

1.1 Senator moves to amend S.F. No. 935 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2012, section 69.021, is amended by adding a
1.4 subdivision to read:

1.5 Subd. 12. Pension aid accounts. (a) \$7,500,000 in fiscal year 2014 and \$7,500,000
1.6 in fiscal year 2015 is appropriated from the general fund, and each year thereafter, to
1.7 the commissioner of revenue for the purposes of pension aid. The commissioner shall
1.8 administer the account and allocate money in the account as follows:

1.9 (1) \$1,300,650 as supplemental state pension funding paid to the executive director
1.10 of the Public Employees Retirement Association for deposit in the public employees
1.11 police and fire retirement fund established by section 353.65, subdivision 1;

1.12 (2) \$649,350 to municipalities employing firefighters with retirement coverage
1.13 by the public employees police and fire retirement plan, allocated in proportion to
1.14 the relationship that the preceding June 30 number of firefighters employed by each
1.15 municipality who have public employees police and fire retirement plan coverage bears
1.16 to the total preceding June 30 number of municipal firefighters covered by the public
1.17 employees police and fire retirement plan; and

1.18 (3) \$5,500,000 for municipalities other than the municipalities receiving a
1.19 disbursement under clause (2) which qualified to receive fire state aid in that calendar year,
1.20 allocated in proportion to the most recent amount of fire state aid paid under subdivision 7
1.21 for the municipality bears to the most recent total fire state aid for all municipalities other
1.22 than the municipalities receiving a disbursement under clause (2) paid under subdivision
1.23 7, with the allocated amount for fire departments participating in the voluntary statewide
1.24 lump-sum volunteer firefighter retirement plan paid to the executive director of the Public
1.25 Employees Retirement Association for deposit in the fund established by section 353G.02,
1.26 subdivision 3, and credited to the respective account and with the balance paid to the
1.27 treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of
1.28 the applicable volunteer firefighter relief association for deposit in its special fund.

1.29 (b) \$15,500,000 in fiscal year 2014 and \$15,500,000 in fiscal year 2015 is
1.30 appropriated from the general fund, and each year thereafter, to the commissioner of
1.31 revenue for the purposes of pension aid. The commissioner shall administer the account
1.32 and allocate money in the account as follows:

1.33 (1) one-third to be distributed as police state aid as provided under subdivision 7a; and

1.34 (2) two-thirds to be apportioned, on the basis of the number of active police officers
1.35 certified for police state aid receipt under section 69.011, subdivisions 2 and 2b, between:

2.1 (i) the executive director of the Public Employees Retirement Association for
2.2 deposit as a supplemental state pension funding aid in the public employees police and fire
2.3 retirement fund established by section 353.65, subdivision 1; and

2.4 (ii) the executive director of the Minnesota State Retirement System for deposit as a
2.5 supplemental state pension funding aid in the state patrol retirement fund.

2.6 (c) On or before September 1, annually, the executive director of the Public
2.7 Employees Retirement Association shall report to the commissioner the following:

2.8 (1) the municipalities which employ firefighters with retirement coverage by the
2.9 public employees police and fire retirement plan;

2.10 (2) the number of firefighters with public employees police and fire retirement plan
2.11 employed by each municipality;

2.12 (3) the fire departments covered by the voluntary statewide lump-sum volunteer
2.13 firefighter retirement plan; and

2.14 (4) any other information requested by the commissioner to administer the surcharge
2.15 fire pension aid account.

2.16 (d) For this subdivision, (i) the number of firefighters employed by a municipality
2.17 who have public employees police and fire retirement plan coverage means the number
2.18 of firefighters with public employees police and fire retirement plan coverage that were
2.19 employed by the municipality for not less than 30 hours per week for a minimum of six
2.20 months prior to December 31 preceding the date of the payment under this section and, if
2.21 the person was employed for less than the full year, prorated to the number of full months
2.22 employed; and, (ii) the number of active police officers certified for police state aid receipt
2.23 under section 69.011, subdivisions 2 and 2b means, for each municipality, the number of
2.24 police officers meeting the definition of peace officer in section 69.011, subdivision 1,
2.25 counted as provided and limited by section 69.011, subdivisions 2 and 2b.

2.26 (e) The payments under this section shall be made on October 1 each year, based on
2.27 the amount in the temporary fire pension aid account and the amount in the temporary
2.28 police pension aid account on the preceding June 30, with interest at 1 percent for each
2.29 month, or portion of a month, that the amount remains unpaid after October 1. The
2.30 amounts necessary to make the payments under this subdivision are annually appropriated
2.31 to the commissioner from the temporary fire and police pension aid accounts. Any
2.32 necessary adjustments shall be made to subsequent payments.

2.33 (f) The provisions of this chapter that prevent municipalities and relief associations
2.34 from being eligible for, or receiving state aid under this chapter until the applicable
2.35 financial reporting requirements have been complied with, apply to the amounts payable
2.36 to municipalities and relief associations under this subdivision.

3.1 (g) The appropriations in paragraphs (a) and (b) end on (i) December 31, 2020, or
3.2 (ii), if earlier, on the December 31 next following the actuarial valuation date on which the
3.3 assets of the retirement plan on a market value equals or exceeds 90 percent of the total
3.4 actuarial accrued liabilities of the retirement plan as disclosed in an actuarial valuation
3.5 prepared under Minnesota Statutes, section 356.215, and the Standards for Actuarial Work
3.6 promulgated by the Legislative Commission on Pensions and Retirement, for the State
3.7 Patrol retirement plan or the public employees police and fire retirement plan, whichever
3.8 occurs last.

3.9 **EFFECTIVE DATE.** This section is effective beginning in the fiscal year beginning
3.10 July 1, 2014."