



TO: Senate and House Conferees on the 2014 Omnibus Retirement Bill  
FROM: Lawrence A. Martin, Executive Director *JLM*  
RE: Substantive Differences between the Senate and House Versions of the 2014 Omnibus Retirement Bill (H.F. 1951)  
DATE: May 5, 2014

Introduction

H.F. 1951 (Murphy, M.), substituted for its Senate companion bill (S.F. 1803 (Pappas)), is the 2014 Omnibus Retirement Bill. H.F. 1951 passed the House of Representatives on April 10, 2014. H.F. 1951 passed the Senate on May 1, 2014.

Substantive Differences Between the House and Senate Versions of the 2014 Omnibus Retirement Bill

Difference #1: School Employee Minimum Salary Membership Threshold for PERA

Senate: The Senate version of H.F. 1951, UEH1951-2, lines 9.17 to 9.28 and 11.7 to 11.14, the annual minimum salary threshold for Public Employees Retirement Association (PERA) membership for school employees is specified as applicable to "school year employees."

House: The House version of H.F. 1951, H1951-3, lines 9.17 to 9.29 and 11.7 to 11.14, the annual minimum salary threshold for PERA membership for school employees is specified as applicable to "school district employees."

Difference #2: DTRFA Consolidation Additional State Aid Amount and Initial Payment to TRA

Senate: The Senate version of H.F. 1951, UEH1951-2, lines 45.23 to 45.26, sets the additional state aid payable to the Teachers Retirement Association (TRA) related to the Duluth Teachers Retirement Fund Association (DTRFA) consolidation, if approved, at \$14,377,000 (existing \$346,000 state aid and \$14,029,000 new state aid) and first pays the annual aid amount on October 1, 2016.

House: The House version of H.F. 1951, H1951-3, lines 45.23 to 45.28, sets the additional state aid payable to TRA related to the DTRFA consolidation, if approved, at \$15,346,000 (existing \$346,000 state aid and \$15,000,000 new state aid) and first pays the annual aid amount on October 1, 2014.

Difference #3: Effective Dates for DTRFA Consolidation

Senate: The Senate version of H.F. 1951, UEH1951-2, lines 79.7 to 79.9, sets three effective dates for the 48 sections of the DTRFA consolidation article, with the DTRFA asset transfer to the State Board of Investment provision effective on October 1, 2014, with the authorization for the first class city teacher retirement fund associations to certify for investment funds to the SBI provision effective on August 1, 2014, and with the balance of the article effective on June 30, 2015.

House: The House version of H.F. 1951, H1951-3, lines 79.7 to 79.10, sets four effective dates for the 48 sections of the DTRFA consolidation article, with the state aid appropriation and the deletion of the current DTRFA state aid from Minnesota Statutes, Section 354A.12, Subdivision 3A, effective on July 1, 2014, with the authorization for the first class city teacher retirement fund associations to certify for investment funds to the SBI provision effective on August 1, 2014, with the DTRFA asset transfer to the State Board of Investment provision effective on October 1, 2014, and with the balance of the article effective on June 30, 2015.

Difference #4: SPTRFA Additional State Aid Initial Payment Date.

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Senate: The Senate version of H.F. 1951, UEH1951-2, line 80.3, provides that the additional St. Paul Teachers Retirement Fund Association (SPTRFA) state aid is effective on September 30, 2016, making the initial payment of the aid on October 1, 2016.

House: The House version of H.F. 1951, H1951-3, line 80.3, provides that the additional St. Paul Teachers Retirement Fund Association (SPTRFA) state aid is effective on September 30, 2014, making the initial payment of the aid on October 1, 2014.

Difference #5: Post-Retirement Adjustment Actuarial Assumption Reduced Rate Period Actuarial Estimation Process

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Senate: The Senate version of H.F. 1951, UEH1951-2, lines 93.37 to 94.14, provides that estimation of the period for the use of a reduced post-retirement adjustment rate by the approved actuary preparing the annual actuarial valuation after June 15, 2015, must be made using the same actuarial assumptions as used for the valuation, must be made assuming any future contribution rate changes under the applicable statutory contribution stabilization procedure, and, if the period for the reduced rate is longer than the applicable statutory amortization target date, must include an exhibit detailing the annual estimation results.

House: The House version of H.F. 1951, H1951-3, lines 93.37 to 94.4, provides for an estimation of the period for the use of a reduced post-retirement adjustment rate without specifics on assumptions to be used, the inclusion of the impact of future contribution rate changes, or the detail of the results of the estimation.

Applicable Side-by-Side Pages

The pages from the Revisor's side-by-side comparison containing the five differences are attached.

9.17 Subd. 2a. **Included employees; mandatory membership.** (a) Public employees  
 9.18 whose annual salary exceeds ~~\$425 in any month~~ from one governmental subdivision is  
 9.19 stipulated in advance to exceed \$5,100 if the person is not a school district employee or  
 9.20 \$3,800 if the person is a school district employee and who are not specifically excluded  
 9.21 under subdivision 2b or who have not been provided an option to participate under  
 9.22 subdivision 2d, whether individually or by action of the governmental subdivision,  
 9.23 must participate as members of the association with retirement coverage by the general  
 9.24 employees retirement plan under this chapter, the public employees police and fire  
 9.25 retirement plan under this chapter, or the local government correctional employees  
 9.26 retirement plan under chapter 353E, whichever applies. Membership commences as  
 9.27 a condition of their employment on the first day of their employment or on the first day  
 9.28 that the eligibility criteria are met, whichever is later. Public employees include but are  
 9.29 not limited to:

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

9.32 (2) elected county sheriffs;

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

10.1 (i) town and city clerk or treasurer;

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

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

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

10.6 (4) physicians under section 353D.01, subdivision 2, who do not elect public  
 10.7 employees defined contribution plan coverage under section 353D.02, subdivision 2;

10.8 (5) full-time employees of the Dakota County Agricultural Society;

10.9 (6) employees of the Red Wing Port Authority who were first employed by the  
 10.10 Red Wing Port Authority before May 1, 2011, and who are not excluded employees  
 10.11 under subdivision 2b; and

10.12 (7) employees of the Seaway Port Authority of Duluth who are not excluded  
 10.13 employees under subdivision 2b;

10.14 (8) employees of the Stevens County Housing and Redevelopment Authority who  
 10.15 were first employed by the Stevens County Housing and Redevelopment Authority before  
 10.16 May 1, 2014, and who are not excluded employees under subdivision 2b; and

10.17 (9) employees of the Public Employees Retirement Association.

9.17 Subd. 2a. **Included employees; mandatory membership.** (a) Public employees  
 9.18 whose annual salary exceeds ~~\$425 in any month~~ from one governmental subdivision is  
 9.19 stipulated in advance to exceed \$5,100 if the person is not a school year employee or  
 9.20 \$3,800 if the person is a school year employee and who are not specifically excluded under  
 9.21 subdivision 2b or who have not been provided an option to participate under subdivision  
 9.22 2d, whether individually or by action of the governmental subdivision, must participate as  
 9.23 members of the association with retirement coverage by the general employees retirement  
 9.24 plan under this chapter, the public employees police and fire retirement plan under this  
 9.25 chapter, or the local government correctional employees retirement plan under chapter  
 9.26 353E, whichever applies. Membership commences as a condition of their employment on  
 9.27 the first day of their employment or on the first day that the eligibility criteria are met,  
 9.28 whichever is later. Public employees include but are not limited to:

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

9.31 (2) elected county sheriffs;

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

9.35 (i) town and city clerk or treasurer;

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

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

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

10.5 (4) physicians under section 353D.01, subdivision 2, who do not elect public  
 10.6 employees defined contribution plan coverage under section 353D.02, subdivision 2;

10.7 (5) full-time employees of the Dakota County Agricultural Society;

10.8 (6) employees of the Red Wing Port Authority who were first employed by the  
 10.9 Red Wing Port Authority before May 1, 2011, and who are not excluded employees  
 10.10 under subdivision 2b; and

10.11 (7) employees of the Seaway Port Authority of Duluth who are not excluded  
 10.12 employees under subdivision 2b;

10.13 (8) employees of the Stevens County Housing and Redevelopment Authority who  
 10.14 were first employed by the Stevens County Housing and Redevelopment Authority before  
 10.15 May 1, 2014, and who are not excluded employees under subdivision 2b; and

10.16 (9) employees of the Public Employees Retirement Association.

10.18 (b) A public employee or elected official who was a member of the association on  
 10.19 June 30, 2002, based on employment that qualified for membership coverage by the public  
 10.20 employees retirement plan or the public employees police and fire plan under this chapter,  
 10.21 or the local government correctional employees retirement plan under chapter 353E as of  
 10.22 June 30, 2002, retains that membership for the duration of the person's employment in that  
 10.23 position or incumbency in elected office. Except as provided in subdivision 28, the person  
 10.24 shall participate as a member until the employee or elected official terminates public  
 10.25 employment under subdivision 11a or terminates membership under subdivision 11b.

10.26 (c) If in any subsequent year the annual salary of an included public employee is  
 10.27 less than ~~\$425 in any subsequent month~~ the minimum salary threshold specified in this  
 10.28 subdivision, the member retains membership eligibility.

10.29 (d) For the purpose of participation in the MERF division of the general employees  
 10.30 retirement plan, public employees include employees who were members of the former  
 10.31 Minneapolis Employees Retirement Fund on June 29, 2010, and who participate as  
 10.32 members of the MERF division of the association.

10.33 **EFFECTIVE DATE.** The amendments to paragraphs (b) and (d) are effective the  
 10.34 day following final enactment. The amendments to paragraphs (a) and (c) are effective  
 10.35 January 1, 2015.

11.1 Sec. 4. Minnesota Statutes 2013 Supplement, section 353.01, subdivision 2b, is  
 11.2 amended to read:

11.3 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible  
 11.4 to participate as members of the association with retirement coverage by the general  
 11.5 employees retirement plan, the local government correctional employees retirement plan  
 11.6 under chapter 353E, or the public employees police and fire retirement plan:

11.7 (1) persons whose annual salary from one governmental subdivision never exceeds  
 11.8 an amount, stipulated in writing in advance, of \$5,100 if the person is not a school district  
 11.9 employee or \$3,800 if the person is a school district employee. If annual compensation  
 11.10 from one governmental subdivision to an employee exceeds the stipulated amount in a  
 11.11 calendar year or a school year, whichever applies, after being stipulated in advance not to  
 11.12 exceed the applicable amount, the stipulation is no longer valid and contributions must  
 11.13 be made on behalf of the employee under section 353.27, subdivision 12, from the first  
 11.14 month in which the employee received salary exceeding \$425 in a month;

11.15 (2) public officers who are elected to a governing body, city mayors, or persons who  
 11.16 are appointed to fill a vacancy in an elective office of a governing body, whose term of office  
 11.17 commences on or after July 1, 2002, for the service to be rendered in that elective position;

11.18 (3) ~~election officers~~ or election judges and persons employed solely to administer  
 11.19 elections;

10.17 (b) A public employee or elected official who was a member of the association on  
 10.18 June 30, 2002, based on employment that qualified for membership coverage by the public  
 10.19 employees retirement plan or the public employees police and fire plan under this chapter,  
 10.20 or the local government correctional employees retirement plan under chapter 353E as of  
 10.21 June 30, 2002, retains that membership for the duration of the person's employment in that  
 10.22 position or incumbency in elected office. Except as provided in subdivision 28, the person  
 10.23 shall participate as a member until the employee or elected official terminates public  
 10.24 employment under subdivision 11a or terminates membership under subdivision 11b.

10.25 (c) If in any subsequent year the annual salary of an included public employee is  
 10.26 less than ~~\$425 in any subsequent month~~ the minimum salary threshold specified in this  
 10.27 subdivision, the member retains membership eligibility.

10.28 (d) For the purpose of participation in the MERF division of the general employees  
 10.29 retirement plan, public employees include employees who were members of the former  
 10.30 Minneapolis Employees Retirement Fund on June 29, 2010, and who participate as  
 10.31 members of the MERF division of the association.

10.32 **EFFECTIVE DATE.** The amendments to paragraphs (b) and (d) are effective the  
 10.33 day following final enactment. The amendments to paragraphs (a) and (c) are effective  
 10.34 January 1, 2015.

11.1 Sec. 4. Minnesota Statutes 2013 Supplement, section 353.01, subdivision 2b, is  
 11.2 amended to read:

11.3 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible  
 11.4 to participate as members of the association with retirement coverage by the general  
 11.5 employees retirement plan, the local government correctional employees retirement plan  
 11.6 under chapter 353E, or the public employees police and fire retirement plan:

11.7 (1) persons whose annual salary from one governmental subdivision never exceeds  
 11.8 an amount, stipulated in writing in advance, of \$5,100 if the person is not a school year  
 11.9 employee or \$3,800 if the person is a school year employee. If annual compensation from  
 11.10 one governmental subdivision to an employee exceeds the stipulated amount in a calendar  
 11.11 year or a school year, whichever applies, after being stipulated in advance not to exceed  
 11.12 the applicable amount, the stipulation is no longer valid and contributions must be made  
 11.13 on behalf of the employee under section 353.27, subdivision 12, from the first month in  
 11.14 which the employee received salary exceeding \$425 in a month;

11.15 (2) public officers who are elected to a governing body, city mayors, or persons who  
 11.16 are appointed to fill a vacancy in an elective office of a governing body, whose term of office  
 11.17 commences on or after July 1, 2002, for the service to be rendered in that elective position;

11.18 (3) ~~election officers~~ or election judges and persons employed solely to administer  
 11.19 elections;

45.7	Period	Coordinated Member	Basic Member
45.7	before July 1, 2011	5.5 percent	9.5 percent
45.8	from July 1, 2011, until June 30, 2012	6.0 percent	10.0 percent
45.9	from July 1, 2012, until June 30, 2013	6.5 percent	10.5 percent
45.10	from July 1, 2013, until June 30, 2014	7.0 percent	11.0 percent
45.11	after June 30, 2014	7.5 percent	11.5 percent
45.12	after June 30, 2014	7.5 percent	11.5 percent
45.13 (e) (d)	When an employer contribution rate changes for a fiscal year, the new		
45.14	contribution rate is effective for the entire salary paid for each employer unit with the		
45.15	first payroll cycle reported.		
45.16 (e) (d)	After June 30, 2015, if a contribution rate revision is made under subdivisions		
45.17	4a, 4b, and 4c, the employer contributions under paragraphs (a) and (b), and (c) must		
45.18	be adjusted accordingly.		
45.19	Sec. 8. Minnesota Statutes 2013 Supplement, section 354.436, is amended to read:		
45.20	<b>354.436 DIRECT STATE AID ON BEHALF OF THE FORMER</b>		
45.21	<b>MINNEAPOLIS FIRST CLASS CITY TEACHERS RETIREMENT FUND</b>		
45.22	<b>ASSOCIATION ASSOCIATIONS.</b>		
45.23	Subdivision 1. <b>Aid authorization.</b> The state shall pay \$12,954,000 to the Teachers		
45.24	Retirement Association on behalf of the former Minneapolis Teachers Retirement Fund		
45.25	Association and shall pay \$15,346,000 during fiscal year 2015 to the Teachers Retirement		
45.26	Association for the credit of the Duluth Teachers Retirement Fund Association and, after		
45.27	fiscal year 2015, shall pay \$15,346,000 on behalf of the Duluth Teachers Retirement		
45.28	Fund Association.		
45.29	Subd. 2. <b>Aid appropriation.</b> The commissioner of management and budget shall		
45.30	pay the aid amounts under subdivision 1 annually on October 1. The amount required		
45.31	is appropriated annually from the general fund to the commissioner of management and		
45.32	budget.		

78.29 in Minnesota Statutes, sections 43A.22 to 43A.31, and the commissioner of management  
78.30 and budget shall provide open enrollment in all state employee health and dental insurance  
78.31 plans with no limitation on preexisting conditions except as specified in existing state  
78.32 employee certificates of coverage. The commissioner of management and budget shall  
78.33 provide these transferred employees with the opportunity to purchase optional life and  
78.34 disability insurance as provided by the state group insurance program in accordance with  
78.35 the policies of management and budget.

79.1 Sec. 48. **REPEALER.**

79.2 (a) Minnesota Statutes 2012, sections 354A.021, subdivision 5; 354A.108; 354A.24;  
79.3 and 354A.27, subdivision 5, are repealed.

79.4 (b) Minnesota Statutes 2013 Supplement, sections 354A.27, subdivisions 6a and 7;  
79.5 and 354A.31, subdivision 4a, are repealed.

79.6 Sec. 49. **EFFECTIVE DATE.**

79.7 (a) Section 8, subdivision 1, and section 22 are effective July 1, 2014. Section 46,  
79.8 subdivision 5, is effective October 1, 2014. Sections 1 to 7, 8, subdivisions 2 and 3, 9 to  
79.9 14, 16 to 21, 23 to 45, 46, subdivisions 1 to 4 and 6, 47, and 48, are effective June 30,  
79.10 2015, if the following approve the consolidation provisions before October 1, 2014:

79.11 (1) the board of trustees of the Duluth Teachers Retirement Fund Association;

79.12 (2) the membership of the Duluth Teachers Retirement Fund Association; and

79.13 (3) the board of trustees of the Teachers Retirement Association.

79.14 (b) An approval under paragraph (a) must be provided in a timely manner in

79.15 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, to the secretary

79.16 of state, the state auditor, the legislative auditor, and the revisor of statutes by the chief

79.17 administrative officer of the Duluth Teachers Retirement Fund Association for an approval

79.18 under paragraph (a) by the board of trustees of the Duluth Teachers Retirement Fund

79.19 Association or by the membership of the Duluth Teachers Retirement Fund Association and

79.20 by the chief administrative officer of the Teachers Retirement Association for an approval

79.21 under paragraph (a) by the board of trustees of the Teachers Retirement Association.

79.22 **ARTICLE 7**

79.23 **FIRST CLASS CITY TEACHER RETIREMENT FUND**

79.24 **ASSOCIATION CHANGES**

79.25 Section 1. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3a,  
79.26 is amended to read:

78.29 in Minnesota Statutes, sections 43A.22 to 43A.31, and the commissioner of management  
78.30 and budget shall provide open enrollment in all state employee health and dental insurance  
78.31 plans with no limitation on preexisting conditions except as specified in existing state  
78.32 employee certificates of coverage. The commissioner of management and budget shall  
78.33 provide these transferred employees with the opportunity to purchase optional life and  
78.34 disability insurance as provided by the state group insurance program in accordance with  
78.35 the policies of management and budget.

79.1 Sec. 48. **REPEALER.**

79.2 (a) Minnesota Statutes 2012, sections 354A.021, subdivision 5; 354A.108; 354A.24;  
79.3 and 354A.27, subdivision 5, are repealed.

79.4 (b) Minnesota Statutes 2013 Supplement, sections 354A.27, subdivisions 6a and 7;  
79.5 and 354A.31, subdivision 4a, are repealed.

79.6 Sec. 49. **EFFECTIVE DATE.**

79.7 (a) Section 46, subdivision 5, is effective October 1, 2014. Sections 1 to 14, 16 to  
79.8 45, 46, subdivisions 1 to 4 and 6, 47, and 49 are effective June 30, 2015, if the following  
79.9 approve the consolidation provisions before October 1, 2014:

79.10 (1) the board of trustees of the Duluth Teachers Retirement Fund Association;

79.11 (2) the membership of the Duluth Teachers Retirement Fund Association; and

79.12 (3) the board of trustees of the Teachers Retirement Association.

79.13 (b) An approval under paragraph (a) must be provided in a timely manner in

79.14 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, to the secretary

79.15 of state, the state auditor, the legislative auditor, and the revisor of statutes by the chief

79.16 administrative officer of the Duluth Teachers Retirement Fund Association for an approval

79.17 under paragraph (a) by the board of trustees of the Duluth Teachers Retirement Fund

79.18 Association or by the membership of the Duluth Teachers Retirement Fund Association and

79.19 by the chief administrative officer of the Teachers Retirement Association for an approval

79.20 under paragraph (a) by the board of trustees of the Teachers Retirement Association.

79.21 **ARTICLE 7**

79.22 **FIRST CLASS CITY TEACHER RETIREMENT FUND**

79.23 **ASSOCIATION CHANGES**

79.24 Section 1. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3a,  
79.25 is amended to read:

79.27 Subd. 3a. **Special Direct state aid to first class city teachers retirement fund**

79.28 **associations.** (a) The state shall pay \$346,000 as special direct state aid to the Duluth  
79.29 Teachers Retirement Fund Association and \$2,827,000 to the St. Paul Teachers Retirement  
79.30 Fund Association.

79.31 (b) In addition to other amounts specified in this subdivision, the state shall pay  
79.32 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

79.33 (b) (c) The aids under this subdivision are payable October 1 annually. The

79.34 commissioner of management and budget shall pay the aids specified in this subdivision.

80.1 The amounts required are appropriated annually from the general fund to the commissioner  
80.2 of management and budget.

80.3 **EFFECTIVE DATE.** This section is effective September 30, 2014.

80.4 Sec. 2. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3c, is  
80.5 amended to read:

80.6 Subd. 3c. **Termination of supplemental contributions and direct matching**

80.7 **and state aid.** (a) The supplemental contributions payable to the St. Paul Teachers

80.8 Retirement Fund Association by Independent School District No. 625 under section

80.9 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the St. Paul

80.10 Teachers Retirement Fund Association must continue until the current assets of the fund

80.11 equal or exceed the actuarial accrued liability of the fund as determined in the most recent

80.12 actuarial report for the fund by the actuary retained under section 356.214 or until ~~the~~

80.13 ~~30-2037~~ the established date for full funding under section 356.215, subdivision 11,

80.14 whichever occurs earlier.

80.15 (b) The aid to the Duluth Teachers Retirement Fund Association under section

80.16 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the Duluth

80.17 Teachers Retirement Fund Association must continue until the current assets of the fund

80.18 equal or exceed the actuarial accrued liability of the fund as determined in the most

80.19 recent actuarial report for the fund by the actuary retained under section 356.214 or until

80.20 the established date for full funding under section 356.215, subdivision 11, whichever

80.21 occurs earlier.

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

80.23 Sec. 3. Minnesota Statutes 2012, section 356.215, subdivision 11, is amended to read:

79.26 Subd. 3a. **Special Direct state aid to first class city teachers retirement fund**

79.27 **associations.** (a) The state shall pay \$346,000 as special direct state aid to the Duluth

79.28 Teachers Retirement Fund Association and \$2,827,000 to the St. Paul Teachers Retirement

79.29 Fund Association.

79.30 (b) In addition to other amounts specified in this subdivision, the state shall pay  
79.31 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

79.32 (b) (c) The aids under this subdivision are payable October 1 annually. The

79.33 commissioner of management and budget shall pay the aids specified in this subdivision.

80.1 The amounts required are appropriated annually from the general fund to the commissioner

80.2 of management and budget.

80.3 **EFFECTIVE DATE.** This section is effective September 30, 2016.

80.4 Sec. 2. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3c, is  
80.5 amended to read:

80.6 Subd. 3c. **Termination of supplemental contributions and direct matching**

80.7 **and state aid.** (a) The supplemental contributions payable to the St. Paul Teachers

80.8 Retirement Fund Association by Independent School District No. 625 under section

80.9 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the St. Paul

80.10 Teachers Retirement Fund Association must continue until the current assets of the fund

80.11 equal or exceed the actuarial accrued liability of the fund as determined in the most recent

80.12 actuarial report for the fund by the actuary retained under section 356.214 or until ~~the~~

80.13 ~~30-2037~~ the established date for full funding under section 356.215, subdivision 11,

80.14 whichever occurs earlier.

80.15 (b) The aid to the Duluth Teachers Retirement Fund Association under section

80.16 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the Duluth

80.17 Teachers Retirement Fund Association must continue until the current assets of the fund

80.18 equal or exceed the actuarial accrued liability of the fund as determined in the most

80.19 recent actuarial report for the fund by the actuary retained under section 356.214 or until

80.20 the established date for full funding under section 356.215, subdivision 11, whichever

80.21 occurs earlier.

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

80.23 Sec. 3. Minnesota Statutes 2012, section 356.215, subdivision 11, is amended to read:

93.28 interest rate  
93.29 assumption

interest rate  
assumption

plan

plan

93.30 Bloomington Fire Department Relief Association 6.0

6.0

93.31 local monthly benefit volunteer firefighters relief 5.0  
93.32 associations

5.0

93.33 (b)(1) If funding stability has been attained, the valuation must use a postretirement  
93.34 adjustment rate actuarial assumption equal to the postretirement adjustment rate specified  
93.35 in section 354A.27, subdivision 7; 354A.29, subdivision 9; or 356.415, subdivision 1,  
93.36 whichever applies.

93.33 (b)(1) If funding stability has been attained, the valuation must use a postretirement  
93.34 adjustment rate actuarial assumption equal to the postretirement adjustment rate specified  
93.35 in section 354A.27, subdivision 7; 354A.29, subdivision 9; or 356.415, subdivision 1,  
93.36 whichever applies.

93.37 (2) If funding stability has not been attained, the valuation must use a select  
93.38 postretirement adjustment rate actuarial assumption equal to the postretirement adjustment  
93.39 rate specified in section 354A.27, subdivision 6a; 354A.29, subdivision 8; or 356.415,  
93.40 subdivision 1a, 1b, 1c, 1d, 1e, or 1f, whichever applies, for a period ending when the  
93.41 approved actuary estimates that the plan will attain the defined funding stability measure,  
94.1 and thereafter an ultimate postretirement adjustment rate actuarial assumption equal  
94.2 to the postretirement adjustment rate under section 354A.27, subdivision 7; 354A.29,  
94.3 subdivision 9; or 356.415, subdivision 1, for the applicable period or periods beginning  
94.4 when funding stability is projected to be attained.

93.37 (2) If funding stability has not been attained, the valuation must use a select  
93.38 postretirement adjustment rate actuarial assumption equal to the postretirement adjustment  
93.39 rate specified in section 354A.27, subdivision 6a; 354A.29, subdivision 8; or 356.415,  
93.40 subdivisions 1a, 1b, 1c, 1d, 1e, or 1f, whichever applies, for a period ending when the  
93.41 approved actuary projects that the plan will attain the defined funding stability measure,  
94.1 and thereafter the valuation must use an ultimate postretirement adjustment rate actuarial  
94.2 assumption equal to the postretirement adjustment rate under section 354A.27, subdivision  
94.3 7; 354A.29, subdivision 9; or 356.415, subdivision 1, for the applicable period or periods  
94.4 beginning when funding stability is projected to be attained. For actuarial valuations  
94.5 prepared after June 29, 2015, the projection under this clause must use the same actuarial  
94.6 assumptions as used in the actuarial valuation and must include the impact of any  
94.7 retirement contribution change under section 352.045, 353.27, subdivision 3b, or 354.42,  
94.8 subdivisions 4a, 4b, 4c, and 4d, whichever applies. For actuarial valuations prepared after  
94.9 June 29, 2015, if the attainment of the defined funding stability measure is projected to be  
94.10 later than the amortization target date applicable to the retirement plan in subdivision 11, the  
94.11 actuarial valuation must include an exhibit setting forth the annual results, for a period of  
94.12 at least 30 years from the valuation date, of the expected experience of the retirement plan  
94.13 under its actuarial assumptions, the expected funded condition, the expected total financial  
94.14 requirements, and the expected financial support on which that conclusion is based.

94.15 (b) (c) The actuarial valuation must use the applicable following single rate future  
94.16 salary increase assumption, the applicable following modified single rate future salary  
94.17 increase assumption, or the applicable following graded rate future salary increase  
94.18 assumption:

94.9 (1) single rate future salary increase assumption

94.19 (1) single rate future salary increase assumption