

1.1 moves to amend H.F. No. 4162, as amended by H4162-1A, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 43A.346, subdivision 8, is amended to read:

1.4 Subd. 8. ~~No Service credit; contributions.~~ (a) Notwithstanding any law to the contrary,
1.5 a person may not earn service credit in the Minnesota State Retirement System or the Public
1.6 Employees Retirement Association for employment covered under this section, ~~and employer~~
1.7 ~~contributions and payroll deductions for the retirement fund must not be made based on~~
1.8 ~~earnings of a person working under this section.~~

1.9 (b) A person employed in a postretirement option position must not be required to make
1.10 payroll deduction contributions to the Minnesota State Retirement System or the Public
1.11 Employees Retirement Association during the period of postretirement option employment.

1.12 (c) The employer of a person in a postretirement option position who would otherwise
1.13 be covered by the general state employees retirement plan of the Minnesota State Retirement
1.14 System must make employer contributions to the general state employees retirement fund
1.15 as specified in section 352.04, subdivision 3, during the period of postretirement option
1.16 employment. The employer of the person in a postretirement option position who would
1.17 otherwise be covered by the general employees retirement plan of the Public Employees
1.18 Retirement Association must make employer and additional employer contributions to the
1.19 general employees retirement fund as specified in section 353.27, subdivisions 3 and 3a,
1.20 during the period of postretirement option employment.

1.21 (d) No change shall may be made to a monthly annuity or retirement allowance based
1.22 on employment under this section.

1.23 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
1.24 beginning on or after January 1, 2027.

1.25 Sec. 2. Minnesota Statutes 2024, section 43A.346, subdivision 10, is amended to read:

1.26 Subd. 10. **Subsequent employment.** If a person has been in a postretirement option
1.27 position and accepts any other position in state or Metropolitan Council-paid service, in the
1.28 subsequent state or Metropolitan Council-paid employment the person may not earn service
1.29 credit in the Minnesota State Retirement System or Public Employees Retirement
1.30 Association, ~~no employer contributions or payroll deductions for the retirement fund shall~~
1.31 may be made, and the provisions of section 352.115, subdivision 10, or section 353.37,
1.32 shall apply.

2.1 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
2.2 beginning on or after January 1, 2027.

2.3 Sec. 3. Minnesota Statutes 2024, section 352.115, subdivision 10, is amended to read:

2.4 Subd. 10. **Reemployment of annuitant.** (a) Except for salary or wages received as a
2.5 temporary employee of the legislature during a legislative session, if any retired employee
2.6 again becomes entitled to receive salary or wages from any employer who employs state
2.7 employees as that term is defined in section 352.01, subdivision 2, in a position covered by
2.8 this chapter, the annuity or retirement allowance must cease the first of the month following
2.9 the month that the retired employee has earned an amount equal to the annual maximum
2.10 earnings allowable for that age for the continued receipt of full benefit amounts monthly
2.11 under the federal old age, survivors, and disability insurance program as set by the secretary
2.12 of health and human services under United States Code, title 42, section 403, in any calendar
2.13 year. If the retired employee has not yet reached the minimum age for the receipt of Social
2.14 Security benefits, the maximum earnings for the retired employee are equal to the annual
2.15 maximum earnings allowable for the minimum age for the receipt of Social Security benefits.

2.16 (b) The balance of the annual retirement annuity after cessation must be handled or
2.17 disposed of as provided in section 356.47.

2.18 (c) The annuity must be resumed the first of the month following the month that state
2.19 service ends, or, if the retired employee is still employed at the beginning of the next calendar
2.20 year, at the beginning of that calendar year, and payment must again end when the retired
2.21 employee has earned the applicable reemployment earnings maximum specified in this
2.22 subdivision. If the retired employee is granted a sick leave without pay, but not otherwise,
2.23 the annuity or retirement allowance must be resumed during the period of sick leave.

2.24 (d) No payroll deductions for the retirement fund may be made from the earnings of a
2.25 reemployed retired employee.

2.26 (e) No change may be made in the monthly amount of an annuity or retirement allowance
2.27 because of the reemployment of an annuitant.

2.28 (f) If a reemployed annuitant whose annuity is suspended under paragraph (a) is having
2.29 insurance premium amounts withheld under section 356.87, subdivision 2, insurance premium
2.30 amounts must continue to be withheld and transferred from the suspended portion of the
2.31 annuity. The balance of the annual retirement annuity after cessation, after deduction of the
2.32 insurance premium amounts, must be treated as specified in paragraph (b).

3.1 (g) If a reemployed annuitant whose annuity is suspended under paragraph (a) has a
3.2 former spouse receiving a portion of the annuity allowable under section 518.58, subdivision
3.3 1, the portion payable to the former spouse must continue to be paid.

3.4 (h) During the period of reemployment, the employer of a reemployed annuitant must
3.5 make employer contributions. If the reemployed annuitant is working in a position that
3.6 would otherwise be covered by the general state employees retirement plan, the employer
3.7 must make employer contributions as specified in section 352.04, subdivision 3. If the
3.8 reemployed annuitant is working in a position that would otherwise be covered by the
3.9 correctional state employees retirement plan, the employer must make employer and
3.10 supplemental contributions as specified in section 352.92, subdivisions 2 and 2a.

3.11 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
3.12 beginning on or after January 1, 2027.

3.13 Sec. 4. Minnesota Statutes 2024, section 352.1155, subdivision 3, is amended to read:

3.14 Subd. 3. **Service credit prohibition; contributions.** (a) Notwithstanding any law to the
3.15 contrary, a person eligible under this section may not, based on employment to which the
3.16 waiver in this section applies, earn further service credit in a Minnesota public defined
3.17 benefit plan and is not eligible to participate in a Minnesota public defined contribution
3.18 plan, other than a firefighter relief association governed by chapter 424A or the statewide
3.19 volunteer firefighter plan governed by chapter 353G. ~~No employer or employee contribution~~
3.20 ~~to any of these plans may be made on behalf of such a person.~~

3.21 (b) A person eligible under this section must not be required to make employee
3.22 contributions as specified in section 352.04, subdivision 2, during the period of
3.23 reemployment.

3.24 (c) The employer of a person eligible under this section must make employer contributions
3.25 as specified in section 352.04, subdivision 3, during the period of the person's reemployment.

3.26 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
3.27 beginning on or after January 1, 2027.

3.28 Sec. 5. Minnesota Statutes 2024, section 353.37, subdivision 5, is amended to read:

3.29 Subd. 5. **Effect on annuity; contributions.** (a) Except as provided under this section,
3.30 public service performed by an annuitant described in subdivision 1, paragraph (a),
3.31 subsequent to retirement from the general employees retirement plan, the public employees

4.1 police and fire retirement plan, or the local government correctional employees retirement
4.2 plan does not increase or decrease the amount of an annuity.

4.3 (b) The annuitant shall must not make any further contributions to a defined benefit plan
4.4 administered by the association by reason of this subsequent public service.

4.5 (c) During the period of reemployment, the employer of a reemployed annuitant must
4.6 make employer contributions. If the reemployed annuitant is working in a position that
4.7 would otherwise be covered by the general employees retirement plan, the employer must
4.8 make employer and additional employer contributions as specified in section 353.27,
4.9 subdivisions 3 and 3a. If the reemployed annuitant is working in a position that would
4.10 otherwise be covered by the public employees police and fire retirement plan, the employer
4.11 must make employer contributions as specified in section 353.65, subdivision 3. If the
4.12 reemployed annuitant is working in a position that would otherwise be covered by the local
4.13 government correctional service retirement plan, the employer must make employer
4.14 contributions as specified in section 353E.03, subdivision 2.

4.15 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
4.16 beginning on or after January 1, 2027.

4.17 Sec. 6. Minnesota Statutes 2024, section 353.371, subdivision 6, is amended to read:

4.18 Subd. 6. ~~No Service credit; contributions.~~ (a) Notwithstanding any law to the contrary,
4.19 a person may not earn allowable service in the general employees retirement plan of the
4.20 Public Employees Retirement Association for employment covered under this section, ~~and~~
4.21 ~~employer contributions and.~~

4.22 (b) Payroll deductions for the retirement fund must not be made based on earnings of a
4.23 person working under an agreement covered by this section.

4.24 (c) The employer of a person working under an agreement covered by this section must
4.25 make employer and additional employer contributions to the fund as specified in section
4.26 353.27, subdivisions 3 and 3a, during the term of employment under the phased retirement
4.27 agreement or renewed phased retirement agreement.

4.28 (d) No change may be made to a monthly annuity or retirement allowance based on
4.29 employment under this section.

4.30 ~~(b)~~ (e) The governmental subdivision shall must report to the executive director the
4.31 salary earned by an employee in a phased retirement position. The report must include the
4.32 number of compensated hours the employee worked and must be made on a pay period

5.1 basis in a manner prescribed by the executive director. Reports must be submitted no later
5.2 than 14 calendar days following the last day of each pay period.

5.3 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
5.4 beginning on or after January 1, 2027.

5.5 Sec. 7. Minnesota Statutes 2024, section 353.371, subdivision 7, is amended to read:

5.6 Subd. 7. **Termination and subsequent employment.** (a) Upon termination of
5.7 employment under a phased retirement agreement, the governmental subdivision and
5.8 employee must inform the executive director, in a manner prescribed by the executive
5.9 director, of the effective date of the employee's termination of public service. The termination
5.10 from public service must meet the termination and length of separation requirements under
5.11 section 353.01, subdivisions 11a and 28.

5.12 (b) If a person previously employed under a phased retirement agreement subsequently
5.13 accepts employment with any other governmental subdivision, the person may not earn
5.14 allowable service in the general employees retirement plan of the Public Employees
5.15 Retirement Association, no ~~employer contributions or~~ payroll deductions for the retirement
5.16 fund may be made, and the provisions of section 353.37 apply to the subsequent employment.

5.17 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
5.18 beginning on or after January 1, 2027.

5.19 Sec. 8. Minnesota Statutes 2024, section 354.44, subdivision 5, is amended to read:

5.20 Subd. 5. **Resumption of teaching service after retirement.** (a) Any person who retired
5.21 under the provisions of this chapter and has thereafter resumed teaching in any employer
5.22 unit to which this chapter applies is eligible to continue to receive payments in accordance
5.23 with the annuity except that all or a portion of the annuity payments must be deferred during
5.24 the calendar year immediately following the fiscal year in which the person's salary from
5.25 the teaching service is in an amount greater than \$46,000. The amount of the annuity deferral
5.26 is one-half of the salary amount in excess of \$46,000 and must be deducted from the annuity
5.27 payable for the calendar year immediately following the fiscal year in which the excess
5.28 amount was earned.

5.29 (b) If the person is retired for only a fractional part of the fiscal year during the initial
5.30 year of retirement, the maximum reemployment salary exempt from triggering a deferral
5.31 as specified in this subdivision must be prorated for that fiscal year.

6.1 (c) After a person has reached the Social Security normal retirement age, no deferral
6.2 requirement is applicable regardless of the amount of salary.

6.3 (d) The amount of the retirement annuity deferral must be handled or disposed of as
6.4 provided in section 356.47.

6.5 (e) For ~~the purpose~~ purposes of this subdivision, salary from teaching service includes
6.6 all salary or income earned as a teacher as defined in section 354.05, subdivision 2, paragraph
6.7 (a), clause (1). Salary from teaching service also includes, but is not limited to:

6.8 (1) all income for services performed as a consultant, independent contractor, or
6.9 third-party supplier, or as an employee of a consultant, independent contractor, or third-party
6.10 supplier, to an employer unit covered by the provisions of this chapter; and

6.11 (2) the greater of either the income received or an amount based on the rate paid with
6.12 respect to an administrative position, consultant, independent contractor, or third-party
6.13 supplier, or as an employee of a consultant, independent contractor, or third-party supplier,
6.14 in an employer unit with approximately the same number of pupils and at the same level as
6.15 the position occupied by the person who resumes teaching service.

6.16 (f) Notwithstanding other paragraphs of this subdivision, if the reemployed annuitant
6.17 has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1,
6.18 the portion payable to the former spouse must not be deferred.

6.19 (g) During the period of reemployment, the employer of a reemployed annuitant must
6.20 make regular and, if applicable, additional employer contributions as specified in section
6.21 354.42, subdivision 3.

6.22 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
6.23 beginning on or after July 1, 2026.

6.24 Sec. 9. Minnesota Statutes 2024, section 354.444, subdivision 5, is amended to read:

6.25 Subd. 5. ~~No Service credit or contribution;~~ **contributions.** Notwithstanding any law
6.26 to the contrary;

6.27 (1) an eligible person under this section may not, based on employment to which this
6.28 section applies, contribute to or earn further service credit in the Teachers Retirement
6.29 association; and

6.30 (2) the employer of an eligible person under this section must make regular and, if
6.31 applicable, additional employer contributions as specified in section 354.42, subdivision 3,
6.32 during the period of employment to which this section applies.

7.1 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
7.2 beginning on or after July 1, 2026.

7.3 Sec. 10. Minnesota Statutes 2024, section 354.445, is amended to read:

7.4 **354.445 NO ANNUITY REDUCTION.**

7.5 (a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a
7.6 person who:

7.7 (1) retires from the Minnesota State Colleges and Universities system with at least ten
7.8 years of combined service credit in a system under the jurisdiction of the Board of Trustees
7.9 of the Minnesota State Colleges and Universities;

7.10 (2) was employed on a full-time basis immediately preceding retirement as a faculty
7.11 member or as an unclassified administrator in that system;

7.12 (3) was not a recipient of an early retirement incentive under section 136F.481;

7.13 (4) begins drawing an annuity from the Teachers Retirement Association; and

7.14 (5) returns to work on not less than a one-third time basis and not more than a two-thirds
7.15 time basis in the system from which the person retired under an agreement in which the
7.16 person may not earn a salary of more than \$62,000 in a fiscal year through employment
7.17 after retirement in the system from which the person retired.

7.18 (b) Initial participation, the amount of time worked, and the duration of participation
7.19 under this section must be mutually agreed upon by the president of the institution where
7.20 the person returns to work and the employee. The president may require up to one-year
7.21 notice of intent to participate in the program as a condition of participation under this section.
7.22 The president shall determine the time of year the employee shall work. The employer or
7.23 the president may not require a person to waive any rights under a collective bargaining
7.24 agreement as a condition of participation under this section.

7.25 (c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and
7.26 (b) may not, based on employment to which the waiver in this section applies, earn further
7.27 service credit in a Minnesota public defined benefit plan and is not eligible to participate
7.28 in a Minnesota public defined contribution plan, other than a ~~volunteer fire~~ firefighter relief
7.29 association plan governed by chapter 424A or the statewide volunteer firefighter plan
7.30 governed by chapter 353G. ~~No employer or employee contribution to any of these plans~~
7.31 ~~may be made on behalf of such a person.~~

8.1 (d) A person eligible under paragraphs (a) and (b) must not be required to make employee
8.2 contributions as specified in section 354.42, subdivision 2, during the period of
8.3 reemployment.

8.4 (e) The employer of a person eligible under paragraphs (a) and (b) must make employer
8.5 contributions as specified in section 354.42, subdivision 3, during the period of the person's
8.6 reemployment.

8.7 ~~(d)~~ (f) For a person eligible under paragraphs (a) and (b) who earns more than \$62,000
8.8 in a fiscal year through employment after retirement due to employment by the Minnesota
8.9 State Colleges and Universities system, the annuity reduction provisions of section 354.44,
8.10 subdivision 5, apply only to income over \$62,000.

8.11 ~~(e)~~ (g) A person who returns to work under this section is a member of the appropriate
8.12 bargaining unit and is covered by the appropriate collective bargaining contract. Except as
8.13 provided in this section, the person's coverage is subject to any part of the contract limiting
8.14 rights of part-time employees.

8.15 **EFFECTIVE DATE.** This section is effective on the first day of the payroll period
8.16 beginning on or after July 1, 2026."

8.17 Delete the title and insert:

8.18 "A bill for an act
8.19 relating to retirement; Minnesota State Retirement System; Public Employees
8.20 Retirement Association; Teachers Retirement Association; requiring the employer
8.21 of a reemployed annuitant to make employer contributions to the applicable pension
8.22 fund; amending Minnesota Statutes 2024, sections 43A.346, subdivisions 8, 10;
8.23 352.115, subdivision 10; 352.1155, subdivision 3; 353.37, subdivision 5; 353.371,
8.24 subdivisions 6, 7; 354.44, subdivision 5; 354.444, subdivision 5; 354.445."