

1.1 **COMPILATION OF PROPOSED LEGISLATION HEARD AND**
 1.2 **LAI D OVER BY THE COMMISSION FOR POSSIBLE FURTHER**
 1.3 **CONSIDERATION AS OF MARCH 10, 2015**

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

1.5 Delete everything after the enacting clause and insert:

1.6 **"ARTICLE 1**

1.7 **INTEREST, SALARY, AND PAYROLL GROWTH ASSUMPTION CHANGES**

1.8 Section 1. Minnesota Statutes 2014, section 356.215, subdivision 8, is amended to read:

1.9 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the
 1.10 applicable following interest assumption:

1.11 (1) select and ultimate interest rate assumption

1.12		ultimate interest
1.13	plan	rate assumption
1.14	general state employees retirement plan	8.5%
1.15	correctional state employees retirement plan	8.5
1.16	State Patrol retirement plan	8.5
1.17	legislators retirement plan, and for the	0
1.18	constitutional officers calculation of total plan	
1.19	liabilities	
1.20	judges retirement plan	8.5
1.21	general public employees retirement plan	8.5
1.22	public employees police and fire retirement plan	8.5
1.23	local government correctional service	8.5
1.24	retirement plan	
1.25	teachers retirement plan	8.5%
1.26	St. Paul teachers retirement plan	8.5

1.27 ~~Except for the legislators retirement plan and the constitutional officers calculation~~
 1.28 ~~of total plan liabilities, The select preretirement interest rate assumption for the period~~
 1.29 ~~after June 30, 2012, through June 30, 2017, is 8 percent.~~

1.30 (2) single rate interest rate assumption

	interest rate assumption
2.1	
2.2	plan
2.3	<u>general state employees retirement plan</u> 8%
2.4	<u>correctional state employees retirement plan</u> 8
2.5	<u>State Patrol retirement plan</u> 8
2.6	<u>legislators retirement plan, and for the</u> 0
2.7	<u>constitutional officers calculation of total plan</u>
2.8	<u>liabilities</u>
2.9	<u>judges retirement plan</u> 8
2.10	<u>general public employees retirement plan</u> 8
2.11	<u>public employees police and fire retirement plan</u> 8
2.12	<u>local government correctional service retirement</u>
2.13	<u>plan</u> 8
2.14	<u>St. Paul teachers retirement plan</u> 8
2.15	Bloomington Fire Department Relief Association 6
2.16	local monthly benefit volunteer firefighters relief 5
2.17	associations

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

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

2.31 (c) The actuarial valuation must use the applicable following single rate future salary
 2.32 increase assumption, the applicable following modified single rate future salary increase
 2.33 assumption, or the applicable following graded rate future salary increase assumption:

2.34 (1) single rate future salary increase assumption

	future salary increase assumption
2.35	plan
2.36	legislators retirement plan 5%
2.37	judges retirement plan 3
2.38	Bloomington Fire Department Relief 4
2.39	Association

3.1 (2) age-related future salary increase age-related select and ultimate future salary
 3.2 increase assumption or graded rate future salary increase assumption
 3.3 plan future salary increase assumption
 3.4 local government correctional service retirement plan assumption B
 3.5 St. Paul teachers retirement plan assumption A

3.6 For plans other than the St. Paul teachers
 3.7 retirement plan and the local government
 3.8 correctional service retirement plan, the
 3.9 select calculation is: during the designated
 3.10 select period, a designated percentage rate
 3.11 is multiplied by the result of the designated
 3.12 integer minus T, where T is the number of
 3.13 completed years of service, and is added
 3.14 to the applicable future salary increase
 3.15 assumption. The designated select period
 3.16 is ten years and the designated integer is
 3.17 ten for the local government correctional
 3.18 service retirement plan and 15 for the St.
 3.19 Paul Teachers Retirement Fund Association.
 3.20 The designated percentage rate is 0.2 percent
 3.21 for the St. Paul Teachers Retirement Fund
 3.22 Association.

3.23 The ultimate future salary increase assumption is:

3.24	age	A	B
3.25	16	5.9%	9% <u>8.75%</u>
3.26	17	5.9	<u>98.75</u>
3.27	18	5.9	<u>98.75</u>
3.28	19	5.9	<u>98.75</u>
3.29	20	5.9	<u>98.75</u>
3.30	21	5.9	8.75 <u>8.5</u>
3.31	22	5.9	8.5 <u>8.25</u>
3.32	23	5.85	8.25 <u>8</u>
3.33	24	5.8	<u>87.75</u>
3.34	25	5.75	7.75 <u>7.5</u>
3.35	26	5.7	7.5 <u>7.25</u>
3.36	27	5.65	7.25 <u>7</u>
3.37	28	5.6	<u>76.75</u>
3.38	29	5.55	6.75 <u>6.5</u>

4.1	30	5.5	<u>6.756.5</u>
4.2	31	5.45	<u>6.56.25</u>
4.3	32	5.4	<u>6.56.25</u>
4.4	33	5.35	<u>6.56.25</u>
4.5	34	5.3	<u>6.256</u>
4.6	35	5.25	<u>6.256</u>
4.7	36	5.2	<u>65.75</u>
4.8	37	5.15	<u>65.75</u>
4.9	38	5.1	<u>65.75</u>
4.10	39	5.05	<u>5.755.5</u>
4.11	40	5	<u>5.755.5</u>
4.12	41	4.95	<u>5.755.5</u>
4.13	42	4.9	<u>5.55.25</u>
4.14	43	4.85	<u>5.255</u>
4.15	44	4.8	<u>5.255</u>
4.16	45	4.75	<u>54.75</u>
4.17	46	4.7	<u>54.75</u>
4.18	47	4.65	<u>54.75</u>
4.19	48	4.6	<u>54.75</u>
4.20	49	4.55	<u>54.75</u>
4.21	50	4.5	<u>54.75</u>
4.22	51	4.45	<u>54.75</u>
4.23	52	4.4	<u>54.75</u>
4.24	53	4.35	<u>54.75</u>
4.25	54	4.3	<u>54.75</u>
4.26	55	4.25	<u>4.754.5</u>
4.27	56	4.2	<u>4.754.5</u>
4.28	57	4.15	<u>4.54.25</u>
4.29	58	4.1	<u>4.254</u>
4.30	59	4.05	<u>4.254</u>
4.31	60	4	<u>4.254</u>
4.32	61	4	<u>4.254</u>
4.33	62	4	<u>4.254</u>
4.34	63	4	<u>4.254</u>
4.35	64	4	<u>4.254</u>
4.36	65	4	<u>43.75</u>
4.37	66	4	<u>43.75</u>
4.38	67	4	<u>43.75</u>
4.39	68	4	<u>43.75</u>
4.40	69	4	<u>43.75</u>
4.41	70	4	<u>43.75</u>

4.42 (3) service-related ultimate future salary increase assumption

5.1	general state employees retirement plan of the						assumption A
5.2	Minnesota State Retirement System						
5.3	general employees retirement plan of the Public						assumption B
5.4	Employees Retirement Association						
5.5	Teachers Retirement Association						assumption C
5.6	public employees police and fire retirement plan						assumption D
5.7	State Patrol retirement plan						assumption E
5.8	correctional state employees retirement plan of the						assumption F
5.9	Minnesota State Retirement System						
5.10	service						
5.11	length	A	B	C	D	E	F
5.12	1	<u>10.5%</u>	<u>10.25%</u>	<u>12.03%</u>	<u>11.78%</u>	<u>12%</u>	<u>13%</u>
		<u>12.75%</u>	<u>8%</u>	<u>7.75%</u>	<u>6%</u>	<u>5.75%</u>	
5.13	2	<u>8.17.85</u>	<u>8.98.65</u>	9	<u>11.10.75</u>	<u>7.57.25</u>	<u>5.855.6</u>
5.14	3	<u>6.96.65</u>	<u>7.467.21</u>	8	<u>98.75</u>	<u>76.75</u>	<u>5.75.45</u>
5.15	4	<u>6.25.95</u>	<u>6.586.33</u>	7.5	<u>87.75</u>	<u>6.756.5</u>	<u>5.555.3</u>
5.16	5	<u>5.75.45</u>	<u>5.975.72</u>	7.25	<u>6.56.25</u>	<u>6.56.25</u>	<u>5.45.15</u>
5.17	6	<u>5.35.05</u>	<u>5.525.27</u>	7	<u>6.15.85</u>	<u>6.256</u>	<u>5.255</u>
5.18	7	<u>54.75</u>	<u>5.164.91</u>	6.85	<u>5.85.55</u>	<u>65.75</u>	<u>5.14.85</u>
5.19	8	<u>4.74.45</u>	<u>4.874.62</u>	6.7	<u>5.65.35</u>	<u>5.855.6</u>	<u>4.954.7</u>
5.20	9	<u>4.54.25</u>	<u>4.634.38</u>	6.55	<u>5.45.15</u>	<u>5.75.45</u>	<u>4.84.55</u>
5.21	10	<u>4.44.15</u>	<u>4.424.17</u>	6.4	<u>5.35.05</u>	<u>5.555.3</u>	<u>4.654.4</u>
5.22	11	<u>4.23.95</u>	<u>4.243.99</u>	6.25	<u>5.24.95</u>	<u>5.45.15</u>	<u>4.554.3</u>
5.23	12	<u>4.13.85</u>	<u>4.083.83</u>	6	<u>5.14.85</u>	<u>5.255</u>	<u>4.454.2</u>
5.24	13	<u>43.75</u>	<u>3.943.69</u>	5.75	<u>54.75</u>	<u>5.14.85</u>	<u>4.354.1</u>
5.25	14	<u>3.83.55</u>	<u>3.823.57</u>	5.5	<u>4.94.65</u>	<u>4.954.7</u>	<u>4.254</u>
5.26	15	<u>3.73.45</u>	<u>3.73.45</u>	5.25	<u>4.84.55</u>	<u>4.84.55</u>	<u>4.153.9</u>
5.27	16	<u>3.63.35</u>	<u>3.63.35</u>	5	<u>4.84.55</u>	<u>4.654.4</u>	<u>4.053.8</u>
5.28	17	<u>3.53.25</u>	<u>3.513.26</u>	4.75	<u>4.84.55</u>	<u>4.54.25</u>	<u>3.953.7</u>
5.29	18	<u>3.53.25</u>	<u>3.53.25</u>	4.5	<u>4.84.55</u>	<u>4.354.1</u>	<u>3.853.6</u>
5.30	19	<u>3.53.25</u>	<u>3.53.25</u>	4.25	<u>4.84.55</u>	<u>4.23.95</u>	<u>3.753.5</u>
5.31	20	<u>3.53.25</u>	<u>3.53.25</u>	4	<u>4.84.55</u>	<u>4.053.8</u>	<u>3.753.5</u>
5.32	21	<u>3.53.25</u>	<u>3.53.25</u>	3.9	<u>4.74.45</u>	<u>43.75</u>	<u>3.753.5</u>
5.33	22	<u>3.53.25</u>	<u>3.53.25</u>	3.8	<u>4.64.35</u>	<u>43.75</u>	<u>3.753.5</u>
5.34	23	<u>3.53.25</u>	<u>3.53.25</u>	3.7	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.35	24	<u>3.53.25</u>	<u>3.53.25</u>	3.6	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.36	25	<u>3.53.25</u>	<u>3.53.25</u>	3.5	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.37	26	<u>3.53.25</u>	<u>3.53.25</u>	3.5	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.38	27	<u>3.53.25</u>	<u>3.53.25</u>	3.5	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.39	28	<u>3.53.25</u>	<u>3.53.25</u>	3.5	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.40	29	<u>3.53.25</u>	<u>3.53.25</u>	3.5	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>
5.41	30 or more	<u>3.53.25</u>	<u>3.53.25</u>	3.5	<u>4.54.25</u>	<u>43.75</u>	<u>3.753.5</u>

5.42 (d) The actuarial valuation must use the applicable following payroll growth
 5.43 assumption for calculating the amortization requirement for the unfunded actuarial

6.1 accrued liability where the amortization retirement is calculated as a level percentage
6.2 of an increasing payroll:

6.3	plan	payroll growth assumption
6.4	general state employees retirement plan of the	3.75% <u>3.5%</u>
6.5	Minnesota State Retirement System	
6.6	correctional state employees retirement plan	3.75 <u>3.5</u>
6.7	State Patrol retirement plan	3.75 <u>3.5</u>
6.8	judges retirement plan	<u>3.75</u>
6.9	general employees retirement plan of the Public	3.75 <u>3.5</u>
6.10	Employees Retirement Association	
6.11	public employees police and fire retirement plan	3.75 <u>3.5</u>
6.12	local government correctional service retirement plan	3.75 <u>3.5</u>
6.13	teachers retirement plan	3.75
6.14	St. Paul teachers retirement plan	4

6.15 (e) The assumptions set forth in paragraphs (c) and (d) continue to apply, unless a
6.16 different salary assumption or a different payroll increase assumption:

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

6.22 **EFFECTIVE DATE.** This section is effective June 30, 2015, and applies to
6.23 actuarial valuations prepared for an actuarial valuation date after that date.

6.24 ARTICLE 2

6.25 CONFORMING CHANGES IN REFUND REPAYMENT PROVISIONS 6.26 RELATED TO INTEREST ASSUMPTION CHANGE

6.27 Section 1. Minnesota Statutes 2014, section 3A.03, subdivision 2, is amended to read:

6.28 Subd. 2. **Refund.** (a) A former member who has made contributions under
6.29 subdivision 1 and who is no longer a member of the legislature is entitled to receive, upon
6.30 written application to the executive director on a form prescribed by the executive director,
6.31 a refund from the general fund of all contributions credited to the member's account with
6.32 interest computed as provided in section 352.22, subdivision 2.

6.33 (b) The refund of contributions as provided in paragraph (a) terminates all rights of a
6.34 former member of the legislature and the survivors of the former member under this chapter.

6.35 (c) If the former member of the legislature again becomes a member of the legislature
6.36 after having taken a refund as provided in paragraph (a), the member is a member of the
6.37 unclassified employees retirement program of the Minnesota State Retirement System.

7.1 (d) However, the member may reinstate the rights and credit for service previously
7.2 forfeited under this chapter if the member repays all refunds taken, plus interest at ~~an~~ the
7.3 applicable annual rate of 8.5 percent compounded annually from the date on which the
7.4 refund was taken to the date on which the refund is repaid.

7.5 (e) No person may be required to apply for or to accept a refund. The applicable
7.6 rate is 8.5 percent for the period before July 1, 2015, and 8 percent for the period after
7.7 June 30, 2015.

7.8 Sec. 2. Minnesota Statutes 2014, section 352.01, subdivision 13a, is amended to read:

7.9 Subd. 13a. **Reduced salary during period of workers' compensation.** An
7.10 employee on leave of absence receiving temporary workers' compensation payments and a
7.11 reduced salary or no salary from the employer who is entitled to allowable service credit
7.12 for the period of absence, may make payment to the fund for the difference between salary
7.13 received, if any, and the salary the employee would normally receive if not on leave of
7.14 absence during the period. The employee shall pay an amount equal to the employee and
7.15 employer contribution rate under section 352.04, subdivisions 2 and 3, on the differential
7.16 salary amount for the period of the leave of absence.

7.17 The employing department, at its option, may pay the employer amount on behalf
7.18 of its employees. Payment made under this subdivision must include interest at the
7.19 applicable rate of 8.5 percent per year, and must be completed within one year of the
7.20 return from leave of absence. The applicable rate is 8.5 percent for the period before July
7.21 1, 2015, and 8 percent for the period after June 30, 2015.

7.22 Sec. 3. Minnesota Statutes 2014, section 352.04, subdivision 8, is amended to read:

7.23 Subd. 8. **Department required to pay omitted salary deductions.** (a) If a
7.24 department fails to take deductions past due for a period of 60 days or less from an
7.25 employee's salary as provided in this section, those deductions must be taken on later
7.26 payroll abstracts.

7.27 (b) If a department fails to take deductions past due for a period in excess of 60
7.28 days from an employee's salary as provided in this section, the department, and not the
7.29 employee, must pay on later payroll abstracts the employee and employer contributions
7.30 and an amount equivalent to ~~8.5 percent~~ the applicable rate of the total amount due in lieu
7.31 of interest, or if the delay in payment exceeds one year, ~~8.5 percent~~ the applicable rate
7.32 compound annual interest. The applicable rate is 8.5 percent for the period before July
7.33 1, 2015, and 8 percent for the period after June 30, 2015.

8.1 (c) If a department fails to take deductions past due for a period of 60 days or less
8.2 and the employee is no longer in state service so that the required deductions cannot be
8.3 taken from the salary of the employee, the department must nevertheless pay the required
8.4 employer contributions. If any department fails to take deductions past due for a period in
8.5 excess of 60 days and the employee is no longer in state service, the omitted contributions
8.6 must be recovered under paragraph (b).

8.7 (d) If an employee from whose salary required deductions were past due for a period
8.8 of 60 days or less leaves state service before the payment of the omitted deductions and
8.9 subsequently returns to state service, the unpaid amount is considered the equivalent of a
8.10 refund. The employee accrues no right by reason of the unpaid amount, except that the
8.11 employee may pay the amount of omitted deductions as provided in section 352.23.

8.12 Sec. 4. Minnesota Statutes 2014, section 352.04, subdivision 9, is amended to read:

8.13 Subd. 9. **Erroneous deductions, canceled warrants.** (a) Deductions taken from
8.14 the salary of an employee for the retirement fund in excess of required amounts must,
8.15 upon discovery and verification by the department making the deduction, be refunded to
8.16 the employee.

8.17 (b) If a deduction for the retirement fund is taken from a salary warrant or check,
8.18 and the check is canceled or the amount of the warrant or check returned to the funds of
8.19 the department making the payment, the sum deducted, or the part of it required to adjust
8.20 the deductions, must be refunded to the department or institution if the department applies
8.21 for the refund on a form furnished by the director. The department's payments must
8.22 likewise be refunded to the department.

8.23 (c) If erroneous employee deductions and employer contributions are caused by an
8.24 error in plan coverage involving the plan and any other plans specified in section 356.99,
8.25 that section applies. If the employee should have been covered by the plan governed by
8.26 chapter 352D, 353D, 354B, or 354D, the employee deductions and employer contributions
8.27 taken in error must be directly transferred to the applicable employee's account in the
8.28 correct retirement plan, with interest at the applicable rate of 0.71 percent per month,
8.29 compounded annually, from the first day of the month following the month in which
8.30 coverage should have commenced in the correct defined contribution plan until the end of
8.31 the month in which the transfer occurs. The applicable rate is 0.71 percent before July 1,
8.32 2015, and is 0.667 percent for the period after June 30, 2015.

8.33 Sec. 5. Minnesota Statutes 2014, section 352.23, is amended to read:

8.34 **352.23 TERMINATION OF RIGHTS.**

9.1 When any employee accepts a refund as provided in section 352.22, all existing
 9.2 service credits and all rights and benefits to which the employee was entitled before
 9.3 accepting the refund terminate. They must not again be restored until the former employee
 9.4 acquires at least six months of allowable service credit after taking the last refund. In that
 9.5 event, the employee may repay all refunds previously taken from the retirement fund.
 9.6 Repayment of refunds entitles the employee only to credit for service covered by (1)
 9.7 salary deductions; (2) payments made in lieu of salary deductions; (3) payments made
 9.8 to obtain credit for service as permitted by laws in effect when payment was made; and
 9.9 (4) allowable service once credited while receiving temporary workers' compensation as
 9.10 provided in section 352.01, subdivision 11, clause (5). Payments under this section for
 9.11 repayment of refunds are to be paid with interest at ~~an annual~~ the applicable rate of 8.5
 9.12 ~~percent~~ percent compounded annually. The applicable rate is 8.5 percent for the period before July
 9.13 1, 2015, and 8 percent for the period after June 30, 2015. They may be paid in a lump sum
 9.14 or by payroll deduction in the manner provided in section 352.04. Payment may be made
 9.15 in a lump sum up to six months after termination from service.

9.16 Sec. 6. Minnesota Statutes 2014, section 352.271, is amended to read:

9.17 **352.271 METROPOLITAN TRANSIT COMMISSION-TRANSIT**
 9.18 **OPERATING DIVISION EMPLOYEES; CREDIT FOR MILITARY SERVICE.**

9.19 Any employee of the Metropolitan Transit Commission Operating Division who
 9.20 was on a leave of absence to enter military service on July 1, 1978, who has not taken a
 9.21 refund of employee contributions as authorized by article 12 of the Metropolitan Transit
 9.22 Commission-Transit Operating Division employees retirement fund document or section
 9.23 352.22, subdivision 2a, and who returns to service as an employee of the Metropolitan
 9.24 Transit Commission-Transit Operating Division upon discharge from military service
 9.25 as provided in section 192.262 is entitled to allowable service credit for the period of
 9.26 military service. If an employee has taken a refund of employee contributions, and would
 9.27 otherwise be entitled to allowable service credit under this section, the employee is
 9.28 entitled to allowable service credit for the period of military service upon repayment to
 9.29 the executive director of the system of the amount refunded plus interest at ~~an annual~~ the
 9.30 applicable rate of 8.5 percent compounded annually from the date on which the refund
 9.31 was taken to the date of repayment. The applicable rate is 8.5 percent for the period before
 9.32 July 1, 2015, and 8 percent for the period after June 30, 2015. No employee is entitled to
 9.33 allowable service credit for any voluntary extensions of military service at the instance of
 9.34 the employee beyond any initial period of enlistment, induction, or call to active duty.

10.1 Sec. 7. Minnesota Statutes 2014, section 352B.11, subdivision 4, is amended to read:

10.2 Subd. 4. **Reentry into state service.** When a former member, who has become
10.3 separated from state service that entitled the member to membership and has received a
10.4 refund of retirement payments, reenters the state service in a position that entitles the
10.5 member to membership, that member shall receive credit for the period of prior allowable
10.6 state service if the member repays into the fund the amount of the refund, plus interest
10.7 on it at ~~an annual~~ the applicable rate of 8.5 percent compounded annually, at any time
10.8 before subsequent retirement. The applicable rate is 8.5 percent for the period before
10.9 July 1, 2015, and 8 percent for the period after June 30, 2015. Repayment may be made
10.10 in installments or in a lump sum.

10.11 Sec. 8. Minnesota Statutes 2014, section 352D.05, subdivision 4, is amended to read:

10.12 Subd. 4. **Repayment of refund.** (a) A participant in the unclassified program may
10.13 repay regular refunds taken under section 352.22, as provided in section 352.23.

10.14 (b) A participant in the unclassified program or an employee covered by the general
10.15 employees retirement plan who has withdrawn the value of the total shares may repay
10.16 the refund taken and thereupon restore the service credit, rights and benefits forfeited by
10.17 paying into the fund the amount refunded plus interest at ~~an annual~~ the applicable rate of
10.18 8.5 percent compounded annually from the date that the refund was taken until the date
10.19 that the refund is repaid. The applicable rate is 8.5 percent for the period before July 1,
10.20 2015, and 8 percent for the period after June 30, 2015. If the participant had withdrawn
10.21 only the employee shares as permitted under prior laws, repayment must be pro rata.

10.22 (c) Except as provided in section 356.441, the repayment of a refund under this
10.23 section must be made in a lump sum.

10.24 Sec. 9. Minnesota Statutes 2014, section 352D.12, is amended to read:

10.25 **352D.12 TRANSFER OF PRIOR SERVICE CONTRIBUTIONS.**

10.26 (a) An employee who is a participant in the unclassified program and who has prior
10.27 service credit in a covered plan under chapter 352, 353, 354, 354A, or 422A may, within
10.28 the time limits specified in this section, elect to transfer to the unclassified program prior
10.29 service contributions to one or more of those plans.

10.30 (b) For participants with prior service credit in a plan governed by chapter 352, 353,
10.31 354, 354A, or 422A, "prior service contributions" means the accumulated employee and
10.32 equal employer contributions with interest at ~~an annual~~ the applicable rate of 8.5 percent
10.33 compounded annually, based on fiscal year balances. The applicable rate is 8.5 percent for
10.34 the period before July 1, 2015, and 8 percent for the period after June 30, 2015.

11.1 (c) If a participant has taken a refund from a retirement plan listed in this section,
11.2 the participant may repay the refund to that plan, notwithstanding any restrictions on
11.3 repayment to that plan, plus ~~8.5 percent~~ the applicable interest compounded annually
11.4 and have the accumulated employee and equal employer contributions transferred to
11.5 the unclassified program with interest at ~~an annual~~ the applicable rate of ~~8.5 percent~~
11.6 compounded annually based on fiscal year balances. The applicable rate is 8.5 percent for
11.7 the period before July 1, 2015, and 8 percent for the period after June 30, 2015. If a person
11.8 repays a refund and subsequently elects to have the money transferred to the unclassified
11.9 program, the repayment amount, including interest, is added to the fiscal year balance in
11.10 the year which the repayment was made.

11.11 (d) A participant electing to transfer prior service contributions credited to a
11.12 retirement plan governed by chapter 352, 353, 354, 354A, or 422A as provided under this
11.13 section must complete a written application for the transfer and repay any refund within
11.14 one year of the commencement of the employee's participation in the unclassified program.

11.15 Sec. 10. Minnesota Statutes 2014, section 353.27, subdivision 7a, is amended to read:

11.16 Subd. 7a. **Deductions or contributions transmitted by error.** (a) If employee
11.17 deductions and employer contributions under this section, section 353.50, 353.65, or
11.18 353E.03 were erroneously transmitted to the association, but should have been transmitted
11.19 to a plan covered by chapter 352D, 353D, 354B, or 354D, the executive director shall
11.20 transfer the erroneous employee deductions and employer contributions to the appropriate
11.21 retirement fund or individual account, as applicable. The time limitations specified in
11.22 subdivisions 7 and 12 do not apply. The transfer to the applicable defined contribution
11.23 plan account must include interest at the applicable rate of ~~0.71 percent~~ per month,
11.24 compounded annually, from the first day of the month following the month in which
11.25 coverage should have commenced in the defined contribution plan until the end of the
11.26 month in which the transfer occurs. The applicable rate is 0.71 percent before July 1,
11.27 2015, and is 0.667 percent for the period after June 30, 2015.

11.28 (b) A potential transfer under paragraph (a) that is reasonably determined to cause
11.29 the plan to fail to be a qualified plan under section 401(a) of the federal Internal Revenue
11.30 Code, as amended, must not be made by the executive director of the association. Within
11.31 30 days after being notified by the Public Employees Retirement Association of an
11.32 unmade potential transfer under this paragraph, the employer of the affected person
11.33 must transmit an amount representing the applicable salary deductions and employer
11.34 contributions, without interest, to the retirement fund of the appropriate Minnesota public
11.35 pension plan, or to the applicable individual account if the proper coverage is by a defined

12.1 contribution plan. The association must provide the employing unit a credit for the amount
12.2 of the erroneous salary deductions and employer contributions against future contributions
12.3 from the employer. If the employing unit receives a credit under this paragraph, the
12.4 employing unit is responsible for refunding to the applicable employee any amount that
12.5 had been erroneously deducted from the person's salary.

12.6 (c) If erroneous employee deductions and employer contributions reflect a plan
12.7 coverage error involving any Public Employees Retirement Association plan specified in
12.8 section 356.99 and any other plan specified in that section, section 356.99 applies.

12.9 Sec. 11. Minnesota Statutes 2014, section 353.27, subdivision 12, is amended to read:

12.10 Subd. 12. **Omitted salary deductions; obligations.** (a) In the case of omission of
12.11 required deductions for the general employees retirement plan, the public employees police
12.12 and fire retirement plan, or the local government correctional employees retirement plan
12.13 from the salary of an employee, the department head or designee shall immediately, upon
12.14 discovery, report the employee for membership and deduct the employee deductions under
12.15 subdivision 4 during the current pay period or during the pay period immediately following
12.16 the discovery of the omission. Payment for the omitted obligations may only be made in
12.17 accordance with reporting procedures and methods established by the executive director.

12.18 (b) When the entire omission period of an employee does not exceed 60 days, the
12.19 governmental subdivision may report and submit payment of the omitted employee
12.20 deductions and the omitted employer contributions through the reporting processes under
12.21 subdivision 4.

12.22 (c) When the omission period of an employee exceeds 60 days, the governmental
12.23 subdivision shall furnish to the association sufficient data and documentation upon which
12.24 the obligation for omitted employee and employer contributions can be calculated.
12.25 The omitted employee deductions must be deducted from the employee's subsequent
12.26 salary payment or payments and remitted to the association for deposit in the applicable
12.27 retirement fund. The employee shall pay omitted employee deductions due for the 60
12.28 days prior to the end of the last pay period in the omission period during which salary
12.29 was earned. The employer shall pay any remaining omitted employee deductions and any
12.30 omitted employer contributions, plus cumulative interest at ~~an~~ the applicable annual
12.31 ~~rate of 8.5 percent~~ compounded annually, from the date or dates each omitted employee
12.32 contribution was first payable. The applicable rate is 8.5 percent for the period before July
12.33 1, 2015, and 8 percent for the period after June 30, 2015.

12.34 (d) An employer shall not hold an employee liable for omitted employee deductions
12.35 beyond the pay period dates under paragraph (c), nor attempt to recover from the employee

13.1 those employee deductions paid by the employer on behalf of the employee. Omitted
13.2 deductions due under paragraph (c) which are not paid by the employee constitute a
13.3 liability of the employer that failed to deduct the omitted deductions from the employee's
13.4 salary. The employer shall make payment with interest at ~~an~~ the applicable annual rate
13.5 ~~of 8.5 percent~~ compounded annually. The applicable rate is 8.5 percent for the period
13.6 before July 1, 2015, and 8 percent for the period after June 30, 2015. Omitted employee
13.7 deductions are no longer due if an employee terminates public service before making
13.8 payment of omitted employee deductions to the association, but the employer remains
13.9 liable to pay omitted employer contributions plus interest at ~~an~~ the applicable annual rate
13.10 ~~of 8.5 percent~~ compounded annually from the date the contributions were first payable.
13.11 The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for
13.12 the period after June 30, 2015.

13.13 (e) The association may not commence action for the recovery of omitted employee
13.14 deductions and employer contributions after the expiration of three calendar years after
13.15 the calendar year in which the contributions and deductions were omitted. Except as
13.16 provided under paragraph (b), no payment may be made or accepted unless the association
13.17 has already commenced action for recovery of omitted deductions. An action for recovery
13.18 commences on the date of the mailing of any written correspondence from the association
13.19 requesting information from the governmental subdivision upon which to determine
13.20 whether or not omitted deductions occurred.

13.21 Sec. 12. Minnesota Statutes 2014, section 353.27, subdivision 12a, is amended to read:

13.22 Subd. 12a. **Terminated employees: omitted deductions.** A terminated employee
13.23 who was a member of the general employees retirement plan of the Public Employees
13.24 Retirement Association, the public employees police and fire retirement plan, or the local
13.25 government correctional employees retirement plan and who has a period of employment
13.26 in which previously omitted employer contributions were made under subdivision 12
13.27 but for whom no, or only partial, omitted employee contributions have been made, or a
13.28 member who had prior coverage in the association for which previously omitted employer
13.29 contributions were made under subdivision 12 but who terminated service before required
13.30 omitted employee deductions could be withheld from salary, may pay the omitted
13.31 employee deductions for the period on which omitted employer contributions were
13.32 previously paid plus interest at ~~an~~ the applicable annual rate ~~of 8.5 percent~~ compounded
13.33 annually. The applicable rate is 8.5 percent for the period before July 1, 2015, and 8
13.34 percent for the period after June 30, 2015. A terminated employee may pay the omitted
13.35 employee deductions plus interest within six months of an initial notification from the

14.1 association of eligibility to pay those omitted deductions. If a terminated employee is
14.2 reemployed in a position covered under a public pension fund under section 356.30,
14.3 subdivision 3, and elects to pay omitted employee deductions, payment must be made no
14.4 later than six months after a subsequent termination of public service.

14.5 Sec. 13. Minnesota Statutes 2014, section 353.28, subdivision 5, is amended to read:

14.6 Subd. 5. **Interest chargeable on amounts due.** Any amount due under this section
14.7 or section 353.27, subdivision 4, is payable with interest at ~~an~~ the applicable annual
14.8 compound rate ~~of 8.5 percent~~ from the date due until the date payment is received by the
14.9 association, with a minimum interest charge of \$10. The applicable rate is 8.5 percent for
14.10 the period before July 1, 2015, and 8 percent for the period after June 30, 2015.

14.11 Sec. 14. Minnesota Statutes 2014, section 353.35, subdivision 1, is amended to read:

14.12 Subdivision 1. **Refund rights.** (a) Except as provided in paragraph (b), when any
14.13 former member accepts a refund, all existing service credits and all rights and benefits to
14.14 which the person was entitled prior to the acceptance of the refund must terminate.

14.15 (b) A refund under section 353.651, subdivision 3, paragraph (c), does not result in a
14.16 forfeiture of salary credit for the allowable service credit covered by the refund.

14.17 (c) The rights and benefits of a former member must not be restored until the person
14.18 returns to active service and acquires at least six months of allowable service credit after
14.19 taking the last refund and repays the refund or refunds taken and interest received under
14.20 section 353.34, subdivisions 1 and 2, plus interest at ~~an~~ the applicable annual rate ~~of 8.5~~
14.21 ~~percent~~ compounded annually. The applicable rate is 8.5 percent for the period before July
14.22 1, 2015, and 8 percent for the period after June 30, 2015. If the person elects to restore
14.23 service credit in a particular fund from which the person has taken more than one refund,
14.24 the person must repay all refunds to that fund. All refunds must be repaid within six
14.25 months of the last date of termination of public service.

14.26 Sec. 15. Minnesota Statutes 2014, section 354A.093, subdivision 6, is amended to read:

14.27 Subd. 6. **Interest requirements.** The employer shall pay interest on all equivalent
14.28 employee and employer contribution amounts payable under this section. Interest must be
14.29 computed at a the applicable rate ~~of 8.5 percent~~ compounded annually from the end of
14.30 each fiscal year of the leave or break in service to the end of the month in which payment
14.31 is received. The applicable rate is 8.5 percent for the period before July 1, 2015, and 8
14.32 percent for the period after June 30, 2015.

15.1 Sec. 16. Minnesota Statutes 2014, section 354A.38, subdivision 3, is amended to read:

15.2 Subd. 3. **Computation of refund repayment amount.** If the coordinated member
15.3 elects to repay a refund under subdivision 2, the repayment to the fund must be in an
15.4 amount equal to refunds the member has accepted plus interest at the applicable rate of 8.5
15.5 ~~percent~~ compounded annually from the date that the refund was accepted to the date that
15.6 the refund is repaid. The applicable rate is 8.5 percent for the period before July 1, 2015,
15.7 and 8 percent for the period after June 30, 2015.

15.8 Sec. 17. Minnesota Statutes 2014, section 354B.23, subdivision 5, is amended to read:

15.9 Subd. 5. **Omitted member deductions.** (a) If the employing unit that employs a
15.10 plan participant fails to deduct the member contribution from the participant's salary and a
15.11 period of less than 60 days from the date on which the deduction should have been made
15.12 has elapsed, the employing unit must obtain the omitted member deduction by an additional
15.13 payroll deduction during the pay period next following the discovery of the omission.

15.14 (b) If the employing unit of a plan participant fails to deduct the member contribution
15.15 from the participant's salary and that omission continues for at least 60 days from the
15.16 date on which the deduction should have been made, the employing unit must pay the
15.17 amount representing the omitted member contribution, and the full required employer
15.18 contribution, plus compound interest at ~~an~~ the applicable annual rate of 8.5 percent. The
15.19 applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for the
15.20 period after June 30, 2015. The contributions and any interest must be made within one
15.21 year of the date on which the omission was discovered.

15.22 Sec. 18. Minnesota Statutes 2014, section 354C.12, subdivision 2, is amended to read:

15.23 Subd. 2. **Omitted deductions.** If the employer of personnel covered by the
15.24 supplemental retirement plan as provided in section 354C.11 fails to deduct the member
15.25 basic contribution from the covered employee's salary and a period of less than 60 days
15.26 from the date on which the deduction should have been made has elapsed, the employer
15.27 must obtain the omitted member deduction by an additional payroll deduction during the
15.28 pay period next following the discovery of the omission. If the employer fails to deduct
15.29 the member basic contribution from the covered employee's salary and that omission
15.30 continues for at least 60 days from the date on which the member basic contribution
15.31 deduction should have been made, the employer must pay the amount representing
15.32 the omitted member basic contribution, and the full required omitted employer basic
15.33 contribution, plus compound interest at ~~an~~ the applicable annual rate of 8.5 percent. The
15.34 applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for the

16.1 period after June 30, 2015. The contributions must be made within one year of the date on
16.2 which the omission was discovered.

16.3 Sec. 19. Minnesota Statutes 2014, section 356.44, is amended to read:

16.4 **356.44 PARTIAL PAYMENT OF PENSION PLAN REFUND.**

16.5 (a) Notwithstanding any provision of law to the contrary, a member of a pension
16.6 plan listed in section 356.30, subdivision 3, with at least two years of forfeited service
16.7 taken from a single pension plan, may repay a portion of all refunds. A partial refund
16.8 repayment must comply with this section.

16.9 (b) The minimum portion of a refund repayment is one-third of the total service
16.10 credit period of all refunds taken from a single plan.

16.11 (c) The cost of the partial refund repayment is the product of the cost of the total
16.12 repayment multiplied by the ratio of the restored service credit to the total forfeited service
16.13 credit. The total repayment amount includes interest at the applicable annual rate of ~~8.5~~
16.14 ~~percent~~, compounded annually, from the refund date to the date repayment is received.
16.15 The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for
16.16 the period after June 30, 2015.

16.17 (d) The restored service credit must be allocated based on the relationship the
16.18 restored service bears to the total service credit period for all refunds taken from a single
16.19 pension plan.

16.20 (e) This section does not authorize a public pension plan member to repay a refund
16.21 if the law governing the plan does not authorize the repayment of a refund of member
16.22 contributions.

16.23 Sec. 20. Minnesota Statutes 2014, section 490.124, subdivision 12, is amended to read:

16.24 Subd. 12. **Refund.** (a) A person who ceases to be a judge is entitled to a refund
16.25 in an amount that is equal to all of the member's employee contributions to the judges'
16.26 retirement fund plus interest computed under section 352.22, subdivision 2.

16.27 (b) A refund of contributions under paragraph (a) terminates all service credits and
16.28 all rights and benefits of the judge and the judge's survivors under this chapter.

16.29 (c) A person who becomes a judge again after taking a refund under paragraph (a)
16.30 may reinstate the previously terminated allowable service credit, rights, and benefits by
16.31 repaying the total amount of the previously received refund. The refund repayment must
16.32 include interest on the total amount previously received at an the applicable annual rate of
16.33 ~~8.5 percent~~, compounded annually, from the date on which the refund was received until

17.1 the date on which the refund is repaid. The applicable rate is 8.5 percent for the period
17.2 before July 1, 2015, and 8 percent for the period after June 30, 2015.

17.3 Sec. 21. **EFFECTIVE DATE.**

17.4 Sections 1 to 20 are effective July 1, 2015.

17.5 **ARTICLE 3**

17.6 **CONFORMING CHANGES IN LEAVE AND PRIOR SERVICE CREDIT**
17.7 **PURCHASE PROVISIONS RELATED TO INTEREST ASSUMPTION CHANGE**

17.8 Section 1. Minnesota Statutes 2014, section 352.017, subdivision 2, is amended to read:

17.9 Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in
17.10 this chapter may purchase credit for allowable service in that plan for a period specified
17.11 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
17.12 whichever applies. The employing unit, at its option, may pay the employer portion of the
17.13 amount specified in paragraph (b) on behalf of its employees.

17.14 (b) If payment is received by the executive director within one year from the date the
17.15 employee returned to work following the authorized leave, the payment amount is equal to
17.16 the employee and employer contribution rates specified in law for the applicable plan at
17.17 the end of the leave period multiplied by the employee's hourly rate of salary on the date
17.18 of return from the leave of absence and by the days and months of the leave of absence for
17.19 which the employee is eligible for allowable service credit. The payment must include
17.20 compound interest at a the applicable monthly rate of ~~0.71 percent~~ from the last day of the
17.21 leave period until the last day of the month in which payment is received. The applicable
17.22 rate is 0.71 percent before July 1, 2015, and is 0.667 percent for the period after June 30,
17.23 2015. If payment is received by the executive director after one year, the payment amount
17.24 is the amount determined under section 356.551. Payment under this paragraph must be
17.25 made before the date of termination from public employment covered under this chapter.

17.26 (c) If the employee terminates employment covered by this chapter during the leave
17.27 or following the leave rather than returning to covered employment, payment must be
17.28 received by the executive director within 30 days after the termination date. The payment
17.29 amount is equal to the employee and employer contribution rates specified in law for the
17.30 applicable plan on the day prior to the termination date, multiplied by the employee's
17.31 hourly rate of salary on that date and by the days and months of the leave of absence
17.32 prior to termination.

17.33 Sec. 2. Minnesota Statutes 2014, section 352.27, is amended to read:

18.1 **352.27 CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED**
18.2 **SERVICE.**

18.3 (a) An employee who is absent from employment by reason of service in the
18.4 uniformed services, as defined in United States Code, title 38, section 4303(13), and who
18.5 returns to state service upon discharge from service in the uniformed service within the
18.6 time frames required in United States Code, title 38, section 4312(e), may obtain service
18.7 credit for the period of the uniformed service as further specified in this section, provided
18.8 that the employee did not separate from uniformed service with a dishonorable or bad
18.9 conduct discharge or under other than honorable conditions.

18.10 (b) The employee may obtain credit by paying into the fund an equivalent employee
18.11 contribution based upon the contribution rate or rates in effect at the time that the
18.12 uniformed service was performed multiplied by the full and fractional years being
18.13 purchased and applied to the annual salary rate. The annual salary rate is the average
18.14 annual salary during the purchase period that the employee would have received if the
18.15 employee had continued to be employed in covered employment rather than to provide
18.16 uniformed service, or, if the determination of that rate is not reasonably certain, the annual
18.17 salary rate is the employee's average salary rate during the 12-month period of covered
18.18 employment rendered immediately preceding the period of the uniformed service.

18.19 (c) The equivalent employer contribution and, if applicable, the equivalent additional
18.20 employer contribution provided in this chapter must be paid by the department employing
18.21 the employee from funds available to the department at the time and in the manner
18.22 provided in this chapter, using the employer and additional employer contribution rate or
18.23 rates in effect at the time that the uniformed service was performed, applied to the same
18.24 annual salary rate or rates used to compute the equivalent employee contribution.

18.25 (d) If the employee equivalent contributions provided in this section are not paid in
18.26 full, the employee's allowable service credit must be prorated by multiplying the full and
18.27 fractional number of years of uniformed service eligible for purchase by the ratio obtained
18.28 by dividing the total employee contribution received by the total employee contribution
18.29 otherwise required under this section.

18.30 (e) To receive service credit under this section, the contributions specified in this
18.31 section must be transmitted to the Minnesota State Retirement System during the period
18.32 which begins with the date on which the individual returns to state service and which has a
18.33 duration of three times the length of the uniformed service period, but not to exceed five
18.34 years. If the determined payment period is less than one year, the contributions required
18.35 under this section to receive service credit may be made within one year of the discharge
18.36 date.

19.1 (f) The amount of service credit obtainable under this section may not exceed five
19.2 years unless a longer purchase period is required under United States Code, title 38,
19.3 section 4312.

19.4 (g) The employing unit shall pay interest on all equivalent employee and employer
19.5 contribution amounts payable under this section. Interest must be computed at a the
19.6 applicable rate of 8.5 percent compounded annually from the end of each fiscal year of the
19.7 leave or the break in service to the end of the month in which the payment is received.
19.8 The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for
19.9 the period after June 30, 2015.

19.10 Sec. 3. Minnesota Statutes 2014, section 352.955, subdivision 3, is amended to read:

19.11 Subd. 3. **Payment of additional equivalent contributions.** (a) An eligible
19.12 employee who is transferred to plan coverage and who elects to transfer past service
19.13 credit under this section must pay an additional member contribution for that prior service
19.14 period. The additional member contribution is the amount computed under paragraph
19.15 (b), plus the greater of the amount computed under paragraph (c), or 40 percent of the
19.16 unfunded actuarial accrued liability attributable to the past service credit transfer.

19.17 (b) The executive director shall compute, for the most recent 12 months of service
19.18 credit eligible for transfer, or for the entire period eligible for transfer if less than 12
19.19 months, the difference between the employee contribution rate or rates for the general
19.20 state employees retirement plan and the employee contribution rate or rates for the
19.21 correctional state employees retirement plan applied to the eligible employee's salary
19.22 during that transfer period, plus compound interest at a the applicable monthly rate of 0.71
19.23 percent. The applicable rate is 0.71 percent before July 1, 2015, and is 0.667 percent for
19.24 the period after June 30, 2015.

19.25 (c) The executive director shall compute, for any service credit being transferred
19.26 on behalf of the eligible employee and not included under paragraph (b), the difference
19.27 between the employee contribution rate or rates for the general state employees retirement
19.28 plan and the employee contribution rate or rates for the correctional state employees
19.29 retirement plan applied to the eligible employee's salary during that transfer period, plus
19.30 compound interest at a the applicable monthly rate of 0.71 percent. The applicable rate is
19.31 0.71 percent before July 1, 2015, and is 0.667 percent for the period after June 30, 2015.

19.32 (d) The executive director shall compute an amount using the process specified in
19.33 paragraph (b), but based on differences in employer contribution rates between the general
19.34 state employees retirement plan and the correctional state employees retirement plan
19.35 rather than employee contribution rates.

20.1 (e) The executive director shall compute an amount using the process specified in
20.2 paragraph (c), but based on differences in employer contribution rates between the general
20.3 state employees retirement plan and the correctional state employees retirement plan
20.4 rather than employee contribution rates.

20.5 (f) The additional equivalent member contribution under this subdivision must be
20.6 paid in a lump sum. Payment must accompany the election to transfer the prior service
20.7 credit. No transfer election or additional equivalent member contribution payment may be
20.8 made by a person or accepted by the executive director after the one year anniversary date
20.9 of the effective date of the retirement coverage transfer, or the date on which the eligible
20.10 employee terminates state employment, whichever is earlier.

20.11 (g) If an eligible employee elects to transfer past service credit under this section
20.12 and pays the additional equivalent member contribution amount under paragraph (a), the
20.13 applicable department shall pay an additional equivalent employer contribution amount.
20.14 The additional employer contribution is the amount computed under paragraph (d), plus
20.15 the greater of the amount computed under paragraph (e), or 60 percent of the unfunded
20.16 actuarial accrued liability attributable to the past service credit transfer.

20.17 (h) The unfunded actuarial accrued liability attributable to the past service credit
20.18 transfer is the present value of the benefit obtained by the transfer of the service credit
20.19 to the correctional state employees retirement plan reduced by the amount of the asset
20.20 transfer under subdivision 4, by the amount of the member contribution equivalent
20.21 payment computed under paragraph (b), and by the amount of the employer contribution
20.22 equivalent payment computed under paragraph (d).

20.23 (i) The additional equivalent employer contribution under this subdivision must be
20.24 paid in a lump sum and must be paid within 30 days of the date on which the executive
20.25 director of the Minnesota State Retirement System certifies to the applicable department
20.26 that the employee paid the additional equivalent member contribution.

20.27 Sec. 4. Minnesota Statutes 2014, section 352B.013, subdivision 2, is amended to read:

20.28 Subd. 2. **Purchase procedure.** (a) An employee covered by the plan specified in
20.29 this chapter may purchase credit for allowable service in the plan for a period specified
20.30 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
20.31 whichever applies. The employing unit, at its option, may pay the employer portion of the
20.32 amount specified in paragraph (b) on behalf of its employees.

20.33 (b) If payment is received by the executive director within one year from the date
20.34 the employee returned to work following the authorized leave, the payment amount is
20.35 equal to the employee and employer contribution rates specified in section 352B.02 at the

21.1 end of the leave period multiplied by the employee's hourly rate of salary on the date of
 21.2 return from the leave of absence and by the days and months of the leave of absence for
 21.3 which the employee is eligible for allowable service credit. The payment must include
 21.4 compound interest at a the applicable monthly rate of 0.71 percent from the last day of the
 21.5 leave period until the last day of the month in which payment is received. The applicable
 21.6 rate is 0.71 percent before July 1, 2015, and is 0.667 percent for the period after June 30,
 21.7 2015. If payment is received by the executive director after one year from the date the
 21.8 employee returned to work following the authorized leave, the payment amount is the
 21.9 amount determined under section 356.551. Payment under this paragraph must be made
 21.10 before the date of termination from public employment covered under this chapter.

21.11 (c) If the employee terminates employment covered by this chapter during the leave
 21.12 or following the leave rather than returning to covered employment, payment must be
 21.13 received by the executive director within 30 days after the termination date. The payment
 21.14 amount is equal to the employee and employer contribution rates specified in section
 21.15 352B.02 on the day prior to the termination date, multiplied by the employee's hourly rate of
 21.16 salary on that date and by the days and months of the leave of absence prior to termination.

21.17 Sec. 5. Minnesota Statutes 2014, section 352B.085, is amended to read:

21.18 **352B.085 SERVICE CREDIT FOR CERTAIN DISABILITY LEAVES OF**
 21.19 **ABSENCE.**

21.20 A member on leave of absence receiving temporary workers' compensation payments
 21.21 and a reduced salary or no salary from the employer who is entitled to allowable service
 21.22 credit for the period of absence under section 352B.011, subdivision 3, paragraph (b), may
 21.23 make payment to the fund for the difference between salary received, if any, and the salary
 21.24 that the member would normally receive if the member was not on leave of absence
 21.25 during the period. The member shall pay an amount equal to the member and employer
 21.26 contribution rate under section 352B.02, subdivisions 1b and 1c, on the differential salary
 21.27 amount for the period of the leave of absence. The employing department, at its option, may
 21.28 pay the employer amount on behalf of the member. Payment made under this subdivision
 21.29 must include interest at the applicable rate of 8.5 percent per year, and must be completed
 21.30 within one year of the member's return from the leave of absence. The applicable rate is 8.5
 21.31 percent for the period before July 1, 2015, and 8 percent for the period after June 30, 2015.

21.32 Sec. 6. Minnesota Statutes 2014, section 352B.086, is amended to read:

21.33 **352B.086 SERVICE CREDIT FOR UNIFORMED SERVICE.**

22.1 (a) A member who is absent from employment by reason of service in the uniformed
22.2 services, as defined in United States Code, title 38, section 4303(13), and who returns to
22.3 state employment in a position covered by the plan upon discharge from service in the
22.4 uniformed services within the time frame required in United States Code, title 38, section
22.5 4312(e), may obtain service credit for the period of the uniformed service, provided that
22.6 the member did not separate from uniformed service with a dishonorable or bad conduct
22.7 discharge or under other than honorable conditions.

22.8 (b) The member may obtain credit by paying into the fund an equivalent member
22.9 contribution based on the member contribution rate or rates in effect at the time that
22.10 the uniformed service was performed multiplied by the full and fractional years being
22.11 purchased and applied to the annual salary rate. The annual salary rate is the average
22.12 annual salary during the purchase period that the member would have received if the
22.13 member had continued to provide employment services to the state rather than to provide
22.14 uniformed service, or if the determination of that rate is not reasonably certain, the annual
22.15 salary rate is the member's average salary rate during the 12-month period of covered
22.16 employment rendered immediately preceding the purchase period.

22.17 (c) The equivalent employer contribution and, if applicable, the equivalent employer
22.18 additional contribution, must be paid by the employing unit, using the employer and
22.19 employer additional contribution rate or rates in effect at the time that the uniformed
22.20 service was performed, applied to the same annual salary rate or rates used to compute the
22.21 equivalent member contribution.

22.22 (d) If the member equivalent contributions provided for in this section are not paid
22.23 in full, the member's allowable service credit must be prorated by multiplying the full and
22.24 fractional number of years of uniformed service eligible for purchase by the ratio obtained
22.25 by dividing the total member contributions received by the total member contributions
22.26 otherwise required under this section.

22.27 (e) To receive allowable service credit under this section, the contributions specified
22.28 in this section must be transmitted to the fund during the period which begins with the
22.29 date on which the individual returns to state employment covered by the plan and which
22.30 has a duration of three times the length of the uniformed service period, but not to exceed
22.31 five years. If the determined payment period is calculated to be less than one year, the
22.32 contributions required under this section to receive service credit must be transmitted to
22.33 the fund within one year from the discharge date.

22.34 (f) The amount of allowable service credit obtainable under this section may not
22.35 exceed five years, unless a longer purchase period is required under United States Code,
22.36 title 38, section 4312.

23.1 (g) The employing unit shall pay interest on all equivalent member and employer
23.2 contribution amounts payable under this section. Interest must be computed at a the
23.3 applicable rate of 8.5 percent compounded annually from the end of each fiscal year
23.4 of the leave or break in service to the end of the month in which payment is received.
23.5 The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for
23.6 the period after June 30, 2015.

23.7 Sec. 7. Minnesota Statutes 2014, section 352D.11, subdivision 2, is amended to read:

23.8 Subd. 2. **Payments by employee.** An employee entitled to purchase service credit
23.9 may make the purchase by paying to the state retirement system an amount equal to
23.10 the current employee contribution rate in effect for the state retirement system applied
23.11 to the current or final salary rate multiplied by the months and days of prior temporary,
23.12 intermittent, or contract legislative service. Payment shall be made in one lump sum
23.13 unless the executive director of the state retirement system agrees to accept payment in
23.14 installments over a period of not more than three years from the date of the agreement.
23.15 Installment payments shall be charged interest at ~~an annual~~ the applicable rate of 8.5
23.16 ~~percent~~ compounded annually. The applicable rate is 8.5 percent for the period before July
23.17 1, 2015, and 8 percent for the period after June 30, 2015.

23.18 Sec. 8. Minnesota Statutes 2014, section 353.01, subdivision 16, is amended to read:

23.19 Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service"
23.20 means:

23.21 (1) service during years of actual membership in the course of which employee
23.22 deductions were withheld from salary and contributions were made at the applicable rates
23.23 under section 353.27, 353.65, or 353E.03;

23.24 (2) periods of service covered by payments in lieu of salary deductions under
23.25 sections 353.27, subdivision 12, and 353.35;

23.26 (3) service in years during which the public employee was not a member but for
23.27 which the member later elected, while a member, to obtain credit by making payments to
23.28 the fund as permitted by any law then in effect;

23.29 (4) a period of authorized leave of absence with pay from which deductions for
23.30 employee contributions are made, deposited, and credited to the fund;

23.31 (5) a period of authorized personal, parental, or medical leave of absence without
23.32 pay, including a leave of absence covered under the federal Family Medical Leave Act,
23.33 that does not exceed one year, and for which a member obtained service credit for each
23.34 month in the leave period by payment under section 353.0161 to the fund made in place of

24.1 salary deductions. An employee must return to public service and render a minimum of
24.2 three months of allowable service in order to be eligible to make payment under section
24.3 353.0161 for a subsequent authorized leave of absence without pay. Upon payment, the
24.4 employee must be granted allowable service credit for the purchased period;

24.5 (6) a periodic, repetitive leave that is offered to all employees of a governmental
24.6 subdivision. The leave program may not exceed 208 hours per annual normal work cycle
24.7 as certified to the association by the employer. A participating member obtains service
24.8 credit by making employee contributions in an amount or amounts based on the member's
24.9 average salary, excluding overtime pay, that would have been paid if the leave had not been
24.10 taken. The employer shall pay the employer and additional employer contributions on
24.11 behalf of the participating member. The employee and the employer are responsible to pay
24.12 interest on their respective shares at the applicable rate of 8.5 percent a year, compounded
24.13 annually, from the end of the normal cycle until full payment is made. The applicable rate
24.14 is 8.5 percent for the period before July 1, 2015, and 8 percent for the period after June 30,
24.15 2015. An employer shall also make the employer and additional employer contributions,
24.16 plus ~~8.5 percent~~ the applicable interest rate, compounded annually, on behalf of an
24.17 employee who makes employee contributions but terminates public service. The applicable
24.18 rate is 8.5 percent for the period before July 1, 2015, and 8 percent for the period after
24.19 June 30, 2015. The employee contributions must be made within one year after the end of
24.20 the annual normal working cycle or within 30 days after termination of public service,
24.21 whichever is sooner. The executive director shall prescribe the manner and forms to be
24.22 used by a governmental subdivision in administering a periodic, repetitive leave. Upon
24.23 payment, the member must be granted allowable service credit for the purchased period;

24.24 (7) an authorized temporary or seasonal layoff under subdivision 12, limited to three
24.25 months allowable service per authorized temporary or seasonal layoff in one calendar year.
24.26 An employee who has received the maximum service credit allowed for an authorized
24.27 temporary or seasonal layoff must return to public service and must obtain a minimum of
24.28 three months of allowable service subsequent to the layoff in order to receive allowable
24.29 service for a subsequent authorized temporary or seasonal layoff;

24.30 (8) a period during which a member is absent from employment by a governmental
24.31 subdivision by reason of service in the uniformed services, as defined in United States
24.32 Code, title 38, section 4303(13), if the member returns to public service with the same
24.33 governmental subdivision upon discharge from service in the uniformed service within the
24.34 time frames required under United States Code, title 38, section 4312(e), provided that
24.35 the member did not separate from uniformed service with a dishonorable or bad conduct
24.36 discharge or under other than honorable conditions. The service must be credited if the

25.1 member pays into the fund equivalent employee contributions based upon the contribution
25.2 rate or rates in effect at the time that the uniformed service was performed multiplied by
25.3 the full and fractional years being purchased and applied to the annual salary rate. The
25.4 annual salary rate is the average annual salary during the purchase period that the member
25.5 would have received if the member had continued to be employed in covered employment
25.6 rather than to provide uniformed service, or, if the determination of that rate is not
25.7 reasonably certain, the annual salary rate is the member's average salary rate during the
25.8 12-month period of covered employment rendered immediately preceding the period of the
25.9 uniformed service. Payment of the member equivalent contributions must be made during
25.10 a period that begins with the date on which the individual returns to public employment
25.11 and that is three times the length of the military leave period, or within five years of the
25.12 date of discharge from the military service, whichever is less. If the determined payment
25.13 period is less than one year, the contributions required under this clause to receive service
25.14 credit may be made within one year of the discharge date. Payment may not be accepted
25.15 following 30 days after termination of public service under subdivision 11a. If the member
25.16 equivalent contributions provided for in this clause are not paid in full, the member's
25.17 allowable service credit must be prorated by multiplying the full and fractional number
25.18 of years of uniformed service eligible for purchase by the ratio obtained by dividing
25.19 the total member contributions received by the total member contributions otherwise
25.20 required under this clause. The equivalent employer contribution, and, if applicable, the
25.21 equivalent additional employer contribution must be paid by the governmental subdivision
25.22 employing the member if the member makes the equivalent employee contributions. The
25.23 employer payments must be made from funds available to the employing unit, using the
25.24 employer and additional employer contribution rate or rates in effect at the time that the
25.25 uniformed service was performed, applied to the same annual salary rate or rates used to
25.26 compute the equivalent member contribution. The governmental subdivision involved
25.27 may appropriate money for those payments. The amount of service credit obtainable
25.28 under this section may not exceed five years unless a longer purchase period is required
25.29 under United States Code, title 38, section 4312. The employing unit shall pay interest
25.30 on all equivalent member and employer contribution amounts payable under this clause.
25.31 Interest must be computed at a the applicable rate of 8.5 percent compounded annually
25.32 from the end of each fiscal year of the leave or the break in service to the end of the
25.33 month in which the payment is received. The applicable rate is 8.5 percent for the period
25.34 before July 1, 2015, and 8 percent for the period after June 30, 2015. Upon payment, the
25.35 employee must be granted allowable service credit for the purchased period; or
25.36 (9) a period specified under section 353.0162.

26.1 (b) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for
26.2 state officers and employees displaced by the Community Corrections Act, chapter 401,
26.3 and transferred into county service under section 401.04, "allowable service" means the
26.4 combined years of allowable service as defined in paragraph (a), clauses (1) to (6), and
26.5 section 352.01, subdivision 11.

26.6 (c) No member may receive more than 12 months of allowable service credit in a
26.7 year either for vesting purposes or for benefit calculation purposes. For an active member
26.8 who was an active member of the former Minneapolis Firefighters Relief Association
26.9 on December 29, 2011, "allowable service" is the period of service credited by the
26.10 Minneapolis Firefighters Relief Association as reflected in the transferred records of the
26.11 association up to December 30, 2011, and the period of service credited under paragraph
26.12 (a), clause (1), after December 30, 2011. For an active member who was an active member
26.13 of the former Minneapolis Police Relief Association on December 29, 2011, "allowable
26.14 service" is the period of service credited by the Minneapolis Police Relief Association as
26.15 reflected in the transferred records of the association up to December 30, 2011, and the
26.16 period of service credited under paragraph (a), clause (1), after December 30, 2011.

26.17 (d) MS 2002 [Expired]

26.18 Sec. 9. Minnesota Statutes 2014, section 353.0161, subdivision 2, is amended to read:

26.19 Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in
26.20 subdivision 1 may purchase credit for allowable service in that plan for a period specified
26.21 in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c),
26.22 whichever applies. The employing unit, at its option, may pay the employer portion of the
26.23 amount specified in paragraph (b) on behalf of its employees.

26.24 (b) If payment is received by the executive director within one year from the date
26.25 the member returned to work following the authorized leave, or within 30 days after the
26.26 date of termination of public service if the member did not return to work, the payment
26.27 amount is equal to the employee and employer contribution rates specified in law for
26.28 the applicable plan at the end of the leave period, or at termination of public service,
26.29 whichever is earlier, multiplied by the employee's average monthly salary, excluding
26.30 overtime, upon which deductions were paid during the six months, or portion thereof,
26.31 before the commencement of the leave of absence and by the number of months of the
26.32 leave of absence for which the employee wants allowable service credit. Payments made
26.33 under this paragraph must include compound interest at a the applicable monthly rate of
26.34 ~~0.71 percent~~ from the last day of the leave period until the last day of the month in which

27.1 payment is received. The applicable rate is 0.71 percent before July 1, 2015, and is 0.667
27.2 percent for the period after June 30, 2015.

27.3 (c) If payment is received by the executive director after one year, the payment
27.4 amount is the amount determined under section 356.551. Payment under this paragraph
27.5 must be made before the date the person terminates public service under section 353.01,
27.6 subdivision 11a.

27.7 Sec. 10. Minnesota Statutes 2014, section 353.0162, is amended to read:

27.8 **353.0162 REDUCED SALARY PERIODS SALARY CREDIT PURCHASE.**

27.9 (a) A member may purchase additional salary credit for a period specified in this
27.10 section.

27.11 (b) The applicable period is a period during which the member is receiving a reduced
27.12 salary from the employer while the member is:

27.13 (1) receiving temporary workers' compensation payments related to the member's
27.14 service to the public employer;

27.15 (2) on an authorized medical leave of absence; or

27.16 (3) on an authorized partial paid leave of absence as a result of a budgetary or salary
27.17 savings program offered or mandated by a governmental subdivision.

27.18 (c) The differential salary amount is the difference between the average monthly
27.19 salary received by the member during the period of reduced salary under this section and
27.20 the average monthly salary of the member, excluding overtime, on which contributions
27.21 to the applicable plan were made during the period of the last six months of covered
27.22 employment occurring immediately before the period of reduced salary, applied to the
27.23 member's normal employment period, measured in hours or otherwise, as applicable.

27.24 (d) To receive eligible salary credit, the member shall pay an amount equal to:

27.25 (1) the applicable employee contribution rate under section 353.27, subdivision
27.26 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the
27.27 differential salary amount;

27.28 (2) plus an employer equivalent payment equal to the applicable employer
27.29 contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03,
27.30 subdivision 2, as applicable, multiplied by the differential salary amount;

27.31 (3) plus, if applicable, an equivalent employer additional amount equal to the
27.32 additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the
27.33 differential salary amount.

28.1 (e) The employer, by appropriate action of its governing body and documented in its
28.2 official records, may pay the employer equivalent contributions and, as applicable, the
28.3 equivalent employer additional contributions on behalf of the member.

28.4 (f) Payment under this section must include interest on the contribution amount or
28.5 amounts, whichever applies, at ~~an 8.5 percent~~ the applicable annual rate, prorated for
28.6 applicable months from the date on which the period of reduced salary specified under
28.7 this section terminates to the date on which the payment or payments are received by
28.8 the executive director. The applicable rate is 8.5 percent for the period before July 1,
28.9 2015, and 8 percent for the period after June 30, 2015. Payment under this section must
28.10 be completed within the earlier of 30 days from termination of public service by the
28.11 employee under section 353.01, subdivision 11a, or one year after the termination of the
28.12 period specified in paragraph (b), as further restricted under this section.

28.13 (g) The period for which additional allowable salary credit may be purchased is
28.14 limited to the period during which the person receives temporary workers' compensation
28.15 payments or for those business years in which the governmental subdivision offers or
28.16 mandates a budget or salary savings program, as certified to the executive director by a
28.17 resolution of the governing body of the governmental subdivision. For an authorized
28.18 medical leave of absence, the period for which allowable salary credit may be purchased
28.19 may not exceed 12 consecutive months of authorized medical leave.

28.20 (h) To purchase salary credit for a subsequent period of temporary workers'
28.21 compensation benefits or subsequent authorized medical leave of absence, the member
28.22 must return to public service and render a minimum of three months of allowable service.

28.23 Sec. 11. Minnesota Statutes 2014, section 354A.096, is amended to read:

28.24 **354A.096 MEDICAL LEAVE.**

28.25 Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund
28.26 Association who is on an authorized medical leave of absence and subsequently returns
28.27 to teaching service is entitled to receive allowable service credit, not to exceed one year,
28.28 for the period of leave, upon making the prescribed payment to the fund. This payment
28.29 must include the required employee and employer contributions at the rates specified in
28.30 section 354A.12, subdivisions 1 and 2a, as applied to the member's average full-time
28.31 monthly salary rate on the date the leave of absence commenced plus annual interest at the
28.32 applicable rate of 8.5 percent per year from the end of the fiscal year during which the
28.33 leave terminates to the end of the month during which payment is made. The applicable
28.34 rate is 8.5 percent for the period before July 1, 2015, and 8 percent for the period after
28.35 June 30, 2015. The member must pay the total amount required unless the employing unit,

29.1 at its option, pays the employer contributions. The total amount required must be paid by
29.2 the end of the fiscal year following the fiscal year in which the leave of absence terminated
29.3 or before the member retires, whichever is earlier. Payment must be accompanied by a
29.4 copy of the resolution or action of the employing authority granting the leave and the
29.5 employing authority, upon granting the leave, must certify the leave to the association in a
29.6 manner specified by the executive director. A member may not receive more than one year
29.7 of allowable service credit during any fiscal year by making payment under this section. A
29.8 member may not receive disability benefits under section 354A.36 and receive allowable
29.9 service credit under this section for the same period of time.

29.10 Sec. 12. Minnesota Statutes 2014, section 354A.108, is amended to read:

29.11 **354A.108 PAYMENT BY TEACHERS COLLECTING WORKERS'**
29.12 **COMPENSATION.**

29.13 (a) A member of the Duluth Teachers Retirement Fund Association who is receiving
29.14 temporary workers' compensation payments related to the member's teaching service
29.15 and who either is receiving a reduced salary from the employer or is receiving no salary
29.16 from the employer is entitled to receive allowable service credit for the period of time
29.17 that the member is receiving the workers' compensation payments upon making the
29.18 required payment amount.

29.19 (b) The required amount payable by the member must be calculated first by
29.20 determining the differential salary amount, which is the difference between the salary
29.21 received, if any, during the period of time that the member is collecting workers'
29.22 compensation payments, and the salary that the member received for an identical length
29.23 period immediately before collecting the workers' compensation payments. The member
29.24 shall pay an amount equal to the employee contribution rate under section 354A.12,
29.25 subdivision 1, multiplied by the differential salary amount.

29.26 (c) If the member makes the employee payment under this section, the employing
29.27 unit shall make an employer payment to the Duluth Teachers Retirement Fund Association
29.28 equal to the employer contribution rate under section 354A.12, subdivision 2a, multiplied
29.29 by the differential salary amount.

29.30 (d) Payments made under this subdivision are payable without interest if paid by
29.31 June 30 of the year during which the workers' compensation payments are received by
29.32 the member. If paid after June 30, payments made under this subdivision must include
29.33 interest at the applicable rate of 8.5 percent per year. The applicable rate is 8.5 percent for
29.34 the period before July 1, 2015, and 8 percent for the period after June 30, 2015. Payment

30.1 under this section must be completed within one year of the termination of the workers'
30.2 compensation payments to the member.

30.3 Sec. 13. Minnesota Statutes 2014, section 356.195, subdivision 2, is amended to read:

30.4 Subd. 2. **Purchase procedure for strike periods.** (a) An employee covered by a
30.5 plan specified in subdivision 1 may purchase allowable service credit in the applicable
30.6 plan for any period of time during which the employee was on a public employee strike
30.7 without pay, not to exceed a period of one year, if the employee makes a payment in
30.8 lieu of salary deductions as specified in paragraph (b) or (c), whichever applies. The
30.9 employing unit, at its option, may pay the employer portion of the amount specified in
30.10 paragraph (b) on behalf of its employees.

30.11 (b) If payment is received by the applicable pension plan executive director within
30.12 one year from the end of the strike, the payment amount is equal to the applicable
30.13 employee and employer contribution rates specified in law for the applicable plan during
30.14 the strike period, applied to the employee's rate of salary in effect at the conclusion of the
30.15 strike for the period of the strike without pay, plus compound interest at a the applicable
30.16 monthly rate of 0.71 percent from the last day of the strike period until the date payment is
30.17 received. The applicable rate is 0.71 percent before July 1, 2015, and is 0.667 percent for
30.18 the period after June 30, 2015.

30.19 (c) If payment is received by the applicable pension fund director after one year and
30.20 before five years from the end of the strike, the payment amount is the amount determined
30.21 under section 356.551.

30.22 (d) Payments may not be made more than five years after the end of the strike.

30.23 Sec. 14. Minnesota Statutes 2014, section 356.50, subdivision 2, is amended to read:

30.24 Subd. 2. **Service credit procedure.** (a) To obtain the public pension plan
30.25 allowable service credit, the eligible person under subdivision 1 shall pay the required
30.26 member contribution amount. The required member contribution amount is the member
30.27 contribution rate or rates in effect for the pension plan during the period of service covered
30.28 by the back pay award, applied to the unpaid gross salary amounts of the back pay award
30.29 including unemployment insurance, workers' compensation, or wages from other sources
30.30 which reduced the back award. No contributions may be made under this clause for
30.31 compensation covered by a public pension plan listed in section 356.30, subdivision 3,
30.32 for employment during the removal period. The person shall pay the required member
30.33 contribution amount within 60 days of the date of receipt of the back pay award or within
30.34 60 days of a billing from the retirement fund, whichever is later.

31.1 (b) The public employer who wrongfully discharged the public employee must pay
31.2 an employer contribution on the back pay award. The employer contribution must be
31.3 based on the employer contribution rate or rates in effect for the pension plan during the
31.4 period of service covered by the back pay award, applied to the salary amount on which
31.5 the member contribution amount was determined under paragraph (a). Interest on both
31.6 the required member and employer contribution amount must be paid by the employer at
31.7 the applicable annual compound rate of ~~8.5 percent~~ per year, expressed monthly, between
31.8 the date the contribution amount would have been paid to the date of actual payment.
31.9 The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for
31.10 the period after June 30, 2015. The employer payment must be made within 30 days of
31.11 the payment under paragraph (a).

31.12 Sec. 15. Minnesota Statutes 2014, section 356.551, subdivision 2, is amended to read:

31.13 Subd. 2. **Determination.** (a) Unless the minimum purchase amount set forth in
31.14 paragraph (c) applies, the prior service credit purchase amount is an amount equal to the
31.15 actuarial present value, on the date of payment, as calculated by the chief administrative
31.16 officer of the pension plan and reviewed by the actuary retained under section 356.214,
31.17 of the amount of the additional retirement annuity obtained by the acquisition of the
31.18 additional service credit in this section.

31.19 (b) Calculation of this amount must be made using the preretirement interest rate
31.20 applicable to the public pension plan specified in section 356.215, subdivision 8, and
31.21 the mortality table adopted for the public pension plan. The calculation must assume
31.22 continuous future service in the public pension plan until, and retirement at, the age at
31.23 which the minimum requirements of the fund for normal retirement or retirement with an
31.24 annuity unreduced for retirement at an early age, including section 356.30, are met with
31.25 the additional service credit purchased. The calculation must also assume a full-time
31.26 equivalent salary, or actual salary, whichever is greater, and a future salary history that
31.27 includes annual salary increases at the applicable salary increase rate for the plan specified
31.28 in section 356.215, subdivision 4d.

31.29 (c) The prior service credit purchase amount may not be less than the amount
31.30 determined by applying, for each year or fraction of a year being purchased, the sum
31.31 of the employee contribution rate, the employer contribution rate, and the additional
31.32 employer contribution rate, if any, applicable during that period, to the person's annual
31.33 salary during that period, or fractional portion of a year's salary, if applicable, plus interest
31.34 at the applicable annual rate of ~~8.5 percent~~ compounded annually from the end of the year
31.35 in which contributions would otherwise have been made to the date on which the payment

32.1 is received. The applicable rate is 8.5 percent for the period before July 1, 2015, and 8
32.2 percent for the period after June 30, 2015.

32.3 (d) Unless otherwise provided by statutes governing a specific plan, payment must
32.4 be made in one lump sum within one year of the prior service credit authorization or prior
32.5 to the member's effective date of retirement, whichever is earlier. Payment of the amount
32.6 calculated under this section must be made by the applicable eligible person.

32.7 (e) However, the current employer or the prior employer may, at its discretion, pay
32.8 all or any portion of the payment amount that exceeds an amount equal to the employee
32.9 contribution rates in effect during the period or periods of prior service applied to the
32.10 actual salary rates in effect during the period or periods of prior service, plus interest at the
32.11 rate of 8.5 percent a year compounded annually from the date on which the contributions
32.12 would otherwise have been made to the date on which the payment is made. If the
32.13 employer agrees to payments under this subdivision, the purchaser must make the
32.14 employee payments required under this subdivision within 90 days of the prior service
32.15 credit authorization. If that employee payment is made, the employer payment under this
32.16 subdivision must be remitted to the chief administrative officer of the public pension plan
32.17 within 60 days of receipt by the chief administrative officer of the employee payments
32.18 specified under this subdivision.

32.19 Sec. 16. Minnesota Statutes 2014, section 490.121, subdivision 4, is amended to read:

32.20 Subd. 4. **Allowable service.** (a) "Allowable service" means any calendar month,
32.21 subject to the service credit limit in subdivision 22, served as a judge at any time, during
32.22 which the judge received compensation for that service from the state, municipality,
32.23 or county, whichever applies, and for which the judge made any required member
32.24 contribution. It also includes any month served as a referee in probate for all referees in
32.25 probate who were in office before January 1, 1974.

32.26 (b) "Allowable service" also means a period of authorized leave of absence for which
32.27 the judge has made a payment in lieu of contributions, not in an amount in excess of the
32.28 service credit limit under subdivision 22. To obtain the service credit, the judge shall pay
32.29 an amount equal to the normal cost of the judges retirement plan on the date of return from
32.30 the leave of absence, as determined in the most recent actuarial report for the plan filed with
32.31 the Legislative Commission on Pensions and Retirement, multiplied by the judge's average
32.32 monthly salary rate during the authorized leave of absence and multiplied by the number of
32.33 months of the authorized leave of absence, plus annual compound interest at the applicable
32.34 rate of 8.5 percent from the date of the termination of the leave to the date on which payment
32.35 is made. The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent

33.1 for the period after June 30, 2015. The payment must be made within one year of the date
33.2 on which the authorized leave of absence terminated. Service credit for an authorized
33.3 leave of absence is in addition to a uniformed service leave under section 490.1211.

33.4 (c) "Allowable service" does not mean service as a retired judge.

33.5 Sec. 17. Minnesota Statutes 2014, section 490.1211, is amended to read:

33.6 **490.1211 UNIFORMED SERVICE.**

33.7 (a) A judge who is absent from employment by reason of service in the uniformed
33.8 services, as defined in United States Code, title 38, section 4303(13), and who returns
33.9 to state employment as a judge upon discharge from service in the uniformed service
33.10 within the time frame required in United States Code, title 38, section 4312(e), may obtain
33.11 service credit for the period of the uniformed service, provided that the judge did not
33.12 separate from uniformed service with a dishonorable or bad conduct discharge or under
33.13 other than honorable conditions.

33.14 (b) The judge may obtain credit by paying into the fund equivalent member
33.15 contribution based on the contribution rate or rates in effect at the time that the uniformed
33.16 service was performed multiplied by the full and fractional years being purchased and
33.17 applied to the annual salary rate. The annual salary rate is the average annual salary
33.18 during the purchase period that the judge would have received if the judge had continued
33.19 to provide employment services to the state rather than to provide uniformed service, or
33.20 if the determination of that rate is not reasonably certain, the annual salary rate is the
33.21 judge's average salary rate during the 12-month period of judicial employment rendered
33.22 immediately preceding the purchase period.

33.23 (c) The equivalent employer contribution and, if applicable, the equivalent employer
33.24 additional contribution, must be paid by the employing unit, using the employer and
33.25 employer additional contribution rate or rates in effect at the time that the uniformed
33.26 service was performed, applied to the same annual salary rate or rates used to compute the
33.27 equivalent member contribution.

33.28 (d) If the member equivalent contributions provided for in this section are not paid
33.29 in full, the judge's allowable service credit must be prorated by multiplying the full and
33.30 fractional number of years of uniformed service eligible for purchase by the ratio obtained
33.31 by dividing the total member contributions received by the total member contributions
33.32 otherwise required under this section.

33.33 (e) To receive allowable service credit under this section, the contributions specified
33.34 in this section and section 490.121 must be transmitted to the fund during the period
33.35 which begins with the date on which the individual returns to judicial employment and

34.1 which has a duration of three times the length of the uniformed service period, but not
 34.2 to exceed five years. If the determined payment period is calculated to be less than one
 34.3 year, the contributions required under this section to receive service credit may be within
 34.4 one year from the discharge date.

34.5 (f) The amount of allowable service credit obtainable under this section and section
 34.6 490.121 may not exceed five years, unless a longer purchase period is required under
 34.7 United States Code, title 38, section 4312.

34.8 (g) The state court administrator shall pay interest on all equivalent member and
 34.9 employer contribution amounts payable under this section. Interest must be computed
 34.10 at a the applicable rate of 8.5 percent compounded annually from the end of each fiscal
 34.11 year of the leave or break in service to the end of the month in which payment is received.
 34.12 The applicable rate is 8.5 percent for the period before July 1, 2015, and 8 percent for
 34.13 the period after June 30, 2015.

34.14 Sec. 18. **EFFECTIVE DATE.**

34.15 Sections 1 to 17 are effective July 1, 2015.

34.16 **ARTICLE 4**

34.17 **POSTRETIREMENT ADJUSTMENT FINANCIAL SUSTAINABILITY** 34.18 **TRIGGER MODIFICATIONS**

34.19 Section 1. Minnesota Statutes 2014, section 354A.29, subdivision 7, is amended to read:

34.20 Subd. 7. **Eligibility for payment of postretirement adjustments.** (a) Annually,
 34.21 after June 30, the board of trustees of the St. Paul Teachers Retirement Fund Association
 34.22 must determine the amount of any postretirement adjustment using the procedures in this
 34.23 subdivision and subdivision 8 or 9, whichever is applicable.

34.24 (b) On January 1, each ~~eligible~~ person who has been receiving an annuity or benefit
 34.25 under the articles of incorporation, the bylaws, or this chapter ~~for at least three calendar~~
 34.26 ~~months as of the end of the last day of the previous calendar year,~~ whose effective date
 34.27 of benefit commencement occurred on or before July 1 of the calendar year immediately
 34.28 before the adjustment, is eligible to receive a postretirement increase as specified in
 34.29 subdivision 8 or 9.

34.30 **EFFECTIVE DATE.** This section is effective June 30, 2015.

34.31 Sec. 2. Minnesota Statutes 2014, section 354A.29, subdivision 8, is amended to read:

34.32 Subd. 8. **Calculation of postretirement adjustments; ~~transitional provision~~**
 34.33 **percentage based.** (a) For purposes of computing postretirement adjustments for eligible

35.1 benefit recipients of the St. Paul Teachers Retirement Fund Association, the accrued
 35.2 liability funding ratio based on the actuarial value of assets of the plan as determined by
 35.3 the two most recent actuarial valuations prepared under sections 356.214 and 356.215
 35.4 determines the postretirement increase, as follows:

35.5	Funding ratio	Postretirement increase
35.6	Less than 80 percent	1 percent
35.7	At least 80 percent but less than 90	
35.8	percent	2 percent

35.9 (b) The amount determined under paragraph (a) is the full postretirement increase to
 35.10 be applied as a permanent increase to the regular payment of each eligible member on
 35.11 January 1 of the next calendar year. For any eligible member whose effective date of
 35.12 benefit commencement occurred ~~during~~ after January 1 of the calendar year immediately
 35.13 before the postretirement increase is applied, the full increase amount determined under
 35.14 paragraph (a) must be prorated on the basis of whole calendar quarters in benefit payment
 35.15 status in the calendar year prior to the January 1 on which the postretirement increase is
 35.16 applied, calculated to the third decimal place reduced by 50 percent.

35.17 (c) If the accrued liability funding ratio based on the actuarial value of assets is at
 35.18 least 90 percent in two consecutive actuarial valuations, ~~this subdivision expires and~~
 35.19 subsequent postretirement increases must be paid as specified in subdivision 9.

35.20 (d) If, following a postretirement increase under paragraph (a), the accrued liability
 35.21 funding ratio, based on the actuarial value of assets, falls below 80 percent for two
 35.22 consecutive actuarial valuations, the applicable postretirement increase must be reduced
 35.23 to one percent until January 1 of the calendar year next following the date on which the
 35.24 requirements for an increase under paragraph (a) are again satisfied.

35.25 **EFFECTIVE DATE.** This section is effective June 30, 2015.

35.26 Sec. 3. Minnesota Statutes 2014, section 354A.29, subdivision 9, is amended to read:

35.27 Subd. 9. **Calculation of postretirement adjustments; CPI based.** (a) This
 35.28 subdivision applies if the requirements of subdivision 8 has expired, paragraph (c), have
 35.29 been satisfied.

35.30 (b) A percentage adjustment must be computed and paid under this subdivision to
 35.31 eligible persons under subdivision 7. This adjustment is determined by reference to the
 35.32 Consumer Price Index for urban wage earners and clerical workers all items index as
 35.33 reported by the Bureau of Labor Statistics within the United States Department of Labor
 35.34 each year as part of the determination of annual cost-of-living adjustments to recipients of
 35.35 federal old-age, survivors, and disability insurance. For calculations of postretirement

36.1 adjustments under paragraph (c), the term "average third quarter Consumer Price Index
36.2 value" means the sum of the monthly index values as initially reported by the Bureau of
36.3 Labor Statistics for the months of July, August, and September, divided by three.

36.4 (c) Before January 1 of each year, the executive director must calculate the amount
36.5 of the postretirement adjustment by dividing the most recent average third quarter index
36.6 value by the same average third quarter index value from the previous year, subtract one
36.7 from the resulting quotient, and express the result as a percentage amount, which must be
36.8 rounded to the nearest one-tenth of one percent.

36.9 (d) The amount calculated under paragraph (c) is the full postretirement adjustment
36.10 to be applied as a permanent increase to the regular payment of each eligible member on
36.11 January 1 of the next calendar year. For any eligible member whose effective date of
36.12 benefit commencement occurred ~~during~~ after January 1 of the calendar year immediately
36.13 before the postretirement adjustment is applied, the full-increase amount determined under
36.14 paragraph (c) must be prorated on the basis of whole calendar quarters in benefit payment
36.15 status in the calendar year prior to the January 1 on which the postretirement adjustment is
36.16 applied, calculated to the third decimal place reduced by 50 percent.

36.17 (e) The adjustment calculated under paragraph (c) must not be less than zero nor
36.18 greater than five percent.

36.19 (f) In the event the accrued liability funding ratio based on the actuarial value of
36.20 assets falls below 90 percent for two consecutive actuarial valuations, the applicable
36.21 postretirement increase must be determined under subdivision 8 until January 1 of the
36.22 calendar year next following the date on which the requirements of subdivision 8,
36.23 paragraph (c), are again satisfied.

36.24 **EFFECTIVE DATE.** This section is effective June 30, 2015.

36.25 Sec. 4. Minnesota Statutes 2014, section 356.415, subdivision 1, is amended to read:

36.26 Subdivision 1. **Annual postretirement adjustments; generally.** (a) Except as
36.27 otherwise provided in subdivision 1a, 1b, 1c, 1d, 1e, or 1f, retirement annuity, disability
36.28 benefit, or survivor benefit recipients of a covered retirement plan are entitled to a
36.29 postretirement adjustment annually on January 1, as follows:

36.30 (1) a postretirement increase of 2.5 percent must be applied each year, effective
36.31 January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who
36.32 has been receiving an annuity or a benefit for at least 12 full months ~~prior to~~ before the
36.33 January 1 increase; and

36.34 (2) for each annuitant or benefit recipient who has been receiving an annuity or a
36.35 benefit amount for at least one full month, but less than 12 full months as of the current

37.1 June 30, an annual postretirement increase of 1/12 of 2.5 percent for each month that the
 37.2 person has been receiving an annuity or benefit must be applied, effective on January 1
 37.3 following the calendar year in which the person has been retired for less than 12 months.

37.4 (b) The increases provided by this subdivision commence on January 1, 2010.

37.5 (c) An increase in annuity or benefit payments under this section must be made
 37.6 automatically unless written notice is filed by the annuitant or benefit recipient with the
 37.7 executive director of the covered retirement plan requesting that the increase not be made.

37.8 **EFFECTIVE DATE.** This section is effective June 30, 2015.

37.9 Sec. 5. Minnesota Statutes 2014, section 356.415, subdivision 1a, is amended to read:

37.10 Subd. 1a. **Annual postretirement adjustments; Minnesota State Retirement**
 37.11 **System plans other than State Patrol retirement plan.** (a) Retirement annuity, disability
 37.12 benefit, or survivor benefit recipients of the legislators retirement plans, including
 37.13 constitutional officers as specified in chapter 3A, the general state employees retirement
 37.14 plan, the correctional state employees retirement plan, and the unclassified state employees
 37.15 retirement program, and the judges retirement plan are entitled to a postretirement
 37.16 adjustment annually on January 1, as follows:

37.17 (1) for each successive January 1 if the definition of funding stability under
 37.18 paragraph (b) has not been met as of the prior July 1 for or with respect to the applicable
 37.19 retirement plan, a postretirement increase of two percent must be applied each year,
 37.20 effective on January 1, to the monthly annuity or benefit of each annuitant or benefit
 37.21 recipient who has been receiving an annuity or a benefit for at least 18 full months before
 37.22 the January 1 increase; and

37.23 (2) for each successive January 1 if the definition of funding stability under
 37.24 paragraph (b) has not been met as of the prior July 1 for or with respect to the applicable
 37.25 retirement plan, for each annuitant or benefit recipient who has been receiving an annuity
 37.26 or a benefit for at least ~~six~~ one full month, but less than 12 full months as of the current
 37.27 June 30, an annual postretirement increase of 1/12 of two percent for each month that the
 37.28 person has been receiving an annuity or benefit must be applied, effective January 1,
 37.29 following the calendar year in which the person has been retired for ~~at least six months,~~
 37.30 ~~but has been retired for less than 18~~ 12 months.

37.31 (b) ~~The increases provided by this subdivision commence on January 1, 2011.~~
 37.32 Increases under this subdivision for the general state employees retirement plan, or the
 37.33 correctional state employees retirement plan, or the judges retirement plan terminate on
 37.34 December 31 of the calendar year in which two prior consecutive actuarial valuations
 37.35 prepared by the approved actuary under sections 356.214 and 356.215 and the standards for

38.1 actuarial work promulgated by the Legislative Commission on Pensions and Retirement
38.2 indicates that the market value of assets of the retirement plan equals or exceeds 90 percent
38.3 of the actuarial accrued liability of the retirement plan and increases under subdivision 1
38.4 recommence after that date. Increases under this subdivision for the legislators retirement
38.5 plan ~~or the elected state officers retirement plan~~, including the constitutional officers, and
38.6 for the unclassified state employees retirement program terminate on December 31 of the
38.7 calendar year in which ~~the two prior consecutive actuarial valuation~~ valuations prepared
38.8 by the approved actuary under sections 356.214 and 356.215 and the standards for
38.9 actuarial work promulgated by the Legislative Commission on Pensions and Retirement
38.10 indicates that the market value of assets of the general state employees retirement plan
38.11 equals or exceeds 90 percent of the actuarial accrued liability of the retirement plan and
38.12 increases under subdivision 1 recommence after that date.

38.13 (c) After having met the definition of funding stability under paragraph (b), the
38.14 increase provided in paragraph (a), clauses (1) and (2), rather than an increase under
38.15 subdivision 1, for the general state employees retirement plan or the correctional state
38.16 employees retirement plan, is again to be applied in a subsequent year or years if the
38.17 market value of assets of the applicable plan equals or is less than:

38.18 (1) 85 percent of the actuarial accrued liabilities of the applicable plan for two
38.19 consecutive actuarial valuations; or

38.20 (2) 80 percent of the actuarial accrued liabilities of the applicable plan for the most
38.21 recent actuarial valuation.

38.22 After having met the definition of funding stability under paragraph (b), the increase
38.23 provided in paragraph (a), clauses (1) and (2), rather than an increase under subdivision
38.24 1, for the legislators retirement plan, including the constitutional officers, and for the
38.25 unclassified state employees retirement program, is again to be applied in a subsequent
38.26 year or years if the market value of assets of the general state employees retirement plan
38.27 equals or is less than:

38.28 (1) 85 percent of the actuarial accrued liabilities of the applicable plan for two
38.29 consecutive actuarial valuations; or

38.30 (2) 80 percent of the actuarial accrued liabilities of the applicable plan for the most
38.31 recent actuarial valuation.

38.32 (e) (d) An increase in annuity or benefit payments under this subdivision must be
38.33 made automatically unless written notice is filed by the annuitant or benefit recipient
38.34 with the executive director of the applicable covered retirement plan requesting that the
38.35 increase not be made.

38.36 **EFFECTIVE DATE.** This section is effective June 30, 2015.

39.1 Sec. 6. Minnesota Statutes 2014, section 356.415, subdivision 1c, is amended to read:

39.2 Subd. 1c. **Annual postretirement adjustments; PERA-police and fire.** (a)

39.3 Retirement annuity, disability benefit, or survivor benefit recipients of the public
39.4 employees police and fire retirement plan are entitled to a postretirement adjustment
39.5 annually on January 1, ~~until if the definition of funding stability is restored under~~
39.6 paragraph (c) has not been met, as follows:

39.7 (1) for each annuitant or benefit recipient whose annuity or benefit effective date is
39.8 on or before June 1, 2014, who has been receiving the annuity or benefit for at least 12
39.9 full months as of the immediate preceding June 30, an amount equal to one percent in
39.10 each year; or

39.11 (2) for each annuitant or benefit recipient whose annuity or benefit effective date is
39.12 on or before June 1, 2014, who has been receiving the annuity or benefit for at least one
39.13 full month, but not less than 11 months, as of the immediate preceding June 30, an amount
39.14 equal to 1/12 of one percent for each month of annuity or benefit receipt; and

39.15 (3) for each annuitant or benefit recipient whose annuity or benefit effective date is
39.16 after June 1, 2014, unless Laws 2014, chapter 296, article 13, section 27, applies, who will
39.17 have been receiving an annuity or benefit for at least 36 full months as of the immediate
39.18 preceding June 30, an amount equal to one percent; or

39.19 (4) for each annuitant or benefit recipient whose annuity or benefit effective date is
39.20 after June 1, 2014, unless Laws 2014, chapter 296, article 13, section 27, applies, who
39.21 has been receiving the annuity or benefit for at least 25 full months, but less than 36
39.22 months as of the immediate preceding June 30, an amount equal to 1/12 of one percent for
39.23 each full month of annuity or benefit receipt during the fiscal year in which the annuity
39.24 or benefit was effective.

39.25 (b) Retirement annuity, disability benefit, or survivor benefit recipients of the public
39.26 employees police and fire retirement plan are entitled to a postretirement adjustment
39.27 annually on each January 1 following the restoration of funding stability as defined under
39.28 paragraph (c) and during the continuation of funding stability as defined under paragraph
39.29 (c), as follows:

39.30 (1) for each annuitant or benefit recipient who has been receiving the annuity or
39.31 benefit for at least 36 full months as of the immediate preceding June 30, an amount
39.32 equal to ~~the percentage increase in the Consumer Price Index for urban wage earners and~~
39.33 ~~clerical workers all items index published by the Bureau of Labor Statistics of the United~~
39.34 ~~States Department of Labor between the immediate preceding June 30 and the June 30~~
39.35 ~~occurring 12 months previous, but not to exceed 2.5 percent; and~~

40.1 (2) for each annuitant or benefit recipient who has been receiving the annuity
40.2 or benefit for at least 25 full months, but less than 36 full months, as of the immediate
40.3 preceding June 30, an amount equal to 1/12 of the percentage increase in the Consumer
40.4 Price Index for urban wage earners and clerical workers all items index published by
40.5 the Bureau of Labor Statistics of the United States Department of Labor between the
40.6 immediate preceding June 30 and the June 30 occurring 12 months previous for each full
40.7 month of annuity or benefit receipt during the fiscal year in which the annuity or benefit
40.8 was effective, but not to exceed 1/12 of 2.5 percent for each full month of annuity or
40.9 benefit receipt during the fiscal year in which the annuity or benefit was effective.

40.10 (c) Funding stability is restored when the market value of assets of the public
40.11 employees police and fire retirement plan equals or exceeds 90 percent of the actuarial
40.12 accrued liabilities of the applicable plan in the two most recent consecutive actuarial
40.13 valuations prepared under section 356.215 and under the standards for actuarial work of
40.14 the Legislative Commission on Pensions and Retirement by the approved actuary retained
40.15 by the Public Employees Retirement Association under section 356.214.

40.16 (d) After having met the definition of funding stability under paragraph (c), a full
40.17 or prorated increase, as provided in paragraph (a), clause (1), (2), (3), or (4), whichever
40.18 applies, rather than adjustments under paragraph (b), is again applied in a subsequent year
40.19 or years if the market value of assets of the public employees police and fire retirement
40.20 plan equals or is less than:

40.21 (1) 85 percent of the actuarial accrued liabilities of the applicable plan for two
40.22 consecutive actuarial valuations; or

40.23 (2) 80 percent of the actuarial accrued liabilities of the applicable plan for the most
40.24 recent actuarial valuation.

40.25 (e) An increase in annuity or benefit payments under this section must be made
40.26 automatically unless written notice is filed by the annuitant or benefit recipient with the
40.27 executive director of the Public Employees Retirement Association requesting that the
40.28 increase not be made.

40.29 **EFFECTIVE DATE.** This section is effective June 30, 2015.

40.30 Sec. 7. Minnesota Statutes 2014, section 356.415, subdivision 1d, is amended to read:

40.31 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.**

40.32 (a) Retirement annuity, disability benefit, or survivor benefit recipients of the Teachers
40.33 Retirement Association are entitled to a postretirement adjustment annually on January
40.34 1, as follows:

40.35 (1) for January 1, 2011, and January 1, 2012, no postretirement increase is payable;

41.1 ~~(2)~~ for January 1, 2013, and each successive January 1 until funding stability is
41.2 restored, a postretirement increase of two percent must be applied each year, effective
41.3 on January 1, to the monthly annuity or benefit amount of each annuitant or benefit
41.4 recipient who has been receiving an annuity or a benefit for at least 18 full months prior
41.5 to the January 1 increase;

41.6 ~~(3)~~ (2) for January 1, 2013, and each successive January 1 until funding stability is
41.7 restored, for each annuitant or benefit recipient who has been receiving an annuity or a
41.8 benefit for at least ~~six~~ one full month, but less than 12 full months before the January 1
41.9 increase as of the current June 30, an annual postretirement increase of 1/12 of two percent
41.10 for each month the person has been receiving an annuity or benefit must be applied,
41.11 effective the January 1, ~~for which the person has been retired for at least six months but~~
41.12 ~~less than 18 months~~ following the calendar year in which the person retired;

41.13 ~~(4)~~ (3) for each January 1 following the restoration of funding stability, a
41.14 postretirement increase of 2.5 percent must be applied each year, effective January 1, to
41.15 the monthly annuity or benefit amount of each annuitant or benefit recipient who has
41.16 been receiving an annuity or a benefit for at least 18 full months prior to the January 1
41.17 increase; and

41.18 ~~(5)~~ (4) for each January 1 following the restoration of funding stability, for each
41.19 annuitant or benefit recipient who has been receiving an annuity or a benefit for at least ~~six~~
41.20 one month, but less than 12 full months before the January 1 increase as of the current
41.21 June 30, an annual postretirement increase of 1/12 of 2.5 percent for each month the
41.22 person has been receiving an annuity or benefit must be applied, effective the January 1;
41.23 ~~for which the person has been retired for at least six months but less than 18 months~~
41.24 following the calendar year in which the person retired.

41.25 (b) Funding stability is restored when the market value of assets of the Teachers
41.26 Retirement Association equals or exceeds 90 percent of the actuarial accrued liabilities
41.27 of the Teachers Retirement Association in the two most recent prior actuarial valuations
41.28 prepared under section 356.215 and the standards for actuarial work by the approved
41.29 actuary retained by the Teachers Retirement Association under section 356.214.

41.30 (c) After having met the definition of funding stability under paragraph (b), the
41.31 increase provided in paragraph (a), clauses (1) and (2), rather than an increase under
41.32 subdivision 1, or the increase under paragraph (a), clauses (3) and (4), is again to be applied
41.33 in a subsequent year or years if the market value of assets of the plan equals or is less than:

41.34 (1) 85 percent of the actuarial accrued liabilities of the plan for two consecutive
41.35 actuarial valuations; or

42.1 (2) 80 percent of the actuarial accrued liabilities of the plan for the most recent
42.2 actuarial valuation.

42.3 (e) (d) An increase in annuity or benefit payments under this section must be made
42.4 automatically unless written notice is filed by the annuitant or benefit recipient with the
42.5 executive director of the Teachers Retirement Association requesting that the increase
42.6 not be made.

42.7 (d) (e) The retirement annuity payable to a person who retires before becoming
42.8 eligible for Social Security benefits and who has elected the optional payment as provided
42.9 in section 354.35 must be treated as the sum of a period-certain retirement annuity
42.10 and a life retirement annuity for the purposes of any postretirement adjustment. The
42.11 period-certain retirement annuity plus the life retirement annuity must be the annuity
42.12 amount payable until age 62, 65, or normal retirement age, as selected by the member
42.13 at retirement, for an annuity amount payable under section 354.35. A postretirement
42.14 adjustment granted on the period-certain retirement annuity must terminate when the
42.15 period-certain retirement annuity terminates.

42.16 **EFFECTIVE DATE.** This section is effective June 30, 2015.

42.17 Sec. 8. Minnesota Statutes 2014, section 356.415, subdivision 1e, is amended to read:

42.18 Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.**

42.19 (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol
42.20 retirement plan are entitled to a postretirement adjustment annually on January 1 if the
42.21 definition of funding stability under paragraph (b) has not been met, as follows:

42.22 (1) a postretirement increase of one percent must be applied each year, effective on
42.23 January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who
42.24 has been receiving an annuity or a benefit for at least 18 full months before the January 1
42.25 increase; and

42.26 (2) for each annuitant or benefit recipient who has been receiving an annuity or a
42.27 benefit for at least ~~six~~ one full month, but less than 12 full months as of the current June
42.28 30, an annual postretirement increase of 1/12 of one percent for each month that the person
42.29 has been receiving an annuity or benefit must be applied, effective January 1, following
42.30 the calendar year in which the person has been retired for ~~at least six months, but has~~
42.31 ~~been retired for less than 18~~ 12 months.

42.32 (b) ~~The increases provided by this subdivision commence on January 1, 2014.~~

42.33 Increases under paragraph (a) for the State Patrol retirement plan terminate on December
42.34 31 of the calendar year in which two prior consecutive actuarial valuations for the
42.35 plan prepared by the approved actuary under sections 356.214 and 356.215 and the

43.1 standards for actuarial work promulgated by the Legislative Commission on Pensions
43.2 and Retirement indicates that the market value of assets of the retirement plan equals or
43.3 exceeds 85 percent of the actuarial accrued liability of the retirement plan; however,
43.4 thereafter, increases under paragraph (a) become effective again on the December 31 of
43.5 the calendar year in which the actuarial valuation, or prior consecutive actuarial valuations
43.6 for the plan prepared by the approved actuary under sections 356.214 and 356.215 and the
43.7 standards for actuarial work promulgated by the Legislative Commission on Pensions and
43.8 Retirement indicates that the market value of the assets of the retirement plan equals or is
43.9 less than 80 percent of the actuarial accrued liability of the retirement plan for two years,
43.10 or equals or is less than 75 percent of the actuarial accrued liability of the retirement plan
43.11 for one year and increases under paragraph (c) recommence commence after that date.

43.12 (c) Retirement annuity, disability benefit, or survivor benefit recipients of the State
43.13 Patrol retirement plan are entitled to a postretirement adjustment annually on January
43.14 1, as follows:

43.15 (1) a postretirement increase of 1.5 percent must be applied each year, effective on
43.16 January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who
43.17 has been receiving an annuity or a benefit for at least 18 full months before the January 1
43.18 increase; and

43.19 (2) for each annuitant or benefit recipient who has been receiving an annuity or a
43.20 benefit for at least ~~six~~ one full month, but less than 12 full months as of the current June
43.21 30, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person
43.22 has been receiving an annuity or benefit must be applied, effective January 1, following
43.23 the calendar year in which the person has been retired for ~~at least six months, but has~~
43.24 ~~been retired for less than 18~~ 12 months.

43.25 (d) Increases under paragraph (c) for the State Patrol retirement plan terminate on
43.26 December 31 of the calendar year in which two prior consecutive actuarial valuations
43.27 prepared by the approved actuary under sections 356.214 and 356.215 and the standards
43.28 for actuarial work adopted by the Legislative Commission on Pensions and Retirement
43.29 indicates that the market value of assets of the retirement plan equals or exceeds 90
43.30 percent of the actuarial accrued liability of the retirement plan and increases under
43.31 subdivision 1 recommence after that date.

43.32 (e) An increase in annuity or benefit payments under this subdivision must be made
43.33 automatically unless written notice is filed by the annuitant or benefit recipient with the
43.34 executive director of the applicable covered retirement plan requesting that the increase
43.35 not be made.

43.36 **EFFECTIVE DATE.** This section is effective June 30, 2015.

44.1 Sec. 9. Minnesota Statutes 2014, section 356.415, subdivision 1f, is amended to read:

44.2 Subd. 1f. **Annual postretirement adjustments; Minnesota State Retirement**
 44.3 **System judges retirement plan.** (a) The increases provided under this subdivision begin
 44.4 on January 1, 2014, and are in lieu of increases under subdivision 1 or 1a for retirement
 44.5 annuity, disability benefit, or survivor benefit recipients of the judges retirement plan.

44.6 (b) Retirement annuity, disability benefit, or survivor benefit recipients of the
 44.7 judges retirement plan are entitled to a postretirement adjustment annually on January
 44.8 1, as follows:

44.9 (1) a postretirement increase of 1.75 percent must be applied each year, effective
 44.10 on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient
 44.11 who has been receiving an annuity or a benefit for at least 18 full months before the
 44.12 January 1 increase; and

44.13 (2) for each annuitant or benefit recipient who has been receiving an annuity or a
 44.14 benefit for at least ~~six~~ one full month, but less than 12 full months as of the current June
 44.15 30, an annual postretirement increase of 1/12 of 1.75 percent for each month that the
 44.16 person has been receiving an annuity or benefit must be applied, effective January 1,
 44.17 following the calendar year in which the person has been retired for ~~at least six months,~~
 44.18 ~~but has been retired for~~ less than ~~18~~ 12 months.

44.19 (c) Increases under this subdivision terminate on December 31 of the calendar year
 44.20 in which two prior consecutive actuarial valuations prepared by the approved actuary
 44.21 under sections 356.214 and 356.215 and the standards for actuarial work promulgated
 44.22 by the Legislative Commission on Pensions and Retirement indicates that the market
 44.23 value of assets of the judges retirement plan equals or exceeds 70 percent of the actuarial
 44.24 accrued liability of the retirement plan. Increases under subdivision 1 or 1a, whichever is
 44.25 applicable, begin on the January 1 next following that date.

44.26 (d) An increase in annuity or benefit payments under this subdivision must be made
 44.27 automatically unless written notice is filed by the annuitant or benefit recipient with the
 44.28 executive director of the applicable covered retirement plan requesting that the increase
 44.29 not be made.

44.30 **EFFECTIVE DATE.** This section is effective June 30, 2015.

44.31 **ARTICLE 5**

44.32 **CONTRIBUTION STABILIZER PROVISION MODIFICATIONS**

44.33 Section 1. Minnesota Statutes 2014, section 352.045, is amended to read:

44.34 **352.045 PROCEDURE FOR REVISING EMPLOYEE AND EMPLOYER** 44.35 **CONTRIBUTIONS IN CERTAIN INSTANCES.**

45.1 Subdivision 1. **Application.** This section applies to the general state employees
 45.2 retirement plan ~~and to established under this chapter,~~ the correctional state employees
 45.3 retirement plan established under this chapter, and to the state patrol retirement plan
 45.4 established under chapter 352B.

45.5 Subd. 2. **Determination.** For purposes of this section, a contribution sufficiency
 45.6 exists if, for ~~purposes of~~ the applicable plan, the total of the employee contributions, the
 45.7 employer contributions, and any additional employer contributions, if applicable, exceeds
 45.8 the total of the normal cost, the administrative expenses, and the amortization contribution
 45.9 of the retirement plan as reported in the most recent actuarial valuation of the retirement
 45.10 plan prepared by the approved actuary retained under section 356.214 and prepared under
 45.11 section 356.215 and the standards for actuarial work of the Legislative Commission on
 45.12 Pensions and Retirement. For purposes of this section, a contribution deficiency exists
 45.13 if, for the applicable plan, the total employee contributions, employer contributions,
 45.14 and any additional employer contributions are less than the total of the normal cost, the
 45.15 administrative expenses, and the amortization contribution of the retirement plan as
 45.16 reported in the most recent actuarial valuation of the retirement plan prepared by the
 45.17 approved actuary retained under section 356.214 and prepared under section 356.215 and
 45.18 the standards for actuarial work of the Legislative Commission on Pensions and Retirement.

45.19 Subd. 3a. **Contribution rate revision; general state employees retirement plan.**
 45.20 (a) Notwithstanding the contribution rates ~~stated in plan law as specified in law governing~~
 45.21 the applicable retirement plan, the board of directors of the Minnesota State Retirement
 45.22 System may adjust the employee and employer contribution rates for the general state
 45.23 employees retirement plan must be adjusted:

45.24 (1) if the regular actuarial valuation of the plan prepared under section 356.215
 45.25 indicates that there is a contribution sufficiency greater than one percent of covered payroll
 45.26 ~~and that the sufficiency has existed for at least two consecutive years, the employee and~~
 45.27 ~~employer contribution rates must be decreased as determined under paragraph (b) to a~~
 45.28 ~~level such that the sufficiency is no greater than one percent of covered payroll based~~
 45.29 ~~on the most recent actuarial valuation; or~~

45.30 (2) if the regular actuarial valuation of the plan ~~under section 356.215~~ indicates that
 45.31 there is a contribution deficiency under subdivision 2 equal to or greater than ~~0.5~~ one-half
 45.32 of one percent of covered payroll ~~and that the deficiency has existed for at least two~~
 45.33 ~~consecutive years, the employee and employer contribution rates must be increased as~~
 45.34 ~~determined under paragraph (c) to a level such that no deficiency exists based on the~~
 45.35 ~~most recent actuarial valuation.~~

46.1 (b) If the actuarially ~~required~~ determined contribution of the plan is less than the
46.2 total support provided by the combined employee and employer contribution rates by
46.3 more than one percent of covered payroll, the plan employee and employer contribution
46.4 rates ~~must~~ may be decreased incrementally over one or more years ~~by no more than~~
46.5 ~~0.25 percent of pay each for employee and employer contribution rates~~ to a level such
46.6 that there remains a contribution sufficiency of at least one percent of covered payroll.
46.7 ~~No contribution rate~~ Any decrease may be made until at least two years have elapsed
46.8 ~~since any adjustment under this paragraph has been fully implemented in employee and~~
46.9 ~~employer contribution rates~~ must not result in total contributions that are less than the sum
46.10 of the normal cost and administrative expenses of the retirement plan.

46.11 (c) If the actuarially required contribution exceeds the total support provided by
46.12 the employee and employer contribution rates, the board of directors may increase the
46.13 employee and employer contribution rates ~~must be increased~~ equally to eliminate that
46.14 contribution deficiency. ~~If the contribution deficiency is:~~

46.15 (1) ~~less than two percent, the incremental increase may be up to 0.25 percent each~~
46.16 ~~for the employee and employer contribution rates;~~

46.17 (2) ~~greater than 1.99 percent and less than 4.01 percent, the incremental increase~~
46.18 ~~may be up to 0.5 percent each for the employee and employer contribution rates; or~~

46.19 (3) ~~greater than four percent, the incremental increase may be up to 0.75 percent~~
46.20 ~~each for the employee and employer contribution.~~

46.21 (d) To determine if an adjustment is to be made, the board of directors shall consult
46.22 with the approved actuary retained under section 356.214 and shall take into consideration
46.23 factors that include, but are not limited to, the contribution rates calculated based on the
46.24 actuarial value of assets and calculated based on the market value of assets; the funded
46.25 ratio calculated based on the actuarial value of assets; the funded ratio calculated based on
46.26 the market value of assets; the remaining number of years to the amortization target date;
46.27 the recent experience of the investment markets; and the results of the 30-year funding,
46.28 disbursements, and contribution projections prepared every other year as required under
46.29 the standards for actuarial work adopted by the Legislative Commission on Pensions
46.30 and Retirement.

46.31 (e) Any recommended adjustment to the contribution rates must be reported to
46.32 the chair and the executive director of the Legislative Commission on Pensions and
46.33 Retirement by January 15 following receipt of the most recent annual actuarial valuation
46.34 prepared under section 356.215. The report must include draft legislation to revise the
46.35 employee and employer contributions stated in plan law. If the Legislative Commission
46.36 on Pensions and Retirement does not recommend against the rate change or does not

47.1 recommend a modification in the rate change, the ~~recommended~~ adjustment becomes
47.2 effective on the first day of the first full payroll period in the fiscal year following receipt
47.3 of the most recent actuarial valuation that gave rise to the adjustment.

47.4 ~~(e)~~ (f) A contribution sufficiency of up to one percent of covered payroll must be
47.5 held in reserve to be used to offset any future actuarially ~~required~~ determined contributions
47.6 that are more than the total combined employee and employer contributions.

47.7 ~~(f)~~ (g) Before any reduction in contributions to eliminate a sufficiency in excess of
47.8 one percent of covered pay may be ~~recommended~~ made, the executive director must
47.9 review any need for a change in actuarial assumptions, as recommended by the approved
47.10 actuary retained under section 356.214 in the most recent experience study of the general
47.11 employees retirement plan prepared under section 356.215 and the standards for actuarial
47.12 work promulgated by the Legislative Commission on Pensions and Retirement that may
47.13 result in an increase in the actuarially ~~required~~ determined contribution and must report to
47.14 the Legislative Commission on Pensions and Retirement any ~~recommendation~~ decision
47.15 by the board to use the sufficiency exceeding one percent of covered payroll to offset the
47.16 impact of an actuarial assumption change recommended by the actuary retained under
47.17 section 356.214, subdivision 1, and reviewed by the actuary retained by the commission
47.18 under section 356.214, subdivision 4.

47.19 ~~(g)~~ (h) No contribution sufficiency in excess of one percent of covered pay may be
47.20 proposed to be used to increase benefits, and no benefit increase may be proposed that
47.21 would initiate an ~~automatic~~ adjustment to increase contributions under this subdivision.
47.22 Any proposed benefit improvement must include a recommendation, prepared by the
47.23 approved actuary retained under section 356.214, subdivision 1, and reviewed by the
47.24 actuary retained by the Legislative Commission on Pensions and Retirement as provided
47.25 under section 356.214, subdivision 4, on how the benefit modification will be funded.

47.26 **Subd. 3b. Contribution rate revision; correctional state employees retirement**
47.27 **plan and State Patrol retirement plan.** (a) Subdivision 3a applies to the correctional
47.28 state employees retirement plan under this chapter and to the State Patrol retirement
47.29 plan established under chapter 352B, except as ~~stated in this subdivision~~ specified in
47.30 paragraph (b) or (c).

47.31 (b) Any limitations on the amount of contribution rate changes stated in subdivision
47.32 3a apply only to the amount of the employee contribution revision. The employer
47.33 contribution for the correctional state employees retirement plan or the State Patrol
47.34 retirement plan, whichever is applicable, must be adjusted so that the employer
47.35 contribution is equal to 60 percent of the sum of employee plus employer contributions.

48.1 (c) For the State Patrol retirement plan, a contribution sufficiency of up to two
48.2 percent of covered payroll, rather than one percent, may be held in reserves without taking
48.3 action to reduce employee and employer contributions.

48.4 Sec. 2. Minnesota Statutes 2014, section 353.27, subdivision 3b, is amended to read:

48.5 Subd. 3b. **Change in employee and employer contributions in certain instances.**

48.6 (a) For purposes of this section:

48.7 (1) a contribution sufficiency exists if the total of the employee contribution under
48.8 subdivision 2, the employer contribution under subdivision 3, the additional employer
48.9 contribution under subdivision 3a, and any additional contribution previously imposed
48.10 under this subdivision exceeds the total of the normal cost, the administrative expenses,
48.11 and the amortization contribution of the general employees retirement plan as reported in
48.12 the most recent actuarial valuation of the retirement plan prepared by the actuary retained
48.13 under section 356.214 and prepared under section 356.215 and the standards for actuarial
48.14 work of the Legislative Commission on Pensions and Retirement; and

48.15 (2) a contribution deficiency exists if the total of the employee contributions under
48.16 subdivision 2, the employer contributions under subdivision 3, the additional employer
48.17 contribution under subdivision 3a, and any additional contribution previously imposed
48.18 under this subdivision is less than the total of the normal cost, the administrative expenses,
48.19 and the amortization contribution of the general employees retirement plan as reported in
48.20 the most recent actuarial valuation of the retirement plan prepared by the actuary retained
48.21 under section 356.214 and prepared under section 356.215 and the standards for actuarial
48.22 work of the Legislative Commission on Pensions and Retirement.

48.23 (b) Notwithstanding the contribution rate provision specified under subdivisions 2,
48.24 3, and 3a, the board of trustees of the Public Employees Retirement Association may
48.25 adjust the employee and employer contributions to the general employees retirement plan
48.26 under subdivisions 2 and 3 ~~must be adjusted~~:

48.27 (1) if the regular actuarial valuation of the general employees retirement plan of
48.28 the Public Employees Retirement Association prepared under section 356.215 indicates
48.29 that there is a contribution sufficiency under paragraph (a) greater than one percent of
48.30 covered payroll ~~and that the sufficiency has existed for at least two consecutive years, the~~
48.31 ~~coordinated program employee and employer contribution rates must be decreased as~~
48.32 ~~determined under paragraph (c) to a level such that the sufficiency is no greater than one~~
48.33 ~~percent of covered payroll based on the most recent actuarial valuation; or~~

48.34 (2) if the regular actuarial valuation of the general employees retirement plan of the
48.35 Public Employees Retirement Association under section 356.215 indicates that there

49.1 is a contribution deficiency under paragraph (a) equal to or greater than 0.5 one-half
49.2 of one percent of covered payroll and that the deficiency has existed for at least two
49.3 consecutive years, the coordinated program employee and employer contribution rates
49.4 must be increased as determined under paragraph (d) to a level such that no deficiency
49.5 exists based on the most recent actuarial valuation.

49.6 (c) If the actuarially required determined contribution of the general employees
49.7 retirement plan is less than the total support provided by the combined employee and
49.8 employer contribution rates under subdivisions 2, 3, and 3a, by more than one percent of
49.9 covered payroll, the general employees retirement plan coordinated program employee
49.10 and employer contribution rates under subdivisions 2 and 3 must may be decreased
49.11 incrementally over one or more years by no more than 0.25 percent of pay each for
49.12 employee and employer matching contribution rates to a level such that there remains a
49.13 contribution sufficiency of at least one percent of covered payroll. No contribution rate
49.14 decrease may be made until at least two years have elapsed since any adjustment under
49.15 this subdivision has been fully implemented. Any decrease in employee and employer
49.16 contribution rates may not result in total contributions that are less than the total of the
49.17 normal cost of the retirement plan and the administrative expenses of the retirement plan.

49.18 (d) If the actuarially required determined contribution exceeds the total support
49.19 provided by the combined employee and employer contribution rates under subdivisions
49.20 2, 3, and 3a, the board of trustees may increase the employee and matching employer
49.21 contribution rates must be increased equally to eliminate that contribution deficiency.
49.22 If the contribution deficiency is:

49.23 (1) less than two percent, the incremental increase may be up to 0.25 percent for the
49.24 general employees retirement plan employee and matching employer contribution rates;

49.25 (2) greater than 1.99 percent and less than 4.01 percent, the incremental increase
49.26 may be up to 0.5 percent for the employee and matching employer contribution rates; or

49.27 (3) greater than four percent, the incremental increase may be up to 0.75 percent for
49.28 the employee and matching employer contribution.

49.29 (e) The general employees retirement plan contribution sufficiency or deficiency
49.30 determination under paragraphs (a) to (d) must be made without the inclusion of the
49.31 contributions to, the funded condition of, or the actuarial funding requirements of the
49.32 MERF division. To determine if an adjustment is to be made, the board of trustees shall
49.33 consult with the approved actuary retained under section 356.214 and shall take into
49.34 consideration factors that include, but are not limited to, the contribution rates based on
49.35 actuarial value of assets and contribution rates based on the market value of assets; the
49.36 funded ratio based on the actuarial value of assets and based on the market value of assets;

50.1 the number of years remaining to the amortization target date; the recent experience
50.2 of the investment markets; and the results of the 30-year funding, disbursements, and
50.3 contributions projections prepared every other year as required under the standards for
50.4 actuarial work adopted by the Legislative Commission on Pensions and Retirement.

50.5 (f) Any ~~recommended~~ adjustment to the contribution rates must be reported to
50.6 the chair and the executive director of the Legislative Commission on Pensions and
50.7 Retirement by January 15 following the receipt of the most recent annual actuarial
50.8 valuation prepared under section 356.215. If the Legislative Commission on Pensions
50.9 and Retirement does not recommend against the rate change or does not recommend
50.10 a modification in the rate change, the recommended adjustment becomes effective for
50.11 any salary paid on or after the January 1 next following the legislative session in which
50.12 the Legislative Commission on Pensions and Retirement did not take any action to
50.13 disapprove or modify the Public Employees Retirement Association Board of Trustees'
50.14 ~~recommendation to adjust~~ adjustment to the employee and employer rates.

50.15 (g) A contribution sufficiency of up to one percent of covered payroll must be held
50.16 in reserve to be used to offset any future actuarially ~~required~~ determined contributions
50.17 that are more than the total combined employee and employer contributions under
50.18 subdivisions 2, 3, and 3a.

50.19 (h) Before any reduction in contributions to eliminate a sufficiency in excess of one
50.20 percent of covered pay may be ~~recommended~~ made, the executive director must review
50.21 any need for a change in actuarial assumptions, as recommended by the actuary retained
50.22 under section 356.214 in the most recent experience study of the general employees
50.23 retirement plan prepared under section 356.215 and the standards for actuarial work
50.24 promulgated by the Legislative Commission on Pensions and Retirement that may result
50.25 in an increase in the actuarially ~~required~~ determined contribution and must report to the
50.26 Legislative Commission on Pensions and Retirement any ~~recommendation~~ decision by the
50.27 board to use the sufficiency exceeding one percent of covered payroll to offset the impact
50.28 of an actuarial assumption change recommended by the actuary retained under section
50.29 356.214, subdivision 1, and reviewed by the actuary retained by the commission under
50.30 section 356.214, subdivision 4.

50.31 (i) No contribution sufficiency in excess of one percent of covered pay may be
50.32 proposed to be used to increase benefits, and no benefit increase may be proposed that
50.33 would initiate an ~~automatic~~ adjustment to increase contributions under this subdivision.
50.34 Any proposed benefit improvement must include a recommendation, prepared by the
50.35 approved actuary retained under section 356.214, subdivision 1, and reviewed by the

51.1 actuary retained by the Legislative Commission on Pensions and Retirement as provided
51.2 under section 356.214, subdivision 4, on how the benefit modification will be funded.

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

51.4 Sec. 3. Minnesota Statutes 2014, section 354.42, subdivision 4b, is amended to read:

51.5 Subd. 4b. **Contribution rate revision.** (a) Notwithstanding the contribution rate
51.6 provisions under subdivisions 2 and 3, the board of trustees of the Teachers Retirement
51.7 Association may adjust the employee and employer contribution rates ~~may be adjusted~~
51.8 ~~as follows:~~

51.9 (1) ~~if, after June 30, 2015, the regular actuarial valuation of the plan under section~~
51.10 ~~356.215 indicates that there is a contribution sufficiency under subdivision 4a equal to or~~
51.11 ~~greater than one percent of covered payroll and the sufficiency has existed for at least two~~
51.12 ~~consecutive years, the employee and employer contribution rates for the plan may each be~~
51.13 ~~decreased to a level such that the sufficiency equals no more than one percent of covered~~
51.14 ~~payroll based on the most recent actuarial valuation; or~~

51.15 (2) ~~if, after June 30, 2015, the regular valuation of the plan under section 356.215~~
51.16 ~~indicates that there is a deficiency equal to or greater than 0.25 one-half of one percent~~
51.17 ~~of covered payroll and the deficiency has existed for at least two consecutive years, the~~
51.18 ~~employee and employer contribution rates for the applicable plan may each be increased by:~~

51.19 (i) ~~0.25 percent if the deficiency is less than two percent of covered payroll;~~

51.20 (ii) ~~0.5 percent if the deficiency is equal to or greater than two percent of covered~~
51.21 ~~payroll and less than or equal to four percent; and~~

51.22 (iii) ~~0.75 percent if the deficiency is greater than four percent.~~ Any decrease in
51.23 employee and employer contribution rates must not result in the total of contribution rates
51.24 that is less than the total of normal cost and administrative expenses.

51.25 (b) To determine if an adjustment is to be made, the board of trustees shall consult
51.26 with the approved actuary retained under section 356.214 and shall take into consideration
51.27 factors that include, but are not limited to, the contribution rates based on actuarial value of
51.28 assets and contribution rates based on the market value of assets; the funded ratio based on
51.29 the actuarial value of assets and based on the market value of assets; the number of years
51.30 remaining to the amortization target date; the recent experience of the investment markets;
51.31 and the results of the 30-year funding, disbursements, and contributions projections
51.32 prepared every other year as required under the standards for actuarial work adopted by
51.33 the Legislative Commission on Pensions and Retirement.

51.34 **EFFECTIVE DATE.** This section is effective July 1, 2015.

52.1 Sec. 4. Minnesota Statutes 2014, section 354.42, subdivision 4d, is amended to read:

52.2 Subd. 4d. **Reporting; commission review.** A contribution rate increase or decrease
 52.3 made under subdivision 4b, as determined by the executive director of the Teachers
 52.4 Retirement Association, must be reported to the chair and the executive director of the
 52.5 Legislative Commission on Pensions and Retirement on or before the next February 1 and,
 52.6 if the Legislative Commission on Pensions and Retirement does not recommend against the
 52.7 rate change or does not recommend a modification in the rate change, is effective on the next
 52.8 July 1 following the determination ~~by the executive director~~ that a contribution deficiency
 52.9 or sufficiency exists based on the most recent actuarial valuation under section 356.215.

52.10 **EFFECTIVE DATE.** This section is effective July 1, 2015.

52.11 **ARTICLE 6**

52.12 **POLICE AND FIREFIGHTER RETIREMENT SUPPLEMENTAL STATE AID**

52.13 Section 1. Minnesota Statutes 2014, section 423A.022, subdivision 5, is amended to
 52.14 read:

52.15 Subd. 5. **Aid termination.** (a) The aid program for the State Patrol retirement
 52.16 plan and for the public employees police and fire retirement plan under this section ends
 52.17 on the December 1 next following the actuarial valuation date on which the assets of
 52.18 the retirement plan on a market value basis equals or exceeds 90 percent of the total
 52.19 actuarial accrued liabilities of the retirement plan as disclosed in an actuarial valuation
 52.20 prepared under section 356.215 and the Standards for Actuarial Work promulgated by the
 52.21 Legislative Commission on Pensions and Retirement, for the State Patrol retirement plan
 52.22 or the public employees police and fire retirement plan, whichever occurs last.

52.23 (b) The aid for municipalities and nonprofit firefighting corporations associated with
 52.24 volunteer firefighters relief associations under this section does not terminate.

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

52.26 **ARTICLE 7**

52.27 **STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT PLAN LUMP** 52.28 **SUM RETIREMENT DIVISION MODIFICATIONS**

52.29 Section 1. Minnesota Statutes 2014, section 353G.09, subdivision 3, is amended to read:

52.30 Subd. 3. **Alternative pension eligibility and computation.** (a) An active member
 52.31 of the retirement plan is entitled to an alternative lump-sum service pension from the
 52.32 retirement plan if the person:

52.33 (1) has separated from active service with the fire department for at least 30 days;

53.1 (2) has attained the age of at least 50 years or the age for receipt of a service pension
 53.2 under the benefit plan of the applicable former volunteer firefighters relief association as
 53.3 of the date immediately ~~prior to~~ before the election of the retirement coverage change,
 53.4 whichever is later;

53.5 (3) has completed at least five years of active service with the fire department and at
 53.6 least five years in total as a member of the applicable former volunteer firefighters relief
 53.7 association or of the retirement plan, but has not rendered at least five years of good time
 53.8 service credit as a member of the retirement plan; and

53.9 (4) applies in a manner prescribed by the executive director for the service pension.

53.10 (b) If retirement coverage ~~prior to~~ before statewide retirement plan coverage was
 53.11 provided by a defined benefit plan volunteer firefighters relief association, the alternative
 53.12 lump-sum service pension is the service pension amount specified in the bylaws of the
 53.13 applicable former volunteer firefighters relief association either as of the date immediately
 53.14 ~~prior to~~ before the election of the retirement coverage change or as of the date immediately
 53.15 before the termination of firefighting services, whichever is earlier, multiplied by the total
 53.16 number of years of service as a member of that volunteer firefighters relief association
 53.17 and as a member of the retirement plan. If retirement coverage ~~prior to~~ before statewide
 53.18 retirement plan coverage was provided by a defined contribution plan volunteer firefighters
 53.19 relief association, the alternative lump-sum service pension is an amount equal to that
 53.20 portion of the person's account balance that the person was vested for as of the date
 53.21 immediately ~~prior to~~ before the date on which statewide retirement plan coverage was first
 53.22 provided to the person plus six percent annual compound interest from that date until the
 53.23 date immediately ~~prior to~~ before the date of retirement.

53.24 Sec. 2. Minnesota Statutes 2014, section 353G.11, subdivision 1, is amended to read:

53.25 Subdivision 1. **Service pension levels.** Except as provided in subdivision 1a, the
 53.26 retirement plan provides the following levels of service pension amounts per full year of
 53.27 good time service credit to be selected at the election of coverage, or, if fully funded,
 53.28 thereafter:

- 53.29 Level A \$500 per year of good time service credit
- 53.30 Level B \$600 per year of good time service credit
- 53.31 Level C \$700 per year of good time service credit
- 53.32 Level D \$800 per year of good time service credit
- 53.33 Level E \$900 per year of good time service credit
- 53.34 Level F \$1,000 per year of good time service credit
- 53.35 Level G \$1,250 per year of good time service credit
- 53.36 Level H \$1,500 per year of good time service credit

54.1	Level I	\$2,000 per year of good time service credit
54.2	Level J	\$2,500 per year of good time service credit
54.3	Level K	\$3,000 per year of good time service credit
54.4	Level L	\$3,500 per year of good time service credit
54.5	Level M	\$4,000 per year of good time service credit
54.6	Level N	\$4,500 per year of good time service credit
54.7	Level O	\$5,000 per year of good time service credit
54.8	Level P	\$5,500 per year of good time service credit
54.9	Level Q	\$6,000 per year of good time service credit
54.10	Level R	\$6,500 per year of good time service credit
54.11	Level S	\$7,000 per year of good time service credit
54.12	Level T	\$7,500 per year of good time service credit

- 54.13 (1) a minimum service pension level of \$500 per year;
54.14 (2) a maximum service pension level of \$7,500 per year; and
54.15 (3) 69 service pension levels between the minimum level and the maximum level
54.16 in \$100 increments.

54.17 Sec. 3. Minnesota Statutes 2014, section 353G.11, subdivision 1a, is amended to read:

54.18 Subd. 1a. **Continuation of prior service pension levels.** (a) If a municipality or
54.19 independent nonprofit firefighting corporation elects to be covered by the retirement plan
54.20 prior to before January 1, 2010, and selects the \$750 per year of good time service credit
54.21 service pension amount effective for January 1, 2010, that level continues for the volunteer
54.22 firefighters of that municipality or independent nonprofit firefighting corporation until a
54.23 different service pension amount is selected under subdivision 2 after January 1, 2010.

54.24 (b) If a municipality or independent nonprofit firefighting corporation elected to be
54.25 covered by the retirement plan before January 1, 2015, and selected a service pension
54.26 level under subdivision 1, other than a good time service credit service pension amount
54.27 under subdivision 1, that level continues for the volunteer firefighters of the municipality
54.28 or independent nonprofit firefighting corporation until a different service pension amount
54.29 is selected under subdivision 2 after January 1, 2014.

54.30 Sec. 4. Minnesota Statutes 2014, section 353G.11, subdivision 2, is amended to read:

54.31 Subd. 2. **Level selection.** At the time of After the election to transfer of retirement
54.32 coverage, or on April 30 thereafter to the retirement plan, the governing body or bodies of
54.33 the entity or entities operating the fire department whose firefighters are covered by the
54.34 retirement plan may request a cost estimate from the executive director of an increase in
54.35 the service pension level applicable to the active firefighters of the fire department. Within
54.36 90 120 days of the receipt of the cost estimate prepared by the executive director using a

55.1 procedure certified as accurate by the approved actuary retained by the Public Employees
55.2 Retirement Association, the governing body or bodies may approve the service pension
55.3 level change, effective for January 1 of the following calendar year unless the governing
55.4 body or bodies specify in the approved document an effective date as the January 1 of the
55.5 second year following the level increase approval. If the approval occurs after April 30,
55.6 the required municipal contribution for the following calendar year must be recalculated
55.7 and the results reported to the municipality or municipalities. If not approved in a timely
55.8 fashion, the service pension level change is considered to have been disapproved.

55.9 Sec. 5. Minnesota Statutes 2014, section 353G.11, subdivision 4, is amended to read:

55.10 Subd. 4. **Ancillary benefits.** Other than as provided under section 353G.115, no
55.11 disability, death, funeral, or other ancillary benefit beyond a service pension or a survivor
55.12 benefit is payable from the retirement plan.

55.13 Sec. 6. Minnesota Statutes 2014, section 353G.13, subdivision 1, is amended to read:

55.14 Subdivision 1. **Eligibility.** An active firefighter who is a member of the retirement
55.15 plan who also renders firefighting service and has good time service credit in the
55.16 retirement plan from another fire department, if the number of years of good time service
55.17 credit in the plan from a combination of nonconcurrent periods totals at least five years,
55.18 is eligible, upon complying with the other requirements of section 353G.09, to receive
55.19 a service pension upon filing an application in the manner prescribed by the executive
55.20 director, computed as provided in subdivision 2.

55.21 Sec. 7. Minnesota Statutes 2014, section 353G.13, subdivision 2, is amended to read:

55.22 Subd. 2. **Combined service pension computation.** The service pension payable to
55.23 a firefighter who qualifies under subdivision 1 is the per year of good time service credit
55.24 service pension amount in effect for each account in which the firefighter has one or more
55.25 years of good time service credit as of the date on which the firefighter terminated active
55.26 service with the fire department associated with the applicable account, multiplied by
55.27 the number of years of good time service credit that the firefighter has in the applicable
55.28 account and adjusted for the vesting percentage based on the total number of years of good
55.29 time service covered in the applicable accounts.

55.30 Sec. 8. **EFFECTIVE DATE.**

55.31 Sections 1 to 7 are effective July 1, 2015.

56.1 **ARTICLE 8**

56.2 **STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT PLAN MONTHLY**
 56.3 **BENEFIT RETIREMENT DIVISION CREATION**

56.4 Section 1. Minnesota Statutes 2014, section 11A.17, subdivision 2, is amended to read:

56.5 Subd. 2. **Assets.** (a) The assets of the supplemental investment fund consist of the
 56.6 money certified and transmitted to the state board from the participating public retirement
 56.7 plans and funds and from the voluntary statewide ~~lump-sum~~ volunteer firefighter
 56.8 retirement plan under section 353G.08.

56.9 (b) With the exception of the assets of the voluntary statewide ~~lump-sum~~ volunteer
 56.10 firefighter retirement fund, the assets must be used to purchase investment shares in
 56.11 the investment accounts as specified by the plan or fund. The assets of the voluntary
 56.12 statewide ~~lump-sum~~ volunteer firefighter retirement fund must be invested in the volunteer
 56.13 firefighter account.

56.14 (c) These accounts must be valued at least on a monthly basis but may be valued
 56.15 more frequently as determined by the State Board of Investment.

56.16 Sec. 2. Minnesota Statutes 2014, section 353G.01, subdivision 6, is amended to read:

56.17 Subd. 6. **Fund.** "Fund" means the voluntary statewide ~~lump-sum~~ volunteer
 56.18 firefighter retirement fund established under section 353G.02, subdivision 3.

56.19 Sec. 3. Minnesota Statutes 2014, section 353G.01, subdivision 7, is amended to read:

56.20 Subd. 7. **Good time service credit.** "Good time service credit" means the length of
 56.21 service credit for an active firefighter that is reported by the applicable fire chief based
 56.22 on the minimum firefighter activity standards of the fire department. The credit may be
 56.23 ~~recognized~~ reported on an annual or monthly basis.

56.24 Sec. 4. Minnesota Statutes 2014, section 353G.01, is amended by adding a subdivision
 56.25 to read:

56.26 Subd. 7a. **Lump-sum account.** "Lump-sum account" means that portion of the
 56.27 retirement fund that contains the assets applicable to the lump-sum retirement division.

56.28 Sec. 5. Minnesota Statutes 2014, section 353G.01, is amended by adding a subdivision
 56.29 to read:

56.30 Subd. 7b. **Lump-sum retirement division.** "Lump-sum retirement division" means
 56.31 the division of the plan governed by section 353G.11.

57.1 Sec. 6. Minnesota Statutes 2014, section 353G.01, is amended by adding a subdivision
57.2 to read:

57.3 Subd. 8a. **Monthly benefit account.** "Monthly benefit account" means that portion
57.4 of the retirement fund that contains the assets applicable to the monthly benefit retirement
57.5 division.

57.6 Sec. 7. Minnesota Statutes 2014, section 353G.01, is amended by adding a subdivision
57.7 to read:

57.8 Subd. 8b. **Monthly benefit retirement division.** "Monthly benefit retirement
57.9 division" means the division of the plan governed by section 353G.113.

57.10 Sec. 8. Minnesota Statutes 2014, section 353G.01, is amended by adding a subdivision
57.11 to read:

57.12 Subd. 10a. **Retirement benefit plan document.** "Retirement benefit plan
57.13 document", for an account in the monthly benefit retirement division, means the articles of
57.14 incorporation and bylaws of the prior former volunteer firefighters relief association in
57.15 effect on the day before the date on which the retirement coverage transfer under section
57.16 353G.05 occurred or as provided in the most recent modification under section 353G.121.

57.17 Sec. 9. Minnesota Statutes 2014, section 353G.01, subdivision 11, is amended to read:

57.18 Subd. 11. **Retirement fund.** "Retirement fund" means the voluntary statewide
57.19 ~~lump-sum~~ volunteer firefighter retirement fund established under section 353G.02,
57.20 subdivision 3.

57.21 Sec. 10. Minnesota Statutes 2014, section 353G.01, subdivision 12, is amended to read:

57.22 Subd. 12. **Retirement plan.** "Retirement plan" means the retirement plan, either
57.23 the lump-sum retirement division or the monthly benefit retirement division, established
57.24 by this chapter.

57.25 Sec. 11. Minnesota Statutes 2014, section 353G.02, is amended to read:

57.26 **353G.02 PLAN AND FUND CREATION.**

57.27 Subdivision 1. **Retirement plan.** The voluntary statewide ~~lump-sum~~ volunteer
57.28 firefighter retirement plan, consisting of a lump-sum retirement division and a monthly
57.29 benefit retirement division, is created.

57.30 Subd. 2. **Administration.** The policy-making, management, and administrative
57.31 functions related to the voluntary statewide ~~lump-sum~~ volunteer firefighter retirement

58.1 plan and fund are vested in the board of trustees and the executive director of the Public
58.2 Employees Retirement Association. Their duties, authority, and responsibilities are as
58.3 provided in section 353.03. Fiduciary activities of the plan and fund must be undertaken
58.4 in a manner consistent with chapter 356A.

58.5 Subd. 3. **Retirement fund.** (a) The voluntary statewide ~~lump-sum~~ volunteer
58.6 firefighter retirement fund, consisting of a lump-sum account and a monthly benefit
58.7 account, is created. The fund contains the assets attributable to the voluntary statewide
58.8 ~~lump-sum~~ volunteer firefighter retirement plan.

58.9 (b) The State Board of Investment shall invest those portions of the retirement
58.10 fund not required for immediate purposes in the voluntary statewide lump-sum volunteer
58.11 firefighter retirement plan in the statewide ~~lump-sum~~ volunteer firefighter account of the
58.12 Minnesota supplemental investment fund under section 11A.17.

58.13 (c) The commissioner of management and budget is the ex officio treasurer of the
58.14 voluntary statewide ~~lump-sum~~ volunteer firefighter retirement fund. The commissioner of
58.15 management and budget's general bond to the state covers all liability for actions taken as
58.16 the treasurer of the retirement fund.

58.17 (d) The revenues of the retirement plan beyond investment returns are governed by
58.18 section 353G.08 and must be deposited in the retirement fund. The disbursements of the
58.19 retirement plan are governed by section 353G.08. The commissioner of management and
58.20 budget shall transmit a detailed statement showing all credits to and disbursements from
58.21 the retirement fund to the executive director monthly.

58.22 Subd. 4. **Audit; actuarial valuation.** (a) The legislative auditor shall periodically
58.23 audit the voluntary statewide ~~lump-sum~~ volunteer firefighter retirement fund.

58.24 (b) An actuarial valuation of the lump-sum retirement division of the voluntary
58.25 statewide ~~lump-sum~~ volunteer firefighter retirement plan may be performed periodically as
58.26 determined to be appropriate or useful by the board. An actuarial valuation of the monthly
58.27 benefit retirement division of the voluntary statewide volunteer firefighter retirement plan
58.28 must be performed as frequently as required by government sector generally accepted
58.29 accounting standards. An actuarial valuation must be performed by the approved
58.30 actuary retained under section 356.214 and must conform with section 356.215 and the
58.31 standards for actuarial work. An actuarial valuation must contain sufficient detail for each
58.32 participating employing entity to ascertain the actuarial condition of its account in the
58.33 fund and the contribution requirement towards its account.

58.34 Subd. 5. **Legal advisor; attorney general.** (a) The legal advisor of the board
58.35 and the executive director with respect to the voluntary statewide ~~lump-sum~~ volunteer
58.36 firefighter retirement plan is the attorney general.

59.1 (b) The board may sue, petition, be sued, or be petitioned under this chapter with
59.2 respect to the plan or the fund in the name of the board.

59.3 (c) The attorney general shall represent the board in all actions by the board or
59.4 against the board with respect to the plan or the fund.

59.5 (d) Venue of all actions related to the plan or fund is in the court for the first judicial
59.6 district unless the action is an appeal to the Court of Appeals under section 356.96.

59.7 **Subd. 6. Initial administrative expenses of the monthly benefit retirement**
59.8 **division; allocation of reimbursement.** (a) The administration expenses of Public
59.9 Employees Retirement Association incurred in the establishment of the monthly benefit
59.10 retirement division of the voluntary statewide volunteer firefighters retirement plan,
59.11 including any computer programming expenses and any actuarial consultant expenses, are
59.12 payable from the assets of the initial monthly benefit volunteer firefighter relief association
59.13 that elects to transfer its administration to the voluntary statewide volunteer firefighter
59.14 retirement plan, following the transfer of assets.

59.15 (b) The administrative expenses in excess of \$33, 600 paid under paragraph (a) must
59.16 be reimbursed by the next nine monthly benefit volunteer firefighter relief associations that
59.17 transfer plan administration to the voluntary statewide volunteer firefighters retirement
59.18 plan. The reimbursement charge for each of the nine is three-tenths of one percent of the
59.19 market value of assets of the volunteer firefighter relief association as of December 31,
59.20 2012. The reimbursement amounts, up to the amount of administrative expenses actually
59.21 incurred under paragraph (a) in excess of \$33,600, must be credited to the account of the
59.22 fire department associated with the former monthly benefit volunteer firefighter relief
59.23 association that first transferred plan administration to the volunteer firefighter retirement
59.24 plan.

59.25 Sec. 12. Minnesota Statutes 2014, section 353G.03, is amended to read:

59.26 **353G.03 VOLUNTARY STATEWIDE ~~LUMP-SUM~~ VOLUNTEER**
59.27 **FIREFIGHTER RETIREMENT PLAN ADVISORY BOARD.**

59.28 Subdivision 1. **Establishment.** A Voluntary Statewide ~~Lump-Sum~~ Volunteer
59.29 Firefighter Retirement Plan Advisory Board is created.

59.30 Subd. 2. **Function; purpose.** The advisory board shall meet periodically to provide
59.31 advice to the board of trustees of the Public Employees Retirement Association about the
59.32 retirement coverage needs of volunteer firefighters who are members of the retirement
59.33 plan and about the legislative and administrative changes that would assist the retirement
59.34 plan in accommodating volunteer firefighters who are not members of the retirement plan.

59.35 Subd. 3. **Composition.** (a) The advisory board consists of ~~seven~~ eight members.

60.1 (b) The advisory board members are:

60.2 (1) one representative of Minnesota townships, appointed by the Minnesota
60.3 Association of Townships;

60.4 (2) two representatives of Minnesota cities, appointed by the League of Minnesota
60.5 Cities;

60.6 (3) one representative of Minnesota fire chiefs, who is a fire chief, appointed by the
60.7 Minnesota State Fire Chiefs Association;

60.8 (4) two representatives of Minnesota volunteer firefighters, all who are active
60.9 volunteer firefighters, one of whom is covered by the lump-sum retirement division and
60.10 one of whom is covered by the monthly benefit retirement division, appointed by the
60.11 Minnesota State Fire Chiefs Association;

60.12 (5) one representative of Minnesota volunteer firefighters who is covered by
60.13 the lump-sum retirement division, appointed by the Minnesota State Fire Departments
60.14 Association; and

60.15 ~~(5)~~(6) one representative of the Office of the State Auditor, designated by the state
60.16 auditor.

60.17 Subd. 4. **Term.** ~~(a) The initial terms on the advisory board for the Minnesota~~
60.18 ~~townships representative and the Minnesota fire chiefs representative are one year. The~~
60.19 ~~initial terms on the advisory board for one of the Minnesota cities representatives and one~~
60.20 ~~of the Minnesota active volunteer firefighter representatives are two years. The initial~~
60.21 ~~terms on the advisory board for the other Minnesota cities representative and the other~~
60.22 ~~Minnesota active volunteer firefighter representative are three years. The term for the~~
60.23 Office of the State Auditor representative is determined by the state auditor.

60.24 (b) ~~Subsequent~~ Terms on the advisory board other than the Office of the State
60.25 Auditor representative are three years.

60.26 Subd. 5. **Compensation of advisory board.** The compensation of members of the
60.27 advisory board₂ other than the Office of the State Auditor representative₂ is governed by
60.28 section 15.0575, subdivision 3.

60.29 Sec. 13. Minnesota Statutes 2014, section 353G.04, is amended to read:

60.30 **353G.04 INFORMATION FROM MUNICIPALITIES AND FIRE**
60.31 **DEPARTMENTS.**

60.32 The chief executive officers of municipalities and fire departments with volunteer
60.33 firefighters covered by the voluntary ~~lump-sum~~ statewide volunteer firefighter retirement
60.34 plan shall provide all relevant information and records requested by the board, the
60.35 executive director, and the State Board of Investment as required to perform their duties.

61.1 Sec. 14. Minnesota Statutes 2014, section 353G.05, is amended to read:

61.2 **353G.05 PLAN COVERAGE ELECTION.**

61.3 Subdivision 1. **Coverage.** Any municipality or independent nonprofit firefighting
61.4 corporation may elect to have its volunteer firefighters covered by the lump-sum
61.5 retirement division or the monthly benefit retirement division of the retirement plan,
61.6 whichever applies.

61.7 Subd. 2. **Election of coverage; lump sum.** (a) The process for electing coverage of
61.8 volunteer firefighters by the lump-sum retirement plan division is initiated by a request
61.9 to the executive director for a cost analysis of the prospective retirement coverage under
61.10 the lump-sum retirement division.

61.11 (b) If the volunteer firefighters are currently covered by a lump-sum volunteer
61.12 firefighters relief association or a defined contribution volunteer firefighters' relief
61.13 association governed by chapter 424A, the cost analysis of the prospective retirement
61.14 coverage must be requested jointly by the secretary of the volunteer firefighters relief
61.15 association, following approval of the request by the board of the volunteer firefighters
61.16 relief association, and the chief administrative officer of the entity associated with the relief
61.17 association, following approval of the request by the governing body of the entity associated
61.18 with the relief association. If the relief association is associated with more than one
61.19 entity, the chief administrative officer of each associated entity must execute the request.
61.20 If the volunteer firefighters are not currently covered by a volunteer firefighters relief
61.21 association, the cost analysis of the prospective retirement coverage must be requested by
61.22 the chief administrative officer of the entity operating the fire department. The request
61.23 must be made in writing and must be made on a form prescribed by the executive director.

61.24 (c) The cost analysis of the prospective retirement coverage by the lump-sum
61.25 retirement division of the statewide retirement plan must be based on the service pension
61.26 amount under section 353G.11 closest to the service pension amount provided by the
61.27 volunteer firefighters relief association if the relief association is a lump-sum defined
61.28 benefit plan, or the amount equal to 95 percent of the most current average account
61.29 balance per relief association member if the relief association is a defined contribution
61.30 plan, or to the lowest service pension amount under section 353G.11 if there is no
61.31 volunteer firefighters relief association, rounded up, and any other service pension amount
61.32 designated by the requester or requesters. The cost analysis must be prepared using a
61.33 mathematical procedure certified as accurate by an approved actuary retained by the
61.34 Public Employees Retirement Association.

61.35 (d) If a cost analysis is requested and a volunteer firefighters' relief association exists
61.36 that has filed the information required under section 69.051 in a timely fashion, upon

62.1 request by the executive director, the state auditor shall provide the most recent data
62.2 available on the financial condition of the volunteer firefighters relief association, the most
62.3 recent firefighter demographic data available, and a copy of the current relief association
62.4 bylaws. If a cost analysis is requested, but no volunteer firefighters relief association
62.5 exists, the chief administrative officer of the entity operating the fire department shall
62.6 provide the demographic information on the volunteer firefighters serving as members
62.7 of the fire department requested by the executive director.

62.8 ~~(e) If a cost analysis is requested, the executive director of the State Board of~~
62.9 ~~Investment shall review the investment portfolio of the relief association, if applicable,~~
62.10 ~~for compliance with the applicable provisions of chapter 11A and for appropriateness~~
62.11 ~~for retention under the established investment objectives and investment policies of the~~
62.12 ~~State Board of Investment. If the prospective retirement coverage change is approved~~
62.13 ~~under paragraph (f), the State Board of Investment may require that the relief association~~
62.14 ~~liquidate any investment security or other asset which the executive director of the State~~
62.15 ~~Board of Investment has determined to be an ineligible or inappropriate investment for~~
62.16 ~~retention by the State Board of Investment. The security or asset liquidation must occur~~
62.17 ~~before the effective date of the transfer of retirement plan coverage. If requested to do so by~~
62.18 ~~the chief administrative officer of the relief association, the executive director of the State~~
62.19 ~~Board of Investment shall provide advice about the best means to conduct the liquidation.~~

62.20 ~~(f) Upon receipt of the cost analysis, the governing body of the municipality~~
62.21 ~~or independent nonprofit firefighting corporation associated with the fire department~~
62.22 ~~shall either approve or disapprove the retirement coverage change within 120 days. If~~
62.23 ~~the retirement coverage change is not acted upon within 120 days, it is deemed to be~~
62.24 ~~disapproved. If the retirement coverage change is approved by the applicable governing~~
62.25 ~~body, coverage by the voluntary statewide lump-sum volunteer firefighter retirement plan~~
62.26 ~~is effective on the next following January 1.~~

62.27 Subd. 3. Election of coverage; monthly benefit. (a) The process for electing
62.28 coverage of volunteer firefighters by the monthly retirement division is initiated by a
62.29 request to the executive director for an actuarial cost analysis of the prospective retirement
62.30 coverage under the monthly benefit retirement division. This request must be made by
62.31 the secretary of the volunteer firefighters relief association and the chief administrative
62.32 officer of the entity associated with the relief association, both of which must first obtain
62.33 approval of the request from their respective municipal governing body or independent
62.34 nonprofit firefighting corporation. The request must be made in writing and must be made
62.35 on a form prescribed by the executive director.

63.1 (b) Coverage by the monthly benefit retirement division may only be elected if
63.2 the volunteer firefighters are covered by a monthly benefit volunteer firefighters relief
63.3 association governed by chapter 424A.

63.4 (c) The cost analysis under paragraph (a) must be prepared by the approved actuary
63.5 retained by the Public Employees Retirement Association. The cost analysis must be
63.6 based on:

63.7 (1) the service pension and other retirement benefit types and amounts in effect for
63.8 the volunteer firefighters relief association as of the date of the request and any other
63.9 amount or amounts designated by the requesters, as disclosed in a special actuarial
63.10 valuation prepared under sections 356.215 and 356.216; and

63.11 (2) the standards for actuarial work, and the actuarial assumptions utilized in the
63.12 most recent prior actuarial valuation, except that the applicable interest rate actuarial
63.13 assumption is six percent.

63.14 (d) The secretary of the volunteer firefighters relief association making the request
63.15 must supply the demographic and financial data necessary for the cost analysis to be
63.16 prepared.

63.17 Subd. 4. **Invested assets review.** If a cost analysis is requested under subdivision 2
63.18 or 3, the executive director of the State Board of Investment shall review the investment
63.19 portfolio of the relief association, if applicable, for compliance with the applicable
63.20 provisions of chapter 11A and for appropriateness for retention under the established
63.21 investment objectives and investment policies of the State Board of Investment. If the
63.22 prospective retirement coverage change is approved under subdivision 5, the State
63.23 Board of Investment may require that the relief association liquidate any investment
63.24 security or other asset which the executive director of the State Board of Investment has
63.25 determined to be an ineligible or inappropriate investment for retention by the State Board
63.26 of Investment. The security or asset liquidation must occur before the effective date of
63.27 the transfer of retirement plan coverage. If requested to do so by the chief administrative
63.28 officer of the relief association, the executive director of the State Board of Investment
63.29 shall provide advice about the best means to conduct the liquidation.

63.30 Subd. 5. **Finalization; coverage transfer.** Upon receipt of the cost analysis
63.31 requested under subdivision 2 or 3, the governing body of the municipality or independent
63.32 nonprofit firefighting corporation associated with the fire department shall either approve
63.33 or disapprove the retirement coverage change within 120 days. If the retirement coverage
63.34 change is not acted upon within 120 days, it is deemed to be disapproved. If the retirement
63.35 coverage change is approved by the applicable governing body, coverage by the voluntary

64.1 statewide volunteer firefighter retirement plan is effective on the January 1 next following
64.2 the approval date.

64.3 Sec. 15. Minnesota Statutes 2014, section 353G.06, is amended to read:

64.4 **353G.06 DISESTABLISHMENT OF PRIOR VOLUNTEER FIREFIGHTERS**
64.5 **RELIEF ASSOCIATION SPECIAL FUND UPON RETIREMENT COVERAGE**
64.6 **CHANGE.**

64.7 Subdivision 1. **Special fund disestablishment.** On the date December 31
64.8 immediately prior to the effective date of the coverage change, the special fund of the
64.9 applicable volunteer firefighters relief association, if one exists, ceases to exist as a
64.10 pension fund of the association and legal title to the assets of the special fund transfers
64.11 to the State Board of Investment, with the undivided beneficial title to the assets of the
64.12 special fund remaining in the applicable volunteer firefighters as a group.

64.13 Subd. 2. **Other relief association changes.** In addition to the transfer and
64.14 disestablishment of the special fund under subdivision 1, notwithstanding any provisions
64.15 of chapter 424A or 424B to the contrary, upon the effective date of the change in
64.16 volunteer firefighter retirement coverage, if the relief association membership elects to
64.17 retain the relief association as a fraternal organization after the benefit coverage election,
64.18 the following changes must be implemented with respect to the applicable volunteer
64.19 firefighters relief association:

64.20 (1) the relief association board of trustees membership is reduced to five, comprised
64.21 of the fire chief of the fire department and four trustees elected by and from the relief
64.22 association membership;

64.23 (2) the relief association may only maintain a general fund, which continues to
64.24 be governed by section 424A.06;

64.25 (3) the relief association is not authorized to receive the proceeds of any state aid or
64.26 to receive any municipal funds; and

64.27 (4) the relief association may not pay any service pension or benefit that was not
64.28 authorized as a general fund disbursement under the articles of incorporation or bylaws of
64.29 the relief association in effect immediately prior to the plan coverage election process.

64.30 Subd. 3. **Successor in interest.** Upon the disestablishment of the special fund of
64.31 the volunteer firefighters relief association under this section, the voluntary statewide
64.32 ~~lump-sum~~ volunteer firefighter retirement plan is the successor in interest of the special
64.33 fund of the volunteer firefighters relief association for all claims against the special fund
64.34 other than a claim against the special fund, the volunteer firefighters relief association,
64.35 the municipality, the fire department, or any person connected with the volunteer

65.1 firefighters relief association in a fiduciary capacity under chapter 356A or common law
65.2 that was based on any act or acts which were not performed in good faith and which
65.3 constituted a breach of a fiduciary obligation. As the successor in interest of the special
65.4 fund of the volunteer firefighters relief association, the voluntary statewide ~~lump-sum~~
65.5 volunteer firefighter retirement plan may assert any applicable defense in any judicial
65.6 proceeding which the board of trustees of the volunteer firefighters relief association or the
65.7 municipality would have been entitled to assert.

65.8 Sec. 16. Minnesota Statutes 2014, section 353G.07, is amended to read:

65.9 **353G.07 CERTIFICATION OF GOOD TIME SERVICE CREDIT.**

65.10 (a) Annually, by March 31, the fire chief of the fire department with firefighters who
65.11 are active members of either the lump-sum retirement plan division or the monthly benefit
65.12 retirement division shall certify to the executive director the good time service credit for the
65.13 previous calendar year of each firefighter rendering active service with the fire department.

65.14 (b) The fire chief shall provide to each firefighter rendering active service with
65.15 the fire department notification of the amount of good time service credit rendered by
65.16 the firefighter for the calendar year. The good time service credit notification must be
65.17 provided to the firefighter 60 days before its certification to the executive director of the
65.18 Public Employees Retirement Association, along with an indication of the process for the
65.19 firefighter to challenge the fire chief's determination of good time service credit. If the
65.20 good time service credit amount is challenged in a timely fashion, the fire chief shall hold
65.21 a hearing on the challenge, accept and consider any additional pertinent information,
65.22 and make a final determination of good time service credit. The final determination of
65.23 good time service credit by the fire chief is not reviewable by the executive director of
65.24 the Public Employees Retirement Association or by the board of trustees of the Public
65.25 Employees Retirement Association.

65.26 (c) The good time service credit certification is an official public document. If a
65.27 false good time service credit certification is filed or if false information regarding good
65.28 time service credits is provided, section 353.19 applies.

65.29 (d) The good time service credit certification must be expressed as a percentage of a
65.30 full year of service during which an active firefighter rendered at least the minimum level
65.31 and quantity of fire suppression, emergency response, fire prevention, or fire education
65.32 duties required by the fire department under the rules and regulations applicable to the
65.33 fire department. No more than one year of good time service credit may be certified
65.34 for a calendar year.

66.1 (e) If a firefighter covered by the retirement plan leaves active firefighting service
66.2 to render active military service that is required to be ~~covered~~ governed by the federal
66.3 Uniformed Services Employment and Reemployment Rights Act, as amended, the person
66.4 must be certified as providing a full year of good time service credit in each year of the
66.5 military service, up to the applicable limit of the federal Uniformed Services Employment
66.6 and Reemployment Rights Act. If the firefighter does not return from the military service
66.7 in compliance with the federal Uniformed Services Employment and Reemployment
66.8 Rights Act, the good time service credits applicable to that military service credit period
66.9 are forfeited and cancel at the end of the calendar year in which the federal law time
66.10 limit occurs.

66.11 Sec. 17. Minnesota Statutes 2014, section 353G.08, is amended to read:

66.12 **353G.08 RETIREMENT PLAN FUNDING; DISBURSEMENTS.**

66.13 Subdivision 1. **Annual funding requirements; lump-sum retirement division.** (a)
66.14 Annually, the executive director shall determine the funding requirements of each account
66.15 in the lump-sum retirement division of the voluntary statewide ~~lump-sum~~ volunteer
66.16 firefighter retirement plan on or before August 1. The funding requirements ~~as directed~~
66.17 computed under this section, subdivision must be determined using a mathematical
66.18 procedure developed and certified as accurate by ~~an~~ the approved actuary retained by the
66.19 Public Employees Retirement Association and must be based on present value factors
66.20 using a six percent interest rate, without any decrement assumptions. The funding
66.21 requirements must be certified to the entity or entities associated with the fire department
66.22 whose active firefighters are covered by the retirement plan.

66.23 (b) The overall funding balance of each lump-sum account for the current calendar
66.24 year must be determined in the following manner:

66.25 (1) The total accrued liability for all active and deferred members of the account as
66.26 of December 31 of the current year must be calculated based on the good time service
66.27 credit of active and deferred members as of that date.

66.28 (2) The total present assets of the account projected to December 31 of the current
66.29 year, including receipts by and disbursements from the account anticipated to occur on or
66.30 before December 31, must be calculated. To the extent possible, the market value of assets
66.31 must be utilized in making this calculation.

66.32 (3) The amount of the total present assets calculated under clause (2) must be
66.33 subtracted from the amount of the total accrued liability calculated under clause (1). If the
66.34 amount of total present assets exceeds the amount of the total accrued liability, then the
66.35 account is considered to have a surplus over full funding. If the amount of the total present

67.1 assets is less than the amount of the total accrued liability, then the account is considered
67.2 to have a deficit from full funding. If the amount of total present assets is equal to the
67.3 amount of the total accrued liability, then the special fund is considered to be fully funded.

67.4 (c) The financial requirements of each lump-sum account for the following calendar
67.5 year must be determined in the following manner:

67.6 (1) The total accrued liability for all active and deferred members of the account
67.7 as of December 31 of the calendar year next following the current calendar year must be
67.8 calculated based on the good time service used in the calculation under paragraph (b),
67.9 clause (1), increased by one year.

67.10 (2) The increase in the total accrued liability of the account for the following calendar
67.11 year over the total accrued liability of the account for the current year must be calculated.

67.12 (3) The amount of anticipated future administrative expenses of the account must be
67.13 calculated by multiplying the dollar amount of the administrative expenses for the most
67.14 recent prior calendar year by the factor of 1.035.

67.15 (4) If the account is fully funded, the financial requirement of the account for the
67.16 following calendar year is the total of the amounts calculated under clauses (2) and (3).

67.17 (5) If the account has a deficit from full funding, the financial requirement of the
67.18 account for the following calendar year is the total of the amounts calculated under clauses
67.19 (2) and (3) plus an amount equal to one-tenth of the amount of the deficit from full
67.20 funding of the account.

67.21 (6) If the account has a surplus over full funding, the financial requirement of
67.22 the account for the following calendar year is the financial requirement of the account
67.23 calculated as though the account was fully funded under clause (4) and, if the account has
67.24 also had a surplus over full funding during the prior two years, additionally reduced by an
67.25 amount equal to one-tenth of the amount of the surplus over full funding of the account.

67.26 (d) The required contribution of the entity or entities associated with the fire
67.27 department whose active firefighters are covered by the lump-sum retirement ~~plan~~ division
67.28 is the annual financial requirements of the lump-sum account of the retirement plan under
67.29 paragraph (c) reduced by the amount of any fire state aid payable under sections 69.011
67.30 to 69.051 or any police and firefighter supplemental state aid payable under section
67.31 423A.022 that is reasonably anticipated to be received by the retirement plan attributable
67.32 to the entity or entities during the following calendar year, and an amount of interest on
67.33 the assets projected to be received during the following calendar year calculated at the
67.34 rate of six percent per annum. The required contribution must be allocated between the
67.35 entities if more than one entity is involved. A reasonable amount of anticipated fire state

68.1 aid is an amount that does not exceed the fire state aid actually received in the prior year
68.2 multiplied by the factor 1.035.

68.3 (e) The required contribution calculated in paragraph (d) must be paid to the
68.4 retirement plan on or before December 31 of the year for which it was calculated. If
68.5 the contribution is not received by the retirement plan by December 31, it is payable
68.6 with interest at an annual compound rate of six percent from the date due until the date
68.7 payment is received by the retirement plan. If the entity does not pay the full amount of
68.8 the required contribution, the executive director shall collect the unpaid amount under
68.9 section 353.28, subdivision 6.

68.10 Subd. 1a. Annual funding requirements; monthly benefit retirement division.

68.11 (a) Annually, the executive director shall determine the funding requirements of each
68.12 monthly benefit account in the voluntary statewide volunteer firefighter retirement plan on
68.13 or before August 1.

68.14 (b) The executive director must determine the funding requirements of a monthly
68.15 benefit account under this subdivision from:

68.16 (1) the most recent actuarial valuation normal cost, administrative expense,
68.17 including the cost of a regular actuarial valuation, and amortization results for the account
68.18 determined by the approved actuary retained by the retirement association under sections
68.19 356.215 and 356.216; and

68.20 (2) the standards for actuarial work, utilizing a six percent interest rate actuarial
68.21 assumption and other actuarial assumptions approved under section 356.215, subdivision
68.22 18:

68.23 (i) with that portion of any unfunded actuarial accrued liability attributable to a benefit
68.24 increase to be amortized over a period of 20 years from the date of the benefit change;

68.25 (ii) with that portion of any unfunded actuarial accrued liability attributable to an
68.26 assumption change or an actuarial method change to be amortized over a period of 20
68.27 years from the date of the assumption or method change;

68.28 (iii) with that portion of any unfunded actuarial accrued liability attributable to an
68.29 investment loss to be amortized over a period of ten years from the date of investment
68.30 loss; and

68.31 (iv) with the balance of any net unfunded actuarial accrued liability to be amortized
68.32 over a period of five years from the date of the actuarial valuation.

68.33 (c) The required contributions of the entity or entities associated with the fire
68.34 department whose active firefighters are covered by the monthly benefit retirement
68.35 division are the annual financial requirements of the monthly benefit account of the
68.36 retirement plan under paragraph (b) reduced by the amount of any fire state aid payable

69.1 under sections 69.011 to 69.051, or any police and firefighter retirement supplemental state
69.2 aid payable under section 423A.022, that is reasonably anticipated to be received by the
69.3 retirement plan attributable to the entity or entities during the following calendar year.

69.4 The required contribution must be allocated between the entities if more than one entity
69.5 is involved. A reasonable amount of anticipated fire state aid is an amount that does not
69.6 exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

69.7 (d) The required contribution calculated in paragraph (c) must be paid to the
69.8 retirement plan on or before December 31 of the year for which it was calculated. If
69.9 the contribution is not received by the retirement plan by December 31, it is payable
69.10 with interest at an annual compound rate of six percent from the date due until the date
69.11 payment is received by the retirement plan. If the entity does not pay the full amount of
69.12 the required contribution, the executive director shall collect the unpaid amount under
69.13 section 353.28, subdivision 6.

69.14 Subd. 2. **Cash flow funding requirement.** If the executive director determines
69.15 that ~~an~~ a lump-sum retirement or a monthly benefit retirement account in the voluntary
69.16 statewide ~~lump-sum~~ volunteer firefighter retirement plan has insufficient assets to meet the
69.17 service pensions ~~determined~~ expected to be payable from the account over the succeeding
69.18 two years, the executive director shall certify the amount of the potential service pension
69.19 shortfall to the municipality or municipalities and the municipality or municipalities shall
69.20 make an additional employer contribution to the account within ten days of the certification.
69.21 If more than one municipality is associated with the account, unless the municipalities agree
69.22 to and implement a different allocation, the municipalities shall allocate the additional
69.23 employer contribution one-half in proportion to the population of each municipality and
69.24 one-half in proportion to the estimated market value of the property of each municipality.

69.25 Subd. 2a. **Additional municipal contributions authorized.** (a) At the discretion of
69.26 the municipality or the independent nonprofit firefighting corporation associated with a fire
69.27 department covered by a voluntary statewide ~~lump-sum~~ volunteer firefighter retirement
69.28 plan account, the municipality or the corporation may make additional contributions
69.29 to the applicable account.

69.30 (b) The executive director of the Public Employees Retirement Association
69.31 may specify requirements as to the form, timing, and accompanying information for
69.32 contributions made under this subdivision.

69.33 (c) Any contributions made under this subdivision must be included as total present
69.34 assets of the account for the calculation of any subsequent annual funding requirements
69.35 for the account under subdivision 1 or 1a or for the calculation of any cash flow funding
69.36 requirement under subdivision 2.

70.1 Subd. 3. **Authorized account disbursements.** The assets of a lump-sum retirement
 70.2 account or of a monthly benefit retirement account of the retirement fund may only be
 70.3 disbursed for:

- 70.4 (1) the administrative expenses of the retirement plan;
- 70.5 (2) the investment expenses of the retirement fund;
- 70.6 (3) the service pensions payable under section 353G.10, 353G.11, 353G.14, or
 70.7 353G.15;
- 70.8 (4) the survivor benefits payable under section 353G.12; and
- 70.9 (5) the disability benefit coverage insurance premiums under section 353G.115.

70.10 Sec. 18. Minnesota Statutes 2014, section 353G.09, is amended to read:

70.11 **353G.09 RETIREMENT BENEFIT ELIGIBILITY.**

70.12 Subdivision 1. **Entitlement.** Except as provided in subdivision 3, an active member
 70.13 of the retirement plan is entitled to a ~~lump-sum~~ service pension from the retirement plan
 70.14 if the person:

- 70.15 (1) has separated from active service with the fire department for at least 30 days;
- 70.16 (2) has attained the age of at least 50 years;
- 70.17 (3) has completed at least five years of good time service credit as a member of the
 70.18 retirement plan if the person is a member of the lump-sum retirement division or has
 70.19 completed at least the minimum number of years of good time service credit as a member
 70.20 of the retirement plan specified in the retirement benefit plan document attributable to the
 70.21 applicable fire department if the person is a member of the monthly benefit retirement
 70.22 division; and
- 70.23 (4) applies in a manner prescribed by the executive director for the service pension.

70.24 Subd. 2. **Vesting schedule; nonforfeitable portion of service pension.** (a) If an
 70.25 active member of the lump-sum retirement division has completed less than 20 years of
 70.26 good time service credit as a member of the lump-sum retirement division of the plan, the
 70.27 person's entitlement to a service pension is equal to the nonforfeitable percentage of the
 70.28 applicable service pension amount, as follows:

Completed years of good time service credit	Nonforfeitable percentage of the service pension
5	40 percent
6	44 percent
7	48 percent
8	52 percent
9	56 percent
10	60 percent

71.1	11	64 percent
71.2	12	68 percent
71.3	13	72 percent
71.4	14	76 percent
71.5	15	80 percent
71.6	16	84 percent
71.7	17	88 percent
71.8	18	92 percent
71.9	19	96 percent
71.10	20 and thereafter	100 percent

71.11 (b) If an active member of the monthly benefit retirement division has completed less
 71.12 than 20 years of good time service credit as a member of the monthly benefit retirement
 71.13 division of the plan, the person's entitlement to a service pension must be governed by the
 71.14 retirement benefit plan document attributable to the applicable fire department.

71.15 Subd. 3. **Alternative lump-sum pension eligibility and computation.** (a) An
 71.16 active member of the lump-sum retirement division of the retirement plan is entitled to an
 71.17 alternative lump-sum service pension from the retirement plan if the person:

71.18 (1) has separated from active service with the fire department for at least 30 days;

71.19 (2) has attained the age of at least 50 years or the age for receipt of a service pension
 71.20 under the benefit plan of the applicable former volunteer firefighters relief association as
 71.21 of the date immediately prior to the election of the retirement coverage change, whichever
 71.22 is later;

71.23 (3) has completed at least five years of active service with the fire department and
 71.24 at least five years in total as a member of the applicable former volunteer firefighters
 71.25 relief association or of the lump-sum retirement division of the retirement plan, but has
 71.26 not rendered at least five years of good time service credit as a member of the lump-sum
 71.27 retirement division of the plan; and

71.28 (4) applies in a manner prescribed by the executive director for the service pension.

71.29 (b) If retirement coverage prior to statewide retirement plan coverage was provided
 71.30 by a defined benefit lump-sum retirement plan volunteer firefighters relief association,
 71.31 the alternative lump-sum service pension is the service pension amount specified in the
 71.32 bylaws of the applicable former volunteer firefighters relief association either as of the
 71.33 date immediately ~~prior to~~ before the election of the retirement coverage change or as of
 71.34 the date immediately before the termination of firefighting services, whichever is earlier,
 71.35 multiplied by the total number of years of service as a member of that volunteer firefighters
 71.36 relief association and as a member of the retirement plan. If retirement coverage ~~prior to~~
 71.37 before statewide retirement plan coverage was provided by a defined contribution plan

72.1 volunteer firefighters relief association, the alternative lump-sum service pension is an
 72.2 amount equal to the person's account balance as of the date immediately ~~prior to~~ before
 72.3 the date on which statewide retirement plan coverage was first provided to the person plus
 72.4 six percent annual compound interest from that date until the date immediately ~~prior~~
 72.5 ~~to~~ before the date of retirement.

72.6 Sec. 19. Minnesota Statutes 2014, section 353G.10, is amended to read:

72.7 **353G.10 DEFERRED SERVICE PENSION AMOUNT.**

72.8 A person who was an active member of a fire department covered by either the
 72.9 lump-sum retirement division or the monthly benefit retirement division of the retirement
 72.10 plan who has separated from active firefighting service for at least 30 days and who has
 72.11 completed at least five years of good time service credit, but has not attained the age of 50
 72.12 years, is entitled to a deferred service pension on or after attaining the age of 50 years
 72.13 and applying in a manner specified by the executive director for the service pension. The
 72.14 service pension payable is the nonforfeitable percentage of the service pension under
 72.15 section 353G.09, subdivision 2, and is payable without any interest on or increase in the
 72.16 service pension over the period of deferral.

72.17 Sec. 20. Minnesota Statutes 2014, section 353G.11, is amended to read:

72.18 **353G.11 LUMP-SUM RETIREMENT DIVISION SERVICE PENSION**
 72.19 **LEVELS.**

72.20 Subdivision 1. **Levels; lump-sum retirement division.** The lump-sum retirement
 72.21 division of the retirement plan provides the following levels of service pension amounts to
 72.22 be selected at the election of coverage, or, if fully funded, thereafter:

72.23	Level A	\$500 per year of good time service credit
72.24	Level B	\$600 per year of good time service credit
72.25	Level C	\$700 per year of good time service credit
72.26	Level D	\$800 per year of good time service credit
72.27	Level E	\$900 per year of good time service credit
72.28	Level F	\$1,000 per year of good time service credit
72.29	Level G	\$1,250 per year of good time service credit
72.30	Level H	\$1,500 per year of good time service credit
72.31	Level I	\$2,000 per year of good time service credit
72.32	Level J	\$2,500 per year of good time service credit
72.33	Level K	\$3,000 per year of good time service credit
72.34	Level L	\$3,500 per year of good time service credit
72.35	Level M	\$4,000 per year of good time service credit
72.36	Level N	\$4,500 per year of good time service credit

73.1	Level O	\$5,000 per year of good time service credit
73.2	Level P	\$5,500 per year of good time service credit
73.3	Level Q	\$6,000 per year of good time service credit
73.4	Level R	\$6,500 per year of good time service credit
73.5	Level S	\$7,000 per year of good time service credit
73.6	Level T	\$7,500 per year of good time service credit

73.7 Subd. 1a. **Continuation of prior lump-sum service pension levels.** If a
73.8 municipality or independent nonprofit firefighting corporation elects elected to be covered
73.9 by the lump-sum retirement division of the retirement plan ~~prior to~~ before January 1,
73.10 2010, and selects selected the \$750 per year of good time service credit service pension
73.11 amount effective for January 1, 2010, that level continues for the volunteer firefighters of
73.12 that municipality or independent nonprofit firefighting corporation until a different service
73.13 pension amount is selected under subdivision 2 after January 1, 2010.

73.14 Subd. 2. **Lump-sum retirement division level selection.** At the time of the election
73.15 to transfer retirement coverage to the lump-sum retirement division of the retirement plan,
73.16 or on April 30 thereafter, the governing body or bodies of the entity or entities operating
73.17 the fire department whose firefighters are covered by the retirement plan may request
73.18 a cost estimate from the executive director of an increase in the service pension level
73.19 applicable to the active firefighters of the fire department. Within 90 days of the receipt of
73.20 the cost estimate prepared by the executive director using a procedure certified as accurate
73.21 by the approved actuary retained by the Public Employees Retirement Association, the
73.22 governing body or bodies may approve the service pension level change, effective for the
73.23 following calendar year. If not approved in a timely fashion, the service pension level
73.24 change is considered to have been disapproved.

73.25 Subd. 3. **Supplemental benefit.** The lump-sum retirement account of the retirement
73.26 plan also shall pay a supplemental benefit as provided for in section 424A.10.

73.27 Subd. 4. **Ancillary benefits.** Except as provided in section 353G.115 or 353G.12,
73.28 no disability, death, funeral, or other ancillary benefit beyond a service pension or a
73.29 survivor benefit is payable from the lump-sum retirement account of the retirement plan.

73.30 Sec. 21. **[353G.112] MONTHLY BENEFIT RETIREMENT DIVISION SERVICE**
73.31 **PENSION LEVELS.**

73.32 The service pension amount for the firefighters of a fire department covered by the
73.33 monthly benefit retirement division of the retirement plan is the amount specified in the
73.34 retirement benefit plan document applicable to the fire department.

73.35 Sec. 22. Minnesota Statutes 2014, section 353G.115, is amended to read:

74.1 **353G.115 DISABILITY BENEFIT COVERAGE; AUTHORITY FOR**
 74.2 **CASUALTY INSURANCE.**

74.3 (a) Except as provided in paragraph (b) or (c), no disability benefit is payable from
 74.4 the statewide retirement plan.

74.5 (b) If the board approves the arrangement, disability coverage for the lump-sum
 74.6 retirement division of the statewide retirement plan members may be provided through
 74.7 a group disability insurance policy obtained from an insurance company licensed to do
 74.8 business in this state. The lump-sum retirement account of the voluntary statewide
 74.9 lump-sum volunteer firefighter retirement plan is authorized to pay the premium for the
 74.10 disability insurance authorized by this paragraph. The proportional amount of the total
 74.11 annual disability insurance premium must be added to the required contribution amount
 74.12 determined under section 353G.08.

74.13 (c) The disability benefit coverage for the monthly benefit retirement division is
 74.14 the disability service pension amount specified in the retirement benefit plan document
 74.15 applicable to the fire department, applicable former volunteer firefighters relief association
 74.16 in effect as of the last day before the date on which retirement coverage transferred to the
 74.17 voluntary statewide volunteer firefighter retirement plan, subject to all conditions and
 74.18 limitations in the disability service pension specified therein.

74.19 Sec. 23. Minnesota Statutes 2014, section 353G.12, subdivision 2, is amended to read:

74.20 Subd. 2. **Lump-sum retirement plan; survivor benefit amount.** The amount of
 74.21 the survivor benefit for the lump-sum retirement division is the amount of the lump-sum
 74.22 service pension that would have been payable to the member of the lump-sum retirement
 74.23 plan division on the date of death if the member had been age 50 or older on that date.

74.24 Sec. 24. Minnesota Statutes 2014, section 353G.12, is amended by adding a
 74.25 subdivision to read:

74.26 Subd. 3. **Monthly benefit retirement plan; survivor benefit amount.** The amount
 74.27 of the survivor benefit for the monthly benefit retirement division is the survivor service
 74.28 pension amount specified in the retirement benefit plan document applicable to the fire
 74.29 department, subject to all conditions and limitations for the benefit specified therein.

74.30 Sec. 25. **[353G.121] MONTHLY BENEFIT RETIREMENT DIVISION;**
 74.31 **POST-TRANSFER BENEFIT PLAN DOCUMENT MODIFICATIONS.**

75.1 (a) The fire chief of a fire department that has an active membership who are covered
75.2 by the monthly benefit retirement division of the statewide retirement plan may initiate the
75.3 process of modifying the retirement benefit plan document under this section.

75.4 (b) The modification procedure is initiated when the applicable fire chief files with
75.5 the executive director of the Public Employees Retirement Association a written summary
75.6 of the desired benefit plan document modification, the proposed benefit plan document
75.7 modification language, a written request for the preparation of an actuarial cost estimate
75.8 for the proposed benefit plan document modification, and payment of the estimated cost of
75.9 the actuarial cost estimate.

75.10 (c) Upon receipt of the modification request and related documents, the executive
75.11 director shall review the language of the proposed benefit plan document modification
75.12 and, if a clarification is needed in the submitted language, shall inform the fire chief
75.13 of the necessary clarification. Once the proposed benefit plan document modification
75.14 language has been clarified by the fire chief and resubmitted to the executive director, the
75.15 executive director shall arrange for the approved actuary retained by the Public Employees
75.16 Retirement Association to prepare a benefit plan document modification cost estimate
75.17 under the applicable provisions of section 356.215 and of the standards for actuarial work
75.18 adopted by the Legislative Commission on Pensions and Retirement. Upon completion of
75.19 the benefit plan document modification cost estimate, the executive director shall forward
75.20 the estimate to the fire chief who requested it and to the chief financial officer of the
75.21 municipality or entity with which the fire department is primarily associated.

75.22 (d) The fire chief, upon receipt of the cost estimate, shall circulate the cost estimate
75.23 with the active firefighters in the fire department and shall take reasonable steps to provide
75.24 the estimate results to any affected retired members of the fire department and their
75.25 beneficiaries. The chief financial officer of the municipality or entity associated with the
75.26 fire department shall present the proposed modification language and the cost estimate to
75.27 the governing body of the municipality or entity for its consideration at a public hearing
75.28 held for that purpose.

75.29 (e) If the governing body of the municipality or entity approves the modification
75.30 language, the chief administrative officer of the municipality or entity shall notify the
75.31 executive director of the Public Employees Retirement Association and the secretary of
75.32 state of that approval. The benefit plan document modification is effective on the January
75.33 1 next following the date of filing the approval with the Public Employees Retirement
75.34 Association and the state auditor.

75.35 Sec. 26. Minnesota Statutes 2014, section 353G.13, is amended to read:

76.1 **353G.13 LUMP-SUM RETIREMENT DIVISION; PORTABILITY.**

76.2 Subdivision 1. **Eligibility.** An active firefighter who is a member of the lump-sum
76.3 retirement division of the retirement plan who also renders firefighting service and has
76.4 good time service credit in the lump-sum retirement division of the retirement plan from
76.5 another fire department, if the good time service credit in the plan from a combination of
76.6 periods totals at least five years, is eligible, upon complying with the other requirements of
76.7 section 353G.09, to receive a lump-sum service pension upon filing an application in the
76.8 manner prescribed by the executive director, computed as provided in subdivision 2.

76.9 Subd. 2. **Combined service pension computation.** The lump-sum service pension
76.10 payable to a firefighter who qualifies under subdivision 1 is the per year of good time
76.11 lump-sum service credit service pension amount in effect for each lump-sum retirement
76.12 account in which the firefighter has good time service credit as of the date on which the
76.13 firefighter terminated active service with the fire department associated with the applicable
76.14 account, multiplied by the number of years of good time service credit that the firefighter
76.15 has in the applicable account.

76.16 Subd. 3. **Payment.** A lump-sum service pension under this section must be paid
76.17 in a single payment, with the applicable portion of the total lump-sum service pension
76.18 payment amount deducted from each lump-sum retirement account.

76.19 Sec. 27. Minnesota Statutes 2014, section 353G.14, is amended to read:

76.20 **353G.14 PURCHASE OF ANNUITY CONTRACTS.**

76.21 The executive director may purchase an annuity contract on behalf of a retiring
76.22 firefighter retiring from the lump-sum retirement division of the statewide retirement
76.23 plan with a total premium payment in an amount equal to the lump-sum service pension
76.24 payable under section 353G.09 if the purchase was requested by the retiring firefighter in a
76.25 manner prescribed by the executive director. The annuity contract must be purchased from
76.26 an insurance carrier that is licensed to do business in this state. If purchased, the annuity
76.27 contract is in lieu of any service pension or other benefit from the lump-sum retirement
76.28 plan of the retirement plan. The annuity contract may be purchased at any time after the
76.29 volunteer firefighter discontinues active service, but the annuity contract must stipulate that
76.30 no annuity amounts are payable before the former volunteer firefighter attains the age of 50.

76.31 Sec. 28. Minnesota Statutes 2014, section 353G.15, is amended to read:

76.32 **353G.15 INDIVIDUAL RETIREMENT ACCOUNT TRANSFER.**

76.33 Upon receipt of a determination that the voluntary statewide volunteer firefighter
76.34 retirement plan is a qualified pension plan under section 401(a) of the Internal Revenue

77.1 Code, as amended, the executive director, upon request, shall transfer ~~the~~ a lump-sum
 77.2 service pension amount under sections 353G.08 and 353G.11 of a former volunteer
 77.3 firefighter who has terminated active firefighting services covered by the lump-sum
 77.4 retirement division of the statewide plan and who has attained the age of at least 50 years
 77.5 to the person's individual retirement account under section 408(a) of the federal Internal
 77.6 Revenue Code, as amended. The transfer request must be in a manner prescribed by the
 77.7 executive director and must be filed by the former volunteer firefighter who has sufficient
 77.8 service credit to be entitled to a service pension or, following the death of a participating
 77.9 active firefighter, must be filed by the deceased firefighter's surviving spouse.

77.10 Sec. 29. Minnesota Statutes 2014, section 353G.16, is amended to read:

77.11 **353G.16 EXEMPTION FROM PROCESS.**

77.12 The provisions of section 356.401 apply to the voluntary statewide volunteer
 77.13 firefighter retirement plan.

77.14 Sec. 30. Minnesota Statutes 2014, section 356.215, subdivision 8, is amended to read:

77.15 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the
 77.16 applicable following interest assumption:

77.17 (1) select and ultimate interest rate assumption

77.18 77.19	ultimate interest rate assumption
77.20 general state employees retirement plan	8.5%
77.21 correctional state employees retirement plan	8.5
77.22 State Patrol retirement plan	8.5
77.23 legislators retirement plan, and for the 77.24 constitutional officers calculation of total plan 77.25 liabilities	0
77.26 judges retirement plan	8.5
77.27 general public employees retirement plan	8.5
77.28 public employees police and fire retirement plan	8.5
77.29 local government correctional service 77.30 retirement plan	8.5
77.31 teachers retirement plan	8.5
77.32 St. Paul teachers retirement plan	8.5

77.33 Except for the legislators retirement plan and the constitutional officers calculation
 77.34 of total plan liabilities, the select preretirement interest rate assumption for the period after
 77.35 June 30, 2012, through June 30, 2017, is 8 percent.

77.36 (2) single rate interest rate assumption

78.1		interest rate
78.2	plan	assumption
78.3	Bloomington Fire Department Relief Association	6
78.4	local monthly benefit volunteer firefighters relief	5
78.5	associations	
78.6	<u>monthly benefit retirement plans in the statewide</u>	<u>6</u>
78.7	<u>volunteer firefighter retirement plan</u>	

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

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

78.21 (c) The actuarial valuation must use the applicable following single rate future salary
 78.22 increase assumption, the applicable following modified single rate future salary increase
 78.23 assumption, or the applicable following graded rate future salary increase assumption:

78.24 (1) single rate future salary increase assumption

78.25	plan	future salary increase assumption
78.26	legislators retirement plan	5%
78.27	judges retirement plan	3
78.28	Bloomington Fire Department Relief	4
78.29	Association	

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

78.32	plan	future salary increase assumption
78.33	local government correctional service retirement plan	assumption B
78.34	St. Paul teachers retirement plan	assumption A

78.35 For plans other than the St. Paul teachers
 78.36 retirement plan and the local government
 78.37 correctional service retirement plan, the
 78.38 select calculation is: during the designated

79.1 select period, a designated percentage rate
 79.2 is multiplied by the result of the designated
 79.3 integer minus T, where T is the number of
 79.4 completed years of service, and is added
 79.5 to the applicable future salary increase
 79.6 assumption. The designated select period
 79.7 is ten years and the designated integer is
 79.8 ten for the local government correctional
 79.9 service retirement plan and 15 for the St.
 79.10 Paul Teachers Retirement Fund Association.
 79.11 The designated percentage rate is 0.2 percent
 79.12 for the St. Paul Teachers Retirement Fund
 79.13 Association.

79.14 The ultimate future salary increase assumption is:

79.15	age	A	B
79.16	16	5.9%	9%
79.17	17	5.9	9
79.18	18	5.9	9
79.19	19	5.9	9
79.20	20	5.9	9
79.21	21	5.9	8.75
79.22	22	5.9	8.5
79.23	23	5.85	8.25
79.24	24	5.8	8
79.25	25	5.75	7.75
79.26	26	5.7	7.5
79.27	27	5.65	7.25
79.28	28	5.6	7
79.29	29	5.55	6.75
79.30	30	5.5	6.75
79.31	31	5.45	6.5
79.32	32	5.4	6.5
79.33	33	5.35	6.5
79.34	34	5.3	6.25
79.35	35	5.25	6.25
79.36	36	5.2	6
79.37	37	5.15	6
79.38	38	5.1	6
79.39	39	5.05	5.75
79.40	40	5	5.75

80.1	41	4.95	5.75
80.2	42	4.9	5.5
80.3	43	4.85	5.25
80.4	44	4.8	5.25
80.5	45	4.75	5
80.6	46	4.7	5
80.7	47	4.65	5
80.8	48	4.6	5
80.9	49	4.55	5
80.10	50	4.5	5
80.11	51	4.45	5
80.12	52	4.4	5
80.13	53	4.35	5
80.14	54	4.3	5
80.15	55	4.25	4.75
80.16	56	4.2	4.75
80.17	57	4.15	4.5
80.18	58	4.1	4.25
80.19	59	4.05	4.25
80.20	60	4	4.25
80.21	61	4	4.25
80.22	62	4	4.25
80.23	63	4	4.25
80.24	64	4	4.25
80.25	65	4	4
80.26	66	4	4
80.27	67	4	4
80.28	68	4	4
80.29	69	4	4
80.30	70	4	4

80.31 (3) service-related ultimate future salary increase assumption

80.32	general state employees retirement plan of the						assumption A
80.33	Minnesota State Retirement System						
80.34	general employees retirement plan of the Public						assumption B
80.35	Employees Retirement Association						
80.36	Teachers Retirement Association						assumption C
80.37	public employees police and fire retirement plan						assumption D
80.38	State Patrol retirement plan						assumption E
80.39	correctional state employees retirement plan of the						assumption F
80.40	Minnesota State Retirement System						

80.41	service						
80.42	length	A	B	C	D	E	F
80.43	1	10.5%	12.03%	12%	13%	8%	6%

81.1	2	8.1	8.9	9	11	7.5	5.85
81.2	3	6.9	7.46	8	9	7	5.7
81.3	4	6.2	6.58	7.5	8	6.75	5.55
81.4	5	5.7	5.97	7.25	6.5	6.5	5.4
81.5	6	5.3	5.52	7	6.1	6.25	5.25
81.6	7	5	5.16	6.85	5.8	6	5.1
81.7	8	4.7	4.87	6.7	5.6	5.85	4.95
81.8	9	4.5	4.63	6.55	5.4	5.7	4.8
81.9	10	4.4	4.42	6.4	5.3	5.55	4.65
81.10	11	4.2	4.24	6.25	5.2	5.4	4.55
81.11	12	4.1	4.08	6	5.1	5.25	4.45
81.12	13	4	3.94	5.75	5	5.1	4.35
81.13	14	3.8	3.82	5.5	4.9	4.95	4.25
81.14	15	3.7	3.7	5.25	4.8	4.8	4.15
81.15	16	3.6	3.6	5	4.8	4.65	4.05
81.16	17	3.5	3.51	4.75	4.8	4.5	3.95
81.17	18	3.5	3.5	4.5	4.8	4.35	3.85
81.18	19	3.5	3.5	4.25	4.8	4.2	3.75
81.19	20	3.5	3.5	4	4.8	4.05	3.75
81.20	21	3.5	3.5	3.9	4.7	4	3.75
81.21	22	3.5	3.5	3.8	4.6	4	3.75
81.22	23	3.5	3.5	3.7	4.5	4	3.75
81.23	24	3.5	3.5	3.6	4.5	4	3.75
81.24	25	3.5	3.5	3.5	4.5	4	3.75
81.25	26	3.5	3.5	3.5	4.5	4	3.75
81.26	27	3.5	3.5	3.5	4.5	4	3.75
81.27	28	3.5	3.5	3.5	4.5	4	3.75
81.28	29	3.5	3.5	3.5	4.5	4	3.75
81.29	30 or more	3.5	3.5	3.5	4.5	4	3.75

81.30 (d) The actuarial valuation must use the applicable following payroll growth
81.31 assumption for calculating the amortization requirement for the unfunded actuarial
81.32 accrued liability where the amortization retirement is calculated as a level percentage
81.33 of an increasing payroll:

81.34	plan	payroll growth assumption
81.35	general state employees retirement plan of the	3.75%
81.36	Minnesota State Retirement System	
81.37	correctional state employees retirement plan	3.75
81.38	State Patrol retirement plan	3.75
81.39	judges retirement plan	3
81.40	general employees retirement plan of the Public	3.75
81.41	Employees Retirement Association	
81.42	public employees police and fire retirement plan	3.75

82.1	local government correctional service retirement plan	3.75
82.2	teachers retirement plan	3.75
82.3	St. Paul teachers retirement plan	4

- 82.4 (e) The assumptions set forth in paragraphs (c) and (d) continue to apply, unless a
- 82.5 different salary assumption or a different payroll increase assumption:
- 82.6 (1) has been proposed by the governing board of the applicable retirement plan;
- 82.7 (2) is accompanied by the concurring recommendation of the actuary retained under
- 82.8 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the
- 82.9 most recent actuarial valuation report if section 356.214 does not apply; and
- 82.10 (3) has been approved or deemed approved under subdivision 18.

82.11 Sec. 31. **EFFECTIVE DATE.**

- 82.12 (a) The amendments to subdivisions 1, 2, 4, and 5 of section 12 are effective July
- 82.13 1, 2015, and the amendment to subdivision 3 of section 12 is effective the July 1 next
- 82.14 following the day on which one or more volunteer firefighter relief associations providing
- 82.15 monthly service pensions in whole or in part transfer administration of the retirement plan
- 82.16 to the Public Employees Retirement Association under Minnesota Statutes, chapter 353G.
- 82.17 (b) Section 30 is effective June 30, 2015.
- 82.18 (c) The balance of the sections are effective July 1, 2015.

82.19 **ARTICLE 9**

82.20 **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION WORKING**

82.21 **GROUP RECOMMENDATIONS**

82.22 Section 1. Minnesota Statutes 2014, section 69.051, subdivision 1a, is amended to read:

82.23 Subd. 1a. **Financial statement.** (a) The board of each volunteer firefighters relief

82.24 association, as defined in section 424A.001, subdivision 4, that is not required to file a

82.25 financial report and audit under subdivision 1 must prepare a detailed statement of the

82.26 financial affairs for the preceding fiscal year of the relief association's special and general

82.27 funds in the style and form prescribed by the state auditor. The detailed statement must

82.28 show:

- 82.29 (1) the sources and amounts of all money received;
- 82.30 (2) all disbursements, accounts payable and accounts receivable;
- 82.31 (3) the amount of money remaining in the treasury;
- 82.32 (4) total assets, including a listing of all investments;
- 82.33 (5) the accrued liabilities; and
- 82.34 (6) all other items necessary to show accurately the revenues and expenditures and
- 82.35 financial position of the relief association.

83.1 (b) The detailed financial statement of the special and general funds required under
 83.2 paragraph (a) must be certified by a certified public accountant or by the state auditor. ~~In~~
 83.3 ~~addition to certifying the financial condition of the special and general funds of the relief~~
 83.4 ~~association, the accountant or auditor conducting the examination shall give an opinion~~
 83.5 ~~as to the condition of the special and general funds of the relief association, and shall~~
 83.6 ~~comment upon any exceptions to the report in accordance with agreed-upon procedures~~
 83.7 ~~and forms prescribed by the state auditor.~~ The accountant must have at least five years of
 83.8 public accounting, auditing, or similar experience, and must not be an active, inactive, or
 83.9 retired member of the relief association or the fire department.

83.10 (c) The detailed financial statement required under paragraph (a) must be
 83.11 countersigned by:

83.12 (1) the municipal clerk or clerk-treasurer of the municipality; or

83.13 (2) where applicable, by the municipal clerk or clerk-treasurer of the largest
 83.14 municipality in population which contracts with the independent nonprofit firefighting
 83.15 corporation if the relief association is a subsidiary of an independent nonprofit firefighting
 83.16 corporation and by the secretary of the independent nonprofit firefighting corporation; or

83.17 (3) by the chief financial official of the county in which the volunteer firefighter
 83.18 relief association is located or primarily located if the relief association is associated with
 83.19 a fire department that is not located in or associated with an organized municipality.

83.20 (d) The volunteer firefighters' relief association board must file the detailed financial
 83.21 statement required under paragraph (a) in the relief association office for public inspection
 83.22 and present it to the governing body of the municipality within 45 days after the close of
 83.23 the fiscal year, and must submit a copy of the certified detailed financial statement to the
 83.24 state auditor within 90 days of the close of the fiscal year.

83.25 (e) A certified public accountant or auditor who performs the agreed-upon
 83.26 procedures under paragraph (b) is subject to the reporting requirements of section 6.67.

83.27 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to financial
 83.28 statements prepared for calendar year 2015 and thereafter.

83.29 Sec. 2. Minnesota Statutes 2014, section 69.80, is amended to read:

83.30 **69.80 AUTHORIZED ADMINISTRATIVE EXPENSES.**

83.31 (a) Notwithstanding any provision of law to the contrary, the payment of the
 83.32 following necessary, reasonable and direct expenses of maintaining, protecting and
 83.33 administering the special fund, when provided for in the bylaws of the association and
 83.34 approved by the board of trustees, constitutes authorized administrative expenses of a

84.1 volunteer firefighters' relief association organized under any law of this state or the
84.2 Bloomington Fire Department Relief Association:

84.3 (1) office expense, including, but not limited to, rent, utilities, equipment, supplies,
84.4 postage, periodical subscriptions, furniture, fixtures, and salaries of administrative
84.5 personnel;

84.6 (2) salaries of the officers of the association, or their designees, and salaries of the
84.7 members of the board of trustees of the association if the salary amounts are approved by
84.8 the governing body of the entity that is responsible for meeting any minimum obligation
84.9 under section 424A.092 or 424A.093, or Laws 2013, chapter 111, article 5, sections 31 to
84.10 42, and the itemized expenses of relief association officers and board members that are
84.11 incurred as a result of fulfilling their responsibilities as administrators of the special fund;

84.12 (3) tuition, registration fees, organizational dues, and other authorized expenses
84.13 of the officers or members of the board of trustees incurred in attending educational
84.14 conferences, seminars, or classes relating to the administration of the relief association;

84.15 (4) audit, and audit-related services, and accounting and accounting-related services,
84.16 actuarial, medical, legal, and investment and performance evaluation expenses;

84.17 (5) filing and application fees payable by the relief association to federal or other
84.18 governmental entities;

84.19 (6) reimbursement to the officers and members of the board of trustees, or their
84.20 designees, for reasonable and necessary expenses actually paid and incurred in the
84.21 performance of their duties as officers or members of the board; and

84.22 (7) premiums on fiduciary liability insurance and official bonds for the officers,
84.23 members of the board of trustees, and employees of the relief association.

84.24 (b) Any other expenses of the relief association must be paid from the general fund
84.25 of the association, if one exists. If a relief association has only one fund, that fund is the
84.26 special fund for purposes of this section. If a relief association has a special fund and
84.27 a general fund, and any expense of the relief association that is directly related to the
84.28 purposes for which both funds were established, the payment of that expense must be
84.29 apportioned between the two funds on the basis of the benefits derived by each fund.

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

84.31 Sec. 3. Minnesota Statutes 2014, section 424A.001, is amended by adding a
84.32 subdivision to read:

84.33 Subd. 12. **Membership start date.** Membership in a volunteer firefighters relief
84.34 association begins upon the date of hire by a municipality, a joint powers board, or an

85.1 independent nonprofit firefighting corporation with which the relief association is directly
85.2 associated, unless otherwise specified in the relief association bylaws.

85.3 **EFFECTIVE DATE.** This section is effective January 1, 2016.

85.4 Sec. 4. Minnesota Statutes 2014, section 424A.002, subdivision 1, is amended to read:

85.5 Subdivision 1. **Authorization.** A municipal fire department or an independent
85.6 nonprofit firefighting corporation, with approval by the applicable municipality or
85.7 municipalities, may establish a new volunteer firefighters relief association or may retain
85.8 an existing volunteer firefighters relief association. A municipal fire department or an
85.9 independent nonprofit firefighting corporation may be associated with only one volunteer
85.10 firefighters relief association at one time.

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

85.12 Sec. 5. Minnesota Statutes 2014, section 424A.016, subdivision 4, is amended to read:

85.13 Subd. 4. **Individual accounts.** (a) An individual account must be established for
85.14 each firefighter who is a member of the relief association.

85.15 (b) To each individual active member account must be credited an equal share of:

85.16 (1) any amounts of fire state aid and police and firefighter retirement supplemental
85.17 state aid received by the relief association;

85.18 (2) any amounts of municipal contributions to the relief association raised from
85.19 levies on real estate or from other available municipal revenue sources exclusive of fire
85.20 state aid; and

85.21 (3) any amounts equal to the share of the assets of the special fund to the credit of:

85.22 (i) any former member who terminated active service with the fire department to
85.23 which the relief association is associated before meeting the minimum service requirement
85.24 provided for in subdivision 2, paragraph (b), and has not returned to active service with
85.25 the fire department for a period no shorter than five years; or

85.26 (ii) any retired member who retired before obtaining a full nonforfeitable interest in
85.27 the amounts credited to the individual member account under subdivision 2, paragraph
85.28 (b), and any applicable provision of the bylaws of the relief association. In addition, any
85.29 investment return on the assets of the special fund must be credited in proportion to the
85.30 share of the assets of the special fund to the credit of each individual active member
85.31 account. Administrative expenses of the relief association payable from the special
85.32 fund may be deducted from individual accounts in a manner specified in the bylaws of
85.33 the relief association.

86.1 (c) If the bylaws so permit and as the bylaws define, the relief association may credit
86.2 any investment return on the assets of the special fund to the accounts of inactive members.

86.3 (d) Amounts to be credited to individual accounts must be allocated uniformly
86.4 for all years of active service and allocations must be made for all years of service,
86.5 except for caps on service credit if so provided in the bylaws of the relief association.
86.6 Amounts forfeited under paragraph (b), clause (3), before a resumption of active service
86.7 and membership under section 424A.01, subdivision 6, remain forfeited and may not be
86.8 reinstated upon the resumption of active service and membership. The allocation method
86.9 may utilize monthly proration for fractional years of service, as the bylaws or articles of
86.10 incorporation of the relief association so provide. The bylaws or articles of incorporation
86.11 may define a "month," but the definition must require a calendar month to have at least 16
86.12 days of active service. If the bylaws or articles of incorporation do not define a "month," a
86.13 "month" is a completed calendar month of active service measured from the member's
86.14 date of entry to the same date in the subsequent month.

86.15 (e) At the time of retirement under subdivision 2 and any applicable provision of the
86.16 bylaws of the relief association, a retiring member is entitled to that portion of the assets
86.17 of the special fund to the credit of the member in the individual member account which is
86.18 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief
86.19 association based on the number of years of service to the credit of the retiring member.

86.20 (f) Annually, the secretary of the relief association shall certify the individual
86.21 account allocations to the state auditor at the same time that the annual financial statement
86.22 or financial report and audit of the relief association, whichever applies, is due under
86.23 section 69.051.

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

86.25 Sec. 6. Minnesota Statutes 2014, section 424A.02, subdivision 3, is amended to read:

86.26 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August
86.27 1 as part of the certification of the financial requirements and minimum municipal
86.28 obligation determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5,
86.29 as applicable, the secretary or some other official of the relief association designated in the
86.30 bylaws of each defined benefit relief association shall calculate and certify to the governing
86.31 body of the applicable municipality the average amount of available financing per active
86.32 covered firefighter for the most recent three-year period. The amount of available financing
86.33 includes any amounts of fire state aid and police and firefighter retirement supplemental
86.34 state aid received or receivable by the relief association, any amounts of municipal
86.35 contributions to the relief association raised from levies on real estate or from other

87.1 available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in
 87.2 excess of the accrued liabilities of the relief association calculated under section 424A.092,
 87.3 subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

87.4 (b) The maximum service pension which the defined benefit relief association has
 87.5 authority to provide for in its bylaws for payment to a member retiring after the calculation
 87.6 date when the minimum age and service requirements specified in subdivision 1 are met
 87.7 must be determined using the table in paragraph (c) or (d), whichever applies.

87.8 (c) For a defined benefit relief association where the governing bylaws provide for
 87.9 a monthly service pension to a retiring member, the maximum monthly service pension
 87.10 amount per month for each year of service credited that may be provided for in the bylaws
 87.11 is the greater of the service pension amount provided for in the bylaws on the date of the
 87.12 calculation of the average amount of the available financing per active covered firefighter
 87.13 or the maximum service pension figure corresponding to the average amount of available
 87.14 financing per active covered firefighter:

87.15	Minimum Average Amount of Available	Maximum Service Pension Amount
87.16	Financing per Firefighter	Payable per Month for Each
87.17		Year of Service
87.18	\$...	\$.25
87.19	41	.50
87.20	81	1.00
87.21	122	1.50
87.22	162	2.00
87.23	203	2.50
87.24	243	3.00
87.25	284	3.50
87.26	324	4.00
87.27	365	4.50
87.28	405	5.00
87.29	486	6.00
87.30	567	7.00
87.31	648	8.00
87.32	729	9.00
87.33	810	10.00
87.34	891	11.00
87.35	972	12.00
87.36	1053	13.00
87.37	1134	14.00
87.38	1215	15.00
87.39	1296	16.00
87.40	1377	17.00
87.41	1458	18.00

88.1	1539	19.00
88.2	1620	20.00
88.3	1701	21.00
88.4	1782	22.00
88.5	1823	22.50
88.6	1863	23.00
88.7	1944	24.00
88.8	2025	25.00
88.9	2106	26.00
88.10	2187	27.00
88.11	2268	28.00
88.12	2349	29.00
88.13	2430	30.00
88.14	2511	31.00
88.15	2592	32.00
88.16	2673	33.00
88.17	2754	34.00
88.18	2834	35.00
88.19	2916	36.00
88.20	2997	37.00
88.21	3078	38.00
88.22	3159	39.00
88.23	3240	40.00
88.24	3321	41.00
88.25	3402	42.00
88.26	3483	43.00
88.27	3564	44.00
88.28	3645	45.00
88.29	3726	46.00
88.30	3807	47.00
88.31	3888	48.00
88.32	3969	49.00
88.33	4050	50.00
88.34	4131	51.00
88.35	4212	52.00
88.36	4293	53.00
88.37	4374	54.00
88.38	4455	55.00
88.39	4536	56.00
88.40	4617	57.00
88.41	4698	58.00
88.42	4779	59.00
88.43	4860	60.00

89.1	4941	61.00
89.2	5022	62.00
89.3	5103	63.00
89.4	5184	64.00
89.5	5265	65.00
89.6	5346	66.00
89.7	5427	67.00
89.8	5508	68.00
89.9	5589	69.00
89.10	5670	70.00
89.11	5751	71.00
89.12	5832	72.00
89.13	5913	73.00
89.14	5994	74.00
89.15	6075	75.00
89.16	6156	76.00
89.17	6237	77.00
89.18	6318	78.00
89.19	6399	79.00
89.20	6480	80.00
89.21	6561	81.00
89.22	6642	82.00
89.23	6723	83.00
89.24	6804	84.00
89.25	6885	85.00
89.26	6966	86.00
89.27	7047	87.00
89.28	7128	88.00
89.29	7209	89.00
89.30	7290	90.00
89.31	7371	91.00
89.32	7452	92.00
89.33	7533	93.00
89.34	7614	94.00
89.35	7695	95.00
89.36	7776	96.00
89.37	7857	97.00
89.38	7938	98.00
89.39	8019	99.00
89.40	8100	100.00
89.41	any amount in excess of	
89.42	8100	100.00

90.1 (d) For a defined benefit relief association in which the governing bylaws provide
 90.2 for a lump-sum service pension to a retiring member, the maximum lump-sum service
 90.3 pension amount for each year of service credited that may be provided for in the bylaws is
 90.4 the greater of the service pension amount provided for in the bylaws on the date of the
 90.5 calculation of the average amount of the available financing per active covered firefighter
 90.6 or the maximum service pension figure corresponding to the average amount of available
 90.7 financing per active covered firefighter for the applicable specified period:

90.8	Minimum Average Amount of Available Financing per Firefighter	Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service
90.11	\$...	\$ 10
90.12	11	20
90.13	16	30
90.14	23	40
90.15	27	50
90.16	32	60
90.17	43	80
90.18	54	100
90.19	65	120
90.20	77	140
90.21	86	160
90.22	97	180
90.23	108	200
90.24	131	240
90.25	151	280
90.26	173	320
90.27	194	360
90.28	216	400
90.29	239	440
90.30	259	480
90.31	281	520
90.32	302	560
90.33	324	600
90.34	347	640
90.35	367	680
90.36	389	720
90.37	410	760
90.38	432	800
90.39	486	900
90.40	540	1000
90.41	594	1100
90.42	648	1200

91.1	702	1300
91.2	756	1400
91.3	810	1500
91.4	864	1600
91.5	918	1700
91.6	972	1800
91.7	1026	1900
91.8	1080	2000
91.9	1134	2100
91.10	1188	2200
91.11	1242	2300
91.12	1296	2400
91.13	1350	2500
91.14	1404	2600
91.15	1458	2700
91.16	1512	2800
91.17	1566	2900
91.18	1620	3000
91.19	1672	3100
91.20	1726	3200
91.21	1753	3250
91.22	1780	3300
91.23	1820	3375
91.24	1834	3400
91.25	1888	3500
91.26	1942	3600
91.27	1996	3700
91.28	2023	3750
91.29	2050	3800
91.30	2104	3900
91.31	2158	4000
91.32	2212	4100
91.33	2265	4200
91.34	2319	4300
91.35	2373	4400
91.36	2427	4500
91.37	2481	4600
91.38	2535	4700
91.39	2589	4800
91.40	2643	4900
91.41	2697	5000
91.42	2751	5100
91.43	2805	5200

92.1	2859	5300
92.2	2913	5400
92.3	2967	5500
92.4	3021	5600
92.5	3075	5700
92.6	3129	5800
92.7	3183	5900
92.8	3237	6000
92.9	3291	6100
92.10	3345	6200
92.11	3399	6300
92.12	3453	6400
92.13	3507	6500
92.14	3561	6600
92.15	3615	6700
92.16	3669	6800
92.17	3723	6900
92.18	3777	7000
92.19	3831	7100
92.20	3885	7200
92.21	3939	7300
92.22	3993	7400
92.23	4047	7500
92.24	4101	7600
92.25	4155	7700
92.26	4209	7800
92.27	4263	7900
92.28	4317	8000
92.29	4371	8100
92.30	4425	8200
92.31	4479	8300
92.32	4533	8400
92.33	4587	8500
92.34	4641	8600
92.35	4695	8700
92.36	4749	8800
92.37	4803	8900
92.38	4857	9000
92.39	4911	9100
92.40	4965	9200
92.41	5019	9300
92.42	5073	9400
92.43	5127	9500

93.1	5181	9600
93.2	5235	9700
93.3	5289	9800
93.4	5343	9900
93.5	5397	10,000
93.6	any amount in excess of	
93.7	5397	10,000

93.8 (e) For a defined benefit relief association in which the governing bylaws provide
 93.9 for a monthly benefit service pension as an alternative form of service pension payment
 93.10 to a lump-sum service pension, the maximum service pension amount for each pension
 93.11 payment type must be determined using the applicable table contained in this subdivision.

93.12 (f) If a defined benefit relief association establishes a service pension in compliance
 93.13 with the applicable maximum contained in paragraph (c) or (d) and the minimum average
 93.14 amount of available financing per active covered firefighter is subsequently reduced
 93.15 because of a reduction in fire state aid or because of an increase in the number of active
 93.16 firefighters, the relief association may continue to provide the prior service pension
 93.17 amount specified in its bylaws, but may not increase the service pension amount until
 93.18 the minimum average amount of available financing per firefighter under the table in
 93.19 paragraph (c) or (d), whichever applies, permits.

93.20 (g) No defined benefit relief association is authorized to provide a service pension in
 93.21 an amount greater than the largest applicable flexible service pension maximum amount
 93.22 even if the amount of available financing per firefighter is greater than the financing
 93.23 amount associated with the largest applicable flexible service pension maximum.

93.24 (h) The method of calculating service pensions must be applied uniformly for all
 93.25 years of active service. Credit must be given for all years of active service except for caps
 93.26 on service credit if so provided in the bylaws of the relief association.

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

93.28 Sec. 7. Minnesota Statutes 2014, section 424A.02, subdivision 3a, is amended to read:

93.29 Subd. 3a. **Penalty for paying pension greater than applicable maximum.** (a)
 93.30 If a defined benefit relief association pays a service pension greater than the maximum
 93.31 service pension associated with the applicable average amount of available financing per
 93.32 active covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever
 93.33 applies, the maximum service pension under subdivision 3, paragraph (f), or the applicable
 93.34 maximum service pension amount specified in subdivision 3, paragraph (g), whichever is
 93.35 less, the state auditor shall:

94.1 (1) disqualify the municipality or the nonprofit firefighting corporation associated
94.2 with the relief association from receiving fire state aid by making the appropriate
94.3 notification to the municipality and the commissioner of revenue, with the disqualification
94.4 applicable for the next apportionment and payment of fire state aid; and

94.5 (2) order the treasurer of the applicable relief association to recover the amount of
94.6 the overpaid service pension or pensions from any retired firefighter who received an
94.7 overpayment.

94.8 (b) Fire state aid amounts from disqualified municipalities for the period of
94.9 disqualifications under paragraph (a), clause (1), must be credited to the amount of
94.10 fire insurance premium tax proceeds available for the next subsequent fire state aid
94.11 apportionment.

94.12 (c) The amount of any overpaid service pension recovered under paragraph (a),
94.13 clause (2), must be credited to the amount of fire insurance premium tax proceeds
94.14 available for the next subsequent fire state aid apportionment.

94.15 (d) The determination of the state auditor that a relief association has paid a service
94.16 pension greater than the applicable maximum must be made on the basis of the information
94.17 filed by the relief association and the municipality with the state auditor under sections
94.18 69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, and any other
94.19 relevant information that comes to the attention of the state auditor. The determination
94.20 of the state auditor is final. An aggrieved municipality, relief association, or person may
94.21 appeal the determination under section 480A.06.

94.22 (e) The state auditor may certify, upon learning that a relief association overpaid
94.23 a service pension based on an error in the maximum service pension calculation, the
94.24 municipality or nonprofit firefighting corporation associated with the relief association
94.25 for fire state aid if (1) there is evidence that the error occurred in good faith, and (2) the
94.26 relief association has initiated recovery of any overpayment amount. Notwithstanding
94.27 paragraph (c), all overpayments recovered under this paragraph must be credited to the
94.28 relief association's special fund.

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

94.30 Sec. 8. Minnesota Statutes 2014, section 424A.02, subdivision 9a, is amended to read:

94.31 Subd. 9a. **Postretirement increases.** Notwithstanding any provision of general or
94.32 special law to the contrary, a defined benefit relief association paying a monthly service
94.33 pension may provide a postretirement increase to retired members and ancillary benefit
94.34 recipients of the relief association if (1) the relief association adopts an appropriate
94.35 bylaw amendment; and (2) the bylaw amendment is approved by the municipality

95.1 pursuant to subdivision 10 and section 424A.093, subdivision 6. The postretirement
 95.2 increase is applicable only to retired members and ancillary benefit recipients receiving a
 95.3 monthly service pension or monthly ancillary benefit as of the effective date of the bylaw
 95.4 amendment. The authority to provide a postretirement increase to retired members and
 95.5 ancillary benefit recipients of a relief association contained in this subdivision supersedes
 95.6 any prior special law authorization relating to the provision of postretirement increases.

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

95.8 Sec. 9. Minnesota Statutes 2014, section 424A.05, subdivision 2, is amended to read:

95.9 Subd. 2. **Special fund assets and revenues.** The special fund must be credited
 95.10 with all fire state aid ~~moneys~~ and police and firefighter retirement supplemental state
 95.11 aid received under sections 69.011 to 69.051 and 423A.022, all taxes levied by or other
 95.12 revenues received from the municipality under sections 424A.091 to 424A.096 or any
 95.13 applicable special law requiring municipal support for the relief association, any ~~moneys~~
 95.14 funds or property donated, given, granted or devised by any person which is specified for
 95.15 use for the support of the special fund and any interest or investment return earned upon
 95.16 the assets of the special fund. The treasurer of the relief association is the custodian of
 95.17 the assets of the special fund and must be the recipient on behalf of the special fund of
 95.18 all revenues payable to the special fund. The treasurer shall maintain adequate records
 95.19 documenting any transaction involving the assets or the revenues of the special fund.
 95.20 These records and the bylaws of the relief association are public and must be open for
 95.21 inspection by any member of the relief association, any officer or employee of the state or
 95.22 of the municipality, or any member of the public, at reasonable times and places.

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

95.24 Sec. 10. Minnesota Statutes 2014, section 424A.05, subdivision 3, is amended to read:

95.25 Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from
 95.26 the special fund may not be made for any purpose other than one of the following:

95.27 (1) for the payment of service pensions to retired members of the relief association if
 95.28 authorized and paid under law and the bylaws governing the relief association;

95.29 (2) for the purchase of an annuity for the applicable person under section 424A.015,
 95.30 subdivision 3, for the transfer of service pension or benefit amounts to the applicable
 95.31 person's individual retirement account under section 424A.015, subdivision 4, or to the
 95.32 applicable person's account in the Minnesota deferred compensation plan under section
 95.33 424A.015, subdivision 5;

96.1 (3) for the payment of temporary or permanent disability benefits to disabled
96.2 members of the relief association if authorized and paid under law and specified in amount
96.3 in the bylaws governing the relief association;

96.4 (4) for the payment of survivor benefits or for the payment of a death benefit to the
96.5 estate of the deceased active or deferred firefighter, if authorized and paid under law and
96.6 specified in amount in the bylaws governing the relief association;

96.7 (5) for the payment of the fees, dues and assessments to the Minnesota State Fire
96.8 Department Association and to the Minnesota State Fire Chiefs Association in order to
96.9 entitle relief association members to membership in and the benefits of these associations
96.10 or organizations;

96.11 (6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit
96.12 Association, or an insurance company licensed by the state of Minnesota offering casualty
96.13 insurance, in order to entitle relief association members to membership in and the benefits
96.14 of the association or organization; and

96.15 (7) for the payment of administrative expenses of the relief association as authorized
96.16 under section 69.80.

96.17 (b) Checks or authorizations for electronic fund transfers for disbursements
96.18 authorized by this section must be signed by the relief association treasurer and at least one
96.19 other elected trustee who has been designated by the board of trustees to sign the checks or
96.20 authorizations. A relief association may make disbursements authorized by this subdivision
96.21 by electronic funds transfers only if the specific method of payment and internal control
96.22 policies and procedures regarding the method are approved by the board of trustees.

96.23 **EFFECTIVE DATE.** This section is effective July 1, 2015.

96.24 Sec. 11. Minnesota Statutes 2014, section 424A.092, subdivision 3, is amended to read:

96.25 Subd. 3. **Financial requirements of relief association; minimum obligation of**
96.26 **municipality.** (a) During the month of July, the officers of the relief association shall
96.27 determine the overall funding balance of the special fund for the current calendar year,
96.28 the financial requirements of the special fund for the following calendar year and the
96.29 minimum obligation of the municipality with respect to the special fund for the following
96.30 calendar year in accordance with the requirements of this subdivision.

96.31 (b) The overall funding balance of the special fund for the current calendar year must
96.32 be determined in the following manner:

96.33 (1) The total accrued liability of the special fund for all active and deferred members
96.34 of the relief association as of December 31 of the current year must be calculated under
96.35 subdivisions 2 and 2a, if applicable.

97.1 (2) The total present assets of the special fund projected to December 31 of the
97.2 current year, including receipts by and disbursements from the special fund anticipated to
97.3 occur on or before December 31, must be calculated. To the extent possible, for those
97.4 assets for which a market value is readily ascertainable, the current market value as of the
97.5 date of the calculation for those assets must be utilized in making this calculation. For any
97.6 asset for which no market value is readily ascertainable, the cost value or the book value,
97.7 whichever is applicable, must be utilized in making this calculation.

97.8 (3) The amount of the total present assets of the special fund calculated under clause
97.9 (2) must be subtracted from the amount of the total accrued liability of the special fund
97.10 calculated under clause (1). If the amount of total present assets exceeds the amount of
97.11 the total accrued liability, then the special fund is considered to have a surplus over full
97.12 funding. If the amount of the total present assets is less than the amount of the total
97.13 accrued liability, then the special fund is considered to have a deficit from full funding. If
97.14 the amount of total present assets is equal to the amount of the total accrued liability, then
97.15 the special fund is considered to be fully funded.

97.16 (c) The financial requirements of the special fund for the following calendar year
97.17 must be determined in the following manner:

97.18 (1) The total accrued liability of the special fund for all active and deferred members
97.19 of the relief association as of December 31 of the calendar year next following the current
97.20 calendar year must be calculated under subdivisions 2 and 2a, if applicable.

97.21 (2) The increase in the total accrued liability of the special fund for the following
97.22 calendar year over the total accrued liability of the special fund for the current year must
97.23 be calculated.

97.24 (3) The amount of anticipated future administrative expenses of the special fund
97.25 must be calculated by multiplying the dollar amount of the administrative expenses of the
97.26 special fund for the most recent prior calendar year by the factor of 1.035.

97.27 (4) If the special fund is fully funded, the financial requirements of the special fund for
97.28 the following calendar year are the total of the amounts calculated under clauses (2) and (3).

97.29 (5) If the special fund has a deficit from full funding, the financial requirements of
97.30 the special fund for the following calendar year are the financial requirements of the
97.31 special fund calculated as though the special fund were fully funded under clause (4) plus
97.32 an amount equal to one-tenth of the original amount of the deficit from full funding of the
97.33 special fund as determined under clause (2) resulting either from an increase in the amount
97.34 of the service pension occurring in the last ten years or from a net annual investment loss
97.35 occurring during the last ten years until each increase in the deficit from full funding is

98.1 fully retired. The annual amortization contribution under this clause may not exceed the
98.2 amount of the deficit from full funding.

98.3 (6) If the special fund has a surplus over full funding, the financial requirements of
98.4 the special fund for the following calendar year are the financial requirements of the special
98.5 fund calculated as though the special fund were fully funded under clause (4) reduced by an
98.6 amount equal to one-tenth of the amount of the surplus over full funding of the special fund.

98.7 (d) The minimum obligation of the municipality with respect to the special fund is
98.8 the financial requirements of the special fund reduced by the amount of any fire state aid
98.9 and police and firefighter retirement supplemental state aid payable under sections 69.011
98.10 to 69.051 and 423A.022 reasonably anticipated to be received by the municipality for
98.11 transmittal to the special fund during the following calendar year, an amount of interest on
98.12 the assets of the special fund projected to the beginning of the following calendar year
98.13 calculated at the rate of five percent per annum, and the amount of any contributions to
98.14 the special fund required by the relief association bylaws from the active members of the
98.15 relief association reasonably anticipated to be received during the following calendar year.
98.16 A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire
98.17 state aid actually received in the prior year multiplied by the factor 1.035.

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

98.19 Sec. 12. Minnesota Statutes 2014, section 424A.092, subdivision 6, is amended to read:

98.20 Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the
98.21 relief association does not have a surplus over full funding under subdivision 3, paragraph
98.22 (c), clause (5), and if the municipality is required to provide financial support to the special
98.23 fund of the relief association under this section, the adoption of or any amendment to the
98.24 articles of incorporation or bylaws of a relief association which increases or otherwise
98.25 affects the retirement coverage provided by or the service pensions or retirement benefits
98.26 payable from the special fund of any relief association to which this section applies is not
98.27 effective until it is ratified by the governing body of the municipality served by the fire
98.28 department to which the relief association is directly associated or by the independent
98.29 nonprofit firefighting corporation, as applicable, and the officers of a relief association
98.30 shall not seek municipal ratification prior to preparing and certifying an estimate of
98.31 the expected increase in the accrued liability and annual accruing liability of the relief
98.32 association attributable to the amendment. If the special fund of the relief association
98.33 has a surplus over full funding under subdivision 3, paragraph (c), clause (5), and if the
98.34 municipality is not required to provide financial support to the special fund of the relief
98.35 association under this section, the relief association may adopt or amend its articles of

99.1 incorporation or bylaws which increase or otherwise affect the retirement coverage
99.2 provided by or the service pensions or retirement benefits payable from the special fund
99.3 of the relief association which are effective without municipal ratification so long as this
99.4 does not cause the amount of the resulting increase in the accrued liability of the special
99.5 fund of the relief association to exceed 90 percent of the amount of the surplus over full
99.6 funding reported in the prior year and this does not result in the financial requirements
99.7 of the special fund of the relief association exceeding the expected amount of the future
99.8 fire state aid and police and firefighter retirement supplemental state aid to be received
99.9 by the relief association as determined by the board of trustees following the preparation
99.10 of an estimate of the expected increase in the accrued liability and annual accruing
99.11 liability of the relief association attributable to the change. If a relief association adopts or
99.12 amends its articles of incorporation or bylaws without municipal ratification under this
99.13 subdivision, and, subsequent to the amendment or adoption, the financial requirements
99.14 of the special fund of the relief association under this section are such so as to require
99.15 financial support from the municipality, the provision which was implemented without
99.16 municipal ratification is no longer effective without municipal ratification and any service
99.17 pensions or retirement benefits payable after that date may be paid only in accordance with
99.18 the articles of incorporation or bylaws as amended or adopted with municipal ratification.

99.19 Sec. 13. Minnesota Statutes 2014, section 424A.093, subdivision 5, is amended to read:

99.20 Subd. 5. **Minimum municipal obligation.** (a) The officers of the relief association
99.21 shall determine the minimum obligation of the municipality with respect to the special
99.22 fund of the relief association for the following calendar year on or before August 1 of each
99.23 year in accordance with the requirements of this subdivision.

99.24 (b) The minimum obligation of the municipality with respect to the special fund is
99.25 an amount equal to the financial requirements of the special fund of the relief association
99.26 determined under subdivision 4, reduced by the estimated amount of any fire state
99.27 aid and police and firefighter retirement supplemental state aid payable under sections
99.28 69.011 to 69.051 and 423A.022 reasonably anticipated to be received by the municipality
99.29 for transmittal to the special fund of the relief association during the following year
99.30 and the amount of any anticipated contributions to the special fund required by the
99.31 relief association bylaws from the active members of the relief association reasonably
99.32 anticipated to be received during the following calendar year. A reasonable amount of
99.33 anticipated fire state aid is an amount that does not exceed the fire state aid actually
99.34 received in the prior year multiplied by the factor 1.035.

100.1 (c) The officers of the relief association shall certify the financial requirements of the
100.2 special fund of the relief association and the minimum obligation of the municipality with
100.3 respect to the special fund of the relief association as determined under subdivision 4 and
100.4 this subdivision by August 1 of each year. The certification must be made to the entity that
100.5 is responsible for satisfying the minimum obligation with respect to the special fund of the
100.6 relief association. If the responsible entity is a joint powers entity, the certification must be
100.7 made in the manner specified in the joint powers agreement, or if the joint powers agreement
100.8 is silent on this point, the certification must be made to the chair of the joint powers board.

100.9 (d) The financial requirements of the relief association and the minimum municipal
100.10 obligation must be included in the financial report or financial statement under section
100.11 69.051.

100.12 (e) The municipality shall provide for at least the minimum obligation of the
100.13 municipality with respect to the special fund of the relief association by tax levy or from
100.14 any other source of public revenue. The municipality may levy taxes for the payment of the
100.15 minimum municipal obligation without any limitation as to rate or amount and irrespective
100.16 of any limitations imposed by other provisions of law or charter upon the rate or amount
100.17 of taxation until the balance of the special fund or any fund of the relief association has
100.18 attained a specified level. In addition, any taxes levied under this section must not cause
100.19 the amount or rate of any other taxes levied in that year or to be levied in a subsequent year
100.20 by the municipality which are subject to a limitation as to rate or amount to be reduced.

100.21 (f) If the municipality does not include the full amount of the minimum municipal
100.22 obligation in its levy for any year, the officers of the relief association shall certify that
100.23 amount to the county auditor, who shall spread a levy in the amount of the minimum
100.24 municipal obligation on the taxable property of the municipality.

100.25 (g) If the state auditor determines that a municipal contribution actually made in a
100.26 plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause
100.27 (5), the state auditor may request from the relief association or from the city a copy of
100.28 the certifications under this subdivision. The relief association or the city, whichever
100.29 applies, must provide the certifications within 14 days of the date of the request from
100.30 the state auditor.

100.31 Sec. 14. Minnesota Statutes 2014, section 424A.093, subdivision 6, is amended to read:

100.32 Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the
100.33 relief association does not have a surplus over full funding under subdivision 4, and
100.34 if the municipality is required to provide financial support to the special fund of the
100.35 relief association under this section, the adoption of or any amendment to the articles of

101.1 incorporation or bylaws of a relief association which increases or otherwise affects the
 101.2 retirement coverage provided by or the service pensions or retirement benefits payable from
 101.3 the special fund of any relief association to which this section applies is not effective until it
 101.4 is ratified by the governing body of the municipality served by the fire department to which
 101.5 the relief association is directly associated or by the independent nonprofit firefighting
 101.6 corporation, as applicable. If the special fund of the relief association has a surplus
 101.7 over full funding under subdivision 4, and if the municipality is not required to provide
 101.8 financial support to the special fund of the relief association under this section, the relief
 101.9 association may adopt or amend its articles of incorporation or bylaws which increase or
 101.10 otherwise affect the retirement coverage provided by or the service pensions or retirement
 101.11 benefits payable from the special fund of the relief association which are effective without
 101.12 municipal ratification so long as this does not cause the amount of the resulting increase in
 101.13 the accrued liability of the special fund of the relief association to exceed 90 percent of
 101.14 the amount of the surplus over full funding reported in the prior year and this does not
 101.15 result in the financial requirements of the special fund of the relief association exceeding
 101.16 the expected amount of the future fire state aid and police and firefighter retirement
 101.17 supplemental state aid to be received by the relief association as determined by the
 101.18 board of trustees following the preparation of an updated actuarial valuation including
 101.19 the proposed change or an estimate of the expected actuarial impact of the proposed
 101.20 change prepared by the actuary of the relief association. If a relief association adopts or
 101.21 amends its articles of incorporation or bylaws without municipal ratification pursuant to
 101.22 this subdivision, and, subsequent to the amendment or adoption, the financial requirements
 101.23 of the special fund of the relief association under this section are such so as to require
 101.24 financial support from the municipality, the provision which was implemented without
 101.25 municipal ratification is no longer effective without municipal ratification and any service
 101.26 pensions or retirement benefits payable after that date may be paid only in accordance with
 101.27 the articles of incorporation or bylaws as amended or adopted with municipal ratification.

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

101.29

ARTICLE 10

101.30

PARTICULAR VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION CHANGES

101.31

101.32

Section 1. **ROSEVILLE VOLUNTEER FIREFIGHTERS RELIEF**

101.33

ASSOCIATION; GOVERNANCE AND ADMINISTRATION.

101.34

Subdivision 1. Retiree board of trustees representation. (a) Notwithstanding

101.35

any provision of Minnesota Statutes, section 424A.04, subdivision 1, to the contrary

102.1 the membership of the board of trustees of the Roseville Volunteer Firefighters Relief
 102.2 Association (RVFRA) is as provided in paragraph (b), with the additional membership of
 102.3 the chief of the fire department, one elected Roseville municipal official, and one elected
 102.4 or appointed Roseville municipal official appointed by the Roseville City Council if:

102.5 (1) all service pensions and survivor benefits have not been annuitized as provided
 102.6 under Minnesota Statutes, section 424A.015, subdivision 3; and

102.7 (2) the RVFRA is administered by a governing board.

102.8 (b)(1) Beginning the day following the effective date of this section, the RVFRA
 102.9 board of trustees shall consist of three active Roseville firefighters elected from the
 102.10 membership of the RVFRA and three retired members of the RVFRA elected from the
 102.11 membership of the relief association.

102.12 (2) Beginning on the January 1 next following the date on which the number of active
 102.13 Roseville firefighters who are members of the RVFRA totals 25 or less, the RVFRA board of
 102.14 trustees shall consist of two active firefighters elected from the membership of the RVFRA,
 102.15 and four retired members of the RVFRA elected from the membership of the RVFRA.

102.16 (3) Beginning on the January 1 next following the date on which the number of
 102.17 active Roseville firefighters who are members of the RVFRA totals ten or less, the RVFRA
 102.18 board of trustees shall consist of one active firefighter elected from the membership of
 102.19 the RVFRA, and five retired members of the RVFRA elected from the membership of the
 102.20 RVFRA.

102.21 (4) Beginning on the January 1 next following the date on which there are no active
 102.22 Roseville firefighters who are members of the RVFRA, the RVFRA board of trustees shall
 102.23 consist of six retired members of the RVFRA elected from the membership of the RVFRA.

102.24 Subd. 2. **Disposition of remaining assets when obligations are paid.** Whether
 102.25 self-administered or administered by PERA, upon the death of the last benefit recipient
 102.26 and the last potential surviving spouse of the last benefit recipient, the remaining assets of
 102.27 the RVFRA or the former RVFRA cancel to the city treasury of the city of Roseville.

102.28 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
 102.29 the city council of Roseville and its chief clerical officer timely complete their compliance
 102.30 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

102.31 Sec. 2. **CENTENNIAL VOLUNTEER FIREFIGHTERS RELIEF**
 102.32 **ASSOCIATION; LINO LAKES FIREFIGHTER TRANSFERS.**

102.33 (a) Notwithstanding any provisions of Minnesota Statutes, chapters 424A and 424B,
 102.34 to the contrary, if a Centennial Joint Powers Fire Department firefighter elects to become

103.1 an emergency on-call firefighter employed by a city or nonprofit firefighting corporation
103.2 adjoining the service area of the Centennial Joint Powers Fire Department as of March 1,
103.3 2015, between May 1, 2015, until December 31, 2017, the firefighter may elect to transfer
103.4 past retirement coverage for prior firefighting service with the Centennial Joint Powers
103.5 Fire Department as provided in paragraph (b) and to have prospective firefighting service
103.6 treated as a continuation of past firefighting service for vesting and benefit computation
103.7 purposes by the volunteer firefighter relief association of the applicable city or nonprofit
103.8 firefighting corporation if the bylaws of that relief association so permit or by the voluntary
103.9 statewide volunteer firefighter retirement plan if that plan provides retirement coverage
103.10 to the applicable fire department.

103.11 (b) If a change in fire department service described in paragraph (a) is made in a
103.12 timely fashion, upon notification by the fire chief of the fire department of the municipality
103.13 or nonprofit firefighting corporation described in paragraph (a) to the secretary of the
103.14 applicable volunteer firefighter relief association or to the executive director of the Public
103.15 Employees Retirement Association, good time service credit, accrued liability associated
103.16 with the good time service credit, a proportional share of relief association assets on
103.17 an institution-to-institution basis, and a proportional share of any net accounts payable
103.18 or receivable must be transferred from the Centennial Volunteer Firefighters Relief
103.19 Association to the applicable account in the voluntary statewide volunteer firefighter
103.20 retirement plan. The transferring good time service credit must be the years and months of
103.21 credit indicated in the firefighter's records in the Centennial Volunteer Firefighters Relief
103.22 Association on the date of transfer. The transferred accrued liability must be the liability
103.23 for the transferred good time service credit at the service pension level under Minnesota
103.24 Statutes, section 424A.092 or 424A.093, whichever applies, or under Minnesota Statutes,
103.25 section 353G.11, subdivision 1, whatever is applicable to the fire department successively
103.26 employing the firefighter. The transferred assets amount must be that portion of the market
103.27 value of the assets of the Centennial Volunteer Firefighters Relief Association as of the
103.28 December 31 preceding the transfer date determined by expressing the total length of good
103.29 time service credit multiplied by the applicable multiple of the applicable liability table
103.30 factor in Minnesota Statutes, section 424A.092, subdivision 2, of all active and deferred
103.31 members of the Centennial Volunteer Firefighters Relief Association, adjusted for any
103.32 deferred member deferral period interest in a manner specified by the state auditor, and
103.33 applying that percentage to the asset market value. If there are any accounts payable or
103.34 accounts receivable as of the December 31 preceding the transfer date, the same percentage
103.35 as applicable to the asset transfer must be applied to the net accounts payable/receivable

104.1 amount, with the result deducted from or added to the ultimate transfer amount. Any
104.2 dispute about these transfer amounts must be referred for resolution to the state auditor.

104.3 (c) The transfer dates under this section are January 1, 2016, January 1, 2017, or
104.4 January 1, 2018.

104.5 (d) The asset transfer under paragraph (b) must be made in cash unless the secretary
104.6 of the successor of the volunteer firefighter relief association or the executive director of
104.7 the State Board of Investment, whichever applies, determines that the transfer may be
104.8 made on an investment security basis, and if so determined, must be in the investment
104.9 security portfolio mix specified by the secretary of the successor of the volunteer firefighter
104.10 relief association or the executive director of the State Board of Investment.

104.11 (e) The transfer of good time service credit and accrued liability constitutes a
104.12 forfeiture of any claim by the transferring firefighter to any service pension or ancillary
104.13 benefit payment from the Centennial Volunteer Firefighters Relief Association as of the
104.14 transfer date and must be so reflected in any financial reporting of the Centennial Volunteer
104.15 Firefighters Relief Association as of the December 31 preceding the transfer date.

104.16 (f) With respect to any transferred firefighter under this section, the successor
104.17 volunteer firefighter relief association or the account of the voluntary statewide volunteer
104.18 firefighter retirement plan applicable to the successor fire department is the successor in
104.19 interest to the Centennial Volunteer Firefighters Relief Association and has and may assert
104.20 any applicable defense that the Centennial Volunteer Firefighters Relief Association could
104.21 have asserted if the transfer did not occur unless the act or acts constituting the cause of
104.22 action were not undertaken by the Centennial Volunteer Firefighters Relief Association in
104.23 good faith and in compliance with applicable state law.

104.24 **EFFECTIVE DATE; LOCAL APPROVAL REQUIREMENT.** This section is
104.25 effective the day after the latest date on which the governing bodies and the chief clerical
104.26 officers of the cities of Centerville, Circle Pines, and Lino Lakes timely complete their
104.27 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

104.28 **Sec. 3. PROCTOR VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION**
104.29 **PENSION INCREASE LIMIT.**

104.30 Notwithstanding Minnesota Statutes, section 424A.03, subdivision 1, the Proctor
104.31 Volunteer Firefighters Relief Association may, if consistent with the association's
104.32 governing bylaws, increase a lump-sum service pension under Minnesota Statutes, section
104.33 424A.02, for years of service rendered after an effective date of the service pension
104.34 increase that is after December 31, 2013, without increasing the lump-sum service pension
104.35 for years of service rendered on or before the effective date of the service pension increase.

105.1 **EFFECTIVE DATE.** This section is effective the day following final enactment or
 105.2 the day after the governing body of the city of Proctor and its chief clerical officer timely
 105.3 complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2
 105.4 and 3, whichever is later."

105.5 Delete the title and insert:

105.6 "A bill for an act
 105.7 relating to retirement; various statewide and local Minnesota public employee
 105.8 retirement plans; modifying the financial sustainability triggers for postretirement
 105.9 adjustment mechanisms; modifying provisions directing criteria for making
 105.10 recommendations to adjust employee and employer contribution rates; clarifying
 105.11 the calculation of the short service alternative pension computation for former
 105.12 defined contribution relief association members; adding additional service
 105.13 pension levels; relaxing certain deadlines for approval of service pension level
 105.14 increases; clarifying the application of the vesting provisions for portable service
 105.15 pensions; establishing a voluntary statewide monthly benefit volunteer firefighter
 105.16 retirement plan to permit transfers of local monthly benefit volunteer firefighters
 105.17 relief association plan administration to the Public Employees Retirement
 105.18 Association; implementing the recommendations of the state auditor's volunteer
 105.19 firefighter working group; addressing various disbursement and accounting
 105.20 issues; addressing various benefit issues; updating volunteer fire state aid
 105.21 references; addressing various relief association establishment and membership
 105.22 issues; providing for options for the governance and administration of the
 105.23 Roseville Volunteer Firefighters Relief Association; authorizing retirement
 105.24 plan accrued liability and proportional asset transfer upon employment transfer
 105.25 for the Centennial Volunteer Firefighters Relief Association and adjoining fire
 105.26 departments; permitting the Proctor Volunteer Firefighters Relief Association
 105.27 to limit application of an increase in service pensions; amending Minnesota
 105.28 Statutes 2014, sections 3A.03, subdivision 2; 11A.17, subdivision 2; 69.051,
 105.29 subdivision 1a; 69.80; 352.01, subdivision 13a; 352.017, subdivision 2; 352.04,
 105.30 subdivisions 8, 9; 352.045; 352.23; 352.27; 352.271; 352.955, subdivision
 105.31 3; 352B.013, subdivision 2; 352B.085; 352B.086; 352B.11, subdivision 4;
 105.32 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.01, subdivision
 105.33 16; 353.0161, subdivision 2; 353.0162; 353.27, subdivisions 3b, 7a, 12,
 105.34 12a; 353.28, subdivision 5; 353.35, subdivision 1; 353G.01, subdivisions 6,
 105.35 7, 11, 12, by adding subdivisions; 353G.02; 353G.03; 353G.04; 353G.05;
 105.36 353G.06; 353G.07; 353G.08; 353G.09; 353G.10; 353G.11; 353G.115; 353G.12,
 105.37 subdivision 2, by adding a subdivision; 353G.13; 353G.14; 353G.15; 353G.16;
 105.38 354.42, subdivisions 4b, 4d; 354A.093, subdivision 6; 354A.096; 354A.108;
 105.39 354A.29, subdivisions 7, 8, 9; 354A.38, subdivision 3; 354B.23, subdivision 5;
 105.40 354C.12, subdivision 2; 356.195, subdivision 2; 356.215, subdivision 8; 356.415,
 105.41 subdivisions 1, 1a, 1c, 1d, 1e, 1f; 356.44; 356.50, subdivision 2; 356.551,
 105.42 subdivision 2; 423A.022, subdivision 5; 424A.001, by adding a subdivision;
 105.43 424A.002, subdivision 1; 424A.016, subdivision 4; 424A.02, subdivisions 3,
 105.44 3a, 9a; 424A.05, subdivisions 2, 3; 424A.092, subdivisions 3, 6; 424A.093,
 105.45 subdivisions 5, 6; 490.121, subdivision 4; 490.1211; 490.124, subdivision 12;
 105.46 proposing coding for new law in Minnesota Statutes, chapter 353G."