

**SF 208 (Howe):
Public Employees Retirement Association;
Extending the time for purchasing credit for military
service under the federally protected right**

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Introduction

- Affected Plan:** Public Employees Retirement Association (PERA)
- Law Amended:** Minnesota Statutes, Section 353.014
- Brief Description:** The bill extends the time period during which a member may purchase credit for periods of military service under the federally protected military leave statute.
- Amendment:** [Amendment S0208-1A](#)

Background

A member of any of the PERA pension plans may take a leave of absence to perform service in the United States armed forces and purchase credit under the PERA plan for the period of military service. When the member returns to public employment, Section 353.014 permits the member to purchase service credit for the period of the military leave as required by the federal law known as the Uniformed Services Employment and Reemployment Rights Act (USERRA). This purchase right requires payment of only the missed employee contributions and the payment must be made during a period that begins with the date of return to public employment and lasts the shorter of (i) three times the period of the military leave or (ii) five years.

A purchase of service credit under Section 353.014 is significantly less expensive for a member than a purchase of service credit under Section 353.0141. Section 353.0141 permits a service credit purchase if the member misses the deadline under Section 353.014. The purchase price under Section 353.0141 is the actuarial value of the increase in the pension amount when the additional service is taken into account, not just the missed employee contributions as under Section 353.014. By extending the time period for making a purchase under the federally protected right at Section 353.014, it is likely more returning military service members will be able to purchase service credit under the less expensive option.

Summary

The bill is one section that amends Section 353.014, subdivision 4. The change is to the end of the period during which a purchase of service credit may be made, from the *lesser* of “three times the length of the military leave period” or five years to the *greater* of three times the length of the leave or five years. The sentence that required the purchase within three years if the payment period under the lesser of language was less than three years is deleted. The result is that a member returning from military service will have at least five years to make a purchase of service credit under the less expensive option at Section 353.014.

The effective date is the day following final enactment.

Amendment S0208- 1A

Amendment S0208-1A adds a new section to the bill that amends Section 352B.086 for members of the Minnesota State Retirement System (MSRS) State Patrol Plan. The changes made to Section 352B.086 are the same changes as are made to Section 353.014 under the bill. The effective date is the day following final enactment.