



TO: Members of the Legislative Commission on Pensions and Retirement  
FROM: Susan Lenczewski, Executive Director  
RE: LCPR16-003: PERA; Administrative Bill  
DATE: February 1, 2016  
ATTACHMENT: LCPR16-003

### Summary of the 2016 PERA Administrative Bill

In bill draft LCPR16-003, the Public Employees Retirement Association (PERA) is proposing a number of changes to statutory provisions governing PERA. Most of the changes revise Minnesota Statutes, Chapter 353, which applies only to the PERA General Employee Retirement Plan (PERA-General) and the Public Employees Police and Fire Retirement Plan (PERA-P&F). The changes bring statutory language into conformity with actual practice, clarify language that is ambiguous or confusing and repeal provisions that are no longer needed. Commission staff worked closely with PERA staff to make the resulting statutory language as clear and concise as possible.

1. Section 1: Service and Salary Credit Purchases for Leaves of Absence (Minn. Stat. § 353.0162). In 2015, reference to specific leave types was removed from the statute because it is our understanding that employers were not all categorizing leaves the same way or were using categories that were not consistent with the statute. As a result, members had more opportunity to purchase salary and service credit missed as a result of a leave of absence. The proposed statutory changes further streamlines the statutes on this topic by merging the currently separate statute regarding service credit purchase (Minn. Stat. § 353.0161) into the salary purchase statute (Minn. Stat. § 353.062). Section 6 of the bill repeals Minn. Stat. § 353.0161.
2. Section 2: Refunds after Death, Before Retirement (Minn. Stat. § 353.32, Subd. 1). This section clarifies, by moving existing language, that if a member passes away before beginning to receive a retirement annuity, any prior payments to the member, such as disability or survivor benefits paid, must be deducted from the amount of contributions to be refunded to the designated beneficiary, surviving spouse or estate.
3. Section 3: Refunds after Termination (Minn. Stat. § 353.34, Subd. 2). This section clarifies, by adding language similar to the language used in § 353.32, Subd. 1, that if a member elects to take a refund of his or her contributions after terminating public service, any prior payments to the member, such as disability benefits paid, must be deducted from the refund amount.
4. Section 4: PERA-P&F Membership for Certain HCMC Supervisors. (Minn. Stat. § 353.64, Subd. 10). This section adds language to the Public Employees Police and Fire Retirement Plan membership qualifications that is consistent with Minn. Stat. § 383B.914, subd. 6, which governs Hennepin County Medical Center (HCMC). The new language provides that a supervisor or manager of

paramedics and emergency medical technicians is included in Police and Fire Plan membership, as long as the supervisor or manager is also certified as a paramedic or emergency medical technician under Minn. Stat. § 144E.28, subd. 4. This makes the statute consistent with current practice.

5. Section 5: Combined Service Annuity (Minn. Stat. § 356.30, Subd.1). This section clarifies that a person is not eligible for a combined service annuity until the person has terminated all public service. This makes the statute consistent with current practice.
6. Section 6: Repeal of Minn. Stat. § 353.0162 Regarding Service Credit Purchases for Leave of Absence. As noted in #1, on page 1, this statute has been merged into Minn. Stat. § 353.0162 so is no longer needed.

### **Staff Recommendation**

Staff recommends approval of the PERA administrative bill.