

1.1 moves to amend H.F. No. 2632; S.F. No. 2583, as follows:

1.2 Page ..., after line ..., insert:

1.3 "ARTICLE ...
1.4 TECHNICAL CORRECTIONS

1.5 Section 1. Minnesota Statutes 2018, section 3.85, subdivision 2, is amended to read:

1.6 Subd. 2. **Powers.** The commission shall make a continuing study and investigation of
1.7 retirement benefit plans applicable to nonfederal government employees in this state. The
1.8 powers and duties of the commission include, but are not limited to the following:

1.9 (a) studying retirement benefit plans applicable to nonfederal government employees
1.10 in Minnesota, including federal plans available to the employees;

1.11 (b) making recommendations within the scope of its study, including attention to financing
1.12 of the various pension funds and financing of accrued liabilities;

1.13 (c) considering all aspects of pension planning and operation and making
1.14 recommendations designed to establish and maintain sound pension policy for all funds;

1.15 ~~(d) filing a report at least biennially to each session of the legislature;~~

1.16 ~~(e)~~ (d) analyzing each item of proposed pension and retirement legislation, including
1.17 amendments to each, with particular reference to analysis of their cost, actuarial soundness,
1.18 and adherence to sound pension policy, and reporting its findings to the legislature;

1.19 ~~(f)~~ (e) creating and maintaining a library for reference concerning pension and retirement
1.20 matters, including information about laws and systems in other states; and

1.21 ~~(g)~~ (f) studying, analyzing, and preparing reports in regard to subjects certified to the
1.22 commission for study.

2.1 Sec. 2. Minnesota Statutes 2018, section 69.031, subdivision 5, is amended to read:

2.2 Subd. 5. **Deposit of state aid.** (a) If the municipality or the independent nonprofit
2.3 firefighting corporation is covered by the voluntary statewide lump-sum volunteer firefighter
2.4 retirement plan under chapter 353G, the executive director shall credit the fire state aid
2.5 against future municipal contribution requirements under section 353G.08 and shall notify
2.6 the municipality or independent nonprofit firefighting corporation of the fire state aid so
2.7 credited at least annually. If the municipality or the independent nonprofit firefighting
2.8 corporation is not covered by the voluntary statewide lump-sum volunteer firefighter
2.9 retirement plan, the municipal treasurer shall, within 30 days after receipt, transmit the fire
2.10 state aid to the treasurer of the duly incorporated firefighters' relief association if there is
2.11 one organized and the association has filed a financial report with the municipality. If the
2.12 relief association has not filed a financial report with the municipality, the municipal treasurer
2.13 shall delay transmission of the fire state aid to the relief association until the complete
2.14 financial report is filed. If the municipality or independent nonprofit firefighting corporation
2.15 is not covered by the voluntary statewide lump-sum volunteer firefighter retirement plan,
2.16 if there is no relief association organized, or if the association has dissolved or has been
2.17 removed as trustees of state aid, then the treasurer of the municipality shall deposit the
2.18 money in the municipal treasury and the money may be disbursed only for the purposes and
2.19 in the manner set forth in section 424A.08 or for the payment of the employer contribution
2.20 requirement with respect to firefighters covered by the public employees police and fire
2.21 retirement plan under section 353.65, subdivision 3.

2.22 (b) For a municipality in which police retirement coverage is provided by the public
2.23 employees police and fire fund and all peace officers are members of the fund, including
2.24 municipalities covered by section 353.665, the total state aid must be applied toward the
2.25 municipality's employer contribution to the public employees police and fire fund under
2.26 sections 353.65, subdivision 3, and 353.665, ~~subdivision~~ subdivisions 8 and 8a.

2.27 (c) The county treasurer, upon receipt of the police state aid for the county, shall apply
2.28 the total state aid toward the county's employer contribution to the public employees police
2.29 and fire fund under section 353.65, subdivision 3.

2.30 (d) The designated Metropolitan Airports Commission official, upon receipt of the police
2.31 state aid for the Metropolitan Airports Commission, shall apply the total police state aid
2.32 toward the commission's employer contribution for police officers to the public employees
2.33 police and fire plan under section 353.65, subdivision 3.

3.1 (e) The police state aid apportioned to the Departments of Public Safety and Natural
3.2 Resources under section 69.021, subdivision 7a, is appropriated to the commissioner of
3.3 management and budget for transfer to the funds and accounts from which the salaries of
3.4 peace officers certified under section 69.011, subdivision 2b, are paid. The commissioner
3.5 of revenue shall certify to the commissioners of public safety, natural resources, and
3.6 management and budget the amounts to be transferred from the appropriation for police
3.7 state aid. The commissioners of public safety and natural resources shall certify to the
3.8 commissioner of management and budget the amounts to be credited to each of the funds
3.9 and accounts from which the peace officers employed by their respective departments are
3.10 paid. Each commissioner shall allocate the police state aid first for employer contributions
3.11 for employees funded from the general fund and then for employer contributions for
3.12 employees funded from other funds. For peace officers whose salaries are paid from the
3.13 general fund, the amounts transferred from the appropriation for police state aid must be
3.14 canceled to the general fund.

3.15 Sec. 3. Minnesota Statutes 2018, section 69.051, subdivision 3, is amended to read:

3.16 Subd. 3. **Report by certain municipalities; exceptions.** (a) The chief administrative
3.17 officer of each municipality which has an organized fire department but which does not
3.18 have a firefighters' relief association governed by sections 424A.091 to 424A.095 or Laws
3.19 2014, chapter 275, article 2, section 23, and which is not exempted under paragraph (b) or
3.20 (c) shall annually prepare a detailed financial report of the receipts and disbursements by
3.21 the municipality for fire protection service during the preceding calendar year on a form
3.22 prescribed by the state auditor. The financial report must contain any information which
3.23 the state auditor deems necessary to disclose the sources of receipts and the purpose of
3.24 disbursements for fire protection service. The financial report must be signed by the municipal
3.25 clerk or clerk-treasurer of the municipality. The financial report must be filed by the
3.26 municipal clerk or clerk-treasurer with the state auditor on or before July 1 annually. The
3.27 municipality does not qualify initially to receive, and is not entitled subsequently to retain,
3.28 state aid under this chapter if the financial reporting requirement or the applicable
3.29 requirements of this chapter or any other statute or special law have not been complied with
3.30 or are not fulfilled.

3.31 (b) Each municipality that has an organized fire department and provides retirement
3.32 coverage to its firefighters through the voluntary statewide lump-sum volunteer firefighter
3.33 retirement plan under chapter 353G qualifies to have fire state aid transmitted to and retained
3.34 in the statewide lump-sum volunteer firefighter retirement fund without filing a detailed
3.35 financial report if the executive director of the Public Employees Retirement Association

4.1 certifies compliance by the municipality with the requirements of sections 353G.04 and
4.2 353G.08, paragraph (e), and certifies ~~conformity~~ compliance by the applicable fire chief
4.3 with the requirements of section 353G.07.

4.4 (c) Each municipality qualifies to receive fire state aid under this chapter without filing
4.5 a financial report under paragraph (a) if the municipality:

4.6 (1) has an organized fire department;

4.7 (2) does not have a volunteer firefighters relief association directly associated with its
4.8 fire department;

4.9 (3) does not participate in the statewide lump-sum volunteer firefighter retirement plan
4.10 under chapter 353G;

4.11 (4) provides retirement coverage to its firefighters through the public employees police
4.12 and fire retirement plan under sections 353.63 to 353.68; and

4.13 (5) is certified by the executive director of the Public Employees Retirement Association
4.14 to the state auditor to have had an employer contribution under section 353.65, subdivision
4.15 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire
4.16 state aid for the immediately prior calendar year.

4.17 Sec. 4. Minnesota Statutes 2018, section 352.22, is amended by adding a subdivision to
4.18 read:

4.19 Subd. 3b. **Segmented annuity.** (a) If a person otherwise entitled to an annuity has more
4.20 than one period of uninterrupted service, the person is entitled to augmentation under
4.21 subdivision 3a for each period of uninterrupted service. "Uninterrupted service" for the
4.22 purpose of this subdivision means periods of covered employment during which the employee
4.23 has not been separated from state service for more than two years. The formula percentages
4.24 used for each period of uninterrupted service must be those applicable to a new employee.
4.25 The mortality and investment rate of return assumptions used to compute the annuity must
4.26 be those in effect when the employee files an application for annuity.

4.27 (b) If a person repays a refund, the service restored by the repayment must be considered
4.28 continuous with the next period of service for which the employee has credit with this
4.29 system.

4.30 (c) The requirements and provisions for retirement before normal retirement age in
4.31 sections 352.115, subdivision 1, and 352.116 also apply to an employee fulfilling the
4.32 requirements with a combination of service as provided in this subdivision.

5.1 (d) This subdivision does not reduce the annuity otherwise payable under this chapter.

5.2 Sec. 5. Minnesota Statutes 2018, section 352.22, is amended by adding a subdivision to
5.3 read:

5.4 Subd. 3c. **Adjustment for certain deferred annuities.** The retirement annuity or
5.5 disability benefit of, or the survivor benefit payable on behalf of, a former state employee
5.6 who terminated service before July 1, 1997, which is not first payable until after June 30,
5.7 1997, must be increased on an actuarial equivalent basis to reflect the change in the
5.8 postretirement interest rate actuarial assumption under Laws 1997, chapter 233, section 58,
5.9 from five percent to six percent under a calculation procedure and the tables adopted by the
5.10 board and approved by the actuary retained under section 356.214.

5.11 Sec. 6. Minnesota Statutes 2018, section 352D.04, subdivision 2, is amended to read:

5.12 Subd. 2. **Contribution rates.** (a) The money used to purchase shares under this section
5.13 is the employee and employer contributions provided in this subdivision.

5.14 (b) The employee contribution is an amount equal to the percent of salary specified in
5.15 section 352.04, subdivision 2, ~~or 352.045, subdivision 3a.~~

5.16 (c) The employer contribution is an amount equal to the following percentage of salary:

5.17 from July 1, 2018, through June 30, 2019	6 percent
5.18 after June 30, 2019	6.25 percent

5.19 (d) For members of the legislature, the contributions under this subdivision also must
5.20 be made on per diem payments received during a regular or special legislative session, but
5.21 may not be made on per diem payments received outside of a regular or special legislative
5.22 session, on the additional compensation attributable to a leadership position under section
5.23 3.099, subdivision 3, living expense payments under section 3.101, or special session living
5.24 expense payments under section 3.103.

5.25 (e) For a judge who is a member of the unclassified plan under section 352D.02,
5.26 subdivision 1, paragraph (c), clause ~~(16)~~ (15), the employee contribution rate is eight percent
5.27 of salary, and there is no employer contribution.

5.28 (f) These contributions must be made in the manner provided in section 352.04,
5.29 subdivisions 4, 5, and 6.

6.1 Sec. 7. Minnesota Statutes 2018, section 353.01, subdivision 2b, is amended to read:

6.2 Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to
6.3 participate as members of the association with retirement coverage by the general employees
6.4 retirement plan, the local government correctional employees retirement plan under chapter
6.5 353E, or the public employees police and fire retirement plan:

6.6 (1) persons whose annual salary from one governmental subdivision never exceeds an
6.7 amount, stipulated in writing in advance, of \$5,100 if the person is not a school district
6.8 employee or \$3,800 if the person is a school year employee. If annual compensation from
6.9 one governmental subdivision to an employee exceeds the stipulated amount in a calendar
6.10 year or a school year, whichever applies, after being stipulated in advance not to exceed the
6.11 applicable amount, the stipulation is no longer valid and contributions must be made on
6.12 behalf of the employee under section 353.27, subdivision 12, from the first month in which
6.13 the employee received salary exceeding \$425 in a month;

6.14 (2) public officers who are elected to a governing body, city mayors, or persons who
6.15 are appointed to fill a vacancy in an elected office of a governing body, whose term of office
6.16 commences on or after July 1, 2002, for the service to be rendered in that elected position;

6.17 (3) election judges and persons employed solely to administer elections;

6.18 (4) patient and inmate personnel who perform services for a governmental subdivision;

6.19 (5) except as otherwise specified in subdivision 12a, employees who are employed solely
6.20 in a temporary position as defined under subdivision 12a, and employees who resign from
6.21 a nontemporary position and accept a temporary position within 30 days of that resignation
6.22 in the same governmental subdivision;

6.23 (6) employees who are employed by reason of work emergency caused by fire, flood,
6.24 storm, or similar disaster, but if the person becomes a probationary or provisional employee
6.25 within the same pay period, other than on a temporary basis, the person is a "public
6.26 employee" retroactively to the beginning of the pay period;

6.27 (7) employees who by virtue of their employment in one governmental subdivision are
6.28 required by law to be a member of and to contribute to any of the plans or funds administered
6.29 by the Minnesota State Retirement System, the Teachers Retirement Association, or the St.
6.30 Paul Teachers Retirement Fund Association, but this exclusion must not be construed to
6.31 prevent a person from being a member of and contributing to the Public Employees
6.32 Retirement Association and also belonging to and contributing to another public pension
6.33 plan or fund for other service occurring during the same period of time, and a person who

7.1 meets the definition of "public employee" in subdivision 2 by virtue of other service occurring
7.2 during the same period of time becomes a member of the association unless contributions
7.3 are made to another public retirement plan on the salary based on the other service or to the
7.4 Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

7.5 (8) persons who are members of a religious order and are excluded from coverage under
7.6 the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance
7.7 of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if
7.8 no irrevocable election of coverage has been made under section 3121(r) of the Internal
7.9 Revenue Code of 1954, as amended;

7.10 (9) persons who are:

7.11 (i) employed by a governmental subdivision who have not reached the age of 23 and
7.12 who are enrolled on a full-time basis to attend or are attending classes on a full-time basis
7.13 at an accredited school, college, or university in an undergraduate, graduate, or
7.14 professional-technical program, or at a public or charter high school;

7.15 (ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist
7.16 interns and are serving in a degree or residency program in a public hospital or in a public
7.17 clinic; or

7.18 (iii) students who are serving for a period not to exceed five years in an internship or a
7.19 residency program that is sponsored by a governmental subdivision, including an accredited
7.20 educational institution;

7.21 (10) persons who hold a part-time adult supplementary technical college license who
7.22 render part-time teaching service in a technical college;

7.23 (11) for the first three years of employment, foreign citizens who are employed by a
7.24 governmental subdivision, ~~other than~~ except that the following foreign citizens are included
7.25 employees under subdivision 2a:

7.26 (i) employees of Hennepin County or Hennepin Healthcare System, Inc.;

7.27 (ii) employees legally authorized to work in the United States for ~~under one or more~~
7.28 ~~work permits or initially issued or extended for a combined period of less than three years~~
7.29 ~~of employment but upon extension of the work visas~~ or more; and

7.30 (iii) employees otherwise required to participate under federal law;

8.1 (12) public hospital employees who elected not to participate as members of the
8.2 association before 1972 and who did not elect to participate from July 1, 1988, to October
8.3 1, 1988;

8.4 (13) except as provided in section 353.86, volunteer ambulance service personnel, as
8.5 defined in subdivision 35, but persons who serve as volunteer ambulance service personnel
8.6 may still qualify as public employees under subdivision 2 and may be members of the Public
8.7 Employees Retirement Association and participants in the general employees retirement
8.8 plan or the public employees police and fire plan, whichever applies, on the basis of
8.9 compensation received from public employment service other than service as volunteer
8.10 ambulance service personnel;

8.11 (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision
8.12 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person
8.13 who is a volunteer firefighter may still qualify as a public employee under subdivision 2
8.14 and may be a member of the Public Employees Retirement Association and a participant
8.15 in the general employees retirement plan or the public employees police and fire plan,
8.16 whichever applies, on the basis of compensation received from public employment activities
8.17 other than those as a volunteer firefighter;

8.18 (15) pipefitters and associated trades personnel employed by Independent School District
8.19 No. 625, St. Paul, with coverage under a collective bargaining agreement by the Pipefitters
8.20 Local 455 pension plan who were either first employed after May 1, 1997, or, if first
8.21 employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article
8.22 2, section 12;

8.23 (16) electrical workers, plumbers, carpenters, and associated trades personnel who are
8.24 employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who
8.25 have retirement coverage under a collective bargaining agreement by the Electrical Workers
8.26 Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the
8.27 pension plan applicable to Carpenters Local 322 who were either first employed after May
8.28 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000,
8.29 chapter 461, article 7, section 5;

8.30 (17) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters,
8.31 allied tradesworkers, and plasterers who are employed by the city of St. Paul or Independent
8.32 School District No. 625, St. Paul, with coverage under a collective bargaining agreement
8.33 by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local
8.34 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters

9.1 and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension
9.2 plan who were either first employed after May 1, 2001, or if first employed before May 2,
9.3 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10,
9.4 section 6;

9.5 (18) plumbers who are employed by the Metropolitan Airports Commission, with
9.6 coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan,
9.7 who either were first employed after May 1, 2001, or if first employed before May 2, 2001,
9.8 elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section
9.9 6;

9.10 (19) employees who are hired after June 30, 2002, solely to fill seasonal positions under
9.11 subdivision 12b which are limited in duration by the employer to 185 consecutive calendar
9.12 days or less in each year of employment with the governmental subdivision;

9.13 (20) persons who are provided supported employment or work-study positions by a
9.14 governmental subdivision and who participate in an employment or industries program
9.15 maintained for the benefit of these persons where the governmental subdivision limits the
9.16 position's duration to up to five years, including persons participating in a federal or state
9.17 subsidized on-the-job training, work experience, senior citizen, youth, or unemployment
9.18 relief program where the training or work experience is not provided as a part of, or for,
9.19 future permanent public employment;

9.20 (21) independent contractors and the employees of independent contractors;

9.21 (22) reemployed annuitants of the association during the course of that reemployment;

9.22 (23) persons appointed to serve on a board or commission of a governmental subdivision
9.23 or an instrumentality thereof;

9.24 (24) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan
9.25 Transit Commission who are members of the International Brotherhood of Teamsters Local
9.26 638 and who are, by virtue of that employment, members of the International Brotherhood
9.27 of Teamsters Central States pension plan;

9.28 (25) electricians or pipefitters employed by the Minneapolis Park and Recreation Board,
9.29 with coverage under a collective bargaining agreement by the IBEW local 292, or pipefitters
9.30 local 539 pension plan, who were first employed before May 2, 2015, and who elected to
9.31 be excluded under Laws 2015, chapter 68, article 11, section 5; and

9.32 (26) laborers and associated trades personnel employed by the city of St. Paul or
9.33 Independent School District No. 625, St. Paul, who are designated as temporary employees

10.1 under a collective bargaining agreement and have retirement coverage by the Minnesota
10.2 Laborers Pension Fund who were either first employed on or after June 1, 2018, or, if first
10.3 employed before June 1, 2018, who elected to be excluded under Laws 2018, chapter 211,
10.4 article 16, section 13.

10.5 (b) Any person performing the duties of a public officer in a position defined in
10.6 subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an
10.7 employee of an independent contractor.

10.8 Sec. 8. Minnesota Statutes 2018, section 353.34, subdivision 2, is amended to read:

10.9 Subd. 2. **Refund with interest.** (a) Except as provided in subdivision 1, any person who
10.10 ceases to be a member is entitled to receive a refund in an amount equal to accumulated
10.11 deductions, less the sum of any disability benefits that have been paid by the fund, plus
10.12 annual compound interest to the first day of the month in which the refund is processed.

10.13 (b) Annual compound interest rates on a refund under paragraph (a) shall be as follows:

10.14 (1) six percent to June 30, 2011;

10.15 (2) four percent after June 30, 2011, to June 30, 2018; and

10.16 (3) three percent after June 30, 2018.

10.17 (c) If a person repays a refund and subsequently applies for another refund, the repayment
10.18 amount, including interest, is added to the fiscal year balance in which the repayment was
10.19 made.

10.20 (d) If the refund payable to a member is based on employee deductions that are
10.21 determined to be invalid under section 353.27, subdivision 7, the interest payable on the
10.22 invalid employee deductions is ~~four~~ three percent.

10.23 Sec. 9. Minnesota Statutes 2018, section 353E.05, is amended to read:

10.24 **353E.05 AUGMENTATION IN CERTAIN CASES.**

10.25 Unless prior service has been transferred or unless a combined service annuity under
10.26 section 356.30 has been elected, an employee who becomes a local government correctional
10.27 employee after being a member of the Public Employees Retirement Association or the
10.28 public employees police and fire fund is covered under section ~~353.71~~ 353.34, subdivision
10.29 ~~2~~ 3, with respect to that prior service. An employee who becomes a member of the Public
10.30 Employees Retirement Association or the public employees police and fire plan after being

11.1 a local government correctional employee is also covered under section ~~353.71~~ 353.34,
11.2 subdivision ~~2~~ 3, with respect to that prior service, unless calculated under section 356.30.

11.3 Sec. 10. Minnesota Statutes 2018, section 354B.23, subdivision 5, is amended to read:

11.4 Subd. 5. **Omitted member deductions.** (a) If the employing unit that employs a plan
11.5 participant fails to deduct the member contribution from the participant's salary and a period
11.6 of less than 60 days from the date on which the deduction should have been made has
11.7 elapsed, the employing unit must obtain the omitted member deduction by an additional
11.8 payroll deduction during the pay period next following the discovery of the omission.

11.9 (b) If the employing unit of a plan participant fails to deduct the member contribution
11.10 from the participant's salary and that omission continues for at least 60 days from the date
11.11 on which the deduction should have been made, the employing unit must pay the amount
11.12 representing the omitted member contribution, and the full required employer contribution,
11.13 plus ~~compound~~ interest at an the applicable annual rate of 8.5 percent or rates specified in
11.14 section 356.29, subdivision 4, compounded annually. The contributions and any interest
11.15 must be made within one year of the date on which the omission was discovered.

11.16 Sec. 11. Minnesota Statutes 2018, section 354C.12, subdivision 2, is amended to read:

11.17 Subd. 2. **Omitted deductions.** If the employer of personnel covered by the supplemental
11.18 retirement plan as provided in section 354C.11 fails to deduct the member basic contribution
11.19 from the covered employee's salary and a period of less than 60 days from the date on which
11.20 the deduction should have been made has elapsed, the employer must obtain the omitted
11.21 member deduction by an additional payroll deduction during the pay period next following
11.22 the discovery of the omission. If the employer fails to deduct the member basic contribution
11.23 from the covered employee's salary and that omission continues for at least 60 days from
11.24 the date on which the member basic contribution deduction should have been made, the
11.25 employer must pay the amount representing the omitted member basic contribution, and
11.26 the full required omitted employer basic contribution, plus ~~compound~~ interest at an the
11.27 applicable annual rate of 8.5 percent or rates specified in section 356.29, subdivision 4,
11.28 compounded annually. The contributions must be made within one year of the date on which
11.29 the omission was discovered.

11.30 Sec. 12. Minnesota Statutes 2018, section 356.215, subdivision 11, is amended to read:

11.31 Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the level
11.32 normal cost, the actuarial valuation of the retirement plan must contain an exhibit for financial

12.1 reporting purposes indicating the additional annual contribution sufficient to amortize the
12.2 unfunded actuarial accrued liability and must contain an exhibit ~~for contribution~~
12.3 ~~determination purposes~~ indicating the additional contribution sufficient to amortize the
12.4 unfunded actuarial accrued liability. For the retirement plans listed in subdivision 8, paragraph
12.5 ~~(e)~~ (a), but excluding the legislators retirement plan, the Bloomington Fire Department
12.6 Relief Association, and the local monthly benefit volunteer firefighter relief associations,
12.7 the additional contribution must be calculated on a level percentage of covered payroll basis
12.8 by the established date for full funding in effect when the valuation is prepared, assuming
12.9 annual payroll growth at the applicable percentage rate set forth in the appendix described
12.10 in subdivision 8, paragraph (d) (c). For ~~all other retirement plans and for~~ the legislators
12.11 retirement plan, the additional annual contribution must be calculated on a level annual
12.12 dollar amount basis.

12.13 (b) For any retirement plan other than a retirement plan governed by paragraph (d), (e),
12.14 (f), (g), (h), (i), or (j), if there has not been a change in the actuarial assumptions used for
12.15 calculating the actuarial accrued liability of the fund, a change in the benefit plan governing
12.16 annuities and benefits payable from the fund, a change in the actuarial cost method used in
12.17 calculating the actuarial accrued liability of all or a portion of the fund, or a combination
12.18 of the three, which change or changes by itself or by themselves without inclusion of any
12.19 other items of increase or decrease produce a net increase in the unfunded actuarial accrued
12.20 liability of the fund, the established date for full funding is the first actuarial valuation date
12.21 occurring after June 1, 2020.

12.22 (c) For any retirement plan, if there has been a change in any or all of the actuarial
12.23 assumptions used for calculating the actuarial accrued liability of the fund, a change in the
12.24 benefit plan governing annuities and benefits payable from the fund, a change in the actuarial
12.25 cost method used in calculating the actuarial accrued liability of all or a portion of the fund,
12.26 or a combination of the three, and the change or changes, by itself or by themselves and
12.27 without inclusion of any other items of increase or decrease, produce a net increase in the
12.28 unfunded actuarial accrued liability in the fund, the established date for full funding must
12.29 be determined using the following procedure:

12.30 (i) the unfunded actuarial accrued liability of the fund must be determined in accordance
12.31 with the plan provisions governing annuities and retirement benefits and the actuarial
12.32 assumptions in effect before an applicable change;

12.33 (ii) the level annual dollar contribution or level percentage, whichever is applicable,
12.34 needed to amortize the unfunded actuarial accrued liability amount determined under item
12.35 (i) by the established date for full funding in effect before the change must be calculated

13.1 using the ~~interest~~ investment return assumption specified in subdivision 8 in effect before
13.2 the change;

13.3 (iii) the unfunded actuarial accrued liability of the fund must be determined in accordance
13.4 with any new plan provisions governing annuities and benefits payable from the fund and
13.5 any new actuarial assumptions and the remaining plan provisions governing annuities and
13.6 benefits payable from the fund and actuarial assumptions in effect before the change;

13.7 (iv) the level annual dollar contribution or level percentage, whichever is applicable,
13.8 needed to amortize the difference between the unfunded actuarial accrued liability amount
13.9 calculated under item (i) and the unfunded actuarial accrued liability amount calculated
13.10 under item (iii) over a period of 30 years from the end of the plan year in which the applicable
13.11 change is effective must be calculated using the applicable ~~interest~~ investment return
13.12 assumption specified in subdivision 8 in effect after any applicable change;

13.13 (v) the level annual dollar or level percentage amortization contribution under item (iv)
13.14 must be added to the level annual dollar amortization contribution or level percentage
13.15 calculated under item (ii);

13.16 (vi) the period in which the unfunded actuarial accrued liability amount determined in
13.17 item (iii) is amortized by the total level annual dollar or level percentage amortization
13.18 contribution computed under item (v) must be calculated using the ~~interest~~ investment return
13.19 assumption specified in subdivision 8 in effect after any applicable change, rounded to the
13.20 nearest integral number of years, but not to exceed 30 years from the end of the plan year
13.21 in which the determination of the established date for full funding using the procedure set
13.22 forth in this clause is made and not to be less than the period of years beginning in the plan
13.23 year in which the determination of the established date for full funding using the procedure
13.24 set forth in this clause is made and ending by the date for full funding in effect before the
13.25 change; and

13.26 (vii) the period determined under item (vi) must be added to the date as of which the
13.27 actuarial valuation was prepared and the date obtained is the new established date for full
13.28 funding.

13.29 (d) For the general employees retirement plan of the Public Employees Retirement
13.30 Association, the established date for full funding is June 30, 2048.

13.31 (e) For the Teachers Retirement Association, the established date for full funding is June
13.32 30, 2048.

14.1 (f) For the correctional state employees retirement plan and the State Patrol retirement
 14.2 plan of the Minnesota State Retirement System, the established date for full funding is June
 14.3 30, 2048.

14.4 (g) For the judges retirement plan, the established date for full funding is June 30, 2048.

14.5 (h) For the local government correctional service retirement plan and the public employees
 14.6 police and fire retirement plan, the established date for full funding is June 30, 2048.

14.7 (i) For the St. Paul Teachers Retirement Fund Association, the established date for full
 14.8 funding is June 30, 2048.

14.9 (j) For the general state employees retirement plan of the Minnesota State Retirement
 14.10 System, the established date for full funding is June 30, 2048.

14.11 (k) For the retirement plans for which the annual actuarial valuation indicates an excess
 14.12 of valuation assets over the actuarial accrued liability, the valuation assets in excess of the
 14.13 actuarial accrued liability must be recognized as a reduction in the current contribution
 14.14 requirements by an amount equal to the amortization of the excess expressed as a level
 14.15 percentage of pay over a 30-year period beginning anew with each annual actuarial valuation
 14.16 of the plan.

14.17 Sec. 13. Minnesota Statutes 2018, section 423A.02, subdivision 1, is amended to read:

14.18 Subdivision 1. **Amortization state aid.** (a) The cities of Fairmont and Minneapolis are
 14.19 entitled, subject to subdivisions 2, 4, and 5, to receive amortization state aid under this
 14.20 section.

14.21 (b) The total amount of amortization state aid to all entitled municipalities must not
 14.22 exceed the appropriation under subdivision 3a.

14.23 (c) The amortization state aid amounts are:

14.24	City	Aid Amount
14.25	Fairmont	\$24,172
14.26	Minneapolis	\$2,728,547

14.27 If the amortization state aid amounts determined under this paragraph exceed the amount
 14.28 appropriated for this purpose under subdivision 3a, the amortization state aid for actual
 14.29 allocation must be reduced pro rata.

14.30 (d) Each municipality is eligible for an amortization state aid payment in a fiscal year
 14.31 if:

15.1 (1) for Fairmont, the executive director of the Public Employees Retirement Association
15.2 certifies on or before June 30 that a municipal contribution with respect to the former
15.3 Fairmont Police Relief Association is payable in the upcoming fiscal year under section
15.4 353.665, subdivision 8, paragraph (c); and

15.5 (2) for Minneapolis, the executive director of the Public Employees Retirement
15.6 Association certifies on or before June 30 that an additional employer contribution with
15.7 respect to either the former Minneapolis Firefighters Relief Association or the former
15.8 Minneapolis Police Relief Association is payable in the upcoming fiscal year under section
15.9 353.665, subdivision 8, ~~paragraph (b)~~ 8a.

15.10 Payment of amortization state aid to municipalities must be made to the municipalities
15.11 involved in three equal installments on July 15, September 15, and November 15 annually.
15.12 Upon receipt of amortization state aid, the municipal treasurer shall transmit the aid amount
15.13 to the custodian of the local trust fund or to the executive director of the public employees
15.14 police and fire retirement fund, whichever applies, for immediate deposit.

15.15 (e) The commissioner of revenue shall administer the amortization state aid program.
15.16 The commissioner shall prescribe and periodically revise, as necessary, the required content
15.17 of the certifications for amortization state aid.

15.18 Sec. 14. Minnesota Statutes 2018, section 423A.02, subdivision 1b, is amended to read:

15.19 Subd. 1b. **Additional amortization state aid.** (a) Annually, the commissioner shall
15.20 allocate the additional amortization state aid, if any, including any state aid in excess of the
15.21 limitation in subdivision 4, on the following basis:

15.22 (1) 47.1 percent to the city of Minneapolis to defray the employer costs associated with
15.23 police and firefighter retirement coverage;

15.24 (2) 25.8 percent as additional funding to support the minimum fire state aid for volunteer
15.25 firefighter relief associations under section 69.021, subdivision 7, paragraph (d);

15.26 (3) 12.9 percent to the city of Duluth to defray employer costs associated with police
15.27 and firefighter retirement coverage;

15.28 (4) 12.9 percent to the St. Paul Teachers Retirement Fund Association if the investment
15.29 performance requirement of paragraph (c) is met; and

15.30 (5) 1.3 percent to the city of Virginia to defray the employer contribution under section
15.31 353.665, subdivision 8, paragraph (d).

16.1 If there is no additional employer contribution under section 353.665, subdivision 8,
16.2 ~~paragraph (b)~~ 8a, certified under subdivision 1, paragraph (d), clause (2), with respect to
16.3 the former Minneapolis Police Relief Association and the former Minneapolis Fire
16.4 Department Relief Association, the commissioner shall allocate that 47.1 percent of the aid
16.5 as follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul
16.6 Teachers Retirement Fund Association, and 30 percent as additional funding to support
16.7 minimum fire state aid for volunteer firefighter relief associations under section 69.021,
16.8 subdivision 7, paragraph (d). If there is no employer contribution by the city of Virginia
16.9 under section 353.665, subdivision 8, paragraph (d), for the former Virginia Fire Department
16.10 Relief Association certified on or before June 30 by the executive director of the Public
16.11 Employees Retirement Association, the commissioner shall allocate that 1.3 percent of the
16.12 aid as follows: 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul
16.13 Teachers Retirement Fund Association, and 30 percent as additional funding to support
16.14 minimum fire state aid for volunteer firefighter relief associations under section 69.021,
16.15 subdivision 7, paragraph (d).

16.16 (b) The allocation must be made by the commissioner of revenue on October 1 annually.

16.17 (c) With respect to the St. Paul Teachers Retirement Fund Association, annually, if the
16.18 teacher's association five-year average time-weighted rate of investment return does not
16.19 equal or exceed the performance of a composite portfolio assumed passively managed
16.20 (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt
16.21 securities, and 30 percent in domestic stock calculated using the formula under section
16.22 11A.04, clause (11), the aid allocation to the retirement fund under this section ceases until
16.23 the five-year annual rate of investment return equals or exceeds the performance of that
16.24 composite portfolio.

16.25 (d) The amounts required under this subdivision are the amounts annually appropriated
16.26 to the commissioner of revenue under section 69.021, subdivision 11, paragraph (d), if any,
16.27 and the aid amounts in excess of the limitation in subdivision 4.

16.28 Sec. 15. Minnesota Statutes 2018, section 423A.02, subdivision 2, is amended to read:

16.29 Subd. 2. **Continued eligibility.** A municipality that received amortization aid in 2011
16.30 and is required to make a municipal contribution under section 353.665, subdivision 8,
16.31 paragraph ~~(b)~~, (c), or (d), or subdivision 8a, whichever applies, continues to qualify for
16.32 amortization state aid for the duration of the applicable municipal contribution.

17.1 Sec. 16. Minnesota Statutes 2018, section 423A.02, subdivision 4, is amended to read:

17.2 Subd. 4. **Limit on certain total aid amounts.** (a) The total of amortization aid and
17.3 additional amortization aid under this section payable to a municipality to which section
17.4 353.665, subdivision 8, paragraph ~~(b)~~, (c), or (d), or subdivision 8a, applies, may not exceed
17.5 the amount of the additional municipal contribution payable by an individual municipality
17.6 under section 353.665, subdivision 8, paragraph ~~(b)~~, (c), or (d), or subdivision 8a.

17.7 (b) Any aid amount in excess of the limit under this subdivision for an individual
17.8 municipality must be redistributed to the other municipalities to which section 353.665,
17.9 subdivision 8, paragraph ~~(b)~~, (c), or (d), or subdivision 8a, applies. The excess aid must be
17.10 distributed in proportion to each municipality's additional municipal contribution under
17.11 section 353.665, subdivision 8, paragraph ~~(b)~~, (c), or (d), or subdivision 8a.

17.12 (c) When the total aid for each municipality under this section equals the limit under
17.13 paragraph (a), any aid in excess of the limit must be redistributed under subdivision 1b.

17.14 Sec. 17. **REVISOR'S INSTRUCTION.**

17.15 (a) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
17.16 Minnesota Statutes, the revisor of statutes shall replace references to "preretirement or
17.17 postretirement interest rate" with references to "investment return". The applicable provisions
17.18 of Minnesota Statutes are sections 3A.01, subdivision 1a; 352.01, subdivision 12; 353.01,
17.19 subdivision 14; 354.05, subdivision 7; and 490.121, subdivision 2a.

17.20 (b) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
17.21 Minnesota Statutes, the revisor of statutes shall replace references to "postretirement or
17.22 preretirement interest rate" with references to "investment return". The applicable provision
17.23 of Minnesota Statutes is section 353.665, subdivision 8.

17.24 (c) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
17.25 Minnesota Statutes, the revisor of statutes shall replace references to "postretirement interest
17.26 rate" with references to "investment return". The applicable provisions of Minnesota Statutes
17.27 are sections 3A.01, subdivision 1a; 3A.02, subdivision 1; 352.01, subdivision 12; 352.22,
17.28 subdivision 3a; 352B.08, subdivision 3; 353.01, subdivision 14; 353.30, subdivision 3;
17.29 353.34, subdivision 3; 354.05, subdivision 7; 354.44, subdivision 2; 354.45, subdivision 2;
17.30 354.55, subdivision 11; 490.121, subdivision 2a; and 490.124, subdivision 5.

17.31 (d) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
17.32 Minnesota Statutes, the revisor of statutes shall replace references to "preretirement interest
17.33 rate" with references to "investment return". The applicable provisions of Minnesota Statutes

18.1 are sections 353.665, subdivision 8; 356.215, subdivision 1; 356.551, subdivision 2; and
18.2 353F.025, subdivision 2.

18.3 (e) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
18.4 Minnesota Statutes, the revisor of statutes shall replace references to "postretirement interest"
18.5 with references to "investment return". The applicable provisions of Minnesota Statutes are
18.6 sections 354.07, subdivision 1; and 356.461, subdivision 1.

18.7 (f) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
18.8 Minnesota Statutes, the revisor of statutes shall replace references to "interest rate" with
18.9 references to "investment return". The applicable provisions of Minnesota Statutes are
18.10 sections 353G.05, subdivision 3; and 353G.08, subdivision 1a.

18.11 (g) In the applicable provisions of Minnesota Statutes 2018 and subsequent editions of
18.12 Minnesota Statutes, the revisor of statutes shall replace references to "interest" with references
18.13 to "investment return". The applicable provision of Minnesota Statutes is section 352B.08,
18.14 subdivision 2b.

18.15 Sec. 18. **EFFECTIVE DATE.**

18.16 Sections 1 to 17 are effective the day following final enactment."

18.17 Renumber the articles in sequence

18.18 Amend the title accordingly