appointed or elected as a judge after June 30, 2013; or

11.24 (2) was first appointed or elected as a judge after June 30, 2013, had less than five  
11.25 years of allowable service on or before December 30, 2013, and made an election under  
11.26 section 27 to be in the tier III program.

11.27 **EFFECTIVE DATE.** This section is effective July 1, 2013.

11.28 Sec. 22. **[490.1222] APPLICATION OF SERVICE CREDIT LIMIT.**

11.29 The service credit limit specified in section 490.121, subdivision 22, does not apply  
11.30 to a judge in the tier II program or to a judge in the tier III program.

11.31 **EFFECTIVE DATE.** This section is effective July 1, 2013.

12.1 Sec. 23. Minnesota Statutes 2012, section 490.123, subdivision 1a, is amended to read:

12.2 Subd. 1a. **Member contribution rates.** (a) A judge ~~who is covered by the federal~~  
12.3 ~~Old Age, Survivors, Disability, and Health Insurance Program and~~ in the tier I program  
12.4 whose service does not exceed the service credit limit in section 490.121, subdivision 22,  
12.5 shall contribute to the fund from each salary payment a sum equal to ~~8.00~~ 9.00 percent  
12.6 of salary.

12.7 (b) A judge in the tier II program shall contribute to the fund from each salary  
12.8 payment a sum equal to 7.00 percent of salary.

12.9 (c) A judge in the tier III program shall contribute for deposit in the individual's  
12.10 account in the Minnesota supplemental investment fund an amount equal to 9.00 percent  
12.11 of salary.

12.12 ~~(b) The contribution~~ (d) Contributions under this subdivision ~~is~~ are payable by salary  
12.13 deduction. The deduction must be made by the state court administrator under section  
12.14 352.04, subdivisions 4, 5, and 8.

12.15 **EFFECTIVE DATE.** paragraph (a) of this section is effective beginning on the first  
12.16 day of the first full payroll period following an increase in judicial salaries of at least one  
12.17 percent due to action by the legislature during calendar year 2013 or later. Paragraphs  
12.18 (b) and (c) are effective beginning on the first day of the first full payroll period next  
12.19 following July 1, 2013.

12.20 Sec. 24. Minnesota Statutes 2012, section 490.123, subdivision 1b, is amended to read:

12.21 Subd. 1b. **Employer contribution rate.** (a) The employer contribution rate to the  
12.22 fund on behalf of a judge covered by tier I or tier II is ~~20.5~~ 22.5 percent of salary. The  
12.23 employer obligation continues after a judge covered by tier I exceeds the service credit  
12.24 limit in section 490.121, subdivision 22.

12.25 (b) The employer contribution rate to the fund on behalf of a judge covered by  
12.26 tier II is 22.5 percent of salary.

12.27 (c) The employer contribution rate on behalf of a judge covered by tier III for deposit  
12.28 in the judge's account in the Minnesota supplemental investment fund is nine percent of  
12.29 salary and to the judges retirement fund is 13.5 percent of salary.

12.30 ~~(b)~~ (d) The employer contribution must be paid by the state court administrator. The  
12.31 employer contribution is payable at the same time as member contributions are made  
12.32 under subdivision 1a or as employee contributions are made to the unclassified program  
12.33 governed by chapter 352D for judges covered by tier I whose service exceeds the limit in  
12.34 section 490.121, subdivision 22, or for judges covered by tier III are remitted.

13.1 **EFFECTIVE DATE.** This section is effective the first day of the first full payroll  
13.2 period after June 30, 2013.

13.3 Sec. 25. Minnesota Statutes 2012, section 490.124, subdivision 1, is amended to read:

13.4 Subdivision 1. **Basic Retirement annuity.** (a) Except as qualified hereinafter from  
13.5 and after the mandatory retirement date, the normal retirement date, the early retirement  
13.6 date, or one year from the disability retirement date, as the case may be, a retiring judge is  
13.7 eligible to receive a retirement annuity from the judges' retirement fund.

13.8 (b) For a tier I program judge, the retirement annuity is an amount equal to:

13.9 (1) the percent specified in section 356.315, subdivision 7, multiplied by the judge's  
13.10 final average compensation with that result then multiplied by the number of years and  
13.11 fractions of years of allowable service rendered before July 1, 1980; plus

13.12 (2) the percent specified in section 356.315, subdivision 8, multiplied by the judge's  
13.13 final average compensation with that result then multiplied by the number of years and  
13.14 fractions of years of allowable service rendered after June 30, 1980.

13.15 (c) For a tier II program judge who was first appointed or elected as a judge before  
13.16 July 1, 2013, the retirement annuity is an amount equal to:

13.17 (1) the percent specified in section 356.315, subdivision 8, multiplied by the judge's  
13.18 final average compensation with that result then multiplied by the number of years and  
13.19 fractions of years of allowable service rendered before January 1, 2014; plus

13.20 (2) the percentage specified in section 356.315, subdivision 8a, multiplied by the  
13.21 judge's final average compensation with that result then multiplied by the number of years  
13.22 and fractions of years of allowable service rendered after December 31, 2013.

13.23 (d) For a tier II program judge who was first appointed or elected as a judge after  
13.24 June 30, 2013, the retirement annuity is an amount equal to the percent specified in section  
13.25 356.315, subdivision 8a, multiplied by the judge's final average compensation with that  
13.26 result then multiplied by the number of years and fractions of years of allowable service.

13.27 (e) For a judge in the tier III program the withdrawal benefit, retirement benefit, or  
13.28 other benefit is governed by the applicable provisions of chapter 352D.

13.29 (e) (f) For a judge in the tier I program, service that exceeds the service credit limit in  
13.30 section 490.121, subdivision 22, must be excluded in calculating the retirement annuity, but  
13.31 the compensation earned by the judge during this period of judicial service must be used in  
13.32 determining a judge's final average compensation and calculating the retirement annuity.

13.33 **EFFECTIVE DATE.** This section is effective July 1, 2013.

13.34 Sec. 26. **MEMBER CONTRIBUTION INCREASE CONDITION.**

14.1 Any increase in judicial salaries enacted by the legislature during calendar year 2013  
14.2 or later is not applicable to a judge in the tier I program if the member contribution rate  
14.3 applicable to that judge in the tier I program under section 10 is not deducted from the  
14.4 salary of the judge.

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

14.6 Sec. 27. **TIER II OR TIER III PROGRAM ELECTION; PRE-JULY 1, 2013,**  
14.7 **JUDGES.**

14.8 Subdivision 1. **Authority.** A person who was first appointed or elected as a judge  
14.9 covered by the Minnesota State Retirement System judges retirement plan before July 1,  
14.10 2013, is eligible to elect treatment as a tier II program judge or as a tier III program judge  
14.11 if the judge has less than five years of allowable service on the date the judge makes a  
14.12 valid election under subdivision 2.

14.13 Subd. 2. **Election procedure.** An eligible judge under subdivision 1 may elect to be  
14.14 subject to provisions of Minnesota Statutes, chapter 490, applicable to a tier II program  
14.15 judge or to a combination of provisions of Minnesota Statutes, chapters 352D and 490,  
14.16 applicable to a tier III program judge rather than the tier I program by electing that  
14.17 treatment in writing before January 1, 2014, on a form provided by the executive director  
14.18 of the Minnesota State Retirement System.

14.19 Subd. 3. **Effect of election.** (a) The retirement coverage election under this section  
14.20 is irrevocable.

14.21 (b) An eligible judge who fails to make an election remains in the tier I program.

14.22 (c) If the tier II program is elected by an eligible judge, member contributions based on  
14.23 revised member contribution rates under Minnesota Statutes, section 490.123, subdivision  
14.24 1a, begin on the first day of the first full pay period occurring after January 1, 2014.

14.25 **EFFECTIVE DATE.** This section is effective July 1, 2013."

14.26 Amend the title accordingly