



TO: Senate Members of the Legislative Commission on Pensions and Retirement  
FROM: Rachel Thurlow, Interim Director *RT*  
RE: 2015 Senate Omnibus Retirement Bill (S.F. 1398, Second Engrossment)  
DATE: May 7, 2015

### Introduction

S.F. 1398 (Pappas), the second engrossment, contains the contents of the 2015 Senate Omnibus Retirement Bill as recommended by the Legislative Commission on Pensions and Retirement on April 8, 2015, the Senate State and Local Government Committee on April 13, 2015, the Senate Rules and Administration Committee on April 21, 2015, and the Senate Finance Committee on May 5, 2015.

### Source Legislation for the Senate Version of the 2015 Omnibus Retirement Bill

The Senate version of the 2015 Omnibus Retirement Bill includes all or portions of the contents of the following retirement bills and amendments:

1. SF 54 (Pappas); HF 284 (O'Driscoll): TRA administrative bill. (*Art. 12*)
2. SF 55 (Pappas); HF 285 (O'Driscoll): PERA administrative bill. (*Art. 12*)
3. SF 61 (Marty); HF 41 (Hausman): Options for the governance and administration of the Roseville Volunteer Firefighters Relief Association. (*Art. 10*)
4. SF 251 (Chamberlain); HF 298 (Runbeck): Providing for continued retirement coverage by the Centennial Volunteer Firefighter Relief Association upon withdrawal of one city from the Centennial Fire Department joint powers agreement. (*Art. 10*)
5. SF 518 (Pappas); HF 566 (O'Driscoll): Various plans; Modifications in contribution stabilizer provisions. (*Art. 5*)
6. SF 519 (Pappas); HF 565 (O'Driscoll): Statewide plans; Modifying the financial sustainability triggers for post-retirement adjustment mechanisms. (*Art. 4*)
7. SF 537 (Johnson); HF 599 (Murphy, M.): PERA-SVFRP; Establishing a monthly benefit division in the statewide volunteer fire plan to permit transfers of local monthly benefit volunteer firefighter relief associations plan administration to PERA. (*Art. 8*)
8. SF 580 (Hawj); HF 477 (Mahoney): PERA; Service credit purchase for unreported St. Paul Public Schools employment. (*Art. 11*)
9. SF 589 (Pappas); HF 661 (O'Driscoll): MSRS administrative bill. (*Art. 12*)
10. SF 613 (Pappas); HF 660 (O'Driscoll): MSRS, PERA, SPTRFA; Modifying various economic actuarial assumptions. (*Art. 1-3*)
11. SF 884 (Rosen); HF 826 (Murphy, M.): VFRA's; Implementing the recommendations of the State Auditor's Volunteer Fire Relief Association Working Group. (*Art. 6, 9*)
12. SF 1139 (Pappas); HF 1203 (O'Driscoll): PERA/MERF; Merging the MERF Division into PERA-General; eliminating obsolete language. (*Art. 14*)
13. SF 1140 (Pappas); HF 1204 (O'Driscoll): PERA-SVFRP; Implementing the recommendations of the PERA Volunteer Fire Advisory Board. (*Art. 7*)
14. SF 1342 (Metzen); HF 1114 (Hansen): MSRS; Service credit purchase for pre-1996 Department of Revenue seasonal employment. (*Art. 11*)
15. SF 1373 (Pappas); HF 1521 (Hoppe): MSRS-General, MSRS-Unclassified; Clarification of coverage for part-time legislative employees. (*Art. 11*)
16. SF 1398 (Pappas); HF 1508 (O'Driscoll); Public plans; Revision or elimination of outdated or obsolete provisions. (*Art. 13*)
17. SF 1684 (Hayden); HF 1803 (Thissen): PERA; Excluding certain Minneapolis Parks and Recreation Board members. (*Art. 11*)
18. SF 1791 (Rosen); HF 1717 (Johnson, C.): PERA; Coverage for Minnesota River Area Agency on Aging employees. (*Art. 11*)
19. SF 1877 (Rosen); HF 1997 (Gunther): PERA; Service credit purchase for period of Nashville township omitted contributions. (*Art. 11*)
20. Senate Finance Amendment SCS1398A-1: PERA/MERF; Continues to allow Minneapolis Municipal Retirement Association dues deductions from former MERF member benefits.
21. Senate Finance Amendment S1398-1A: Adds PERA to the clarification of post-retirement adjustment language.

General Summary of S.F. 1398 (Pappas), Second Engrossment

Article 1: Interest Rate, Salary Rate, and Payroll Growth Actuarial Assumption Changes. *(Derived from HF660/SF613)*

- Amends the economic actuarial assumption specification portion of the Minnesota public employee retirement plan actuarial valuation reporting law by eliminating the 2011 select and ultimate interest rate actuarial assumption for almost all statewide and major local retirement plans, by reducing in most instances the future interest rate actuarial assumption to 8% for the applicable retirement plans, and by reducing in most instances the salary increase actuarial assumption and the payroll growth assumption for the applicable retirement plans.

Article 2: Conforming Changes in Refund Repayment Provisions Related to Interest Assumption Changes. *(Derived from HF660/SF613)*

- Resets the refund repayment compound interest rate for the various statewide retirement plans other than the Teachers Retirement Association (TRA) and for the St. Paul Teachers Retirement Fund Association (SPTRFA), at the current 8.5% rate through June 30, 2015, and at an 8.0% rate after June 30, 2015.

Article 3: Conforming Changes in Leave and Prior Service Credit Purchase Provisions Related to Interest Assumption Change. *(Derived from HF660/SF613)*

- Resets the prior service credit purchase payment determination interest rate for the various statewide retirement plans other than the Teachers Retirement Association (TRA) and for the St. Paul Teachers Retirement Fund Association (SPTRFA), at the current 8.5% rate through June 30, 2015, and at an 8% rate after June 30, 2015.

Article 4: Post-Retirement Adjustment Financial Sustainability Trigger Modifications. *(Derived from HF565/SF519 and Senate Finance Amendment S1398-1A)*

- Clarifies the reduced rate post-retirement adjustment mechanisms of many statewide retirement plans and revises the post-retirement adjustment mechanism of the St. Paul Teachers Retirement Fund Association (SPTRFA) by increasing the minimum receipt period required to qualify for an SPTRFA post-retirement adjustment, by providing for a future post-retirement adjustment reduced rate if funded ratios fall below the current law rate restoration triggers for the plans administered by the Minnesota State Retirement System (MSRS), for the Teachers Retirement Association (TRA), and for the SPTRFA, and by eliminating the Consumer Price Index-based post-retirement adjustment mechanism currently applicable to, but never implemented by, the Public Employees Police and Fire Retirement Plan (PERA-P&F).

Article 5: Contribution Stabilizer Provision Modifications. *(Derived from HF566/SF518)*

- Revises the member and employer contribution stabilizer mechanisms added to some or all retirement plans administered by the Minnesota State Retirement System (MSRS), the Public Employees Retirement Association (PERA), and the Teachers Retirement Association (TRA), by shifting the mechanism from a mandatory, virtually automatic, rate-setting procedure to an advisory procedure, by relaxing the specific increments of contribution rate increases or decreases to be imposed to resolve funding deficiencies or sufficiencies, and by specifying the circumstances that each of the governing boards should consider prior to forwarding its contribution rate change recommendation to the Commission.

Article 6: Police and Firefighters Retirement Supplemental State Aid. *(Derived from HF826/SF884)*

- Exempts the recipient municipalities and nonprofit firefighting corporations from the pension plan funded condition termination provision for the Public Employees Police and Fire Retirement Plan (PERA-P&F) and the State Patrol Retirement Plan, making the supplemental aid to volunteer firefighters permanent.

Article 7: Statewide Volunteer Firefighter Retirement Plan Lump Sum Retirement Division Modifications. *(Derived from HF1204/SF1140)*

- Clarifies the short service former defined contribution retirement plan alternative benefit for members of defined contribution volunteer firefighters relief associations that recently joined the statewide volunteer firefighter retirement plan, expands from 20 to 71 the number of lump sum retirement benefit levels available to be selected by the fire department on or after joining the plan, revises the timeframe and deadline date for electing retirement benefit level changes, and clarifies the eligibility for and computation of portable retirement benefits.

Article 8: Statewide Volunteer Firefighters Retirement Plan Monthly Benefit Retirement Division Creation.  
(Derived from HF599/SF537)

- Expands the current voluntary statewide lump-sum volunteer firefighter retirement plan and fund from applicability solely to lump sum and defined contribution volunteer firefighter relief associations to also authorize the election of coverage by and transfer assets and administration from one or more of the current 22 monthly benefit or combination lump sum/monthly benefit volunteer fire-fighter relief associations by creating two divisions in the retirement plan, one for the original lump sum retirement plan participants and a new one of any monthly benefit retirement plan participants.

Article 9: Volunteer Firefighter Relief Association Working Group Recommendations. (Derived from HF826/SF884)

- Delegates the specification of the procedures for the certification of volunteer firefighters relief association financial statements to the State Auditor's office, includes auditing and accounting services specifically in allowable administrative expenses, and requires multiple check signers for relief association disbursements.
- Permits the State Auditor to waive penalty for certain maximum service pension amount determination errors and clarifies ineligibility of lump-sum volunteer firefighters relief associations to grant post-retirement adjustments.
- Adds references to the 2013 police and fire retirement supplemental state aid to fire state aid references in various aspects of volunteer firefighters relief association benefit and funding provisions.
- Provides a default start date for membership commencement unless relief association specifies a different date and limits the number of relief associations to be associated with a fire department.

Article 10: Particular Volunteer Firefighter Relief Association Changes. (Derived from HF41/SF61 and HF298/SF251)

- Provides an exception for the Roseville Volunteer Firefighters' Relief Association to increase the number of permitted retired board members as the active membership of the relief association and clarifies the disposition of plan assets as an asset of the Roseville city treasury upon the payment of the last annuity or benefit payment from the relief association.
- Provides a resolution to the future retirement coverage for firefighters after the dissolution of the current three-city form of the Centennial Fire District by permitting, with local approval by all three cities, current Centennial Fire Department firefighters who elect to do so to transfer their service credit and their proportional share of relief association assets to volunteer relief associations in adjoining or within the fire service areas.

Article 11: Small Group Retirement Changes. (Derived from HF477/SF580; HF1521/SF1373; HF1717/SF1791; HF1803/SF1684; and HF1997/SF1877)

- Extends Unclassified Employees Retirement Program of the Minnesota State Retirement System (MSRS-Unclassified) coverage to part-time legislative employees.
- Grandparents into General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) coverage employees of the Minnesota River Area Agency on Aging transferred from regional development commission employment.
- Excludes certain current Minneapolis Park and Recreation Board trades personnel from PERA-General coverage.
- Authorizes service credit purchases for certain persons for pre-1996 Department of Revenue seasonal employment, for unreported St. Paul Public School System employment, and for unreported Nashville Township employment.

Article 12: MSRS, PERA, and TRA Administrative Provisions. (Derived from HF284/SF54; HF285/SF55; and HF661/SF589)

- The continuing eligibility for MSRS-Correctional coverage for former employees of the defunct Minnesota Extended Treatment Options Program/Minnesota Specialty Health System-Cambridge is clarified as applicable if rendering direct patient care and treatment rather than services administration.
- The opportunity for a disabilitants to elect an optional annuity is clarified as occurring at benefit commencement, or if no election occurred then, at age 54¾ or 4¾ years of benefit receipt, whichever is later.

- The age at which a disabilitant transfers to retirement status is changed to age 55 from age 65 for disabilitants beginning to receive benefits after July 1, 2015.
- The trigger for a resumption of the full post-retirement adjustment rate applicable to retirees from the Legislators Retirement Plan is revised to be identical to the trigger for MSRS-General.
- An obsolete reference to the Minneapolis Employees Retirement Fund (MERF) is removed, conflicting membership for public body provisions are resolved, salary crediting for leaves of absence was generalized, an obsolete reference to the Community Corrections Act is removed, leaves of absence provision references are revised, the PERA disabilitant service credit restoration is revised, a reference to vocational rehabilitation is updated, the annuity accrual provision is reorganized, the disability post-retirement adjustment eligibility provision is revised, and the PERA-P&F and PERA-Correctional disability payout limitations are clarified.
- The termination definition is revised to require a 30-day separation from any governmental subdivision than the particular governmental subdivision, but permit independent contractor work for another governmental subdivision within 30 days without affecting the validity of the retirement.
- The definition of "volunteer firefighter" used to exclude emergency on-call firefighters from PERA-General or PERA-P&F coverage is extended to firefighters covered by the statewide plan.
- A 12-month service credit purchase maximum is applied to service periods with reduced salary credit purchases and an exemption for temporary workers' compensation service purchases is added to the post-disability prohibitions of service credit.
- The PERA board of trustees powers provision is expanded to permit the board to specify procedures for electronic signatures on forms and applications.
- An independent disability determination organization or a licensed physician replaces the Department of Health physician as the PERA medical adviser.
- A department head may designate a representative to certify the annual list of employed personnel exempt from PERA-General membership.
- The optional annuity form election opportunities for a PERA-P&F disabilitant are revised to match recent revisions in the PERA-P&F disability program.
- The positioning of provisions is revised, references to "normal" disability benefits are replaced with references to "single life" disability benefits, and limits are clarified as being on a monthly basis.
- The option for private ambulance services with a governmental operating subsidy to participate in the PERA Defined Contribution Plan is eliminated.
- Conforming changes are made to the 2013 limitation of the privatization retirement benefit law to hospitals and medical facilities and the application of various aspects of the 1998 PERA-General law on disability coverage rather than the current PERA-General law for privatized employees were eliminated.
- A provision is added to the public employee Social Security coverage chapter to handle the cost of any future Social Security referendums and a generic reference to police and fire retirement plans is replaced with the appropriate statutory citation.
- Adds a minimum vesting requirement of six months service credit in each retirement plan with coverage to be eligible to utilize the proportionate annuity provision.
- A duplicative provision including Range Association of Municipalities and School Districts in PERA-General coverage, three outdated grandparenting provisions, and an obsolete restriction on contributions by former elected officials to the PERA Defined Contribution Plan are proposed for repeal.
- The reemployed annuitant earnings limit for TRA retirees reemployed by the Minnesota State Colleges and Universities System (MnSCU) is shifted from a calendar year to a fiscal year period, effective retroactively to January 1, 2015.
- For strike periods and leave periods, the interest-free period on service credit acquisition payments is extended by six months.
- To comply with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) and retain the plan's exemption from federal income tax, for post-December 31, 2006, military member deaths, additional benefits obtainable from any Minnesota public pension plan had the military service member returned to active plan coverage before dying are extended to the survivors, retroactive to January 1, 2007.
- To comply with the federal Internal Revenue Code, for optional annuity forms, the optional annuity must be converted to a single life annuity using the plan's interest rate and mortality table or a default interest rate and mortality table, whichever produces a greater amount, retroactive to January 1, 2005.

Article 13: Obsolete Date Revisions and Various Clarifications. *(Derived from HF1508/SF1398)*

- Long-distant date-specific clauses in the allowable service provisions of MSRS, PERA, and TRA are eliminated as being obsolete in application.
- Effective dates for the 2009 revision of the post-retirement adjustment mechanism and for the 2010 temporary adjustment rate reductions included in the codified provisions for MSRS-administered plans, PERA-administered plans, and TRA are eliminated as being obsolete.
- Obsolete effective dates included in various pension plan provisions, various obsolete transitional pension plan provisions, and various obsolete internal pension plan provision date references are eliminated as no longer necessary.
- The definitions of “approved actuary” in MSRS, PERA, TRA, and first class city teacher laws are revised so that they conform with the “approved actuary” definition in the general actuarial valuation reporting law and the general actuarial valuation reporting law “approved actuary” is expanded to include actuarial firms as well as individual actuaries.
- Replaces general cross-references with specific cross-references, adds writing requirement for exemption requests, clarifies various references, updates the language usage and style of various retirement provisions, and repeals various obsolete retirement provisions.

Article 14: PERA-MERF Merger Provisions. *(Derived from HF1508/SF1398 and Senate Finance Amendment SCS1398A-1)*

- Completely merges the Minneapolis Employees Retirement Fund (MERF) into the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) by eliminating references to the separate entity of the former MERF Division of PERA.
- Sets the local employer supplemental contribution to PERA-General on behalf of the former MERF-Division at \$21 million annually for the period July 1, 2015, until December 31, 2031, and sets the state contribution to PERA-General on behalf of the former MERF Division annually and after June 30, 2015, at \$16 million.
- Allows former MERF members, while employed in a position transferred to PERA-General, to continue with basic plan coverage rather than switching to a plan coordinated with Social Security.
- Continues to allow dues for the Minneapolis Municipal Retirement Association to be deducted from former MERF member benefits.

Section-by-Section Summary of S.F. 1398 (Pappas), Second Engrossment

A section-by-section summary of S.F. 1398 (Pappas), the second engrossment, is attached.

cc: Senator Richard Cohen, Finance Committee Chair  
Nicole Kaplan, Finance Committee Administrator  
Senator Roger Chamberlain  
Senator Fong Hawj  
Senator John Marty  
Senator James Metzen  
Stephanie James, Senate Counsel and Research  
Kevin Lundeen, Senate Fiscal Analyst  
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Scott Magnuson, Senate Information  
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Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec.   | Pg.Ln | Source Bill(s)                          | Stat. Provision      | Retirement Plan              | Summary   |
|--|-------|---|----------------------|------------------------------|---|
| <b>Article 1: Interest, Salary, and Payroll Growth Assumption Changes</b>  |       |   |                      |                              |   |
| 1  | 2.23  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 356.215,<br>Subd. 11 | Various plans<br>except TRA  | Sets single 8% interest rate assumption, reduces salary increase assumption, and reduces payroll growth assumption. |
| <b>Article 2: Conforming Changes in Refund Repayment Provisions Related to Interest Assumption Change</b>                        |       |   |                      |                              |   |
| 1  | 7.27  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 3A.03,<br>Subd. 2    | Legislators<br>Plan          | Refund repayments; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                 |
| 2  | 8.10  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.01,<br>Subd. 13a | MSRS-<br>General             | Work comp salary payments; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                         |
| 3  | 8.23  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.04,<br>Subd. 8   | MSRS-<br>General             | Omitted deduction payments; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                        |
| 4  | 9.12  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.04,<br>Subd. 9   | MSRS-<br>General             | Erroneous deduction transfers; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                     |
| 5  | 9.32  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.23               | MSRS-<br>General             | Refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                  |
| 6  | 10.15 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352B.11.<br>Subd. 4  | State Patrol                 | Refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                  |
| 7  | 10.24 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352D.05.<br>Subd. 4  | MSRS-<br>Unclassified        | Refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                  |
| 8  | 11.3  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352D.12              | MSRS-<br>Unclassified        | Prior service contribution transfer; sets two interest rates, 8.5% before July 1, 2015, and 8% after.               |
| 9  | 11.26 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.27.<br>Subd. 7a  | PERA-<br>General             | Erroneous transmitted deduction; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                   |
| 10   | 12.20 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.27,<br>Subd. 12  | PERA-<br>General             | Omitted salary deductions; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                         |
| 11   | 13.29 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.27,<br>Subd. 12a | PERA-<br>General             | Terminated employee omitted deductions; sets two interest rates, 8.5% before July 1, 2015, and 8% after.            |
| 12   | 14.12 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.28,<br>Subd. 5   | PERA-<br>General             | Amounts due interest; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                              |
| 13   | 14.17 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.35,<br>Subd. 1   | PERA-<br>General             | Refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                  |
| 14   | 14.31 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 354A.093,<br>Subd. 6 | First class<br>city teachers | Military service credit payments; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                  |
| 15   | 15.4  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 354A.38,<br>Subd. 3  | First class<br>city teachers | Refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                  |
| 16   | 15.10 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 356.44               | Various plans                | Partial refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                          |
| 17   | 15.30 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 490.124,<br>Subd. 12 | Judges                       | Refund repayment; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                                  |
| 18   | 16.9  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | Effective date       | --                           | Effective July 1, 2015  |
| <b>Article 3: Conforming Changes in Leave and Prior Service Credit Purchase Provisions Related to Interest Assumption Change</b> |       |   |                      |                              |   |
| 1  | 16.14 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.017,<br>Subd. 2  | MSRS-General                 | General leave service credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.             |
| 2  | 17.5  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.27               | MSRS-General                 | Military service leave purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                   |
| 3  | 18.16 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352.955,<br>Subd. 3  | MSRS-<br>Correctional        | Transfer of MSRS-General service credit; sets two interest rates, 8.5% before July 1, 2015, and 8% after.           |
| 4  | 19.33 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352B.013,<br>Subd. 2 | State Patrol                 | Leave of absence service credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.          |
| 5  | 20.23 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352B.085             | State Patrol                 | Disability leave service credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.          |
| 6  | 21.3  | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352B.086             | State Patrol                 | Military leave service credit; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                     |
| 7  | 22.11 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 352D.11,<br>Subd. 2  | MSRS-<br>Unclassified        | Prior service credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                     |
| 8  | 22.21 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.01,<br>Subd. 16  | PERA-General                 | Repetitive and military leave service purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.    |
| 9  | 25.21 | HF 660 (O'Driscoll);<br>SF 613 (Pappas) | 353.0161,<br>Subd. 2 | PERA-General                 | Authorized leave service purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                 |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln | Source Bill(s)                       | Stat. Provision  | Retirement Plan           | Summary   |
|------|-------|--------------------------------------|------------------|---------------------------|---|
| 10   | 26.8  | HF 660 (O'Driscoll); SF 613 (Pappas) | 353.0162         | PERA-General              | Salary reduction credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.            |
| 11   | 27.22 | HF 660 (O'Driscoll); SF 613 (Pappas) | 354A.096         | First class city teachers | Military leave service purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.             |
| 12   | 28.8  | HF 660 (O'Driscoll); SF 613 (Pappas) | 354A.108         | First class city teachers | Work comp salary credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.            |
| 13   | 28.34 | HF 660 (O'Driscoll); SF 613 (Pappas) | 356.195, Subd. 2 | Various                   | Strike period service purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.              |
| 14   | 29.21 | HF 660 (O'Driscoll); SF 613 (Pappas) | 356.50, Subd. 2  | Various                   | Salary back pay service and salary purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after. |
| 15   | 30.9  | HF 660 (O'Driscoll); SF 613 (Pappas) | 356.551, Subd. 2 | Various                   | General service credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.             |
| 16   | 31.15 | HF 660 (O'Driscoll); SF 613 (Pappas) | 490.121, Subd. 4 | Judges                    | Leave service purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.                      |
| 17   | 32.1  | HF 660 (O'Driscoll); SF 613 (Pappas) | 490.1211         | Judges                    | Military service credit purchase; sets two interest rates, 8.5% before July 1, 2015, and 8% after.            |
| 18   | 33.9  | HF 660 (O'Driscoll); SF 613 (Pappas) | Effective date   | --                        | Effective July 1, 2015  |

**Article 4: Postretirement Adjustment Financial Sustainability Trigger Modifications**

|    |       |                                      |                   |   |  |
|----|-------|--------------------------------------|-------------------|---|--|
| 1  | 33.14 | HF 565 (O'Driscoll); SF 519 (Pappas) | 354A.29, Subd. 7  | SPTRFA                                    | Post-retirement adjustment eligibility; eligibility waiting period extended from 3 months to 6 months.   |
| 2  | 33.26 | HF 565 (O'Driscoll); SF 519 (Pappas) | 354A.29, Subd. 8  | SPTRFA                                    | Partial adjustment set at one-half of full adjustment until there is one-year wait; trigger set for future funded ratio decline.                       |
| 3  | 34.22 | HF 565 (O'Driscoll); SF 519 (Pappas) | 354A.29, Subd. 9  | SPTRFA                                    | Partial adjustment set at one-half of full adjustment until there is one-year wait; trigger set for future funded ratio decline.                       |
| 4  | 35.20 | HF 565 (O'Driscoll); SF 519 (Pappas) | 356.415, Subd. 1  | Various plans                             | Clarifies partial post-retirement adjustment waiting period during partial calendar year initial receipt.  |
| 5  | 36.5  | HF 565 (O'Driscoll); SF 519 (Pappas) | 356.415, Subd. 1a | MSRS-General<br>MSRS-Corr.<br>Legislators | Clarifies partial post-retirement adjustment waiting period during partial calendar year initial receipt; trigger set for future funded ratio decline. |
| 6  | 37.33 | Senate Finance Amendment S1398-1A    | 356.415, Subd. 1b | PERA-General<br>PERA-Corr.                | Clarifies partial post-retirement adjustment waiting period during partial calendar year initial receipt.  |
| 7  | 39.10 | HF 565 (O'Driscoll); SF 519 (Pappas) | 356.415, Subd. 1c | PERA-P&F                                  | Eliminates CPI-based post-retirement adjustment in favor of flat rate adjustment.  |
| 8  | 41.4  | HF 565 (O'Driscoll); SF 519 (Pappas) | 356.415, Subd. 1d | TRA                                       | Clarifies partial post-retirement adjustment waiting period during partial calendar year initial receipt; trigger set for future funded ratio decline. |
| 9  | 42.26 | HF 565 (O'Driscoll); SF 519 (Pappas) | 356.415, Subd. 1e | State Patrol                              | Clarifies partial post-retirement adjustment waiting period during partial calendar year initial receipt; trigger set for future funded ratio decline. |
| 10 | 44.11 | HF 565 (O'Driscoll); SF 519 (Pappas) | 356.415, Subd. 1f | Judges                                    | Clarifies partial post-retirement adjustment waiting period during partial calendar year initial receipt.  |
| 11 | 45.6  | HF 565 (O'Driscoll); SF 519 (Pappas) | Repealer          | SPTRFA                                    | Repeals 5% annual limit on post-retirement adjustments.  |

**Article 5: Contribution Stabilizer Provision Modifications**

|   |       |                                      |                  |              |   |
|---|-------|--------------------------------------|------------------|--------------|---|
| 1 | 45.11 | HF 566 (O'Driscoll); SF 518 (Pappas) | 352.045          | MSRS Plans   | Makes the contribution rate revision permissive rather than mandatory, removes the specific increase or decrease increments, and specifies the criteria to be employed to determine any adjustment. |
| 2 | 48.21 | HF 566 (O'Driscoll); SF 518 (Pappas) | 353.27, Subd. 3b | PERA-General | Makes the contribution rate revision permissive rather than mandatory, removes the specific increase or decrease increments, and specifies the criteria to be employed to determine any adjustment. |
| 3 | 51.21 | HF 566 (O'Driscoll); SF 518 (Pappas) | 354.42, Subd. 4b | TRA          | Makes the contribution rate revision permissive rather than mandatory.  |
| 4 | 52.17 | HF 566 (O'Driscoll); SF 518 (Pappas) | 354.42, Subd. 4d | TRA          | Makes change to rate revision reporting requirement conforming to shift to permissive adjustment.   |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec.   | Pg.Ln | Source Bill(s)   | Stat. Provision        | Retirement Plan            | Summary   |
|--|-------|--|------------------------|----------------------------|---|
| <b>Article 6: Police and Firefighter Retirement Supplemental State Aid</b>                                     |       |  |                        |                            |   |
| 1  | 52.28 | LCPR Amendment H0826-3A to HF 826 (Murphy, M.); SF 884 (Rosen) | 423A.022; Subd. 5      | P&F supplemental state aid | Makes the volunteer firefighter portions of the state aid program permanent.  |
| <b>Article 7: Statewide Volunteer Firefighter Retirement Plan Lump Sum Retirement Division Modifications</b>   |       |  |                        |                            |   |
| 1  | 53.10 | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.09, Subd. 3       | PERA-SVFRP                 | Clarifies, for former members of a defined contribution volunteer firefighter relief association, the amount of the alternative service pension for active members retiring before obtaining at least five years of good time service credit covered by the retirement plan as the vested pre-plan benefit.   |
| 2  | 54.3  | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.11, Subd. 1       | PERA-SVFRP                 | Eliminates the current 20 service pension levels, with \$100 increments under \$1,000 per year of service, \$250 increments between \$1000 and \$1,500 per year of service, and \$500 increments above \$1,500 per year of service, with 72 levels of service pensions at \$100 increments between \$500 and \$7,500 per year of service.   |
| 3  | 54.32 | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.11, Subd. 1a      | PERA-SVFRP                 | Designates the grandparented \$750 service pension level eliminated in 2010 as paragraph (a) and adds, as paragraph (b), a grandparenting of any service pension levels in effect at the time the change in section 2 is enacted.   |
| 4  | 55.9  | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.11, Subd. 2       | PERA-SVFRP                 | Extends the time period deadline for municipal consideration of a service pension change from 90 to 120 days, sets the default effective date for the level change to the next following January 1 unless the municipality specifies a one-year delay, and provides for a recalculation and recertification of municipal funding requirements for service level change approvals later than April 30. |
| 5  | 55.24 | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.11, Subd. 4       | PERA-SVFRP                 | Specifies an exception by cross-reference for disability coverage provided through insurance.   |
| 6  | 55.28 | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.13, Subd. 1       | PERA-SVFRP                 | Clarifies that eligibility for a service pension with good time service involving more than one participating fire department is based on non-concurrent service periods.   |
| 7  | 56.3  | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | 353G.13, Subd. 2       | PERA-SVFRP                 | Clarifies that the portability service pension must be calculated recognizing the plan's vesting percentage provision.  |
| 8  | 56.12 | HF 1204 (O'Driscoll); SF 1140 (Pappas)                         | Effective date         | --                         | Sets a July 1, 2015, effective date.  |
| <b>Article 8: Statewide Volunteer Firefighter Retirement Plan Monthly Benefit Retirement Division Creation</b> |       |  |                        |                            |   |
| 1  | 56.17 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 11A.17, Subd. 2        | SBI                        | Revises the statewide volunteer firefighter retirement plan name consistent with Section 2.   |
| 2  | 56.29 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353BG.01, Subd. 6      | PERA-SVFRP                 | Revises the plan name by eliminating "lump-sum"   |
| 3  | 57.1  | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, Subd. 7       | PERA-SVFRP                 | Clarifies that "good time service credit" is based on the reported service.   |
| 4  | 57.6  | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, New Subd. 7a  | PERA-SVFRP                 | Adds the definition of "lump sum account" to refer to the assets related to lump sum retirement plans.  |
| 5  | 57.10 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, New Subd. 7b  | PERA-SVFRP                 | Adds the definition of "lump sum retirement division" to refer to the division of the retirement plan for lump sum plans.   |
| 6  | 57.14 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, New Subd. 8a  | PERA-SVFRP                 | Adds the definition of "monthly benefit account" to refer to the assets related to lump sum retirement plans.   |
| 7  | 57.19 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, New Subd. 8b  | PERA-SVFRP                 | Adds the definition of "monthly benefit retirement division" to refer to the division of the retirement plan for monthly benefit plans.   |
| 8  | 57.23 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, New Subd. 10a | PERA-SVFRP                 | Adds the definition of "retirement benefit plan document" to cover pre-transfer articles of incorporation and bylaws and post-transfer benefit modifications.   |
| 9  | 57.30 | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, Subd. 11      | PERA-SVFRP                 | Updates plan name in definition of "retirement fund" consistent with Section 2.   |
| 10   | 58.4  | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.01, Subd. 12      | PERA-SVFRP                 | Includes in definition of "retirement plan" lump sum and monthly benefit retirement plan references.  |
| 11   | 58.8  | HF 599 (Murphy, M.); SF 537 (Johnson)                          | 353G.02                | PERA-SVFRP                 | Expands the retirement plan establishment provision with the addition of a monthly benefit division and provides for regular actuarial valuations for the monthly benefit division.   |



Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln | Source Bill(s)                           | Stat. Provision         | Retirement Plan | Summary  |
|------|-------|--|-------------------------|-----------------|--|
| 12   | 60.6  | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.03                 | PERA-SVFRP      | Expands the retirement plan advisory board with the addition of one monthly benefit plan representative and eliminates an obsolete transitional period term provision.   |
| 13   | 61.15 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.04                 | PERA-SVFRP      | Updates the plan name referenced in the fire department information mandate provision consistent with Section 2.   |
| 14   | 61.22 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.05                 | PERA-SVFRP      | Augments the coverage election provision to include an appropriate election procedure for fire departments with current monthly benefit volunteer firefighters' relief associations, including authority for PERA to charge electing monthly benefit volunteer firefighters' relief associations for the additional administrative expense incurred.             |
| 15   | 64.25 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.06                 | PERA-SVFRP      | Modifies relief association disestablishment provision to clarify that disestablishment date, to clarify that retention of the relief association as corporation is to function as a fraternal organization solely, and to update plan name consistent with Section 2.   |
| 16   | 65.31 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.07                 | PERA-SVFRP      | Expands the good time service credit certification provision to include the new monthly benefit retirement plan.   |
| 17   | 66.34 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.08                 | PERA-SVFRP      | Limits the current funding provision to the lump sum retirement plan, adds an approximately tailored funding provision for the monthly benefit retirement plan, and adds useful cross-references to both plans in various subdivisions of the section.   |
| 18   | 71.1  | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.09                 | PERA-SVFRP      | Amends the service pension eligibility provision, with monthly benefit retirement plan members required to have at least three years of good-time service credit to vest partially (40%), and to fully vest with 20 years, and clarifies that the alternative service pension eligibility and computation provision applies solely to lump sum retirement plans. |
| 19   | 72.31 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.10                 | PERA-SVFRP      | Modifies the deferred service pension provision by specifying that it applies also to the monthly benefit retirement plan and by clarifying that monthly benefit retirement plan members are not eligible to service pension increases during deferral.  |
| 20   | 73.7  | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.11                 | PERA-SVFRP      | Clarifies that the current service pension levels provision is applicable only to lump sum retirement plans.   |
| 21   | 74.19 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | New<br>353G.112         | PERA-SVFRP      | Specifies the service pension levels for the monthly benefit retirement plan are those in effect upon entrance into the statewide plan.  |
| 22   | 74.24 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.115                | PERA-SVFRP      | Retains the current disability benefit provision for the lump sum retirement plan and specifies that the disability benefit coverage for the monthly benefit retirement plan is the benefit in force upon entry into the statewide plan.   |
| 23   | 75.9  | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.12,<br>Subd. 2     | PERA-SVFRP      | Retains the survivor benefit provision for the lump sum retirement plan.   |
| 24   | 75.14 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.12,<br>New Subd. 3 | PERA-SVFRP      | Adds a monthly benefit retirement plan survivor benefit provision, based on the benefit provisions in effect upon its entrance into the statewide plan.  |
| 25   | 75.20 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | New<br>353G.121         | PERA-SVFRP      | Sets forth a procedure for initiating a modification in the retirement benefit plan document of a monthly benefit division-covered municipality or related entity, the preparation of an actuarial cost estimate, and the approval of the modification by the municipality or entity governing board.  |
| 26   | 76.22 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.13                 | PERA-SVFRP      | Restricts the current portability provisions to the lump sum retirement plan only.   |
| 27   | 77.6  | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.14                 | PERA-SVFRP      | Restricts the current annuity contract purchase provision to the lump sum retirement plan only.  |
| 28   | 77.18 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.15                 | PERA-SVFRP      | Restricts the current individual retirement account transfer provision to the lump sum retirement plan only.   |
| 29   | 77.31 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 353G.16                 | PERA-SVFRP      | Clarifies the application of the no garnishment/no assignment provisions to the voluntary statewide volunteer firefighter retirement plan.   |
| 30   | 78.3  | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | 356.215,<br>Subd. 8     | PERA-SVFRP      | Implements an increase in the interest rate assumption for monthly benefit volunteer retirement plans administered by the statewide volunteer fire plan from 5% to 6%.   |
| 31   | 82.37 | HF 599 (Murphy, M.);<br>SF 537 (Johnson) | Effective Date          | --              | Effective July 1, 2015, except for advisory board change, which is effective on July 1 of the year in which the first monthly benefit relief association transfers.  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec.   | Pg.Ln  | Source Bill(s)                            | Stat. Provision           | Retirement Plan                | Summary   |
|--|--------|---|---------------------------|--------------------------------|---|
| <b>Article 9: Volunteer Firefighter Relief Association Working Group Recommendations</b> |        |   |                           |                                |   |
| 1  | 83.4   | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 69.051,<br>Subd. 1a       | Fire<br>State Aid<br>Reporting | Detailed financial statement contents; delegates specific reporting requirements to agreed-upon procedures and forms as prescribed by the State Auditor.  |
| 2  | 84.13  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 69.80                     | VFRAs                          | Allows relief association payment of expenses for audit services, accounting and accounting services.   |
| 3  | 85.15  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.001,<br>New Subd. 12 | VFRAs                          | Membership start date; sets default date if relief association does not specify different date.   |
| 4  | 85.22  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.002,<br>Subd. 1      | VFRAs                          | Limits volunteer firefighters relief associations associated with fire department or corporation to one.  |
| 5  | 85.30  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.016,<br>Subd. 4      | Defined contrib.<br>VFRAs      | 2013 state aid allocation; includes police & firefighter retirement supplemental state aid in member account allocation.  |
| 6  | 87.8   | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.02,<br>Subd. 3       | Lump sum<br>VFRAs              | Flexible service pension maximums; includes police and firefighter retirement supplemental state aid in calculation of the available funding per firefighter calculation.   |
| 7  | 94.12  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.02,<br>Subd. 3a      | VFRAs                          | Permits the State Auditor to qualify relief association for fire state aid if maximum service pension error make in good faith and payment recovery procedures have begun.  |
| 8  | 95.14  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.02,<br>Subd. 9a      | VFRAs                          | Post-retirement increase eligibility; clarifies that post-retirement increase authority is limited to monthly benefit volunteer firefighters relief associations.   |
| 9  | 95.27  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.05,<br>Subd. 2       | VFRAs                          | Special fund revenue; includes police and firefighter retirement supplemental state aid in fund revenue.  |
| 10   | 96.10  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.05,<br>Subd. 3       | VFRAs                          | Special fund disbursements; requires minimum of two check signers or electronic fund transfer authorizers and requires volunteer firefighters relief associations to formulate payment and internal control procedures. |
| 11   | 97.8   | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.092,<br>Subd. 3      | Lump sum<br>VFRAs              | Financial requirements calculation; includes police and firefighter retirement supplemental state aid in calculation.   |
| 12   | 99.4   | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.092,<br>Subd. 6      | Lump sum<br>VFRAs              | Benefit increase ratification; includes police and firefighter retirement supplemental state aid in calculation of exception to municipal ratification requirement.   |
| 13   | 100.4  | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.093,<br>Subd. 5      | Monthly<br>benefit<br>VFRAs    | Financial requirements calculation; includes police and firefighter retirement supplemental state aid in calculation.   |
| 14   | 101.15 | HF 826 (Murphy, M.);<br>SF 884 (Rosen)    | 424A.093,<br>Subd. 5      | Monthly<br>benefit<br>VFRAs    | Benefit increase ratification; includes police and firefighter retirement supplemental state aid in calculation of exception to municipal ratification requirement.   |
| <b>Article 10: Particular Volunteer Firefighter Relief Association Changes</b>           |        |   |                           |                                |   |
| 1  | 102.16 | HF 41 (Hausman);<br>SF 61 (Marty)         | Uncoded                   | Roseville<br>VFRA              | Substitutes retirees for active members on relief association board as association active membership phases out, effective on local approval.   |
| 2  | 103.16 | HF 298 (Runbeck);<br>SF 251 (Chamberlain) | Uncoded                   | Centennial<br>VFRA             | Provides portability for volunteer firefighters downsized from reconfigured Centennial Fire District, with proportional liability and asset transfer, effective on local approval.                                      |
| <b>Article 11: Small Group Retirement Changes</b>  |        |   |                           |                                |   |
| 1  | 105.15 | HF 1521 (Hoppe);<br>SF 1373 (Pappas)      | 352.01,<br>Subd. 2a       | MSRS-General                   | Clarifies the inclusion of part-time employees who are not session-only employees and eliminates the inclusion of temporary investigation employees as obsolete.  |
| 2  | 107.5  | HF 1521 (Hoppe);<br>SF 1373 (Pappas)      | 352D.02,<br>Subd. 1       | MSRS-General                   | Includes part-time legislative employees in coverage, including employees who have that status on enactment.  |
| 3  | 109.5  | HF 1717 (Johnson, C.);<br>SF 1791 (Rosen) | 353.01,<br>Subd. 2a       | PERA-General                   | Grandparents inclusion of former regional development commission employees who have been transferred to direct employment by the Minnesota River Area Agency on Aging.  |
| 4  | 110.26 | HF 1803 (Thissen);<br>SF 1684 (Hayden)    | 353.01,<br>Subd. 2b       | PERA-General                   | Excludes current Minneapolis Park and Recreation Board temporary trades employees shifted to permanent employees in favor of union pension fund coverage.   |
| 5  | 114.17 | HF 1803 (Thissen);<br>SF 1684 (Hayden)    | Uncoded                   | PERA-General                   | Implements Section 4 exclusion election process.  |
| 6  | 114.28 | HF 1114 (Hansen);<br>SF 1342 (Metzen)     | Uncoded                   | MSRS-General                   | Permits pre-1996 seasonal Department of Revenue employee to purchase 1988-1994 excluded seasonal employment periods.  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec.   | Pg.Ln  | Source Bill(s)                          | Stat. Provision          | Retirement Plan       | Summary  |
|--|--------|---|--------------------------|-----------------------|--|
| 7  | 115.32 | HF 477 (Mahoney);<br>SF 580 (Hawi)      | Uncoded                  | PERA-General          | Authorizes an 11-month service credit purchase for certain St. Paul Public School System non-teaching employees erroneously reported as having terminated.   |
| 8  | 117.8  | HF 1997 (Gunther);<br>SF 1877 (Rosen)   | Uncoded                  | PERA-General          | Permits service credit purchase for erroneously excluded from coverage period.   |
| <b>Article 12: MSRS, PERA, AND TRA Administrative Provisions</b> |        |   |                          |                       |  |
| 1  | 118.18 | HF 661 (O'Driscoll);<br>SF 589 (Pappas) | 352.91,<br>Subd. 3e      | MSRS-<br>Correctional | Language enacted in 2014, which continued MSRS-Correctional Plan coverage for certain employees employed at the Minnesota Specialty Health System-Cambridge when that facility was converted to community-based homes in 2014 if the employee continued without break in service with the Department of Human Services in the "direct care and treatment services administration," is revised by clarifying that the service must be in the direct care and treatment of patients. |
| 2  | 119.14 | HF 661 (O'Driscoll);<br>SF 589 (Pappas) | 352B.10,<br>Subd. 5      | State Patrol          | A State Patrol Retirement Plan disabilitant optional annuity election provision is revised by clarifying language, including clarifying the timing of the election approaching the five-year anniversary of the disability.  |
| 3  | 119.28 | HF 661 (O'Driscoll);<br>SF 589 (Pappas) | 352B.105                 | State Patrol          | The State Patrol Retirement Plan disabilitant-transfer-to-retirement provision is revised by formatting the provision into subdivisions, and by requiring that transfer to retirement will occur generally at age 55 rather than age 65 for those first disabled after June 30, 2015.  |
| 4  | 120.19 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.01,<br>Subd. 10      | PERA Plans            | The PERA definition of salary is revised by generalizing leaves of absence references.   |
| 5  | 123.16 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.01,<br>Subd. 11a     | PERA Plans            | The PERA termination of public service definition is revised by requiring a 30-day break in service as an employee of any governmental subdivision, rather than just from the governmental subdivision from which the person separated, and by accepting a termination of service as valid if the terminated employee, within 30 days of termination, provides independent contractor service to a governmental subdivision other than the one from which the person terminated.   |
| 6  | 124.2  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.01,<br>Subd. 16      | PERA Plans            | The PERA allowable service definition is revised by removing obsolete Community Corrections Act language, by revising references to various leave of absence provisions, and by striking a three-month return-to-work requirement being moved to another provision.  |
| 7  | 127.1  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.01,<br>Subd. 28      | PERA Plans            | The PERA retirement definition is revised by striking erroneous board authority language, and by making the separation from service language consistent with the revised requirements in the termination from public service definition.   |
| 8  | 127.24 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.01,<br>Subd. 36      | PERA Plans            | The volunteer firefighter definition is revised to by indicating that volunteer firefighting service includes service for which the individual receives service credit in Chapter 353G, the Statewide Lump-Sum Volunteer Firefighter Retirement Plan.  |
| 9  | 127.30 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.0161;<br>New Subd. 3 | PERA Plans            | A new subdivision is added to the leave of absence service credit purchase section containing a three-month return to work requirement moved from the allowable service definition.  |
| 10   | 128.5  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.0162                 | PERA Plans            | A provision specifying service credit purchase requirements applicable to periods of reduced salary is revised by restricting any purchase period to 12 months, rather than just applying the 12-month restriction to medical leave periods.   |
| 11   | 129.20 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.03,<br>Subd. 3       | PERA Plans            | The PERA board duties and powers subdivision is revised by authorizing PERA's board to allow electronic signatures on applications and forms.  |
| 12   | 131.1  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.031,<br>Subd. 5      | PERA Plans            | The PERA medical advisor provision is expanded to enable PERA to use providers of disability determination services other than the Department of Health.   |
| 13   | 131.10 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353.031,<br>Subd. 10     | PERA Plans            | A PERA disabilitant restoration of service credit subdivision is revised by dividing the subdivision into paragraphs, by clarifying that a purchase would also restore salary credit, and by stating that after the occurrence of a disability, the only purchase of salary credit allowed are those associated with a period of reduced salary during receipt of temporary workers' compensation benefits.  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln  | Source Bill(s)                      | Stat. Provision   | Retirement Plan                   | Summary   |
|------|--------|-------------------------------------|-------------------|-----------------------------------|---|
| 14   | 131.20 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.27, Subd. 10  | PERA Plans                        | The PERA employer exclusion report provision is revised by permitting a designated representative of the department head, rather than just the department head, to submit employer exclusion reports, and by striking language which required the department head to certify the accuracy and completeness of the exclusion report.   |
| 15   | 132.8  | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.29, Subd. 7   | PERA Plans                        | A PERA annuity accrual subdivision is clarified by dividing the subdivision into paragraphs and reorganizing the language.  |
| 16   | 132.27 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.33, Subd. 6   | PERA Plans                        | A PERA disability continuing eligibility subdivision is revised by changing a reference to "vocational rehabilitation evaluation" to "vocational rehabilitation assessment."  |
| 17   | 133.4  | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.33, Subd. 13  | PERA Plans                        | The PERA disabilitant post-retirement adjustment eligibility provision is revised by clarifying that when a disabilitant transfers to retirement status, the retirement benefit includes all prior benefit adjustments which occurred while the individual was in disabilitant status.  |
| 18   | 133.12 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.37, Subd. 1   | PERA Plans                        | The PERA reemployed annuitant exempt salary maximum provision is revised by removing an erroneous clause.   |
| 19   | 133.31 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.656, Subd. 1a | PERA-P&F                          | The PERA-P&F total and permanent disability computation of benefits provision is revised by stating that the disabilitant is authorized to elect an optional annuity at the time of any determination which shifts the person's status from total-and-permanent disability to duty disability.  |
| 20   | 134.33 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.656, Subd. 1b | PERA-P&F                          | The PERA-P&F disabilitant optional annuity election provision is revised by referring to benefit recipients as disability benefit recipients rather than "disabilitants," and by indicating that an optional annuity may be elected at the time that someone previously classified as a total and permanent disabilitant is reclassified as a duty disabilitant.  |
| 21   | 135.33 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.656, Subd. 2  | PERA-P&F                          | A PERA-P&F disability subdivision specifying treatment if workers' compensation benefits are also involved is clarified and reorganized.  |
| 22   | 136.23 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.656, Subd. 4  | PERA-P&F                          | The PERA-P&F disability benefit payout limitation subdivision is revised by clarifying the provision, including specifying that the limitation computation is to be based on monthly amounts.   |
| 23   | 137.11 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353.656, Subd. 5a | PERA-P&F                          | A PERA-P&F cessation of disability benefit subdivision is revised by removing obsolete statute date references, and by generally updating language.   |
| 24   | 138.15 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353D.03, Subd. 3  | Public Employees Defined Contrib. | The Public Employees Defined Contribution Plan ambulance service, rescue squad contribution subdivision is revised by formatting the subdivision into paragraphs and removing obsolete references to privately operated ambulance services, because they are no longer eligible for plan coverage.  |
| 25   | 138.30 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353E.06, Subd. 5  | PERA-Correctional                 | The PERA-Correctional disability termination subdivision is revised by terminating the disability benefit and transitioning to retirement at, for new disabilitants after June 30, 2015, age 55 or the five year anniversary of the disability benefit, whichever is later, rather than age 65; by clarifying language including specifying that the retirement benefit, following the termination of the disability benefit, must include all prior post-retirement adjustments. |
| 26   | 139.22 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353E.06, Subd. 6  | PERA-Correctional                 | The PERA-Correctional disabilitant resumption of employment subdivision is revised by clarifying that the earnings limitations are based on monthly amounts.  |
| 27   | 140.1  | HF 285 (O'Driscoll); SF 55 (Pappas) | 353F.01           | PERA Privatized Employee Chapter  | The PERA privatization chapter purpose and intent section is revised by restricting the intent statement to privatized public medical facilities, removing application to "other public employing units (consistent with the repeal of the "other public employing unit" definition in 2013).   |
| 28   | 140.11 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353F.02, Subd. 3  | PERA Privatized Employee Chapter  | The PERA privatization chapter effective date of privatization subdivision is revised by removing application to "other public employing units," (consistent with the repeal of the "other public employing unit" definition in 2013).  |
| 29   | 140.18 | HF 285 (O'Driscoll); SF 55 (Pappas) | 353F.02, Subd. 5a | PERA Privatized Employee Chapter  | The PERA privatization chapter privatized former public employer subdivision is revised by removing application to "other public employing units," (consistent with the repeal of the "other public employing unit" definition in 2013).  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln  | Source Bill(s)                          | Stat. Provision      | Retirement Plan  | Summary  |
|------|--------|---|----------------------|--|--|
| 30   | 140.24 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353F.04,<br>Subd. 2  | PERA Privatized<br>Employee Chapter                            | The PERA privatization chapter exceptions to deferred annuity augmentation provision is revised by stating that the increased deferred annuity augmentation provided under the privatization chapter terminate for the privatized individual the first of the month that the individual again becomes employed in a position covered by PERA-General.  |
| 31   | 141.9  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353F.051,<br>Subd. 1 | PERA Privatized<br>Employee Chapter                            | The PERA privatization chapter continuation of disability coverage eligibility subdivision is revised by removing specific reference to the 1998 version of Minnesota Statutes as the applicable version of statutes to use for determining total and permanent disability status.   |
| 32   | 141.15 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353F.051,<br>Subd. 2 | PERA Privatized<br>Employee Chapter                            | The PERA privatization chapter continuation of disability coverage calculation of benefits subdivision is revised by removing specific reference to the 1998 version of Minnesota Statutes, as the applicable version of statutes to use for computing disability benefits and benefit augmentation.   |
| 33   | 141.22 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353F.051,<br>Subd. 3 | PERA Privatized<br>Employee Chapter                            | The PERA privatization chapter continuation of disability coverage applicability of general law provision is revised by removing specific reference to the 1998 version of Minnesota Statutes, Section 353.33, as the applicable version of that statute to use for determining benefit eligibility.   |
| 34   | 141.27 | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 353G.08,<br>Subd. 1  | PERA-SVF   | The annual funding requirement provision in the Statewide Lump-Sum Volunteer Firefighter Retirement Plan (PERA-SVF) administered by PERA is revised by changing the computation of administrative expenses from increasing last year's expense by a factor of 1.035, to multiplying the most recent year's per person administrative expense by the number of active and deferred firefighters reported to PERA; and by netting from the municipal contribution requirement any supplemental state aid under section 423A.022 expected to be received.   |
| 35   | 143.31 | HF 284 (O'Driscoll);<br>SF 54 (Pappas)  | 354.445              | TRA  | The reemployed annuitant annuity reduction waiver provision applicable to certain rehired /MNSCU annuitants is revised by basing maximum excluded earnings limits on fiscal year rather than calendar year earnings.   |
| 36   | 145.1  | HF 284 (O'Driscoll);<br>SF 54 (Pappas)  | 354.72,<br>Subd. 2   | TRA  | The authorized leave of absence and strike period service credit purchase procedure is revised by extending the period under which interest-free payment is permitted for strike periods or leaves other than an extended leave of absence, from June 30 of the year of the leave until the following December 31.   |
| 37   | 146.1  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 355.07               | All Plans  | The Chapter 355 Social Security coverage declaration of policy provision is revised by specifying that the cost of any Social Security referendum must be covered by the applicable government subdivisions, by stating that any person in a division of members who did not desire Social Security coverage may be transferred to the division who elected coverage by filing a written request for such a transfer with the PERA executive director, and by replacing the general exclusion of members covered by police and fire plans by specific reference to PERA-P&F and MSRS State Patrol. |
| 38   | 147.2  | HF 285 (O'Driscoll);<br>SF 55 (Pappas)  | 356.32,<br>Subd. 1   | All plans other<br>than those<br>covering elected<br>officials | The proportionate retirement annuity provision in Chapter 356 is revised by requiring at least one year of service rather than at least one year but less than ten; by excluding those who retire prior to age 65 unless the retirement is due to mandatory retirement law, rather than permitting inclusion by those who retire at an age earlier than age 65 if normal retirement age in the plan is under age 65; and by specifying that a plan may not be included in the proportionate annuity if the service in the plan is less than six months.  |
| 39   | 147.19 | HF 661 (O'Driscoll);<br>SF 589 (Pappas) | 356.415,<br>Subd. 1a | MSRS-Plans<br>other than<br>State Patrol                       | The post-retirement adjustment procedure provision applicable to MSRS plans other than State Patrol Retirement Plan (revised in 2014 to generally require two consecutive actuarial valuations indicating a funding ration of at least 90%, rather than one actuarial valuation, before a plan can provide 2.5% adjustments rather than two percent adjustments), is further revised to clarify that the two-actuarial-valuation requirement also applies to the Legislators Retirement Plan.  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln  | Source Bill(s)                      | Stat. Provision       | Retirement Plan      | Summary  |
|------|--------|-------------------------------------|-----------------------|----------------------|--|
| 40   | 148.25 | HF 284 (O'Driscoll); SF 54 (Pappas) | 356.635, Subd. 9      | Retirement generally | The Internal Revenue Code compliance military service provision is revised by clarifying for all Minnesota public pension plans survivor benefit rights for survivors of those who die while on active military service. These survivor benefit rights must be consistent with the Uniformed Services Employment and Reemployment Rights Act (USERRA), including any benefits which are ordinarily contingent on the member's death occurring following reemployment, and treating qualified military service as qualifying for vesting purposes. The revisions apply to deaths occurring after December 31, 2005.   |
| 41   | 149.4  | HF 284 (O'Driscoll); SF 54 (Pappas) | 356.635, New Subd. 10 | Retirement generally | The Internal Revenue Code compliance provision is amended by adding a subdivision on benefit limitations specifying how, for purposes of applying benefit limitations required by Section 415(b) of the federal IRC, any benefit is to be adjusted to its actuarially equivalent single life annuity amount for purposes of determining compliance.  |
| 42   | 149.20 | HF 285 (O'Driscoll); SF 55 (Pappas) | Repealer              | Various PERA Plans   | The following sections of Minnesota Statutes are repealed:<br>– 353.025, which extends PERA coverage to employees of the Range Association of Municipalities and Schools, because the provision duplicates coverage provided elsewhere in PERA law;<br>– 353.83, Additional Payments to Certain Annuitants, because no eligible individuals remain;<br>– 353.84, Increase in Benefits, a post-retirement increase provision, because no eligible individuals remain;<br>– 353.85, Optional Benefits to Survivors of Members who Died After June 15, 1973, because there are no benefits recipients covered by the provision; and<br>– 353D.03, Payments by Former Eligible Elected Officials, because the section is obsolete. |

**Article 13: Obsolete Date Revisions and Various Clarifications**

|    |        |                                      |                   |                               |   |
|----|--------|--------------------------------------|-------------------|-------------------------------|---|
| 1  | 149.26 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.01, Subd. 11  | MSRS-General                  | Eliminates pre-1957 and pre-1961 grandparenting allowable service credit provisions.  |
| 2  | 151.13 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.01, Subd. 15  | MSRS                          | Replaces substantive approved actuary definition with cross-reference to actuarial reporting law definition.  |
| 3  | 151.18 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.021, Subd. 1  | MSRS-General                  | Plan establishment and coverage; eliminates 1967 grandparenting membership provision.   |
| 4  | 151.27 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.021, Subd. 3  | MSRS-General                  | Optional executive branch membership; requires exemption request in writing and adds appropriate cross-reference to MSRS-Unclassified.  |
| 5  | 152.6  | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.021, Subd. 4  | MSRS-General                  | Return to service after refund; replaces general reference to Chapter 352 with appropriate specific cross-reference to Section 352.23.  |
| 6  | 152.13 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.029, Subd. 2  | MSRS-General                  | Eliminates an obsolete internal effective date in the optional membership election provision.   |
| 7  | 152.19 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.22, Subd. 8   | MSRS-General                  | Limits on refunds; divides subdivision into two paragraphs to better identify the two separate provisions contained and adds cross-reference to the Combined Service Annuity.   |
| 8  | 152.31 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.22, Subd. 10  | MSRS-General                  | Other refunds; eliminates obsolete past tense verb reference and corrects cross-reference to exclusion provision.   |
| 9  | 153.9  | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.23            | MSRS-General                  | Separates the refund repayment section into four paragraphs based on subject matter, clarifies payments made in lieu of salary deduction, corrects a cross-reference to Section 352.01, Subdivision 11, and clarifies the timing of interest on a refund repayment. |
| 10 | 153.29 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.75, Subd. 2   | MSRS-General                  | Eliminates obsolete internal effective date in the MTC-TOD plan consolidation.  |
| 11 | 154.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | 352.87, Subd. 8   | MSRS-Arson Investigators Plan | Eliminates obsolete internal effective dates in the coverage election provision.  |
| 12 | 154.10 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352B.011, Subd. 3 | State Patrol                  | Eliminates the grandparenting of prior State Patrol Plan prior service credit purchases and pre-1961 State Police Officers Retirement Plan prior service credit provisions.   |
| 13 | 154.31 | HF1508 (O'Driscoll); SF1398 (Pappas) | 352B.07           | State Patrol Plan             | Clarifies references to the MSRS board accommodating 1973 transfer of administration from Patrol board in the lawsuits by or against plan provision.  |
| 14 | 155.6  | HF1508 (O'Driscoll); SF1398 (Pappas) | 352B.25           | State Patrol Plan             | Eliminates references to participation in the Minnesota Post Retirement Investment Fund, which was terminated in 2008.  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln  | Source Bill(s)                       | Stat. Provision   | Retirement Plan                | Summary  |
|------|--------|--------------------------------------|-------------------|--------------------------------|--|
| 15   | 155.16 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.01, Subd. 2b  | PERA                           | Completes an existing cross-reference in the membership exclusions provision.  |
| 16   | 159.4  | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.01, Subd. 6   | PERA-General                   | Eliminates outdated MERF employee coverage provision.  |
| 17   | 160.18 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.01, Subd. 16  | PERA-General                   | Eliminates an unused 1973-1985 service credit portability provisions related to the Community Corrections Act.   |
| 18   | 163.14 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.01, Subd. 17  | PERA                           | Replaces substantive approved actuary definition with cross-reference to actuarial reporting law definition.   |
| 19   | 163.19 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.017, Subd. 2  | PERA-General                   | Eliminates an obsolete effective date in the coverage election provision.  |
| 20   | 163.24 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.46, Subd. 2   | PERA-General                   | Deferred annuitant rights; eliminates obsolete 1973 provision.   |
| 21   | 164.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.64, Subd. 7a  | PERA-P&F                       | Metro Transit police inclusion; eliminates an obsolete 1993 operational coverage provision.  |
| 22   | 164.15 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.64, Subd. 8   | PERA-P&F                       | Military Affairs firefighters; eliminates an obsolete 1987 internal effective date.  |
| 23   | 164.31 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.64, Subd. 9   | PERA-P&F                       | Sheriff's Association employees; eliminates an obsolete 1989 internal effective date.  |
| 24   | 165.11 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353.64, Subd. 10  | PERA-P&F                       | Hennepin Healthcare paramedics; eliminates an obsolete 1994 internal effective date.   |
| 25   | 165.33 | HF1508 (O'Driscoll); SF1398 (Pappas) | 353D.071, Subd. 2 | PERA Defined Contribution Plan | Eliminates an obsolete 2003 date reference in the required distributions provision.  |
| 26   | 166.30 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.05, Subd. 10  | TRA                            | Replaces substantive approved actuary definition with cross-reference to actuarial reporting law definition.   |
| 27   | 167.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.05, Subd. 13  | TRA                            | Allowable service; eliminates pre-1957 and pre-1961 grandparenting allowable service credit provisions.  |
| 28   | 168.20 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.05, Subd. 25  | TRA                            | Formula service; eliminates pre-1957 and pre-1961 grandparenting allowable service credit provisions.  |
| 29   | 169.5  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.07, Subd. 5   | TRA                            | Board of Trustees recordkeeping; eliminates obsolete reference to 1973 capital reserve account, divides the subdivision into paragraphs, and updates language form and usage.  |
| 30   | 169.20 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.092, Subd. 4  | TRA                            | Service credit purchase limit; eliminates reference to obsolete 1973 provision.  |
| 31   | 169.27 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.42, Subd. 1a  | TRA                            | Fund assets and permissible disbursements; eliminates references to prior 1971 fund asset reference.   |
| 32   | 170.6  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.44, Subd. 8   | TRA                            | Divides the evidence of annuity receipt subdivision into two paragraphs, and clarifies instances when annuities are withheld in the event that the evidence form is not filed.   |
| 33   | 170.15 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.44, Subd. 9   | TRA                            | In the determining applicable law provision; replaces "an employee" reference with reference to "former teacher" relating to a person returning to fund membership.  |
| 34   | 170.21 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.45, Subd. 1a  | TRA                            | Bounce-back annuity form; eliminates an unnecessary 1989 date reference.   |
| 35   | 171.3  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.48, Subd. 3   | TRA                            | Eliminates pre-1974 old law disability benefit computation provision.  |
| 36   | 172.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.51, Subd. 1   | TRA                            | Updates the language style and usage of the eligibility for payments in lieu of deductions provision and corrects erroneous cross-reference.   |
| 37   | 172.7  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.51, Subd. 5   | TRA                            | Eliminates pre-1957 and pre-1981 payment of shortages provisions and removes an obsolete 1986 internal effective date.   |
| 38   | 173.22 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.52, Subd. 4c  | TRA                            | Eliminates an obsolete 2004 implementation date for reporting by the MnSCU.  |
| 39   | 173.29 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354.55, Subd. 10  | TRA                            | Eliminates an obsolete 1971 internal effective date, shifts the recipient of the paperwork from the board to the executive director, and updates the style and language usage of the voluntary benefit reductions provision. |
| 40   | 174.8  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354A.011, Subd. 6 | First class city teachers      | Replaces substantive approved actuary definition with cross-reference to actuarial reporting law definition.   |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln  | Source Bill(s)                       | Stat. Provision       | Retirement Plan                    | Summary   |
|------|--------|--------------------------------------|-----------------------|------------------------------------|---|
| 41   | 174.13 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354A.092              | TRA                                | Eliminates an obsolete 1986 internal effective date in the sabbatical leave provision.  |
| 42   | 175.5  | HF1508 (O'Driscoll); SF1398 (Pappas) | 354A.12, Subd. 3c     | First class city teachers          | In the state aid termination provision; replaces "current assets" reference with "actuarial value of assets" reference, reflecting 2008 legislative change.   |
| 43   | 175.22 | HF1508 (O'Driscoll); SF1398 (Pappas) | 354A.31, Subd. 7      | First class city teachers          | Updates the language style and usage of the early retirement reduction provision.   |
| 44   | 176.20 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.215, Subd. 1      | Public plans actuarial valuations  | Revises approved actuary definition to include actuarial firms as well as individual actuaries.   |
| 45   | 178.11 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.215, Subd. 18     | General actuarial reporting law    | Eliminates the now obsolete pre-2010 actuarial assumption change procedure.   |
| 46   | 178.30 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.245               | Retirement generally               | Adds appropriate cross-reference to the PERA Defined Contribution Plan, mandated coverage for elected officials since 2001, and permits Deferred Comp employer contributions to any plan, reflecting 2000 legislative change. |
| 47   | 179.3  | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.40                | Retirement generally               | Eliminates an obsolete internal effective date in the annuity payment date provision.   |
| 48   | 179.13 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.407, Subd. 1      | Retirement generally               | Survivor benefit restoration; eliminates an obsolete 1975 provision.  |
| 49   | 179.26 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.415, Subd. 1      | Statewide plans generally          | Eliminates the post-retirement adjustment rate provision initial effective date.  |
| 50   | 180.12 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.415, Subd. 1a     | MSRS plans other than State Patrol | Eliminates the post-retirement adjustment rate provision initial effective date.  |
| 51   | 181.14 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.415, Subd. 1d     | TRA                                | Eliminates the post-retirement adjustment rate provision initial effective date.  |
| 52   | 182.25 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.415, Subd. 1e     | State Patrol                       | Eliminates the post-retirement adjustment rate provision initial effective date.  |
| 53   | 183.35 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.415, Subd. 1f     | Judges                             | Eliminates the post-retirement adjustment rate provision initial effective date.  |
| 54   | 184.28 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.431               | Retirement generally               | Eliminates an obsolete 2001 internal effective date and clarifies statutory cross-references following repeal of an obsolete statute in Section 66.   |
| 55   | 185.3  | HF1508 (O'Driscoll); SF1398 (Pappas) | 356.62                | Retirement generally               | Eliminates obsolete 1982 and 1992 dates and updates the language style and usage.   |
| 56   | 186.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | 356B.10, Subd. 2      | Retirement system building         | Eliminates obsolete design and construction related provisions.   |
| 57   | 186.14 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356B.10, Subd. 3      | Retirement system building         | Eliminates obsolete design and construction related provisions.   |
| 58   | 188.17 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356B.10, Subd. 4      | Retirement system building         | Eliminates the initial revenue bond issuance provisions.  |
| 59   | 188.29 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356B.10, Subd. 5      | Retirement system building         | Separates the provision into three paragraphs and clarifies the retirement fund assets as security for bonds.   |
| 60   | 189.7  | HF1508 (O'Driscoll); SF1398 (Pappas) | 356B.10, Subd. 6      | Retirement system building         | Clarifies cross-reference to Section 356B.10, Subdivision 4, in the bond debt service fund provision.   |
| 61   | 189.14 | HF1508 (O'Driscoll); SF1398 (Pappas) | 356B.10, Subd. 7      | Retirement system building         | Eliminates obsolete provisions and recasts remaining provisions with ongoing application.   |
| 62   | 190.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | 423A.02, Subd. 1b     | Local police & fire plans          | Eliminates an outdated internal effective date in the additional amortization aid provision.  |
| 63   | 191.8  | HF1508 (O'Driscoll); SF1398 (Pappas) | 424A.001, Subd. 10    | Volunteer fire                     | Eliminates a grandparenting of pre-2006 volunteer fire relief association members who may not engage in regular fire department duties.   |
| 64   | 191.24 | HF1508 (O'Driscoll); SF1398 (Pappas) | Revisor's instruction | --                                 | Directs the Revisor to update section or subdivision headnotes in Minn. Stat. Ch. 352, 353, and 354.  |
| 65   | 191.27 | HF1508 (O'Driscoll); SF1398 (Pappas) | Repealer              | --                                 | Repeals obsolete provisions applicable to MSRS, the State Patrol Retirement Plan, PERA, TRA, the first class city teacher retirement plans, retirement plans, generally, and volunteer firefighter relief associations.       |
| 66   | 192.1  | HF1508 (O'Driscoll); SF1398 (Pappas) | Effective date        | --                                 | Effective July 1, 2015.   |



Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec.   | Pg.Ln  | Source Bill(s)                       | Stat. Provision      | Retirement Plan | Summary   |
|--|--------|--------------------------------------|----------------------|-----------------|---|
| <b>Article 14: PERA-MERF Merger Provisions</b> |        |                                      |                      |                 |   |
| 1  | 192.5  | HF1203 (O'Driscoll); SF1139 (Pappas) | 256D.21              | PERA; MERF      | Continues benefits for former MERF members merged into PERA-General.  |
| 2  | 192.25 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.01, Subd. 2a     | PERA; MERF      | Includes former MERF members in mandatory PERA-General coverage; eliminates reference to MERF Division.   |
| 3  | 194.8  | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.01, Subd. 6      | PERA; MERF      | Eliminates reference to MERF in the definition of governmental subdivision.   |
| 4  | 195.23 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.01, Subd. 48     | PERA; MERF      | Defines MERF as fully merged into PERA-General; eliminates reference to MERF Division.  |
| 5  | 195.29 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.05               | PERA; MERF      | Eliminates MERF Division reference in the PERA-General fund management provision.   |
| 6  | 196.9  | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.06               | PERA; MERF      | Eliminates MERF Division reference in the PERA-General investment management provision.   |
| 7  | 196.22 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.27, Subd. 1      | PERA; MERF      | Appropriates payments from PERA-General fund authorized by Minn. Stat. 2008, Ch. 422A.  |
| 8  | 196.32 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.27, Subd. 3b     | PERA; MERF      | Requires employer and state contributions made on behalf of former MERF members to be included in determining PERA-General contribution requirements. |
| 9  | 199.17 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.27, New Subd. 3c | PERA; MERF      | Sets the required annual employee and employer contributions to PERA-General for former MERF members.   |
| 10   | 200.18 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.34, Subd. 1      | PERA; MERF      | Requires former MERF member refunds to be governed by Minn. Stat. 2008, Ch. 422A.   |
| 11   | 201.4  | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.37, Subd. 1      | PERA; MERF      | Excludes former MERF members from PERA-General salary maximums.   |
| 12   | 201.23 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.46, Subd. 2      | PERA; MERF      | Requires the rights of a former MERF deferred annuitant to be governed by Minn. Stat. 2008, Sec. 422A.16.   |
| 13   | 202.3  | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.46, Subd. 6      | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General coordinated benefits computation provision.   |
| 14   | 202.24 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.50, Subd. 6      | PERA; MERF      | Establishes benefits for those who were members of the former MERF Division before the merger.  |
| 15   | 203.11 | Senate Finance Amendment SCS1398A-1  | 353.50, Subd. 8      | PERA; MERF      | Continues to allow Minneapolis Municipal Retirement Assoc. dues to be deducted from former MERF member benefits.                                      |
| 16   | 203.18 | HF1203 (O'Driscoll); SF1139 (Pappas) | 353.505              | PERA; MERF      | Sets the required annual state contribution to PERA-General for former MERF members.  |
| 17   | 204.23 | HF1203 (O'Driscoll); SF1139 (Pappas) | 355.01, Subd. 3j     | PERA; MERF      | Excludes former MERF members from Social Security coverage.   |
| 18   | 204.30 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.214, Subd. 1     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General actuary retention provision.  |
| 19   | 206.14 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.215, Subd. 11    | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General amortization target dates provision.  |
| 20   | 208.33 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.30, Subd. 3      | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General combined service annuities provision.   |
| 21   | 209.20 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.302, Subd. 7     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General combined service disability benefits provision.   |
| 22   | 210.6  | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.303, Subd. 4     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General combined service survivor benefits provision.   |
| 23   | 210.28 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.32, Subd. 2      | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General proportionate retirement annuities provision.   |
| 24   | 211.10 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.401, Subd. 3     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General exemptions in legal processes provision.  |
| 25   | 212.2  | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.407, Subd. 2     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General restoration of survivor benefits provision.   |
| 26   | 212.14 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.415, Subd. 2     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General annual post-retirement adjustments provision.   |
| 27   | 212.33 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.461, Subd. 2     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General computation of joint and survivor annuities provision.                                      |
| 28   | 213.20 | HF1203 (O'Driscoll); SF1139 (Pappas) | 356.465, Subd. 3     | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General qualified supplemental needs trusts provision.  |

Section-by-Section Summary of the Senate Omnibus Retirement Bill, S.F. 1398 (Pappas), 2nd Engrossment

| Sec. | Pg.Ln  | Source Bill(s)  | Stat. Provision     | Retirement Plan | Summary  |
|------|--------|---|---------------------|-----------------|--|
| 29   | 214.5  | HF1203 (O'Driscoll);<br>SF1139 (Pappas)   | 480.181,<br>Subd. 2 | PERA; MERF      | Eliminates reference to MERF Division in the PERA-General employees electing to retain insurance and benefits when transferring to judicial branch employment provision.   |
| 30   | 215.4  | HF1203 (O'Driscoll);<br>SF1139 (Pappas)   | Uncoded             | PERA; MERF      | Fully merges the MERF Division and account into PERA-General and transfers all titles and interest to PERA-General   |
| 31   | 215.16 | HF1203 (O'Driscoll);<br>SF1139 (Pappas)<br>Senate Finance<br>Amendment SCS1398A-1 | Repealer            | --              | <p>The following sections of Minnesota Statutes are repealed:</p> <ul style="list-style-type: none"> <li>- 353.01, Subd. 49, which defines the separate MERF Division account within PERA-General.</li> <li>- 353.27, Subd. 1a, which establishes the separate MERF Division account within PERA-General.</li> <li>- 353.50, Subd. 1, transferred the administration of MERF Division to PERA board of trustees,</li> <li>- 353.50, Subd. 2, transferred all MERF members to MERF Division within PERA-General.</li> <li>- 353.50, Subd. 3, transferred all MERF members service and salary credit to MERF Division within PERA-General,</li> <li>- 353.50, Subd. 4, transferred all MERF records to MERF Division within PERA-General,</li> <li>- 353.50, Subd. 5, transferred legal title to assets of MERF to the State Board of Investment.</li> <li>- 353.50, Subd. 7, established MERF Division account contributions,</li> <li>- 353.50, Subd. 9, established the requirements for full consolidation of MERF Division in to PERA-General,</li> <li>- 353.50, Subd. 10, allowed former MERF employers to transfer assets to PERA-General to cover anticipated actuarial accrued liability.</li> <li>- 354.71, rededicated any excess state contribution to MERF Division account to TRA.</li> </ul> |
| 32   | 215.19 | HF1203 (O'Driscoll);<br>SF1139 (Pappas)   | Effective date      | --              | The article is effective the day following final enactment   |