

1.1 **POTENTIAL 2011 OMNIBUS RETIREMENT BILL THROUGH MAY 5, 2011**

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

1.3 Delete everything after the enacting clause and insert:

1.4 **"ARTICLE 1**

1.5 **PERA-ADMINISTERED RETIREMENT PLANS**

1.6 Section 1. Minnesota Statutes 2010, section 353.01, subdivision 2a, is amended to read:

1.7 Subd. 2a. **Included employees; mandatory membership.** (a) Public employees
1.8 whose salary exceeds \$425 in any month and who are not specifically excluded under
1.9 subdivision 2b or who have not been provided an option to participate under subdivision
1.10 2d, whether individually or by action of the governmental subdivision, must participate as
1.11 members of the association with retirement coverage by the general employees retirement
1.12 plan under this chapter, the public employees police and fire retirement plan under this
1.13 chapter, or the local government correctional employees retirement plan under chapter
1.14 353E, whichever applies. Membership commences as a condition of their employment on
1.15 the first day of their employment or on the first day that the eligibility criteria are met,
1.16 whichever is later. Public employees include but are not limited to:

1.17 (1) persons whose salary meets the threshold in this paragraph from employment in
1.18 one or more positions within one governmental subdivision;

1.19 (2) elected county sheriffs;

1.20 (3) persons who are appointed, employed, or contracted to perform governmental
1.21 functions that by law or local ordinance are required of a public officer, including, but
1.22 not limited to:

1.23 (i) town and city clerk or treasurer;

1.24 (ii) county auditor, treasurer, or recorder;

1.25 (iii) city manager as defined in section 353.028 who does not exercise the option
1.26 provided under subdivision 2d; or

2.1 (iv) emergency management director, as provided under section 12.25;

2.2 (4) physicians under section 353D.01, subdivision 2, who do not elect public

2.3 employees defined contribution plan coverage under section 353D.02, subdivision 2;

2.4 (5) full-time employees of the Dakota County Agricultural Society; ~~and~~

2.5 (6) employees of the Minneapolis Firefighters Relief Association or Minneapolis

2.6 Police Relief Association who are not excluded employees under subdivision 2b due

2.7 to coverage by the relief association pension plan and who elected general employee

2.8 retirement plan coverage before August 20, 2009; and

2.9 (7) employees of the Red Wing Port Authority who were first employed by the

2.10 Red Wing Port Authority before May 1, 2011, and who are not excluded employees

2.11 under subdivision 2b.

2.12 (b) A public employee or elected official who was a member of the association on

2.13 June 30, 2002, based on employment that qualified for membership coverage by the public

2.14 employees retirement plan or the public employees police and fire plan under this chapter,

2.15 or the local government correctional employees retirement plan under chapter 353E as of

2.16 June 30, 2002, retains that membership for the duration of the person's employment in that

2.17 position or incumbency in elected office. Except as provided in subdivision 28, the person

2.18 shall participate as a member until the employee or elected official terminates public

2.19 employment under subdivision 11a or terminates membership under subdivision 11b.

2.20 (c) If the salary of an included public employee is less than \$425 in any subsequent

2.21 month, the member retains membership eligibility.

2.22 (d) For the purpose of participation in the MERF division of the general employees

2.23 retirement plan, public employees include employees who were members of the former

2.24 Minneapolis Employees Retirement Fund on June 29, 2010, and who participate as

2.25 members of the MERF division of the association.

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

2.27 Sec. 2. Minnesota Statutes 2010, section 353.01, subdivision 6, is amended to read:

2.28 Subd. 6. **Governmental subdivision.** (a) "Governmental subdivision" means a

2.29 county, city, town, school district within this state, or a department, unit or instrumentality

2.30 of state or local government, or any public body established under state or local

2.31 authority that has a governmental purpose, is under public control, is responsible for the

2.32 employment and payment of the salaries of employees of the entity, and receives a major

2.33 portion of its revenues from taxation, fees, assessments or from other public sources.

2.34 (b) Governmental subdivision also means the Public Employees Retirement

2.35 Association, the League of Minnesota Cities, the Association of Metropolitan

3.1 Municipalities, charter schools formed under section 124D.10, service cooperatives
3.2 exercising retirement plan participation under section 123A.21, subdivision 5, joint powers
3.3 boards organized under section 471.59, subdivision 11, paragraph (a), family service
3.4 collaboratives and children's mental health collaboratives organized under section 471.59,
3.5 subdivision 11, paragraph (b) or (c), provided that the entities creating the collaboratives
3.6 are governmental units that otherwise qualify for retirement plan membership, public
3.7 hospitals owned or operated by, or an integral part of, a governmental subdivision or
3.8 governmental subdivisions, the Association of Minnesota Counties, the Minnesota
3.9 Inter-county Association, the Minnesota Municipal Utilities Association, the Metropolitan
3.10 Airports Commission, the University of Minnesota with respect to police officers covered
3.11 by the public employees police and fire retirement plan, the Minneapolis Employees
3.12 Retirement Fund for employment initially commenced after June 30, 1979, the Range
3.13 Association of Municipalities and Schools, soil and water conservation districts, economic
3.14 development authorities created or operating under sections 469.090 to 469.108, the Port
3.15 Authority of the city of St. Paul, the Red Wing Port Authority, the Spring Lake Park Fire
3.16 Department, incorporated, the Lake Johanna Volunteer Fire Department, incorporated,
3.17 the Red Wing Environmental Learning Center, the Dakota County Agricultural Society,
3.18 Hennepin Healthcare System, Inc., and the Minneapolis Firefighters Relief Association
3.19 and Minneapolis Police Relief Association with respect to staff covered by the Public
3.20 Employees Retirement Association general plan.

3.21 (c) Governmental subdivision does not mean any municipal housing and
3.22 redevelopment authority organized under the provisions of sections 469.001 to 469.047;
3.23 or any port authority organized under sections 469.048 to 469.089 other than the Port
3.24 Authority of the city of St. Paul; and other than the Red Wing Port Authority; or any
3.25 hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to
3.26 447.37 or the successor of the district; or the board of a family service collaborative or
3.27 children's mental health collaborative organized under sections 124D.23, 245.491 to
3.28 245.495, or 471.59, if that board is not controlled by representatives of governmental units.

3.29 (d) A nonprofit corporation governed by chapter 317A or organized under Internal
3.30 Revenue Code, section 501(c)(3), which is not covered by paragraph (a) or (b), is not a
3.31 governmental subdivision unless the entity has obtained a written advisory opinion from
3.32 the United States Department of Labor or a ruling from the Internal Revenue Service
3.33 declaring the entity to be an instrumentality of the state so as to provide that any future
3.34 contributions by the entity on behalf of its employees are contributions to a governmental
3.35 plan within the meaning of Internal Revenue Code, section 414(d).

4.1 (e) A public body created by state or local authority may request membership on
4.2 behalf of its employees by providing sufficient evidence that it meets the requirements in
4.3 paragraph (a).

4.4 (f) An entity determined to be a governmental subdivision is subject to the reporting
4.5 requirements of this chapter upon receipt of a written notice of eligibility from the
4.6 association.

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

4.8 Sec. 3. **VALIDATION OF PAST RETIREMENT COVERAGE AND**
4.9 **CONTRIBUTIONS FOR RED WING PORT AUTHORITY EMPLOYEES.**

4.10 (a) Retirement coverage by the general employees retirement plan of the Public
4.11 Employees Retirement Association, allowable service credit, and salary credit for
4.12 employees of the Red Wing Port Authority who were so employed after December 31,
4.13 1984, and were first so employed before May 1, 2011, who had monthly salary in any
4.14 month of at least \$325 until June 30, 1988, and who had monthly salary in any month of
4.15 at least \$425 after June 30, 1988, who were not otherwise excluded under the applicable
4.16 edition of Minnesota Statutes, section 353.01, subdivision 2b, and who had member
4.17 deductions taken and transferred in a timely manner to the general employees retirement
4.18 fund before the effective date of this section are hereby validated.

4.19 (b) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the
4.20 contrary, employee contributions deducted from employees of the Red Wing Port
4.21 Authority described in paragraph (a) before the effective date of this section and associated
4.22 employer contributions are valid assets of the general employees retirement fund and are
4.23 not subject to refund or adjustment for erroneous receipt except as provided in Minnesota
4.24 Statutes, section 353.32, subdivision 1 or 2; or 353.34, subdivisions 1 and 2.

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

4.26 **ARTICLE 2**

4.27 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS**

4.28 Section 1. **DEADLINE FOR REPORTS EXTENDED.**

4.29 Notwithstanding Minnesota Statutes, section 69.051, subdivision 1b, the deadline
4.30 for reports submitted under Minnesota Statutes, section 69.051, subdivisions 1 and 1a,
4.31 for 2009 is extended to April 30, 2011. A municipality or relief association does not
4.32 forfeit its 2010 state aid or any future state aid if 2009 reports are received by the state
4.33 auditor on or before April 30, 2011.

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

5.2 Sec. 2. **WHITE BEAR LAKE; SPECIAL ACTUARIAL WORK**

5.3 **AUTHORIZATION.**

5.4 Notwithstanding any provision to the contrary of Minnesota Statutes, sections
 5.5 69.771, subdivision 3; 69.773, subdivisions 2, 4, and 5; 356.215; and 356.216, a document
 5.6 styled as an interim valuation at October 19, 2009, of the White Bear Lake Volunteer
 5.7 Fire Department Relief Association prepared by the actuarial consulting firm of Gabriel,
 5.8 Roeder, Smith & Company, as confirmed as to its funded status results by an actuarial
 5.9 valuation as of January 1, 2011, of the White Bear Lake Volunteer Fire Department Relief
 5.10 Association pension plan prepared by the actuarial consulting firm of Gabriel, Roeder,
 5.11 Smith & Company may be considered by the relief association officers, the city of White
 5.12 Bear Lake, and the Office of the State Auditor to be a qualifying actuarial valuation of
 5.13 the special fund of the relief association for the determination of the actuarial condition
 5.14 of the relief association and the financial requirements of the relief association amounts
 5.15 and the minimum municipal obligation amounts calculated by relief association officers
 5.16 certified to the city of White Bear Lake on or before August 1, 2009, and on or before
 5.17 August 1, 2010, may be considered by the City of White Bear Lake and by the Office of
 5.18 the State Auditor to be properly determined.

5.19 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective retroactively
 5.20 from July 31, 2009, if the White Bear Lake city council and the White Bear Lake chief
 5.21 clerical officer timely complete their compliance with Minnesota Statutes, section
 5.22 645.021, subdivisions 2 and 3.

5.23 **ARTICLE 3**

5.24 **SMALL GROUP RETIREMENT PROVISIONS**

5.25 Section 1. **PERA-GENERAL; BABBITT AND BUHL SERVICE AND SALARY**
 5.26 **CREDIT PURCHASE AUTHORIZATION IN CERTAIN CASES.**

5.27 (a) An eligible person described in paragraph (b) is eligible to purchase from the
 5.28 general employees retirement plan of the Public Employees Retirement Association
 5.29 allowable service credit and salary credit for the period of uncredited prior employment
 5.30 and salary specified in paragraph (c) by making the payment required under paragraph (d).

5.31 (b) An eligible person is a person who:

5.32 (1) was born on November 10, 1957;

5.33 (2) was employed as a part-time police officer by the city of Buhl from July 1988
 5.34 until November 1996;

6.1 (3) was employed as a part-time police officer by Embarrass Township from March
6.2 1992 until August 1997;

6.3 (4) was employed as a part-time police officer by the City of Babbitt from April
6.4 1992 until September 1992; and

6.5 (5) was employed as a full-time police officer by the city of Babbitt since October 4,
6.6 1992, and as such is a member of the public employees police and fire retirement plan.

6.7 (c) The periods of unreported employment and salary that qualified for coverage by
6.8 the general employees retirement plan of the Public Employees Retirement Association
6.9 and eligible for purchase are employment by the city of Buhl from October 1989 until
6.10 November 1996 and employment by the city of Babbitt as a part-time police officer from
6.11 April 1992 until September 1992.

6.12 (d) The allowable service and salary credit purchase payment amount must be
6.13 calculated under Minnesota Statutes, section 356.551. Of the total payment amount,
6.14 the eligible person is obligated to pay the amount of member contributions that the
6.15 eligible person would have paid by deduction to the coordinated program of the general
6.16 employees retirement plan of the Public Employees Retirement Association if made in
6.17 a timely fashion, plus annual compound interest at the rate of 8.5 percent from the date
6.18 that the contribution should have been made until the date that the contribution equivalent
6.19 payment is made. The balance of the total payment amount must be allocated between
6.20 the city of Buhl and the city of Babbitt on the basis of the additional retirement benefit
6.21 associated with the applicable period of past unreported eligible employment. The city
6.22 of Buhl and the city of Babbitt shall make their payments within 30 days of the date on
6.23 which the executive director of the Public Employees Retirement Association certifies that
6.24 the eligible person has paid the equivalent member contribution payment and interest. If a
6.25 city fails to make a timely payment, the executive director shall collect the unpaid amount
6.26 under Minnesota Statutes, section 353.28.

6.27 (e) The eligible person shall provide the executive director of the Public Employees
6.28 Retirement Association with any necessary documentation of the applicability of this
6.29 section that the executive director requests.

6.30 (f) The authority of the eligible person to make the equivalent member contribution
6.31 and interest payment under this section expires on the earlier of July 1, 2012, or the date
6.32 on which the eligible person finally terminates public employment covered by Minnesota
6.33 Statutes, chapter 353.

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

7.1 Sec. 2. **INDEPENDENT SCHOOL DISTRICT NO. 270, HOPKINS; SALARY**
7.2 **CREDIT PURCHASE FOR PART-TIME TEACHING PROGRAM SERVICE**
7.3 **AUTHORIZED.**

7.4 (a) An eligible person described in paragraph (b) is entitled, upon application to the
7.5 executive director of the Teachers Retirement Association, to purchase salary credit from
7.6 the Teachers Retirement Association for the period of part-time teaching service specified
7.7 in paragraph (c) if the purchase payment required under paragraph (d) is paid on or before
7.8 July 1, 2012, or the date of the person's retirement, whichever is earlier.

7.9 (b) An eligible person is a person who:

7.10 (1) was born on January 20, 1951;

7.11 (2) was hired by Independent School District No. 270, Hopkins, as a teacher;

7.12 (3) first participated in the qualified part-time teacher association membership
7.13 program with a properly submitted teacher-school district agreement for the 2007-2008
7.14 school year;

7.15 (4) was employed part-time as a teacher by Independent School District No. 270,
7.16 Hopkins, during the 2008-2009 school year, but the Minnesota Statutes, section 354.66,
7.17 agreement was not filed with the Teachers Retirement Association until September 20,
7.18 2010; and

7.19 (5) was employed by Independent School District No. 270, Hopkins, as a part-time
7.20 teacher under Minnesota Statutes, section 354.66, for the 2009-2010 school year and
7.21 for the 2010-2011 school year.

7.22 (c) The period of part-time teaching service is the period during the 2008-2009
7.23 school year during which the eligible person was paid 80 percent of the eligible person's
7.24 full-time service salary rate for part-time teaching service rendered for Independent
7.25 School District No. 270, Hopkins.

7.26 (d) The total purchase payment amount for the increase in the annual salary credit
7.27 for the 2008-2009 school year of \$11,090.60 in the employ of Independent School
7.28 District No. 270, Hopkins, is the service credit purchase payment amount required
7.29 under Minnesota Statutes, section 356.551. The eligible person shall pay \$609.98 plus
7.30 compound interest at the annual rate of 8.5 percent from January 31, 2009, until the date
7.31 of payment. Independent School District No. 270, Hopkins, must pay the balance of
7.32 the purchase payment amount under Minnesota Statutes, section 356.551, in excess of
7.33 the eligible person's payment amount. The school district payment is due 30 days after
7.34 notification by the executive director of the Teachers Retirement Association that the
7.35 eligible person's payment amount has been received by the association. If the school
7.36 district fails to make the required payment in a timely manner, the executive director of

8.1 the Teachers Retirement Association shall notify the commissioner of management and
 8.2 budget and the commissioner of education of that failure and those commissioners shall
 8.3 subtract the unpaid amount from and state aid otherwise payable to the school district.

8.4 (e) Upon receipt by the Teachers Retirement Association of the total amount required
 8.5 under paragraph (d), the eligible person shall receive annual salary credit for an additional
 8.6 \$11,090.60 for the 2008-2009 school year.

8.7 (f) The salary credit purchase payment authorization under this section expires
 8.8 August 1, 2012.

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

8.10 Delete the title and insert:

8.11 "A bill for an act
 8.12 relating to retirement; including pre-May 1, 2011, hires of the Red Wing Port
 8.13 Authority in the general employees retirement plan of the Public Employees
 8.14 Retirement Association; extending a financial report reporting date for the fire
 8.15 state aid program; authorizing the use of special actuarial work in determining
 8.16 the 2009 and 2010vspecial fund financial requirements and minimum municipal
 8.17 obligations for the White Bear Lake Fire Department Relief Association;
 8.18 authorizing a purchase of allowable service credit or salary credit for public
 8.19 employees and teachers; amending Minnesota Statutes 2010, section 353.01,
 8.20 subdivisions 2a, 6."