



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Edward Burek, Deputy Director **EB**

RE: 2013 House Omnibus Retirement Bill (S.F. 489, First Unofficial Engrossment), as recommended by the House Ways and Means Committee

DATE: April 30, 2013

## Introduction

S.F. 489, the first unofficial engrossment (UES0489-1), contains the contents of the House Omnibus Retirement Bill I, as recommended by the House Ways and Means Committee on April 26, 2013.

## Source Legislation for the 2013 Omnibus Retirement Bill

The 2013 House Omnibus Retirement Bill, S.F. 489 (Pappas), the first unofficial engrossment, is derived from the following retirement bills:

1. SF 96 (Chamberlain); HF 156 (Dean, M.): White Bear Lake Volunteer Firefighter Relief Association; Authorize payment of retired member death benefits from the special fund.
2. SF 272 (Pappas); HF 344 (Nelson): State Patrol Plan; Benefit modifications and contribution increases.
3. SF 273 (Pappas); HF 343 (Nelson): PERA; Salary definition modification.
4. SF 274 (Pappas); HF 340 (Nelson): PERA-SVF; Extend length of time for municipal action on the election of transfer to Statewide Volunteer Firefighter Retirement Plan coverage.
5. SF 275 (Pappas); HF 341 (Nelson): PERA; Repealing the Social Security leveling option.
6. SF 276 (Pappas); HF 344 (Nelson): PERA; Privatized public hospital administrative provisions.
7. SF 277 (Pappas); HF 342 (Nelson): PERA; Administrative provisions.
8. SF 279 (Sieben); HF 347 (Kahn): MSRS-General; Service credit purchase, retirement eligibility; MSRS-General member.
9. SF 280 (Pappas); HF 345 (Nelson): MSRS-General; Retirement coverage for MAPE employees.
10. SF 439 (Saxhaug); HF 539 (Nelson): Public pension fund deductions for labor organization membership dues or payments; blind mailings authorization.
11. SF 447 (Pappas); HF 618 (Nelson): PERA-P&F, PERA-Correctional; Benefit modifications and contribution increases.
12. SF 489 (Pappas); HF 629 (Murphy, M.): Revising or repealing obsolete local police or paid fire relief association statutes.
13. SF 529 (Pappas); HF 650 (Nelson): TRA; Phase-in of actuarial equivalent early retirement reduction factors.
14. SF 573 (Eaton); HF 420 (Hilstrom): Survivor designation termination allowed in public pension plans.
15. SF 594 (Dahle); HF 705 (Bly): PERA-General; Service credit purchase; unreported Northfield Transit Division employment.
16. SF 696 (Cohen); HF 628 (Hilstrom): Judges Plan; Financial sustainability plan provisions and contribution revisions.
17. SF 696 (Goodwin); HF 628 (Murphy, M.): MSRS; Administrative provisions.
18. SF 780 (Anderson); HF 963 (McDonald): PERA; Service credit purchase for a period of omitted contributions for a certain Wright County Highway Department employee.
19. SF 1191 (Pappas); HF 1152 (Murphy, M.): State Auditor's Volunteer Fire Working Group bill.
20. SF 1235 (Reinert); HF 1330 (Murphy, M.): DTRFA; Increase contribution rates; revise plan benefits.
21. SF 1249 (Pappas); HF 1433 (Nelson): SPTRFA; Additional state aid; increase contribution rates; revise plan benefits.
22. Commission amendment H1152-4A: Volunteer fire investment information provision.
23. Commission amendment S0489-11A: MSRS-General annuitant MAPE employee membership exclusion clarification.
24. Commission amendment S0489-12A: Benefit accrual rate specification clarification.
25. Commission amendment S0489-13A: Legislators retirement fund clarification.
26. Commission amendment S0489-14A and House Ways & Means amendment H0629-5A: Former Minneapolis fire and police relief associations governing benefit plan provisions clarification.
27. Commission amendment S0489-9A and House Ways & Means amendment H0629-5A: SBI, Swap contracts investment authorization.
28. Commission amendment S1191-3A: MSRS, PERA, and TRA board powers.
29. Commission amendment S1191-4A: First class city teacher retirement fund association board powers.
30. House Ways & Means amendment H1152-8A: Teacher consolidation study; judiciary and public safety appropriations.

## General Summary of S.F. 489, the First Unofficial Engrossment (UES0489-1)

### Article 1: State Board of Investment Provisions. *(Derived from Commission amendment S0489-9A and House Ways & Means amendment H0629-5A)*

- Permits the State Board of Investment to invest state retirement and other funds in swap contracts if marked to market and traded on a regulated contract market.

### Article 2: MSRS Administrative Provisions. *(Derived from SF 696/HF 628; Commission amendment S0489-13A; and House Ways & Means amendment H0629-5A)*

- Clarifies language, removes obsolete language and revises outdated requirements, including removing the requirement that the surviving spouse live with the retired member at the time of death in order to be eligible for a State Patrol Plan survivor benefit.
- Revises MSRS-General, MSRS-Correctional, and State Patrol Retirement Plan contribution rate revision procedures.
- Revises the MSRS-Correctional duty disability definition to require that the disabling injury or illness arises from performance of duties which present inherent dangers specific to correctional employment rather than simply stemming from the performance of any duty.
- Expands MSRS authority to contract with medical advisers, requires all medical professionals providing services to MSRS to be licensed, requires employers to try to keep injured employees employed and to submit a report when no suitable employment can be found, requires disability applicants/benefit recipients to submit to medical or psychological examination with benefits denied if the individual refuses, and requires MSRS-General, MSRS-Correctional, and State Patrol Plan disabilitants to submit annual disability earnings reports with the penalty of benefit termination for lack of compliance.
- Merges the Elected State Officers Retirement Plan into the Legislators Retirement Plan chapter (Minn. Stat. Ch. 3A), with appropriate conforming changes to Chapter 356.

### Article 3: PERA Administrative Provisions. *(Derived from SF 275/HF 341, SF 277/HF 342 and SF 276/HF 344)*

- Revises the duration of certain student membership exclusions; revises the PERA military service credit purchase provision by removing the prohibition against use of overtime salary to comply with USERRA requirements.
- Creates an average salary definition for computing PERA-P&F surviving spouse and dependent child benefits; clarifies the PERA designated beneficiary definition by defining designated beneficiary to include a trust or estate, and by explicitly authorizing a person legally authorized to act on behalf of the member or former member to designate beneficiaries.
- Revises the PERA refund provision by specifying that a 4% interest rate will be used when PERA refunds erroneous employee deductions.
- Revises the MERF Division benefits provision by explicitly stating age and service requirements for MERF Division formula retirement annuities to address IRS concerns.
- Changes the name of Clearwater Health Services in Bagley to Cornerstone Nursing and Rehab Center, and adds Lake County Sunrise Home to the PERA privatization chapter.
- Revises an IRS compliance benefit commencement age provision in Chapter 356 to specify that individual consent is not required if distribution commencement is required by law.
- Substitutes PERA approval for legislative approval of privatizations for inclusion in Ch. 353F;
- Adds a 30-day separation requirement from a privatized employer to draw an annuity.
- Specifies treatment for employees who are simultaneously employed by public employer and a privatized employer.
- Repeals the PERA Social Security leveling option provision and makes conforming changes.

### Article 4: Benefit Accrual Rate Specification. *(Derived from Commission amendment S0489-12A)*

- Replaces statutory cross-references to Minnesota Statutes, Section 356.315, with the specific applicable benefit accrual rate formula percentage multiplier amount for each of the statewide and major local retirement plans.

Article 5: Revisions and Repeals of Former Local Police and Paid Firefighter Relief Association Laws. (Derived from SF 489/HF 629, Commission amendment S0489-14A, and House Ways & Means amendment H0629-5A)

- Revises, repeals, or restructures the various retirement-related statutes that apply to or reference local police or paid firefighter relief associations to accommodate the consolidation/merger of all local police relief associations and all paid firefighter relief associations except the emergency on-call Bloomington Fire Department Relief Association.
- Clarifies health insurance account retention and administration, and successor-in-interest and indemnification requirements for the former Minneapolis police and fire relief associations.
- Adapts local relief association actuarial valuation requirements.
- Adapts the determination of excess police state aid for Minneapolis and Fairmont.
- Adds DTRFA full funding as alternative termination date for amortization state aids.
- Combines ongoing former local police and fire relief association merger provisions into a single stripped-down statutory section with benefit plan clarifications for the former Minneapolis fire and police relief associations.
- Converts the 1969 Police and Paid Fire Relief Association Guidelines Act to a Bloomington Fire Department Relief Association special law.
- Eliminates obsolete deduction item from excess police state aid holding account.
- Limits financial reporting requirement to fire relief associations.
- Resets additional amortization state aid allocation percentages consistent with current law post-2010 specifications.
- Resets the authorized uses for first class city fire insurance premium surcharge.
- Revises amortization state aid and supplemental amortization state aid.
- Specifically includes the natural resources and public safety departments in police state aid provisions.

Article 6: Volunteer Firefighter Retirement Changes. (Derived from SF 96/HF 156, SF 274/HF 340, and SF 1191/HF 1152)

- Provides localities with an extension in the period of time over which the question of joining the statewide volunteer fire plan can be considered after receipt of the PERA cost analysis document.
- Permits the White Bear Lake Volunteer Firefighter Relief Association to provide a \$2,000 lump sum death benefit to the estates of firefighters with at least 20 years of service who retired before 2008.
- Makes changes largely of a technical or clarification nature in volunteer firefighter relief association statutes.
- Specifies various statute-based leaves of absence as exceptions to the retired volunteer firefighter return to active service provision.
- Adds the requirement that the governing body of the applicable municipality approve any deferred service pension interest rate set by the relief association board of trustees.
- Eliminates the requirement that the volunteer firefighter relief association bylaws include the provision of the state-reimbursed lump sum volunteer firefighter relief association service pension supplemental benefit.

Article 7: One Person and Small Group Retirement Changes. (Derived from SF 279/HF 347; SF 280/HF 345; SF 594/HF 705, SF 573/HF 420, SF 780/HF 963, and Commission amendment S0489-11A)

- Permits a member to purchase 90 days of uncredited prior service credit in MSRS-General and to gain the eligibility for the Rule of 90 benefit tier by the consequent resetting of his allowable service credit start date.
- Permits any retiree or disabilitant from a Combined Service Annuity plan to terminate a non-spousal survivor designation and receive benefits based on a single life annuity if the designated survivor agrees and both the retiree or disabilitant and the designated survivor file valid termination statements with the executive director of the applicable plan.
- Adds Minnesota Association of Professional Employees (MAPE) employees to the definition of included state employees for retirement coverage by MSRS-General, removes MAPE from the on-leave labor organization employee retirement coverage election provision, but retains the other requirements and limitations for labor organization employees covered by MSRS for MAPE employees in MSRS-General, with a clarification on the membership exclusion for a current MSRS-General annuitant.

- Allows a former Northfield Transit Division employee to purchase 43 months of allowable service credit and salary credit to correct for the period of public employment he rendered that was unreported to PERA by paying the equivalent member contribution amount, plus interest, and obligating the former employer, the City of Northfield, to pay the balance of the full actuarial value service credit purchase payment amount determined under statute.
- Permits a certain Wright County Highway Department employee to purchase service credit in PERA-General for 1.75 years of service currently uncovered due to failure by Wright County to enroll him in the plan in a timely manner.

Article 8: Miscellaneous Provisions (derived from Commission amendments H1152-4A, S1191-3A, and S1191-4A)

- Requires the Office of the State Auditor to provide information to the volunteer firefighter community with information on the availability of the State Board of Investment to accept investments for volunteer firefighter relief associations and on the availability of the voluntary statewide lump-sum volunteer firefighter retirement plan.
- Requires the MSRS, PERA, TRA, and first class city teachers boards to approve early retirement and optional annuity factors, subject to Commission actuary review, to establish an implementation schedule, and to notify the Pension Commission of the schedule.

Article 9: State Patrol Retirement Plan Financial Solvency Measures. (Derived from SF 272/HF 403)

The article amends portions of Minnesota Statutes, Chapters 352B and 356, relating to the State Patrol Retirement Plan, and makes the following changes:

- Increased Contribution Rates. The member contribution rate is increased in total by 2% in two installments and the employer contribution rate is increased in total by 3% in two installments.
- Increased Vesting Periods. The 2010 increase in the period of service to vest for an annuity or benefit is delayed until July 1, 2013, and is increased to ten years for a normal retirement annuity and an early retirement annuity.
- Maximum Retirement Annuity. The allowable service credit used to compute retirement annuities are limited to 33 years unless the active member had 28 years of allowable service before July 1, 2013.
- Increased Early Retirement Reduction Factor. For members who retire after June 30, 2015, the early retirement reduction factor is increased from 0.1% per month under age 55 at retirement to 0.34% per month under age 55 at retirement.
- Restructures Two Repetitive Survivor Benefit Provisions. Two survivor benefit provisions that replicate each other are folded together.
- Reduced Post-Retirement Adjustments. Effective January 1, 2014, the automatic annual post-retirement adjustment increases are reduced from 1.5% to 1% until the retirement plan is at least 85% funded on a market value of assets basis, then 1.5% automatic post-retirement increases until the plan is at least 90% funded on a market value of assets basis, and then a return to the 2008-2009 2.5% automatic annual post-retirement adjustment.

Article 10: PERA Plans Salary Definition. (Derived from SF 273/HF 343)

The article amends Minnesota Statutes, Section 353.01, Subdivision 10, the definition of "salary" for the various retirement plans administered by the Public Employees Retirement Association (PERA), to expand or add inclusions in the definition and to expand or add exclusions in the definitions, as follows:

- Inclusions: Expansion of periodic compensation, modification of certain supplemental retirement plan contributions, addition of non-wrongful-discharge salary reductions remedied through a grievance, addition of paid leave of absence amounts, and addition of performance or merit pay amounts.
- Exclusions: Extension to lump sum personal leave payments or benevolent leave donations, expansion to retirement incentive payments, expansion to expense allowance and per diem payments, expansion to disability insurance payments, specification of particular forms or types of employer-paid fringe benefits exclusion, and addition of non-performance or non-merit bonus payments.
- Conditional Inclusion: Expansion to court-ordered employer payments to an employee.

Article 11: Public Employees Police and Fire Retirement Plan (PERA-P&F) Financial Solvency Measures. (Derived from SF 447/HF 618)

The article amends various portions of Minnesota Statutes, Chapters 353 (PERA and PERA-P&F), 353E (PERA-Correctional) and 356 (Retirement, Generally), to make the following modifications with respect to the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General), the Public Employees Police and Fire Retirement Plan (PERA-P&F), and the Local

Government Correctional Service Retirement Plan (PERA-Correctional), all effective immediately, on July 1, 2014, or on July 1, 2019:

- Duty Disability Definition Revision. The duty disability definition for PERA-P&F and PERA-Correctional is restricted solely to disabilities arising out of or incurred during the performance of inherently dangerous duties.
- Vesting Service Credit Requirement Increased. The PERA-P&F service requirement is increased from three years to ten years for PERA-P&F members first employed after June 30, 2010, and to 20 years for PERA-P&F members first employed after June 30, 2014, with the extended period vesting proportional between five years and ten years or between ten years and 20 years.
- Expanded Employer Disability Application Reporting. PERA-P&F and PERA-Correctional disability applications would need to include more information on specific job requirements and job requirement deficiencies.
- Increased Member and Employer Contributions. PERA-P&F member and employer contributions would be increased in two steps from 9.6% of salary to 10.8% of salary and 14.4% of salary to 16.2% of salary, respectively.
- Maximum Retirement Annuity Imposed. A PERA-P&F retirement annuity maximum is imposed, set at 33 years of service credit and 99% of the final average salary, with any member contributions in excess of 33 years of service credit refunded with interest at retirement.
- Increased Early Retirement Reduction Factor. Greater early retirement reduction factors are imposed on PERA-P&F retirements between age 50 and age 55 occurring after June 30, 2014, set at an amount proportionately determined between 1.2% or 2.4% per year and 5% per year if retirement occurs between June 30, 2014, and July 1, 2019, and 5% per year after June 30, 2019.
- Post-Retirement Adjustment Modifications. The PERA-General, PERA-P&F, and PERA-Correctional post-retirement adjustments will continue at 1% until the applicable retirement fund becomes at least 90% funded on a market value basis for two consecutive actuarial valuations and if the funded ratio of the retirement fund on a market value basis including the restored adjustment rate is less than 86% for two consecutive actuarial valuations or is less than 81% for the most recent actuarial valuation and the PERA-P&F post-retirement adjustment is not payable for retirees who began receipt after June 1, 2014, for at least 25 months for a partial adjustment or for at least 36 months for a full adjustment.
- Technical Clarifications. Technical clarifications in the PERA-P&F survivor benefit calculation and survivor benefit family maximums also are made.

Article 12: TRA Early Retirement Reduction Factors. *(Derived from SF 529/HF 650)*

The article amends the level benefit retirement annuity tier of Minnesota Statutes, Chapter 354, governing the Teachers Retirement Plan (TRA) to lessen the reductions for early retirement that otherwise would be implemented by the operation of current law following recent actuarial assumption changes and to phase in the change in early retirement reduction factors over a five-year period.

Article 13: First Class City Teacher Retirement Increases and Financial Solvency Measures. *(Derived from SF 1235/HF 1330, SF 1249/HF 1433, and House Ways & Means amendment H1152-8A)*

The article primarily amends Minnesota Statutes, Chapter 354A, relating to the Duluth Teachers Retirement Fund Association (DTRFA) and the St. Paul Teachers Retirement Fund Association (SPTRFA), by making the following changes:

Both DTRFA and SPTRFA:

- Increased State Aid. Revises current state aid programs, increasing the DTRFA aid from \$346,000 to \$6,346,000 and increasing the SPTRFA aid from \$2,827,000 to \$9,827,000.
- Increased Member Contribution Rates. Increases both sets of member contributions by 1% of covered pay in 0.5% increments.
- Increased Employer Contribution Rates. Increases the DTRFA employer contribution by 0.71% of pay in two steps and increases the SPTRFA employer contribution by 1% of pay in two steps.
- Increases Retirement Annuity Benefit Accrual Rates. The current benefit accrual rates of 1.2% and 1.7% are increased to 1.4% and 1.9% for post-2013 service credit for DTRFA and for post-2015 service credit for SPTRFA.
- Requires Employer Contributions on Reemployed Annuitants. The applicable school districts are required to pay full employer contributions on the salaries of reemployed annuitants.

- Reemployed Annuitant Earnings Limitation Forfeiture. Instead of deferring payment of benefit reductions for earnings in excess of the reemployed annuitant limitations, the amounts would be forfeited to the retirement fund.
- Revised Early Retirement Reduction. The actuarial reduction for early retirement provision is revised to require more than a full actuarial reduction for retirements before age 62 and less than a full actuarial reduction at age 62 or later.

DTRFA Only:

- Revised DTRFA Post-Retirement Adjustment. The current post-retirement adjustment mechanism, providing no increases due to low funding, is revised to provide a 1% annual post-retirement adjustment.

SPTRFA Only:

- Extended Service Separation Requirement. Requires a 90-day separation from active service for entitlement to a retirement annuity.
- Additional Employer Contribution for Reemployed Annuitant. In addition to an employer contribution for reemployed annuitants, the school district is required to make an additional 2.5% of covered pay contribution.
- Revised Salary Increase and Payroll Growth Actuarial Assumptions. The recent commission-approved assumption changes are reflected in statutory changes and an error in an assumption change by the SPTRFA consulting actuary is corrected.

All Defined Benefit Teacher Plans:

- Consolidation Study. The boards of the DTRFA, SPTRFA, and TRA must jointly study the feasibility and financial requirements necessary to consolidate DTRFA and SPTRFA into TRA. The report must be submitted to the Commission by January 6, 2014.

Article 14: Judges Retirement Plan Financial Solvency Measures. *(Derived from SF 983/HF 953)*

The article amends Minnesota Statutes, Chapters 356 (Retirement, Generally) and 490 (Judges Retirement), to make modifications in the Uniform Judges Retirement Plan, as follows:

- Reduced Benefit Accrual Rate; Creation of Tier I and Tier II. The existing benefit accrual rates (2.7% of the highest five successive years average salary for allowable service before July 1, 1980, and 3.2% for allowable service after June 30, 1980) of the Judges Retirement Plan will apply to judges who first took office before July 1, 2013, and who will be referred to as Tier I judges. A Tier II benefit program is created for judges who first take office after June 30, 2013, and for judges in office on June 30, 2013, with less than five years of allowable service credit who elect to be covered by the Tier II benefit program. For Tier II judges the accrual rate will be 2.5%.
- Reduced Annual Post-Retirement Adjustment Rate for Current Retired Judges. The 2010 reduced (2% instead of 2.5%) annual post-retirement adjustment rate is further reduced to 1.75% annually until the funded ratio of the Judges Retirement Plan, measured on a market value of assets basis, equals or exceeds 70%.
- Increased Normal Retirement Age for Tier II Benefit Program. The normal retirement age of the Tier I benefit program remains at age 65, but is reset at age 66 for the Tier II benefit program.
- Elimination of Service Credit Maximum for Tier II Benefit Program. The service credit maximum applicable to the Judges Retirement Plan, generally 24 years of allowable service credit, are eliminated for judges covered by the Tier II benefit program.
- Revised Contribution Rates. The employer contribution rate required to be made by the State court Administrator for all judges is increased from 20.5% of covered salary to 22.5% of covered salary, the member contribution rate for judges covered by the Tier I benefit program is increased from 8.0% of covered salary to 9.0% of covered salary, and the member contribution rate for judges covered by the Tier II benefit program is set at 7.0% of covered salary.

Article 15: Miscellaneous Provisions. *(Derived from SF 439/HF 539)*

The article amends Minnesota Statutes, Section 356.91, the MSRS and PERA authorization to make union dues deductions, by making the deduction of retirement annuity amounts by MSRS or PERA mandatory rather than permissive, the dues deduction is clarified as membership dues and is expanded to include "other payments," the dues deduction frequency is expanded from twice annually to monthly, and the restriction against retirement annuity deductions for political purposes is eliminated, and permitting labor organizations and retired public employee associations to have a public retirement system twice per year either mail directly voluntary membership information and dues deduction authorization cards to

annuitants if the mailing does not have explicit political content, and if the organization pays the mailing costs or conducts the mailing through a mail center with a secure data share agreement in force where neither the organization or any other entity has access to the data.

Article 16: Appropriations. *(Derived from House Ways & Means Amendment H1152-8A)*

- Judicial. \$855,000 in Fiscal Year 2014 and \$888,000 in Fiscal Year 2015 is appropriated from the General Fund to the courts to finance increased employer contributions to the Judges Retirement Plan.
- Public Safety. For Fiscal Year 2015, \$649,000 is appropriated in combination from the General Fund, Trunk Highway Fund, and Highway User Tax Distribution Fund, with appropriate revisions in the Fiscal Year 2017 base, to fund employer contributions to the State Patrol Retirement Plan.

Section-by-Section Summary of S.F. 489, the First Unofficial Engrossment (UES0489-1)

A section-by-section summary of S.F. 489 (Pappas), the first unofficial engrossment, is attached.

cc: Representative David Bly  
Representative Matt Dean  
Representative Debra Hilstrom  
Representative Joe McDonald  
Mark Shepard, House Research  
Helen Roberts, House Fiscal Analyst  
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Joe Marble, House Minority Research  
Barry LaGrave, House Public Information  
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Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
<b>Article 1: State Board of Investment Provisions</b>					
1	2.27	Commission amendment S0489-9A; House Ways & Means amendment H0629-5	11A.24, Subd. 1	SBI	For state retirement funds and other state funds invested by SBI, swap contracts are authorized as an investment vehicle if market to market and traded on a regulated contract market.
<b>Article 2: MSRS Administrative Provisions</b>					
1	3.4	SF 696 (Goodwin); HF 628 (Murphy, M.)	3.85, Subd. 10	LCPR Standards	A provision governing the Commission Standards document is revised by clarifying that, in addition to requirements that are necessary to comply with generally accepted accounting standards, the standards document may include additional financial, funding, or valuation requirement that are not required under generally accepted accounting principles.
2	3.15	SF 696 (Goodwin); HF 628 (Murphy, M.)	3A.011	Legislators/ ESO	The administration of plan provision is generalized to apply to all plans or programs covered by the chapter.
3	3.21	SF 696 (Goodwin); HF 628 (Murphy, M.), Commission amendment S0489-13A	3A.03, Subd. 3	Legislators	Obsolete language and an unnecessary reference to an appropriation provision are removed, with a clarification on the crediting of investment performance.
4	4.1	SF 696 (Goodwin); HF 628 (Murphy, M.)	3A.07	Legislators/ ESO	An exception to cover provisions applicable to constitutional officers is added to the application provision.
5	4.14	SF 696 (Goodwin); HF 628 (Murphy, M.)	3A.115	Legislators/ ESO	An appropriation provision is clarified and expanded to include the necessary appropriations for benefits to retired constitutional officers and eligible survivors.
6	5.1	SF 696 (Goodwin); HF 628 (Murphy, M.)	3A.13	Legislators/ ESO	The exemption from process/health care premium provision is revised to apply to all individuals covered by the chapter, and to explicitly allow health care premium withholding for retired constitutional officers.
7	5.12	SF 696 (Goodwin); HF 628 (Murphy, M.)	3A.15	Legislators	The Legislators Retirement Plan coordinated program provision is revised to apply to both coordinated and basic legislator programs
8	5.19	SF 696 (Goodwin); HF 628 (Murphy, M.)	New 3A.17	Constitutional Officers	Existing Elective State Officers Retirement Plan provisions are moved to new Sec. 3A.17. Nothing in the section is to be interpreted as revising constitutional officer or survivor benefits or benefit eligibility.
9	6.1	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.01 Subd. 17b	MSRS- Correctional	The duty disability definition is revised by stating that the disability must arise out of performance of duties which present inherent risk specific to the duties performed by correctional employees.
10	6.8	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.03, Subd. 8	MSRS plans	The disability medical adviser provision is revised by expanding it to permit use of medical advisers other than the Department of Health.
11	6.15	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.045, New Subd. 3a	MSRS- General	The existing contribution rate revision procedure is replaced by a new subdivision requiring a recommendation to the Commission of any reduction of rates to eliminate contribution sufficiencies until no more than a 1% sufficiency remains; requiring a recommendation of equal contribution rate increases to eliminate deficiencies, with increases escalating in size depending upon the size of the deficiency; and requiring increases or decreases to become effective unless the Commission recommends a different course of action. In proposing any increase or decrease, MSRS must take into account any need for revised actuarial assumptions and the likely impact on contribution requirements due to acceptance of revised assumptions. Proposing to use sufficiencies to pay for proposed benefit improvements is prohibited.
12	8.11	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.045, New Subd. 3b	MSRS- Correctional State Patrol	A new subdivision is created with procedures for MSRS-Correctional and State Patrol plan contribution rate revisions replacing an existing procedure being repealed, by making 352.045, Subd. 3a, also apply to these two plans except that limits on contribution rate changes stated in 352.045, Subd. 3a, apply only to revisions in Correctional and State Patrol plan employee contributions. The Correctional or State Patrol plan employer contributions must be revised in whatever amount necessary to ensure that employer contributions remain at 60% of total contributions.
13	8.26	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.113, Subd. 4	MSRS plans	The disability medical or psychological examination provision is revised to permit use of physician assistants; to require any medical professional providing disability determination or review services to be licensed; to require medical reports to include a determination of whether the disability arose prior to the employee being placed on leave or prior to termination; to permit disability approvals to include a date by which it is expected that the person will have sufficiently recovered to no longer qualify for disability; and to require any claim for disability to include an employer report indicating that no work can be found to accommodate the person.
14	10.10	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.113, New Subd. 4b	MSRS plans	A new subdivision is created requiring individuals applying for or receiving disability benefits to submit to a medical examination or rehabilitation assessment if requested by the executive director.
15	10.18	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.113, Subd. 6	MSRS plans	The disability benefit continuation provision is revised by generalizing the provision to permit the executive director to require submission of medical or psychological evidence in support of disability benefit continuation.



Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
16	11.2	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.113, Subd. 8	MSRS plans	The disability refusal of examination provision permitting denial of disability benefits to any applicant refusing to submit to medical or psychological examination, is expanded to permit termination of benefits of a current disability benefit recipient who refuses to submit to examination.
17	11.9	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.113, New Subd. 14	MSRS-General MSRS-Corr.	Requires the filing of annual disabilitant earnings reports and authorizes MSRS to suspend benefits for lack of compliance.
18	11.18	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.22, Subd.3	MSRS plans	Clarifies that deferred annuities must be augmented as stated in the deferred annuities augmentation provision (352.72, Subd. 2).
19	12.10	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.955, Subd. 1	MSRS-Corr.	The MSRS-Correctional service credit transfer provision is revised by removing obsolete language.
20	13.4	SF 696 (Goodwin); HF 628 (Murphy, M.)	352.955, Subd. 3	MSRS-Corr.	The MSRS-Correctional equivalent contribution payment provision is revised by removing obsolete language.
21	14.20	SF 696 (Goodwin); HF 628 (Murphy, M.)	352B.011, Subd. 13	State Patrol	The surviving spouse definition is revised to remove the requirement that the spouse reside with the member or former member at the time of death.
22	14.26	SF 696 (Goodwin); HF 628 (Murphy, M.)	352B.10, New Subd. 7	State Patrol	Requires the filing of annual disabilitant earnings reports and authorizes MSRS to suspend benefits for lack of compliance.
23	15.2	SF 696 (Goodwin); HF 628 (Murphy, M.)	352D.04, Subd. 2	MSRS- Unclassified	Updates a cross-reference in the MSRS-Unclassified contribution rate provision.
24	15.20	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.20, Subd. 4	Retirement, Generally	The pension fund financial report requirements provision applicable to nearly all MN public plans is revised by requiring a statement rather than an exhibit or footnote disclosure, specifying that the actuarial valuation calculations prepared by the actuary are consistent with requirements of law and the Commission's Standards; and that the report will include a certification, rather than a disclosure item, stating that normal costs and accrued liabilities, rather than the required reserves for plan benefits, are computed in accordance with the entry age cost method.
25	16.25	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.214, Subd. 1	Actuarial Reporting	Consistent with the repeal of Ch. 352C and the merging of the Elective State Officers Retirement Plan into the Legislators Plan chapter, the actuary retention provision is revised to eliminate performing a separate Elective State Officers Plan actuarial valuation and the requirements for the Legislators Retirement Plan actuarial valuation are revised to include a separate statement of the actuarial accrued liabilities due to coverage provided to constitutional officers first elected before 1997.
26	18.14	Commission amend ment H0628-1A to SF 696 (Goodwin); HF 628 (Murphy, M.)	356.215, Subd. 1	Retirement, Generally	Revises a definition provision by eliminating an obsolete 2012 definition of the actuarial value of assets.
27	20.34	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.215, Subd. 8	Retirement, Generally	The interest and salary assumption provision is revised to clarify language and to reflect elimination of a separate ESO plan.
28	25.36	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.30, Subd. 3	Retirement, Generally	The combined service annuity covered plan provision is revised consistent with the repeal of Ch. 352C.
29	26.24	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.401. Subd. 3	Retirement, Generally	The exemption from process provision is revised consistent with the repeal of Ch. 352C.
30	27.23	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.415. Subd. 1a	MSRS plans	The MSRS post-retirement adjustment procedure provision is revised by removing references to the separate Elective State Officers Plan.
31	28.26	SF 696 (Goodwin); HF 628 (Murphy, M.)	356.415, Subd. 2	Retirement, Generally	The covered plan subdivision in the post-retirement adjustment section is revised consistent with the repeal of Ch. 352C.
32	29.12	SF 696 (Goodwin); HF 628 (Murphy, M.)	Application and Intent	--	Application provision stating that nothing in the article should be interpreted as revising plan benefits or benefit eligibility.
33	29.19	SF 696 (Goodwin); HF 628 (Murphy, M.)	Repealer	--	The following sections of Minnesota Statutes are repealed: 3A.02, Subd. 3, a duplicative appropriation provision; 352.995, Subd. 2, an equivalent contribution payment provision applicable to pre-7/1/2007 transfers to MSRS-Correctional; 352C.001, an Elective State Officers Plan application provision made unnecessary by language moved to Ch. 3A; 352C.091, an ESO administration provision no longer needed given the moving of elective state officer provisions to Ch. 3A; 352C.10, an ESO post-retirement adjustment provision which is no longer needed given language in Ch. 356 and language being moved to Ch. 3A; 352.045, Subd. 3-4, the existing MSRS-General, MSRS-Correctional, and State Patrol contribution rate adjustment procedures.
<b>Article 3: PERA Administrative Provisions</b>					
1	29.28	SF 277 (Pappas); HF 342 (Nelson)	353.01; Subd. 2b	PERA	Student employees in a work-study program will be excluded from PERA coverage if the position is for five years or less, rather than three years or less; and a five-year limit is placed on exclusion from coverage for students in intern or residency programs.
2	33.10	SF 277 (Pappas); HF 342 (Nelson)	353.01, Subd. 16	PERA	Removes the prohibition against use of overtime salary from the USERRA-compliant military service credit purchase provision.

## Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
3	36.16	SF 277 (Pappas); HF 342 (Nelson)	353.01, Subd. 17a	PERA-P&F	Revises the definition of average salary by including a new paragraph, moved from another section, defining average salary for purposes of computing PERA-P&F surviving spouse and dependent child benefits as the average salary over the last six months of allowable service, and if employment was part-time, the average salary must be prorated based on the actual number of hours worked.
4	36.33	SF 277 (Pappas); HF 342 (Nelson)	353.01, Subd. 29	PERA	Clarifies the PERA designated beneficiary definition by defining designated beneficiary to include a trust or estate; by explicitly authorizing a person legally authorized to act on behalf of the member or former member to designate beneficiaries; by requiring that the designation be made on a form prescribed by the executive director; and by specifying that the form must be received prior to the death of the member.
5	37.13	SF 277 (Pappas); HF 342 (Nelson)	353.27, Subd. 7	PERA	Clarifies the language of the PERA erroneous receipts or disbursements provision.
6	39.25	SF 277 (Pappas); HF 342 (Nelson)	353.34, Subd. 1	PERA	Eliminates an unnecessary clause from the PERA refund or deferred annuity provision.
7	40.7	SF 277 (Pappas); HF 342 (Nelson)	353.34, Subd. 2	PERA	Specifies that a 4% interest rate will be used to refund erroneous employee deductions.
8	40.23	SF 277 (Pappas); HF 342 (Nelson)	353.50, Subd. 3	MERF Division	Benefit computation language being moved to a benefits subdivision is stricken in a service credit and benefit transfer provision.
9	41.6	SF 277 (Pappas); HF 342 (Nelson)	353.50, Subd. 6	MERF Division	The MERF Division benefits provision is revised by clarifying the provision; by stating that active members of the MERF division must meet eligibility requirements stated in MERF statutes in order to qualify for benefits, and by specifying how to compute the benefits; and by explicitly stating age and service requirements for MERF Division formula retirement annuities.
10	41.27	SF 277 (Pappas); HF 342 (Nelson)	353.657, Subd. 2	PERA-P&F	Removes surviving spouse benefit computation language no longer needed due to the creation of an average salary definition in Section 3, and makes other conforming changes
11	42.16	SF 277 (Pappas); HF 342 (Nelson)	353.657, Subd. 2a	PERA-P&F	Removes a cross-reference to a repealed provision in the death while eligible survivor benefit provision.
12	43.19	SF 277 (Pappas); HF 342 (Nelson)	353.657, Subd. 3	PERA-P&F	Removes language from the dependent child provision no longer needed due to creating an average salary definition and clarifies the computation for part-time employees when the part-time employment was due to health reasons.
13	44.2	SF 276 (Pappas); HF 344 (Nelson)	353F.02, Subd. 3	PERA Privatizations	Clarifies the "effective date" definition by revising it to "effective date of privatization"
14	44.9	SF 277 (Pappas); HF 342 (Nelson)	358F.02 Subd. 4	PERA Privatizations	Revises the name of Clearwater Health Services in Bagley, Clearwater County, to Cornerstone Nursing and Rehab Center, and adds Lake County Sunrise Home to the list of privatized facilities.
15	45.5	SF 276 (Pappas); HF 344 (Nelson)	353F.02, New Subd. 4a	PERA Privatizations	New definition provision defining "privatized former public employer" to mean a medical facility or other employing unit which was a governmental employer, but which has now been privatized and whose employees are certified for inclusion under the PERA privatization chapter.
16	45.12	SF 276 (Pappas); HF 344 (Nelson)	353F.02, Subd. 6	PERA Privatizations	The definition of "terminated medical facility or other public employing unit employee" is revised to apply to "privatized former public employees," and language is added stating that a person who remains covered by PERA-General due to simultaneous employment with a privatized employer and another employer who remains a governmental subdivision is not eligible for coverage under the PERA privatization chapter.
17	45.30	SF 276 (Pappas); HF 344 (Nelson)	353F.025, Subd. 1	PERA Privatizations	The eligibility determination provision is clarified.
18	46.25	SF 276 (Pappas); HF 344 (Nelson)	353F.025, Subd. 2	PERA Privatizations	The privatization recommendation to the Legislature provision is revised to have PERA make determinations of which privatizations are to be included in the chapter, using the same criteria which the Commission has used in these determinations, rather than requiring legislative approval of each privatization. PERA must forward notice of new inclusions to the LCPR and government operations committees, and include a list of included privatizations on the PERA website and in the PERA financial report.
19	48.1	SF 276 (Pappas); HF 344 (Nelson)	353F.03	PERA Privatizations	A conforming change to use new terminology for privatized employers and employees is made in the vesting rule provision.
20	48.9	SF 276 (Pappas); HF 344 (Nelson)	353F.04	PERA Privatizations	The privatization augmentation provision is revised by making conforming changes, and by clarifying when the increased augmentation rates no longer apply due to reemployment with a governmental employer.
21	49.21	SF 276 (Pappas); HF 344 (Nelson)	353F.05	PERA Privatizations	Conforming changes are made in the early retirement service credit use provision.
22	50.9	SF 276 (Pappas); HF 344 (Nelson)	353F.051, Subd. 1	PERA Privatizations	Conforming changes are made in a disability eligibility provision.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
23	50.16	SF 276 (Pappas); HF 344 (Nelson)	353F.052	PERA Privatizations	Conforming changes are made in the surviving spouse, dependent child benefit eligibility provision.
24	50.25	Commission amend- ment S0276-4A to SF 276 (Pappas); HF 344 (Nelson)	New Section 353F.057	PERA Privatizations	A 30-day separation from service requirement to be eligible to draw a privatized PERA-General annuity is added.
25	51.1	SF 276 (Pappas); HF 344 (Nelson)	353F.06	PERA Privatizations	The reemployed annuitant earnings limitation provision is clarified to apply to reemployment with any privatized entity.
26	51.11	SF 276 (Pappas); HF 344 (Nelson)	353F.07	PERA Privatizations	Conforming changes are made in effect-on-refund provision.
27	51.23	SF 276 (Pappas); HF 344 (Nelson)	353F.08	PERA Privatizations	Conforming changes are made in a counseling services provision from the general and correctional plans post-retirement adjustment provision.
28	52.1	SF 275 (Pappas); HF 341 (Nelson)	356.415, Subd. 1	Post-retirement adjustments	Eliminates a PERA Social Security leveling option provision from the general post-retirement adjustment provision.
29	52.28	SF 275 (Pappas); HF 341 (Nelson)	356.415, Subd. 1b	PERA-General PERA-Correct.	Eliminates a PERA Social Security leveling option provision from the general and correctional plans post-retirement adjustment provision.
30	54.10	SF 277 (Pappas); HF 342 (Nelson)	356.635, Subd. 1	Public pension plans, generally	An IRS compliance provision specifying ages at which retirement benefits for those no longer employed must commence is clarified by adding a paragraph specifying that consent of the individual is not required if a distribution is required to commence by law.
31	54.20	SF 276 (Pappas); HF 344 (Nelson) and SF 275 (Pappas); HF 341 (Nelson)	--	Repealer	Sec. 353F.02, Subd. 4-5, a list of medical facilities and other public employing units covered by the chapter, 353.025, Subd. 3, a privatization date of application provision, and 353.29, Subd. 6, the PERA Social Security leveling option annuity form provision, are repealed.

**Article 4: Benefit Accrual Rate Specification**

1	54.28	Commission amend- ment S0489-12A	352.115, Subd. 3	MSRS-General	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
2	55.17	Commission amend- ment S0489-12A	352.87, Subd. 3	Fire Marshal Arson Plan	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
3	55.25	Commission amend- ment S0489-12A	352.93, Subd. 2	MSRS- Correctional	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
4	55.31	Commission amend- ment S0489-12A	352.95, Subd. 1	MSRS- Correctional	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
5	56.8	Commission amend- ment S0489-12A	352B.08, Subd. 2	State Patrol	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
6	56.13	Commission amend- ment S0489-12A	352B.10, Subd. 1	State Patrol	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
7	56.20	Commission amend- ment S0489-12A	353.29, Subd. 3	PERA-General	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
8	57.13	Commission amend- ment S0489-12A	353.651, Subd. 3	PERA-P&F	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
9	57.20	Commission amend- ment S0489-12A	353.656, Subd. 1	PERA-P&F	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
10	58.8	Commission amend- ment S0489-12A	353.656, Subd. 1a	PERA-P&F	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
11	59.7	Commission amend- ment S0489-12A	353.656, Subd. 3a	PERA-P&F	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
12	60.1	Commission amend- ment S0489-12A	353E.04, Subd. 3	PERA- Correctional	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
13	60.10	Commission amend- ment S0489-12A	353E.06, Subd. 1	PERA- Correctional	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
14	60.18	Commission amend- ment S0489-12A	354.44, Subd. 6	TRA	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
15	62.21	Commission amend- ment S0489-12A	354A.31, Subd. 4	First class city teachers	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
16	63.8	Commission amend- ment S0489-12A	354A.31, Subd. 4a	First class city teachers	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
17	63.30	Commission amend- ment S0489-12A	356.30, Subd. 1	Combined service annuity	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
18	65.24	Commission amend- ment S0489-12A	356.315, Subd. 9	Retirement, generally	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
19	65.33	Commission amendment S0489-12A	490.121, Subd. 22	Judges	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
20	66.6	Commission amendment S0489-12A	490.124, Subd. 1	Judges	Replaces Sec. 356.315 cross-reference with appropriate benefit accrual rate.
21	66.22	Commission amendment S0489-12A	Repealer	--	Repeals Minnesota Statutes, Section 356.315, Subdivision 1-8.
22	66.25	Commission amendment S0489-12A	Effective date	--	The article is effective the day following final enactment.

**Article 5: Revisions and Repeals of Former Local Police and Paid Firefighter Relief Association Laws**

1	66.30	SF 489 (Pappas); HF 629 (Murphy, M.)	6.495, Subd. 1	Local P&F	Eliminates an obsolete reference to local police relief associations in the State Auditor audits provision.
2	67.16	SF 489 (Pappas); HF 629 (Murphy, M.)	6.495, Subd. 3	Local P&F	Updates the State Auditor financial compliance certification provision based on current language style and usage conventions without intended substantive change.
3	67.25	SF 489 (Pappas); HF 629 (Murphy, M.)	6.67	Local P&F	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation in the accountant misconduct reporting provision.
4	68.3	SF 489 (Pappas); HF 629 (Murphy, M.)	13D.01, Subd. 1	Local P&F	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation in the open meeting requirement provision.
5	68.30	SF 489 (Pappas); HF 629 (Murphy, M.)	69.011, Subd. 1	P&F state aid	Eliminates an obsolete reference to local police relief associations in the definitions provision.
6	71.3	SF 489 (Pappas); HF 629 (Murphy, M.)	69.011, Subd. 2	P&F state aid	Consolidates aid eligibility filing requirements into a single paragraph and clarifies the March 15 filing date for PERA for the statewide volunteer fire retirement plan and eliminates obsolete provisions relating to allocations of fire state aid to counties before allocation to municipalities.
7	72.14	SF 489 (Pappas); HF 629 (Murphy, M.)	69.011, Subd. 3	P&F state aid	Divides the filing failure consequences provision into specific paragraphs, adds appropriate county references applicable for police state aid certificates, clarifies a filing failure reference, and eliminates an obsolete date reference.
8	72.27	SF 489 (Pappas); HF 629 (Murphy, M.)	69.011, Subd. 4	Fire state aid	Clarifies the application of the fire state aid qualification provision to the fire state aid program, divides the provision into separate paragraphs, and updates the provision based on current language style and usage conventions without intended substantive change.
9	73.28	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 1	P&F state aid	Updates the insurance company reports provision based on current language style and usage conventions without intended substantive change.
10	74.3	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 2	P&F state aid	Updates the insurance company reports provision based on current language style and usage conventions without intended substantive change.
11	74.22	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 3	P&F state aid	Clarifies that the Revenue Commissioner sets the monetary fraudulent or late premium report filing penalty, updates the provision based on current language style and usage conventions without intended substantive change, and adds an additional paragraph division.
12	75.6	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 4	P&F state aid	Updates the aid recipient determination provision based on current language style and usage conventions without intended substantive change.
13	75.33	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 5	P&F state aid	Eliminates the deduction of any State Auditor amount for the payment of audit costs for local police relief associations.
14	76.31	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 7	Fire state aid	Clarifies that fire state aid is only allocated to qualified aid recipients.
15	78.29	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 7a	Police state aid	Adds to the police state aid amount determination provision the appropriate references to the Dept. of Natural Resources or the Dept. of Public Safety as aid recipients and adds a state aid apportionment adjustment provision taken from repealed Sec. 69.021, Subd. 6.
16	79.18	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 8	Fire state aid	Updates the fire state aid population & property value, source of allocation basis provision based on current language style and usage conventions without intended substantive change.
17	79.25	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 9	P&F state aids	Adds to the allocation appeal process provision the appropriate references to the Dept. of Natural Resources and the Dept. of Public Safety and clarifies that appeals for the departments and the PERA-SVFRP must be venued in the Ramsay County district court.
18	80.3	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 10	Police state aid	Revises the determination of excess police state aid to accommodate the consolidations with PERA-P&F of all local police relief associations and the end of additional employer contributions to PERA-P&F with respect to merged local police pension plans other than for the cities of Fairmont and Minneapolis.
19	82.37	SF 489 (Pappas); HF 629 (Murphy, M.)	69.021, Subd. 11	Police state aid	Eliminates from the excess police state aid holding account provision a reference to a state-funded police officer stress reduction program, which was never established.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
20	83.15	SF 489 (Pappas); HF 629 (Murphy, M.)	69.031, Subd. 1	P&F state aid	Adds to the aid payment warrant provision the appropriate references to the Dept. of Natural Resources and the Dept. of Public Safety as aid recipients, clarifies that interest on late aid payments is payable to the state aid recipient, and adds a positive statement of the due date for state aid payments.
21	83.29	SF 489 (Pappas); HF 629 (Murphy, M.)	69.031, Subd. 3	P&F state aid	Clarifies the references to the police state aid payments and the fire state aid payments in the state aid appropriation provision.
22	84.1	SF 489 (Pappas); HF 629 (Murphy, M.)	69.031, Subd. 5	P&F state aid	Eliminates provisions relating to the deposit of police state aid in local police relief associations made obsolete with the recent merger with PERA-P&F of the last police relief associations.
23	86.7	SF 489 (Pappas); HF 629 (Murphy, M.)	69.041	Local P&F	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation in the retirement plan shortfalls from State General Fund provision.
24	86.17	SF 489 (Pappas); HF 629 (Murphy, M.)	69.051, Subd. 1	Local P&F	The financial reporting requirement is revised to reflect the Bloomington Fire Department Relief Association as the last paid fire relief association and to reflect the merger of all local police relief associations with PERA-P&F and some language style and usage improvements are made.
25	87.16	SF 489 (Pappas); HF 629 (Murphy, M.)	69.051, Subd. 1a	VFRAs	An obsolete reference to police is eliminated and a more appropriate reference to municipal governing body is substituted for the less precise reference to city council in the financial statement contents and filing provision.
26	88.18	SF 489 (Pappas); HF 629 (Murphy, M.)	69.051, Subd. 1b	VFRAs	Updates the financial statement deadlines and time extensions provision based on current language style and usage conventions without intended substantive change.
27	88.29	SF 489 (Pappas); HF 629 (Murphy, M.)	69.051, Subd. 2	Local P&F	Resets the general local police or paid fire relief association bond requirement as a requirement applicable solely to the Bloomington Fire Department Relief Association.
28	89.5	SF 489 (Pappas); HF 629 (Murphy, M.)	65.051, Subd. 3	Financial reporting requirements	The preparation of the financial report by a municipality which does not have a volunteer firefighter relief association and is not covered by the PERA-SVFRP is made the responsibility of the chief administrative officer of the municipality.
29	89.28	SF 489 (Pappas); HF 629 (Murphy, M.)	65.051, Subd. 4	Local P&F	The state aid malfeasance notification report to the LCPR provision is clarified that malfeasance, misfeasance, or nonfeasance by either relief association officials or municipal officials triggers the requirement.
30	90.4	SF 489 (Pappas); HF 629 (Murphy, M.)	69.33	First class city fire insurance premiums	A cross-reference to the first class city fire insurance premium tax surcharge is added to the insurance company report provision requiring reporting required to determine the surcharge aid.
31	90.18	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 1	1969 Police & Fire Guidelines Act	The application of the funding requirement is specified as Bloomington and the Bloomington Fire Department Relief Association, as the only remaining local police or paid fire relief association after the mergers of the Fairmont police and Minneapolis police and fire relief associations.
32	91.10	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 2	1969 Police & Fire Guidelines Act	The noncompliance penalty provision is limited to the sole remaining paid fire relief association, the Bloomington Fire Dept. Relief Assoc.
33	91.14	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 4	1969 Police & Fire Guidelines Act	The minimum municipal obligation provision is limited to the Bloomington Fire Dept. Relief Association and is expanded to include the special reverse amortization procedure of one-tenth of any funding surplus from Laws 1994, Ch. 541, Sec. 2.
34	93.6	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 5	1969 Police & Fire Guidelines Act	The submission of funding requirements provision is limited to the Bloomington Fire Dept. Relief Association.
35	93.14	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 6	1969 Police & Fire Guidelines Act	The municipal payment provision is limited to the Bloomington Fire Dept. Relief Association.
36	93.25	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 7	1969 Police & Fire Guidelines Act	The budget inclusion requirement provision is limited to the Bloomington Fire Dept. Relief Association.
37	94.12	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 8	1969 Police & Fire Guidelines Act	The accelerated amortization provision is limited to the Bloomington Fire Dept. Relief Association.
38	94.14	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 9	1969 Police & Fire Guidelines Act	The investment authority provision is limited to the Bloomington Fire Dept. Relief Association and the special general fund investment provision is consolidated into paragraph (b).
39	94.33	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 10	1969 Police & Fire Guidelines Act	The actuarial valuation reporting requirement provision is limited to the Bloomington Fire Dept. Relief Association.
40	95.11	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 11	1969 Police & Fire Guidelines Act	The municipal benefit change approval provision is limited to the Bloomington Fire Dept. Relief Association.
41	95.23	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 12	1969 Police & Fire Guidelines Act	The prior member contribution rate provision is limited to the Bloomington Fire Dept. Relief Association.
42	96.1	SF 489 (Pappas); HF 629 (Murphy, M.)	69.77, Subd. 13	1969 Police & Fire Guidelines Act	The enactment is renamed the Bloomington Fire Department Relief Association Guidelines Act.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
43	96.4	SF 489 (Pappas); HF 629 (Murphy, M.)	69.771, Subd. 1	1971 Volunteer Fire Guidelines Act	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
44	96.14	SF 489 (Pappas); HF 629 (Murphy, M.)	69.80	Authorized admin. exp.	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
45	97.16	SF 489 (Pappas); HF 629 (Murphy, M.)	275.70, Subd. 5	Property taxation special levies definition	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
46	101.3	SF 489 (Pappas); HF 629 (Murphy, M.)	2971.10, Subd. 1	1 <sup>st</sup> class city fire ins. premium surcharge aid	Clarifies that the surcharge aid is payable to the applicable city of the first class rather than fire relief association, reflecting the merger of all first class city fire relief associations with PERA-P&F
47	101.17	SF 489 (Pappas); HF 629 (Murphy, M.)	345.381	Abandoned public pension fund prop- erty disposition	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
48	101.24	SF 489 (Pappas); HF 629 (Murphy, M.)	353.01, Subd. 2a	PERA-General	Eliminates the obsolete special PERA-General inclusion for employees of the former Minneapolis Firefighters Relief Association or the former Minneapolis Police Relief Association.
49	103.5	SF 489 (Pappas); HF 629 (Murphy, M.)	353.01, Subd. 2b	PERA	Eliminates an obsolete reference to the former local police or paid fire relief association members.
50	106.19	SF 489 (Pappas); HF 629 (Murphy, M.)	353.01, Subd. 6	PERA	Eliminates the obsolete reference to the former Minneapolis Firefighters Relief Association or the former Minneapolis Police Relief Association.
51	107.35	SF 489 (Pappas); HF 629 (Murphy, M.)	353.01, Subd. 10	PERA	Eliminates the obsolete salary provision related to the former local police and paid fire consolidation accounts in PERA.
52	109.19	SF 489 (Pappas); HF 629 (Murphy, M.)	353.01, Subd. 16	PERA	Eliminates the obsolete allowable service credit provision related to former local police and paid fire consolidation accounts in PERA.
53	112.24	SF 489 (Pappas); HF 629 (Murphy, M.)	353.64, Subd. 1a	PERA-P&F	Eliminates an obsolete pre-1961 membership grand-parenting provision and eliminates obsolete inclusions relating to members of former local police and paid fire consolidation accounts who had not elected PERA-P&F coverage by 1999.
54	113.22	SF 489 (Pappas); HF 629 (Murphy, M.)	353.659	PERA-P&F	Updates the 1987 consolidation savings law provision based on current language style and usage conventions without any intended substantive impact; corrects cross-references to obsolete provisions being repealed.
55	114.4	SF 489 (Pappas); HF 629 (Murphy, M.)	353.665, Subd. 1	PERA-P&F	As part of an amalgamation of the very similar ongoing portions of Sec. 353.665, 353.667, 353.668, 353.669, and 353.6691, the subdivision is converted into an application provision indicating that it applies to the cities and memberships of the 44 relief associations that consolidated under the 1987 law before 1999, the former Minneapolis firefighters and police, Fairmont police, and Virginia fire relief associations.
56	114.27	SF 489 (Pappas); HF 629 (Murphy, M.) Commission amend- ment S0489-14A	353.665, Subd. 5	PERA-P&F	As part of the Sec. 353.665, 353.667, 353.668, 353.669, and 353.6691 amalgamation, the laws governing the applicable benefit plans for the various memberships of the former relief associations are delineated, including specification of the former Minneapolis fire and police relief associations benefit plans, health and dental insurance premium deductions, and fraternal organization cooperation.
57	116.23	House Ways & Means amendment H0629-5A	353.665, New Subd. 5a	Former Mpls. Police & Fire	A new subdivision is added to ensure that health insurance account administration and retention, and successor-in-interest and indemnification requirements applicable to the former Minneapolis police and fire relief associations are unchanged from prior law.
58	117.21	SF 489 (Pappas); HF 629 (Murphy, M.)	353.665, Subd. 8	PERA-P&F	As part of the Sec. 353.665, 353.667, 353.668, 353.669, and 353.6691 amalgamation, the member and municipal contributions related to former police or paid fire relief associations are specified.
59	119.21	SF 489 (Pappas); HF 629 (Murphy, M.)	353.71, Subd. 1	PERA; PERA-P&F	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation in the service in more than one fund provision.
60	120.6	SF 489 (Pappas); HF 629 (Murphy, M.)	356.20, Subd. 2	Retirement, generally	Substitutes the Bloomington Fire Department Relief Association for local police and paid fire relief associations, reflecting its status as the last remaining retirement plan of the type.
61	120.31	SF 489 (Pappas); HF 629 (Murphy, M.)	356.215, Subd. 18	Retirement, generally	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
62	121.16	SF 489 (Pappas); HF 629 (Murphy, M.)	356.216	Retirement, generally	Clarifies that the special valuation contents provision applies solely to the Bloomington Fire Dept. Relief Assoc. and monthly volunteer firefighter relief associations, clarifies that the BFDRRA amortization period is 20 years following the initial year in which the relief association has incurred an unfunded actuarial accrued liability, with separate 20-year amortization periods for each net actuarial experience loss occurring thereafter, specifies that actuarial valuations must be filed with the frequency required by generally accepted governmental sector accounting principles if that frequency is less than four years, and updates the language style and usage to current conventions without any intended substantive changes.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
63	123.1	SF 489 (Pappas); HF 629 (Murphy, M.)	356.219, Subd. 1	Retirement, generally	The application of the reporting requirement for the Bloomington Fire Dept. Relief Association is clarified.
64	123.29	SF 489 (Pappas); HF 629 (Murphy, M.)	356.219, Subd. 2	Retirement, generally	Removes unnecessary cross-references to Sec. 69.77 and 69.775
65	124.19	SF 489 (Pappas); HF 629 (Murphy, M.)	356.219, Subd. 8	Retirement, generally	Substitutes the Bloomington Fire Dept. Relief Association for local police and paid fire relief associations, reflecting its status as the last remaining retirement plan of the type.
66	125.4	SF 489 (Pappas); HF 629 (Murphy, M.)	356.406, Subd. 1	Survivor benefit reinstatement	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
67	125.29	SF 489 (Pappas); HF 629 (Murphy, M.)	356A.01, Subd. 19	Public pension fiduciary responsibility	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
68	126.1	SF 489 (Pappas); HF 629 (Murphy, M.)	356A.06, Subd. 4	Public pension fiduciary responsibility	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
69	126.31	SF 489 (Pappas); HF 629 (Murphy, M.)	356A.07, Subd. 2	Public pension fiduciary responsibility	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation.
70	127.3	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 1	Police & paid fire relief associations	Simplifies the amortization state aid provision, replaces generic references to aid recipients with a specific indication of Fairmont and Minneapolis, eliminates aid applications with appropriate certifications, corrects aid dollar limit specification, amalgamates supplemental amortization aid with amortization aid, and shifts the date for the payment of residual aid to teacher plans from 7/1 to 7/15 when other aid is payable.
71	128.21	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 1b	Police & paid fire relief associations	Simplifies the additional amortization state aid provision, replaces broad generic references to aid recipients with five specific recipients (city of Duluth, SPTRFA, city of Minneapolis, city of Virginia, and the minimum volunteer firefighter state aid program), revises the aid allocation percentages consistent with prior law now that all merged former local police and fire consolidation accounts no longer have an additional municipal contribution and appropriately revises the triggering event for potential future reallocations of Minneapolis and Virginia aid.
72	130.33	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 2	Police & paid fire relief associations	Revises the amortization state aid continuation eligibility by eliminating all obsolete eligibility provisions and clarifying Fairmont and Minneapolis continuing eligibility.
73	131.15	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 3	Police & paid fire relief associations	Eliminates obsolete references, moves the teacher retirement fund payment date back to July 15 annually, and adds a loss of eligibility provision for the DTRFA comparable to the SPTRFA provision to the reallocation of amortization and supplemental amortization aid provision.
74	132.5	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 3a	Police & paid fire relief associations	Combines the current amortization aid and supplemental amortization aid maximums into one aid maximum, reflecting the combination of the amortization state aid and the supplemental amortization state aid.
75	132.14	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 4	Police & paid fire relief associations	Revises language to reflect the consolidation of the amortization state aid and supplemental amortization state aid and reflects the consolidation of certain PRA-P&F additional municipal contributions for former merged police and fire relief associations.
76	132.27	SF 489 (Pappas); HF 629 (Murphy, M.)	423A.02, Subd. 5	Police & paid fire relief associations	Revises the amortization state aid program termination provision to reflect the consolidation of the supplemental amortization aid and the amortization aid and adds DTRFA full funding as the alternative termination trigger.
77	133.3	SF 489 (Pappas); HF 629 (Murphy, M.)	424A.001, Subd. 4	VFRA retirement coverage	Revises reference to the Bloomington Fire Department Relief Association in the definition of relief association provision.
78	133.26	SF 489 (Pappas); HF 629 (Murphy, M.)	424A.02, Subd. 9	VFRA retirement coverage	Replaces 1969 Guidelines Act citation with Bloomington Fire Guidelines Act citation in the ancillary benefit limitations provision.
79	135.23	SF 489 (Pappas); HF 629 (Murphy, M.)	475.52, Subd. 6	Municipal bonding authority	Replaces 1969 Guidelines Act citation with Bloomington Fire Dept. Relief Association reference in the pension-related bonding provision.
80	136.1	SF 489 (Pappas); HF 629 (Murphy, M.)	--	Revisor instructions	Removes Sec. 69.77, from the statutory code, reflecting the conversion of the 1969 Police and Fire Relief Association Guidelines Act into a Bloomington Fire Dept. Relief Association special law. Recodifies current Sec. 69.771-69.776 as future Sec. 424A.091-424A.096.
81	136.8	SF 489 (Pappas); HF 629 (Murphy, M.)	--	Repealer	Repeals various statutory provisions that related solely to local police and paid fire relief associations and consolidations and repeals the supplemental amortization aid.
82	136.23	SF 489 (Pappas); HF 629 (Murphy, M.)	--	Effective date; Aid allocation validated	Most of the sections are effective 7/1/2013 with the amortization state aid program provision effective on June 1 and eligibility for fiscal year 2013 amortization state aid retroactive to the effective dates of the Minneapolis and Fairmont relief association mergers.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
<b>Article 6: Volunteer Firefighter Retirement Changes</b>					
1	137.3	SF 1191 (Pappas); HF 1152 (Murphy, M.)	69.771, Subd. 1	VFRAs	Replaces description of volunteer firefighter relief associations with appropriate cross-references.
2	137.14	SF 1191 (Pappas); HF 1152 (Murphy, M.)	69.774, Subd. 1	VFRAs	Revises cross-references to general volunteer fire benefit coverage law and updates the language style and usage to current conventions.
3	137.31	SF 274 (Pappas); HF 340 (Nelson)	353G.05, Subd. 2	PERA-SVP	Extends the deadline date for municipalities to act on a fire department election to join the statewide plan from 90 days to 120 days after the receipt of the PERA cost analysis document, effective 7/1/2013.
4	139.19	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.001, New Subd. 11	VFRAs	Defines "fiscal year" as calendar year for volunteer firefighter relief associations.
5	139.25	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.01, Subd. 6	VFRAs	Clarifies exceptions to return to service for various statute-based leaves and clarifies service periods for regained credit.
6	142.31	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.015, Subd. 1	VFRAs	Clarifies an exception to the service separation requirement for certain firefighters rehired full-time.
7	143.16	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.015, Subd. 7	VFRAs	Eliminates an obsolete reference to a death benefit in the IRA transfer provision.
8	143.26	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.016, Subd. 6	VFRAs	Replaces specified identical pension qualifications in the defined contribution deferred service pension provision with cross-reference to service pension provision.
9	145.8	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.02, Subd. 7	VFRAs	Replaces specified identical pension qualifications in the deferred defined benefit service pension provision with cross-reference to service pension provision, requires municipal approval of deferred interest rates set by board, and clarifies start date for deferred service pension interest.
10	147.6	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.10, Subd. 1	VFRAs	Eliminates an obsolete statutory reference from the survivor definition in the supplemental lump sum benefit provision.
11	147.28	SF 1191 (Pappas); HF 1152 (Murphy, M.)	424A.10, Subd. 2	VFRAs	Eliminates the requirement of bylaw inclusion for supplemental benefit.
12	148.21	SF 96 (Chamberlain); HF 156 (Dean, M.)	Uncoded	White Bear Lake VFRA; local law	Permits the White Bear Lake Volunteer Firefighter Relief Association to provide a \$2,000 lump sum death benefit to the estates of firefighters with at least 20 years of service who retired before 2009.
13	149.1	SF 1191 (Pappas); HF 1152 (Murphy, M.)	Repealer	--	Repeals Section 424A.10, Subd. 5, an obsolete retroactive supplemental benefit payment provision.
<b>Article 7: One Person and Small Group Retirement Changes</b>					
1	149.6	SF 280 (Pappas); HF 345 (Nelson) Commission amend- ment S0489-11A	352.01, Subd. 2a	MSRS-General	Adds employees of the Minnesota Assoc. of Professional Employees (MAPE) in the definition of state employee and clarifies the exclusion of a current employee who is already retired from MSRS-General.
2	150.29	SF 280 (Pappas); HF 345 (Nelson)	352.029, Subd. 1	MSRS-General	Adds appropriate qualifier to the applicability provision of the general labor organization MSRS-General coverage provision.
3	151.4	SF 280 (Pappas); HF 345 (Nelson)	352.029, Subd. 2a	MSRS-General	Adds appropriate qualifier to the salary limitation of the general labor organization MSRS-General coverage provision.
4	151.16	SF 280 (Pappas); HF 345 (Nelson)	352.029, Subd. 2b	MSRS-General	Adds appropriate qualifier to the post-retirement earnings restriction of the general labor organization MSRS-General coverage provision.
5	151.28	SF 280 (Pappas); HF 345 (Nelson)	352.029, Subd. 3	MSRS-General	Adds appropriate qualifier to the contributions requirement of the general labor organization MSRS-General coverage provision.
6	152.6	SF 280 (Pappas); HF 345 (Nelson)	352.029, Subd. 5	MSRS-General	Adds appropriate qualifier to the board membership exclusion of the general labor organization MSRS-General coverage provision.
7	152.11	SF 573 (Eaton); HF 420 (Hilstrom)	New 356.408	Various plans	Permits any retiree or disabilitant from a Combined Service Annuity plan to terminate the non-spousal optional annuity survivor designation if the designated survivor agrees; upon filing of valid termination statements with the executive director of the applicable plan, the retiree or disability must receive benefits based on a single life annuity.
8	153.7	SF 573 (Eaton); HF 420 (Hilstrom)	356.48	Various plans; SPTRFA	Adds SPTRFA to the list of retirement plans permitted to recognize court-ordered terminations of spousal optional annuity survivor designations
9	153.26	SF 279 (Sieben); HF 347 (Kahn)	Uncoded	MSRS-General	Permits an MSRS-General member to purchase 90 days of uncredited prior service credit and to gain eligibility for the Rule of 90 benefit tier by the consequent resetting of his allowable service credit start date.
10	154.33	SF 594 (Dahle); HF 705 (Bly)	Uncoded	PERA-General	Permits a former Northfield Transit Division employee to purchase unreported prior service by paying the equivalent member contributions plus interest and obligating the City of Northfield to pay the balance of the full actuarial value service credit purchase payment amount.
11	156.1	SF 780 (Anderson); HF 963 (McDonald)	Uncoded	PERA-General	Permits a Wright Co. employee to purchase service credit by paying the equivalent member contributions plus interest and obligating the employer to pay the balance of the full actuarial value payment amount.



Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
<b>Article 8: Miscellaneous Provisions</b>					
1	157.16	Commission amendment H1152-4A	New 6.496	Volunteer firefighters	Requires provision of information on the availability of the State Board of Investment and on the availability of the voluntary statewide volunteer firefighter retirement plan to the volunteer fire community.
2	157.32	Commission amendment S1191-3A	352.03, Subd. 4	MSRS	Requires the board to approve early retirement and optional annuity factors, subject to Commission actuarial review, to establish an implementation schedule, and to notify the Pension Commission of the schedule.
3	158.19	Commission amendment S1191-3A	353.03, Subd. 3	PERA	Requires the board to approve early retirement and optional annuity factors, subject to Commission actuarial review, to establish an implementation schedule, and to notify the Pension Commission of the schedule.
4	159.33	Commission amendment S1191-3A	354.07, Subd. 1	TRA	Requires the board to approve early retirement and optional annuity factors, subject to Commission actuarial review, to establish an implementation schedule, and to notify the Pension Commission of the schedule.
5	160.16	Commission amendment S1191-4A	354A.021, Subd. 2	First class city teachers	Requires the boards to approve early retirement and optional annuity factors, subject to Commission actuarial review, to establish an implementation schedule, and to notify the Pension Commission of the schedule.
<b>Article 9: State Patrol Retirement Plan Financial Solvency Measures</b>					
1	160.32	Commission amendment S0272-1A to SF 272 (Pappas); HF 403 (Nelson)	352B.011, Subd. 4	State Patrol	Includes the salary earned on employment rendered in excess of the 33-year maximum in final average salary for annuity computation purposes.
2	161.17	SF 272 (Pappas); HF 403 (Nelson)	352B.02, Subd. 1a	State Patrol	Increases the member contribution rate by 2% in two installments, 1% in FY 2015 and 1% beginning in FY 2017.
3	161.28	SF 272 (Pappas); HF 403 (Nelson)	352B.02, Subd. 1c	State Patrol	Increases the employer contribution rate by 3% in two installments, 1.5% in FY 2015 and 1.5% beginning in FY 2017.
4	162.9	SF 272 (Pappas); HF 403 (Nelson)	352B.08, Subd. 1	State Patrol	Delays the 2010 increase in years of service credit to vest for newly employed members from 7/1/2010 to 7/1/2013 and increases the minimum length of service credit to vest from five years to ten years.
5	162.22	SF 272 (Pappas); HF 403 (Nelson)	352B.08, Subd. 2	State Patrol	Unless a member had at least 28 years of allowable service credit on 6/30/2013, a maximum of 33 years of service credit can be used to calculate an annuity, and any member contributions for service in excess of 33 years are refunded at annuity commencement.
6	163.2	SF 272 (Pappas); HF 403 (Nelson)	352B.08, Subd. 2a	State Patrol	Delays the 2010 vesting period increase from 7/1/2010 to 7/1/2013, increases the minimum length of service credit to vest from five to ten years, delays the 2010 increase in the early retirement reduction factor for retirements occurring after 6/30/2015, and increases the post-2015 retirement factor increase from 0.2 to 0.34% per month under age 55.
7	163.14	SF 272 (Pappas); HF 403 (Nelson)	352B.10, Subd. 5	State Patrol	Updates in the optional annuity provision a cross-reference to the surviving spouse benefit provision proposed for repeal.
8	163.25	Commission amendment S0272-1A to SF 272 (Pappas); HF 403 (Nelson)	352B.11, Subd. 1	State Patrol	Clarifies that a refund of post-33-year maximum member contributions does not forfeit post-33-year maximum salary credit.
9	164.6	SF 272 (Pappas); HF 403 (Nelson)	352B.11, Subd. 2b	State Patrol	In the surviving spouse benefit provision, the vesting change from three years to five years is delayed from 7/1/2010 to 7/1/2013 and this subdivision and the substance of M.S., Sec. 352B.11, Subd. 2c
10	165.24	SF 272 (Pappas); HF 403 (Nelson)	356.415, Subd. 1e	State Patrol	Reduces the automatic annual post-retirement increase to 1% beginning 1/1/2014 and continuing until the plan is at least 85% funded on a market value of assets basis and sets the automatic annual post-retirement increase to 1.5% until the December 31 after the plan is at least 90% funded on a market value of assets.
11	166.34	SF 272 (Pappas); HF 403 (Nelson)	Repealer	--	Repeals Section 352B.11, Subdivision 2c.
<b>Article 10: PERA Plans Salary Definition</b>					
1	167.4	SF 273 (Pappas); HF 343 (Nelson)	353.01, Subd. 10	PERA	Revises the definition of salary as follows: expands the inclusion of periodic compensation, modifies the inclusion of certain supplemental retirement plan contributions, adds the inclusion of non-wrongful-discharge salary reductions remedied through a grievance, adds the inclusion of paid leave of absence amounts, adds performance/merit pay amounts, extends the exclusion to lump sum personal/benevolent leave donation payments, expands the exclusion of retirement incentive payments, expands the exclusion to expense allowance/per diem payments, expands the exclusion to disability insurance payments, specifies the exclusions of particular forms or types of employer-aid fringe benefits, adds an exclusion of non-performance or non-merit bonus payments, and expands the conditional inclusion to certain court-ordered employer payments to an employee.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
<b>Article 11: Public Employees Police and Fire Retirement Plan Financial Solvency Measures</b>					
1	170.14	Commission amendment S447-1A to SF 447 (Pappas); HF 618 (Nelson)	353.01, Subd. 17a	PERA-P&F	Includes the salary earned on employment rendered in excess of the 33-year maximum in final average salary for annuity computation purposes.
2	170.28	SF 447 (Pappas); HF 618 (Nelson)	353.01, Subd. 41	PERA-P&F	Requires for a duty disability the inability to perform normal duties arising out of or incurred during the performance of inherently dangerous duties rather than normal duties or less frequent duties, protecting property or personal safety with inherently dangerous duties, effective immediately.
3	171.5	SF 447 (Pappas); HF 618 (Nelson)	353.01, Subd. 47	PERA-P&F	For persons who first become a member of the plan after 7/1/2014, imposes 20-year proportional vesting, set at 50% vested with ten years of service to 100% vested with 20 years of service.
4	172.27	SF 447 (Pappas); HF 618 (Nelson)	353.031, Subd. 4	PERA-P&F PERA-Corr.	Adds requirements that the disability benefit application must explain the duties the person cannot perform for a benefit applied for within two years, must explain the duties the person cannot perform for the 90-day period before the disability if the disability is applied for more than two years after the disability, must explain why or why not the person cannot continue in employment in a current or other position, and must state the specific act giving rise to the disability and relate the disability to an inherently dangerous duty for a duty disability application.
5	174.1	Commission amendment S447-1A to SF 447 (Pappas); HF 618 (Nelson)	353.35, Subd. 1	PERA-P&F	Clarifies that a refund of post-33-year maximum member contributions does not forfeit post-33-year maximum salary credit.
6	174.16	SF 447 (Pappas); HF 618 (Nelson)	353.65, Subd. 2	PERA-P&F	Increases the member contribution rate from the current 9.6% to 10.2% of salary in CY2014 and to 10.8% of salary after CY2014.
7	175.9	SF 447 (Pappas); HF 618 (Nelson)	353.65, Subd. 3	PERA-P&F	Increases the employer contribution rate from the current 14.4% to 13.3% of salary in CY2014 and to 16.2% of salary after CY2014.
8	175.28	SF 447 (Pappas); HF 618 (Nelson)	353.651, Subd. 3	PERA-P&F	Specifies that the calculated retirement annuity is multiplied by the vesting percentage if service is less than 20 years and, for plan members first enrolled after 6/30/2014, service credit is limited to 33 years, the retirement annuity is limited to 99% of final average salary, with a refund of contributions over 33 years provided at retirement with same interest rate as regular member contribution refund.
9	176.21	SF 447 (Pappas); HF 618 (Nelson) Commission amendment S447-13A	353.651, Subd. 4	PERA-P&F	Limits the current 0.1% per month below age 55 early retirement reduction to pre-2007 hires who retire before 7/1/2014, limits the current 0.2% per month under age 55 reduction to post-2007 hires who retire before 7/1/2014, adds a reduction per year under age 55 for members who retired 7/1/2012-7/1/2019, prorated between either 1.2% if the person first became a plan member after 6/30/2007 and 5.0%, and adds a 5.0% reduction per year under age 55 for members who retired after 7/1/2019.
10	177.25	SF 447 (Pappas); HF 618 (Nelson)	353.657, Subd. 2a	PERA-P&F	Corrects an obsolete citation to a normal retirement provision repealed in 2005 in the death while eligible survivor benefit provision
11	178.27	SF 447 (Pappas); HF 618 (Nelson)	353.657, Subd. 3a	PERA-P&F	Specifies that any reduction in individual benefit amounts to achieve the overall family maximum must be imposed proportionately on the annuitant, surviving spouse, and dependent child and specifies restoration upon the end of child dependency or annuitant or spouse death.
12	179.16	SF 447 (Pappas); HF 618 (Nelson)	353E.001, Subd. 1	PERA-Corr.	Requires for a duty disability the inability to perform normal duties arising out of or incurred during the performance of inherently dangerous duties rather than normal duties or less frequent duties, protecting property or personal safety with inherently dangerous duties, effective immediately.
13	179.26	SF 447 (Pappas); HF 618 (Nelson)	356.415, Subd. 1b	PERA-General PERA-Corr.	Resets the post-retirement adjustment trigger for a return to full 2.5% adjustments at reaching 90% funded on a market value of assets basis for two consecutive actuarial valuations and returns to the limited adjustment rate in a subsequent year or years if the funded ratio on a market value of assets basis is less than 85% for two consequent actuarial valuations or less than 80% for the most recent actuarial valuation.
14	181.16	SF 447 (Pappas); HF 618 (Nelson)	356.415, Subd. 1c	PERA-P&F	Extends the 1% post-retirement adjustment rate through 6/1/2014 for current and near-term future retirees, extends the minimum period of receipt for new retirees after 6/1/2014 to 25 mo. for a partial adjustment and to 36 mo. for a full adjustment, with a 1% adjustment after 6/1/2014 until funding stability is restored, extends the post-funding stability minimum receipt period to 25 mo. for a partial adjustment and 36 mo. for a full adjustment, and defines funding stability if the funded ratio on a market value of assets basis is less than 85% for two consecutive actuarial valuations or less than 80% for the most recent actuarial valuation.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
<b>Article 12: Teachers Retirement Association Early Retirement Reduction Factors</b>					
1	183.24	SF 529 (Pappas); HF 650 (Nelson)	354.44, Subd. 6	TRA	Modifies the requirement that the early retirement reduction factors for this tier be the actuarial equivalent of a normal retirement annuity by delaying any modification in the early retirement reduction factor until 7/1/2015, by substituting set amount early retirement reduction factors for the actuarial equivalent early retirement reduction factors, and by phasing in the imposition of the new early retirement reduction factors over a four-year period, with the full implementation of an actuarial equivalent early normal retirement reduction factor until 7/1/2020.
<b>Article 13: First Class City Teacher Retirement Increases and Financial Solvency Measures</b>					
1	186.24	SF 1249 (Pappas); HF 1433 (Nelson)	New 354.436	TRA	The appropriation paid to TRA on behalf of the former MTRFA is moved from the first class city teacher chapter to the TRA chapter.
2	187.5	SF 1249 (Pappas); HF 1433 (Nelson)	354A.011, Subd. 21	SPTRFA	The retirement definition is revised to require a 90-day separation from service for SPTRFA-covered employees who terminate employment.
3	187.18	SF 1235 (Reinert); HF 1330 (Murphy, M.) SF 1249 (Pappas); HF 1433 (Nelson)	354A.12, Subd. 1	DTRFA SPTRFA	The DTRFA new law and old law coordinated plan rate is increased from by 1% of pay in 0.5% increments starting on 7/1/2013. The SPTRFA coordinated and basic member contribution rates are increased by 1% of pay in 0.5% increments starting in 2015.
4	188.17	SF 1235 (Reinert); HF 1330 (Murphy, M.) SF 1249 (Pappas); HF 1433 (Nelson)	354A.12, Subd. 2a	DTRFA SPTRFA	The DTRFA employer contributions are increased from 6.79% of pay to 7.50% of pay in two steps, beginning in July 2013. The SPTRFA coordinated & basic employer contributions are increased by 1% of pay beginning with a 0.5% increment starting in 2015, followed by 0.25% increments in 2016 and 2017.
5	189.32	SF 1235 (Reinert); HF 1330 (Murphy, M.)	354A.12, New Subd. 2c	DTRFA	Requires the Duluth school district to make employer contributions if DTRFA annuitants are reemployed.
6	190.6	SF 1249 (Pappas); HF 1433 (Nelson)	354A.12, New Subd. 2d	SPTRFA	Requires the St. Paul school district to make employer contributions, plus an additional 2.5% of pay, if SPTRFA annuitants are reemployed.
7	190.16	SF 1235 (Reinert); HF 1330 (Murphy, M.) SF 1249 (Pappas); HF 1433 (Nelson)	354A.12, Subd. 3a	DTRFA SPTRFA	Provides an additional \$6 million annually in direct state aid to DTRFA and an additional \$7 million annually in direct state aid to SPTRFA.
8	190.27	SF 1235 (Reinert); HF 1330 (Murphy, M.)	354A.12, Subd. 3c	DTRFA SPTRFA	An aid termination date provision is amended to include eventual termination of the direct state aid and by clarifying the provision.
9	191.12	SF 1249 (Pappas); HF 1433 (Nelson)	354A.12, Subd. 7	SPTRFA	The SPTRFA is authorized to recover by direct repayment any annuity amounts which should not have been paid due to the member failing to remain separated from St. Paul school district employment for at least 90 days prior to the reemployment. Repayment is with interest.
10	192.16	SF 1235 (Reinert); HF 1330 (Murphy, M.)	354A.27, New Subd. 6a	DTRFA	A new postretirement adjustment subdivision is added providing a 1% increase if the funding ratio is less than 90%.
11	192.28	SF 1235 (Reinert); HF 1330 (Murphy, M.)	354A.27, Subd. 7	DTRFA	Corrects a subdivision reference in the postretirement increase provision applicable once the funding ratio hits at least 90%.
12	193.24	SF 1235 (Reinert); HF 1330 (Murphy, M.) SF 1249 (Pappas); HF 1433 (Nelson)	354A.31, Subd. 3	DTRFA SPTRFA	The first class city teacher plan reemployed annuitant holding account provision is revised by stating that for members who retire after 6/30/2013, amounts which under prior law were deferred and placed in an account will instead be forfeited to the applicable retirement fund.
13	195.1	SF 1249 (Pappas); HF 1433 (Nelson)	354A.31, Subd. 4	SPTRFA	The SPTRFA retirement annuity computation provision is revised by increasing accrual rates on service rendered after 6/30/2015 from 1.2% to 1.4% for the first ten years of service and from 1.7% to 1.9% on later years of service for step formula annuities, and from 1.7% to 1.9% on level formula annuities.
14	195.30	SF 1235 (Reinert); HF 1330 (Murphy, M.)	354A.31, Subd. 4a	DTRFA	The DTRFA retirement annuity computation provision is revised by increasing accrual rates on service rendered after 6/30/2013 from 1.2% to 1.4% for the first ten years of service and from 1.7% to 1.9% on later years of service for step formula annuities, and from 1.7% to 1.9% on level formula annuities.
15	196.26	SF 1249 (Pappas); HF 1433 (Nelson)	354A.31, Subd. 7	DTRFA SPTRFA	The first class city teacher plan actuarial reduction for early retirement provision is amended by revising reductions to require less than an actuarial reduction for retirements after age 60, and more than an actuarial reduction for earlier retirements.
16	197.30	SF 1249 (Pappas); HF 1433 (Nelson)	354A.35, Subd. 2	SPTRFA	The death while under age 55 provision is amended by revising the reduction procedures used to compute the survivor annuity.
17	198.33	SF 1249 (Pappas); HF 1433 (Nelson)	356.215, Subd. 8	SPTRFA	The salary and payroll increase assumptions are revised to agree with revisions adopted by the Commission in August 2012.
18	203.38	SF 1235 (Reinert); HF 1330 (Murphy, M.) SF 1249 (Pappas); HF 1433 (Nelson)	356.47, Subd. 1	DTRFA SPTRFA	A reemployed annuitant account application provision in Ch. 356 is clarified by specifying that the section will apply only to pre-71/2013 DTRFA retirees and pre-71/2013 SPTRFA retirees.

Section-by-Section Summary of the House Omnibus Retirement Bill, S.F. 489 (Pappas), First Unofficial Engrossment (UES0489-1)

Sec.	Pg.Ln	Source Bill(s)	Stat. Provision	Retirement Plan	Summary
19	204.16	SF 1249 (Pappas); HF 1433 (Nelson)	423A.02, Subd. 5	SPTRFA	An amortization aid termination of aid provision in Ch. 423A applicable to the SPTRFA is revised by clarifying termination dates.
20	204.23	SF 1235 (Reinert); HF 1330 (Murphy, M.)	Uncoded	DTRFA	The DTRFA is authorized to revise its bylaws to revise employee and employer contribution rates and reemployed annuitant treatment as specified in the bill.
21	204.31	SF 1249 (Pappas); HF 1433 (Nelson)	Uncoded	SPTRFA	The SPTRFA is authorized to revise its bylaws to revise the reduction factors used for early retirements as specified in the bill.
22	205.6	House Ways & Means amendment H1152-8A	Uncoded	DTRFA, SPTRFA, TRA	DTRFA, SPTRFA, and TRA are required to study the feasibility and financial requirements for consolidating the first class city teacher plans into TRA. The report must be submitted to the LCPR by 1/6/2014.
23	205.30	SF 1235 (Reinert); HF 1330 (Murphy, M.)	Repealer	--	M.S. Sec. 354A.27, Subd. 6, the DTRFA postretirement provision that provided no increase if the funding ratio is less than 80%, and a 1% increase if the ratio is at least 80% but less than 90%, is repealed.

**Article 14: Judges Retirement Plan Financial Solvency Measures**

1	206.3	SF 983 (Cohen); HF 953 (Hilstrom)	356.315, New Subd. 8a	Judges Plan	Sets the Tier II benefit program benefit accrual rate at 2.5%.
2	206.7	SF 983 (Cohen); HF 953 (Hilstrom)	356.415, Subd. 1	Judges Plan	Adds an exception for the Judges Retirement Plan to the 2009 2.5% annual post-retirement adjustment provision.
3	207.1	SF 983 (Cohen); HF 953 (Hilstrom)	356.415, Subd. 1f	Judges Plan	Sets the annual post-retirement adjustment beginning 1/1/2014 at 1.75% until the plan becomes 70% funded on a market value of assets basis.
4	207.31	SF 983 (Cohen); HF 953 (Hilstrom)	490.121, Subd. 21f	Judges Plan	Limits the current normal retirement age of 65 to the Tier I benefit program and sets the Tier II benefit program normal retirement age at 66.
5	208.2	Commission amend- ment S0983-1A to SF 983 (Cohen); HF 953 (Hilstrom)	490.121, Subd. 22	Judges Plan	Clarifies the application of the service credit limit to Tier I judges as part of the "service credit limit" definition.
6	208.10	Commission amend- ment S0983-1A to SF 983 (Cohen); HF 953 (Hilstrom)	490.121, New Subd. 25	Judges Plan	Adds a definition of the Tier I benefit program, with appropriate cross-references.
7	208.19	Commission amend- ment S0983-1A to SF 983 (Cohen); HF 953 (Hilstrom)	490.121, New Subd. 26	Judges Plan	Adds a definition of the Tier II benefit program, with appropriate cross-references.
8	208.27	SF 983 (Cohen); HF 953 (Hilstrom)	New Section 490.1221	Judges Plan	Delineates the coverages of the Judges Retirement Plan Tier I benefit program and the Tier II benefit program.
9	209.9	SF 983 (Cohen); HF 953 (Hilstrom)	New Section 490.1222	Judges Plan	Excludes Judges Retirement Plan Tier II members from the service credit limit applicable to Tier I.
10	209.13	SF 983 (Cohen); HF 953 (Hilstrom)	490.123, Subd. 1a	Judges Plan	Increases the Tier I member contribution rate to 9.00% of covered salary and sets the Tier II member contribution rate at 7.00% of covered salary.
11	209.27	SF 983 (Cohen); HF 953 (Hilstrom)	490.123, Subd. 1b	Judges Plan	Increases the employer contribution rate on all benefit program tiers to 22.5% of covered salary.
12	210.6	SF 983 (Cohen); HF 953 (Hilstrom)	490.124, Subd. 1	Judges Plan	Retains the current normal retirement annuity calculation for Tier I benefit program judges and specifies the normal retirement annuity calculation, with a prospective post-12/31/13 service accrual rate reduction.
13	211.1	SF 983 (Cohen); HF 953 (Hilstrom)	Uncoded	Judges Plan	Excludes from any post-2012 judicial salary increase for Tier I judges if the increased member contribution rate is not deducted from the judge's salary.
14	211.7	SF 983 (Cohen); HF 953 (Hilstrom)	Uncoded	Judges Plan	Authorizes pre-7/1/2013 judges to elect benefit program Tier II benefit coverage.

**Article 15: Miscellaneous Provisions**

1	211.25	SF 439 (Saxhaug); HF 539 (Nelson)	356.91	PERA and MSRS	Makes the deduction of union dues mandatory for the retirement plan, expands the authority to payments beyond dues, increases the frequency of deductions to monthly, eliminates the restriction on political purpose expenditures for dedicated dues, and authorizes twice annual blind mailings to retirees.
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**Article 16: Appropriations**

1	212.26	House Ways & Means amendment H1152-8A	Appropriation	Judiciary appropriation	\$855,000 in FY2014 and \$888,000 in FY2015 is appropriated to the courts to fund increased employer contributions to the Judges Plan.
2	213.1	House Ways & Means amendment H1152-8A	Appropriation	Public safety appropriation	For FY2015, \$649,000 is appropriated in combination from the General Fund, Trunk Highway Fund, and Highway User Tax Distribution Fund to finance employer contributions to the State Patrol Retirement Plan.