

Legislative Commission on Pensions and Retirement

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TO: Members of the Legislative Commission on Pensions and Retirement

FROM: LCPR Staff

DATE: February 26, 2018

SUBJECT: Summary of SF 2620 (Rosen); HF 3053 (O’Driscoll)

ATTACHMENTS: A: Table of Contents
B: Comparison of 2017 Bills and the 2018 Bill
C: Section-by-Section Summary
D: Source Legislation

Introduction

SF 2620 (Rosen); HF 3053 (O’Driscoll) is the 2018 omnibus pension and retirement bill. It is the culmination of a process that dates back to 2015 when necessary changes to actuarial assumptions, such as for mortality and investment rate of return, were expected to worsen the contribution deficiencies and underfunded status reported by the state’s public pension plans. As early as 2015, the directors of the three statewide pension funds, the Minnesota State Retirement System (“MSRS”), the Public Employees Retirement Association (“PERA”), and the Teachers Retirement Association (“TRA”), and the St. Paul Teachers Retirement Fund Association (“SPTRFA”) had proposed “sustainability” measures that included benefit reductions and contribution increases.

Most of the provisions in the bill were previously approved by the Senate and the House of Representatives when they appeared in either the 2016 omnibus bill or the 2017 omnibus bill. The few provisions not previously considered by the House and the Senate are summarized in section 12, “New Provisions,” at the end of this memo.

The 2016 omnibus bill was vetoed by the Governor because it contained “only one piece of the overall sustainability plans, placing sole responsibility for reducing plan liabilities on current retirees.” The Governor further explained, “Legislation in the 2017 Session, which will be necessary to address the current pension plan funding projections, must contain a shared participation and be funded in order to gain my signature.”

The 2017 omnibus bill contained benefit reductions shared among active, deferred and retired members, increases to contributions by employers and, to a lesser extent, employees, as well as appropriations and direct state aid. It was introduced in the House, however, as part of a larger bill that included “preemption” provisions. In vetoing this bill, the Governor stated that he could not accept the labor standards that would preempt local governments' ability to set wage and benefit levels higher than state law, even though “the changes to public employee retirement plans...would improve the economic security of tens of thousands of Minnesotans, including hardworking state employees and retirees.”

Summary

The 2018 bill amends existing statutes or adds new statutes to the chapters governing the state's pension and retirement plans. Highlights are the following:

- Benefit reforms, including the end of augmentation, elimination of subsidies in the calculation of early retirement benefits, postponement of the start of post-retirement adjustments (“COLAs”) until normal retirement age, and the reduction in the rate of interest paid on refunds;
- Reduction in the COLA rate of increase and elimination of the so-called COLA triggers;
- Changes to the actuarial assumptions, including the assumption for investment rate of return;
- Increases to employer and employee contributions;
- New direct state aid payments;
- Amendments to provisions governing volunteer firefighter relief associations;
- Changes for the benefit of small groups and individuals; and
- Amendments to claims procedures, federal law conformity provisions, and other administrative and technical provisions.

State funding is provided in Article 8, in the form of direct state aid, Article 21, which amends the “pension adjustment revenue” statute that provides K-12 education funding for teacher pensions, and Article 22, which appropriates funding to reimburse employers for the employer contribution increases imposed in Article 7.

If the 2018 omnibus bill is enacted, public pension plans will see substantial improvement in their funded status, as both dollars into the plans are being increased and dollars out of the plans are being decreased. Funded status is expected to improve even after taking into account the adverse impact of reducing the actuarial assumption for investment rate of return. Depending on the actual investment return each year, public pension plans are expected to be between 85-95% funded by the end of the amortization period, in 30 years.

1. Benefit Reforms

During the 2017 legislative session, the Commission considered a variety of reforms that would ensure the sustainability of the pension plans. A goal was to leave intact core benefits, while reducing benefit liabilities. The Commission's review was based on a compilation prepared by Commission staff that set forth pension terms and conditions, described a number of ancillary benefits, and offered cost-saving alternatives. In addition to the changes that were eventually adopted by the Commission, possible benefit reforms included imposing an annual limit on pension payments made each year, raising the early and normal retirement ages, modifying the way COLAs are determined each year, and eliminating certain subsidized survivor benefits.

The benefit reforms adopted by the Commission during the 2017 legislative session, which are included in the 2018 bill, are the following:

- *Augmentation is eliminated.* “Augmentation” is a cost of living adjustment made each year to the pension benefit earned by a member who is no longer in public service. In other words, it is an automatic annual increase in the pension benefit accrued by former employees. The bill ends augmentation effective July 1, 2018.

- *Early retirement subsidies removed.* Early retirement benefits are calculated by adding in augmentation (at 2.5% or 3%, depending on hire date) that an early retiree would have otherwise received had the retiree waited until normal retirement age to begin receiving a pension. The bill eliminates this subsidy over a five-year period, for the MSRS General Plan, PERA General Plan, TRA, and SPTRFA.
- *Rate of interest on refunds reduced.* After leaving public employment, a member may take a refund of employee contributions, while forfeiting the right to a pension at retirement age. Interest is paid on the refund for the years that the contributions were in the plan. The bill reduces the rate of interest on refunds of employee contributions to former employees from 4% to 3%.

All changes are effective prospectively, which means that the benefit accrued to the effective date of the change is not reduced or the change becomes effective for retirements after the effective date or as phased in over a period of years.

2. COLA Changes

Under the category of benefit reforms, the Commission also approved changes last session to the automatic post-retirement increases (also referred to as “cost-of-living adjustments” or “COLAs”) automatically applied each year to the pensions paid to retirees, survivors, and disabled members. These changes were included in the 2017 bill, and are included in the 2018 bill, with modifications.

The most significant modification is that PERA has come forward with a proposal this session to change the way the amount of a COLA is determined each year. PERA has proposed that the COLA be based on whether, and to what extent, the federal Social Security Administration has determined that the benefits it pays to retirees will be increased each year. PERA will look to the rate of increase as announced by SSA in the last quarter of the prior year to determine the COLA increase for retirees, survivors, and disabled members in the PERA General and PERA Correctional Plans.

The COLA-related changes in the bill are the following:

- *COLA percentage reduced.* The percentage of automatic increase is modified for these plans:
 - MSRS General Plan: from the current 2% to 1% for five years, then 1.5% thereafter
 - MSRS Correctional Plan: from the current 2% to 1.5%
 - TRA: from the current 2% to 1% for five years, then the rate will increase by .1% each year until it reaches 1.5%, and remain at 1.5% thereafter
 - SPTRFA: No COLA increase for 2 years, then 1% thereafter
- *COLA tied to SSA COLAs.* For the PERA General and Correctional Plans, the COLA will be tied to the COLA as announced by the federal Social Security Administration for benefits it pays.
 - PERA General Plan: The increase as of a January 1 will be 50% of the increase announced by the SSA, but no less than 1% and no greater than 1.5%.
 - PERA Correctional Plan: The increase as of a January 1 will be equal to the increase announced by the SSA, but no less than 1% and no greater than 2.5%. When the Plan’s funded ratio is less than 85% for two years or less than 80% for one year, the 2.5% maximum is reduced to 1.5% and remains at 1.5% thereafter.

- *First COLA postponed until NRA.* For members who retire before normal retirement age (at an early retirement age), the member's pension benefit will not be increased by a COLA until the member reaches normal retirement age. This change is to take effect for retirements that occur after January 1, 2024, and affects MSRS General, PERA General, TRA, and SPTRFA.
- *COLA triggers repealed.* Under current law, when a plan's funded ratio improves to a specified threshold, such as 90%, the annual COLA percentage automatically increases. These "triggers" have made it difficult to assess improvements in funded status, whether due to benefit reforms, increased contributions, or better than assumed investment returns, because improvements in a plan's funded ratio results in increased pension liability as the trigger date draws nearer. As provided in the 2017 bill, the 2018 bill repeals the COLA triggers for all plans.
- *LCPR COLA study.* By the end of 2020, the Commission is required to conduct a study on the purpose of post-retirement adjustments and whether current law is consistent with that purpose or if other approaches to determining a COLA, such as the new method proposed by PERA, would be more appropriate. The Commission is required to report on the study during the 2021 legislative session.

3. Actuarial Assumption Changes

The bill updates assumptions for investment rate of return, payroll growth, and salary increases, and re-sets the amortization period for all plans to a new 30-year period, extending until 2048.

Reduction of investment ROR to 7.5%. The bill reduces the assumption for investment rate of return that is required to be used in the actuarial valuation for each plan to 7.5%. Currently, the statute requires that the actuarial valuations be prepared assuming that the return on plan investments will be 8% per year, for all the plans except TRA. For TRA, the statute requires that the actuarial assumption be prepared assuming that the return on plan investments will be 8.5%.

The Governor's Blue Ribbon Panel on Pension Reform, which issued its report just before the 2017 session, recommended that the pension funds adopt an assumption of 7.5% for investment rate of return. GRS Consulting, the actuary for MSRS and PERA, has issued opinions to each of the plans stating that the 8% assumption is "outside the reasonable range" and has recommended an assumption in the range of 6.85% to 7.68%. Cavanaugh Macdonald Consulting, the actuary for TRA, has similar concerns but has not been as specific as to the recommended new rate.

30-year amortization period re-set. The bill also re-sets the amortization period so that all plans will start a new 30-year period for amortizing unfunded liabilities. With this change, the plans are expected to reach 100% funding by 2048, assuming all current assumptions are met and actuarially required contributions are made each year.

4. Contribution Increases

Employers and employees are required to contribute a specified percentage of pay to the pension plan in which they participate. The directors for MSRS, TRA, PERA (for the PERA P&F Plan), and SPTRFA have included contribution increases in their sustainability proposals since 2015.

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The contribution increases included in the 2017 bill have been carried forward into the 2018 bill. As in the 2017 bill, the 2018 bill also provides for the repeal of the so-called “contribution stabilizer” provisions, which allows a plan’s board to adjust contribution rates, subject to review by the Commission.

MSRS General Plan

Employee Contribution Increases			
	FY19	FY20	TOTAL
% Increase	0.25%	0.25%	0.5%
% of Pay	5.75%	6%	

Employer Contribution Increases			
	FY19	FY20	TOTAL
% Increase	0.375%	0.375%	0.75%
% of Pay	5.875%	6.25%	

MSRS Correctional Plan

Employee Contribution Increases			
	FY19	FY20	TOTAL
% Increase	0.5%	-	0.5%
% of Pay	9.6%	9.6%	

Employer Contribution Increases					
	FY19	FY20	FY21	FY22	TOTAL
Regular Contribution: % Increase	1.55%	-	-	-	1.55%
Supplemental Contribution: % Increase	-	1.45%	1.5%	1.5%	4.45%*
% of Pay	14.4%	15.85%	17.35%	18.85%	

* The 4.45% annual supplemental contribution remains in effect until the market value of assets equals or exceeds actuarial accrued liability.

MSRS State Patrol Plan

Employee Contribution Increases			
	FY19	FY21	TOTAL
% Increase	0.5%	0.5%	1%
% of Pay	14.9%	15.4%	15.4%

Employer Contribution Increases					
	FY19	FY20	FY21	FY 22	TOTAL
Regular Contribution: % Increase	0.75%	0.75%	-	-	1.5%
Supplemental Contribution: % Increase	1.75%	1.25%	2%	2%	7%*
% of Pay	24.1%	26.1%	28.1%	30.1%	

* The 7% annual supplemental contribution remains in effect until the market value of assets equals or exceeds actuarial accrued liability.

PERA Police & Fire Plan

Employee Contribution Increases			
	2019	2020	TOTAL
% Increase	0.5%	0.5%	1%
% of Pay	11.3%	11.8%	

Employer Contribution Increases			
	2019	2020	TOTAL
% Increase	0.75%	0.75%	1.5%
% of Pay	16.95%	17.7%	

TRA

Employee Contribution Increases		
	FY24	TOTAL
% Increase	0.25%	0.25%
% of Pay	7.75%	

Employer Contribution Increases							
	FY19	FY20	FY21	FY22	FY23	FY24	TOTAL
% Increase	0.21%	0.21%	0.21%	0.21%	0.21%	0.2%	1.25%
% of Pay	7.71%	7.92%	8.13%	8.34%	8.55%	8.75%	

SPTRFA

Employee Contribution Increases		
	FY23	TOTAL
% Increase	0.25%	0.25%
% of Pay	7.75%	

Employer Contribution Increases							
	FY19	FY20	FY21	FY22	FY23	FY24	TOTAL
% Increase	0.835%	0.835%	0.21%	0.21%	0.21%	0.2%	2.5%
% of Pay	7.335%	8.17%	8.38%	8.59%	8.8%	9%	

The SPTRFA employer contribution rate for basic members is also increased by 2.5% over four years (from 10% to 12.5% of salary).

5. Direct State Aid

PERA P&F Plan

\$ Millions (ONGOING)					
FY19	FY18-19	FY20	FY21	FY20-21	FY 22
\$4.5	\$4.5	\$4.5	\$9	\$13.5	\$9

SPTRFA

\$ Millions (ONGOING)				
FY19	FY18-19	FY20	FY21	FY20-21
\$5	\$5	\$5	\$5	\$10

6. Additional E-12 Education Funding

The bill adds new section 21 that amends the statute providing for pension adjustment revenue to add funding intended to reimburse school districts for the employer contribution increases to TRA and SPTRFA.

7. Appropriations

As in the 2017 bill, the 2018 bill includes appropriations to state agencies and subdivisions intended to offset in part the employer contribution increases to the MSRS plans and TRA.

8. Volunteer Firefighter Relief Associations and PERA Statewide Voluntary Firefighter Plan

The changes recommended by the Volunteer Firefighter Working Group, chaired by the State Auditor, from 2016 and 2017, are included in the 2018 bill. Generally, these changes bring the statutes into conformity with actual or desired operation of the VFRA throughout the state.

In addition to the changes sought by the Volunteer Firefighter Working Group, the bill makes the following changes to statutes for the benefit of these cities or firefighter groups:

City of Austin:

- Permits the City of Austin to allocate a portion of fire state aid to pay employer contributions on behalf of firefighters covered by the PERA P&F Plan rather than pay the full amount to the VFRA as required under current statute.
- Retroactive effective date to January 1, 2013, relieves the City from having to repay the \$214,605 debt dating back to 2013 that is owed to the VFRA under current law.
- A Fire State Aid Work Group is established to recommend if municipalities across the state that have both career and volunteer firefighters should be given the ability to allocate fire state aid between the PERA P&F Plan employer contributions and the VFRA.

Cities of Cromwell and Wright:

- Cromwell and Wright fire departments are in the process of merging. Cromwell has a volunteer firefighter relief association; Wright participates in the PERA Voluntary Statewide Firefighter Plan.
- To retain state aid, Wright firefighters want to leave the PERA Statewide Plan and join the Cromwell VFRA, but current law does not permit
- New provisions added to the statutes governing PERA Statewide Volunteer Firefighter Retirement Plan (“SVFRP”) allows members in the SVFRP to transfer assets and liabilities for pension benefits from the SVFRP to a volunteer firefighter relief association governed by Chapter 424A. This change was requested by the cities of Cromwell and Wright to allow them to continue with the merger of their firefighter services.

City of Eden Prairie and its Volunteer Firefighter Relief Association:

- Changes to current law sought by the City to help with recruitment and incentivize members to elect lump sum benefits rather than administratively burdensome and costly monthly pensions.
- The bill increases the maximum lump sum benefit amount for the Eden Prairie VFRA from \$10,000 to \$15,000, to the extent it is eligible for an increase in the lump sum amount under existing requirements, and reduces the vesting requirements for firefighters upon return to active service.

City of Brook Park:

- Error will require the City to pay more for lump sum pension benefits than it can afford.
- Law change allows the lump sum defined benefit amount to be reduced for the City’s volunteer firefighters under the SVFRP.

9. Individuals and Small Groups

The bill includes provisions from the 2016 and 2017 bills that assist individuals who were excluded from a state pension plan due to plan or employer error. The individuals have been waiting to transfer from a defined contribution plan to coverage under a public pension plan, which cannot occur until legislation is enacted. These individuals include:

- Two St. Cloud State University employees
- One Winona State University employee
- Two Mesabi Range Community and Technical College employees
- One Duluth Township employee

As had been provided in the 2017 bill, under the 2018 bill, a group of Department of Transportation employees are given the right to purchase service credit and thereby become eligible for Rule of 90 retirement.

10. Fairview

The bill reduces the enhanced rate of augmentation for former employees of the University of Minnesota Hospital and Clinics under the MSRS General Plan who were transferred to private sector employment with Fairview Hospital and Healthcare Services in 1996. The current rates of augmentation, 5.5% (until age 55) and 7.5% (from age 55 to the date pension payments begin) are reduced each year, prospectively, beginning January 1, 2019, by .75%, until augmentation ceases, after December 31, 2024. The bill also effectively eliminates the exception from enhanced augmentation upon return to public service and provides for a lump sum payment to retirees currently receiving a benefit that did not include enhanced augmentation.

11. Miscellaneous and Technical Changes

The bill also includes the following miscellaneous and non-substantive changes:

- Adds additional positions at the Department of Corrections and Department of Human Services eligible for coverage under the MSRS Correctional Plan.
- Codifies the Department of Human Services' review process for including additional employment positions in MSRS Correctional Plan.
- For the PERA P&F Plan, revises the definition of "line of duty death" to include the definition under section 299A.41, Subdivision 3, which is consistent with the federal Hometown Heroes Act.
- Increases the maximum employer contribution for the laborers national industrial pension plan.
- Authorizes all state public retirement plans to accept gifts, donations, bequests, and life insurance death benefits.
- A new interest rate section is added that sets forth the rates for all the plans and makes conforming changes to other sections that refer to interest rate.
- Clarifies language in the "combined service annuity" provisions.
- Repeals "coverage by more than one fund" provisions for each plan and inserts new provisions that will apply to all the plans.
- Administrative changes for all the plans to bring language into conformity with operation or make clarifying changes.

12. New Provisions

As noted above, the bill consists primarily of provisions carried forward from the 2016 and 2017 omnibus pension and retirement bills. There are, however, a few provisions new to this bill, as follows:

- School districts will receive additional funding through changes to the statute that provides pension adjustment revenue. This additional funding is intended to reimburse school districts for the increases in the percentage of pay required to be contributed to TRA and SPTRFA as employer contributions.
- Benefit reforms are included for both the PERA General Plan and TRA. The reforms are substantially the same as the benefit reforms included in the bill for the MSRS General Plan and SPTRFA, respectively.
- The employer contribution increase to SPTRFA is being phased in differently than in the 2017 bill. SPTRFA will receive more funding in the first two fiscal years to compensate for smaller increases in the last four fiscal years. Both TRA and SPTRFA will receive an increase of .21% annually over six years, but SPTRFA will receive an additional .63% in the first two years.
- The statutes that provide for direct state aid payments to various pension plans have been amended to add an expiration date that is the earlier of attainment of a funded ratio of 100% or 2048.
- Both the 2016 and 2017 bills had included an amendment that increased the maximum amount from \$10,000 to \$15,000 per year of service that could be paid by a lump sum defined benefit plan sponsored by a volunteer firefighter relief association plan. This amendment has been revised in the 2018 bill to benefit only the Eden Prairie Volunteer Firefighter Relief Association, which is the association that had originally requested the change in 2016.

Attachment A

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Attachment B
PENSION BILL VERSION COMPARISON

BENEFIT REFORMS		
S.F. 545, 3rd engrossment (passed unanimously by Senate)	S.F. 3 (vetoed by Governor)	S.F. 2620/H.F. 3053 (current version)
<u>MSRS</u>	<u>MSRS</u>	<u>MSRS</u>
<ul style="list-style-type: none"> • Eliminate deferred augmentation; all plans • No COLA until normal retirement age; General plan • Eliminate augmentation from early retirement calculation; General plan • Reduce refund interest rate from 4% to 3%; all plans 	Same as S.F. 545, 3 rd engrossment	Same as S.F. 545, 3 rd engrossment
<u>PERA</u>	<u>PERA</u>	<u>PERA</u>
<ul style="list-style-type: none"> • No benefit reforms included • Require the PERA Board to present a reform proposal to the Pension Commission during the 2018 legislative session that is similar to the reform proposals for the other plans 	Same as S.F. 545, 3 rd engrossment	<ul style="list-style-type: none"> • Eliminate deferred augmentation; all plans • No COLA until normal retirement age; General plan • Eliminate augmentation from early retirement calculation; General plan • Reduce refund interest rate from 4% to 3%; all plans
<u>TRA</u>	<u>TRA</u>	<u>TRA</u>
<p><i>Benefit reforms only effective if funding provided for employer contribution increase</i></p> <ul style="list-style-type: none"> • Eliminate deferred augmentation • No COLA until normal retirement age • Eliminate augmentation from early retirement calculation, except for retirements under 62/30 • Reduce refund interest rate from 4% to 3% 	No benefit reforms included	<ul style="list-style-type: none"> • Eliminate deferred augmentation • No COLA until normal retirement age • Eliminate augmentation from early retirement calculation, except for retirements under 62/30 • Reduce refund interest rate from 4% to 3%
<u>ST. PAUL TEACHERS</u>	<u>ST. PAUL TEACHERS</u>	<u>ST. PAUL TEACHERS</u>
<ul style="list-style-type: none"> • Eliminate deferred augmentation • No COLA until normal retirement age • Eliminate augmentation from early retirement calculation, except for retirements under 62/30 • Reduce refund interest rate from 4% to 3% 	Same as S.F. 545, 3 rd engrossment	Same as S.F. 545, 3 rd engrossment

Attachment B
PENSION BILL VERSION COMPARISON

ASSUMPTION CHANGES		
S.F. 545, 3rd engrossment (passed unanimously by Senate)	S.F. 3 (vetoed by Governor)	S.F. 2620 (current version)
<p style="text-align: center;"><u>MSRS</u></p> <ul style="list-style-type: none"> • Reduce investment return assumption from 8% to 7.5%; all plans • Extend amortization period to 2047; all plans 	<p style="text-align: center;"><u>MSRS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>MSRS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment (amortization period extended to 2048; all plans)</p>
<p style="text-align: center;"><u>PERA</u></p> <ul style="list-style-type: none"> • Reduce investment return assumption from 8% to 7.5%; all plans • Extend of amortization period to 2047; all plans 	<p style="text-align: center;"><u>PERA</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>PERA</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment (amortization period extended to 2048; all plans)</p>
<p style="text-align: center;"><u>TRA</u></p> <p style="text-align: center;"><i>Assumption changes only effective if funding provided for employer contribution increase</i></p> <ul style="list-style-type: none"> • Reduce investment return assumption from 8.5% to 7.5% • Extend amortization period to 2047 	<p style="text-align: center;"><u>TRA</u></p> <p style="text-align: center;">No assumption changes included</p>	<p style="text-align: center;"><u>TRA</u></p> <ul style="list-style-type: none"> • Reduce investment return assumption from 8.5% to 7.5% • Extend amortization period to 2048
<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <ul style="list-style-type: none"> • Reduce investment return assumption from 8% to 7.5% • Extend amortization period to 2047 	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment (amortization period extended to 2048)</p>

Attachment B
PENSION BILL VERSION COMPARISON

COLA CHANGES		
S.F. 545, 3rd engrossment (passed unanimously by Senate)	S.F. 3 (vetoed by Governor)	S.F. 2620 (current version)
<p style="text-align: center;"><u>MSRS</u></p> <ul style="list-style-type: none"> • Remove COLA triggers; all plans <i>except</i> Judges plan <p><u>General plan:</u></p> <ul style="list-style-type: none"> • Reduce COLA from 2% to 1% for 5 yrs, 1.5% thereafter <p><u>Correctional plan:</u></p> <ul style="list-style-type: none"> • Reduce COLA from 2% to 1.5% 	<p style="text-align: center;"><u>MSRS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>MSRS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>
<p style="text-align: center;"><u>PERA</u></p> <ul style="list-style-type: none"> • Remove COLA triggers; all plans <i>except</i> General plan <p><u>Correctional plan:</u></p> <ul style="list-style-type: none"> • Reduce COLA from 2.5% to 1.5% 	<p style="text-align: center;"><u>PERA</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>PERA</u></p> <ul style="list-style-type: none"> • Remove COLA triggers; all plans <p><u>General plan:</u></p> <ul style="list-style-type: none"> • Provide 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><u>Correctional plan:</u></p> <ul style="list-style-type: none"> • Provide 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: (1) the plan’s funded ratio is less than 85% for two consecutive years; or (2) 80% for one year. If either scenario occurs, the maximum permanently becomes 1.5%.
<p style="text-align: center;"><u>TRA</u></p> <p><i>COLA changes only effective if funding provided for employer contribution increase</i></p> <ul style="list-style-type: none"> • Remove COLA triggers • Reduce COLA from 2% to 1% for 5 yrs, increases by 0.1% each yr until reaching 1.5% 	<p style="text-align: center;"><u>TRA</u></p> <p style="text-align: center;">No COLA changes included</p>	<p style="text-align: center;"><u>TRA</u></p> <ul style="list-style-type: none"> • Remove COLA triggers • Reduce COLA from 2% to 1% for 5 yrs, increases by 0.1% each yr until reaching 1.5%
<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <ul style="list-style-type: none"> • Remove COLA triggers • 2 yr COLA freeze 	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>

Attachment B
PENSION BILL VERSION COMPARISON

CONTRIBUTION INCREASES		
S.F. 545, 3rd engrossment (passed unanimously by Senate)	S.F. 3 (vetoed by Governor)	S.F. 2620 (current version)
<p style="text-align: center;"><u>MSRS</u></p> <p><u>General plan:</u></p> <ul style="list-style-type: none"> • Employee: 0.5% increase over 2 yrs • Employer: 0.75% increase over 2 yrs <p><u>Correctional plan:</u></p> <ul style="list-style-type: none"> • Employee: 0.5% increase • Employer: 6% increase over 4 yrs <p><u>State Patrol:</u></p> <ul style="list-style-type: none"> • Employee: 1% increase over 2 yrs • Employer: 8.5% increase over 4 yrs 	<p style="text-align: center;"><u>MSRS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>MSRS</u></p> <ul style="list-style-type: none"> • Contribution increases for the General, Correctional, and State Patrol plans are the same as S.F. 545, 3rd engrossment <p><u>Unclassified plan:</u></p> <ul style="list-style-type: none"> • Employee: 0.5% increase (tied to General plan) • Employer: 0.25% increase
<p style="text-align: center;"><u>PERA</u></p> <p><u>Police & Fire plan:</u></p> <ul style="list-style-type: none"> • Employee: 1% increase over 2 yrs • Employer: 1.5% increase over 2 yrs 	<p style="text-align: center;"><u>PERA</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>PERA</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>
<p style="text-align: center;"><u>TRA</u></p> <p style="text-align: center;"><i>Contribution increases only effective if funding provided for employer contribution increase</i></p> <ul style="list-style-type: none"> • Employee: 0.25% increase in FY23 • Employer: 1.25% increase over 6 yrs 	<p style="text-align: center;"><u>TRA</u></p> <p style="text-align: center;">No contribution increases included</p>	<p style="text-align: center;"><u>TRA</u></p> <ul style="list-style-type: none"> • Employee: 0.25% increase in FY24 • Employer: 1.25% increase over 6 yrs
<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <ul style="list-style-type: none"> • Employee: 0.25% increase in FY22 • Employer: 2.5% increase over 4 yrs 	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <p style="text-align: center;">Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <ul style="list-style-type: none"> • Employee: 0.25% increase in FY23 • Employer: 2.5% increase over 6 yrs

Attachment B
PENSION BILL VERSION COMPARISON

DIRECT STATE AIDS		
S.F. 545, 3rd engrossment (passed unanimously by Senate)	S.F. 3 (vetoed by Governor)	S.F. 2620 (current version)
<p style="text-align: center;"><u>PERA</u></p> <p>\$4.5 million in FY18 & FY19; \$9 million thereafter</p>	<p style="text-align: center;"><u>PERA</u></p> <p>Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>PERA</u></p> <ul style="list-style-type: none"> \$4.5 million in FY19 & FY20; \$9 million thereafter Aid ends when plan is 100% funded or on July 1, 2048, whichever occurs first
<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <ul style="list-style-type: none"> \$5 million annually Aid ends when plan is 100% funded or the amortization date, whichever occurs first 	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <p>Same as S.F. 545, 3rd engrossment</p>	<p style="text-align: center;"><u>ST. PAUL TEACHERS</u></p> <ul style="list-style-type: none"> \$5 million annually Aid ends when plan is 100% funded or on July 1, 2048, whichever occurs first
		<p style="text-align: center;"><u>ALL CURRENT STATE AIDS</u></p> <ul style="list-style-type: none"> Codification of the \$6 million annual appropriation provided to Judges plan in Laws 2016, Ch. 189, Art. 13, Sec. 7 Update of all current state aids to expire when the fund achieves a certain funded ratio on an actuarial value of assets or on July 1, 2048, whichever occurs first
VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS		
<p>Increase of the lump-sum maximum amount from \$10,000 to \$15,000 for all eligible lump-sum volunteer firefighter relief associations</p>	<p>Same as S.F. 545, 3rd engrossment</p>	<p>Increase of the lump-sum maximum from \$10,000 to \$15,000 for only Eden Prairie relief association</p>

Attachment B
PENSION BILL VERSION COMPARISON

PENSION ADJUSTMENT REVENUE		
S.F. 545, 3rd engrossment (passed unanimously by Senate)	S.F. 3 (vetoed by Governor)	S.F. 2620 (current version)
		Revision of the pension adjustment revenue formula to offset: <ul style="list-style-type: none"> 1.25% TRA employer increase 2.5% St. Paul Teachers employer increase
APPROPRIATIONS		
Appropriations to offset employer contributions for: <ul style="list-style-type: none"> MSRS General MSRS Correctional State Patrol St. Paul Teachers TRA (ONLY to Dept. of Education, MN State Academies, and the Perpich Center; no money provided for school districts) 	Appropriations to offset employer contributions for: <ul style="list-style-type: none"> MSRS General MSRS Correctional State Patrol St. Paul Teachers 	Appropriations to offset employer contributions for: <ul style="list-style-type: none"> MSRS General MSRS Correctional State Patrol TRA (to Dept. of Education, MN State Academies, and the Perpich Center; school districts funded through pension adjustment revenue)

Attachment C
Section-by-Section Summary of
S.F. 2620 (Rosen); H.F. 3053 (O’Driscoll)

Sec.	Page & Line	Statute	Plan	Summary
<u>Article 1: Minnesota State Retirement System Benefit Changes</u>				
1	2.50	3A.02, Subd. 4	Legislators Plan	Prospectively eliminates augmentation for all deferred members after 12/31/2018.
2	3.17	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 7/1/2024.
3	4.21	352.22, Subd. 2	MSRS Plans	Lowers the refund interest rate from 4% to 3%.
4	5.6	352.22, New Subd. 2b	MSRS Plans	Clarifies the procedure to repay a refund.
5	5.16	352.22, Subd. 3	MSRS Plans	Corrects a cross-reference
6	6.8	352.22, New Subd. 3a	MSRS General MSRS Correctional	Prospectively eliminates augmentation for all deferred members after 12/31/2018.
7	7.4	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	7.23	352D.085, Subd. 1	MSRS Unclassified	Corrects cross-references.
9-10	8.4 8.11	490.121, Subd. 25, 26	Judges Plan	Corrects cross-references.
11	8.18	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.
<u>Article 2: Public Employees Retirement Association Benefit Changes</u>				
1	8.24	353.30, Subd. 5	PERA General	Eliminates augmentation in early retirement benefits over a five-year period starting 7/1/2019, resulting in straight actuarial equivalence after 7/1/2024.
2	10.1	353.34, Subd. 2	PERA Plans	Lowers the refund interest rate from 4% to 3%.
3	10.20	353.34, Subd. 3	PERA Plans	Prospectively eliminates augmentation for all deferred members after 12/31/2018.

Sec.	Page & Line	Statute	Plan	Summary
4	12.6	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.

Article 3: Teachers Retirement Association Benefit Changes

1	12.10	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 early under the Rule of 62/30).
2	17.1	354.49, Subd. 2	TRA	Lowers the refund interest rate from 4% to 3%.
3	17.15	354.55, Subd. 11	TRA	Prospectively Eliminates augmentation for all deferred members after 12/31/2019.
4	19.21	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.”

Article 4: St. Paul Teachers Retirement Fund Association Benefit Changes

1	19.28	354A.011, Subd. 3a	SPTRFA	Updates a reference to the investment return assumption.
2	20.7	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 1/1/2024, 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	21.2	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 early under the Rule of 62/30).

Sec.	Page & Line	Statute	Plan	Summary
4	22.31	354A.37, Subd. 2	SPTRFA	Prospectively eliminates augmentation for all deferred members after 6/30/2019.
5	24.17	354A.37, Subd. 3	SPTRFA	Lowers the refund interest rate from 4% to 3%.
6	24.27	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.

Article 5: Actuarial Assumptions and Postretirement Adjustments for Statewide Plans

1	25.4	356.215, Subd. 8	MSRS Plans, PERA Plans, TRA, and SPTRFA	Lowers the investment return assumption to 7.5% for all MSRS plans, PERA plans, TRA, and SPTRFA, effective 7/1/2018.
2	30.18	356.215, Subd. 9	All Plans	Gives the pension plans the flexibility to use updated mortality improvement scales in their actuarial valuations.
3	31.1	356.215, Subd. 11	MSRS Plans, PERA Plans, TRA, and SPTRFA	Resets the 30-year amortization period to 2048 for MSRS plans, PERA plans, TRA, and SPTRFA.
4	33.22	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	36.15	New § 356.311	All Plans	Adds a new section regarding "Coverage by More than One Plan," which will apply to all pension plans.
6	37.10	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	38.31	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.

Sec.	Page & Line	Statute	Plan	Summary
8	40.25	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	43.2	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	44.28	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% from 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	47.24	356.415, Subd. 1e	State Patrol Plan	<p>Removes the COLA triggers, which provides for automatic COLA adjustments when specified funding ratios are met.</p>
12	49.9	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	51.4	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	52.11	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.
Article 6: Interest Rate Conforming Changes				
1	52.24	3A.03, Subd. 2	Legislators Plan	Adds cross reference to new interest rate table.
2-7	53.18 54.1 54.26 56.7 56.28	352.01, Subd. 13a 352.017, Subd. 2 352.04, Subd. 8-9 352.23 352.27	MSRS Plans	Adds cross references to new interest rate table.
8	58.10	352.955	MSRS Correctional	Adds cross reference to new interest rate table.
9-12	59.30 60.23 61.5 62.18	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	63.1 63.15 63.27	352D.05, Subd. 4 352D.11, Subd. 2 352D.12	MSRS Unclassified	Adds cross references to new interest rate table.
16-17	64.21 67.15	353.01, Subd. 16 353.0162	PERA Plans	Adds cross references to new interest rate table.
18-19	69.1 70.1	353.27, Subd. 3c, 353.27, Subd. 7a	PERA General	Adds cross references to new interest rate table.
20-24	70.31 72.8 72.27 73.6 73.13	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.
25-28	73.29 74.4 75.12 75.25	354.50, Subd. 2 354.51, Subd. 5 354.52, Subd. 4 354.53, Subd. 5	TRA	Adds cross references to new interest rate table.
29	76.1	354.72, Subd. 2	TRA	Adds cross reference to new interest rate table.
30-34	77.1 77.9 78.1 78.19 79.27	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.

Sec.	Page & Line	Statute	Plan	Summary
35-38	80.6 80.29 81.20 82.14	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	83.24	New § 356.59	All plans	Compiles the interest rates over different time periods for each of the plans; decreases the interest rate for all plans except TRA to 7.5%, effective 7/1/2017.
40-42	84.19 85.9 86.21	490.121, Subd. 4 490.1211 490.124, Subd. 12	Judges Plan	Adds cross references to new interest rate table.

Article 7: Contribution Rates

1	87.4	352.04, Subd. 2	MSRS General	Increases the member contribution rate by 0.5% of pay over two years, beginning 7/1/2018.
2	87.16	352.04, Subd. 3	MSRS General	Increases the employer contribution rate by 0.75% of pay over two years, beginning 7/1/2018.
3	87.26	352.92, Subd. 1	MSRS Correctional	Increases the member contribution rate by 0.5% of pay, effective 7/1/2018.
4	88.7	352.92, Subd. 2	MSRS Correctional	Increases the regular employer contribution rate by 1.55% of pay, effective 7/1/2018.
5	88.16	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; this supplemental contribution remains in effect until the market value of assets equals or exceeds actuarial accrued liability.
6	89.1	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.
7	89.17	352B.02, Subd. 1c	State Patrol Plan	Increases the employer regular contribution rate by 1.5% of pay over two years, beginning 7/1/2018. 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; this supplemental contribution remains in effect until the market value of assets equals or exceeds actuarial accrued liability.

Sec.	Page & Line	Statute	Plan	Summary
8	90.14	352D.04, Subd. 2	MSRS Unclassified	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. Increases the employer contribution rate by 0.25% of pay, effective 7/1/2019.
9	91.2	353.65, Subd. 2	PERA P&F	Increases the member contribution rate by 1% of pay over two years, beginning 1/1/2019.
10	92.1	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	92.22	354.42, Subd. 2	TRA	Increases the member contribution rate by 0.25%, effective 7/1/2023.
12	93.8	354.42, Subd. 3	TRA	Increases the employer contribution rate by 1.25% over six years.
13	94.8	354A.12, Subd. 1	SPTRFA	Increases the member contribution rate by 0.25% of pay, effective 7/1/2022.
14	94.27	354A.12, Subd. 2a	SPTRFA	Increases the employer contribution rate by 2.5% of pay over six years, beginning 7/1/2018.
<u>Article 8: Direct State Aid</u>				
1	96.9	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	96.24	354.435, Subd. 4	TRA	The annual direct state aid payable to TRA related to the Minneapolis Teachers merger continues until the earlier of: 1) the year after the actuarial value of assets equals or exceeds 100% of the actuarial accrued liabilities, or 2) 7/1/2048.
3	97.3	354.436, Subd. 3	TRA	The annual direct state aid payable to TRA related to the Minneapolis and Duluth Teachers mergers continues until the earlier of: 1) the year after the actuarial value of assets equals or exceeds 100% of the actuarial accrued liabilities, or 2) 7/1/2048.
4	97.16	354A.12, Subd. 3a	SPTRFA	Requires annual direct state aid payments of \$5 million each October 1.

Sec.	Page & Line	Statute	Plan	Summary
5	97.28	354A.12, Subd. 3c	SPTRFA	The annual direct state aids payable to SPTRFA continue until the earlier of: 1) the year after the actuarial value of assets of the plan equals or exceeds 100% of the actuarial accrued liabilities, or 2) 7/1/2048.
6	98.24	423A.02, Subd. 3	TRA SPTRFA	Adds a reference to the termination of Amortization State Aide, and removes a reference to the Duluth Teachers.
7	99.12	423A.02, Subd. 5	TRA SPTRFA	The reallocation of Amortization and Additional Amortization state aids payable to SPTRFA and TRA continue until the earlier of: 1) the year after the actuarial value of assets of the respective plan equals or exceeds 100% of the actuarial accrued liabilities, or 2) 7/1/2048.
8	100.1	423A.022, Subd. 5	State Patrol Plan PERA P&F	The police and firefighter supplemental state aid payable to the State Patrol Plan and PERA-P&F continues until the earlier of: 1) the year after the actuarial value of assets of both of the plans equals or exceeds 100% of the actuarial accrued liabilities of each respective plan, or 2) 7/1/2048.
9	100.15	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 actuarial value of assets of the plan equals or exceeds 100% of the actuarial accrued liabilities, or 2) 7/1/2048.

Article 9: Minnesota State Retirement System Administrative Provisions

1	100.31	3A.03, Subd. 2	Legislators Plan	Adds a reference to the MSRS General refund repayment provision.
2	101.18	3A.03, Subd. 3	Legislators Plan	Clarifies that plan can accept transfers from the general fund.
3	101.26	16A.14, Subd. 2a	MSRS Deferred Compensation Plan	Adds an exception from the SWIFT system for transactions within MSRS' defined contribution funds.
4	102.4	352.01, Subd. 2a	MSRS General	Includes employees of the Perpich Center for Arts Education coverage if they were covered by the plan on 7/1/2016.
5	104.4	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.

Sec.	Page & Line	Statute	Plan	Summary
6	104.20	352.03, Subd. 6	MSRS Plans	Authorizes the executive director to appoint a deputy director with Board approval.
7	106.11	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	108.1	352.113, Subd. 14	MSRS Plans	Allows the executive director to waive the earnings reporting requirement for disabled members who do not undergo regular medical exams.
9	108.11	352.23	MSRS General	Clarifies the process to repay a refund.
10	109.1	352B.11, Subd. 4	State Patrol Plan	Ties the repayment provision to the General Plan provision.
11	109.11	352D.02, Subd. 1	MSRS Unclassified	Clarifies the MSRS Unclassified to MSRS General transfer provision
12	111.13	352D.02, Subd. 3	MSRS Unclassified	Clarifies the MSRS Unclassified to MSRS General transfer provision
13	112.29	352D.05, Subd. 4	MSRS Unclassified	Ties the refund repayment provision to the General Plan provision.
14	113.12	490.124, Subd. 12	Judges Plan	Ties the refund repayment provision to the General Plan provision.

Article 10: Public Employees Retirement Association Administrative Provisions

1	113.29	353.01, Subd. 2b	PERA General	Updates language in the foreign citizens provision and clarifies when membership begins if the employee's work permit or work visa extends beyond three years.
2	118.1	353.01, Subd. 10	PERA General	Clarifies that if an employer spreads out the salary paid to a member over a period of leave, that salary will be used for pension purposes only if it is paid at the full-time rate.
3	121.15	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.
4	123.17	353.0162	PERA Defined Benefit Plans	Merges the service credit purchase provision into the salary purchase provision to provide one method for purchasing missed periods of service.

Sec.	Page & Line	Statute	Plan	Summary
5	125.17	353.03, Subd. 3	PERA	Deletes a redundant board duty to authorize procedures for use of electronic signatures.
6	127.4	353.29, Subd. 4	PERA	Removes the requirement that annuity applications and proof of identity be in writing.
7	127.15	353.29, Subd. 7	PERA	Reduces the period of retroactivity for an annuity starting date from the current 12 months to 6 months, aligning PERA with MSRS and TRA.
8	128.7	353.30, Subd. 3c	PERA	Provides flexibility in determining the death of a beneficiary.
9	128.17	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	129.1	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	129.18	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	130.5	353.37, Subd. 1	PERA Plans	Clarifies that the reemployed annuitant pension reduction applies only to PERA covered employment or for a labor organization representing PERA employees.
13	130.26	353.64, Subd. 10	PERA P&F	Specifies that Hennepin Healthcare Systems Inc. supervisors and managers of paramedics or EMTs are covered by PERA P&F if they are full-time and certified.
14	131.18	353F.02, Subd. 5a	PERA Privatizations	Clarifies the definition of "privatized former public employer" to be the medical facility at the time of the initial privatization.
15	131.27	353F.025, Subd. 2	PERA Privatizations	Eliminates an outdated reporting requirement.
16	132.25	353F.04, Subd. 2	PERA Privatizations	Replaces the term "successor entity" with the term "privatized former public employer" defined in 353F.02, Subd. 5a.
17	133.11	353F.05	PERA Privatizations	Replaces the term "successor entity" with "privatized former public employer" defined in 353F.02, Subd. 5a.

Sec.	Page & Line	Statute	Plan	Summary
18	134.1	353F.057	PERA Privatizations	Deletes the term "successor entity" from the termination from service requirement.
19	134.11	353F.06	PERA Privatizations	Deletes the term "successor entity" from the reemployed annuitant earnings limitations provision.
20	134.21	353F.07	PERA Privatizations	Deletes "successor entity" from the effect on refund provision.
21	135.4	New § 353F.09	PERA Privatizations	Specifies that benefits for privatized employees end when the privatized entity or its operations are sold again to another employer.
22	135.16	Repealer	PERA	Repeals Minn. Stat. § 353.0161 because the language was merged into § 353.0162.

Article 11: Teachers Retirement Association Administrative Provisions

1	135.22	354.05, Subd. 2	TRA	Removes obsolete references to the Duluth school district and Minnesota State; excludes employees of the Perpich Center for Arts Education if they were covered by MSRS General on 7/1/2016; and clarifies that any charter school director covered by PERA as of 7/1/2017, must remain under PERA coverage.
2	137.15	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	137.20	354.06, Subd. 2	TRA	Revises the qualifications the Board of Trustees must consider when hiring an executive director.
4	138.5	354.06, Subd. 2a	TRA	Authorizes the executive director to designate a deputy executive director with Board approval.
5	140.5	354.095	TRA	Extends the number of years of authorized medical leave that can be considered allowable 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	140.28	354.44, Subd. 3	TRA	Extends the time period for applying for pension benefits before termination of employment from 120 days to 180 days.

Sec.	Page & Line	Statute	Plan	Summary
7	141.5	354.44, Subd. 9	TRA	Updates the language to reflect that the current method of counting service credit is based on portions of a year.
8	141.12	354.45, New Subd. 3	TRA	Upon the death of a former spouse who was receiving a 15-year certain annuity or other guaranteed payment stream, the remaining payments will be made to the designated beneficiary or to the former spouse's estate or as ordered by a court.
9	141.20	354.46, Subd. 6	TRA	Clarifies that if a member has multiple designated beneficiaries, each beneficiary has right to apply for an annuity separate from the other beneficiaries.
10	142.2	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	142.12	354.512	TRA	Removes a waiting period requirement that will allow TRA to collect delinquent payments more quickly.
12	142.22	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	143.2	354.52, Subd. 4d	TRA	Removes an unnecessary requirement that a school district report to TRA the beginning and ending dates for the school work year by June 30.
14	143.9	354.66, Subd. 2	TRA	Permits TRA to waive a fine that would otherwise be imposed for failure to deliver a part-time teacher agreement to TRA according to the statutory due date.
15	144.2	354.72, Subd. 1	TRA	Clarifies that the purchase of service credit for leaves of absence and strike periods provision applies to both paid and unpaid leaves.
16	144.10	423A.02, Subd. 3	TRA; SPTRFA	Removes obsolete reference to the Duluth Teachers in reallocating fire state aid.

Sec.	Page & Line	Statute	Plan	Summary
<u>Article 12: St. Paul Teachers Retirement Fund Association Administrative Provisions</u>				
1	145.4	354A.093, Subd. 4	SPTRFA	Removes obsolete reference to “applicable first class city” and replaces it with “St. Paul” to refer to SPTRFA.
2	145.14	354A.38	SPTRFA	Clarifies the periods during which 8.5% or 8% interest rate applies to the repayment of a refund.
<u>Article 13: Retirement Systems, Generally, Administrative Provisions</u>				
1	146.7	356.32, Subd. 2	Retirement, Generally; PERA Correctional	Adds PERA Correctional to the list of plans subject to the proportionate annuity requirement.
2	146.25	356.47, Subd. 3	Retirement, Generally	Replaces the current description of the federal requirements regarding repayment of reemployed annuitant withholding amounts with a reference to § 356.635, Subd. 3-7, which sets forth the federal requirements governing direct rollovers.
3	148.1	356.635, New Subd. 9a	All plans	Revises and supplements definitions relating to the annual limits on pension benefits payable and additions to defined contribution accounts under the federal Internal Revenue Code and consolidates all definitions into a new subdivision.
4	149.8	356.635, Subd. 10	All plans	Clarifies the language regarding the annual limit on pension benefits payable applicable to all pension plans, as required by the federal Internal Revenue Code.
5	150.1	356.635, New Subd. 11	All plans	Adds a new subdivision setting forth the annual limit on additions to defined contribution accounts that is applicable to all defined contribution plans, as required by the federal Internal Revenue Code.
6	150.10	356.635, New Subd. 12	All plans	Adds a new subdivision that incorporates by reference Section 415 of the federal Internal Revenue Code, relating to annual limits on pensions and contributions.

Sec.	Page & Line	Statute	Plan	Summary
7	150.19	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	151.2	356.96, Subd. 1	All plans except SPTRFA and VFRAs	Revises the definitions relating to the retirement plans' appeal procedures for member claims for benefits; adds a new definition for "petitioner."
9	151.23	356.96, Subd. 2	All plans except SPTRFA and VFRAs	Clarifies that a member may appeal to the executive director in writing a staff decision regarding eligibility, benefits or other rights.
10	152.1	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, which must include timing and contents requirements for filing a petition for review.
11	152.30	356.96, Subd. 4	All plans except SPTRFA and VFRAs	Clarifies the additional information the executive director must provide to the member in the notice of determination if the member's benefit is being terminated.
12	153.16	356.96, Subd. 5	All plans except SPTRFA and VFRAs	Clarifies the process a member must follow to file a timely petition with the plan's governing board for review of the executive director's determination.
13	154.1	356.96, Subd. 6	All plans except SPTRFA and VFRAs	Removes obsolete reference to "chief administrative officer" and replaces it with "executive director."
14	154.7	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 holding a hearing before the plan's board.
15	155.16	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	156.9	356.96, Subd. 9	All plans except SPTRFA and VFRAs	Removes obsolete reference to "chief administrative officer" and replaces it with "executive director".

Sec.	Page & Line	Statute	Plan	Summary
17	156.18	356.96, Subd. 10	All plans except SPTRFA and VFRAs	Clarifies the requirements for conducting a hearing before the applicable plan's governing board, for participation by representatives of the member and the plan, and regarding the content and timing of a decision by the governing board.
18	157.23	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	158.10	356.96, Subd. 12	All plans except SPTRFA and VFRAs	Simplifies cross-references to the statute governing the conduct of an administrative fact-finding conference.
20	158.20	356.96, Subd. 13	All plans except SPTRFA and VFRAs	Clarifies the deadline for appealing the decision of a governing board to the state Court of Appeals.
21	158.30	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.

Article 14: Actuarial Assumption Changes

1	159.6	356.215, Subd. 8	MSRS, PERA, TRA, SPTRFA	Revises salary increase assumption calculation for SPTRFA, reduces salary increase assumptions for MSRS, PERA and TRA, and reduces payroll growth assumption for TRA to 3.5%.
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Article 15: Volunteer Firefighter Relief Association Modifications

1	164.24	356A.06, Subd. 7	VFRAs	Clarifies the corporate stock restriction provision by requiring all purchases of shares of exchange-traded or mutual funds to be consistent with the provision governing securities generally.
2	168.22	424A.001, Subd. 2	VFRAs	Updates the definition of "fire department" to include joint powers fire departments.
3	168.27	424A.001, New Subd.2a	VFRAs	Adds a new definition of "municipal" to mean a city or township.
4	169.1	424A.001, Subd. 3	VFRAs	Updates the definition of "municipality" to include joint powers fire departments.
5	169.9	424A.001, Subd. 10	VFRAs	Revises the definition of "volunteer firefighter" to conform to the new definition of "fire department" in 424A.001, Subd. 2.

Sec.	Page & Line	Statute	Plan	Summary
6	169.22	424A.002, Subd. 1	VFRAs	Revises the authorization of new relief associations provision to conform to the new definition of "fire department" in 424A.001, Subd. 2.
7	170.1	New § 424A.003	VFRAs	Adds a new requirement that the fire chief annually certify each volunteer firefighter's service credit to the associated relief association and municipality and provide notice to the firefighter; gives the firefighter a right to challenge the fire chief's determination.
8	171.1	424A.01, Subd. 1	VFRAs	Adds "joint powers entity" to the fire prevention personnel membership provision.
9	171.6	424A.01, New Subd. 4a	VFRAs	Restricts firefighters from receiving relief association service credit for the same hours for which a PERA plan has already provided coverage.
10	171.14	424A.01, Subd. 5	VFRAs	Revises the membership provision to conform to the new definition of "municipality" in § 424A.001, Subd. 2a.
11	171.28	424A.01, New Subd. 5a	VFRAs	Expands relief association membership eligibility to volunteer emergency medical personnel if the associated relief association's bylaws and municipal entity authorizes the eligibility.
12	172.15	424A.01, Subd. 6	VFRAs	Clarifies that the return to service provision applies only to volunteer firefighters who take a break in service and then return to active firefighting.
13	175.25	424A.015, Subd. 1	VFRAs	Revises the separation from active service exception provision to conform to the new definitions of "municipality" and "fire department" in § 424A.001, Subd. 2 and 2a.
14	176.11	424A.015, New Subd. 7	VFRAs	Adds defined contribution relief associations to the provisions for combined service pensions and moves the provision to the section that applies to both defined benefit and defined contribution relief associations.
15	177.7	424A.016, Subd. 2	VFRAs	Revises the term "a nonprofit firefighting corporation" to be "an independent nonprofit firefighting corporation" for consistency.

Sec.	Page & Line	Statute	Plan	Summary
16	178.4	424A.02, Subd. 1	VFRAs	Revises the term "a nonprofit firefighting corporation" to be "an independent nonprofit firefighting corporation" for consistency.
17	179.7	424A.02, Subd. 3a	VFRAs	Revises the term "a nonprofit firefighting corporation" to be "an independent nonprofit firefighting corporation" for consistency.
18	180.11	424A.02, Subd. 7	VFRAs	Clarifies the deferred service pensions provision to add "joint powers entity."
19	182.1	424A.04, Subd. 1	VFRAs	Clarifies defined terms in the board of trustees membership provision.
20	183.22	424A.07	VFRAs	Revises the term "a nonprofit firefighting corporation" to be "an independent nonprofit firefighting corporation" for consistency.
21	184.1	424A.091, Subd. 3	VFRAs	Revises the term "nonprofit firefighting corporation" to be "independent nonprofit firefighting corporation" for consistency.
22	186.4	424A.094, Subd. 3	VFRAs	Revises the term "nonprofit firefighting corporation" to be "independent nonprofit firefighting corporation" for consistency.
23	186.9	424A.10, Subd. 1	VFRAs	Authorizes emergency medical personnel to receive supplemental benefits if they are eligible to join the local relief association.
24	187.14	424B.20, Subd. 4	VFRAs	Provides default procedures for allocating special fund assets after a joint powers fire department dissolves.
25	188.27	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 despite current law, and forgives the \$214,605 debt the City owes the VFRA under current law for that allocation since 2013 (when the law was changed).
26	189.16	Special law	VFRAs; PERA	Establishes a Fire State Aid Work Group, convened by PERA, to study the impact of allocating of a portion of fire state aid to pay PERA-P&F employer contributions.
27	191.9	Special law	Eden Prairie VFRA	Increases the lump-sum service pension maximum for the Eden Prairie relief association and lowers the vesting requirement for volunteer firefighters returning to active service. Effective upon approval by the Eden Prairie city council.

Sec.	Page & Line	Statute	Plan	Summary
28	196.30	Repealer	VFRAs	Repeals Minn. Stat. § 424A.02, Subd. 13, because the language was moved to the newly created § 424A.015, Subd. 7.

Article 16: MSRS-Administered Retirement Plan Modifications

1	197.3	352.113, Subd. 2	MSRS General	Adds a cross reference to the deadline for submitting an application for total and permanent disability benefits.
2	197.13	352.91, Subd. 3f	MSRS Correctional	Allows the Dept. of Human Services (DHS) “physical therapist” position at the St. Peter Hospital to be eligible for correctional plan coverage.
3	199.3	352.91, Subd. 3g	MSRS Correctional	Allows the Dept. of Corrections (DOC) “food supervisor” and “medical assistant, certified” positions to be eligible for correctional plan coverage.
4	199.19	352.91, New Subd. 4c	MSRS Correctional	Codifies the DHS internal procedure for recommending positions eligible for correctional plan coverage.
5	200.22	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	201.9	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	201.18	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	202.4	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.
9	202.21	Uncoded	MSRS Correctional	Specifies the coverage transfer dates and retroactivity for the DOC positions.

Article 17: PERA-Administered Retirement Plan Modifications

1	202.30	353.01, Subd. 43	PERA P&F	Amends the definition of "line of duty death" to meet the definition of "killed in the line of duty" in Sec. 299A.41, Subd. 3, which includes death from heart attack, stroke, or vascular rupture that occurs while performing dangerous duties or within 24 hours of performing such duties. Makes the definition consistent with the federal Hometown Heroes Act.
2	203.9	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.
3	203.16	353G.01, New Subd. 9a	PERA SVF	Adds a new definition for "relief association."
4	203.23	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 above \$33,600.
5	204.11	353G.03, Subd. 3	PERA SVF	Expands the number of volunteer firefighter members on the Advisory Board from eight to ten.
6	204.27	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.
7	205.7	353G.11, Subd. 1	PERA SVF	Amends the maximum lump-sum benefit that can be paid to always equal the allowable maximum benefit that can be paid out under 424A.02, Subd. 3., Para. (d).

<u>Sec.</u>	<u>Page & Line</u>	<u>Statute</u>	<u>Plan</u>	<u>Summary</u>
8	205.19	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.
9	209.11	Uncoded	Brook Park PERA SVF	Authorizes the City of Brook Park to lower the annual service pension level for the Brook Park lump-sum account in PERA SVF from \$1200 to \$600, retroactive to 1/1/2016.

Article 18: Generally Applicable Retirement Changes

1	209.25	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, under an exception to the prohibition on employer contributions to supplemental pension or deferred compensation plans.
2	212.6	New § 356.631	All plans	Allows plans to accept additional sources of payments, including gifts, donations, bequests, and life insurance death benefits.
3	212.16	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.

Article 19: Small Group Retirement Changes

1	212.22	Special law	MSRS General	Permits a group of 22 MnDOT employees to purchase up to three months of 1989 service credit to gain Rule of 90 eligibility to correct an MSRS communication error.
2	215.10	Special law	PERA General, Minnesota State IRAP	Allows an employee of St. Cloud State Univ. to purchase service credit in PERA for five years of erroneous IRAP coverage.
3	216.29	Special law	TRA, Minnesota State IRAP	Allows an employee of St. Cloud State Univ. to elect retroactive and prospective TRA coverage rather than IRAP coverage to correct a Minnesota State error.
4	218.25	Special law	TRA, Minnesota State IRAP	Allows two employees of Mesabi Range Community & Technical College to elect retroactive and prospective TRA coverage rather than IRAP coverage to correct a Minnesota State error.

<u>Sec.</u>	<u>Page & Line</u>	<u>Statute</u>	<u>Plan</u>	<u>Summary</u>
5	220.17	Special law	TRA, Minnesota State IRAP	Allows an employee of Winona State University to elect retroactive and prospective TRA coverage rather than IRAP coverage to correct a Minnesota State error.
6	222.13	Special law	PERA General PERA DC	Allows a Duluth Township clerk to elect retroactive coverage in PERA General.
<u>Article 20: Technical Corrections</u>				
1-3	224.3 226.31 227.7	353.01, Subd. 16 353.012 353.32, Subd. 4	PERA	Removes obsolete references to a provision that is repealed in Article 2, Section 4.
4	227.16	354A.011, Subd. 29	1st Class City Teacher Plans	Removes obsolete references to Duluth Teachers and makes other conforming changes.
5-8	228.1 228.15 229.25 230.31	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	231.12	Repealer	1st Class City Teacher Plans	Repeals an obsolete provision for Duluth Teachers.
<u>Article 21: E-12 Education Finance</u>				
1	231.17	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.
2	232.14	127A.45, Subd. 12	TRA SPTRFA	Requires that 100% of the aid for the pension adjustment revenue must be paid each fiscal year.
<u>Article 22: Appropriations</u>				
1	232.25	Appropriation	MSRS plans	Appropriates from the General Fund an unspecified amount in FY 2019 and an unspecified amount for the base for Fiscal Years 2020, 2021, and 2022 and later to pay increased MSRS employer contributions.
2	233.11	Appropriation	MSRS plans	Appropriates from any Nongeneral Fund the amounts necessary to pay increased MSRS employer contributions.

Sec.	Page & Line	Statute	Plan	Summary
3	233.27	Appropriation	MSRS General MSRS Unclassified	<p>Appropriates from the General Fund for increased employer pension contributions to MSRS General and MSRS Unclassified:</p> <ul style="list-style-type: none"> – \$..... in FY2019 and \$..... in FY2020 to the Supreme Court; – \$..... in FY2019 and \$..... in FY2020 to the Court of Appeals; – \$..... in FY2019 and \$..... in FY2020 to the district courts; – \$..... in FY2019 and \$..... in FY2020 to the Board of Public Defense; – \$..... in FY2019 and \$..... in FY2020 to the Guardian ad Litem Board; and – \$..... in FY2019 and \$..... in FY2020 to the Board of Judicial Standards.
4	234.22	Appropriation	TRA	<p>Appropriates from the General Fund to the Department of Education, the Minnesota State Academies, and the Perpich Center unspecified amounts in FY 2019 and unspecified amounts for the base for Fiscal Years 2020, 2021, and 2022 and later to pay increased TRA employer contributions.</p>
5	235.7	Appropriation	TRA SPTRFA	<p>Appropriates from the General Fund to the Department of Education \$..... in FY 2019.</p>

Attachment D
Source Legislation
S.F. 2620 (Rosen); H.F. 3053 (O'Driscoll)

Note: The language of the source bills may have changed since the 2017 omnibus bill.

S.F. 2620 (Rosen); H.F. 3053 (O'Driscoll) includes all or portions of the following retirement bills and substantive amendments:

1. SF 26 (Sparks); HF 11 (Pope): Austin Fire Relief Association/PERA-P&F; Permitting an alternative allocation of fire state aid for the City of Austin.
2. SF 436 (Pappas); HF 977 (O'Driscoll): MSRS-Correctional; Expanding coverage to add additional categories of employees at the Department of Corrections.
3. SF 522 (Frentz); HF 637 (Johnson, C.): MSRS-Correctional; Expanding coverage to add an additional category of employees at the Department of Human Services.
4. SF 545 (Rosen); HF 565 (O'Driscoll): Portions of the vetoed 2016 Omnibus Retirement Bill (*see next page for a list of 2016 bills*).
5. SF 746 (Rosen); HF 721 (Murphy, M.): TRA; Administrative provisions.
6. SF 1375 (Rosen); HF 1471 (O'Driscoll): PERA; Administrative provisions.
7. SF 1376 (Rosen); HF 1460 (O'Driscoll): MSRS; Administrative provisions.
8. SF 1384 (Rosen); HF 1672 (Murphy, M.): VFRA; Incorporating the recommendations of the Volunteer Fire Relief Association Working Group.
9. SF 1705 (Rosen); HF 2126 (O'Driscoll): MSRS; Revising augmentation rates for certain terminated privatized employees (Fairview).
10. SF 1839 (Miller); HF xxxx: TRA/IRAP; Authorizing a Winona State University employee to elect prospective and retroactive TRA coverage.
11. SF 1945 (Lourey); HF 2092 (Rarick): PERA-SVFRP; Permitting the City of Brook Park to lower the service pension level for its volunteer firefighters under the PERA voluntary statewide volunteer firefighter retirement plan.
12. SF 2332 (Rosen); HF 2604 (O'Driscoll): PERA-SVFRP; Permitting the transfer of assets and liabilities from the PERA voluntary statewide volunteer firefighter retirement plan to a volunteer firefighter relief association.
13. LCPR17-035 (Murphy, M.): PERA; "Red Mittens Act;" Authorizing an eligible Duluth township employee to elect PERA general plan coverage and receive retroactive coverage.
- ~~14. LCPR17-036 (Murphy, M.): MSRS-Unclassified; Grandfathering current factors used in the calculation of annuities under the MSRS Unclassified Program. (enacted in 2017)~~
15. LCPR17-038: Minnesota public employee pension plans; Benefit and contribution changes.

Legislation that was included in the vetoed 2016 Omnibus Pension Bill (*note: The language of the source bills may have changed from the 2016 omnibus bill*):

1. HF 659 (O'Driscoll); SF 588 (Pappas): MSRS; Allowing for extension of the disability benefit application deadline in the case of a member's cognitive impairment.
2. HF 2785 (Loon); SF 2536 (Hann): VFRA; Increasing lump-sum service pension maximums for defined benefit relief associations; lowering vesting requirement for Eden Prairie VFRA firefighters returning to service.
3. HF 2807 (O'Driscoll); SF 2536 (Pappas): MSRS, PERA, TRA, SPTRFA; Making changes to plan administrative provisions; modifying actuarial assumptions.
4. HF 2810 (Howe); SF 2743 (Pappas), in the form of Amendment H2807-5A: PERA; Modifying public safety officer death benefits; adopting definitions of the federal Hometown Heroes Act.
5. HF 3136 (Thissen); SF 2853 (Pappas): Increasing the maximum permissible employer contribution to a laborers pension fund.
6. HF 3137 (O'Driscoll); SF 2473 (Rosen/Pappas); VFRA; Making changes recommended by the Volunteer Fire Relief Association Working Group.
7. HF 3347 (Metsa); SF 3011 (Tomassoni): MSRS; Allowing certain MnDOT employees to purchase service credit and thereby become eligible for Rule of 90 retirement.
8. HF 3351 (Theis); SF 2890 (Pederson): MnSCU-IRAP, PERA; Allowing St. Cloud State University employee to purchase service credit from PERA for period erroneously placed in the IRAP.
9. HF 3422 (Knoblach); SF xxxx: MnSCU-IRAP, TRA; Allowing St. Cloud State University employee to repay refund and elect prospective and retroactive TRA coverage rather than remain in the IRAP.
10. HF 3718 (Metsa); SF 3366 (Tomassoni): MnSCU-IRAP, TRA; Allowing two Mesabi Range Community and Technical College employees who were not offered an election upon reaching tenure to purchase service credit from TRA rather than remain in the IRAP.
11. HF 3805 (O'Driscoll); SF xxxx: Authorizing public pension and retirement plans to accept certain additional sources of funding.
12. House Governmental Operations Committee Amendment H0659-4A/Senate State and Local Governmental Committee Amendment S0588-4A: PERA-SVF; Eliminating the requirement that the first relief association to join the monthly benefit division be reimbursed for PERA's administrative expenses by relief associations that join later.