



TO: House Members of the Legislative Commission on Pensions and Retirement

FROM: Edward Burek, Deputy Executive Director *EB*

RE: Summary of the 2006 House Omnibus Retirement Bill I as Recommended by the House Governmental Operations and Veterans Affairs Committee, H.F. 2362 (Smith), the First Engrossment

DATE: March 28, 2006

Introduction

A general summary of the House Omnibus Retirement Bill I, H.F. 2362 (Smith), the first engrossment, as recommended by the House Governmental Operations and Veterans Affairs Committee on March 16, 2006, appears below. A section-by-section summary follows.

Source Legislation for the 2006 House Omnibus Retirement Bill I

The House 2006 Omnibus Retirement Bill I, H.F. 2362 (Smith), the first engrossment, is derived from the following retirement bills and Commission or House Committee amendments:

1. SF 264 (Betzold-by request); HF 1757 (Smith): MSRS; State Employee/Employer Contribution Rate Increases
2. SF 427 (Betzold); HF 2092 (Smith): Elected State Officers Retirement Plan; Recodification
3. SF 428 (Betzold); HF 2091 (Smith): Legislators Retirement Plan; Recodification
4. SF 433 (Betzold); HF 2112 (Smith): Judges Retirement Plan; Recodification
5. SF 503 (Murphy); HF 441 (Fritz): MSRS-Correctional; MCF-Faribault Delivery Van Drivers/Laundry Coordinators Inclusion in MSRS-Correctional & Prior Service Credit Purchase
6. SF 997 (Betzold-by request); HF 1753 (Wardlow): MSRS-Correctional Employee/Employer Contribution Rate Increases
7. SF 998 ((Betzold-by request); HF 1754 (Smith): State Patrol Plan Employee/Employer Contribution Rate Increases
8. SF 1562 (Ourada); HF 1395 (Anderson, B.): MERF; Service Credit Purchase for a Workers' Compensation Injury Period
9. SF 1676 (Nienow); HF 1928 (Nelson, P.): MSRS-Correctional; MCF-Rush City Prior Discipline Unit Supervisor, Dental Hygienist, and Psychologist 2 Service Credit Purchase
10. SF 1736 (Day); HF 1978 (Ruth): TRA; Purchase of Service Credit for Montana Teaching Service
11. SF 1995 (LeClair); HF 2196 (Charron): PERA; Service Credit Purchase for Prior Public Defender Employment
12. SF 2047 (Michel); HF 2230 (Peterson, N.): Statewide and Local Retirement Plans Marriage Dissolution Public Pension Benefits Division Modified
13. SF 2104 (Foley); HF 2311 (Hortman): PERA-P&F; Former St. Paul Firefighter Request for PERA-P&F Pension
14. SF 2141 (Pogemiller); HF 2219 (Fritz): PERA-P&F; Service Credit Purchase for Uncovered Faribault Firefighter Employment
15. SF 2239 (Pogemiller); HF 2362 (Smith): MTRFA; Revising Investment Authority
16. SF 2248 (Skoglund); HF 2462 (Wagenius): TRA/MnSCU: TRA Coverage Election and Transfer Past Service from IRAP
17. SF 2299 (Pogemiller); HF 1936 (Fritz): MSRS; Service Credit Transfer from MSRS-General to MSRS-Correctional
18. SF 2359 (Pogemiller); HF 2711 (Smith): MnSCU Administrative Provisions
19. SF 2360 (Koering); HF 2747 (Blaine): Randall Firemen's Relief Association; Increased Surviving Spouse Benefit for the Spouse of Firefighter Killed in a Construction Accident
20. SF 2378 (Pogemiller); HF 2708 (Smith): PERA; Privatized Employees Augmentation Interest Rate Modifications
21. SF 2379 (Pogemiller); HF 2701 (Smith): PERA Administrative Provisions
22. SF 2387 (Murphy); HF 2667 (Dempsey): PERA; Cannon Falls Hospital Privatization
23. SF 2394 (Pogemiller); HF xxx: Supplemental Defined Contribution Plans; Increased Contribution Maximum and Inclusion of Laborer's Local Pension Plan
24. SF 2428 (Pappas); HF 2736 (Thissen): Public Pension Plans Reporting Requirements and Authorized Investment Provisions Modifications
25. SF 2443 (Dille); HF 2658 (Urdahl): PERA; Dassel Community Home Privatization
26. SF 2461 (Pogemiller); H.F. xxx: Modifying Disability Benefits Eligibility Requirements
27. SF 2462 (Pogemiller); HF 2852 (Smith): Judges Plan; Joint and Survivor Annuity Option for Surviving Spouses of Deceased Judges
28. SF 2463 (Pogemiller); HF xxx: Authorizing Social Security and Medicare Referenda; Allowing Retroactive Coverage
29. SF 2626 (Jungbauer); HF 2968 (Abeler): PERA; Service Credit Purchase for Uncredited Greenhaven Golf Course Service; HF 2799 (Abeler-by request): PERA; Service Credit Purchase for Uncredited Greenhaven Golf Course Service
30. SF 3029 (Gerlach); HF 3388 (Cybart): TRA/MSRS; Repay Contributions Transferred to MSRS-Unclassified and Reinstate Prior TRA Service Credit
31. SF xxx; HF 853 (Kelliher): MERF; Permit Investment with SBI, Modify Liquidity Requirement

32. SF xxx; HF 2026 (Hoppe): PERA-P&F; Service Credit Purchase for Employee Organization Business Agent Leave of Absence
33. SF xxx; HF 2523 (Ozment): PERA; Service Credit Purchase for Bloomington School Custodians
34. SF xxx; HF 2577 (Mullery): MPRA; Successor Trust Fund Terms Defined, Salary Limits and Compensation of Board Members and Officers Adjusted, & Additional Investment
35. SF xxx; HF xxx: Implementing the Office of the State Auditor Investment Report Recommendations
36. SF xxx; HF xxx: State Auditor's Volunteer Fire Working Group Recommendations
37. SF xxx (Pogemiller); HF xxx: PERA; Coverage Transfer Election from PERA-Defined Contribution Plan to PERA-General for St. Paul Mayor Service
38. Commission Amendment LCPR06-BA008: PERA-P&F Survivor Benefit: Further Consideration of the Late St. Louis Park Police Officer Issue
39. Commission Amendment LCPR06-BA011 (Wiger): TRA; Service Credit Purchase for a Medical Leave
40. Commission Amendment LCPR06-BA012: MSRS-Correctional; Department of Corrections and Department of Human Services Recommended Inclusions in the MSRS-Correctional Retirement Plan
41. House Governmental Operations Amendment A06-1215: State Employee Early Retirement Incentive
42. House Governmental Operations Amendment LCPR06-121-A8: N. St. Paul City Elected Officials Service Credit Purchases
43. House Governmental Operations Amendment LCPR06-BA036: Clearwater County Memorial Hospital Privatization
44. House Governmental Operations Amendment S2239-A16: Local Police & Paid Fire Relief Association and First Class City Teacher Retirement Fund Association Investment Authority

General Summary of H.F. 2362 (Smith), the First Engrossment

Article 1: MSRS Retirement Plan Contribution Rate Increases. The article phases in member and employer contribution rate increases in installments for the various larger retirement plans administered by the Minnesota State Retirement System (MSRS), as follows:

- General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General)
 - Member – from 4.0 percent to 5.0 percent in four installments
 - Employer – from 4.0 percent to 5.0 percent in four installments
- Correctional Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional)
 - Member – from 5.69 percent to 8.60 percent in four installments
 - Employer – from 7.98 percent to 12.10 percent in four installments
- State Patrol Retirement Plan
 - Member – from 8.40 percent to 10.10 percent in three installments
 - Employer – from 12.60 percent to 15.60 percent in three installments

Article 2: MSRS-Correctional Retirement Plan Coverage Changes. Expands the active membership of the Correctional Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional) by adding 12 employment positions (involving 67 current State employees) in the Department of Human Services to the plan; adding ten employment positions (involving 40 current State employees) in the Department of Corrections to the plan; updating the references to the Minnesota Sex Offender Program (MSOP) and to the Minnesota Extended treatment Option (METO) Program with the Department of Human Services; and specifying the internal process within the Department of Corrections for the review of additional MSRS-Correctional Retirement Plan inclusions in detail; permits newly transferred MCF-Faribault laundry coordinators and delivery van driver and MCF-Rush City employees covered in 2005 to transfer prior qualified correctional plan coverage from the MSRS-General State Employees Retirement Plan to the MSRS-Correctional Plan and authorizes a past coverage transfer for prior Corrections Program Director employment for an MCF-Faribault correctional employee if a coverage expansion for the position is approved by the 2006 or 2007 Legislature.

Article 3: Retirement Plan Administrative Provisions. Revises a MnSCU tax-sheltered annuity minimum vendor provision, revises employee and employer contribution rates for State Arts Board and Humanities Commission employees who elect individual retirement account plan (IRAP) coverage to be consistent with rates applicable to MnSCU/IRAP, repeals an obsolete higher education mandatory retirement age provision, clarifies the coverage provisions for physicians and St. Paul Port Authority employees covered by the general employee retirement plan of the Public Employees Retirement Association (PERA-General), adds an “indefinite layoff” definition with related changes in PERA termination of public service, termination of membership, and allowable service provisions, reorganizes the PERA board management/composition/election provision, authorizes the PERA board to adopt procedures for filling a vacant elected member board position, provides clear authority for the PERA board to take legal action when necessary to properly administer its plans, revises the PERA adjustments for erroneous receipts provision to prohibit a distribution to an employee if that would cause plan qualification problems, clarifies and removes obsolete PERA

language from deductions transmitted in error, collection of unpaid amounts, and automatic deposit provisions, establishes timelines for PERA disabilitants to submit earnings reports for continued benefit eligibility, removes obsolete language from MSRS-General, PERA-General, PERA-P&F, TRA, and first class city teacher plan bounce-back annuity provisions, clarifies the PERA spouse optional annuity provision and removes obsolete cross-references, removes the PERA five-year, term-certain surviving spouse optional annuity authority, removes obsolete cross-references from the PERA disability benefit eligibility provision, clarifies the PERA disabilitant return to employment provision, prohibits those who terminate PERA membership but not public employment from receiving a refund, clarifies PERA-P&F disability benefit provision, removes privately operated ambulance services that receive an operating subsidy from PERA-Defined Contribution Plan eligibility, clarifies that employees at county juvenile correctional facilities can be eligible for PERA-Correctional coverage, and makes the MSRS-General and PERA returning disabilitant program a permanent rather than a temporary program.

Article 4: PERA-P&F Retirement Plan Changes. Generally reduces the upper-end age range for the qualification of an active member of the Public Employees Police and Fire Plan (PERA-P&F) to a disability benefit.

Article 5: Privatization Retirement Coverage Change. Reduces the special deferred annuities augmentation rates for under future privatizations for privatized medical and other employees previously covered by the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) and the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General), and adds three groups to the PERA privatization chapter (Clearwater County Memorial Hospital, Cannon Falls City Hospital, and Dassel Lakeside Community Home), which extends special privatization benefits for employees of those facilities if the facility is privatized and if subsequent actuarial work indicates that the actuarial gain from a privatization of the members exceeds the actuarial cost of the special benefit coverage.

Article 6: Social Security Coverage Changes. Allows combined PERA-Defined Contribution Plan and Social Security coverage for local elected officials, permits pre-1986 public employees without Medicare coverage to elect Medicare coverage, and provides retroactive Social Security or Medicare coverage to the extent allowed by federal law.

Article 7: Supplemental Retirement Plan Coverage Changes. Extends supplemental retirement plan status to a local laborers union pension fund and to the International Association of Machinists' union pension plan, and increases the maximum employer contribution to trade union supplemental retirement plans to \$5,000 annually.

Article 8: Retirement Fund Investment Authority Changes. Permits a first class city teacher retirement fund association to utilize the State Board of Investment Minnesota Supplemental Investment Fund, requires the Minneapolis Teachers Retirement Fund Association (MTRFA) to conform to the investment authority provision applicable to large pension plans other than the State Board of Investment, allows certain larger retirement plans exceptions to investment performance reporting to the Office of the State Auditor, authorizes greater flexibility in authorized investment authority for real estate investment trusts, insurance company commingled accounts, developed market foreign equities, and commingled or mutual fund investments, reduces the maximum investment amount for a reduced group of miscellaneous securities, allows first class city teacher plans and police and paid fire local relief associations to invest in junk bonds, and specifies a transition for compliance with new investment authority.

Article 9: MERF Changes. Provides the Minneapolis Employees Retirement Fund (MERF) with authority to invest with the State Board of Investment, and provides MERF with internal transfer liquidity flexibility, subject to local approval.

Article 10: Minneapolis Police Relief Association Changes. Authorizes an increase in Minneapolis Police Relief Association (MPRA) board salaries and extends the 2005 benefit increases to omitted under 20 years of service active and retired members, subject to local approval in each case.

Article 11: Clarification/Recodification of Statewide Specialty Retirement Plans. This article recodifies and clarifies the Elective State Officers Retirement Plans (without any active members) and the Legislators Retirement Plan (closed to new entrants in 1997), by defining various terms, repositioning various definitions to the definition section, and removing obsolete provisions without making any substantive changes or granting any benefit increases.

Article 12: Judges Retirement Plan and Board on Judicial Standards Recodification. Repeals the obsolete Supreme Court, District Court, and County/Probate Court Retirement Plans, updates and clarifies the 1973 Uniform Judicial Retirement Plan provisions, and moves the Board of Judicial Standards provisions to a separate statute chapter.

Article 13: Judges Retirement Plan and Related Changes. Creates a “death while eligible to retire” survivor benefit for the Judges Retirement Plan, retroactive to January 1, 2006, and extends the Legislators Retirement Plan “death while eligible to retire” survivor coverage from age 60 to age 55.

Article 14: Volunteer Firefighter Relief Association Changes. Provides editorial/presentation flexibility to the State Auditor in the volunteer firefighter relief association data compilation report, adds a definition of “volunteer firefighter” to the volunteer firefighter relief association law, authorizes an individual retirement account transfer for volunteer firefighter relief association death/survivor benefits, authorizes the payment of certain volunteer firefighter relief association death benefits to estates, and authorizes a retroactive bylaw amendment by the Randall Firemen’s Relief Association to implement a minimum survivor benefit.

Article 15: One-Person and Small Group Retirement Provisions. Authorizes various individuals or small groups of public employees to purchase prior service credit for uncredited periods, to transfer retirement coverage to correct earlier election or related errors, or to gain an earlier payment of a divided pension benefit in a previous marriage dissolution in certain instances.

cc: Mark Shepard, House Research
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Section-by-Section Summary of H.F. 2362, the First Engrossment, the House Omnibus Retirement Bill I

Summary of H.F. 2362, 1st Engrossment

Sec.	Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
Article 1: MSRS Contribution Increases					
1	2.11 – 2.20	MSRS-General	SF 264 (Betzold); HF 1757 (Smith)	352.04, Subdivision 2	Increases the member contribution rate from 4.0% to 5.0% in four installments from 2007 to 2010.
2	2.21 – 2.28	MSRS-General	SF 264 (Betzold); HF 1757 (Smith)	352.04, Subdivision 3	Increases the employer contribution rate from 4.0% to 5.0% in four installments from 2007 to 2010.
3	2.29 – 4.14	MSRS Plans	Commission Amendment	New Section 352.045	Authorizes additional contribution rate changes through an administrative procedure beginning in 2011.
4	4.15 – 4.24	MSRS- Correctional	SF 997 (Betzold); HF 1753 (Wardlow)	352.92, Subdivision 1	Increases the member contribution rate from 5.69% to 8.6% in four installments from 2007 to 2010.
5	4.25 – 5.2	MSRS- Correctional	SF 997 (Betzold); HF 1753 (Wardlow)	352.92, Subdivision 2	Increases the employer contribution rate from 7.98% to 12.10% in four installments from 2007 to 2010.
6	5.3 – 5.12	State Patrol	SF 998 (Betzold); HF 1754 (Smith)	352B.02, Subdivision 1a	Increases the member contribution rate from 8.40% to 10.40% in three installments from 2007 to 2009.
7	5.13 – 5.22	State Patrol	SF 998 (Betzold); HF 1754 (Smith)	352B.02, Subdivision 1c	Increases the employer contribution rate from 12.60% to 15.60% in three installments from 2007 to 2009.
8	5.23 – 6.9	MSRS- Unclassified	SF 264 (Betzold); HF 1757 (Smith)	352D.04, Subdivision 2	Replaces a statutory cross-reference to the MSRS-General member contribution rate with a specified 4.0% member contribution rate.
9	6.10 – 6.12	--	--	Effective Date	2006 or 2007 effective dates.
Article 2: MSRS-Correctional Retirement Plan Inclusions					
1	6.15 – 6.24	MSRS- Correctional	Commission Amendment	352.90	Updates the plan policy provision to correct references to the Minnesota Sex Offender Program.
2	6.25 – 7.6	MSRS- Correctional	Commission Amendment	352.91, Subdivision 1	Updates the correctional officer inclusion provision to correct a reference to the Minnesota Sex Offender Program, update the correctional lieutenant title, and reference the corrections canine officer title.
3	7.7 – 7.15	MSRS- Correctional	Commission Amendment	352.91, Subdivision 2	Specifically references the correctional industry personnel covered by the plan, adds a 75 inmate/patient contact requirement for maintenance, correctional industry or trades personnel for inclusion, and corrects a Minnesota Sex Offender Program reference.
4	7.16 – 7.29	MSRS- Correctional	Commission Amendment	352.91, Subdivision 3c	Corrects a Minnesota Sex Offender Program reference, eliminates an obsolete reference to a 1996 special transfer law, and updates the registered nurse advance practice title.
5	7.30 – 8.22	MSRS- Correctional	Commission Amendment; SF 503 (Murphy); HF 441 (Fritz)	352.91, Subdivision 3d	Eliminates an obsolete reference to a 1996 special law, corrects title references for central services administrative specialist, intermediate, central services administrative specialists, principal, corrections program therapists 1, 2, and 3, and work therapy technician; adds the positions of chaplain, corrections inmate program coordinator, corrections transition program coordinator, delivery van driver, general maintenance worker, laundry coordinator, library technician, psychologist 1, and sports medicine specialist, and eliminates references to the obsolete Phoenix/Pomiga program.
6	8.23 – 9.12	MSRS- Correctional	Commission Amendment	352.91, Subdivision 3e	Eliminates references to an obsolete membership option in a prior law, eliminates references to the Cambridge Regional Human Services Center, clarifies for Minnesota Extended Treatment Options behavior analyst 1 reference, and adds coverage for Minnesota Extended Treatment Options positions of behavior analysts 2 and 3, group supervisor, group supervisor assistant, social worker specialists, and speech pathology specialist.

Summary of H.F. 2362, 1st Engrossment

Sec.	Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
7	9.13 – 10.10	MSRS-Correctional	Commission Amendment	352.91, Subdivision 3f	Corrects a Minnesota Sex Offender Program reference, adds coverage at the Minnesota Security Hospital or the Minnesota Sex Offender Program for positions of behavior analyst 3, client advocate, dental assistant registered, group supervisor, group supervisor assistant, licensed practical nurse 1, occupational therapist, occupational therapist senior, skills development specialist, social worker specialist, social worker specialist senior, and speech pathology clinician, chemical dependency counselor senior, psychologist 1, psychologist 3, recreation program assistant, recreation therapist senior, rehabilitation counselor senior, work therapy assistant, and work therapy program coordinator.
8	10.11 – 11.3	MSRS-Correctional	Commission Amendment	352.91, Subdivision 3g	Eliminates facility-specific designations within correctional facilities.
9	11.4 – 11.23	MSRS-Correctional	Commission Amendment	352.91, New Subdivision 3h	Provides a procedure for handling future occupational title changes.
10	11.24 – 11.31	MSRS-Correctional	Commission Amendment	352.91, New Subdivision 3i	Provides a procedure for handling coverage issues related to lateral employment transfers to new correctional facilities.
11	11.32 – 12.27	MSRS-Correctional	Commission Amendment	352.91, New Subdivision 4b	Codifies the Department of Corrections internal procedure for considering coverage requirements.
12	12.28 – 14.15	MSRS-Correctional	SF 503 (Murphy); HF 441 (Fritz); SF 1676 (Nienow); HF 1928 (Nelson, P.)	Uncoded	Permits transferred MCR-Faribault employees under section 1 and MCF-Rush City employees transferred under Laws 2004, Ch. 267, Art. 1, Sec. 1, to make additional member contributions and transfer post-July 1, 1997, pre-July 1, 2005, MCF-Faribault service credit or pre-8/1/2004 MCF-Rush City service credit to MSRS-Correctional.
13	14.16 – 15.35	MSRS-Correctional	SF 2299 (Pogemiller); HF 1936 (Fritz)	Uncoded	Permits transfer of service credit for Corrections Program Director if a subsequent transfer of that position to MSRS-Correctional coverage is approved by the 2006 or 2007 Legislature.
14	16.1 – 16.18	--	--	Effective Date	Sections 1 to 12 effective immediately. Section 3 effective retroactively if subsequent position transfer is approved.

Article 3: Retirement Plan Administrative Provisions

1	16.21 – 17.8	MnSCU/IRAP	SF 2359 (Pogemiller); HF 2711 (Smith)	136F.45, Subdivision 1a	Removes from a MnSCU Section 403(b) vendor contract provision the requirement that MnSCU include at least five insurance annuity providers and a few low cost and no load mutual fund providers.
2	17.9 – 17.20	MSRS-General	Commission Amendment to SF 2379 (Pogemiller); HF 2701 (Smith)	352.113, Subdivision 7a	Makes the current temporary disabilitant reemployment benefit reduction waiver permanent and makes it conform with the similar PERA-General provision.
3	17.21 – 18.16	MSRS-General	Commission Amendment to SF 2379 (Pogemiller); HF 2701 (Smith)	352.116, Subdivision 3a	Removes obsolete language from the bounce-back annuity provision.
4	18.17 – 19.13	MSRS-Correctional and State Patrol	Commission Amendment to SF 2379 (Pogemiller); HF 2701 (Smith)	352.116, Subdivision 3b	Removes obsolete language from the bounce-back annuity provision.
5	19.14 – 20.3	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, Subdivision 2a	Revises the included employees provision by clarifying that public employee physicians who do not elect PERA Defined Contribution Plan coverage are members of PERA-General.
6	20.4 – 21.14	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, Subdivision 2d	Revises the optional membership provision by clarifying coverage for individuals who were employees of the Port Authority of St. Paul on January 1, 2003, and who were at least 45 on that date, when PERA coverage was extended to various Port Authority employees.

Summary of H.F. 2362, 1st Engrossment

Sec.	Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
7	21.15 – 21.25	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, Subdivision 11a	Revises the termination of public service definition by stating that termination includes when the employee/employer relationship is severed due to expiration of an indefinite layoff, temporary layoff, or seasonal layoff, rather than when an individual is no longer considered to be on a temporary layoff.
8	21.26 – 22.12	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, Subdivision 11b	Revises the termination of membership provision by stating that the provision is applicable when an individual has terminated membership but not public service, including when a city manager elects to terminate from PERA coverage, and when a member transfers to a temporary position and becomes excluded from membership.
9	22.13 – 22.20	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, Subdivision 12	Revises the authorized temporary layoff provision by including seasonal layoffs and by defining authorized temporary or seasonal layoffs to mean a suspension of service for a limited period during a year for an individual who is expected to return to the same position at the end of the layoff, rather than for a period not to exceed three months in any calendar year.
10	22.21 – 22.26	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, New Subdivision 12c	Adds a definition of “indefinite layoff,” defined as a layoff which is not a temporary or a seasonal layoff, for which no date has been specified for the employee’s return, and where the individual has not resigned or been dismissed.
11	22.27 – 25.36	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.01, Subdivision 16	Revises the allowable service provision to conform to the addition of a seasonal layoff provision.
12	26.1 – 27.28	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.03, Subdivision 1	Revises the board management, composition, and election provision by reorganizing the provision and by specifying that PERA must obtain Secretary of State review and approval for PERA procedures for conducting elections, rather than having the Secretary of State supervise those elections.
13	27.29 – 27.35	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.03, Subdivision 1a	Revises the provision for filling board vacancies by specifying that the board shall adopt policies and procedures governing how the vacancy of an elected trustee is to be filled.
14	28.1 – 28.7	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.03, New Subdivision 2b	Creates a board legal authority provision, stating that the board is authorized to take any legal actions necessary to properly and effectively administer its plans.
15	28.8 – 29.21	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.27, Subdivision 7	Revises the adjustment for erroneous receipts or disbursements provision by providing interest on a refund to the individual only if the erroneous deduction began before January 1, 1990, and only after the individual terminates public service. In all other cases, the association will return the employee contributions without interest to the individual, and the employer contributions to the employer, if these actions are deemed consistent with federal plan qualification requirements. If not, the employer will receive a credit against future contributions and the employer will be responsible for refunding the erroneous contribution amount to the employee.
16	29.22 – 30.6	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.27, Subdivision 7a	Revises the deductions or contributions transmitted by error provision to permit PERA to transmit assets to or from the PERA Defined Contribution Plan to correct an error.
17	30.7 – 30.12	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.27, Subdivision 7b	Clarifies the overpayment to members provision by explicitly including reference to retirees, beneficiaries, or other benefit recipients.
18	30.13 – 30.31	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.28, Subdivision 6	Revises the collection of unpaid amounts provision by clarifying that the Commissioner of Finance must transmit to PERA any amount the Department of Finance deducts from an organization’s state aid or state appropriations to capture an amount due that is payable to PERA.

Summary of H.F. 2362, 1st Engrossment

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19	30.32 – 31.14	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	383.29, Subdivision 8	Amends the annuity payment provision to recognize that benefit payments may be automatically deposited in a bank, rather than by issuing a warrant (check), and language specifying obsolete procedures is stricken.
20	31.15 – 32.9	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.30, Subdivision 3a	Revises the PERA-General bounce-back joint and survivor annuity provision by simplifying the provision and making stylistic changes.
21	32.10 – 33.5	PERA-P&F	SF 2379 (Pogemiller); HF 2701 (Smith)	353.30, Subdivision 3b	Revises the PERA-P&F bounce-back joint and survivor annuity provision by simplifying the provision and making stylistic changes.
22	33.6 – 34.17	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.32, Subdivision 1a	Revises the death while active or deferred surviving spouse benefit provision by removing obsolete cross-references; by making any residual amount of the contributions in excess of the benefits paid to the surviving spouse prior to his or her death payable to the surviving spouse's estate rather than to the last beneficiary of the deceased member; and by clarifying that if a surviving spouse waives receipt of benefits, that action does not make a dependent child eligible to receive monthly benefits as though there were no surviving spouse.
23	34.18 – 34.27	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.32, Subdivision 1b	Revises the term certain surviving spouse annuity provision by striking the five-year term certain option.
24	34.28 – 35.7	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.33, Subdivision 1	Clarifies the PERA-General disability eligibility provision and obsolete cross-references are stricken.
25	35.8 – 35.24	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.33, Subdivision 9	Amends the disabilitant returning to active employment provision by clarifying that PERA contributions will be deducted from pay if the individual resumes PERA-covered employment, and if the employment is not covered by PERA, the individual will be treated as a deferred annuitant if the individual has sufficient service, or the individual may request a refund.
26	35.25 – 35.31	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	New 353.335	Specifies that disabilitants must report all earnings from reemployment and workers' compensation income by May 15. If the information is not submitted, the benefit is suspended on June 1. If the information is later submitted, the benefit can be continued retroactive to June 1.
27	35.32 – 36.17	PERA-General	SF 2379 (Pogemiller); HF 2701 (Smith)	353.34, Subdivision 1	Amends the refund or deferred annuity provision to conform with PERA's proposed "seasonal layoff" language in Sec. 5, and states that a refund will not be paid prior to termination of service, although an individual might terminate from plan coverage prior to that date.
28	36.18 – 37.2	PERA-P&F	SF 2379 (Pogemiller); HF 2701 (Smith)	353.656, Subdivision 4	Revises the PERA-P&F disability benefit limit provision by clarifying that the limit also applies to any paramedics with PERA-P&F coverage; by correcting the provision to apply to combined earnings that exceed the permissible limits rather than are less than those limits; and by specifying that the limit is based on 125% of base salary, rather than 125% of salary.
29	37.3 – 38.2	PERA-Defined Contribution	SF 2379 (Pogemiller); HF 2701 (Smith)	353D.01, Subdivision 2	Revises the PERA Defined Contribution Plan membership eligibility provision by eliminating eligibility for emergency medical service personnel employed by privately operated ambulance services that receive a government subsidy.
30	38.3 – 38.11	PERA-Defined Contribution	SF 2379 (Pogemiller); HF 2701 (Smith)	353D.02, Subdivision 3	Revises the PERA Defined Contribution Plan employer election to participate by eliminating privately operated ambulance services that receive a government subsidy.
31	38.12 – 38.19	PERA-Correctional	SF 2379 (Pogemiller); HF 2701 (Smith)	353E.02, Subdivision 3	Clarifies the definition of county correctional institutions by indicating that it includes a juvenile facility administered by a county or multiple counties.

