

1.1 moves to amend S.F. No. 1191; H.F. No. 1152, the delete everything
1.2 amendment (S1191-1A), as follows:

1.3 Page 29, after line 21, insert:

1.4 "Section 1. Minnesota Statutes 2012, section 352.03, subdivision 4, is amended to read:

1.5 Subd. 4. **Duties and powers of board of directors.** (a) The board shall:

1.6 (1) elect a chair;

1.7 (2) appoint an executive director;

1.8 (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D,
1.9 and 490 and transact the business of the system, subject to the limitations of law;

1.10 (4) consider and dispose of, or take any other action the board of directors deems
1.11 appropriate concerning, denials of applications for annuities or disability benefits under
1.12 this chapter, chapter 3A, 352B, 352C, 352D, or 490, and complaints of employees and
1.13 others pertaining to the retirement of employees and the operation of the system;

1.14 (5) oversee the administration of the deferred compensation plan established in
1.15 section 352.965; ~~and~~

1.16 (6) oversee the administration of the health care savings plan established in section
1.17 ~~352.98;~~ and

1.18 (7) approve early retirement and optional annuity factors, subject to review by the
1.19 actuary retained by the Legislative Commission on Pensions and Retirement, establish
1.20 the schedule for implementation of the approved factors, and notify the Legislative
1.21 Commission on Pensions and Retirement of the implementation schedule.

1.22 (b) The board shall advise the director on any matters relating to the system and
1.23 carrying out functions and purposes of this chapter. The board's advice shall control.

1.24 Sec. 2. Minnesota Statutes 2012, section 353.03, subdivision 3, is amended to read:

1.25 Subd. 3. **Duties and powers.** (a) The board shall:

1.26 (1) elect a president and vice-president;

2.1 (2) approve the staffing complement, as recommended by the executive director,
2.2 necessary to administer the fund;

2.3 (3) adopt bylaws for its own government and for the management of the fund
2.4 consistent with the laws of the state and may modify them at pleasure;

2.5 (4) adopt, alter, and enforce reasonable rules consistent with the laws of the state and
2.6 the terms of the applicable benefit plans for the administration and management of the
2.7 fund, for the payment and collection of payments from members and for the payment of
2.8 withdrawals and benefits, and that are necessary in order to comply with the applicable
2.9 federal Internal Revenue Service and Department of Labor requirements;

2.10 (5) pass upon and allow or disallow all applications for membership in the fund and
2.11 allow or disallow claims for withdrawals, pensions, or benefits payable from the fund;

2.12 (6) adopt an appropriate mortality table based on experience of the fund as
2.13 recommended by the association actuary and approved under section 356.215, subdivision
2.14 18, with interest set at the rate specified in section 356.215, subdivision 8;

2.15 (7) provide for the payment out of the fund of the cost of administering this
2.16 chapter, of all necessary expenses for the administration of the fund and of all claims for
2.17 withdrawals, pensions, or benefits allowed;~~and~~

2.18 (8) approve or disapprove all recommendations and actions of the executive director
2.19 made subject to its approval or disapproval by subdivision 3a; and

2.20 (7) approve early retirement and optional annuity factors, subject to review by the
2.21 actuary retained by the Legislative Commission on Pensions and Retirement, establish
2.22 the schedule for implementation of the approved factors, and notify the Legislative
2.23 Commission on Pensions and Retirement of the implementation schedule.

2.24 (b) In passing upon all applications and claims, the board may summon, swear, hear,
2.25 and examine witnesses and, in the case of claims for disability benefits, may require the
2.26 claimant to submit to a medical examination by a physician of the board's choice, at the
2.27 expense of the fund, as a condition precedent to the passing on the claim, and, in the
2.28 case of all applications and claims, may conduct investigations necessary to determine
2.29 their validity and merit.

2.30 (c) The board may continue to authorize the sale of life insurance to members under
2.31 the insurance program in effect on January 1, 1985, but must not change that program
2.32 without the approval of the commissioner of management and budget. The association
2.33 shall not receive any financial benefit from the life insurance program beyond the amount
2.34 necessary to reimburse the association for costs incurred in administering the program.
2.35 The association shall not engage directly or indirectly in any other activity involving the
2.36 sale or promotion of goods or services, or both, whether to members or nonmembers.

3.1 (d) The board shall establish procedures governing reimbursement of expenses
3.2 to board members. These procedures must define the types of activities and expenses
3.3 that qualify for reimbursement, must provide that all out-of-state travel be authorized
3.4 by the board, and must provide for the independent verification of claims for expense
3.5 reimbursement. The procedures must comply with the applicable rules and policies of the
3.6 Department of Management and Budget and the Department of Administration.

3.7 (e) The board may purchase fiduciary liability insurance and official bonds for the
3.8 officers and members of the board of trustees and employees of the association and may
3.9 purchase property insurance or may establish a self-insurance risk reserve including, but
3.10 not limited to, data processing insurance and "extra-expense" coverage.

3.11 Sec. 3. Minnesota Statutes 2012, section 354.07, subdivision 1, is amended to read:

3.12 Subdivision 1. **General powers of board.** The board has the power to frame bylaws
3.13 for its own government and for the management of the association not inconsistent with
3.14 the laws of the state and to modify them at its pleasure; to adopt, alter, and enforce
3.15 reasonable rules not inconsistent with the laws of the state for the administration and
3.16 management of the association, for the payment and collection of payments from
3.17 members, and for the payment of withdrawals and benefits; to pass upon and allow or
3.18 disallow applications for membership in the association and for credit for teaching service;
3.19 to pass upon and allow or disallow claims for withdrawals, pensions, or benefits payable
3.20 by the fund; to adopt an appropriate mortality table based on experience of the association
3.21 as recommended by the actuary retained under section 356.214 and using the applicable
3.22 postretirement interest assumption specified in section 356.215, subdivision 8; to approve
3.23 early retirement and optional annuity factors, subject to review by the actuary retained
3.24 by the Legislative Commission on Pensions and Retirement, establish the schedule
3.25 for implementation of the approved factors, and notify the Legislative Commission on
3.26 Pensions and Retirement of the implementation schedule; and to provide for the payment
3.27 out of the fund of necessary expenses for the administration by the association and of
3.28 claims for withdrawals, pensions, or benefits allowed."

3.29 Renumber the sections in sequence

3.30 Amend the title accordingly