

1.1 A bill for an act
1.2 relating to retirement; Public Employees Retirement Association general employees
1.3 retirement plan and public employees police and fire retirement plan; Teachers
1.4 Retirement Association; St. Paul Teachers Retirement Fund Association; requiring
1.5 a pension plan to meet a specified funded ratio for each of three consecutive years,
1.6 rather than one year, before state aid or supplemental employer contributions
1.7 expire; amending Minnesota Statutes 2022, sections 353.27, subdivision 3a; 353.65,
1.8 subdivision 3b; 354.435, subdivision 4; 354.436, subdivision 3; 354A.12,
1.9 subdivisions 3a, 3c; 423A.02, subdivision 5; 423A.022, subdivision 5.

1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.11 Section 1. Minnesota Statutes 2022, section 353.27, subdivision 3a, is amended to read:

1.12 Subd. 3a. **Additional employer contribution.** (a) An additional employer contribution
1.13 to the general employees retirement fund of the Public Employees Retirement Association
1.14 must be made equal to the following applicable percentage of the total salary amount for
1.15 "basic members" and for "coordinated members":

1.16	Basic Program	Coordinated Program
1.17 Effective before January 1, 2006	2.68	.43
1.18 Effective January 1, 2006	2.68	.5
1.19 Effective January 1, 2009	2.68	.75
1.20 Effective January 1, 2010	2.68	1

1.21 These contributions must be made from funds available to the employing subdivision
1.22 by the means and in the manner provided in section 353.28.

1.23 (b) The coordinated program contribution rates set forth in paragraph (a) effective for
1.24 January 1, 2010, must not be implemented if, following receipt of the July 1, 2009, annual
1.25 actuarial valuation report under section 356.215, respectively, the actuarially required

2.1 contributions are equal to or less than the total rates under this section in effect as of January
2.2 1, 2008.

2.3 (c) This subdivision is repealed once the actuarial value of the assets of the general
2.4 employees retirement plan of the Public Employees Retirement Association equal or exceed
2.5 the actuarial accrued liability of the plan for each of three consecutive years as determined
2.6 by the actuary retained under sections 356.214 and 356.215. The repeal is effective on the
2.7 first day of the first full pay period occurring after March 31 of the calendar year following
2.8 the issuance of the third actuarial valuation upon which the repeal is based.

2.9 Sec. 2. Minnesota Statutes 2022, section 353.65, subdivision 3b, is amended to read:

2.10 Subd. 3b. **Direct state aid.** (a) The state ~~shall~~ must pay \$4,500,000 on October 1, 2018,
2.11 and October 1, 2019, to the public employees police and fire retirement plan. By October
2.12 1 of each year after 2019, the state ~~shall~~ must pay \$9,000,000 to the public employees police
2.13 and fire retirement plan. The commissioner of management and budget ~~shall~~ must pay the
2.14 aid specified in this subdivision. The amount required is annually appropriated from the
2.15 general fund to the commissioner of management and budget.

2.16 (b) The aid under paragraph (a) continues until the earlier of:

2.17 (1) the first day of the fiscal year following ~~the~~ three consecutive fiscal year years in
2.18 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
2.19 percent of the actuarial accrued liabilities as reported by the actuary retained under section
2.20 356.214 in the annual actuarial valuation prepared under section 356.215; or

2.21 (2) July 1, 2048.

2.22 Sec. 3. Minnesota Statutes 2022, section 354.435, subdivision 4, is amended to read:

2.23 Subd. 4. **Aid expiration.** The aid amounts specified in this section ~~shall~~ must continue
2.24 until the earlier of:

2.25 (1) the first day of the fiscal year following ~~the~~ three consecutive fiscal year years in
2.26 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
2.27 percent of the actuarial accrued liabilities as reported by the actuary retained under section
2.28 356.214 in the annual actuarial valuation prepared under section 356.215; or

2.29 (2) July 1, 2048.

3.1 Sec. 4. Minnesota Statutes 2022, section 354.436, subdivision 3, is amended to read:

3.2 Subd. 3. **Aid expiration.** The aid amounts specified in this section continue until the
3.3 earlier of:

3.4 (1) the first day of the fiscal year following ~~the~~ three consecutive fiscal year years in
3.5 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
3.6 percent of the actuarial accrued liabilities as reported by the actuary retained under section
3.7 356.214 in the annual actuarial valuation prepared under section 356.215; or

3.8 (2) July 1, 2048.

3.9 Sec. 5. Minnesota Statutes 2022, section 354A.12, subdivision 3a, is amended to read:

3.10 Subd. 3a. **Direct state aid to first-class-city teachers retirement fund associations**
3.11 **St. Paul Teachers Retirement Fund Association.** (a) The state ~~shall~~ must pay \$2,827,000
3.12 to the St. Paul Teachers Retirement Fund Association.

3.13 (b) In addition to other amounts specified in this subdivision, the state ~~shall~~ must pay
3.14 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

3.15 (c) In addition to the amounts specified in paragraphs (a) and (b), the state ~~shall~~ must
3.16 pay \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

3.17 (d) The aid under this subdivision is payable October 1 annually. The commissioner of
3.18 management and budget ~~shall~~ must pay the aid specified in this subdivision. The amount
3.19 required is appropriated annually from the general fund to the commissioner of management
3.20 and budget.

3.21 Sec. 6. Minnesota Statutes 2022, section 354A.12, subdivision 3c, is amended to read:

3.22 Subd. 3c. **Termination of supplemental contributions and direct matching and state**
3.23 **aid.** ~~(a)~~ The supplemental contributions payable to the St. Paul Teachers Retirement Fund
3.24 Association by Independent School District No. 625 under section 423A.02, subdivision 3,
3.25 and the aid under subdivision 3a, paragraphs (a) ~~and (b)~~, to (c), continue until the earlier
3.26 of:

3.27 (1) the first day of the fiscal year following ~~the year~~ three consecutive fiscal years in
3.28 which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100
3.29 percent of the actuarial accrued liability as reported by the actuary retained under section
3.30 356.214 in the ~~most recent~~ annual actuarial valuation prepared under section 356.215; or

3.31 (2) July 1, 2048.

4.1 ~~(b) The aid under subdivision 3a, paragraph (c), continues until the earlier of:~~

4.2 ~~(1) the first day of the fiscal year following the fiscal year in which the actuarial value~~
4.3 ~~of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as~~
4.4 ~~reported by the actuary retained under section 356.214 in the annual actuarial valuation~~
4.5 ~~prepared under section 356.215; or~~

4.6 ~~(2) July 1, 2048.~~

4.7 Sec. 7. Minnesota Statutes 2022, section 423A.02, subdivision 5, is amended to read:

4.8 Subd. 5. **Termination of state aid programs.** The amortization state aid and additional
4.9 amortization state aid programs continue until the earlier of:

4.10 (1) the December 31 following ~~the end of the~~ three consecutive fiscal year years in
4.11 which, for each fiscal year, the actuarial value of assets of the St. Paul Teachers Retirement
4.12 Fund Association or the Teachers Retirement Association equals or exceeds 100 percent of
4.13 the actuarial accrued liabilities as reported by the actuary retained under section 356.214
4.14 in the annual actuarial valuation report prepared under section 356.215; or

4.15 (2) July 1, 2048.

4.16 Sec. 8. Minnesota Statutes 2022, section 423A.022, subdivision 5, is amended to read:

4.17 Subd. 5. **Aid termination.** (a) The aid under subdivision 2, paragraph (a), clauses (1)
4.18 and (3), continues until the earlier of:

4.19 (1) the December 1 following ~~the end of the~~ three consecutive fiscal year years in which,
4.20 for each fiscal year, the actuarial value of assets of both the State Patrol retirement plan and
4.21 the public employees police and fire retirement plan equals or exceeds 90 percent of the
4.22 actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the
4.23 annual actuarial valuation prepared under section 356.215; or

4.24 (2) July 1, 2048.

4.25 (b) The aid under subdivision 2, paragraph (a), clause (2), does not terminate.

4.26 Sec. 9. **EFFECTIVE DATE.**

4.27 Sections 1 to 8 are effective the day following final enactment.