

1.1 ..... moves to amend S.F. No. 3541; H.F. No. 4016, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 EMPLOYEE CONTRIBUTION RATE DECREASE

1.5 Section 1. Minnesota Statutes 2020, section 352.04, subdivision 2, is amended to read:

1.6 Subd. 2. **Employee contributions.** (a) The employee contribution to the fund must be  
1.7 equal to the following percent of salary:

1.8	<del>from July 1, 2014, to June 30, 2018</del>	<del>5.5</del>
1.9	<del>from July 1, 2018, to June 30, 2019</del>	<del>5.75</del>
1.10	after <u>from July 1, 2019, to June 30, 2019 2022</u>	6
1.11	<u>after June 30, 2022</u>	<u>5.75</u>

1.12 (b) These contributions must be made by deduction from salary as provided in subdivision  
1.13 4.

1.14 (c) Contribution increases under paragraph (a) must be paid starting the first day of the  
1.15 first full pay period after the effective date of the increase.

1.16 Sec. 2. Minnesota Statutes 2020, section 352.92, subdivision 1, is amended to read:

1.17 Subdivision 1. **Employee contributions.** (a) Employee contributions of covered  
1.18 correctional employees must be in an amount equal to the following percent of salary:

1.19	<del>from July 1, 2014, to June 30, 2018</del>	<del>9.1</del>
1.20	after <u>from July 1, 2018, to June 30, 2018 2022</u>	9.6
1.21	<u>after June 30, 2022</u>	<u>7.5</u>

1.22 (b) These contributions must be made by deduction from salary as provided in section  
1.23 352.04, subdivision 4.

1.24 (c) Contribution increases under paragraph (a) must be paid starting the first day of the  
1.25 first full pay period after the effective date of the increase.

1.26 Sec. 3. Minnesota Statutes 2020, section 352B.02, subdivision 1a, is amended to read:

1.27 Subd. 1a. **Member contributions.** (a) The member contribution is the following  
1.28 percentage of the member's salary:

1.29	<del>from July 1, 2014, to June 30, 2016</del>	<del>13.4</del>
1.30	<del>from July 1, 2016, to June 30, 2018</del>	<del>14.4</del>

2.1	<del>from July 1, 2018, to June 30, 2020</del>	<del>14.9</del>
2.2	<del>after June 30, 2020</del> <u>from July 1, 2020, to June 30, 2022</u>	15.4
2.3	<u>after June 30, 2022</u>	<u>10.5</u>

2.4 (b) These contributions must be made by deduction from salary as provided in section  
2.5 352.04, subdivision 4.

2.6 (c) Contribution increases under paragraph (a) must be paid starting the first day of the  
2.7 first full pay period after the effective date of the increase.

2.8 Sec. 4. Minnesota Statutes 2020, section 353.63, is amended to read:

2.9 **353.63 POLICY.**

2.10 It is the recognized policy of the state that special consideration should be given to  
2.11 employees of governmental subdivisions who devote their time and skills to protecting the  
2.12 property and personal safety of others. Since this work is hazardous, special provisions are  
2.13 hereby made for retirement pensions, disability benefits and survivors benefits based on the  
2.14 particular dangers inherent in these occupations. The benefits provided in sections 353.63  
2.15 to 353.68 are more costly than similar benefits for other public employees since they are  
2.16 computed on the basis of a shorter working lifetime taking into account experience which  
2.17 has been universally recognized. This extra cost should be borne by the employee and  
2.18 employer ~~alike at the~~ in a ratio of no greater than 40 percent employee contributions and  
2.19 no less than 60 percent employer contributions, as determined by the legislature.

2.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.21 Sec. 5. Minnesota Statutes 2020, section 353.65, subdivision 2, is amended to read:

2.22 Subd. 2. **Employee contribution.** (a) For members other than members who were active  
2.23 members of the former Minneapolis Firefighters Relief Association on December 29, 2011,  
2.24 or for members other than members who were active members of the former Minneapolis  
2.25 Police Relief Association on December 29, 2011, the employee contribution is an amount  
2.26 equal to the following percentage of the total salary of each member, as follows:

2.27	<del>before January 1, 2019</del>	<del>10.8 percent</del>
2.28	<del>from January 1, 2019, through December 31, 2019</del>	<del>11.3 percent</del>
2.29	from January 1, 2020, <del>and thereafter</del> <u>through June 30,</u>	
2.30	<u>2022</u>	11.8 percent
2.31	<u>after June 30, 2022</u>	<u>9.4 percent</u>

3.1 (b) For members who were active members of the former Minneapolis Firefighters Relief  
 3.2 Association on December 29, 2011, the employee contribution is an amount equal to eight  
 3.3 percent of the monthly unit value under section 353.01, subdivision 10a, multiplied by 80  
 3.4 and expressed as a biweekly amount for each member. The employee contribution made  
 3.5 by a member with at least 25 years of service credit as an active member of the former  
 3.6 Minneapolis Firefighters Relief Association must be deposited in the postretirement health  
 3.7 care savings account established under section 352.98.

3.8 (c) For members who were active members of the former Minneapolis Police Relief  
 3.9 Association on December 29, 2011, the employee contribution is an amount equal to eight  
 3.10 percent of the monthly unit value under section 353.01, subdivision 10b, multiplied by 80  
 3.11 and expressed as a biweekly amount for each member. The employee contribution made  
 3.12 by a member with at least 25 years of service credit as an active member of the former  
 3.13 Minneapolis Police Relief Association must be deposited in the postretirement health care  
 3.14 savings account established under section 352.98.

3.15 (d) Contributions under this section must be made by deduction from salary in the manner  
 3.16 provided in subdivision 4. Where any portion of a member's salary is paid from other than  
 3.17 public funds, the member's employee contribution is based on the total salary received from  
 3.18 all sources.

3.19 Sec. 6. Minnesota Statutes 2020, section 354.42, subdivision 2, is amended to read:

3.20 Subd. 2. **Employee contribution.** (a) The employee contribution to the fund is the  
 3.21 following percentage of the member's salary:

3.22	Period	Basic Program	Coordinated Program
3.23	from July 1, 2014, through June 30, <del>2023</del>		
3.24	<u>2022</u>	11 percent	7.5 percent
3.25	after June 30, <del>2023</del> <u>2022</u>	<del>11.25</del> <u>10.75</u> percent	<del>7.75</del> <u>7.25</u> percent

3.26 (b) When an employee contribution rate changes for a fiscal year, the new contribution  
 3.27 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
 3.28 reported.

3.29 (c) This contribution must be made by deduction from salary. Where any portion of a  
 3.30 member's salary is paid from other than public funds, the member's employee contribution  
 3.31 must be based on the entire salary received.

4.1 Sec. 7. Minnesota Statutes 2021 Supplement, section 354A.12, subdivision 1, is amended  
4.2 to read:

4.3 Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by  
4.4 each member of the St. Paul Teachers Retirement Fund Association is the percentage of  
4.5 total salary specified below ~~for the applicable association and program:~~

4.6	Program	Percentage of Total Salary
4.7	<del>St. Paul Teachers Retirement Fund Association</del>	
4.8	<del>basic program after June 30, 2016</del>	<del>10 percent</del>
4.9	<del>basic program after June 30, 2023</del>	<del>10.25 percent</del>
4.10	<del>coordinated program after June 30</del> <u>July 1, 2016,</u>	
4.11	<u>to June 30, 2022</u>	7.5 percent
4.12	<del>coordinated program after June 30, 2023</del> <u>2022</u>	<del>7.75</del> <u>7.25</u> percent

4.13 (b) Contributions must be made by deduction from salary and must be remitted directly  
4.14 to the St. Paul Teachers Retirement Fund Association at least once each month.

4.15 (c) When an employee contribution rate changes for a fiscal year, the new contribution  
4.16 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

4.17 Sec. 8. Minnesota Statutes 2020, section 354B.23, subdivision 1, is amended to read:

4.18 Subdivision 1. **Member contribution rate.** (a) Except for a participant described under  
4.19 paragraph (b), the member contribution rate for participants in the individual retirement  
4.20 account plan is equal to the coordinated employee contribution rate in section 354.42,  
4.21 subdivision 2.

4.22 (b) The member contribution rate is the rate described in paragraph (c) for a participant  
4.23 in the individual retirement account plan who:

4.24 (1) achieved tenure or its equivalent at a Minnesota state college or university before  
4.25 July 1, 2018; or

4.26 (2) is an employee in an eligible unclassified administrative position, is not a faculty  
4.27 member, and first contributed to the individual retirement account plan before July 1, 2018.

4.28 (c) The member contribution rate for a participant described in paragraph (b) is the  
4.29 following percentage of salary:

4.30	<del>from July 1, 2019, to June 30, 2020</del>	5.15
4.31	<del>from July 1, 2020, to June 30, 2021</del>	5.80
4.32	from July 1, 2021, to June 30, 2022	6.45

5.1 from July 1, 2022, to June 30, 2023 7.10

5.2 ~~from July 1, 2023, to June 30, 2024~~ 7.75

5.3 After June 30, ~~2024~~ 2023, the member contribution rate is the rate specified in paragraph  
5.4 (a).

5.5 Sec. 9. EFFECTIVE DATE.

5.6 Sections 1 to 8 are effective on the day following enactment.

## 5.7 ARTICLE 2

### 5.8 POSTRETIREMENT ADJUSTMENTS

5.9 Section 1. Minnesota Statutes 2020, section 354A.29, subdivision 7, is amended to read:

5.10 Subd. 7. **Postretirement adjustments.** (a) Except as set forth in paragraph (c), each  
5.11 person who has been receiving an annuity or benefit under the articles of incorporation, the  
5.12 bylaws, or this chapter, whose effective date of benefit commencement occurred on or  
5.13 before July 1 of the calendar year immediately before the adjustment, is eligible to receive  
5.14 an annual postretirement adjustment, effective as of each January 1, as follows:

5.15 (1) ~~there shall be no~~ the postretirement adjustment is one percent on January 1, ~~2019,~~  
5.16 ~~and January 1, 2020~~ 2022; and

5.17 (2) the postretirement adjustment ~~shall be one~~ is 1.5 percent on January 1, ~~2021~~ 2023,  
5.18 and each January 1 thereafter.

5.19 (b) A postretirement adjustment is to be applied as a permanent increase to the regular  
5.20 payment of each eligible member on January 1. For any eligible member whose effective  
5.21 date of benefit commencement occurred after January 1 of the immediately preceding  
5.22 calendar year, the amount of the postretirement adjustment must be reduced by 50 percent.

5.23 (c) Each person who retires on or after July 1, 2024, is entitled to an annual postretirement  
5.24 adjustment, effective as of each January 1, beginning with the year following the year in  
5.25 which the member attains normal retirement age.

5.26 (d) Paragraph (c) does not apply to members who retire under section 354A.31,  
5.27 subdivision 6, paragraph (b), or who retire when the member is at least age 62 and has at  
5.28 least 30 years of service under section 354A.31, subdivision 7.

6.1 Sec. 2. Minnesota Statutes 2020, section 356.415, subdivision 1c, is amended to read:

6.2 Subd. 1c. **Annual postretirement adjustments; ~~PERA-~~ public employees police and**  
6.3 **fire retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients  
6.4 of the public employees police and fire retirement plan are entitled to an annual postretirement  
6.5 adjustment, effective as of each January 1, as follows:

6.6 (1) through December 31, 2022, for each annuitant or benefit recipient who will have  
6.7 been receiving an annuity or benefit for at least 36 full months as of the immediate preceding  
6.8 June 30, a postretirement increase of one percent must be applied each year to the amount  
6.9 of the monthly annuity or benefit of the annuitant or benefit recipient; ~~or~~

6.10 (2) through December 31, 2022, for each annuitant or benefit recipient who has been  
6.11 receiving the annuity or benefit for at least 25 full months, but less than 36 months as of  
6.12 the immediate preceding June 30, a postretirement increase of 1/12 of one percent for each  
6.13 full month that the person has been receiving an annuity or benefit during the fiscal year in  
6.14 which the annuity or benefit was effective must be applied each year to the amount of the  
6.15 monthly annuity or benefit of the annuitant or benefit recipient;

6.16 (3) effective January 1, 2023, and thereafter, for each annuitant or benefit recipient who  
6.17 has been receiving an annuity or benefit for at least 12 full months as of the immediate  
6.18 preceding June 30, a postretirement increase of 1.5 percent must be applied each year to  
6.19 the amount of the monthly annuity or benefit of the annuitant or benefit recipient; or

6.20 (4) effective January 1, 2023, and thereafter, for each annuitant or benefit recipient who  
6.21 has been receiving an annuity or benefit for at least one full month, but less than 12 full  
6.22 months as of the immediate preceding June 30, a postretirement increase of 1/12 of 1.5  
6.23 percent for each full month that the person has been receiving an annuity or benefit must  
6.24 be applied to the amount of the monthly annuity or benefit of the annuitant or benefit  
6.25 recipient.

6.26 (b) An increase in annuity or benefit payments under this section must be made  
6.27 automatically unless written notice is filed by the annuitant or benefit recipient with the  
6.28 executive director of the Public Employees Retirement Association requesting that the  
6.29 increase not be made.

6.30 Sec. 3. Minnesota Statutes 2020, section 356.415, subdivision 1d, is amended to read:

6.31 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.** (a)  
6.32 Except as set forth in paragraph (d), recipients of a retirement annuity, disability benefit,

7.1 or survivor benefit from the Teachers Retirement Association are entitled to an annual  
7.2 postretirement adjustment, effective as of each January 1, as follows:

7.3 (1) effective January 1, 2019, through December 31, ~~2023~~ 2022, a postretirement increase  
7.4 of one percent must be applied each year to the amount of the monthly annuity or benefit  
7.5 of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at  
7.6 least 12 full months as of the June 30 of the calendar year immediately before the adjustment;

7.7 (2) effective January 1, 2019, through December 31, ~~2023~~ 2022, for each annuitant or  
7.8 benefit recipient who has been receiving an annuity or a benefit for at least one full month,  
7.9 but less than 12 full months as of the June 30 of the calendar year immediately before the  
7.10 adjustment, a postretirement increase of 1/12 of one percent for each month the person has  
7.11 been receiving an annuity or benefit must be applied to the amount of the monthly annuity  
7.12 or benefit of the annuitant or benefit recipient;

7.13 (3) effective January 1, ~~2024~~ 2023, and thereafter, a postretirement increase of 1.5 percent  
7.14 must be applied each year to the amount of the monthly annuity or benefit of each annuitant  
7.15 or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months  
7.16 as of the June 30 of the calendar year immediately before the adjustment, ~~at the following~~  
7.17 ~~rates;~~ and

7.18	<del>from January 1, 2024, through December 31, 2024</del>	<del>1.1 percent</del>
7.19	<del>from January 1, 2025, through December 31, 2025</del>	<del>1.2 percent</del>
7.20	<del>from January 1, 2026, through December 31, 2026</del>	<del>1.3 percent</del>
7.21	<del>from January 1, 2027, through December 31, 2027</del>	<del>1.4 percent</del>
7.22	<del>from January 1, 2028, and thereafter</del>	<del>1.5 percent</del>

7.23 (4) effective January 1, ~~2024~~ 2023, and thereafter, for each annuitant or benefit recipient  
7.24 who has been receiving an annuity or a benefit for at least one full month, but less than 12  
7.25 full months, as of the June 30 of the calendar year immediately before the adjustment, an  
7.26 annual postretirement increase of 1/12 of ~~the applicable percentage~~ 1.5 percent for each  
7.27 month that the person has been receiving an annuity or benefit must be applied to the amount  
7.28 of the monthly annuity or benefit of the annuitant or benefit recipient. ~~The applicable~~  
7.29 ~~percentages are the following:~~

7.30	<del>from January 1, 2024, through December 31, 2024</del>	<del>1.1 percent</del>
7.31	<del>from January 1, 2025, through December 31, 2025</del>	<del>1.2 percent</del>
7.32	<del>from January 1, 2026, through December 31, 2026</del>	<del>1.3 percent</del>
7.33	<del>from January 1, 2027, through December 31, 2027</del>	<del>1.4 percent</del>
7.34	<del>from January 1, 2028, and thereafter</del>	<del>1.5 percent</del>

8.1 (b) An increase in annuity or benefit payments under this section must be made  
8.2 automatically unless written notice is filed by the annuitant or benefit recipient with the  
8.3 executive director of the Teachers Retirement Association requesting that the increase not  
8.4 be made.

8.5 (c) The retirement annuity payable to a person who retires before becoming eligible for  
8.6 Social Security benefits and who has elected the optional payment as provided in section  
8.7 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement  
8.8 annuity for the purposes of any postretirement adjustment. The period-certain retirement  
8.9 annuity plus the life retirement annuity must be the annuity amount payable until age 62,  
8.10 65, or normal retirement age, as selected by the member at retirement, for an annuity amount  
8.11 payable under section 354.35. A postretirement adjustment granted on the period-certain  
8.12 retirement annuity must terminate when the period-certain retirement annuity terminates.

8.13 (d) Members who retire on or after July 1, 2024, are entitled to an annual postretirement  
8.14 adjustment of the member's retirement annuity, effective as of each January 1, beginning  
8.15 with the year following the year in which the member attains normal retirement age, as  
8.16 follows:

8.17 (1) if a member has been receiving an annuity for at least 12 full months as of the June  
8.18 30 of the calendar year immediately before the date of the adjustment, a postretirement  
8.19 increase equal to the percentage specified in paragraph (a), clause (3), must be applied,  
8.20 effective on January 1, to the amount of the member's monthly annuity;

8.21 (2) if a member has been receiving an annuity for at least one full month, but less than  
8.22 12 full months as of the June 30 of the calendar year immediately before the date of  
8.23 adjustment, a postretirement increase of 1/12 of the applicable percentage specified in  
8.24 paragraph (a), clause (4), for each month that the member has been receiving an annuity  
8.25 must be applied, effective on January 1, to the amount of the member's monthly annuity;  
8.26 or

8.27 (3) if a member has been receiving an annuity for fewer than seven months as of the  
8.28 January 1 of the year following the year in which the member attains normal retirement  
8.29 age, a postretirement adjustment shall be applied effective as of the next January 1. The  
8.30 amount of the adjustment shall be determined under clause (2).

8.31 (e) Paragraph (d) does not apply to members who retire under section 354.44, subdivision  
8.32 6, paragraph (c), clause (3), or who retire when the member is at least age 62 and has at  
8.33 least 30 years of service under section 354.44, subdivision 6, paragraph (c), (d), (e), or (f),  
8.34 as applicable.



9.1 Sec. 4. Minnesota Statutes 2020, section 356.415, subdivision 1e, is amended to read:

9.2 Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.** (a)  
9.3 Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol  
9.4 retirement plan are entitled to an annual postretirement adjustment, effective as of each  
9.5 January 1, as follows:

9.6 (1) through December 31, 2022, a postretirement increase of one percent must be applied  
9.7 each year to the monthly annuity or benefit of each annuitant or benefit recipient who has  
9.8 been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the  
9.9 calendar year immediately before the adjustment; ~~and~~

9.10 (2) through December 31, 2022, for each annuitant or benefit recipient who has been  
9.11 receiving an annuity or a benefit for at least one full month, but less than 12 full months as  
9.12 of the June 30 of the calendar year immediately before the adjustment, an annual  
9.13 postretirement increase of 1/12 of one percent for each month that the person has been  
9.14 receiving an annuity or benefit must be applied to the amount of the monthly annuity or  
9.15 benefit of each annuitant or benefit recipient.;

9.16 (3) effective January 1, 2023, and thereafter, a postretirement increase of 1.5 percent  
9.17 must be applied each year to the monthly annuity or benefit of each annuitant or benefit  
9.18 recipient who has been receiving an annuity or a benefit for at least 12 full months as of the  
9.19 June 30 of the calendar year immediately before the adjustment; and

9.20 (4) effective January 1, 2023, and thereafter, for each annuitant or benefit recipient who  
9.21 has been receiving an annuity or a benefit for at least one full month, but less than 12 full  
9.22 months, as of the June 30 of the calendar year immediately before the adjustment, an annual  
9.23 postretirement increase of 1/12 of 1.5 percent for each month that the person has been  
9.24 receiving an annuity or benefit must be applied to the amount of the monthly annuity or  
9.25 benefit of each annuitant or benefit recipient.

9.26 (b) An increase in annuity or benefit payments under this subdivision must be made  
9.27 automatically unless written notice is filed by the annuitant or benefit recipient with the  
9.28 executive director of the applicable covered retirement plan requesting that the increase not  
9.29 be made.

9.30 Sec. 5. **EFFECTIVE DATE.**

9.31 Sections 1 to 4 are effective the day following final enactment.

10.1

**ARTICLE 3**

10.2

**OTHER PERA POLICE AND FIRE PLAN PROVISIONS**

10.3 Section 1. Minnesota Statutes 2020, section 353.01, subdivision 47, is amended to read:

10.4 Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an  
10.5 annuity or benefit from a retirement plan administered by the Public Employees Retirement  
10.6 Association by having credit for sufficient allowable service under paragraph (b), (c), or  
10.7 (d), whichever applies.

10.8 (b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan  
10.9 member of the general employees retirement plan of the Public Employees Retirement  
10.10 Association:

10.11 (1) a public employee who first became a member of the association before July 1, 2010,  
10.12 is 100 percent vested when the person has accrued credit for not less than three years of  
10.13 allowable service in the general employees retirement plan; and

10.14 (2) a public employee who first becomes a member of the association after June 30,  
10.15 2010, is 100 percent vested when the person has accrued credit for not less than five years  
10.16 of allowable service in the general employees retirement plan.

10.17 (c) For purposes of qualifying for an annuity or benefit as a member of the local  
10.18 government correctional service retirement plan:

10.19 (1) a public employee who first became a member of the association before July 1, 2010,  
10.20 is 100 percent vested when the person has accrued credit for not less than three years of  
10.21 allowable service in the local government correctional service retirement plan; and

10.22 (2) a public employee who first becomes a member of the association after June 30,  
10.23 2010, is vested at the following percentages when the person has accrued credit for allowable  
10.24 service in the local government correctional service retirement plan, as follows:

10.25 (i) 50 percent after five years;

10.26 (ii) 60 percent after six years;

10.27 (iii) 70 percent after seven years;

10.28 (iv) 80 percent after eight years;

10.29 (v) 90 percent after nine years; and

10.30 (vi) 100 percent after ten years.

11.1 (d) For purposes of qualifying for an annuity or benefit as a member of the public  
11.2 employees police and fire retirement plan:

11.3 (1) a public employee who first became a member of the association before July 1, 2010,  
11.4 is 100 percent vested when the person has accrued credit for not less than three years of  
11.5 allowable service in the public employees police and fire retirement plan;

11.6 (2) a public employee to whom clause (4) does not apply and who first becomes became  
11.7 a member of the association after June 30, 2010, and before July 1, 2014, is vested at the  
11.8 following percentages when the person has accrued credited allowable service in the public  
11.9 employees police and fire retirement plan, as follows:

11.10 (i) 50 percent after five years;

11.11 (ii) 60 percent after six years;

11.12 (iii) 70 percent after seven years;

11.13 (iv) 80 percent after eight years;

11.14 (v) 90 percent after nine years; and

11.15 (vi) 100 percent after ten years; and

11.16 (3) a public employee to whom clause (4) does not apply and who first becomes a member  
11.17 of the association after June 30, 2014, is vested at the following percentages when the person  
11.18 has accrued credit for allowable service in the public employees police and fire retirement  
11.19 plan, as follows:

11.20 (i) 50 percent after ten years;

11.21 (ii) 55 percent after 11 years;

11.22 (iii) 60 percent after 12 years;

11.23 (iv) 65 percent after 13 years;

11.24 (v) 70 percent after 14 years;

11.25 (vi) 75 percent after 15 years;

11.26 (vii) 80 percent after 16 years;

11.27 (viii) 85 percent after 17 years;

11.28 (ix) 90 percent after 18 years;

11.29 (x) 95 percent after 19 years; and

12.1 (xi) 100 percent after 20 or more years; and

12.2 (4) a public employee who first became a member of the association after June 30, 2010,  
12.3 and who is a member of the association after June 30, 2022, is 100 percent vested when the  
12.4 person has accrued credit for not less than ten years of allowable service in the public  
12.5 employees police and fire retirement plan.

12.6 Sec. 2. **[353.6513] REEMPLOYMENT OF RETIREE.**

12.7 Subdivision 1. **Return to employment while receiving an annuity.** (a) Notwithstanding  
12.8 any state law to the contrary, including section 353.37, if an eligible person described in  
12.9 paragraph (b) is receiving an annuity from the public employees police and fire retirement  
12.10 plan, the eligible person may return to employment with a governmental subdivision on or  
12.11 after the effective date, without any reduction or suspension of the person's annuity.

12.12 (b) An eligible person is a person who:

12.13 (1) has been separated from public service for at least 30 days; and

12.14 (2) is returning with the approval of the chief of the police or fire department or director  
12.15 of the agency to a position that is covered by the public employees police and fire retirement  
12.16 plan or the State Patrol retirement plan.

12.17 (c) This subdivision expires on December 31, 2032.

12.18 Sec. 3. **EFFECTIVE DATE.**

12.19 Sections 1 to 2 are effective the day following final enactment.

12.20 **ARTICLE 4**  
12.21 **INVESTMENT RATE OF RETURN ASSUMPTION**

12.22 Section 1. Minnesota Statutes 2020, section 356.215, subdivision 8, is amended to read:

12.23 Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable  
12.24 following investment return assumption:

	investment return assumption
12.25 plan	
12.26 general state employees retirement plan	<del>7.5%</del> <u>7%</u>
12.28 correctional state employees retirement plan	<del>7.5</del> <u>7</u>
12.29 State Patrol retirement plan	<del>7.5</del> <u>7</u>

13.1	legislators retirement plan, and for the	0
13.2	constitutional officers calculation of total plan	
13.3	liabilities	
13.4	judges retirement plan	<del>7.5</del> 7
13.5	general public employees retirement plan	<del>7.5</del> 7
13.6	public employees police and fire retirement plan	<del>7.5</del> 7
13.7	local government correctional service retirement	<del>7.5</del> 7
13.8	plan	
13.9	teachers retirement plan	<del>7.5</del> 7
13.10	St. Paul teachers retirement plan	<del>7.5</del> 7
13.11	Bloomington Fire Department Relief Association	6
13.12	local monthly benefit volunteer firefighter relief	5
13.13	associations	
13.14	monthly benefit retirement plans in the statewide	6
13.15	volunteer firefighter retirement plan	

13.16 (b) The actuarial valuation for each of the covered retirement plans listed in section  
 13.17 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take  
 13.18 into account the postretirement adjustment rate or rates applicable to the plan as specified  
 13.19 in section 354A.29, subdivision 7, or 356.415, whichever applies.

13.20 (c) The actuarial valuation must use the applicable salary increase and payroll growth  
 13.21 assumptions found in the appendix to the standards for actuarial work adopted by the  
 13.22 Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision  
 13.23 10. The appendix must be updated whenever new assumptions have been approved or  
 13.24 deemed approved under subdivision 18.

13.25 (d) The assumptions set forth in the appendix to the standards for actuarial work continue  
 13.26 to apply, unless a different salary assumption or a different payroll increase assumption:

13.27 (1) has been proposed by the governing board of the applicable retirement plan;

13.28 (2) is accompanied by the concurring recommendation of the actuary retained under  
 13.29 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most  
 13.30 recent actuarial valuation report if section 356.214 does not apply; and

13.31 (3) has been approved or deemed approved under subdivision 18.

13.32 **EFFECTIVE DATE.** This section is effective June 30, 2022.

14.1

**ARTICLE 5**

14.2

**DIRECT AIDS TO PENSION PLANS**14.3 Section 1. **[352.043] DIRECT STATE AID.**14.4 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$8,000,00014.5 annually to the general state employees retirement fund.14.6 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay14.7 the aid amount under subdivision 1 on or before October 1, 2022, and October 1 of each14.8 year thereafter. The amount required is appropriated annually from the general fund to the14.9 commissioner of management and budget.14.10 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:14.11 (1) the first day of the fiscal year following the fiscal year in which the actuarial value14.12 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as14.13 reported by the actuary retained under section 356.214 in the most recent annual actuarial14.14 valuation prepared under section 356.215; or14.15 (2) July 1, 2048.14.16 Sec. 2. **[352.922] DIRECT STATE AID.**14.17 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$6,000,00014.18 annually to the correctional state employees retirement fund.14.19 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay14.20 the aid amount under subdivision 1 on or before October 1, 2022, and October 1 of each14.21 year thereafter. The amount required is appropriated annually from the general fund to the14.22 commissioner of management and budget.14.23 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:14.24 (1) the first day of the fiscal year following the fiscal year in which the actuarial value14.25 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as14.26 reported by the actuary retained under section 356.214 in the most recent annual actuarial14.27 valuation prepared under section 356.215; or14.28 (2) July 1, 2048.

15.1 Sec. 3. **[352B.025] DIRECT STATE AID**

15.2 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$16,000,000  
 15.3 annually to the State Patrol retirement fund.

15.4 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay  
 15.5 the aid amount under subdivision 1 on or before October 1, 2022, and October 1 of each  
 15.6 year thereafter. The amount required is appropriated annually from the general fund to the  
 15.7 commissioner of management and budget.

15.8 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:

15.9 (1) the first day of the fiscal year following the fiscal year in which the actuarial value  
 15.10 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as  
 15.11 reported by the actuary retained under section 356.214 in the most recent annual actuarial  
 15.12 valuation prepared under section 356.215; or

15.13 (2) July 1, 2048.

15.14 Sec. 4. Minnesota Statutes 2020, section 353.65, subdivision 3b, is amended to read:

15.15 Subd. 3b. **Direct state aid.** (a) The state shall pay ~~\$4,500,000~~ \$9,000,000 on ~~October~~  
 15.16 ~~1, 2018, and October 1, 2019~~ 2021, to the public employees police and fire retirement plan.

15.17 (b) By October 1 of each year after 2019 2021, the state shall pay ~~\$9,000,000~~  
 15.18 \$100,000,000 to the public employees police and fire retirement plan.

15.19 (c) The commissioner of management and budget shall pay the aid specified in this  
 15.20 subdivision. The amount required is annually appropriated from the general fund to the  
 15.21 commissioner of management and budget.

15.22 Subd. 3c. Aid expiration. ~~(b)~~ The aid under ~~paragraph (a)~~ subdivision 3b continues until  
 15.23 the earlier of:

15.24 (1) the first day of the fiscal year following the fiscal year in which the actuarial value  
 15.25 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as  
 15.26 reported by the actuary retained under section 356.214 in the annual actuarial valuation  
 15.27 prepared under section 356.215; or

15.28 (2) July 1, 2048.

16.1 Sec. 5. [354.434] DIRECT STATE AID .

16.2 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$7,000,000  
16.3 annually to the Teachers Retirement Association.

16.4 Subd. 2. Aid appropriation. Beginning in 2022, the commissioner of management and  
16.5 budget shall pay the aid amount under subdivision 1 on or before October 1, 2022, and  
16.6 October 1 of each year thereafter. The amount required is appropriated annually from the  
16.7 general fund to the commissioner of management and budget.

16.8 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:

16.9 (1) the first day of the fiscal year following the fiscal year in which the actuarial value  
16.10 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as  
16.11 reported by the actuary retained under section 356.214 in the most recent annual actuarial  
16.12 valuation prepared under section 356.215; or

16.13 (2) July 1, 2048.

16.14 Sec. 6. Minnesota Statutes 2020, section 354A.12, subdivision 3a, is amended to read:

16.15 Subd. 3a. ~~Direct state aid to first class city teachers retirement fund associations.~~ (a)  
16.16 The state shall pay \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

16.17 (b) In addition to other amounts specified in this subdivision, the state shall pay  
16.18 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

16.19 (c) In addition to the amounts specified in paragraphs (a) and (b), the state shall pay  
16.20 \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

16.21 (d) In addition to the amounts specified in paragraphs (a), (b), and (c), the state shall  
16.22 pay \$12,000,000 as state aid to the St. Paul Teachers Retirement Fund Association beginning  
16.23 in 2022.

16.24 ~~(d)~~ (e) The aid under this subdivision is payable October 1 annually. The commissioner  
16.25 of management and budget shall pay the aid specified in this subdivision. The amount  
16.26 required is appropriated annually from the general fund to the commissioner of management  
16.27 and budget.

16.28 Sec. 7. Minnesota Statutes 2020, section 354A.12, subdivision 3c, is amended to read:

16.29 Subd. 3c. **Termination of supplemental contributions and direct matching and state**  
16.30 **aid.** (a) The supplemental contributions payable to the St. Paul Teachers Retirement Fund



17.1 Association by Independent School District No. 625 under section 423A.02, subdivision 3,  
17.2 and the aid under subdivision 3a, ~~paragraphs (a) and (b)~~; continue until the earlier of:

17.3 (1) the first day of the fiscal year following the fiscal year in which the actuarial value  
17.4 of assets of the fund equals or exceeds 100 percent of the actuarial accrued ~~liability~~ liabilities  
17.5 as reported by the actuary retained under section 356.214 in the most recent annual actuarial  
17.6 valuation prepared under section 356.215; or

17.7 (2) July 1, 2048.

17.8 ~~(b) The aid under subdivision 3a, paragraph (c), continues until the earlier of:~~

17.9 ~~(1) the first day of the fiscal year following the fiscal year in which the actuarial value~~  
17.10 ~~of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as~~  
17.11 ~~reported by the actuary retained under section 356.214 in the annual actuarial valuation~~  
17.12 ~~prepared under section 356.215; or~~

17.13 ~~(2) July 1, 2048.~~

17.14 Sec. 8. EFFECTIVE DATE.

17.15 Sections 1 to 7 are effective the day following final enactment.

## 17.16 ARTICLE 6

### 17.17 TEACHER PLAN EMPLOYER CONTRIBUTION INCREASE AND FUNDING

17.18 Section 1. Minnesota Statutes 2020, section 126C.10, subdivision 37, is amended to read:

17.19 Subd. 37. **Pension adjustment revenue.** (a) A school district's pension adjustment  
17.20 revenue equals the sum of:

17.21 (1) the greater of zero or the product of:

17.22 (i) the difference between the district's adjustment under Minnesota Statutes 2012, section  
17.23 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state average  
17.24 adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year  
17.25 2014 per adjusted pupil unit; and

17.26 (ii) the district's adjusted pupil units for the fiscal year; and

17.27 (2) the product of the salaries paid to district employees who were members of the  
17.28 Teachers Retirement Association and the St. Paul Teachers' Retirement Fund Association  
17.29 for the prior fiscal year and the district's pension adjustment rate for the fiscal year. The  
17.30 pension adjustment rate for Independent School District No. 625, St. Paul, equals ~~0.84~~

18.1 ~~percent for fiscal year 2019, 1.67 percent for fiscal year 2020, 1.88 percent for fiscal year~~  
 18.2 ~~2021, 2.09 percent for fiscal year 2022, 2.3~~ 2.55 percent for fiscal year 2023, and ~~2.5~~ 3.0  
 18.3 percent for fiscal year 2024 and later. The pension adjustment rate for all other districts  
 18.4 equals ~~0.21 percent for fiscal year 2019, 0.42 percent for fiscal year 2020, 0.63 percent for~~  
 18.5 ~~fiscal year 2021, 0.84 percent for fiscal year 2022, 1.05~~ 1.3 percent for fiscal year 2023,  
 18.6 and ~~1.25~~ 1.75 percent for fiscal year 2024 and later.

18.7 (b) For fiscal year 2025 and later, the state total pension adjustment revenue under  
 18.8 paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause  
 18.9 (2), for fiscal year 2024. The commissioner must prorate the pension adjustment revenue  
 18.10 under paragraph (a), clause (2), so as not to exceed the maximum.

18.11 (c) Notwithstanding section 123A.26, subdivision 1, a cooperative unit, as defined in  
 18.12 section 123A.24, subdivision 2, qualifies for pension adjustment revenue under paragraph  
 18.13 (a), clause (2), as if it was a district, and the aid generated by the cooperative unit shall be  
 18.14 paid to the cooperative unit.

18.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

18.16 Sec. 2. Minnesota Statutes 2020, section 354.42, subdivision 3, is amended to read:

18.17 Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School  
 18.18 District No. 1, Minneapolis, is an amount equal to the applicable following percentage of  
 18.19 salary of each coordinated member and the applicable percentage of salary of each basic  
 18.20 member specified in paragraph (c).

18.21 The additional employer contribution to the fund by Special School District No. 1,  
 18.22 Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a  
 18.23 coordinated member or who is a basic member.

18.24 (b) The regular employer contribution to the fund by Independent School District No.  
 18.25 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or  
 18.26 new law coordinated member specified for the coordinated program in paragraph (c).

18.27 (c) The employer contribution to the fund for every other employer is an amount equal  
 18.28 to the applicable following percentage of the salary of each coordinated member and the  
 18.29 applicable following percentage of the salary of each basic member:

18.30	Period	Coordinated Member	Basic Member
18.31	<del>from July 1, 2014, through June 30, 2018</del>	<del>7.5 percent</del>	<del>11.5 percent</del>
18.32	<del>from July 1, 2018, through June 30, 2019</del>	<del>7.71 percent</del>	<del>11.71 percent</del>
18.33	<del>from July 1, 2019, through June 30, 2020</del>	<del>7.92 percent</del>	<del>11.92 percent</del>

19.1	<del>from July 1, 2020, through June 30, 2021</del>	<del>8.13 percent</del>	<del>12.13 percent</del>
19.2	from July 1, 2021, through June 30, 2022	8.34 percent	12.34 percent
19.3	from July 1, 2022, through June 30, 2023	<del>8.55</del> <u>8.8</u> percent	<del>12.55</del> <u>12.8</u> percent
19.4	after June 30, 2023	<del>8.75</del> <u>9.25</u> percent	<del>12.75</del> <u>13.25</u> percent

19.5 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
 19.6 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
 19.7 reported.

19.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.9 Sec. 3. Minnesota Statutes 2020, section 354A.12, subdivision 2a, is amended to read:

19.10 Subd. 2a. **Employer regular and additional contributions.** (a) The employing units  
 19.11 shall make the following employer contributions to the teachers retirement fund association:

19.12 (1) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
 19.13 the employing unit shall make a regular employer contribution to the retirement fund  
 19.14 association in an amount equal to the designated percentage of the salary of the coordinated  
 19.15 member as provided below:

19.16	<del>after June 30, 2016</del>	<del>6.25 percent</del>
19.17	<del>after June 30, 2017</del>	<del>6.5 percent</del>
19.18	<del>after June 30, 2018</del>	<del>7.335 percent</del>
19.19	<del>after June 30, 2019</del>	<del>8.17 percent</del>
19.20	<del>after June 30, 2020</del>	<del>8.38 percent</del>
19.21	after June 30, 2021	8.59 percent
19.22	after June 30, 2022	8.8 <u>9.05</u> percent
19.23	after June 30, 2023	9 <u>9.5</u> percent

19.24 (2) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 19.25 employing unit shall make a regular employer contribution to the respective retirement fund  
 19.26 in an amount according to the schedule below:

19.27	<del>after June 30, 2016</del>	<del>9.75 percent of salary</del>
19.28	<del>after June 30, 2017</del>	<del>10 percent of salary</del>
19.29	<del>after June 30, 2018</del>	<del>10.835 percent of salary</del>
19.30	<del>after June 30, 2019</del>	<del>11.67 percent of salary</del>
19.31	<del>after June 30, 2020</del>	<del>11.88 percent of salary</del>
19.32	after June 30, 2021	12.09 percent of salary
19.33	after June 30, 2022	<del>12.3</del> <u>12.76</u> percent of salary
19.34	after June 30, 2023	<del>12.5</del> <u>13.21</u> percent of salary

20.1 (3) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 20.2 employing unit shall make an additional employer contribution to the respective fund in an  
 20.3 amount equal to 3.64 percent of the salary of the basic member;

20.4 (4) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
 20.5 the employing unit shall make an additional employer contribution to the respective fund  
 20.6 in an amount equal to 3.84 percent of the coordinated member's salary.

20.7 (b) The regular and additional employer contributions must be remitted directly to the  
 20.8 St. Paul Teachers Retirement Fund Association at least once each month. Delinquent amounts  
 20.9 are payable with interest under the procedure in subdivision 1a.

20.10 (c) Payments of regular and additional employer contributions for school district or  
 20.11 technical college employees who are paid from normal operating funds must be made from  
 20.12 the appropriate fund of the district or technical college.

20.13 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
 20.14 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

20.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.16 Sec. 4. **EDUCATION APPROPRIATION.**

20.17 **Subdivision 1. Department of Education.** The sum indicated is appropriated from the  
 20.18 general fund to the Department of Education for the fiscal year designated. This sum is in  
 20.19 addition to appropriations made for the same purpose in any other law.

20.20 **Subd. 2. General education aid.** For general education aid under Minnesota Statutes,  
 20.21 section 126C.13, subdivision 4:

20.22 \$ 12,774,000 ..... 2023

20.23 The 2023 appropriation includes \$0 for 2022 and \$12,774,000 for 2023.

20.24 **EFFECTIVE DATE.** This section is effective June 30, 2022.

20.25 **ARTICLE 7**

20.26 **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION**

20.27 Section 1. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

20.28 \$30,000 in fiscal year 2023 is appropriated from the general fund to the Legislative  
 20.29 Coordinating Commission for the Legislative Commission on Pensions and Retirement."

20.30 Delete the title and insert:

21.1 "A bill for an act

21.2 relating to retirement; general state employees retirement plan; correctional state

21.3 employees retirement plan; State Patrol retirement plan; public employees police

21.4 and fire retirement plan; Teachers Retirement Association; St. Paul Teachers

21.5 Retirement Fund Association; higher education individual retirement account plan;

21.6 reducing employee contribution rates; increasing postretirement adjustments

21.7 (COLAs); modifying vesting and return to work requirements for the public

21.8 employees police and fire retirement plan; reducing the investment rate of return

21.9 actuarial assumption; increasing or adding direct state aids; increasing employer

21.10 contributions and increasing the pension adjustment revenue for school districts;

21.11 appropriating money; amending Minnesota Statutes 2020, sections 126C.10,

21.12 subdivision 37; 352.04, subdivision 2; 352.92, subdivision 1; 352B.02, subdivision

21.13 1a; 353.01, subdivision 47; 353.63; 353.65, subdivisions 2, 3b, by adding a

21.14 subdivision; 354.42, subdivisions 2, 3; 354A.12, subdivisions 2a, 3a, 3c; 354A.29,

21.15 subdivision 7; 354B.23, subdivision 1; 356.215, subdivision 8; 356.415,

21.16 subdivisions 1c, 1d, 1e; Minnesota Statutes 2021 Supplement, section 354A.12,

21.17 subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 352;

21.18 352B; 353; 354."