



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

FROM: Edward Burek, Deputy Executive Director *EB*

RE: Summary of the 2006 Senate Omnibus Retirement Bill I as Recommended by the Senate Finance Committee, S.F. 2239 (Pogemiller), the Second Engrossment

DATE: March 24, 2006

### Introduction

A general summary of the Senate Omnibus Retirement Bill I, S.F. 2239 (Pogemiller), the Second Engrossment, as recommended by the Senate Finance Committee on March 15, 2006, appears below. A section-by-section summary follows.

### Source Legislation for the 2006 Senate Omnibus Retirement Bill I

The Senate 2006 Omnibus Retirement Bill I, S.F. 2239 (Pogemiller), the second engrossment, is derived from the following retirement bills and Commission or Senate 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. Senate Finance Amendment S2239-A14: N. St. Paul City Elected Officials Service Credit Purchases
42. Senate Finance Amendment S2239-A15: Clearwater County Memorial Hospital Privatization
43. Senate Finance Amendment S2239-A16: Local Police & Paid Fire Relief Association and First Class City Teacher Retirement Fund Association Investment Authority
44. Senate Finance Amendment based on bill draft LCPR05-375: Red Wing School Strike Service Credit Purchase Authority

### General Summary of S.F. 2239 (Pogemiller), the Second 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, and includes a state appropriation to PERA-P&F to cover the cost (approximately \$346,000) of a survivor benefit to a St. Louis Park widow of a former St. Louis Park police officer on active duty in Iraq with a short duration marriage due to the 2005 Special Session extension of special non-duty death benefit coverage.

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: Tom Bottern, Senate Counsel and Research  
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## Section-by-Section Summary of S.F. 2239, the Second Engrossment, the Senate Omnibus Retirement Bill

### Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
<b>Article 1: MSRS Contribution Increases</b>					
1	2.7 – 2.16	MSRS-General	SF 264 (Betzold); HF 1757 (Smith)	352.04, Subdivision 2	Increases the member contribution rate from 4.0 percent to 5.0 percent in four installments from 2007 to 2010.
2	2.17 – 2.24	MSRS-General	SF 264 (Betzold); HF 1757 (Smith)	352.04, Subdivision 3	Increases the employer contribution rate from 4.0 percent to 5.0 percent in four installments from 2007 to 2010.
3	2.25 – 4.11	MSRS Plans	Commission Amendment	New Section 352.045	Authorizes additional contribution rate changes through an administrative procedure beginning in 2011.
4	4.12 – 4.21	MSRS- Correctional	SF 997 (Betzold); HF 1753 (Wardlow)	352.92, Subdivision 1	Increases the member contribution rate from 5.69 percent to 8.6 percent in four installments from 2007 to 2010.
5	4.22 – 4.29	MSRS- Correctional	SF 997 (Betzold); HF 1753 (Wardlow)	352.92, Subdivision 2	Increases the employer contribution rate from 7.98 percent to 12.10 percent in four installments from 2007 to 2010.
6	4.30 – 5.9	State Patrol	SF 998 (Betzold); HF 1754 (Smith)	352B.02, Subdivision 1a	Increases the member contribution rate from 8.40 percent to 10.40 percent in three installments from 2007 to 2009.
7	5.10 – 5.19	State Patrol	SF 998 (Betzold); HF 1754 (Smith)	352B.02, Subdivision 1c	Increases the employer contribution rate from 12.60 percent to 15.60 percent in three installments from 2007 to 2009.
8	5.20 – 6.5	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 percent member contribution rate.
9	6.6 – 6.8	--	--	Effective Date	2006 or 2007 effective dates.
<b>Article 2: MSRS-Correctional Retirement Plan Inclusions</b>					
1	6.11 – 6.20	MSRS- Correctional	Commission Amendment	352.90	Updates the plan policy provision to correct references to the Minnesota Sex Offender Program.
2	6.21 – 7.2	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	7.3 – 7.11	MSRS- Correctional	Commission Amendment	352.91, Subdivision 2	Specifically references the correctional industry personnel covered by the plan, adds a 75 percent inmate/patient contact requirement for maintenance, correctional industry or trades personnel for inclusion, and corrects a Minnesota Sex Offender Program reference.
4	7.12 – 7.25	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	7.26 – 8.18	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.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

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6	8.19 – 9.8	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.
7	9.9 – 10.6	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	10.7 – 10.34	MSRS-Correctional	Commission Amendment	352.91, Subdivision 3g	Eliminates facility-specific designations within correctional facilities.
9	11.1 – 11.20	MSRS-Correctional	Commission Amendment	352.91, New Subdivision 3h	Provides a procedure for handling future occupational title changes.
10	11.21 – 11.28	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	11.29 – 12.22	MSRS-Correctional	Commission Amendment	352.91, New Subdivision 4b	Codifies the Department of Corrections internal procedure for considering coverage requirements.
12	12.23 – 14.10	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	14.11 – 15.30	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	15.31 – 16.14	--	--	Effective Date	Sections 1 to 12 effective immediately. Section 3 effective retroactively if subsequent position transfer is approved.
<b>Article 3: Retirement Plan Administrative Provisions</b>					
1	16.17 – 17.4	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	17.5 – 17.16	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.

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3	17.17 – 18.12	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	18.13 – 19.9	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	19.10 – 19.33	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	20.1 – 21.11	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.
7	21.12 – 21.22	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	21.23 – 22.10	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	22.11 – 22.18	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	22.19 – 22.24	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	22.25 – 25.33	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	25.34 – 27.26	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	27.27 – 27.33	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.

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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.
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.

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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 percent of base salary, rather than 125 percent 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.
32	38.20 – 39.12	TRA	Commission Amendment to SF 2379 (Pogemiller); HF 2701 (Smith)	354.45, Subdivision 1a	Removes obsolete language from the bounce-back annuity provision.
33	39.13 – 40.16	First Class City Teacher Plans	Commission Amendment to SF 2379 (Pogemiller); HF 2701 (Smith)	354A.32, Subdivision 1a	Removes obsolete language from the bounce-back annuity provision.
34	40.17 – 41.16	Arts Board-Historical Society IRAP	SF 2359 (Pogemiller); HF 2711 (Smith)	354D.05	Revises the employee and employer contribution rates for Arts Board and Humanities Commission employees who are IRAP members to equal the rates applicable for the higher education IRAP plan.
35	41.17 – 41.23	PERA-General	SF 2359 (Pogemiller); HF 2711 (Smith)	Uncoded	Laws 2004, Chapter 267, Article 8, Section 41, is revised to make the MSRS and PERA trial work period provisions (Sec. 352.113, Subd. 7a, and Sec. 353.33, Subd. 7a, respectively) permanent rather than expiring on July 1, 2006.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
36	41.24 – 41.25	--	--	Repealer	Repeals an obsolete higher education mandatory retirement age provision.
37	41.26 – 42.9	--	--	Effective Date	Generally immediately effective. Provides process for correcting any bounce-back annuity error.

**Article 4: PERA-P&F Retirement Plan Changes**

1	42.12 – 42.32	PERA-P&F	SF 2461 (Pogemiller); HF xxx	353.656, Subdivision 1	Replaces for most members in the duty disability coverage an age 65 maximum disability benefit age reference with a cross-reference to the PERA-P&F normal retirement age statutory provision, which is currently age 55.
2	42.33 – 43.20	PERA-P&F	SF 2461 (Pogemiller); HF xxx	353.656, Subdivision 3	Replaces for most members in the non-duty disability coverage an age 65 maximum disability benefit age reference with a cross-reference to the PERA-P&F normal retirement age statutory provision, which is currently age 55.
3	43.21 – 44.10	PERA-P&F	SF 2461 (Pogemiller); HF xxx	353.656, Subdivision 6a	Replaces for the disability survivor benefit coverage the age 65 maximum disability benefit age reference with a cross-reference to the PERA-P&F normal retirement age statutory provision, which is currently age 55.
4	44.11 – 44.21	PERA-P&F	Commission Amendment; Senate Finance Amendment	Appropriation	A state appropriation (approximately \$346,000) is made to PERA-P&F to cover the cost of providing a surviving spouse annuity to the spouse of a former St. Louis Park police officer killed in Iraq.
5	44.22 – 44.24	--	--	Effective Date	Effective July 1, 2006.

**Article 5: Privatization Retirement Coverage Change**

1	44.27 – 45.17	MSRS Privatization	Commission Amendment to SF 2378 (Pogemiller); HF 2708 (Smith)	352F.04	Reduces the special augmentation rates from 5.5 percent under age 55 and 7.5 percent over age 54 to 4.0 percent under age 55 and 6 percent over age 54.
2	45.18 – 45.35	PERA Privatization	SF 2387 (Murphy); HF 2667 (Dempsey), SF 2443 (Dille); HF 2658 (Urdahl), and Senate Finance Amendment	353F.02, Subdivision 4	Includes the Clearwater County Memorial Hospital, the City of Cannon Falls Hospital and the Dassel Lakeside Community Home under the special privatization provisions if the facility is privatized.
3	46.1 – 46.29	PERA Privatization	SF 2378 (Pogemiller); HF 2708 (Smith)	353F.04	Reduces the special augmentation rates from 5.5 percent under age 55 and 7.5 percent over age 54 to 4.0 percent under age 55 and 6 percent over age 54.
4	46.30 – 48.2	--	--	Effective Date	Local provision effective on local approval and finding of no actuarial loss for PERA, and general provisions effective immediately or retroactively.

**Article 6: Social Security Coverage Changes**

1	48.5 – 48.16		SF 2463 (Pogemiller); HF xxx	355.01, Subdivision 3g	Eliminates reference to the League of Minnesota Cities from Social Security coverage definition of "local government subdivision."
2	48.17 – 49.15		SF 2463 (Pogemiller); HF xxx	355.02, Subdivision 1	Makes various clarifying changes in general authority of the State to enter into Social Security coverage agreements.
3	49.16 – 50.13		SF 2463 (Pogemiller); HF xxx	355.02, Subdivision 3	Allows Social Security coverage referenda for local elected officials on a government unit by government unit basis.
4	50.14 – 50.26		SF 2463 (Pogemiller); HF xxx	355.02, New Subdivision 4	Adds specific additional Social Security referendum provisions.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
5	50.27 – 51.4		SF 2463 (Pogemiller); HF xxx	355.02, New Subdivision 5	Allows retroactive Social Security contributions to the extent permitted by federal law in new coverage extensions.
6	51.5 – 52.15		SF 2463 (Pogemiller); HF xxx	New 355.095	Public employees hired before 1986 who are not required under federal law to have Medicare coverage and who have not previously elected Medicare coverage could elect Medicare coverage if the applicable governmental unit decides to permit the referendum.
7	52.16 – 52.17	--	--	Effective Date	Effective immediately.
<b>Article 7: Supplemental Retirement Plan Coverage Changes</b>					
1	52.20 – 54.9	Supplemental Retirement Plans	SF 2394 (Pogemiller); HF xxx and Commission Amendment	356.24, Subdivision 1	Extends supplemental plan status to Laborer's local pension fund and to International Assoc. of Machinists national pension fund; increases maximum employer-funded contribution for union supplemental plans from \$2,000 to \$5,000 annually.
2	54.10 – 54.11	--	--	Effective Date	Effective immediately.
<b>Article 8: Retirement Fund Investment Authority Changes</b>					
1	54.14 – 55.9	Police and Paid Fire Local Relief Associations	Senate Finance Amendment	69.77, Subdivision 9	Revises investment authority to permit junk bond investing not to exceed five percent of total assets or 15 percent of debt-related assets, and placing other restrictions on those investments.
2	55.10 – 55.27	First Class City Teachers Plans	State Auditor's Recommendations (LCPR06-020), and Senate Finance Amendment	354A.08	Permits investments through the SBI-administered Minnesota Supplemental Investment Fund, and authorizes junk bond investing not to exceed five percent of total assets or ten percent of debt-related assets, and placing other restrictions on those investments.
3	55.28 – 55.32	MTRFA	SF 2239 (Pogemiller); HF 2362 (Smith)	354A.28, Subdivision 5	Requires assets underlying the post-retirement adjustment mechanism be invested under M.S. Chapter 356A.
4	55.33 – 58.2	Various Plans	SF 2428 (Pappas); HF 2736 (Thissen)	356.219, Subdivision 3	Provides exception to certain larger retirement funds from certain specific investment performance reporting, if plan-provided returns match State Auditor-computed returns for four consecutive years.
5	58.3 – 58.28	Various Plans	SF 2428 (Pappas); HF 2736 (Thissen)	356.219, Subdivision 6	Adds provisions governing the calculation of asset class performance numbers by the State Auditor.
6	58.29 – 62.27	Various Plans	SF 2239 (Pogemiller); HF 2362 (Smith)	356A.06, Subdivision 7	Permits broad investment in mutual funds or index funds, removes limitations on certain real estate investment trust securities and developed market foreign stocks, and resets limits for certain miscellaneous investment securities.
7	62.28 – 62.31	Various Plans	SF 2239 (Pogemiller); HF 2362 (Smith)	Uncoded	Allows until January 1, 2008, to dispose of nonconforming investments.
8	62.32 – 62.33		--	Effective Date	Effective immediately.
<b>Article 9: Minneapolis Employees Retirement Fund Changes</b>					
1	63.3 – 63.17	MERF	SF xxx; HF 853 (Kelliher)	422A.05, Subdivision 2c	Authorizes MERF to invest assets with the State Board of Investment.
2	63.18 – 64.12	MERF	SF xxx; HF 853 (Kelliher)	422A.06, Subdivision 3	Allows for accounts receivable transfers instead of cash between the Deposit Accumulation Fund to the Retirement Benefit Fund.
3	64.13 – 64.34	MERF	SF xxx; HF 853 (Kelliher)	422A.06, Subdivision 5	Makes conforming change for the accounts receivable transfer procedure.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
4	65.1 – 65.19	MERF	SF xxx; HF 853 (Kelliher)	422A.06, Subdivision 7	Makes conforming change for the accounts receivable transfer procedure.
5	65.20 – 66.32	MERF	SF xxx; HF 853 (Kelliher)	422A.06, Subdivision 8	Makes conforming change for the accounts receivable transfer procedure.
6	66.33 – 67.21	MERF	SF xxx; HF 853 (Kelliher)	422A.101, Subdivision 3	Corrects a reference to the maximum annual state contribution.
7	67.22 – 67.23	MERF	SF xxx; HF 853 (Kelliher)	Repealer	Repeals M.S., Sec. 422A.101, Subd. 4, which imposes an additional liquidity transfer obligation.
8	67.24 – 67.27	--	--	Effective Date	Effective upon local approval.
<b>Article 10: Minneapolis Police Relief Association Changes</b>					
1	67.30 – 68.10	MPRA	SF xxx; HF 2577 (Mullery)	423B.07	Increases salaries for relief association board members.
2	68.11 – 69.24	MPRA	SF xxx; HF 2577 (Mullery)	423B.09, Subdivision 1	Extends 2005 benefit increase to members with less than 20 years of service credit.
3	69.25 – 69.32	--	--	Effective Date	Each provision subject to a separate local approval action.
<b>Article 11: Recodification of Various Statewide Specialty Retirement Plans</b>					
1	70.4 – 70.6	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, Subdivision 1	Updates the grammatical style of the definitions purpose subdivision.
2	70.7 – 70.15	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 1a	Adds actuarial equivalent definition.
3	70.16 – 70.24	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 1b	Moves “average monthly salary” definition from former Subdivision 7.
4	70.25 – 70.29	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 1c	Adds definition of “constitutional officer.”
5	70.30 – 71.10	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, Subdivision 2	Eliminates obsolete date and updates style and language usage of definition of “dependent child.”
6	71.11 – 71.13	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, Subdivision 6	Clarifies reference in “director” definition.
7	71.14 – 71.19	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 6b	Defines “former legislator.”
8	71.20 – 71.26	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 6c	Defines “member of the legislature.”
9	71.27 – 71.31	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, Subdivision 8	Eliminates obsolete pre-1982 provision from “normal retirement age” definition.
10	72.1 – 72.4	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 9	Adds definition of “retirement.”
11	72.5 – 72.15	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.01, New Subdivision 10	Adds definition of “salary.”
12	72.16 – 72.20	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.011	Clarifies plan administration duties.
13	72.21 – 73.35	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.02, Subdivision 1	Eliminates various obsolete date references in retirement annuity calculation provision.
14	74.1 – 74.22	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.02, Subdivision 1b	Clarifies references and upgrades the style and usage of the provision.
15	74.23 – 74.28	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.02, Subdivision 3	Upgrades the language style and usage in the appropriation provision.
16	74.29 – 75.20	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.02, Subdivision 4	Eliminates obsolete dates and clarifies the language style of the deferred annuities augmentation provision.
17	75.21 – 76.3	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.02, Subdivision 5	Clarifies the language style and usage of the optional annuities provision.
18	76.4 – 76.10	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.03, Subdivision 1	Clarifies the language style and usage of the member contribution provision.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
19	76.11 – 76.28	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.03, Subdivision 2	Clarifies the status of a former legislator returning to legislative service after taking a refund.
20	76.29 – 77.12	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.04, Subdivision 1	Clarifies the language style and usage of the surviving spouse provision.
21	77.13 – 78.9	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.04, Subdivision 2	Clarifies the language style and usage of the surviving child provision.
22	78.10 – 78.14	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.04, Subdivision 3	Clarifies the language style and usage of the survivor benefit payment provision.
23	78.15 – 78.23	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.04, Subdivision 4	Clarifies the language style and usage of the death refund provision.
24	78.24 – 78.28	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.04, New Subdivision 5	Adds current disbursements survivor benefit appropriation provision.
25	78.29 – 79.8	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.05	Clarifies the language and style of the survivor benefit application provision.
26	79.9 – 79.20	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.07	Clarifies that the second chance Social Security referendum election in 2002 was irrevocable.
27	79.21 – 79.30	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.10, Subdivision 1	Clarifies the language usage and style of the special legislative service credit provision.
28	79.31 – 80.35	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.12	Clarifies the language style and usage of the service in more than one retirement plan provision.
29	81.1 – 81.9	Legislators Plan	SF 428 (Betzold); HF 2091 (Smith)	3A.13	Divides the legal process exemption provision into paragraphs.
30	81.10 – 81.17	Elective State Officers Plan	SF 427 (Betzold); HF 2092 (Smith)	New 352C.001	Applicability of the Elective State Officers Retirement Plan is specified.
31	81.18 – 81.24	Elective State Officers Plan	SF 427 (Betzold); HF 2092 (Smith)	352C.091, Subdivision 1	Plan administration is clarified.
32	81.25 – 81.31	Elective State Officers Plan	Commission Amendment	352C.10	Removes repealed cross-reference.
33	81.32 – 83.20	MSRS- Unclassified	Commission Amendment	352D.02, Subdivision 1	Removes repealed cross-reference.
34	83.21 – 83.29	--	--	Repealer	Repeals various provisions as obsolete or for recodification.
35	83.30 – 83.31	--	--	Effective Date	Effective on July 1, 2006.

**Article 12: Judges Retirement Plan and Board on Judicial Standards Recodification**

1	84.4 – 84.7	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 1	Updates the language and style of the definition introduction section.
2	84.8 – 84.17	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 2a	Adds a definition of actuarial equivalency, relating to optional annuity forms.
3	84.18 – 85.5	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 4	Clarifies that “allowable service” means compensated service as a judge and that service as a retired judge is excluded.
4	85.6 – 85.9	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 6	Clarifies the language and style of the definition of “annuity.”
5	85.10 – 85.13	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 7	Clarifies the definition of “annuitant” as meaning a former judge who receives a retirement annuity.
6	85.14 – 85.17	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 7a	Adds a definition of “approved actuary.”
7	85.18 – 85.21	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 7b	Moves the definition of “court” to its appropriate alphabetic placement.
8	85.22 – 85.29	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 7c	Moves the definition of “dependent surviving child” to its appropriate alphabetic placement.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
9	85.30 – 86.3	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 13	Clarifies that the definition of “disability” means a medically determinable impairment of function.
10	86.4 – 86.7	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 14	Augments the definition of “disability retirement date” by including a reference to a certification of the disability by the governor to the relevant individuals.
11	86.8 – 86.11	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 15	Clarifies the language of the definition of “disability retirement annuity.”
12	86.12 – 86.16	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 15a	Moves the definition of “early retirement date” to a more appropriate place.
13	86.17 – 86.21	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 15b	Moves the definition of “early retirement annuity” to a more appropriate place.
14	86.22 – 86.25	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 21a	Moves the definition of “judge” to a more appropriate position.
15	86.26 – 86.29	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 21b	Moves the definition of “judges retirement fund” to a more appropriate place.
16	87.1 – 87.4	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 21c	Moves the definition of “mandatory retirement date” to a more appropriate place.
17	87.5 – 87.10	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 21d	Moves the definition of “normal retirement annuity” to its appropriate alphabetic placement.
18	87.11 – 87.14	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 21e	Moves the definition of “normal retirement date” to a more appropriate place.
19	87.15 – 87.20	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, Subdivision 22	Clarifies the language usage in the definition of “service credit limit.”
20	87.21 – 87.24	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 23	Transfers the definition of “surviving spouse” to a more appropriate place.
21	87.25 – 87.28	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.121, New Subdivision 24	Transfers the definition “survivor annuity” to its appropriate alphabetical placement.
22	87.29 – 88.11	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.122	Updates the language and style of the judges retirement plan administration provision and divides the provision into subdivisions.
23	88.12 – 88.21	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.123, Subdivision 1	Clarifies the language and style of the provision and replicates the fund creation language of other public pension funds.
24	88.22 – 88.32	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.123, Subdivision 1a	Clarifies the language and style of the member contribution provision and adds a payroll deduction requirement.
25	88.33 – 89.8	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.123, Subdivision 1b	Clarifies the language and style of the employer contribution provision.
26	89.9 – 89.16	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.123, Subdivision 1c	Extends the pre-1993 backup additional employer contribution provision to any future funding deficiency.
27	89.17 – 89.27	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.123, Subdivision 2	Clarifies the language and style of the fund treasurer provision.
28	89.28 – 90.6	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.123, Subdivision 3	Divides the investment provision into paragraphs and clarifies references to MSRS.
29	90.7 – 90.23	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 1	Clarifies the language and style of the retirement annuity provision and divides it into paragraphs.
30	90.24 – 91.5	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 2	Clarifies the language and style of the vesting and term extension provision.
31	91.6 – 91.10	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 3	Clarifies the language and style of the early reduced retirement provision.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
32	91.11 – 91.28	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 4	Clarifies the disability provision by providing the disability benefit at the conclusion of the one year of salary continuation or upon mandatory retirement, whichever is earlier.
33	91.29 – 92.8	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 5	Clarifies the deferred retirement annuity provision by indicating that entitlement for a deferred annuity continues after the normal retirement date.
34	92.9 – 92.20	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 8	Separates the normal retirement benefit savings clause into specific paragraphs.
35	92.21 – 93.3	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 9	Clarifies the language and style of the survivor benefit provision, divides the provision into paragraphs, and eliminates an obsolete pre-1974 provision.
36	93.4 – 93.17	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 10	Clarifies statute cross-references and divides the prior survivor benefit provision into paragraphs.
37	93.18 – 93.33	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 11	Clarifies the language and style of the optional survivors benefit provision.
38	94.1 – 94.13	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 12	Extends the eligibility for a member contribution refund, plus interest, to judges who are entitled to an annuity.
39	94.14 – 94.19	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.124, Subdivision 13	Clarifies the death refund provision by requiring the filing of a benefit application.
40	94.20 – 94.23	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.125, Subdivision 1	Clarifies the language and style of the judges' mandatory retirement age provision.
41	94.24 – 94.28	Uniform Judges Plan	Commission Amendment	490.125, Subdivision 2	Removes cross-references to repealed provisions.
42	94.29 – 95.21	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.126	Clarifies the language and style of the mandatory judicial retirement age provision.
43	95.22 – 96.2	Uniform Judges Plan	SF 433 (Betzold); HF 2112 (Smith)	490.133	Clarifies the style and language of the Court of Appeals transition provision.
44	96.3 – 96.21	Board of Judicial Standards	SF 433 (Betzold); HF 2112 (Smith)	New 490A.01	Moves the Board of Judicial Standards establishment provision to new Minnesota Statutes, Chapter 490A.
45	96.22 – 97.23	Board of Judicial Standards	SF 433 (Betzold); HF 2112 (Smith)	New 490A.02	Moves the Board of Judicial Standards powers provision to Minnesota Statutes, Chapter 490A.
46	97.24 – 97.26	Board of Judicial Standards	Commission Amendment	New 490A.03	Moves Board of Judicial Standards provision specifying the persons affected by the board.
47	97.27 – 98.7	Uniform Judges Plan	Commission Amendment	525.05	Removes cross-references to repealed provisions.
48	98.8 – 98.15	Uniform Judges Plan	Commission Amendment	Revisor's Instruction	Instructions to the Revisor of Statutes to correct various references to Uniform Judges Plan provisions.
49	98.16 – 99.3	--	--	Repealer	Repeals various provisions of the old judges' retirement plans and the uniform retirement and survivors annuities for judges plan as obsolete or for recodification. Repeals the Board of Judicial Standards provisions for reenactment in new M.S., Chapter 490A.
50	99.4 – 99.5	--	--	Effective Date	The article is effective on July 1, 2006.

**Article 13: Judges Retirement Plan and Related Changes**

1	99.8 – 99.25	Legislators Retirement Plan	Commission Amendment to SF 2462 (Pogemiller); HF 2852 (Smith)	3A.02, Subdivision 5	Resets starting age for "death while eligible" survivor coverage to age 55 rather than age 60.
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Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
2	99.26 – 100.5	Legislators Retirement Plan	Commission Amendment to SF 2462 (Pogemiller); HF 2852 (Smith)	3A.04, Subdivision 1	Clarifies that automatic survivor benefit does not apply if “death while eligible” survivor benefit is payable.
3	100.6 – 100.23	Judges Retirement Plan	SF 2462 (Pogemiller); HF 2852 (Smith)	490.124, Subdivision 9	Adds a provision that an active judge who dies in office and would have been eligible to retire on the date of death will be deemed by law to have selected a 100 percent joint and survivor optional annuity covering the judge’s surviving spouse on the date of death.
4	100.24 – 100.27	--	--	Effective Date	Effective immediately. Judges Retirement Plan change effective retroactively to January 1, 2006.

**Article 14: Volunteer Firefighter Relief Association Changes**

1	100.30 – 102.20	VFRAs	Commission Amendment	6.72	Provides the Office of the State Auditor flexibility in the manner in which data on the financial condition of volunteer firefighter relief associations is presented in order to provide a fair representation of the condition of these pension plans.
2	102.21 – 102.35	VFRAs	Commission Amendment	424A.001, New Subdivision 10	Defines the term “volunteer firefighter,” for volunteer firefighter relief association benefit coverage for post-July 1, 2006 firefighters, as fire department members who are eligible for relief association membership, who are engaged in emergency response services or fire prevention activities who are trained in fire suppression or fire prevention, and who meet any other fire department or volunteer firefighter relief association bylaws.
3	103.1 – 103.9	VFRAs	Commission Amendment	424A.02, Subdivision 8b	Expands the existing authority for service pensioners to approve an institution-to-institution transfer of a lump sum pension to an individual retirement account to include transfers of lump sum survivor benefits by survivors.
4	103.10 – 103.33	VFRAs	Commission Amendment	424A.05, Subdivision 3	Expands the current authorization of volunteer firefighter relief association survivor benefits to the surviving spouse and children of a deceased active firefighter to permit death benefits to a deceased firefighter’s estate if there are no survivors or designated beneficiaries.
5	104.1 – 104.22	Randall VFRA	SF 2360 (Koering); HF 2747 (Blaine)	Uncoded	Authorizes retroactive bylaw amendment implementing permitted minimum survivor benefit.
6	104.23 – 104.30	--	--	Effective Date	Sections 1 and 4 are effective July 1, 2006. Section 2 is effective January 1, 2008. Section 3 is effective retroactive to January 1, 2006. Section 5 is effective upon local approval.

**Article 15: One Person and Small Group Retirement Provisions**

1	104.33 – 107.7	PERA-P&F	SF 2104 (Foley); HF 2311 (Hortman)	Uncoded	Authorizes an individual who had been a member of the local St. Paul Fire Relief Association for service as a firefighter but who did not qualify for a benefit from that plan, to receive a PERA-P&F annuity based on his St. Paul firefighting service, with the cost to be paid by St. Paul.
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Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
2	107.8 – 107.35	PERA-P&F	SF 2141 (Pogemiller); HF 2219 (Fritz)	Uncoded	Authorizes a certain Faribault firefighter, who is a PERA-P&F member due to that employment, to purchase service credit for a period from November 21, 1984, to March 16, 1985, when the individual was working as a firefighter for the city but was not in the plan due to an error made by the City of Faribault.
3	108.1 – 108.24	TRA	SF 1736 (Day); HF 1978 (Ruth)	Uncoded	Allows a current teacher and TRA member to purchase up to ten years of service credit at full actuarial value for out-of-state teaching service in Montana.
4	108.25 – 109.10	PERA-General	SF 1995 (LeClair); HF 2196 (Charron)	Uncoded	Permits a current public defender to purchase 21 months of prior part-time public defender service at full actuarial value.
5	109.11 – 109.26	PERA-P&F	SF xxx; HF 2026 (Hoppe)	Uncoded	Permits a current Minnetonka police officer and former union business agent to purchase 12 months of PERA-P&F allowable service credit with the payment of the full actuarial value of the additional retirement annuity obtained by the service credit purchase determined under Minnesota Statutes, Sec. 356.551.
6	109.27 – 111.2	PERA-General	SF 2626 (Jungbauer); HF 2968 (Abeler), and HF 2799 (Abeler-by request)	Uncoded	Permits a former municipal golf course pro to purchase up to 14 and a fraction years of service credit for uncredited service at the Greenhaven Golf Course at Anoka, Minnesota, with the payment of the full actuarial value of the benefit to be obtained by the purchase, with the City of Anoka responsible for the balance of the purchase payment cost.
7	111.3 – 111.33	TRA	SF 3029 (Gerlach); HF 3388 (Cybart)	Uncoded	Permits a current teacher and TRA member to repay to TRA as if it were a refund an amount of member and employer contributions previously transferred to MSRS-Unclassified under Laws 1984, Ch. 614, Sec. 6, Subd. 3, plus interest on the principal amount at an annual compound rate of 8.5 percent from 1985 until repayment, and thereby to have 10 years of TRA service credit reinstated.
8	112.1 – 113.11	TRA; MnSCU	SF 2248 (Skoglund); HF 2462 (Wagenius)	Uncoded	Allows a MnSCU employee to transfer prospective retirement coverage from IRAP to TRA, and past coverage to TRA beginning on January 1, 1995, with the individual responsible for paying the full actuarial value of the pension plan coverage change.
9	113.12 – 114.3	TRA	Commission Amendment	Uncoded	Allows a West St. Paul public school teacher for whom a medical leave was not reported to TRA and did not make necessary contributions to purchase the service credit at full actuarial value, with employer payment of most of the payment amount.
10	114.4 – 114.14	TRA	Commission Amendment	Uncoded	Allows teachers with uncredited time in the International Falls or Red Wing school strikes to purchase the service credit at full actuarial value.
11	114.15 – 115.34	PERA-General	SF xxx; HF 2523 (Ozment);	Uncoded	Allows up to nine Bloomington public school custodians with uncredited employment in their early careers to purchase the service credit at full actuarial value, with the employer payment of the bulk of the payment amount.

Summary of S.F. 2239, 2<sup>nd</sup> Engrossment

Sec.	Page.Line – Page.Line	Retirement Plan	Source Bill(s)	Stat. Provision	Summary
12	116.1 – 117.6	PERA-General	SF xxx (Pogemiller); HF xxx	Uncoded	Allows the former mayor of St. Paul to reverse a previous benefit coverage election of the PERA-Defined Contribution Plan and elect PERA-General coverage, with full actuarial value payment.
13	117.7 – 118.5	MSRS-General	SF 2047 (Michel); HF 2230 (Peterson, N)	Uncoded	Allows the immediate commencement of retirement annuity divided in a marriage dissolution if a court finds the former State employee's decision not to retire solely to frustrate the judgment awarded to the ex-spouse.
14	118.6 – 119.16	MERF	SF 1562 (Ourada); HF 1395 (Anderson, B):	Uncoded	Permits the purchase of up to two years of service and to have the City of Minneapolis finance half of the full actuarial value service credit purchase price for a previously disabled Minneapolis laborer.
15	119.17 – 120.13	PERA-General	Senate Finance Amendment	Uncoded	Allows three No. St. Paul elected officials, who met minimum salary threshold for PERA-General coverage before June 30, 2002, when PERA-General was closed to elected officials, but who were not informed by the city of their right to join the plan prior to that date, are allowed to elect PERA-General coverage, with the city paying most of the full actuarial value payment.
16	120.14 – 120.25	TRA	Senate Finance Amendment	Uncoded	Allows Red Wing teachers who retired before July 26, 2005, with uncredited service due to a strike, to purchase service credit at full actuarial value and to have the retirement annuity recalculated in light of the additional service.
17	120.26 – 120.34	--	--	Effective Date	Generally effective upon final enactment, with sections 12 and 14 requiring local approval.