

1.1 moves to amend S.F. No.; H.F. No., as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 TEACHERS RETIREMENT ASSOCIATION SERVICE CREDIT
1.5 PROCEDURE REVISIONS

1.6 Section 1. Minnesota Statutes 2008, section 354.05, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 41. Annual base salary. (a) "Annual base salary" means:

1.9 (1) for an independent school district or educational cooperative, the lowest full-time
1.10 Bachelor of Arts (BA) base contract salary for the previous fiscal year for that employing
1.11 unit;

1.12 (2) for a charter school, the lowest starting annual salary for a full-time licensed
1.13 teacher employed during the previous fiscal year for that employing unit; and

1.14 (3) for a state agency or professional organization, the lowest starting annual salary
1.15 for a full-time Teachers Retirement Association covered position for the previous fiscal
1.16 year for that employing unit.

1.17 (b) If there is no previous fiscal year data because an employer unit is new and
1.18 paragraph (c) does not apply, the annual base salary for the first year of operation will be
1.19 as stated in paragraph (a), except that the base contract salary for the current fiscal year,
1.20 rather than the previous fiscal year, must be used.

1.21 (c) For a new employer unit created as a result of a merger or consolidation, the
1.22 annual base salary will be the lowest annual base salary as specified in paragraph (a) for
1.23 any of the employer units involved in the merger or consolidation.

1.24 EFFECTIVE DATE. This section is effective July 1, 2010.

1.25 Sec. 2. Minnesota Statutes 2008, section 354.091, is amended to read:

1.26 **354.091 SERVICE CREDIT.**

1.27 Subdivision 1. Definition; monthly base salary. For purposes of this section,
1.28 "monthly base salary" means the annual base salary, as defined in section 354.05,
1.29 subdivision 41, divided by 12.

1.30 Subd. 2. Service credit annual limit. (a) In computing service credit, No teacher
1.31 may receive credit for more than one year of teaching service for any fiscal year.
1.32 Additionally, in crediting allowable service:

1.33 ~~(1) if a teacher teaches less than five hours in a day, service credit must be given for~~
1.34 ~~the fractional part of the day as the term of service performed bears to five hours;~~

2.1 ~~(2) if a teacher teaches five or more hours in a day, service credit must be given for~~
2.2 ~~only one day;~~

2.3 ~~(3) if a teacher teaches at least 170 full days in any fiscal year, service credit must be~~
2.4 ~~given for a full year of teaching service; and~~

2.5 ~~(4) if a teacher teaches for only a fractional part of the year, service credit must be~~
2.6 ~~given for such fractional part of the year in the same relationship as the period of service~~
2.7 ~~performed bears to 170 days.~~

2.8 ~~(b) A teacher must receive a full year of service credit based on the number of days~~
2.9 ~~in the employer's full school year if that school year is less than 170 days. Teaching~~
2.10 ~~service performed before July 1, 1961, must be computed under the law in effect at the~~
2.11 ~~time it was performed.~~

2.12 ~~(c) A teacher must not lose or gain retirement service credit as a result of the~~
2.13 ~~employer converting to a flexible or alternate work schedule. If the employer converts~~
2.14 ~~to a flexible or alternate work schedule, the forms for reporting teaching service and the~~
2.15 ~~procedures for determining service credit must be determined by the executive director~~
2.16 ~~with the approval of the board of trustees.~~

2.17 Subd. 3. Service credit calculation. (a) Except as specified in subdivisions 4 and
2.18 5, service credit will be calculated monthly by dividing the teacher's monthly salary by
2.19 the monthly base salary for the teacher's employing unit and multiplying the result by
2.20 11.1 percent.

2.21 (b) For purposes of computing service credit, salary will be allocated to each
2.22 calendar month based on the pay period begin and end dates. If the pay period covers
2.23 more than one calendar month, the salary must be allocated based on the number of days
2.24 in each calendar month.

2.25 (c) A teacher may not receive more than 11.1 percent of a year's service credit in
2.26 a calendar month.

2.27 (d) Annual service credit is calculated by adding the allowable monthly service
2.28 credit for all 12 months of the fiscal year with the result rounded to two decimal places,
2.29 subject to the annual limit specified in subdivision 2.

2.30 Subd. 4. Service credit determination for Minnesota State Colleges and
2.31 Universities system teachers. (d) For all services rendered on or after July 1, 2003,
2.32 service credit for all members employed by the Minnesota State Colleges and Universities
2.33 system must be determined:

2.34 (1) for full-time employees, by the definition of full-time employment contained in
2.35 the collective bargaining agreement for those units listed in section 179A.10, subdivision

3.1 2, or contained in the applicable personnel or salary plan for those positions designated in
 3.2 section 179A.10, subdivision 1; and

3.3 (2) for part-time employees, by the appropriate proration of full-time equivalency
 3.4 based on the provisions contained in the collective bargaining agreement for those units
 3.5 listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary
 3.6 plan for those positions designated in section 179A.10, subdivision 1, and the applicable
 3.7 procedures of the Minnesota State Colleges and Universities system; and

3.8 ~~(3) in no case may a member receive more than one year of service credit for any~~
 3.9 ~~fiscal year.~~

3.10 Subd. 5. Service credit procedure, nontraditional schedules. For employer units
 3.11 that have nontraditional work schedules or pay schedules, the procedure for determining
 3.12 service credit must be specified by the executive director with the approval of the board of
 3.13 trustees.

3.14 **EFFECTIVE DATE.** This section is effective for teaching service performed after
 3.15 June 30, 2010.

3.16 Sec. 3. Minnesota Statutes 2008, section 354.52, subdivision 4b, is amended to read:

3.17 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide
 3.18 the following data to the association for payroll warrants on an ongoing basis within 14
 3.19 calendar days after the date of the payroll warrant in a format prescribed by the executive
 3.20 director:

3.21 (1) association member number;

3.22 (2) employer-assigned employee number;

3.23 (3) Social Security number;

3.24 (4) amount of each salary deduction;

3.25 (5) amount of salary as defined in section 354.05, subdivision 35, from which each
 3.26 deduction was made;

3.27 (6) reason for payment;

3.28 (7) ~~service credit;~~

3.29 ~~(8)~~ the beginning and ending dates of the payroll period covered and the date
 3.30 of actual payment;

3.31 ~~(9)~~ (8) fiscal year of salary earnings;

3.32 ~~(10)~~ (9) total remittance amount including employee, employer, and additional
 3.33 employer contributions; ~~and~~

3.34 (10) reemployed annuitant salary under section 354.44, subdivision 5; and

3.35 (11) other information as may be required by the executive director.

4.1 **EFFECTIVE DATE.** This section is effective January 1, 2010, except for the
4.2 striking of clause (7), which is effective July 1, 2010.

4.3 Sec. 4. Minnesota Statutes 2008, section 354.52, is amended by adding a subdivision
4.4 to read:

4.5 Subd. 4d. **Annual base salary reporting.** An employing unit must provide the
4.6 following data to the association on or before June 30 of each fiscal year:

4.7 (1) annual base salary, as defined in section 354.05, subdivision 41; and

4.8 (2) beginning and ending dates for the regular school work year.

4.9 **EFFECTIVE DATE.** This section is effective July 1, 2009.

4.10 Sec. 5. Minnesota Statutes 2008, section 354.52, subdivision 6, is amended to read:

4.11 Subd. 6. **Noncompliance consequences.** (a) An employing unit that does not
4.12 comply with the reporting requirements under subdivision 2a, 4a, ~~or 4b,~~ or 4d, must pay a
4.13 fine of \$5 per calendar day until the association receives the required data.

4.14 (b) If the annual base salary required to be reported under subdivision 4d has not
4.15 been settled or determined as of June 16, the fine must commence if the annual base salary
4.16 has not been reported to the association within 14 days following the settlement date.

4.17 **EFFECTIVE DATE.** This section is effective July 1, 2009.

4.18 Sec. 6. Minnesota Statutes 2008, section 354.66, subdivision 3, is amended to read:

4.19 Subd. 3. **Part-time teaching position, defined.** (a) For purposes of this section,
4.20 the term "part-time teaching position" means a teaching position within the district in
4.21 which the teacher is ~~employed for at least 50 full days or a fractional equivalent thereof as~~
4.22 ~~prescribed in section 354.091, and for which the teacher is compensated in~~ for an amount
4.23 of at least 30 percent, but not exceeding 80 percent of the compensation established by the
4.24 board for a full-time teacher with identical education and experience with the employing
4.25 unit.

4.26 (b) For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time
4.27 teaching position" means a teaching position within the district in which the teacher is
4.28 ~~employed for at least 25 full days or a fractional equivalent thereof as prescribed in section~~
4.29 ~~354.091, and for which the teacher is compensated in~~ for an amount of at least 15 percent,
4.30 but not exceeding 40 percent of the compensation established by the board for a full-time
4.31 teacher, with identical education and experience with the employing unit.

4.32 **EFFECTIVE DATE.** This section is effective for service provided after June 30,
4.33 2010."

5.1 Delete the title and insert:

5.2 "A bill for an act
5.3 relating to retirement; Teachers Retirement Association; redefining allowable
5.4 service credit; defining annual base salary, requiring base salary reporting by
5.5 covered employing units; amending Minnesota Statutes 2008, sections 354.05,
5.6 by adding a subdivision; 354.091; 354.52, subdivisions 4b, 6, by adding a
5.7 subdivision; 354.66, subdivision 3."