

1.1 **POTENTIAL 2012 OMNIBUS RETIREMENT BILL THROUGH**
 1.2 **JANUARY 31, 2012**

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

1.4 Delete everything after the enacting clause and insert:

1.5 **"ARTICLE 1**

1.6 **REVISIONS IN THE PERA PRIVATIZATION LAW**

1.7 Section 1. Minnesota Statutes 2010, section 353F.02, subdivision 4, is amended to read:

1.8 Subd. 4. **Medical facility.** "Medical facility" means:

1.9 (1) Bridges Medical Services;

1.10 ~~(2)~~ (3) Cedarview Care Center in Steele County;

1.11 ~~(2)~~ (3) the City of Cannon Falls Hospital;

1.12 ~~(3)~~ (4) the Chris Jenson Health and Rehabilitation Center in St. Louis County;

1.13 ~~(4)~~ (5) Clearwater County Memorial Hospital doing business as Clearwater Health

1.14 Services in Bagley;

1.15 ~~(5)~~ (6) the Dassel Lakeside Community Home;

1.16 ~~(6)~~ (7) the Douglas County Hospital, with respect to the Mental Health Unit;

1.17 ~~(7)~~ (8) the Fair Oaks Lodge, Wadena;

1.18 ~~(8)~~ (9) the Glencoe Area Health Center;

1.19 ~~(9)~~ (10) Hutchinson Area Health Care;

1.20 ~~(10)~~ (11) the Lakefield Nursing Home;

1.21 ~~(11)~~ (12) the Lakeview Nursing Home in Gaylord;

1.22 ~~(12)~~ (13) the Luverne Public Hospital;

1.23 ~~(13)~~ (14) the Oakland Park Nursing Home;

1.24 ~~(14)~~ (15) the RenVilla Nursing Home;

1.25 ~~(15)~~ (16) the Rice Memorial Hospital in Willmar, with respect to the Department
 1.26 of Radiology and the Department of Radiation/Oncology;

2.1 ~~(16)~~ (17) the St. Peter Community Health Care Center;
2.2 (18) the Traverse Care Center in Traverse County;
2.3 ~~(17)~~ (19) the Waconia-Ridgeview Medical Center;
2.4 ~~(18)~~ (20) the Weiner Memorial Medical Center, Inc.;
2.5 ~~(19)~~ (21) the Wheaton Community Hospital; and
2.6 ~~(20)~~ (22) the Worthington Regional Hospital.

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

2.8 Sec. 2. Minnesota Statutes 2010, section 353F.04, subdivision 1, is amended to read:

2.9 Subdivision 1. **Enhanced augmentation rates.** (a) The deferred annuity of
2.10 a terminated medical facility or other public employing unit employee is subject
2.11 to augmentation under section 353.71, subdivision 2, of the edition of Minnesota
2.12 Statutes published in the year in which the privatization occurred, except that the rate
2.13 of augmentation is as specified in ~~paragraph (b) or (c), whichever is applicable~~ this
2.14 subdivision.

2.15 (b) This paragraph applies if the legislation adding the medical facility or other
2.16 employing unit to section 353F.02, subdivision 4 or 5, as applicable, was enacted before
2.17 July 26, 2005, and became effective before January 1, 2008, for the Hutchinson Area
2.18 Health Care or before January 1, 2007, for all other medical facilities and all other
2.19 employing units. For a terminated medical facility or other public employing unit
2.20 employee, the augmentation rate is 5.5 percent compounded annually until January 1
2.21 following the year in which the person attains age 55. From that date to the effective date
2.22 of retirement, the augmentation rate is 7.5 percent compounded annually.

2.23 (c) If paragraph (b) is not applicable, and if the effective date of the privatization is
2.24 before January 1, 2011, the augmentation rate is four percent compounded annually until
2.25 January 1, following the year in which the person attains age 55. From that date to the
2.26 effective date of retirement, the augmentation rate is six percent compounded annually.

2.27 (d) If the effective date of the privatization is after December 31, 2010, the
2.28 applicable augmentation rate depends on the result of computations specified in section
2.29 353.025, subdivision 1. If those computations indicate no loss or a net gain to the fund of
2.30 the general employees retirement plan of the Public Employees Retirement Association,
2.31 the augmentation rate is 2.0 percent compounded annually until the effective date of
2.32 retirement. If the computations under that subdivision indicate a net loss to the fund if
2.33 a 2.0 percent augmentation rate is used, but a net gain or no loss if a 1.0 percent rate is
2.34 used, then the augmentation rate is 1.0 percent compounded annually until the effective
2.35 date of retirement.

3.1 (e) The term "effective date of the privatization" as used in this subdivision means
 3.2 the "effective date" as defined in section 353F.02, subdivision 3.

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

3.4 Sec. 3. Minnesota Statutes 2010, section 353F.07, is amended to read:

3.5 **353F.07 EFFECT ON REFUND.**

3.6 Notwithstanding any provision of chapter 353 to the contrary, terminated medical
 3.7 facility or other public employing unit employees may receive a refund of employee
 3.8 accumulated contributions plus interest ~~at the rate of six percent per year compounded~~
 3.9 ~~annually as provided in accordance with~~ section 353.34, subdivision 2, ~~of the edition~~
 3.10 ~~of Minnesota Statutes published in the year in which the privatization occurred,~~ at any
 3.11 time after the transfer of employment to the successor employer ~~to~~ of the terminated
 3.12 medical facility or other public employing unit. If a terminated medical facility or other
 3.13 public employing unit employee has received a refund from a pension plan ~~enumerated~~
 3.14 listed in section 356.30, subdivision 3, the person may not repay that refund unless the
 3.15 person again becomes a member of one of those ~~enumerated~~ listed plans and complies
 3.16 with section 356.30, subdivision 2.

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

3.18 **ARTICLE 2**

3.19 **LOCAL POLICE AND PAID FIRE RETIREMENT PLAN CONSOLIDATIONS**

3.20 Section 1. Minnesota Statutes 2011 Supplement, section 353.668, subdivision 4,
 3.21 is amended to read:

3.22 Subd. 4. **Transfer of assets; transfer of title to assets.** (a) On the effective date of
 3.23 the consolidation under Laws 2011, First Special Session chapter 8, article 7, section 19,
 3.24 the chief administrative officer of the Minneapolis Police Relief Association shall transfer
 3.25 the entire assets of the special fund of the Minneapolis Police Relief Association other
 3.26 than the health insurance account to the public employees police and fire retirement fund
 3.27 at market value. Unless ineligible or inappropriate, the transfer must be in the form of
 3.28 investment securities and must include any accounts receivable that are determined by the
 3.29 State Board of Investment as being capable of being collected. An amount, in cash, must
 3.30 be transferred by the city of Minneapolis equal to the market value recognized by the relief
 3.31 association of investment securities that are determined by the executive director of the
 3.32 State Board of Investment not to be in compliance with the requirements and limitations
 3.33 set forth in sections 11A.09, 11A.14, 11A.23, and 11A.24 or not to be appropriate for

4.1 retention in light of the established investment objectives of the State Board of Investment
4.2 or of accounts receivable determined by the executive director of the State Board of
4.3 Investment as being incapable of being collected. Legal and beneficial title to assets that
4.4 are determined noncompliant or inappropriate securities or that are uncollectible accounts
4.5 receivable are transferred to the city of Minneapolis on the effective date of consolidation
4.6 under Laws 2011, First Special Session chapter 8, article 7, section 19. Any accounts
4.7 payable on the effective date of consolidation under Laws 2011, First Special Session
4.8 chapter 8, article 7, section 19, are an obligation of the public employees police and fire
4.9 retirement fund and reduce the asset value for purposes of subdivision 6. The transferred
4.10 assets must be deposited in the public employees police and fire retirement fund. The
4.11 amount of the health insurance account as of the date of the consolidation must remain
4.12 deposited in the financial institution retained by the former Minneapolis Police Relief
4.13 Association on May 1, 2011, and that financial institution must act as the custodian of the
4.14 account. The health insurance account may be transferred from the financial institution
4.15 that holds the account to a successor financial institution on June 30, 2012, under the
4.16 requirements of this subdivision and the terms of an agreement between the Minneapolis
4.17 Police Relief Association and the successor financial institution dated December 30,
4.18 2011, that provides for the transfer. The financial institution shall perform all trustee and
4.19 fiduciary duties with respect to the account as a condition to the retention of the account.
4.20 The executive director of the Minneapolis Police Relief Association, prior to the effective
4.21 date of consolidation, shall estimate three calendar years of the administrative expenses
4.22 related to the operation of the account and shall prepay those expenses from the account to
4.23 the financial institution prior to the effective date of consolidation. After the three-year
4.24 prepayment period, the beneficiaries of the account are responsible for the payment of the
4.25 administrative expenses related to the operation of the account.

4.26 (b) Upon the transfer of assets to the State Board of Investment under paragraph
4.27 (a), legal title to those transferred assets vests with the State Board of Investment on
4.28 behalf of the public employees police and fire retirement plan, and beneficial title to the
4.29 transferred assets remains with the former membership of the former Minneapolis Police
4.30 Relief Association.

4.31 (c) The public employees police and fire retirement plan and fund is the successor in
4.32 interest to all claims for or against the Minneapolis Police Relief Association. The public
4.33 employees police and fire retirement plan and fund is not liable for any claim against the
4.34 Minneapolis Police Relief Association, its governing board, or its administrative staff
4.35 acting in a fiduciary capacity, under chapter 356A or common law, which is founded upon
4.36 a claim of a breach of fiduciary duty if the act or acts constituting the claimed breach were

5.1 not undertaken in good faith. The public employees police and fire retirement plan may
5.2 assert any applicable defense to any claim in any judicial or administrative proceeding
5.3 that the Minneapolis Police Relief Association, its board, or its administrative staff would
5.4 otherwise have been entitled to assert, and the public employees police and fire retirement
5.5 plan may assert any applicable defense that it has in its capacity as a statewide agency.

5.6 (d) The Public Employees Retirement Association shall indemnify any former
5.7 fiduciary of the Minneapolis Police Relief Association consistent with the provisions of
5.8 section 356A.11. The indemnification may be effected by the purchase by the Public
5.9 Employees Retirement Association of reasonable fiduciary liability tail insurance for the
5.10 officers and directors of the former Minneapolis Police Relief Association. Consistent
5.11 with section 69.80, the relief association may purchase reasonable fiduciary liability tail
5.12 insurance for its officers and directors prior to the effective date of consolidation under
5.13 Laws 2011, First Special Session chapter 8, article 7, section 19.

5.14 (e) Office equipment and other physical assets of the special fund of the Minneapolis
5.15 Police Relief Association that are not needed by the Public Employees Retirement
5.16 Association may be sold by the special fund of the Minneapolis Police Relief Association
5.17 to the general fund of the Minneapolis Police Relief Association or to any successor
5.18 fraternal organization of the Minneapolis Police Relief Association at fair market value,
5.19 with the proceeds of that sale deposited in the public employees police and fire retirement
5.20 fund and included in the transferred asset value under subdivision 6.

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

5.22 Sec. 2. **[353.669] CONSOLIDATION OF THE FAIRMONT POLICE RELIEF**
5.23 **ASSOCIATION.**

5.24 **Subdivision 1. Membership transfer.** On the effective date of consolidation, the
5.25 retired members, including surviving spouses, of the Fairmont Police Relief Association
5.26 are transferred to the public employees police and fire retirement plan, are no longer
5.27 members of the former Fairmont Police Relief Association, and are members of the public
5.28 employees police and fire retirement plan.

5.29 **Subd. 2. Benefit liability transfer.** The liability for the payment of retirement
5.30 annuities, service pensions, and survivor benefits of the retired members, service
5.31 pensioners, surviving spouses, and any other retirement benefit recipients of the former
5.32 Fairmont Police Relief Association, as contained in the transferred records of the former
5.33 relief association, is transferred to the public employees police and fire retirement plan on
5.34 the effective date of consolidation.

6.1 Subd. 3. **Transfer of records.** On the effective date of consolidation, the
6.2 chief administrative officer of the Fairmont Police Relief Association shall transfer all
6.3 records and documents relating to the special fund of the former Fairmont Police Relief
6.4 Association to the executive director of the Public Employees Retirement Association. To
6.5 the extent possible, original copies of all records and documents must be transferred.

6.6 Subd. 4. **Transfer of assets; transfer of title to assets.** (a) On the effective date of
6.7 consolidation, the chief administrative officer of the Fairmont Police Relief Association
6.8 shall transfer the entire assets of the special fund of the Fairmont Police Relief Association
6.9 to the public employees police and fire retirement fund at market value. Unless ineligible
6.10 or inappropriate as determined by the State Board of Investment, the transfer must be
6.11 in the form of investment securities and must include any accounts receivable that are
6.12 determined by the State Board of Investment as being capable of being collected. The city
6.13 of Fairmont must transfer, in cash, an amount equal to the market value, as recognized by
6.14 the relief association of any investment securities that are determined by the executive
6.15 director of the State Board of Investment to be not in compliance with the requirements
6.16 and limitations set forth in sections 11A.09, 11A.14, 11A.23, and 11A.24, or to be
6.17 inappropriate for retention in light of the established investment objectives of the State
6.18 Board of Investment, or of any accounts receivable that are determined by the executive
6.19 director as being incapable of being collected. The legal and beneficial title to assets that
6.20 are determined to be noncompliant or inappropriate securities or that are determined to be
6.21 uncollectable accounts receivable are transferred from the relief association special fund
6.22 to the city of Fairmont as of the effective date of consolidation. Any accounts payable
6.23 of the special fund of the Fairmont Police Relief Association on the effective date of
6.24 consolidation, are an obligation of the public employees police and fire retirement fund
6.25 and reduce the value of the transferred relief association special fund assets for purposes
6.26 of subdivision 6. Assets transferred from the special fund of the Fairmont Police Relief
6.27 Association must be deposited in the public employees police and fire retirement fund
6.28 and must be managed by the State Board of Investment through the Minnesota combined
6.29 investment funds under section 11A.14.

6.30 (b) Upon the transfer of the assets to the management of the State Board of
6.31 Investment under paragraph (a), legal title to those transferred assets vests with the State
6.32 Board of Investment on behalf of the public employees police and fire retirement plan,
6.33 and beneficial title to the transferred assets remains with the former membership of the
6.34 former Fairmont Police Relief Association.

6.35 (c) The public employees police and fire retirement plan and fund is the successor in
6.36 interest to all claims for and against the Fairmont Police Relief Association. The public

7.1 employees police and fire retirement plan and fund is not liable for any claim against the
7.2 Fairmont Police Relief Association or its governing board acting in a fiduciary capacity
7.3 under chapter 356A or under common law which is founded upon a claim of a breach of
7.4 fiduciary duty if the act or acts constituting the claimed breach were not undertaken in
7.5 good faith. The public employees police and fire retirement plan may assert any applicable
7.6 defense to any claim in any judicial or administrative proceeding that the former Fairmont
7.7 Police Relief Association or its former governing board would otherwise have been
7.8 entitled to assert and the public employees police and fire retirement plan may assert any
7.9 applicable defense that it has in its capacity as a statewide agency.

7.10 (d) The Public Employees Retirement Association shall indemnify any former
7.11 fiduciary of the Fairmont Police Relief Association consistent with the provisions of
7.12 section 356A.11. The indemnification may be effected by the purchase by the Public
7.13 Employees Retirement Association of reasonable fiduciary liability tail insurance for the
7.14 officers and directors of the former Fairmont Police Relief Association.

7.15 Subd. 5. **Benefits.** (a) The annuities, service pensions, and other retirement benefits
7.16 of or attributable to retired members and surviving spouses of the Fairmont Police Relief
7.17 Association who had that status as of the effective date of consolidation, continue after
7.18 consolidation in the same amount and under the same terms as provided under Minnesota
7.19 Statutes 2000, sections 423.41 to 423.46, 423.48 to 423.59, 423.61, and 423.62; Laws
7.20 1963, chapter 423; Laws 1977, chapter 100; and Laws 1999, chapter 222, article 3, section
7.21 4, except as provided in paragraph (b).

7.22 (b) The annual base salary figure for pension and benefit determinations upon
7.23 consolidation and for the balance of calendar year 2012 is \$106,666.67. After December
7.24 31, 2012, annual postretirement adjustments of pensions and benefits in force must be
7.25 calculated solely under section 356.415, subdivision 1c.

7.26 Subd. 6. **Calculation of final funded status; employer contributions.** (a) As of
7.27 the effective date of consolidation, the approved actuary retained by the Public Employees
7.28 Retirement Association under section 356.214 shall determine the final funded status of
7.29 the Fairmont Police Relief Association special fund. The final funded status is the present
7.30 value of future benefits payable from the Fairmont Police Relief Association as of the
7.31 effective date of consolidation after subtracting the market value of the transferred assets
7.32 of the Fairmont Police Relief Association as of the effective date of consolidation. The
7.33 present value of future benefits figure must be calculated using the applicable actuarial
7.34 assumptions for the public employees police and fire retirement plan specified in or
7.35 established under section 356.215. If there is a remainder present value of future benefits
7.36 amount, the city of Fairmont shall pay to the public employees police and fire retirement

8.1 fund an amount sufficient, on a level annual dollar basis, to amortize the calculated
8.2 remainder present value of future benefits amount by December 31, 2020. Payments shall
8.3 be made annually on or before December 31, beginning in 2012.

8.4 (b) If there are assets of the former Fairmont Police Relief Association in excess of
8.5 the present value of future benefits as of the effective date of consolidation, these assets
8.6 must be credited to an interest bearing suspense account within the public employees
8.7 police and fire retirement fund, must be used to offset any amount payable under paragraph
8.8 (c) until June 30, 2015, and, after June 30, 2015, must be paid to the city of Fairmont. The
8.9 suspense account must be credited with the same rate of investment return as the public
8.10 employees police and fire retirement fund.

8.11 (c) If, after the effective date of consolidation, the postretirement or preretirement
8.12 interest rate actuarial assumption applicable to the public employees police and fire
8.13 retirement plan under section 356.215, subdivision 8, is modified from the rates specified
8.14 in Minnesota Statutes 2010, section 356.215, subdivision 8, the remainder present value of
8.15 future benefits amount calculation under paragraph (a), updated for the passage of time,
8.16 must be revised and the amortization contribution by the city of Fairmont for the balance
8.17 of the amortization period must be redetermined and certified to the city of Fairmont.

8.18 **EFFECTIVE DATE.** This section is effective as of the date for consolidation set
8.19 by the board of the Public Employees Retirement Association in consultation with the
8.20 State Board of Investment, but not later than June 29, 2012.

8.21 Sec. 3. **TERMINATION OF THE FAIRMONT POLICE RELIEF**
8.22 **ASSOCIATION.**

8.23 On the effective date of consolidation, the Fairmont Police Relief Association
8.24 ceases to exist.

8.25 **EFFECTIVE DATE.** This section is effective on the effective date of section 2.

8.26 Sec. 4. **REPEALER.**

8.27 Laws 1963, chapter 423; and Laws 1999, chapter 222, article 3, sections 3; 4; and
8.28 5, are repealed.

8.29 **EFFECTIVE DATE.** This section is effective on the effective date of section 2.

9.1 **ARTICLE 3**

9.2 **RELIEF ASSOCIATION CONSOLIDATION CONFORMING CHANGES**

9.3 Section 1. Minnesota Statutes 2011 Supplement, section 69.77, subdivision 1a, is
9.4 amended to read:

9.5 Subd. 1a. **Covered retirement plans.** The provisions of this section apply to the
9.6 following local retirement plans:

9.7 (1) the Bloomington Firefighters Relief Association; and

9.8 ~~(2) the Fairmont Police Relief Association; and~~

9.9 ~~(3)~~ (2) the Virginia Fire Department Relief Association.

9.10 Sec. 2. Minnesota Statutes 2011 Supplement, section 69.77, subdivision 4, is amended
9.11 to read:

9.12 Subd. 4. **Relief association financial requirements; minimum municipal**
9.13 **obligation.** (a) The officers of the relief association shall determine the financial
9.14 requirements of the relief association and minimum obligation of the municipality for
9.15 the following calendar year in accordance with the requirements of this subdivision.
9.16 The financial requirements of the relief association and the minimum obligation of the
9.17 municipality must be determined on or before the submission date established by the
9.18 municipality under subdivision 5.

9.19 (b) The financial requirements of the relief association for the following calendar
9.20 year must be based on the most recent actuarial valuation or survey of the special fund of
9.21 the association if more than one fund is maintained by the association, or of the association,
9.22 if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions
9.23 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared
9.24 by the actuary of the relief association as part of obtaining a modification of the benefit
9.25 plan of the relief association and the modification is implemented, the actuarial estimate
9.26 must be used in calculating the subsequent financial requirements of the relief association.

9.27 (c) If the relief association has an unfunded actuarial accrued liability as reported in
9.28 the most recent actuarial valuation or survey, the total of the amounts calculated under
9.29 clauses (1), (2), and (3), constitute the financial requirements of the relief association for
9.30 the following year. If the relief association does not have an unfunded actuarial accrued
9.31 liability as reported in the most recent actuarial valuation or survey, the amount calculated
9.32 under clauses (1) and (2) constitute the financial requirements of the relief association for
9.33 the following year. The financial requirement elements are:

9.34 (1) the normal level cost requirement for the following year, expressed as a dollar
9.35 amount, which must be determined by applying the normal level cost of the relief

10.1 association as reported in the actuarial valuation or survey and expressed as a percentage
10.2 of covered payroll to the estimated covered payroll of the active membership of the relief
10.3 association, including any projected change in the active membership, for the following
10.4 year;

10.5 (2) for the Bloomington Fire Department Relief Association, ~~the Fairmont Police~~
10.6 ~~Relief Association~~, and the Virginia Fire Department Relief Association, to the dollar
10.7 amount of normal cost determined under clause (1) must be added an amount equal to the
10.8 dollar amount of the administrative expenses of the special fund of the association if more
10.9 than one fund is maintained by the association, or of the association if only one fund is
10.10 maintained, for the most recent year, multiplied by the factor of 1.035. The administrative
10.11 expenses are those authorized under section 69.80; and

10.12 (3) to the dollar amount of normal cost and expenses determined under clauses
10.13 (1) and (2) must be added an amount equal to the level annual dollar amount which
10.14 is sufficient to amortize the unfunded actuarial accrued liability as determined from
10.15 the actuarial valuation or survey of the fund, using an interest assumption set at the
10.16 applicable rate specified in section 356.215, subdivision 8, by that fund's amortization
10.17 date as specified in paragraph (d).

10.18 (d) The Virginia Fire Department Relief Association special fund amortization date
10.19 is December 31, 2010. ~~The Fairmont Police Relief Association special fund amortization~~
10.20 ~~date is December 31, 2020.~~ The Bloomington Fire Department Relief Association
10.21 special fund amortization date is determined under section 356.216, clause (2). The
10.22 amortization date specified in this paragraph supersedes any amortization date specified in
10.23 any applicable special law.

10.24 (e) The minimum obligation of the municipality is an amount equal to the financial
10.25 requirements of the relief association reduced by the estimated amount of member
10.26 contributions from covered salary anticipated for the following calendar year and the
10.27 estimated amounts anticipated for the following calendar year from the applicable state aid
10.28 program established under sections 69.011 to 69.051 receivable by the relief association
10.29 after any allocation made under section 69.031, subdivision 5, paragraph (b), clause (2),
10.30 or 423A.01, subdivision 2, paragraph (a), clause (6), from the local police and salaried
10.31 firefighters' relief association amortization aid program established under section 423A.02,
10.32 subdivision 1, from the supplementary amortization state-aid program established under
10.33 section 423A.02, subdivision 1a, and from the additional amortization state aid under
10.34 section 423A.02, subdivision 1b.

11.1 Sec. 3. Minnesota Statutes 2011 Supplement, section 356.215, subdivision 8, is
 11.2 amended to read:

11.3 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use
 11.4 the applicable following preretirement interest assumption and the applicable following
 11.5 postretirement interest assumption:

11.6		preretirement	postretirement
11.7		interest	interest
11.8	plan	rate assumption	rate assumption
11.9	general state employees retirement plan	8.5%	6.0%
11.10	correctional state employees retirement plan	8.5	6.0
11.11	State Patrol retirement plan	8.5	6.0
11.12	legislators retirement plan	8.5	6.0
11.13	elective state officers retirement plan	8.5	6.0
11.14	judges retirement plan	8.5	6.0
11.15	general public employees retirement plan	8.5	6.0
11.16	public employees police and fire retirement plan	8.5	6.0
11.17	local government correctional service		
11.18	retirement plan	8.5	6.0
11.19	teachers retirement plan	8.5	6.0
11.20	Duluth teachers retirement plan	8.5	8.5
11.21	St. Paul teachers retirement plan	8.5	8.5
11.22	Fairmont Police Relief Association	5.0	5.0
11.23	Virginia Fire Department Relief Association	5.0	5.0
11.24	Bloomington Fire Department Relief		
11.25	Association	6.0	6.0
11.26	local monthly benefit volunteer firefighters		
11.27	relief associations	5.0	5.0

11.28 (b) Before July 1, 2010, the actuarial valuation must use the applicable following
 11.29 single rate future salary increase assumption, the applicable following modified single
 11.30 rate future salary increase assumption, or the applicable following graded rate future
 11.31 salary increase assumption:

11.32 (1) single rate future salary increase assumption

11.33	plan	future salary increase assumption
11.34	legislators retirement plan	5.0%
11.35	judges retirement plan	4.0
11.36	Fairmont Police Relief Association	3.5
11.37	Virginia Fire Department Relief Association	3.5
11.38	Bloomington Fire Department Relief	
11.39	Association	4.0

11.40 (2) age-related select and ultimate future salary increase assumption or graded rate
 11.41 future salary increase assumption

12.1	plan	future salary increase assumption
12.2	correctional state employees retirement plan	assumption D
12.3	State Patrol retirement plan	assumption C
12.4	local government correctional service retirement plan	assumption C
12.5	Duluth teachers retirement plan	assumption A
12.6	St. Paul teachers retirement plan	assumption B

12.7 The select calculation is: during the
 12.8 designated select period, a designated
 12.9 percentage rate is multiplied by the result of
 12.10 the designated integer minus T, where T is
 12.11 the number of completed years of service,
 12.12 and is added to the applicable future salary
 12.13 increase assumption. The designated select
 12.14 period is five years and the designated
 12.15 integer is five for the general state employees
 12.16 retirement plan. The designated select period
 12.17 is ten years and the designated integer is ten
 12.18 for all other retirement plans covered by
 12.19 this clause. The designated percentage rate
 12.20 is: (1) 0.2 percent for the correctional state
 12.21 employees retirement plan, the State Patrol
 12.22 retirement plan, and the local government
 12.23 correctional service retirement plan; (2)
 12.24 0.6 percent for the general state employees
 12.25 retirement plan; and (3) 0.3 percent for the
 12.26 teachers retirement plan, the Duluth Teachers
 12.27 Retirement Fund Association, and the St.
 12.28 Paul Teachers Retirement Fund Association.
 12.29 The select calculation for the Duluth Teachers
 12.30 Retirement Fund Association is 8.00 percent
 12.31 per year for service years one through seven,
 12.32 7.25 percent per year for service years seven
 12.33 and eight, and 6.50 percent per year for
 12.34 service years eight and nine.

12.35 The ultimate future salary increase assumption is:

	age	A	B	C	D
13.1	16	8.00%	6.90%	7.7500%	7.2500%
13.2	17	8.00	6.90	7.7500	7.2500
13.3	18	8.00	6.90	7.7500	7.2500
13.4	19	8.00	6.90	7.7500	7.2500
13.5	20	6.90	6.90	7.7500	7.2500
13.6	21	6.90	6.90	7.1454	6.6454
13.7	22	6.90	6.90	7.0725	6.5725
13.8	23	6.85	6.85	7.0544	6.5544
13.9	24	6.80	6.80	7.0363	6.5363
13.10	25	6.75	6.75	7.0000	6.5000
13.11	26	6.70	6.70	7.0000	6.5000
13.12	27	6.65	6.65	7.0000	6.5000
13.13	28	6.60	6.60	7.0000	6.5000
13.14	29	6.55	6.55	7.0000	6.5000
13.15	30	6.50	6.50	7.0000	6.5000
13.16	31	6.45	6.45	7.0000	6.5000
13.17	32	6.40	6.40	7.0000	6.5000
13.18	33	6.35	6.35	7.0000	6.5000
13.19	34	6.30	6.30	7.0000	6.5000
13.20	35	6.25	6.25	7.0000	6.5000
13.21	36	6.20	6.20	6.9019	6.4019
13.22	37	6.15	6.15	6.8074	6.3074
13.23	38	6.10	6.10	6.7125	6.2125
13.24	39	6.05	6.05	6.6054	6.1054
13.25	40	6.00	6.00	6.5000	6.0000
13.26	41	5.90	5.95	6.3540	5.8540
13.27	42	5.80	5.90	6.2087	5.7087
13.28	43	5.70	5.85	6.0622	5.5622
13.29	44	5.60	5.80	5.9048	5.4078
13.30	45	5.50	5.75	5.7500	5.2500
13.31	46	5.40	5.70	5.6940	5.1940
13.32	47	5.30	5.65	5.6375	5.1375
13.33	48	5.20	5.60	5.5822	5.0822
13.34	49	5.10	5.55	5.5404	5.0404
13.35	50	5.00	5.50	5.5000	5.0000
13.36	51	4.90	5.45	5.4384	4.9384
13.37	52	4.80	5.40	5.3776	4.8776
13.38	53	4.70	5.35	5.3167	4.8167
13.39	54	4.60	5.30	5.2826	4.7826
13.40	55	4.50	5.25	5.2500	4.7500
13.41	56	4.40	5.20	5.2500	4.7500
13.42	57	4.30	5.15	5.2500	4.7500

14.1	58	4.20	5.10	5.2500	4.7500
14.2	59	4.10	5.05	5.2500	4.7500
14.3	60	4.00	5.00	5.2500	4.7500
14.4	61	3.90	5.00	5.2500	4.7500
14.5	62	3.80	5.00	5.2500	4.7500
14.6	63	3.70	5.00	5.2500	4.7500
14.7	64	3.60	5.00	5.2500	4.7500
14.8	65	3.50	5.00	5.2500	4.7500
14.9	66	3.50	5.00	5.2500	4.7500
14.10	67	3.50	5.00	5.2500	4.7500
14.11	68	3.50	5.00	5.2500	4.7500
14.12	69	3.50	5.00	5.2500	4.7500
14.13	70	3.50	5.00	5.2500	4.7500
14.14	(3) service-related ultimate future salary increase assumption				
14.15	general state employees retirement plan of the				assumption A
14.16	Minnesota State Retirement System				
14.17	general employees retirement plan of the Public				assumption B
14.18	Employees Retirement Association				
14.19	Teachers Retirement Association				assumption C
14.20	public employees police and fire retirement plan				assumption D
14.21	service				
14.22	length	A	B	C	D
14.23	1	10.75%	12.25%	12.00%	13.00%
14.24	2	8.35	9.15	9.00	11.00
14.25	3	7.15	7.75	8.00	9.00
14.26	4	6.45	6.85	7.50	8.00
14.27	5	5.95	6.25	7.25	6.50
14.28	6	5.55	5.75	7.00	6.10
14.29	7	5.25	5.45	6.85	5.80
14.30	8	4.95	5.15	6.70	5.60
14.31	9	4.75	4.85	6.55	5.40
14.32	10	4.65	4.65	6.40	5.30
14.33	11	4.45	4.45	6.25	5.20
14.34	12	4.35	4.35	6.00	5.10
14.35	13	4.25	4.15	5.75	5.00
14.36	14	4.05	4.05	5.50	4.90
14.37	15	3.95	3.95	5.25	4.80
14.38	16	3.85	3.85	5.00	4.80
14.39	17	3.75	3.75	4.75	4.80
14.40	18	3.75	3.75	4.50	4.80
14.41	19	3.75	3.75	4.25	4.80
14.42	20	3.75	3.75	4.00	4.80
14.43	21	3.75	3.75	3.90	4.70

15.1	22	3.75	3.75	3.80	4.60
15.2	23	3.75	3.75	3.70	4.50
15.3	24	3.75	3.75	3.60	4.50
15.4	25	3.75	3.75	3.50	4.50
15.5	26	3.75	3.75	3.50	4.50
15.6	27	3.75	3.75	3.50	4.50
15.7	28	3.75	3.75	3.50	4.50
15.8	29	3.75	3.75	3.50	4.50
15.9	30 or more	3.75	3.75	3.50	4.50

15.10 (c) Before July 2, 2010, the actuarial valuation must use the applicable following
 15.11 payroll growth assumption for calculating the amortization requirement for the unfunded
 15.12 actuarial accrued liability where the amortization retirement is calculated as a level
 15.13 percentage of an increasing payroll:

15.14	plan	payroll growth assumption
15.15	general state employees retirement plan of the	
15.16	Minnesota State Retirement System	3.75%
15.17	correctional state employees retirement plan	4.50
15.18	State Patrol retirement plan	4.50
15.19	legislators retirement plan	4.50
15.20	judges retirement plan	4.00
15.21	general employees retirement plan of the Public	
15.22	Employees Retirement Association	3.75
15.23	public employees police and fire retirement plan	3.75
15.24	local government correctional service retirement plan	4.50
15.25	teachers retirement plan	3.75
15.26	Duluth teachers retirement plan	4.50
15.27	St. Paul teachers retirement plan	5.00

15.28 (d) After July 1, 2010, the assumptions set forth in paragraphs (b) and (c) continue to
 15.29 apply, unless a different salary assumption or a different payroll increase assumption:

- 15.30 (1) has been proposed by the governing board of the applicable retirement plan;
 15.31 (2) is accompanied by the concurring recommendation of the actuary retained under
 15.32 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the
 15.33 most recent actuarial valuation report if section 356.214 does not apply; and
 15.34 (3) has been approved or deemed approved under subdivision 18.

15.35 Sec. 4. Laws 2002, chapter 392, article 1, section 8, is amended to read:

15.36 Sec. 8. **REVISOR INSTRUCTIONS.**

15.37 ~~(a) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes~~
 15.38 ~~shall not print Minnesota Statutes, sections 423.41 to 423.62, but shall denote those~~
 15.39 ~~sections as "[LOCAL, CITY OF FAIRMONT, POLICE PENSIONS.]."~~

16.1 ~~(b)~~ In the next and subsequent editions of Minnesota Statutes, the revisor of statutes
 16.2 shall, in each section indicated in column A, replace the cross-reference specified in
 16.3 column B with the cross-reference set forth in column C:

16.4	Column A	Column B	Column C
16.5	69.021, subd. 10	69.77, subd. 2a	69.77, subd. 3
16.6	69.021, subd. 10	69.77, subd. 2b	69.77, subd. 4
16.7	69.021, subd. 10	69.77, subd. 2c	69.77, subd. 5
16.8	299A.465, subd. 5	424.03	Minnesota Statutes, 2000, 424.03
16.9			
16.10	353A.07, subd. 6	69.77, subd. 2a	69.77, subd. 3
16.11	353A.09, subd. 4	69.77, subd. 2a	69.77, subd. 3
16.12	356.216	69.77, subd. 2b	69.77, subd. 4
16.13	356.219, subd. 2	69.77, subd. 2g	69.77, subd. 9
16.14	423.01, subd. 2	69.77, subd. 2b	69.77, subd. 4
16.15	423A.18	69.77, subd. 2i	69.77, subd. 11
16.16	423A.19, subd. 4	69.77, subd. 2i	69.77, subd. 11
16.17	423B.06, subd. 1	69.77, subd. 2a	69.77, subd. 3
16.18	423B.06, subd. 1	69.77, subd. 2b	69.77, subd. 4
16.19	423B.06, subd. 1	69.77, subd. 2c	69.77, subd. 5
16.20	423B.06, subd. 1	69.77, subd. 2d	69.77, subd. 6
16.21	423B.06, subd. 1	69.77, subd. 2e	69.77, subd. 7
16.22	423B.06, subd. 1	69.77, subd. 2f	69.77, subd. 8
16.23	423B.21, subd. 1	69.77, subd. 2b	69.77, subd. 4

16.24 Sec. 5. **REPEALER.**

16.25 (a) Minnesota Statutes 2010, section 423A.06, is repealed.

16.26 (b) Laws 1947, chapter 624, sections 1; 2; 3; 4; 5; 6; 8; 9; 10; 11; 12; 13; 14; 15;

16.27 16; 17; 18; 19; 21; and 22, as amended, are repealed. The revisor shall show Minnesota

16.28 Statutes, sections 423.41, 423.42, 423.43, 423.44, 423.45, 423.46, 423.48, 423.49, 423.50,

16.29 423.51, 423.52, 423.53, 423.54, 423.55, 423.56, 423.57, 423.58, 423.59, 423.61, and

16.30 423.62, as repealed.

16.31 Sec. 6. **EFFECTIVE DATE.**

16.32 Sections 1 to 5 are effective on the effective date of article 2, section 2."