



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director *JLM*

RE: 2007 Session Omnibus Retirement Bill Through April 24, 2007

DATE: May 1, 2007

Introduction

The attached document, delete-everything amendment H1978-1A, contains the proposed retirement legislation as recommended by the Legislative Commission on Pensions and Retirement at the March 28, 2007, and April 24, 2007, Commission meetings.

Source Legislation for the 2007 Omnibus Retirement Bill

The following bills were recommended by the Legislative Commission on Pensions and Retirement on March 28, 2007, and April 24, 2007, for inclusion in the 2007 Omnibus Retirement bill:

1. H.F. 31 (Mullery); S.F. 31 (Metzen): Conform to federal tax rules for public safety pensions; authorize pension funds to withhold and pay insurance premiums.
2. H.F. 79 (Thissen); S.F. 56 (Betzold): TRA administrative bill.
3. H.F. 125 (Murphy, M., by request); S.F. 84 (Betzold, by request): PERA-P&F, PERA-C; Disability and survivor benefits modification.
4. H.F. 126 (Murphy, M.); S.F. 7 (Betzold): Statewide plans; Uniform appeal procedure.
5. H.F. 127 (Murphy, M.); S.F. 85 (Betzold): PERA; Disability benefits eligibility determination modifications.
6. H.F. 876 (Swails); S.F. 2016 (Saltzman): PERA; Service credit purchase, St. Paul Department of Public Works employee.
7. H.F. 889 (Murphy, M., by request); S.F. 296 (Betzold): PERA administrative bill.
8. H.F. 1010 (Hilstrom); S.F. 1042 (Neuville): State Patrol; Coverage for Gang and Drug Oversight Council coordinator.
9. H.F. 1139 (Murphy, M., by request); S.F. 629 (Betzold): MSRS administrative bill.
10. H.F. 1313 (Thissen); S.F. 1141 (Betzold); MERF; Authority to invest with SBI; liquidity requirements.
11. H.F. 1329 (Thissen); S.F. 929 (Betzold): PERA-P&F; Reemployed annuitant exemption for former Midwest Pathology, Inc., employees hired as field investigators by Anoka County.
12. H.F. 1667 (Shimanski); S.F. 1299 (Dille): PERA; Hutchinson Area Health Care privatization; clarify effective date.
13. H.F. 1779 (Sailer); S.F. 1626 (Skoe): MSRS/PERA; Annuity back payments, combined service annuity annuitant.
14. H.F. 1783 (Faust); S.F. 948 (Lourey): TRA; Purchase of salary credit for reduced salary year after a sabbatical leave.
15. H.F. 1878 (Welti); S.F. 1853/1854 (Senjem): PERA; Service credit purchase for community education employment.
16. H.F. 1911 (Murphy, M.); S.F. 937 (Betzold): MSRS-C; Include additional Department of Corrections employees in plan coverage; transfers of prior service credit.
17. H.F. 1912 (Murphy, M.); S.F. 423 (Betzold): MSRS-C; Include additional Department of Human Services employees in plan coverage.
18. H.F. 1976 (Murphy, M.); S.F. 425 (Betzold): VFRAs; Clarify 2006 state supplemental aid eligibility change.
19. H.F. 1977 (Murphy, M.); S.F. 424 (Betzold): TRA; Correction of MTRFA references in 2006 consolidation legislation.
20. H.F. 1978 (Murphy, M.); SF 430 (Betzold): Correction of 2006 drafting errors.
21. H.F. 2078 (Murphy, M.); S.F. 1457 (Frederickson): MSRS-General: Coverage for Middle Management Association employees
22. H.F. 2098 (Morrow); S.F. 1773 (Sheran): PERA; Lakeview Nursing Home in Gaylord privatization.
23. H.F. 2130 (Peterson, A.); S.F. 1779 (Kubly): PERA; Late disability benefit application; former Benson school district employee.
24. H.F. 2279 (Doty); S.F. 2027 (Koering): MSRS-C; Service credit purchase, MCF-St. Cloud stores clerk.
25. H.F. 2386 (Olin); S.F. 2267 (Lynch): PERA; Oakland Park Nursing Home privatization.
26. H.F. 2393 (Hamilton); S.F. 2175 (Vickerman): PERA; Lakefield Nursing Home privatization.
27. H.F. xxxx; S.F. 1762 (Betzold): Legislators plan; Partial benefit option to alternative payees under marriage dissolution.
28. Betzold Amendment: Legislators plan; Death while eligible optional annuity election for former legislators.

General Summary of Delete-Everything Amendment H1978-1A

Article 1: Various Clarifications and Corrections. The article amends various provisions in 2006 legislation, chiefly the 2006 omnibus retirement bills, to correct errors or omitted language that were identified by the Commission staff in preparing the summary of the 2006 pension legislation or by the

Office of the Revisor of Statutes, and also amends various provisions in Minnesota Statutes, Chapter 13, the data privacy statutes; Chapter 126C, the education funding statutes; Chapter 353, the Public Employees Retirement Association statutes; Chapter 354A, the first class city teacher retirement fund associations' statutes; Chapter 354B, the Individual Retirement Account Plan of the Minnesota State Colleges and Universities System (MnSCU) provisions; Chapter 355, the public employee Social Security coverage provisions; and Chapter 423A, the local police and paid firefighter relief association state aid and benefit provisions, by eliminating references to the former Minneapolis Teachers Retirement Fund Association (MTRFA) and by correcting other provisions previously applicable to the former MTRFA.

Article 2: Administrative Provisions. The article makes accrual date revisions in the Legislators and Judges plans to make them consistent with other Minnesota State Retirement System (MSRS) plans; clarifies University of Minnesota employee coverage; permits General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) coverage for incidental employment as state employees by teachers; revises interest payment requirements on authorized unpaid leaves of absence and requires full actuarial value payment if payment is not received within one year of the end of the leave; removes the death while active or deferred five-year, term-certain survivor option and removes the 75 percent of prior pay limit on those benefit amounts; clarifies applicable contribution rates on breaks in service to provide military service; clarifies the application of MSRS law to State Fire Marshal employees; adds an anti-garnishment provision to the health care savings account law; clarifies Unclassified Employees Retirement Program of the Minnesota State Retirement System (MSRS-Unclassified) coverage groups; authorizes transfers from MSRS-Unclassified to MSRS-General up to one month after termination of employment; removes all retroactivity to MSRS-Unclassified annuities; and revises the MSRS/Public Employees Retirement Association (PERA) combined payment provision.

The article also makes a number of changes related to the Public Employees Retirement Association (PERA), including provisions that increases death while active survivor benefits when benefits are deferred, authorize health insurance withholding for certain public safety retirees of various plans, revise receivables allocation procedures for various plans, clarify the included employee provision and elected official requirements to commence annuity payments, clarify the governmental subdivision status of charter schools and mental health cooperatives, remove the requirement that the executive director be approved by the Senate, specify that no action for recovery of contributions will commence before the initial coverage date, clarify death while active or deferred surviving spouse provisions, temporarily offer full actuarial value service credit purchases for Comprehensive Employment Training Act (CETA) service, and repeal obsolete or redundant provisions.

The article also makes changes to the law governing the Teachers Retirement Association (TRA), generally of an administrative nature; proposes procedures to be used when making payments to TRA using pre-tax transfers; revises optional accelerated annuity procedures to recognize normal retirement ages older than age 65; corrects the bounceback annuity provision; clarifies applicable law for certain disability annuities; proposes account termination, restoration procedures; revises spousal notification procedures when member applies for a benefit; and repeals an inactive account small balance procedure.

Article 3: MSRS-Correctional Plan Membership Provisions. The article amends portions of the statutes governing the Correctional State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional) by adding the Department of Corrections positions of corrections program therapist (eight employees) and plant maintenance engineer lead (one employee) to MSRS-Correctional Plan coverage, by correcting the title of one currently included employment position in the Minnesota Extended Treatment Options Program (METO) and by including in plan coverage nine additional employment positions (30 state employees) at the Minnesota Security Hospital or in the Minnesota Sex Offender Program, and by removing from plan coverage one occupational title within the Department of Human Services without any incumbents, by requiring the Department of Corrections review committee to evaluate eligible prior service credit for potential transfer to MSRS-Correctional; and by providing for past service credit transfers for 2006 and 2007 newly included correctional personnel who desire to do so.

Article 4: Disability Benefit Changes. The article makes a number of changes to the disability benefit programs of the various retirement plans administered by the Public Employees Retirement Association (PERA), including:

- New disability categories are created, to replace the existing use of "duty" and "non-duty" to defined categories of disabilitants. As revised, a duty disability is a disability (physical or psychological) related to performing job-related duties that present inherent dangers, rather than being any disability that occurs or is related to being on duty. Regular disability, which replaces non-duty disability in existing statutes, is any job-related disability resulting from activity that did not present inherent danger, and also all disabilities resulting from any non-duty activity.

- Duty disabilities will be capped at 60 percent of the high-five salary, rather than 60 percent plus three percent of the high-five for each year of service over 20. Regular disabilities are capped at 45 percent of the high-five salary, rather than being computed like a service annuity based on actual service, with a minimum benefit of 45 percent of the high-five.
- Disabilitants (duty-related and regular) who are at least 55 at the time of disability but have less than 20 years service in duty disability cases, or 15 years service in regular disability cases, can receive disability benefits for five years, then the disability benefit must terminate.
- The disability benefit is converted to a retirement annuity when the member reaches age 55; or for those who are 55 when the disability commenced, on the five year anniversary of the disability; or when a member elects to convert to an early retirement annuity rather than the disability benefit.
- Disability benefits can be retroactive for up to 90 days if salary or salary-equivalent benefits were not received during that period.
- Disability benefits are not allowed if disability is due to illegal drug use and the individual has not taken part in a rehab program and ceased drug use.
- Three years of service, rather than one year of service, will be required to qualify for surviving spouse annuities if the member's death was not a line-of-duty death. (A "line-of-duty death" is a new term defined as a death that occurs while performing duties specific to protecting the property and personal safety of others and that present inherent dangers specific to the positions covered by the PERA-P&F. A "not-line-of-duty death" is any death that is not a line-of-duty death.)
- Surviving spouse benefits in death-while-active situations are increased from 50 percent to 60 percent of final salary in line-of-duty death situations, and the family maximums related to line-of-duty deaths are revised accordingly.
- Early retirement (by any individual who becomes a PERA-P&F member after June 30, 2007, or by a former member who is reinstated after that date) will require a reduction of .2 percent for each month that the individual is under age 55, rather than one-tenth.
- The last date for filing a disability benefit application is revised from three years after termination to 18 months after termination;
- Medical reports supporting a disability application are required to include expectations for improvement, and where recovery is expected, an estimate of the date on which the medical professional believes the individual will have recovered from the disabling event;
- A report from the employer is required that there is no available work that the individual could perform, including documentation, if requested by PERA, of all steps the employer has taken to provide continued employment for the individual and to accommodate the individual's limitations;
- Any application for duty-related disability is required to tie the disability to specific duty-related functions or actions which are consistent with the inherent dangers of positions eligible for PERA-P&F and PERA-Correctional membership;
- Appeals to the PERA Board of the Executive Director's disability determinations are permitted within 60 days after the Executive Director's determination rather than within 45 days; and allows the Executive Director to require the participant to take part in a fact-finding session conducted by an administrative law judge and/or a vocational assessment conducted by a qualified rehabilitation counselor.
- PERA's trial work period provision is restricted to PERA-General members rather than members of all PERA plans; and
- Other changes of an administrative nature are made, largely striking language in existing PERA, PERA-P&F, and PERA-Correctional statutes to be moved to a new proposed section.

Article 5: Health Care Facility Privatizations. Includes employees of the Lakefield Nursing Home, the Lakeview Nursing Home in Gaylord, Minnesota, and the Oakland Park Nursing Home in the special privatization provisions of the Public Employees Retirement Association (PERA). Extends to January 2008, the time deadline for the Hutchinson Area Health Care to privatize and avail itself of the enhanced deferred annuity augmentation rate.

Article 6: Statewide Retirement Plan Appeals Process. The article replaces the statutory appeals procedures for the Minnesota State Retirement System (MSRS) and the Teachers Retirement Association (TRA) with a uniform appeals procedure for all of the statewide retirement plans, including the Public Employees Retirement Association (PERA), providing statewide public pension members, former members, and beneficiaries with an opportunity to have plan administrative decisions reviewed by the governing body of the plan, notice of the reasons for an adverse determination and of the appeals process whenever there is a benefit denial, modification, or termination, an opportunity for a plan member to submit relevant materials in connection with a review, an opportunity to appear at the board review hearing, a board decision on the review request based on the record, and an opportunity to have the board review determination appealed to the State Court of Appeals.

Article 7: Minneapolis Employees Retirement Fund (MERF) Liquidity Changes. The article permits the MERF board to invest some or all of the fund's assets with the State Board of Investment (SBI) through the Minnesota Supplemental Investment Fund, a mutual fund-like family of investment accounts, or the Minnesota Combined Investment Funds, an investment pool made up of the active member assets of the various statewide retirement plans, permits that the transfer of assets between the MERF active member investment account (the MERF Deposit Accumulation Fund) and the MERF retired member investment account (the MERF Retirement Benefit Fund), if the Deposit Accumulation Fund has insufficient assets to make the transfer upon the retirement of an active member, be made with an internal interest-bearing promissory obligation, with interest at the rate of five percent, plus the percentage increase in the Consumer Price Index over the period, and the interest and the principal of the obligation would be payable first from any balance in the Deposit Accumulation Fund, and repeals a statutory provision requiring the City of Minneapolis to provide sufficient assets to make required transfers to MERF's retired fund at the time of retirement.

Article 8: Volunteer Firefighter Benefit Changes. The article corrects an error in the 2006 creation of a volunteer firefighter supplemental survivor benefit, clarifies that a survivor supplemental benefit is only double the pre-2007 supplemental benefit amount, and increases the volunteer firefighter supplemental benefit amount to a maximum of \$1,695.

Article 9: Various Retirement Law Changes. Permits survivors of former legislators who die before age 55 to elect optional annuity form when the former legislator would have reached age 55, including the surviving spouse of a former legislator who died March 5, 2007. Permits the early division with ex-spouse of a Legislators Retirement Plan retirement allowance. Includes in the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) employees of the Middle Management association who are not on-leave state employees. Includes in the State Patrol Retirement Plan the Gang and Drug Oversight Council Coordinator. Permits annuity withholding for health, accident, and long-term care insurance premiums for retired public safety employees.

Article 10: Small Group/Single Person Provisions. Authorizes various individuals to purchase prior service credit or prior salary credit, file a delayed disability benefit application, or receive back annuity payments where a Combined Service Annuity was delayed by pension plan error. Exempts certain Anoka County medical examiner employees acquired from a former private sector contractor to be exempt from reemployed annuitant earnings limitations.

Section-by-Section Summary of Delete-Everything Amendment H1978-1A

Sec.	Pg.Ln-Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
Article 1: Various Clarifications and Corrections					
1	1.5-1.16	HF 1978 (Murphy, M.); SF 430 (Betzold)	Legislators Plan	3A.05	Corrects retroactive payment date for survivor benefit of later of the date of the benefit accrual or one year prior to the application filing so that benefit payment cannot predate the qualifying death.
2	1.17-1.23	HF 1977 (Murphy, M.); SF 424 (Betzold)	MTRFA	13.632, Subd. 1	The specific first class city teacher retirement fund association data privacy provision is amended to eliminate a reference to the former MTRFA.
3	1.24-2.27	HF 1977 (Murphy, M.); SF 424 (Betzold)	Minneapolis Public Schools	126C.41, Subd. 4	The Special School District No. 1, Minneapolis, additional property tax levy provision related to health insurance subsidies for certain Medicare-ineligible former Minneapolis teachers is amended to update a reference to the former MTRFA.
4	2.28-6.1	HF 1977 (Murphy, M.); SF 424 (Betzold)	PERA-General/ MTRFA	353.01, Subd. 2b	The membership eligibility provision of the defined benefit retirement plans administered by PERA is amended to eliminate a reference to the former MTRFA in the exclusion for individuals covered by another Minnesota public pension plan.
5	6.2-8.10	HF 1978 (Murphy, M.); SF 430 (Betzold)	TRA	354.44, Subd. 6	Completes the verb for the post-July 1, 2006, benefit accrual rate provision with the addition of the word "entitled" after "is."
6	8.11-8.35	HF 1977 (Murphy, M.); SF 424 (Betzold)	TRA/MTRFA	354A.12, Subd. 3b	The City of Minneapolis and the Special School District No. 1 mandatory employer contribution transferred from the former MTRFA to the TRA is corrected from \$1.125 million each annually to \$1.25 million each annually to match the \$2.5 million annual state contribution.
7	9.1-9.22	HF 1978 (Murphy, M.); SF 430 (Betzold)	First Class City Teachers	354A.12, Subd. 3c	Clarifies the application of the supplemental local contribution termination provision by separating the prior compound sentence into two sentences, one for Special School District No. 1, Minneapolis, and one for Ind. School District No. 625, St. Paul.

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Sec.	Pg.Ln-Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
8	9.23-11.22	HF 1978 (Murphy, M.); SF 430 (Betzold)	SPTRFA	354A.12, Subd. 3d	Corrects the baseline administrative experience amount reference for a supplemental administrative expense assessment by reinstating the word "plus" that had been inadvertently stricken in 2006.
9	11.23-12.14	HF 1977 (Murphy, M.); SF 424 (Betzold)	IRAP/MTRFA	354B.21, Subd. 3	The defined benefit plan coverage option for MnSCU technical college faculty members is corrected to eliminate a reference to the former MTRFA.
10	12.15-12.20	HF 1977 (Murphy, M.); SF 424 (Betzold)	Social Security/ MTRFA	355.01, Subd. 3h	The definition of "Minneapolis teacher" for purposes of Social Security coverage is corrected to eliminate a reference to the former MTRFA and replace it with a TRA reference.
11	12.21-13.36	HF 1978 (Murphy, M.); SF 430 (Betzold)	Small Volunteer Fire Plans	356A.06, Subd. 6	Corrects a cross-reference to the 2006 enactment of the 2002 Uniform Securities Act, replacing a reference in the investment authority provision to a non-existent section in the uniform act with what appears to be the correct reference.
12	14.1-15.23	HF 1977 (Murphy, M.); SF 424 (Betzold)	TRA/MTRFA	423A.02, Subd. 3	The portion of local police and paid fire relief association amortization aid previously redirected to the former MTRFA is reassigned to the TRA and the SPTRFA eligibility termination provision is appropriately revised.
13	15.24-15.32	HF 1977 (Murphy, M.); SF 424 (Betzold)	TRA/MTRFA	423A.02, Subd. 5	The amortization state aid termination provision is revised to eliminate a reference to the former MTRFA.
14	15.33-16.25	HF 1978 (Murphy, M.); SF 430 (Betzold)	MSRS-Corr.	Laws 2006, Ch. 271, Art. 2, Sec. 12, Subd. 1	Replaces a reference to "section 1" with "this subdivision," correcting a provision that was not correctly adapted when a separate bill was folded into the omnibus retirement bill.
15	16.26-17.3	HF 1978 (Murphy, M.); SF 430 (Betzold)	MSRS- Corr.	Laws 2006, Ch. 271, Art. 2, Sec. 13, Subd. 3	Corrects an incorrect "2005" date to "2007" for the due date provision for a potential service credit transfer for a Dept. of Corrections employee who may be authorized to transfer coverage for a period of prior service.
16	17.4-17.16	HF 1978 (Murphy, M.); SF 430 (Betzold)	PERA-P&F	Laws 2006, Ch. 271, Art. 14, Sec. 2, Subd. 3	Replaces language relating to a Faribault firefighter service credit purchase authorized in 2006 that was in the bill but was omitted when the provision was incorporated into the 2006 omnibus retirement bill.

Generally effective on final enactment. Sections 1, 5-8, 12, and 15 are retroactive to July 1, 2006. Section 11 is retroactive to August 1, 2006. Section 14 is retroactive to June 14, 2006. Section 16 is retroactive to June 2, 2006.

Article 2: Administrative Provisions

1	17.19-18.23	HF 1139 (Murphy, M.); SF 629 (Betzold)	Legislators Plan	3A.02, Subd. 1	The annuity accrues following the executive director's receipt of the application rather than beginning with the first day of the month of receipt of application; removes obsolete language; and clarifies that an unreduced retirement requires that the annuity commence no earlier than normal retirement age (currently age 62).
2	18.24-20.4	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-General	352.01, Subd. 2a	Removes obsolete language and clarifies that MSRS coverage includes employees of the University of Minnesota unless excluded by action of the University Board of Regents.
3	20.5-23.12	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-General	352.01, Subd. 2b	Moves language to more appropriate clauses; clarifies that independent contractors are excluded regardless of the payment arrangement, excludes interns hired for six months or less unless the individuals are eligible for an immediate appointment at the end of that period; removes obsolete language related to the Comprehensive Employment and Training Act (CETA); and permits MSRS-General coverage for teachers for incidental employment as a state employee not covered by a teacher retirement association.
4	23.13-25.14	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-General	352.01, Subd. 11	Removes obsolete language related to pre-July 1, 1957, service; moves language to new paragraphs; and revises the authorized leave of absence clause by referencing a new payment procedure found in Sec. 5.
5	25.15-26.4	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-General	New 352.017	Members of MSRS plans covered by Chapter 352 who go on an authorized leave of absence without pay, not to exceed one year, and who want to obtain service credit, can purchase service credit for the leave period by making the contributions plus interest within one year of the end of the leave, or by paying full actuarial value thereafter.
6	26.5-26.16	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-General	352.12, Subd. 2a	Eliminates the five-year term-certain option from the death while active or deferred surviving spouse term-certain provision and eliminates the requirement that monthly payments not exceed 75% of the high-five monthly salary of the deceased employee.
7	26.17-27.27	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-General	352.27	Clarifies that the applicable contribution rates are those of the plan under the applicable statute for the break in service to provide uniformed service provision.

Section-by-Section Summary of Delete-Everything Amendment H1978-1A

Sec.	Pg.Ln-Pg.Ln	Source Bill(s)	Retirement Plan	Stat. Provision	Summary
8	27.28-27.34	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS State Fire Marshal Plan	352.951	Indicates that Chapter 352 is generally applicable to State Fire Marshal employees under Section 352.87.
9	28.1-28.7	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS Health Care Savings Account	352.98	Adds an anti-garnishment provision.
10	28.8-30.5	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS-Uncl.	352D.02	Revises the provision for clarity and removes references to employing units that no longer exists, and adds employees of Minnesota Technology Incorporated (MTI) and the Agricultural Utilization Research Institute (AURI), individuals employed by MnSCU as faculty or in an eligible unclassified administrative position who was employed by the former state university or the former community college system prior to May 1, 1995, and who elected MSRS coverage prior to May 1, 1995, and a person employed by MnSCU who was employed in state service prior to July 1, 1995, who subsequently was employed in an eligible unclassified administrative position.
11	30.6-30.28	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS- Uncl.	352D.02, Subd. 3	Reorganizes the provision and creates paragraphs; revises references from "regular" plan to "general" plan; revises obsolete language; and permits individuals to elect a transfer to MSRS-General up to one month after termination of service, rather than prior to termination of service.
12	30.29-31.4	HF 1139 (Murphy, M.); SF 629 (Betzold)	MSRS- Uncl.	352D.06	Removes the authorization to have the annuity accrue up to six months retroactively.
13	31.5-31.32	HF 889 (Murphy, M.); SF 296 (Betzold)	PERA-General	353.01, Subd. 2a	Clarifies eligibility for membership by providing that salaries from all positions held by a person within a governmental unit will be totaled for purposes of meeting the \$425 salary threshold, and moves language from another section stating that elected officials retain plan membership for the duration of the person's employment in that position or incumbency in elected office.
14	31.33-35.6	HF 889 (Murphy, M.); SF 296 (Betzold)	PERA-General	353.01, Subd. 2b	Eliminates from the excluded employee provision language to be moved to Sec. 13.
15	35.7-36.25	HF 889 (Murphy, M.); SF 296 (Betzold)	PERA-General	353.01, Subd. 6	<p>Redefines "governmental subdivision" as follows:</p> <ul style="list-style-type: none"> – includes units or instrumentalities of local governments; – clarifies that a public body is a government subdivision if it is established under state or local government authority that has a governmental purpose, is under public control, is responsible for the employment and payment of the salaries of the entity's employees, and which receives a major portion of its revenues from taxation, fee assessment, or from other public purposes, rather than whose revenues are derived from those sources; – includes charter schools; service cooperatives exercising retirement plan participation under 123A.21; various joint powers boards, family service collaboratives, and children's mental health collaboratives, if the creating entities are governmental units that otherwise qualify for retirement plan membership; – states that family service or children's mental health collaboratives are not governmental subdivisions if the board is not totally composed of representatives of governmental units; – adds a paragraph stating that a 501(c)(3) nonprofit corporation or a nonprofit under M.S., Sec. 317A, is not a government subdivision unless the entity has obtained a written advisory opinion from the federal Department of Labor or an Internal Revenue Service (IRS) ruling declaring the entity to be an instrumentality of the state, and if its inclusion in PERA would be consistent with government plan qualification requirements in federal code; and – adds a paragraph stating that if PERA determines that an organization is a government subdivision, it shall be subject to the PERA coverage for its eligible employees on a prospective basis. If the entity met the definition of a governmental subdivision prior to PERA's determination letter, PERA's omitted contribution provision would apply from the date that the organization first met the definition of a governmental subdivision. If the period exceeds three years, the individual could purchase that portion of the total period at full actuarial value. These procedures do not apply if the employment was covered by any public or private defined benefit or defined contribution plan, other than a volunteer fire plan.
16	36.26-39.36	HF 1139 (Murphy, M.); SF 629 (Betzold)	PERA-General	353.01, Subd. 16	Revises the leave of absence provision by referencing a general procedure provision in Sec. 18.

