

**Attachment B**  
**Section-by-Section Summary of**  
**S.F. 2620 (O’Driscoll), 1<sup>st</sup> Unofficial Engrossment**

Sec.	Page & Line	Statute	Plan	Summary
<b>Article 1: Minnesota State Retirement System Benefit Changes</b>				
1	3.4	3A.02, Subd. 4	Legislators Plan	Prospectively eliminates augmentation for all deferred members after 12/31/2018.
2	3.22	352.116, Subd. 1a	MSRS General	Eliminates augmentation in calculating early retirement benefits over a five-year period starting 7/1/2019, resulting in actuarial equivalence after 6/30/2024.
3	4.26	352.22, Subd. 2	MSRS Plans	Lowers the refund interest rate from 4% to 3%.
4	5.8	352.22, New Subd. 2b	MSRS Plans	Clarifies the procedure to repay a refund.
5	5.17	352.22, Subd. 3	MSRS Plans	Corrects a cross-reference.
6	6.7	352.22, New Subd. 3a	MSRS General MSRS Correctional	Prospectively eliminates augmentation for all deferred members after 12/31/2018.
7	7.1	352B.08, New Subd. 2b	State Patrol Plan	Eliminates augmentation for all members after 12/31/2018; maintains augmentation earned up to 12/31/2018.
8	7.19	352D.085, Subd. 1	MSRS Unclassified	Corrects cross-references.
9-10	8.1 8.7	490.121, Subd. 25, 26	Judges Plan	Corrects cross-references.
11	8.13	Repealer	MSRS Plans	Repeals Minn. Stat. §§ 3A.12, 352.72, and 352B.30, the “Coverage by More than One Fund” statutes, which are replaced by new §356.311; repeals § 352.045, the “contribution stabilizer,” which allows the plan’s board to adjust contribution rates, subject to review by the Pension Commission.
12	8.15	Effective Date	--	All sections are effective 6/30/2018.

Sec.	Page & Line	Statute	Plan	Summary
<b><u>Article 2: Public Employees Retirement Association Benefit Changes</u></b>				
1	8.20	353.30, Subd. 5	PERA General	Eliminates augmentation in early retirement benefits over a five-year period starting 7/1/2019, resulting in actuarial equivalence after 6/30/2024.
2	9.24	353.34, Subd. 2	PERA Plans	Lowers the refund interest rate from 4% to 3%.
3	10.10	353.34, Subd. 3	PERA Plans	Prospectively eliminates augmentation for all deferred members after 12/31/2018.
4	11.23	Repealer	PERA Plans	Repeals Minn. Stat. § 353.71, the “Coverage by More than One Fund” statute, which is replaced by new § 356.311; and § 353.27, the “contribution stabilizer,” which allows the plan’s board to adjust contribution rates, subject to review by the Pension Commission.
5	11.25	Effective Date	--	Section 1 is effective for annuities starting on or after 7/1/2019. Sections 2-4 are effective 6/30/2018.
<b><u>Article 3: Teachers Retirement Association Benefit Changes</u></b>				
1	12.4	354.44, Subd. 6	TRA	Eliminates augmentation in calculating early retirement benefits over a five-year period starting 7/1/2019, resulting in a 4% per year reduction for retirement at ages 55 through 59 and a 7% per year reduction for retirement at ages 60 through normal retirement age by 7/1/2024 (not applicable to members who retire under the Rule of 62/30).
2	16.26	354.49, Subd. 2	TRA	Lowers the refund interest rate from 4% to 3%.
3	17.6	354.55, Subd. 11	TRA	Prospectively eliminates augmentation for all deferred members after 6/30/2019.

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4	19.11	Repealer	TRA	Repeals Minn. Stat. § 354.60, the “Coverage by More than One Fund” statute, which is replaced by new § 356.311; and § 354.42, the “contribution stabilizer,” which allows the plan’s board to adjust contribution rates, subject to review by the Pension Commission.”
5	19.14	Effective Date	--	All sections are effective 6/30/2018.
<b>Article 4: St. Paul Teachers Retirement Fund Association Benefit Changes</b>				
1	19.19	354A.011, Subd. 3a	SPTRFA	Updates investment return assumption reference.
2	19.28	354A.29, Subd. 7	SPTRFA	Eliminates the COLA for 2019 and 2020; resumes COLAs at 1% thereafter. Delays the start of COLAs, for retirements on or after 6/30/2024, until the retiree reaches normal retirement age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivor benefit recipients).
3	20.23	354A.31, Subd. 7	SPTRFA	Eliminates augmentation in calculating early retirement benefits over a five-year period starting 7/1/2019, resulting in a 4% per year reduction for retirement at ages 55 through 59 and a 7% per year reduction for retirement at ages 60 through normal retirement age by 7/1/2024 (not applicable to members who retire under the Rule of 62/30).
4	22.17	354A.37, Subd. 2	SPTRFA	Prospectively eliminates augmentation for all deferred members after 6/30/2019.
5	24.3	354A.37, Subd. 3	SPTRFA	Lowers the refund interest rate from 4% to 3%.
6	24.12	Repealer	SPTRFA	Repeals Minn. Stat. § 354A.39, the “Coverage by More than One Fund” statute, which is replaced by new § 356.311; and repeals subdivisions in § 354A.29, the “COLA triggers,” which provide for automatic COLA adjustments when specified funding ratios are met.
7	24.15	Effective Date	--	All sections are effective 6/30/2018.

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<b>Article 5: Actuarial Assumptions and Postretirement Adjustments for Statewide Plans</b>				
1	24.20	356.215, Subd. 8	MSRS Plans, PERA Plans, TRA, and SPTRFA	Lowers the investment return assumption to 7.5% for all plans. Deletes salary increase and payroll growth assumption for all plans and adds a reference to an appendix to the LCPR Standards for Actuarial Work.
2	30.6	356.215, Subd. 9	All Plans	Gives the pension plans the flexibility to use updated mortality improvement scales in their actuarial valuations.
3	30.20	356.215, Subd. 11	MSRS Plans, PERA Plans, TRA, and SPTRFA	Resets the amortization period to a new 30-year period ending in 2048.
4	33.9	356.30, Subd. 1	Combined Service Annuity Plans	Clarifies the Combined Service Annuity provision and makes changes to conform to the elimination of augmentation.
5	36.3	New § 356.311	All Plans	Adds a new section regarding "Coverage by More than One Plan," which will apply to all pension plans.
6	36.29	356.415, Subd. 1	MSRS General Legislators Plan MSRS Unclassified	Removes the COLA triggers, which provide for automatic COLA adjustments when specified funding ratios are met.  Lowers the COLA from 2% to 1% for five years, and 1.5% thereafter.  Delays the start of COLAs, for retirements on or after 1/1/2024, until the retiree reaches normal retirement age (not applicable to Rule of 90 retirees, disability benefit recipients, or survivor benefit recipients).
7	38.17	356.415, Subd. 1a	MSRS Correctional	Removes the COLA triggers, which provide for automatic COLA adjustments when specified funding ratios are met.  Lowers the COLA from 2% to 1.5%, effective 1/1/2019.

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8	40.11	356.415, Subd. 1b	PERA General	<p>Removes the COLA triggers, which provide for automatic COLA adjustments when specified funding ratios are met.</p> <p>Provides a COLA that is 50% of the COLA provided by the Social Security Administration. The COLA cannot be less than 1% or more than 1.5%.</p> <p>For retirements on or after 1/1/2024, a retiree is not eligible to receive a COLA until the retiree reaches normal retirement age (does not apply to Rule of 90 retirees, disability benefit recipients, or survivor benefit recipients).</p>
9	42.22	356.415, Subd. 1c	PERA P&F	<p>Removes the COLA triggers, which provide for automatic COLA adjustments when specified funding ratios are met.</p>
10	44.11	356.415, Subd. 1d	TRA	<p>Removes the automatic COLA increases when specified funding ratios are met.</p> <p>Lowers the COLA from 2% to 1% through 12/31/2023, and then increases the COLA by 0.1% over five years, from 1.1% on 1/1/2024 to 1.5% on 1/1/2028 and thereafter.</p> <p>For retirements on or after 1/1/2024, a retiree is not eligible to receive a COLA until the retiree reaches normal retirement age (does not apply to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivor benefit recipients).</p>
11	47.7	356.415, Subd. 1e	State Patrol Plan	<p>Removes the COLA triggers, which provide for automatic COLA adjustments when specified funding ratios are met.</p>
12	48.25	356.415, Subd. 1f	Judges Plan	<p>Adds language to maintain the COLA triggers, which provide for automatic COLA adjustments when specified funding ratios are met.</p>
13	50.19	356.415, New Subd. 1g	PERA Correctional	<p>Provides a COLA that is 100% of the COLA provided by the Social Security Administration. The COLA cannot be less than 1% or more than 2.5% until either the plan's funded ratio is less than 85% for two consecutive years or 80% for one year. If either scenario occurs, the maximum permanently becomes 1.5%.</p>

Sec.	Page & Line	Statute	Plan	Summary
14	51.24	Uncoded	LCPR Study	Requires the Pension Commission to conduct a study before 12/31/2020 on the plans' COLA rates and make recommendations for any rate modifications and change of methodology for determining the rates.
15	52.1	Effective Date	--	All sections are effective 6/30/2018.
<b>Article 6: Interest Rate Conforming Changes</b>				
1	52.5	3A.03, Subd. 2	Legislators Plan	Adds cross reference to new interest rate table.
2-7	52.29 53.12 51.3 54.27 55.17 56.4	352.01, Subd. 13a 352.017, Subd. 2 352.04, Subd. 8 352.04, Subd. 9 352.23 352.27	MSRS Plans	Adds cross references to new interest rate table.
8	57.15	352.955, Subd. 3	MSRS Correctional	Adds cross reference to new interest rate table.
9-12	59.1 59.26 60.7 61.17	352B.013, Subd. 2 352B.085 352B.086 352B.11, Subd. 4	State Patrol Plan	Adds cross references to new interest rate table.
13-15	61.30 62.11 62.22	352D.05, Subd. 4 352D.11, Subd. 2 352D.12	MSRS Unclassified	Adds cross references to new interest rate table.
16-17	63.15 66.11	353.01, Subd. 16 353.0162	PERA Plans	Adds cross references to new interest rate table.
18-19	67.30 68.28	353.27, Subd. 3c, 353.27, Subd. 7a	PERA General	Adds cross references to new interest rate table.
20-24	69.24 71.1 71.19 71.30 72.3	353.27, Subd. 12 353.27, Subd. 12a 353.27, Subd. 12b 353.28, Subd. 5 353.35, Subd. 1	PERA Plans	Adds cross references to new interest rate table.
25-29	72.18 72.23 73.32 74.9 74.15	354.50, Subd. 2 354.51, Subd. 5 354.52, Subd. 4 354.53, Subd. 5 354.72, Subd. 2	TRA	Adds cross references to new interest rate table.

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30-34	75.12 75.19 76.8 76.25 77.28	354A.093, Subd. 6 354A.096 354A.12, Subd. 1a 354A.12, Subd. 7 354A.34	SPTRFA	Adds cross references to new interest rate table.
35-38	78.9 78.31 79.21 80.15	356.195, Subd. 2 356.44 356.50, Subd. 2 356.551, Subd. 2	All plans	Adds cross references to new interest rate table.
39	81.24	New § 356.59	All plans	Compiles the interest rates over different time periods for each of the plans.
40-42	82.18 83.6 84.17	490.121, Subd. 4 490.1211 490.124, Subd. 12	Judges Plan	Adds cross references to new interest rate table.
43	84.30	Effective Date	--	All sections are effective 6/30/2018.
<b><u>Article 7: Contribution Rates</u></b>				
1	85.3	352.04, Subd. 2	MSRS General	Increases the member contribution rate by 0.5% of pay over two years, beginning 7/1/2018.
2	85.14	352.04, Subd. 3	MSRS General	Increases the employer contribution rate by 0.75% of pay over two years, beginning 7/1/2018.
3	85.23	352.92, Subd. 1	MSRS Correctional	Increases the member contribution rate by 0.5% of pay, effective 7/1/2018.
4	86.3	352.92, Subd. 2	MSRS Correctional	Increases the regular employer contribution rate by 1.55% of pay, effective 7/1/2018.
5	86.11	352.92, New Subd. 2a	MSRS Correctional	Adds a new supplemental employer contribution of 1.45% of pay, effective 7/1/2019; 2.95%, effective 7/1/2020; and 4.45%, effective 7/1/2021; remains in effect until the plan is 100% funded.
6	86.26	352B.02, Subd. 1a	State Patrol Plan	Increases the member contribution rate by 0.5% of pay, effective 7/1/2018, and by another 0.5% of pay, effective 7/1/2020.

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7	87.9	352B.02, Subd. 1c	State Patrol Plan	<p>Increases the employer regular contribution rate by 1.5% of pay over two years, beginning 7/1/2018.</p> <p>Adds a new supplemental employer contribution of 1.75% of pay, effective 7/1/2018; 3%, effective 7/1/2019; 5%, effective 7/1/2020; and 7%, effective 7/1/2021; remains in effect until the plan is 100% funded.</p>
8	88.5	352D.04, Subd. 2	MSRS Unclassified	<p>Increases the member contribution rate, which is tied to the General plan's rate, by 0.25% of pay over two years, beginning 7/1/2018.</p> <p>Increases the employer contribution rate by 0.25% of pay, effective 7/1/2019.</p>
9	88.25	353.65, Subd. 2	PERA P&F	Increases the member contribution rate by 1% of pay over two years, beginning 1/1/2019.
10	89.22	353.65, Subd. 3	PERA P&F	Increases the employer contribution rate by 1.5% of pay over two years, beginning 7/1/2019.
11	90.8	354.42, Subd. 2	TRA	Increases the member contribution rate by 0.25%, effective 7/1/2023.
12	90.25	354.42, Subd. 3	TRA	Increases the employer contribution rate by 1.25% over six years.
13	91.23	354A.12, Subd. 1	SPTRFA	Increases the member contribution rate by 0.25% of pay, effective 7/1/2022.
14	92.6	354A.12, Subd. 2a	SPTRFA	Increases the employer contribution rate by 2.5% of pay over six years, beginning 7/1/2018.
15	93.16	Effective Date	--	All sections are effective 6/30/2018.
<b>Article 8: Direct State Aid</b>				
1	93.20	353.65, New Subd. 3b	PERA P&F	Requires annual direct state aid payments of \$4.5 million on 10/1/2018, and on 10/1/2019, and \$9 million annually thereafter.
2	94.4	354.435, Subd. 4	TRA	The annual direct state aid to TRA for the Minneapolis Teachers merger continues until the earlier of: 1) the year after the plan reaches 100% funding, or 2) 7/1/2048.



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3	94.13	354.436, Subd. 3	TRA	The annual direct state to TRA for the Minneapolis and Duluth Teachers mergers continues until the earlier of: 1) the year after the plan reaches 100% funding, or 2) 7/1/2048.
4	94.25	354A.12, Subd. 3a	SPTRFA	Requires annual direct state aid payments of \$5 million each October 1.
5	95.7	354A.12, Subd. 3c	SPTRFA	The annual direct state aids to SPTRFA continue until the earlier of: 1) the year after the plan reaches 100% funding, or 2) 7/1/2048.
6	96.1	423A.02, Subd. 3	TRA SPTRFA	Adds a reference to the termination of Amortization State Aid, and removes a reference to the Duluth Teachers.
7	96.21	423A.02, Subd. 5	TRA SPTRFA	The reallocation of Amortization and Additional Amortization state aids to SPTRFA and TRA continue until the earlier of: 1) the year after one of the plans reaches 100% funding, or 2) 7/1/2048.
8	97.1	423A.022, Subd. 5	State Patrol Plan PERA P&F	The police and firefighter supplemental state aid to State Patrol and PERA-P&F continues until the earlier of: 1) the year after one of the plans reaches 90% funding, or 2) 7/1/2048.
9	97.14	490.123, New Subd. 5	Judges Plan	Codifies Laws 2016, Ch. 189, Art. 13, Sec. 7, which appropriates annual direct state aid payments of \$6 million each October 1 until the earlier of: 1) the year after the plan reaches 100%, or 2) 7/1/2048.
10	97.26	Repealer	SPTRFA	Repeals obsolete delayed state aid repealer Laws 2008, Ch. 349, Art. 8, Sec. 4.
11	97.28	Effective Date	--	All sections are effective 6/30/2018.

**Article 9: Minnesota State Retirement System Administrative Provisions**

1	98.4	3A.03, Subd. 2	Legislators Plan	Adds a reference to the MSRS General refund repayment provision.
2	98.21	3A.03, Subd. 3	Legislators Plan	Clarifies that plan can accept transfers from the General Fund.
3	98.28	16A.14, Subd. 2a	MSRS Deferred Compensation Plan	Adds an exception from the SWIFT system for transactions within MSRS' defined contribution funds.

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4	99.4	352.01, Subd. 2a	MSRS General	Includes employees of the Perpich Center for Arts Education coverage if covered by the plan on 7/1/2016.
5	101.3	352.03, Subd. 5	MSRS Plans	Revises the qualifications the Board must consider when hiring an executive director; adds references to a deputy director position.
6	101.18	352.03, Subd. 6	MSRS Plans	Authorizes the executive director to appoint a deputy director with Board approval.
7	103.8	352.113, Subd. 4	MSRS Plans	Adds "nurse practitioner" to the list of authorized medical providers for disability determinations and extends the disability benefit application deadline in cases of cognitive impairment.
8	104.30	352.113, Subd. 14	MSRS Plans	Allows the executive director to waive the earnings reporting requirement for certain disabled members.
9	105.5	352.23	MSRS General	Clarifies refund repayment process.
10	105.26	352B.11, Subd. 4	State Patrol Plan	Ties the repayment provision to the General Plan provision.
11-12	106.3 108.5	352D.02, Subd. 1 352D.02, Subd. 3	MSRS Unclassified	Clarifies the MSRS Unclassified to MSRS General transfer provision
13	109.19	352D.05, Subd. 4	MSRS Unclassified	Ties the refund repayment provision to the General Plan provision.
14	110.1	490.124, Subd. 12	Judges Plan	Ties the refund repayment provision to the General Plan provision.
15	110.14	Effective Date	--	All sections are effective 6/30/2018.

**Article 10: Public Employees Retirement Association Administrative Provisions**

1	110.19	353.01, Subd. 2b	PERA General	Updates language to clarify when membership begins if the employee's work permit/visa extends beyond three years.
2	114.20	353.01, Subd. 10	PERA General	Clarifies that if an employer spreads out the member's salary over a period of leave, that salary will be used for pension purposes only if it is paid at the full-time rate.
3	118.1	353.01, Subd. 47	PERA General PERA Correctional PERA P&F	Clarifies that a member receives service credit for vesting purposes for each year of service covered by the plan in which the member is covered.

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4	120.2	353.0162	PERA Defined Benefit Plans	Merges the service credit purchase provision into the salary purchase provision.
5	121.30	353.03, Subd. 3	PERA	Deletes a redundant board duty to authorize procedures for use of electronic signatures.
6	123.16	353.29, Subd. 4	PERA	Removes the requirement that annuity applications and proof of identity be in writing.
7	123.26	353.29, Subd. 7	PERA	Reduces the period of retroactivity for an annuity starting date from 12 to 6 months.
8	124.16	353.30, Subd. 3c	PERA	Provides flexibility in determining the death of a beneficiary.
9	124.25	353.32, Subd. 1	PERA General	Clarifies that if a member dies before receiving a retirement annuity, any prior benefits paid by the fund must be deducted from the amount refunded to the beneficiary.
10	125.5	353.34, Subd. 2	PERA General	Clarifies that if a member terminates public service and elects to take a refund, any prior disability benefits paid by the fund must be deducted from the refund.
11	125.21	353.35, Subd. 1	PERA General	Clarifies language and adds the limitation that a person has a one-time right to repay a refund.
12	126.8	353.37, Subd. 1	PERA Plans	Clarifies that the reemployed annuitant pension reduction application.
13	127.1	353.64, Subd. 10	PERA P&F	Specifies that Hennepin Healthcare Systems Inc. paramedics or EMTs and the respective supervisors and managers are covered by PERA P&F if they are at least half-time.
14	127.24	353F.02, Subd. 5a	PERA Privatizations	Clarifies that a "privatized former public employer" is the medical facility at the time of the initial privatization.
15	128.1	353F.025, Subd. 2	PERA Privatizations	Eliminates an outdated reporting requirement.
16-17	128.27 129.8	353F.04, Subd. 2 353F.05	PERA Privatizations	Replaces the term "successor entity" with the term "privatized former public employer".
18-20	129.27 130.3 130.10	353F.057 353F.06 353F.07	PERA Privatizations	Deletes the term "successor entity."
21	130.19	New § 353F.09	PERA Privatizations	Specifies that benefits for privatized employees end when the privatized entity or its operations are sold to another employer.

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22	130.28	Repealer	PERA	Repeals Minn. Stat. § 353.0161 because the language was merged into § 353.0162.
23	131.1	Effective Date	--	Sections 1-13 and 22 are effective 6/30/2018. Sections 14-21 are effective for privatizations and for sales of privatized former public employers that occur after 6/30/2018.

**Article 11: Teachers Retirement Association Administrative Provisions**

1	131.9	354.05, Subd. 2	TRA	Removes obsolete references to the Duluth school district and Minnesota State; excludes employees of the Perpich Center if covered by MSRS General on 7/1/2018; and clarifies that any charter school director covered by PERA as of 7/1/2018, must retain coverage.
2	133.1	354.05, New Subd. 17a	TRA	Adds the definition of “former spouse” to refer to a person no longer married to a member due to divorce, separation, or annulment.
3	133.5	354.06, Subd. 2	TRA	Revises the qualifications the Board of Trustees must consider when hiring an executive director.
4	133.20	354.06, Subd. 2a	TRA	Authorizes the executive director to designate a deputy executive director with Board approval.
5	135.17	354.095	TRA	Extends the number of years of medical leave that can be considered service credit; requires the executive director to reject an application for TRA disability benefits if the member is only applying because a long-term disability insurance policy requires the application.
6	136.7	354.44, Subd. 3	TRA	Extends the time period for applying for pension benefits from 120 days to 180 days.
7	136.15	354.44, Subd. 9	TRA	Updates the language to reflect that counting service credit is based on portions of a year.
8	136.21	354.45, New Subd. 3	TRA	Upon the death of a former spouse receiving a 15-year certain annuity, the remaining payments will be made to the beneficiary, former spouse’s estate, or as ordered by a court.
9	136.28	354.46, Subd. 6	TRA	Clarifies that if a member has multiple designated beneficiaries, each beneficiary has right to apply for an annuity.

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10	137.9	354.48, Subd. 1	TRA	Clarifies that a total and permanently disabled member is entitled to a disability benefit if the member has not reached normal retirement age; removes obsolete minimum salary requirement.
11	137.18	354.512	TRA	Removes a waiting period requirement that will allow TRA to collect delinquent payments more quickly.
12	137.27	354.52, Subd. 4	TRA	Removes the requirement that TRA must wait 60 days after notifying a school district or charter school of delinquent contributions to contact MMB.
13	138.5	354.52, Subd. 4d	TRA	Removes requirement that a school district report to TRA the beginning and ending dates for the school work year by June 30.
14	138.11	354.66, Subd. 2	TRA	Permits TRA to waive a fine for failure to deliver a part-time teacher agreement to TRA according to the statutory due date.
15	139.3	354.72, Subd. 1	TRA	Clarifies that the leaves of absence and strike period service credit provisions apply to both paid and unpaid leaves.
16	139.10	423A.02, Subd. 3	TRA; SPTRFA	Removes obsolete reference to the Duluth Teachers.
17	139.29	Effective Date	--	Sections 1-4, 5, paragraphs (b)-(c), and 16 are effective 6/30/2018. Section 5, paragraph (a) is effective 6/30/2019.
<b>Article 12: St. Paul Teachers Retirement Fund Association Administrative Provisions</b>				
1-3	140.4 140.13 140.17	354A.093, Subd. 4 354A.31, Subd. 5 354A.31, Subd. 6	SPTRFA	Removes obsolete references.
4	141.6	354A.36, Subd. 4	SPTRFA	Requires the executive director to reject an application for SPTRFA disability benefits if the member is only applying because a long-term disability insurance policy requires the application.
5	142.1	354A.38	SPTRFA	Clarifies the periods certain interest rate applies to a refund repayment.
6	142.21	Effective Date	--	All sections are effective 6/30/2018.

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<b>Article 13: Retirement Systems, Generally, Administrative Provisions</b>				
1	142.26	356.32, Subd. 2	Retirement, Generally; PERA Correctional	Adds PERA Correctional to the list of plans subject to the proportionate annuity requirement.
2	143.11	356.47, Subd. 3	Retirement, Generally	Replaces the current description of the federal requirements regarding repayment of reemployed annuitant withholding amounts, which sets forth the federal requirements governing direct rollovers.
3	144.18	356.635, New Subd. 9a	All plans	Revises and consolidates definitions for the annual limits on pension benefits payable and additions to defined contribution accounts under the federal Internal Revenue Code.
4	145.24	356.635, Subd. 10	All plans	Clarifies the annual limit on pension benefits payable for all pension plans, as required by the federal Internal Revenue Code.
5	146.12	356.635, New Subd. 11	All plans	Adds a new subdivision for the annual limit on additions to defined contribution accounts that is applicable to all plans, as required by the federal Internal Revenue Code.
6	146.20	356.635, New Subd. 12	All plans	Adds a new subdivision that incorporates Section 415 of the federal Internal Revenue Code, relating to annual limits on pensions and contributions.
7	146.28	356.635, New Subd. 13	All plans	Adds a new subdivision that authorizes the executive director of each retirement plan to correct operational, document or other errors to preserve the plan's tax qualification, including corrections described in the IRS's Employee Plans Compliance Resolution System.
8	147.11	356.96, Subd. 1	All plans except SPTRFA and VFRAs	Revises the definitions for the retirement plans' appeal procedures; adds a new definition for "petitioner."
9	148.1	356.96, Subd. 2	All plans except SPTRFA and VFRAs	Clarifies that a member may appeal a staff decision regarding eligibility, benefits or other rights.
10	148.10	356.96, Subd. 3	All plans except SPTRFA and VFRAs	Clarifies the information the executive director must provide to a member in the notice of determination.
11	149.5	356.96, Subd. 4	All plans except SPTRFA and VFRAs	Clarifies the additional information the executive director must provide to the member if the benefit is being terminated.

Sec.	Page & Line	Statute	Plan	Summary
12	149.22	356.96, Subd. 5	All plans except SPTRFA and VFRAs	Clarifies the review process a member must follow to file a timely petition with the plan's governing board.
13	150.8	356.96, Subd. 6	All plans except SPTRFA and VFRAs	Removes obsolete reference to "chief administrative officer."
14	150.13	356.96, Subd. 7	All plans except SPTRFA and VFRAs	Clarifies that the executive director may direct that a fact-finding conference with an administrative law judge or a vocational assessment is to occur; clarifies the filing and timing requirements for a board hearing.
15	151.21	356.96, Subd. 8	All plans except SPTRFA and VFRAs	Specifies the limits on the contents of the record to be delivered to the governing board prior to the hearing.
16	152.12	356.96, Subd. 9	All plans except SPTRFA and VFRAs	Removes obsolete reference to "chief administrative officer."
17	152.20	356.96, Subd. 10	All plans except SPTRFA and VFRAs	Clarifies the requirements for conducting a board hearing, for participation by representatives of the member and plan, and the content and timing of a board decision.
18	153.24	356.96, Subd. 11	All plans except SPTRFA and VFRAs	Simplifies the requirements and provides the governing board with more discretion in determining disability medical issues.
19	154.11	356.96, Subd. 12	All plans except SPTRFA and VFRAs	Simplifies cross-references.
20	154.20	356.96, Subd. 13	All plans except SPTRFA and VFRAs	Clarifies the deadline for appealing to the state Court of Appeals.
21	154.29	Repealer	All plans except SPTRFA and VFRAs	Repeals Minn. Stat. §§ 356.611, Subd. 3, 3a, 4, and 5; and 356.96, Subd. 14 and 15, because they are obsolete or have been merged into other subdivisions.
22	155.1	Effective Date	--	All sections are effective 6/30/2018.
<b>Article 14: Volunteer Firefighter Relief Association Modifications</b>				
1	155.5	356A.06, Subd. 7	VFRAs	Clarifies the corporate stock restriction provision to be consistent with the provision governing securities generally.
2	159.6	424A.001, Subd. 2	VFRAs	Updates the definition of "fire department" to include joint powers fire departments.
3	159.11	424A.001, New Subd.2a	VFRAs	Adds a new definition of "municipal" to mean a city or township.

Sec.	Page & Line	Statute	Plan	Summary
4	159.15	424A.001, Subd. 3	VFRAs	Updates the definition of "municipality" to include joint powers fire departments.
5	159.23	424A.001, Subd. 10	VFRAs	Revises the definition of "volunteer firefighter" to conform to the new definition of "fire department."
6	160.7	424A.002, Subd. 1	VFRAs	Updates language to conform to the new definition of "fire department."
7	160.15	New § 424A.003	VFRAs	Adds a new requirement that the fire chief annually certify each firefighter's service credit to the relief association and municipality and provide notice to the firefighter; provides firefighter a right to challenge the determination.
8	161.14	424A.01, Subd. 1	VFRAs	Adds "joint powers entity" to the fire prevention personnel membership provision.
9	161.19	424A.01, New Subd. 4a	VFRAs	Restricts firefighters from receiving relief association service credit for the same hours a PERA plan has already provided coverage.
10	161.27	424A.01, Subd. 5	VFRAs	Revises the membership provision to conform to the new definition of "municipality."
11	162.11	424A.01, New Subd. 5a	VFRAs	Expands relief association membership eligibility to volunteer emergency medical personnel with relief association and municipal approval.
12	163.1	424A.01, Subd. 6	VFRAs	Clarifies the return to service provision.
13	166.8	424A.015, Subd. 1	VFRAs	Revises the provision to conform to the new definitions of "municipality" and "fire department."
14-17	166.27 167.23 168.21 169.23	424A.015, New Subd. 7 424A.016, Subd. 2 424A.02, Subd. 1 424A.02, Subd. 3a	VFRAs	Adds defined contribution relief associations to combined service pensions provision and moves the provision to the section that applies to both types of plans.
18	170.26	424A.02, Subd. 7	VFRAs	Clarifies the deferred service pensions provision to add "joint powers entity."
19	172.16	424A.04, Subd. 1	VFRAs	Clarifies defined terms in the board of trustees membership provision.
20-22	174.2 174.11 176.16	424A.07 424A.091, Subd. 3 424A.094, Subd. 3	VFRAs	Revises the term "a nonprofit firefighting corporation" to be "an independent nonprofit firefighting corporation."



Sec.	Page & Line	Statute	Plan	Summary
23	176.21	424A.10, Subd. 1	VFRAs	Authorizes eligible emergency medical personnel to receive supplemental benefits.
24	177.24	424B.20, Subd. 4	VFRAs	Provides default procedures for allocating special fund assets after a joint powers fire department dissolves.
25	179.2	424B.20, New Subd. 4A	VFRAs	Provides that if a VFRA dissolves and provided a lump sum benefit of \$9,500 or more as of the section effective date, any remaining assets after paying out benefits must go to either: 1) the municipality if the municipality paid a required contribution to the VFRA during the ten years preceding the effective date of the section; or 2) the state if the municipality did not pay a required contribution within those ten years.
26	179.18	Special law	City of Austin; Austin VFRA	Retroactively authorizes the City of Austin to allocate fire state aid between its VFRA and PERA-P&F, and forgives the debt the City owes the VFRA under current law for that allocation since 2013 (when the law was changed).
27	180.9	Special law	VFRAs; PERA	Establishes a Fire State Aid Work Group to study the impact of allocating a portion of fire state aid to pay PERA P&F employer contributions.
28	182.2	Special law	Eden Prairie VFRA	Increases the lump-sum service pension maximum for the Eden Prairie VFRA from \$10,000 to \$15,000 and lowers the vesting requirement for firefighters returning to active service.
29	187.21	Session law	VFRAs	Increases the lump-sum service pension maximum from \$10,000 to \$12,500 for any VFRA that provides a lump sum benefit of \$9,500 or more, as of the section effective date, and has a funding ratio greater than 100%.
30	192.7	Special law	City of Maplewood Maplewood VFRA	Dissolves the Maplewood VFRA and provides that all members become fully vested, increases the lump sum amount to \$11,000, and provides the City of Maplewood with any remaining surplus after all benefit obligations and other requirements are met.
31	194.5	Special law	Clearbrook Fire Dept. Relief Assn.	Extends the financial reporting deadline for the Clearbrook relief association to 5/30/2018 in order to qualify for 2017 fire state aid.

Sec.	Page & Line	Statute	Plan	Summary
32	194.13	Session law	VFRAs	Establishes a Relief Association Work Group to consider possible changes to the statutes governing VFRA plan type conversions, dissolutions, and disposition of surplus assets, and produce a report by 12/31/2018.
33	195.27	Repealer	VFRAs	Repeals Minn. Stat. § 424A.02, Subd. 13 (language moved to another provision).
<b><u>Article 15: MSRS-Administered Retirement Plan Modifications</u></b>				
1	196.3	352.113, Subd. 2	MSRS General	Adds a cross reference.
2	196.12	352.91, Subd. 3f	MSRS Correctional	Allows the “physical therapist” position at the St. Peter Hospital to be eligible for correctional plan coverage.
3	198.1	352.91, Subd. 3g	MSRS Correctional	Allows the “food supervisor” and “medical assistant, certified” positions to be eligible for correctional plan coverage.
4	198.16	352.91, New Subd. 4c	MSRS Correctional	Codifies the DHS internal procedure for recommending positions eligible for correctional plan coverage.
5	199.18	352F.04, Subd. 1	MSRS Fairview privatized employees	Reduces the rate of augmentation credited to the pension benefits under MSRS General for former employees of the University of Minnesota Hospital and Clinics who were transferred to Fairview Hospital and Healthcare Services in 1996. The augmentation rate is reduced from 5.5%/7.5% to 4.5% effective 1/1/2019, and by 0.75% each year thereafter, until 2025, when the benefit will no longer be augmented.
6	200.5	352F.04, Subd. 2	MSRS Fairview privatized employees	Makes clarifying language changes and deletes the exception from enhanced augmentation for return to public employment, which is moved to new subdivision 3.
7	200.13	352F.04, New Subd. 3	MSRS Fairview privatized employees	Modifies the exception from enhanced augmentation for return to public employment to provide that the member will receive the largest of three benefits: the pension with enhanced augmentation offset by any new pension benefit earned in the subsequent public employment, a combined service annuity, or an annuity under the coverage by more than one fund provision.

Sec.	Page & Line	Statute	Plan	Summary
8	200.58	356.645	Hennepin County Supplemental Plan	Adds a reference to the authorized investments for defined contribution accounts provision to include the Hennepin Co. Supplemental Plan.
9	201.18	383B.47	Hennepin County Supplemental Plan	Replaces a reference to the Minnesota supplemental investment fund with a reference to the newly revised § 356.645.
10	201.26	383B.48	Hennepin County Supplemental Plan	Deletes references to the Minnesota supplemental investment fund and revises the language to reflect the changes made in Sections 8-9.
11	202.23	383B.49		
12	204.5	383B.50		
13	204.11	Uncoded	MSRS Fairview privatized employees	Applies the modified exception for return to public employment to any member who retired on or after 1/1/2015, and is being paid an annuity that would be larger under the modified exception. The member is to receive a lump sum payment in the amount of the difference between the annuity under current law and the annuity under the modified exception.
14	204.27	Uncoded	MSRS Correctional	Specifies the coverage transfer dates and retroactivity for the DOC positions.
15	205.3	Effective Date	--	Sections 1 and 3-14 are effective 6/30/2018. Section 2 is effective the first day of the first payroll period after 6/30/2018.

**Article 16: PERA-Administered Retirement Plan Modifications**

1	205.9	353.01, Subd. 2b	PERA General	Excludes St. Paul city and school district temporary employees hired on or after 6/1/2018, who are covered by the Minnesota Laborers Pension Fund, from PERA General coverage.
2	209.15	353.01, Subd. 43	PERA P&F	Amends the definition of "line of duty death" to add the alternative definition of "killed in the line of duty" in Sec. 299A.41, Subd. 3. Makes the definition consistent with the federal Hometown Heroes Act.
3	209.23	353D.07	PERA Defined Contribution Plan	Adds a new provision to allow employees who are at least age 65 to take a distribution once each calendar year in an amount that is no less than \$5,000.

Sec.	Page & Line	Statute	Plan	Summary
4	211.15	353G.01, Subd. 9	PERA SVF	Amends the definition of "municipality" to include fire departments run by an independent nonprofit firefighting corporation and by a joint powers agreement.
5	211.21	353G.01, New Subd. 9a	PERA SVF	Adds a new definition for "relief association."
6	211.27	353G.02, Subd. 6	PERA SVF	Eliminates the requirement that the next nine relief associations to join the monthly benefit division reimburse the Spring Lake Park-Blaine-Moundsview Fire Dept. for administrative expenses.
7	212.13	353G.03, Subd. 3	PERA SVF	Expands the number of members on the Advisory Board from eight to ten.
8	213.1	353G.08, Subd. 3	PERA SVF	Expands the list of allowable asset disbursements to include a transfer of assets for a withdrawal from PERA SVF.
9	213.11	353G.11, Subd. 1	PERA SVF	Amends the maximum lump-sum benefit that can be paid to equal the benefit amount under 424A.02, Subd. 3., Para. (d).
10	213.22	New § 353G.17	PERA SVF	Creates a new section that provides procedures and requirements for withdrawing from PERA SVF and transferring assets to a local relief association governed by Ch. 424A.
11	217.10	Laws 1992, Ch. 534, Sec. 10, Subd. 3	Swift County-Benson Hospital	Deletes a provision in a 1992 session law requiring a successor employer of the employees of the Swift County-Benson Hospital to provide benefits and pensions "comparable" to the "pension program and benefits" provided by PERA.
12	218.19	Uncoded	Brook Park PERA SVF	Authorizes the City of Brook Park to lower the annual service pension level for its lump-sum account in PERA SVF from \$1200 to \$600, retroactive to 1/1/2016.
13	218.27	Uncoded	PERA General	Authorizes a prospective PERA General coverage exclusion election for St. Paul city and school district temporary laborers hired before 6/1/2018.
14	219.6	Effective Date	--	Sec. 1 and 13 are effective 5/30/2018. Sec. 2-11, and Sec. 12, Para. (a), are effective 6/30/2018. Sec. 12, Para. (b), is effective upon local approval by the city of Brook Park.

Sec.	Page & Line	Statute	Plan	Summary
<b>Article 17: Generally Applicable Retirement Changes</b>				
1	219.14	356.24, Subd. 1	Supplemental plans	Increases the maximum employer contribution from \$5,000 to \$7,000 per year per employee to the laborers national industrial pension plan.
2	221.25	New § 356.631	All plans	Allows plans to accept additional sources of payments, including gifts, donations, bequests, and life insurance death benefits.
3	222.2	Repealer	MSRS, PERA	Repeals Minn. Stat. §§ 352.04, Subd. 11, and 353.34, Subd. 6, the plan-specific additional funding sources provisions, because they are duplicative.
4	222.5	Effective Date	--	All sections are effective 6/30/2018.
<b>Article 18: Small Group Retirement Changes</b>				
1	222.9	Special law	MSRS General	Permits a group of MnDOT employees to purchase service credit to gain Rule of 90 eligibility to correct an MSRS error.
2	224.27	Special law	PERA General, Minnesota State IRAP	Allows an employee of St. Cloud State Univ. to purchase service credit in PERA for erroneous IRAP coverage.
3	226.9	Special law	TRA, Minnesota State IRAP	Allows an employee of St. Cloud State Univ. to elect retroactive and prospective TRA to correct a Minnesota State error.
4	228.3	Special law	TRA, Minnesota State IRAP	Allows two employees of Mesabi Range Community & Technical College to elect retroactive and prospective TRA coverage to correct a Minnesota State error.
5	229.28	Special law	TRA, Minnesota State IRAP	Allows an employee of Winona State University to elect retroactive and prospective TRA coverage to correct a Minnesota State error.
6	231.22	Special law	PERA General PERA DC	Allows a Duluth Township clerk to elect retroactive coverage in PERA General.
7	233.6	Special law	TRA, Minnesota State IRAP	Allows a Minnesota State administrator to elect retroactive and prospective TRA coverage to correct a Minnesota State error.
8	234.23	Effective Date	--	All sections are effective 6/30/2018.

Sec.	Page & Line	Statute	Plan	Summary
<b><u>Article 19: Technical Corrections</u></b>				
1-3	234.27 237.21 237.29	353.01, Subd. 16 353.012 353.32, Subd. 4	PERA	Removes obsolete references to a repealed provision.
4-8	238.5 238.20 239.1 240.9 241.13	354A.011, Subd. 29 354A.095 354A.31, Subd. 3 354A.35, Subd. 2 356.47, Subd. 1	1st Class City Teacher Plans	Removes obsolete references to Duluth Teachers.
9	241.26	Repealer	1st Class City Teacher Plans	Repeals an obsolete provision for Duluth Teachers.
10	241.28	Effective Date	--	All sections are effective 6/30/2018.
<b><u>Article 20: E-12 Education Finance</u></b>				
1	242.3	126C.10, Subd. 37	TRA SPTRFA	Funds the entire 1.25% TRA and 2.5% SPTRFA employer increases over six years through the districts' pension adjustment revenue.
<b><u>Article 21: Appropriations</u></b>				
1	243.3	Appropriations; General Fund	MSRS plans	Appropriates \$7,142,000 from the General Fund in FY19 to employers to pay increased employer contributions to MSRS plans and resets the base for future years. The base for: FY20 is \$14,071,000, FY21 is \$18,007,000, and FY22 and later is \$21,943,000.
2	243.23	Appropriations; Nongeneral Fund	MSRS plans	Appropriates from any Nongeneral Fund the amounts necessary to pay increased employer contributions to MSRS plans.

Sec.	Page & Line	Statute	Plan	Summary
3	244.12	Appropriations; General Fund	TRA	<p>Appropriates from the General Fund amounts that will fund increased employer contributions to TRA and resets the base for future years:</p> <ul style="list-style-type: none"> <li>– \$20,000 in FY19 to the Department of Education. The base for: <ul style="list-style-type: none"> <li>FY20 is \$40,000,</li> <li>FY21 is \$60,000,</li> <li>FY22 is \$80,000,</li> <li>FY23 is \$100,000, and</li> <li>FY24 and later is \$118,000.</li> </ul> </li> <li>– \$7,000 in FY19 to the Minnesota State Academies. The base for: <ul style="list-style-type: none"> <li>FY20 is \$14,000,</li> <li>FY21 is \$20,000,</li> <li>FY22 is \$27,000,</li> <li>FY23 is \$34,000, and</li> <li>FY24 and later is \$40,000.</li> </ul> </li> <li>– \$6,000 in FY19 to the Perpich Center for the Arts. The base for: <ul style="list-style-type: none"> <li>FY20 is \$11,000,</li> <li>FY21 is \$17,000,</li> <li>FY22 is \$22,000,</li> <li>FY23 is \$28,000, and</li> <li>FY24 and later is \$33,000.</li> </ul> </li> </ul>
4	244.28	Appropriations; Education	TRA SPTRFA	Appropriates \$10,863,000 from the General Fund in FY19 to the Department of Education to fund increased employer contributions.
5	245.3	Effective Date	--	All sections are effective 6/30/2018.