

1.1 moves to amend document LCPR17-038, as follows:

1.2 Pages 11 to 18, delete sections 1 to 5 and insert:

1.3 "Section 1. Minnesota Statutes 2016, section 126C.10, subdivision 37, is amended to read:

1.4 Subd. 37. **Pension adjustment revenue.** A school district's pension adjustment revenue
1.5 equals the sum of:

1.6 (1) the greater of zero or the product of:

1.7 (i) the difference between the teacher retirement fund employer contribution rate
1.8 established in section 354.42 or 354A.12 for the current fiscal year and the employer
1.9 contribution rate for fiscal year 2017; and

1.10 (ii) the salaries paid to employees who are members of the Teachers Retirement
1.11 Association or the St. Paul Teachers Retirement Association for the previous fiscal year;
1.12 and

1.13 (2) the greater of zero or the product of:

1.14 ~~(+)~~ (i) the difference between the district's adjustment under Minnesota Statutes 2012,
1.15 section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state
1.16 average adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for
1.17 fiscal year 2014 per adjusted pupil unit; and

1.18 ~~(-)~~ (ii) the district's adjusted pupil units for the fiscal year.

1.19 **EFFECTIVE DATE.** This section is effective for fiscal year 2018 and later.

1.20 Sec. 2. Minnesota Statutes 2016, section 354.44, subdivision 5, is amended to read:

1.21 Subd. 5. **Resumption of teaching service after retirement.** (a) ~~Any~~ If a person who
1.22 retired is receiving a retirement annuity under the provisions of this chapter and has thereafter
1.23 resumed resumes teaching in with any employer unit to which this chapter applies:

1.24 (1) the person is eligible to continue to receive annuity payments in accordance with the
1.25 annuity except that all or a portion of the annuity payments must be deferred during the
1.26 calendar year immediately following the fiscal year in which the person's salary from the
1.27 teaching service is in an amount greater than exceeds \$46,000. The amount of the annuity
1.28 deferral is one-half of the salary amount in excess of \$46,000 and must be deducted from
1.29 the annuity payable for the calendar year immediately following the fiscal year in which
1.30 the excess amount was earned; and

2.1 (2) if the person resumed teaching on or after July 1, 2017, the employer shall make the
 2.2 regular employer contributions specified in section 354.42, subdivision 3, paragraph (c),
 2.3 based on the person's salary as defined in paragraph (e), clauses (1) and (2).

2.4 (b) If the person is retired for only a fractional part of the fiscal year during the initial
 2.5 year of retirement, the ~~maximum reemployment salary exempt from triggering a deferral~~
 2.6 ~~as~~ threshold dollar amount specified in ~~this subdivision~~ paragraph (a), clause (1), must be
 2.7 prorated for that fiscal year.

2.8 (c) After a person has reached the Social Security normal retirement age, no deferral
 2.9 requirement is applicable regardless of the amount of salary.

2.10 (d) The amount of the retirement annuity deferral must be handled or disposed of as
 2.11 provided in section 356.47.

2.12 (e) For the purpose of this subdivision, salary from teaching service ~~includes~~ means:

2.13 (1) all salary or income earned as a teacher as defined in section 354.05, subdivision 2,
 2.14 paragraph (a), clause (1). ~~Salary from teaching service also includes, but is not limited to;~~

2.15 ~~(1)~~ (2) all income for services performed as a consultant, independent contractor, or
 2.16 third-party supplier; to an employer to which this chapter applies or as an employee of a
 2.17 consultant, independent contractor, or third-party supplier; to an employer ~~unit covered by~~
 2.18 the provisions of to which this chapter applies; and

2.19 ~~(2)~~ (3) if greater of either the income received than clause (1) or (2), an amount based
 2.20 on the rate paid ~~with respect~~ to a person in an administrative position, or as a consultant,
 2.21 independent contractor, or third-party supplier, or as an employee of a consultant, independent
 2.22 contractor, or third-party supplier, ~~in~~ to an employer ~~unit~~ with approximately the same
 2.23 number of pupils and at the same level as the position occupied by the person who resumes
 2.24 teaching service.

2.25 (f) Notwithstanding other paragraphs of this subdivision, if the reemployed annuitant
 2.26 has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1,
 2.27 the portion payable to the former spouse must not be deferred.

2.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.29 Sec. 3. **REPEALER.**

2.30 Minnesota Statutes 2016, section 354.60, is repealed."

2.31 Page 24, line 9, reinstate everything before "~~interest~~" and after "~~rate~~" insert "investment
 2.32 return" and reinstate "~~assumption~~"

3.1 Page 24, line 10, reinstate "~~ultimate~~" and after "rate" insert "investment return"

3.2 Page 24, lines 11 to 14, reinstate the stricken language

3.3 Page 24, line 15, reinstate everything before "~~interest~~" and after "rate" insert "investment
3.4 return" and reinstate "~~assumption~~"

3.5 Page 24, delete line 30

3.6 Page 34, line 7, after "plan" insert ", except the Teachers Retirement Association,"

3.7 Page 34, lines 12 to 13, delete "the Teachers Retirement Association and "

3.8 Page 34, line 14, after "annuity" insert " for all applicable plans, except the Teachers
3.9 Retirement Association, "

3.10 Page 34, line 17, after the period insert " The Teachers Retirement Association must
3.11 augment a deferred annuity under section 354.55, subdivision 11."

3.12 Page 43, delete section 10 and insert:

3.13 "Sec. 10. Minnesota Statutes 2016, section 356.415, subdivision 1d, is amended to read:

3.14 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.** (a)
3.15 Retirement annuity, disability benefit, or survivor benefit recipients of the Teachers
3.16 Retirement Association are entitled to a postretirement adjustment annually ~~on~~, effective
3.17 as of each January 1, as follows:

3.18 (1) ~~for each January 1 until funding stability is restored, effective January 1, 2018,~~
3.19 through December 31, 2022, a postretirement increase of ~~two~~ one percent must be applied
3.20 each year, ~~effective on January 1,~~ to the monthly annuity or benefit amount of each annuitant
3.21 or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months
3.22 as of the June 30 of the calendar year immediately before the adjustment;

3.23 (2) ~~for each January 1 until funding stability is restored, effective January 1, 2018,~~
3.24 through December 31, 2022, for each annuitant or benefit recipient who has been receiving
3.25 an annuity or a benefit for at least one full month, but less than 12 full months as of the June
3.26 30 of the calendar year immediately before the adjustment, an annual postretirement increase
3.27 of 1/12 of ~~two~~ one percent for each month the person has been receiving an annuity or
3.28 benefit must be applied to the monthly annuity or benefit amount of the annuitant or benefit
3.29 recipient;

3.30 (3) ~~for each January 1 following the restoration of funding stability, effective January~~
3.31 1, 2023, and thereafter, a postretirement increase of ~~2.5~~ 1.5 percent must be applied each
3.32 year, ~~effective January 1,~~ to the monthly annuity or benefit amount of each annuitant or

4.1 benefit recipient who has been receiving an annuity or a benefit for at least 12 full months
4.2 as of the June 30 of the calendar year immediately before the adjustment; and

4.3 ~~(4) for each January 1 following the restoration of funding stability, effective January~~
4.4 ~~1, 2023, and thereafter,~~ for each annuitant or benefit recipient who has been receiving an
4.5 annuity or a benefit for at least one full month, but less than 12 full months as of the June
4.6 30 of the calendar year immediately before the adjustment, an annual postretirement increase
4.7 of 1/12 of ~~2.5~~ 1.5 percent for each month the person has been receiving an annuity or benefit
4.8 must be applied to the monthly annuity or benefit amount of the annuitant or benefit recipient.

4.9 ~~(b) Funding stability is restored when the market value of assets of the Teachers~~
4.10 ~~Retirement Association equals or exceeds 90 percent of the actuarial accrued liabilities of~~
4.11 ~~the Teachers Retirement Association in the two most recent prior actuarial valuations~~
4.12 ~~prepared under section 356.215 and the standards for actuarial work by the approved actuary~~
4.13 ~~retained by the Teachers Retirement Association under section 356.214.~~

4.14 ~~(c) After having met the definition of funding stability under paragraph (b), the increase~~
4.15 ~~provided in paragraph (a), clauses (1) and (2), rather than an increase under subdivision 1,~~
4.16 ~~or the increase under paragraph (a), clauses (3) and (4), is again to be applied in a subsequent~~
4.17 ~~year or years if the market value of assets of the plan equals or is less than:~~

4.18 ~~(1) 85 percent of the actuarial accrued liabilities of the plan for two consecutive actuarial~~
4.19 ~~valuations; or~~

4.20 ~~(2) 80 percent of the actuarial accrued liabilities of the plan for the most recent actuarial~~
4.21 ~~valuation.~~

4.22 ~~(d) (b)~~ An increase in annuity or benefit payments under this section must be made
4.23 automatically unless written notice is filed by the annuitant or benefit recipient with the
4.24 executive director of the Teachers Retirement Association requesting that the increase not
4.25 be made.

4.26 ~~(e) (c)~~ The retirement annuity payable to a person who retires before becoming eligible
4.27 for Social Security benefits and who has elected the optional payment as provided in section
4.28 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement
4.29 annuity for the purposes of any postretirement adjustment. The period-certain retirement
4.30 annuity plus the life retirement annuity must be the annuity amount payable until age 62,
4.31 65, or normal retirement age, as selected by the member at retirement, for an annuity amount
4.32 payable under section 354.35. A postretirement adjustment granted on the period-certain
4.33 retirement annuity must terminate when the period-certain retirement annuity terminates.

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

5.2 Page 90, delete section 12 and insert:

5.3 "Sec. 2. Minnesota Statutes 2016, section 354.42, subdivision 3, is amended to read:

5.4 Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School
5.5 District No. 1, Minneapolis, is an amount equal to the applicable following percentage of
5.6 salary of each coordinated member and the applicable percentage of salary of each basic
5.7 member specified in paragraph (c).

5.8 The additional employer contribution to the fund by Special School District No. 1,
5.9 Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a
5.10 coordinated member or who is a basic member.

5.11 (b) The regular employer contribution to the fund by Independent School District No.
5.12 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or
5.13 new law coordinated member specified for the coordinated program in paragraph (c).

5.14 (c) The employer contribution to the fund for every other employer is an amount equal
5.15 to the applicable following percentage of the salary of each coordinated member and the
5.16 applicable following percentage of the salary of each basic member:

5.17	Period	Coordinated Member	Basic Member
5.18	from July 1, 2013, until June 30, 2014	7 percent	11 percent
5.19	after June 30, 2014 <u>from July 1, 2014,</u>		
5.20	<u>through June 30, 2017</u>	7.5 percent	11.5 percent
5.21	<u>from July 1, 2017, through June 30, 2018</u>	<u>8.0 percent</u>	<u>11.5 percent</u>
5.22	<u>from July 1, 2018, through June 30, 2019</u>	<u>8.5 percent</u>	<u>11.5 percent</u>
5.23	<u>from July 1, 2019, through June 30, 2020</u>	<u>9.0 percent</u>	<u>11.5 percent</u>
5.24	<u>after June 30, 2020</u>	<u>9.5 percent</u>	<u>11.5 percent</u>

5.25 (d) When an employer contribution rate changes for a fiscal year, the new contribution
5.26 rate is effective for the entire salary paid for each employer unit with the first payroll cycle
5.27 reported.

5.28 (e) After June 30, 2015, if a contribution rate revision is made under subdivisions 4a,
5.29 4b, and 4c, the employer contributions under paragraphs (a), (b), and (c) must be adjusted
5.30 accordingly.

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

5.32 Page 81, line 20, delete "before July 1, 2017"

5.33 Page 81, delete line 21

- 6.1 Page 90, delete section 11
- 6.2 Renumber the sections in sequence
- 6.3 Amend the title accordingly