

1.1 moves to amend the delete everything amendment (S2918-1A) to
1.2 S.F. No. 2918 as follows:

1.3 Page 9, line 28, before "chapter" insert "Laws 2009,"

1.4 Page 37, lines 31, 33, and 35, delete "St. Paul Teachers Retirement Fund
1.5 Association"

1.6 Page 41, line 4, delete "in" and insert "under"

1.7 Page 57, line 4, delete "subdivisions" and insert "subdivision"

1.8 Page 57, line 30, after "adding" insert "a"

1.9 Page 57, line 31, delete "subdivisions" and insert "subdivision"

1.10 Page 57, line 33, delete "-administered"

1.11 Page 58, delete lines 33 to 36

1.12 Page 59, delete lines 1 to 35

1.13 Page 60, delete lines 1 to 36

1.14 Page 61, delete lines 1 to 36

1.15 Page 62, delete lines 1 to 36

1.16 Page 63, after line 1, insert:

1.17 "Sec. 77. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding
1.18 a subdivision to read:

1.19 **Subd. 1b. Annual postretirement adjustments; PERA; general employees**
1.20 **retirement plan and local government correctional retirement plan. (a) Retirement**
1.21 **annuity, disability benefit, or survivor benefit recipients of the general employees**
1.22 **retirement plan of the Public Employees Retirement Association and the local government**
1.23 **correctional service retirement plan are entitled to a postretirement adjustment annually**
1.24 **on January 1, as follows:**

1.25 (1) for January 1, 2011, and each successive January 1 until funding stability is
1.26 restored for the applicable retirement plan, a postretirement increase of one percent must
1.27 be applied each year, effective on January 1, to the monthly annuity or benefit amount of

2.1 each annuitant or benefit recipient who has been receiving an annuity or benefit for at least
2.2 12 full months as of the current June 30;

2.3 (2) for January 1, 2011, and each successive January 1 until funding stability is
2.4 restored for the applicable retirement plan, for each annuitant or benefit recipient who has
2.5 been receiving an annuity or a benefit for at least one full month, but less than 12 full
2.6 months as of the current June 30, an annual postretirement increase of 1/12 of one percent
2.7 for each month the person has been receiving an annuity or benefit must be applied;

2.8 (3) for each January 1 following the restoration of funding stability for the applicable
2.9 retirement plan, a postretirement increase of 2.5 percent must be applied each year,
2.10 effective January 1, to the monthly annuity or benefit amount of each annuitant or benefit
2.11 recipient who has been receiving an annuity or benefit for at least 12 full months as of
2.12 the current June 30; and

2.13 (4) for each January 1 following restoration of funding stability for the applicable
2.14 retirement plan, for each annuity or benefit recipient who has been receiving an annuity or
2.15 a benefit for at least one full month, but less than 12 full months as of the current June
2.16 30, an annual postretirement increase of 1/12 of 2.5 percent for each month the person
2.17 has been receiving an annuity or benefit must be applied.

2.18 (b) Funding stability is restored when the market value of assets of the applicable
2.19 retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities of the
2.20 applicable plan in the most recent prior actuarial valuation prepared under section 356.215
2.21 and the standards for actuarial work by the approved actuary retained by the Public
2.22 Employees Retirement Association under section 356.214.

2.23 (c) If, after applying the increase as provided for in paragraph (a), clauses (3)
2.24 and (4), the market value of the applicable retirement plan is determined in the next
2.25 subsequent actuarial valuation prepared under section 356.215 to be less than 90 percent
2.26 of the actuarial accrued liability of any of the applicable Public Employees Retirement
2.27 Association plans, the increase provided in paragraph (a), clauses (1) and (2), are to be
2.28 applied as of the next successive January until funding stability is again restored.

2.29 (d) An increase in annuity or benefit payments under this section must be made
2.30 automatically unless written notice is filed by the annuitant or benefit recipient with the
2.31 executive director of the Public Employees Retirement Association requesting that the
2.32 increase not be made.

2.33 (e) The retirement annuity payable to a person who retires before becoming eligible
2.34 for Social Security benefits and who has elected the optional payment, as provided in
2.35 section 353.29, subdivision 6, must be treated as the sum of a period-certain retirement
2.36 annuity and a life retirement annuity for the purposes of any postretirement adjustment.

3.1 The period-certain retirement annuity plus the life retirement annuity must be the
3.2 annuity amount payable until age 62 for section 353.29, subdivision 6. A postretirement
3.3 adjustment granted on the period-certain retirement annuity must terminate when the
3.4 period-certain retirement annuity terminates.

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

3.6 Sec. 78. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding
3.7 a subdivision to read:

3.8 Subd. 1c. **Annual postretirement adjustments; PERA-P&F.** (a) Retirement
3.9 annuity, disability benefit, or survivor benefit recipients of the public employees police
3.10 and fire retirement plan are entitled to a postretirement adjustment annually on January
3.11 1, as follows:

3.12 (1) for January 1, 2011, and for January 1, 2012, for each annuitant or benefit
3.13 recipient who has been receiving the annuity or benefit for at least 12 full months as of the
3.14 immediate preceding June 30, an amount equal to one percent in each year;

3.15 (2) for January 1, 2011, and for January 1, 2012, for each annuitant or benefit
3.16 recipient who has been receiving the annuity or benefit for at least one full month as of the
3.17 immediate preceding June 30, an amount equal to 1/12 of one percent in each year;

3.18 (3) for January 1, 2013, and each successive January 1 that follows the loss of
3.19 funding stability as defined under paragraph (b) until funding stability as defined under
3.20 paragraph (b) is again restored, for each annuitant or benefit recipient who has been
3.21 receiving the annuity or benefit for at least 12 full months as of the immediate preceding
3.22 June 30, an amount equal to the percentage increase in the Consumer Price Index for
3.23 urban wage earners and clerical workers all items index published by the Bureau of Labor
3.24 Statistics of the United States Department of Labor between the immediate preceding June
3.25 30 and the June 30 occurring 12 months previous, but not to exceed 1.5 percent;

3.26 (4) for January 1, 2013, and each successive January 1 that follows the loss of
3.27 funding stability as defined under paragraph (b) until funding stability as defined under
3.28 paragraph (b) is again restored, for each annuitant or benefit recipient who has been
3.29 receiving the annuity or benefit for at least one full month as of the immediate preceding
3.30 June 30, an amount equal to 1/12 of the percentage increase in the Consumer Price Index
3.31 for urban wage earners and clerical workers all items index published by the Bureau
3.32 of Labor Statistics of the United States Department of Labor between the immediate
3.33 preceding June 30 and the June 30 occurring 12 months previous for each full month of
3.34 annuity or benefit receipt, but not to exceed 1/12 of 1.5 percent for each full month of
3.35 annuity or benefit receipt;

4.1 (5) for each January 1 following the restoration of funding stability as defined under
 4.2 paragraph (b) and during the continuation of funding stability as defined under paragraph
 4.3 (b), for each annuitant or benefit recipient who has been receiving the annuity or benefit
 4.4 for at least 12 full months as of the immediate preceding June 30, an amount equal to the
 4.5 percentage increase in the Consumer Price Index for urban wage earners and clerical
 4.6 workers all items index published by the Bureau of Labor Statistics of the United States
 4.7 Department of Labor between the immediate preceding June 30 and the June 30 occurring
 4.8 12 months previous, but not to exceed 2.5 percent; and

4.9 (6) for each January 1 following the restoration of funding stability as defined under
 4.10 paragraph (b) and during the continuation of funding stability as defined under paragraph
 4.11 (b), for each annuitant or benefit recipient who has been receiving the annuity or benefit
 4.12 for at least one full month as of the immediate preceding June 30, an amount equal to
 4.13 1/12 of the percentage increase in the Consumer Price Index for urban wage earners and
 4.14 clerical workers all items index published by the Bureau of Labor Statistics of the United
 4.15 States Department of Labor between the immediate preceding June 30 and the June 30
 4.16 occurring 12 months previous for each full month of annuity or benefit receipt, but not to
 4.17 exceed 1/12 of 2.5 percent for each full month of annuity or benefit receipt.

4.18 (b) Funding stability is restored when the market value of assets of the public
 4.19 employees police and fire retirement plan equals or exceeds 90 percent of the actuarial
 4.20 accrued liabilities of the applicable plan in the most recent prior actuarial valuation
 4.21 prepared under section 356.215 and under the standards for actuarial work of the
 4.22 Legislative Commission on Pensions and Retirement by the approved actuary retained by
 4.23 the Public Employees Retirement Association under section 356.214.

4.24 (c) An increase in annuity or benefit payments under this section must be made
 4.25 automatically unless written notice is filed by the annuitant or benefit recipient with the
 4.26 executive director of the Public Employees Retirement Association requesting that the
 4.27 increase not be made.

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

4.29 Sec. 79. Minnesota Statutes 2009 Supplement, section 356.415, is amended by adding
 4.30 a subdivision to read:

4.31 **Subd. 1d. Teachers Retirement Association annual postretirement adjustments.**

4.32 (a) Retirement annuity, disability benefit, or survivor benefit recipients of the Teachers
 4.33 Retirement Association are entitled to a postretirement adjustment annually on January
 4.34 1, as follows:

4.35 (1) for January 1, 2011, and January 1, 2012, no postretirement increase is payable;

5.1 (2) for January 1, 2013, and each successive January 1 until funding stability is
5.2 restored, a postretirement increase of two percent must be applied each year, effective on
5.3 January 1, to the monthly annuity or benefit amount of each annuitant or benefit recipient
5.4 who has been receiving an annuity or a benefit for at least 18 full months prior to the
5.5 January 1 increase;

5.6 (3) for January 1, 2013, and each successive January 1 until funding stability is
5.7 restored, for each annuitant or benefit recipient who has been receiving an annuity or
5.8 a benefit for at least six full months, an annual postretirement increase of 1/12 of two
5.9 percent for each month the person has been receiving an annuity or benefit must be
5.10 applied, effective January 1, following the year in which the person has been retired
5.11 for less than 12 months;

5.12 (4) for each January 1 following the restoration of funding stability, a postretirement
5.13 increase of 2.5 percent must be applied each year, effective January 1, to the monthly
5.14 annuity or benefit amount of each annuitant or benefit recipient who has been receiving an
5.15 annuity or a benefit for at least 18 full months prior to the January 1 increase; and

5.16 (5) for each January 1 following the restoration of funding stability, for each
5.17 annuitant or benefit recipient who has been receiving an annuity or a benefit for at least
5.18 six full months, an annual postretirement increase of 1/12 of 2.5 percent for each month
5.19 the person has been receiving an annuity or benefit must be applied, effective January 1,
5.20 following the year in which the person has been retired for less than 12 months.

5.21 (b) Funding stability is restored when the market value of assets of the Teachers
5.22 Retirement Association equals or exceeds 90 percent of the actuarial accrued liabilities of
5.23 the Teachers Retirement Association in the most recent prior actuarial valuation prepared
5.24 under section 356.215 and the standards for actuarial work by the approved actuary
5.25 retained by the Teachers Retirement Association under section 356.214.

5.26 (c) An increase in annuity or benefit payments under this section must be made
5.27 automatically unless written notice is filed by the annuitant or benefit recipient with the
5.28 executive director of the Teachers Retirement Association requesting that the increase
5.29 not be made.

5.30 (d) The retirement annuity payable to a person who retires before becoming eligible
5.31 for Social Security benefits and who has elected the optional payment as provided in
5.32 section 354.35 must be treated as the sum of a period-certain retirement annuity and a life
5.33 retirement annuity for the purposes of any postretirement adjustment. The period-certain
5.34 retirement annuity plus the life retirement annuity must be the annuity amount payable
5.35 until age 62, 65, or normal retirement age, as selected by the member at retirement, for an
5.36 annuity amount payable under section 354.35. A postretirement adjustment granted on

6.1 the period-certain retirement annuity must terminate when the period-certain retirement
 6.2 annuity terminates.

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

6.4 Page 68, line 31, after "354B" insert a comma

6.5 Page 76, line 15, delete "the"

6.6 Page 81, line 30, delete "administrator" and insert "record keeper"

6.7 Page 87, delete lines 14 and 15

6.8 Page 87, after line 16, insert:

6.9 "Sec. 5. Minnesota Statutes 2008, section 352D.015, is amended by adding a
 6.10 subdivision to read:

6.11 **Subd. 4a. General employees retirement plan.** "General employees retirement
 6.12 plan" means the general state employees retirement plan under chapter 352.

6.13 **EFFECTIVE DATE.** This section is effective June 30, 2010."

6.14 Page 91, line 12, delete "to"

6.15 Page 96, line 9, delete "paragraph (a)" and insert "this paragraph"

6.16 Page 97, line 11, after "(3)" insert a comma and after "elected" insert a comma

6.17 Page 108, line 3, strike the first comma

6.18 Page 108, line 15, delete "phone" and insert "telephone"

6.19 Page 115, line 23, delete "subdivision 3, and subdivision" and insert "subdivisions 3,
 6.20 and"

6.21 Page 118, line 16, after "date" insert "defined"

6.22 Page 122, delete lines 31 to 36

6.23 Page 123, delete lines 1 to 8

6.24 Page 123, after line 9, insert:

6.25 "Sec. 26. Laws 2009, chapter 169, article 4, section 49, the effective date, is amended
 6.26 to read:

6.27 **EFFECTIVE DATE.** (a) This section is effective for the city of Duluth the day after
 6.28 the Duluth city council and the chief clerical officer of the city of Duluth timely complete
 6.29 their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, for
 6.30 members who are, and former members who were, employees of the city of Duluth.

6.31 (b) This section is effective for the Duluth Airport Authority the day after the Duluth
 6.32 Airport Authority and the chief clerical officer of the Duluth Airport Authority timely
 6.33 complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2

7.1 and 3, for members who are, and former members who were, employees of the Duluth
7.2 Airport Authority.

7.3 (c) This section is effective for the city of Virginia the day after the Virginia
7.4 city council and the chief clerical officer of the city of Virginia timely complete their
7.5 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, for members
7.6 who are, and former members who were, employees of the city of Virginia. If this section
7.7 becomes effective for the city of Virginia, it applies retroactively from June 23, 2009.

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

7.9 Page 124, line 9, delete "which" in both places and after "municipality" insert "that"

7.10 Page 129, line 7, delete "as added"

7.11 Page 129, line 8, delete "by Laws 2009, chapter 169, article 9, section 18,"

7.12 Page 132, lines 3 and 4, delete "which" and insert "that"

7.13 Page 133, line 2, after "1973" insert a comma

7.14 Page 140, line 25, delete "Minnesota Statutes," in both places

7.15 Page 140, line 32, delete "10" and insert "ten"

7.16 Page 141, delete line 6 and insert:

7.17 "Sec. 2. Minnesota Statutes 2009 Supplement, section 356.351, subdivision 2, is
7.18 amended to read:"

7.19 Page 141, delete line 7

7.20 Page 141, lines 20, 21, 24, and 31, reinstate the old language and delete the new
7.21 language

7.22 Page 142, line 4, strike "(a)" and insert "(b)" and reinstate the stricken language
7.23 and delete "(ii)"

7.24 Page 142, line 6, strike "(a)" and insert "(b)" and reinstate the stricken language
7.25 and delete "(ii)"

7.26 Page 142, line 10, strike "(a)" and insert "(b)" and reinstate the stricken "(2)" and
7.27 delete "(ii)"

7.28 Page 142, line 12, strike "(a)" and insert "(b)" and reinstate the stricken "(3)" and
7.29 delete "(iii)"

7.30 Page 142, after line 17, insert:

7.31 "Sec. 3. Laws 2006, chapter 271, article 3, section 43, as amended by Laws 2007,
7.32 chapter 134, article 11, section 11, the effective date, is amended to read:

7.33 **EFFECTIVE DATE.** ~~(a)~~ This section is effective the day following final enactment.

7.34 ~~(b) This section expires on July 15, 2009.~~

- 8.1 **EFFECTIVE DATE.** This section is effective retroactively from July 2, 2009."
- 8.2 Page 145, line 14, delete "1" and insert "365.48"
- 8.3 Page 146, line 15, reinstate the stricken "and"
- 8.4 Page 151, line 22, after "422A" insert a comma
- 8.5 Page 154, line 12, delete "through" and insert "to"
- 8.6 Page 165, line 32, after "1978" insert a comma
- 8.7 Page 165, line 33, after "1979" insert a comma
- 8.8 Page 169, line 16, delete "and"
- 8.9 Page 169, line 21, delete "next"
- 8.10 Page 180, line 8, after "1979" insert a comma
- 8.11 Page 181, line 11, delete "The"
- 8.12 Page 181, line 12, delete "employee" and insert "employees"
- 8.13 Page 181, line 28, delete "The transferred employee" and insert "Transferred
- 8.14 employees"
- 8.15 Page 221, lines 25 and 31, delete "section"
- 8.16 Page 222, lines 6 and 12, delete "section"
- 8.17 Page 225, lines 10 and 13, delete "child or"
- 8.18 Page 225, line 15, delete "child or" and after "children" insert a comma
- 8.19 Page 225, line 16, delete "is no surviving child or"
- 8.20 Page 225, line 20, delete "child or"
- 8.21 Page 226, lines 23, 26, and 28, delete "child or"
- 8.22 Page 226, line 29, delete "is no surviving child or"
- 8.23 Page 226, line 34, delete "child or"
- 8.24 Page 227, lines 2 and 4, delete "child or"
- 8.25 Page 227, line 5, delete "is no surviving child or"
- 8.26 Page 227, line 18, delete "child or"
- 8.27 Page 230, lines 17 and 18, delete "of this section"
- 8.28 Page 232, after line 9, insert:

8.29 "Section 1. Minnesota Statutes 2008, section 356.216, is amended to read:

8.30 **356.216 CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE**
 8.31 **AND FIRE FUNDS.**

8.32 (a) The provisions of section 356.215 that govern the contents of actuarial valuations
 8.33 must apply to any local police or fire pension fund or relief association required to make
 8.34 an actuarial report under this section, except as follows:

8.35 (1) in calculating normal cost and other requirements, if required to be expressed as
 8.36 a level percentage of covered payroll, the salaries used in computing covered payroll must

9.1 be the maximum rate of salary on which retirement and survivorship credits and amounts
9.2 of benefits are determined and from which any member contributions are calculated and
9.3 deducted;

9.4 (2) in lieu of the amortization date specified in section 356.215, subdivision 11,
9.5 the appropriate amortization target date specified in section 69.77, subdivision 4, or
9.6 69.773, subdivision 4, clause (c), must be used in calculating any required amortization
9.7 contribution, except that if the actuarial report for the Bloomington Fire Department Relief
9.8 Association indicates an unfunded actuarial accrued liability, the unfunded obligation is
9.9 to be amortized on a level dollar basis by December 31 of the year occurring 20 years
9.10 later, and if subsequent actuarial valuations for the Bloomington Fire Department Relief
9.11 Association determine a net actuarial experience loss incurred during the year which
9.12 ended as of the day before the most recent actuarial valuation date, any unfunded liability
9.13 due to that loss is to be amortized on a level dollar basis by December 31 of the year
9.14 occurring 20 years later and except that the amortization date for the Minneapolis Police
9.15 Relief Association is December 31, 2020;

9.16 (3) in addition to the tabulation of active members and annuitants provided for in
9.17 section 356.215, subdivision 13, the member contributions for active members for the
9.18 calendar year and the prospective annual retirement annuities under the benefit plan for
9.19 active members must be reported;

9.20 (4) actuarial valuations required under section 69.773, subdivision 2, must be made
9.21 at least every four years and actuarial valuations required under section 69.77 shall be
9.22 made annually;

9.23 (5) the actuarial balance sheet showing accrued assets valued at market value if the
9.24 actuarial valuation is required to be prepared at least every four years or valued as current
9.25 assets under section 356.215, subdivision 1, ~~clause (6)~~ paragraph (f), or paragraph (b),
9.26 whichever applies, if the actuarial valuation is required to be prepared annually, actuarial
9.27 accrued liabilities, and the unfunded actuarial accrued liability must include the following
9.28 required reserves:

9.29 (i) for active members:

- 9.30 1. retirement benefits;
- 9.31 2. disability benefits;
- 9.32 3. refund liability due to death or withdrawal;
- 9.33 4. survivors' benefits;

9.34 (ii) for deferred annuitants' benefits;

9.35 (iii) for former members without vested rights;

9.36 (iv) for annuitants;

- 10.1 1. retirement annuities;
 10.2 2. disability annuities;
 10.3 3. surviving spouses' annuities;
 10.4 4. surviving children's annuities;

10.5 In addition to those required reserves, separate items must be shown for additional
 10.6 benefits, if any, which may not be appropriately included in the reserves listed above; and
 10.7 (6) actuarial valuations are due by the first day of the seventh month after the end of
 10.8 the fiscal year which the actuarial valuation covers.

10.9 (b) For the Minneapolis Firefighters Relief Association or the Minneapolis Police
 10.10 Relief Association, the following provisions additionally apply:

10.11 (1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability,
 10.12 and amortization contribution of the relief association, "current assets" means the value of
 10.13 all assets at cost, including realized capital gains and losses, plus or minus, whichever
 10.14 applies, the average value of total unrealized capital gains or losses for the most recent
 10.15 three-year period ending with the end of the plan year immediately preceding the actuarial
 10.16 valuation report transmission date; and

10.17 (2) in calculating the applicable portions of the actuarial valuation, an annual
 10.18 preretirement interest assumption of six percent, an annual postretirement interest
 10.19 assumption of six percent, and an annual salary increase assumption of four percent must
 10.20 be used.

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

10.22 Page 234, after line 18, insert:

10.23 "Sec. 3. Laws 2009, chapter 169, article 7, section 4, is amended to read:

10.24 Sec. 4. **EFFECTIVE DATE.**

10.25 Sections 1 to 3 are effective January 1, 2010, ~~and~~ Sections 1 and 2 expire June
 10.26 30, 2011.

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

10.28 Page 234, line 43, delete the comma and insert a semicolon

10.29 Page 235, line 6, delete "appropriating money;"

10.30 Page 235, line 11, after the second semicolon, insert "making technical changes;
 10.31 appropriating money;"

10.32 Page 235, line 56, delete "a subdivision" and insert "subdivisions"

10.33 Renumber the sections in sequence and correct the internal references

10.34 Amend the title accordingly