

TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Edward Burek, Deputy Director
RE: Summary of the 2002 Legislative Session Pension Provisions
DATE: June 7, 2002

This memo summarizes the 2002 Legislative Session pension provisions. Most of the legislation was contained in the Commission's omnibus pension bill which was enacted as Laws 2002, Chapter 392. Certain Minneapolis Fire Relief Association provisions passed in a separate bill as Laws 2002, Chapter 231. A few miscellaneous provisions are found in other chapters.

The first major section, Fund-Specific Legislation, summarizes all pension-related legislation for individual plans and for plans of a specific category, such as the first class city teacher plans, local police and paid fire plans, or volunteer fire plans. The second major section, General Pension Provisions, summarizes pension legislation applying to all public plans or to miscellaneous plan groupings. The third major section, Miscellaneous Provisions, mentions legislation which in some cases is not related directly to pension plan law but which is of interest to Commission members and public sector retirees.

I. FUND-SPECIFIC LEGISLATION

A. Minnesota State Retirement System (MSRS)

1. MSRS-General

- (a) Service Credit Purchase for Strike Period. State employees who were on strike may receive service credit for the strike period by paying both the employee and employer contributions that would have been made if the employee was not on strike, plus 8.5 percent interest. If payment is made after 12 months of the end of the strike, a full actuarial value payment would be required to receive service credit. The provision is retroactive to July 1, 2001, and expires on May 23, 2003 (which is 12 months after the date of enactment). (Laws 2002, Chapter 392, Article 2, Section 1.)
- (b) Special Law Provision: Accelerated Optional Annuity Form, Certain Former Teacher. MSRS must establish an accelerated optional annuity form for an MSRS member born in 1943, who taught in the Benson and Richfield public schools who has TRA coverage for that teaching service, and who is currently employed by the Legislative Auditors Office with MSRS-General coverage. The eligible person must bear the cost of establishing the optional form. (Laws 2002, Chapter 392, Article 14, Section 4.)
- (c) Special Law Provision: Service Credit Purchase by Former Hubbard County Legislator. A former legislator who represented Hubbard County during the 1961-1963 Legislative Session, and who retired from MSRS-General on July 1, 1980, with ten years, six months, and nine days of service credit is eligible to receive additional service credit from PERA-General and MSRS-General and to have annuities computed with that additional service credit. The PERA-General period is for a period in 1961 and 1962 of uncredited service as a member of the Legislature. The applicable MSRS-General period is 5.48 years of service credit for uncredited periods from 1964 to 1980 between seasonal Itasca state park employment. To receive the additional service credit in these plans, the eligible individual must pay to the respective plan administrators the employee contributions that would have been made on full-time equivalent salary plus 8.5 percent interest. If payment is made, the House of Representatives with respect to the legislative service to be covered by PERA-General, and the Department of Natural Resources with respect to the state park employment, must pay the remainder, if any, of the full actuarial value. (Laws 2002, Chapter 392, Article 14, Section 7.)

2. MSRS-Legislators Plan

- (a) Second Social Security Referendum for Pre-1997 Legislators; Creation of Legislators Plan Coordinated Program. A second Social Security referendum is authorized for legislators who are members of the Legislators Retirement Plan (the plan specified in Minnesota Statutes, Chapter 3A). Members electing Social Security coverage under this election remain covered by the Legislators Plan as currently specified in law and receive prospective Social Security coverage. Legislators electing this coverage must pay both the employee and employer contributions required by the Social Security system. To the extent provided by federal law, an eligible legislator may also receive retroactive Social Security coverage by paying the full cost of that coverage. (Laws 2002, Chapter 392, Article 15.)

B. Public Employees Retirement Association (PERA)

1. PERA-General

- (a) Service Credit Purchase for Strike Period. State employees who were on strike may receive service credit for the strike period by paying both the employee and employer contributions that would have been made if the employee was not on strike, plus 8.5 percent interest. If payment is made after 12 months of the end of the strike, a full actuarial value payment would be required to receive service credit. The provision is retroactive to July 1, 2001, and expires on May 23, 2003 (which is 12 months after the date of enactment). (Laws 2002, Chapter 392, Article 2, Section 2.)
- (b) PERA Membership Inclusion Provision Revised. The Legislature acted to reverse the PERA membership revisions enacted last year, by reinstating a minimum salary threshold of \$425 in a month for membership eligibility. (Laws 2002, Chapter 392, Article 3, Section 1.)
- (c) PERA Member Inclusion for Hennepin County Foreign Workers. The PERA membership exclusion for foreign workers is revised; foreigners working for Hennepin County are authorized to be PERA members unless prohibited by other law. Requires Hennepin County approval. (Laws 2002, Chapter 392, Article 3, Section 2.)
- (d) PERA Membership Exclusion for Full-Time Students. The PERA student membership provision is revised to exclude from PERA membership all students who are attending classes on a full-time basis if the student is under age 23. (Laws 2002, Chapter 392, Article 3, Section 2.)
- (e) PERA Allowable Service Credit Provision, Elimination of Service Credit Proration. PERA's allowable service credit provision (including service credit for various leaves of absence) is revised to eliminate service credit proration for part-time employment for post-December 31, 2001, hirees. (Laws 2002, Chapter 392, Article 3, Section 4.)
- (f) Workers' Compensation Salary Adjustment. A new subdivision is added to PERA law permitting individuals with no salary or with reduced salary during a period of workers' compensation to make contributions on the amount of the salary reduction, to avoid diminishing the salary used to compute the PERA pension benefits. The contributions must be made within one year of termination of temporary workers' compensation payments or within 20 days of termination of public service, whichever is earlier. (Laws 2002, Chapter 392, Article 3, Section 5.)
- (g) Revised Employer Reporting Requirements. Employers will no longer need to report to PERA the number of compensated hours for its employees, because that information is unnecessary given the elimination of prorating (item (e) above). (Laws 2002, Chapter 392, Article 3, Sections 6 and 7.)
- (h) Special Law Provision: State Claims Appropriation Clarification. Treatment of a 2001 Session appropriation and service credit purchase in PERA-General and PERA-P&F, related to a Saint Paul police officer who was on a mobility assignment with the state, is clarified by clearly authorizing contributions relating to the salary credit, by specifying the subsequent computation of the annuities, by allocating the appropriation between PERA-General and PERA-P&F, as applicable, and by authorizing PERA to remit any excess to the state general fund to avoid a windfall to the PERA plans. (Laws 2002, Chapter 392, Article 14, Section 2.)

- (i) Special Law Provision: Reannuitizing a PERA Pre-1973 Benefit. A certain Koochiching County surviving spouse may make a one-time election to convert her monthly post-retirement adjustment amount back to an annual lump sum amount. The election must be made before September 1, 2002. (Laws 2002, Chapter 392, Article 14, Section 6.)
 - (j) Special Law Provision: Prior Out-Of-State Teaching Service Credit Purchase by a Current PERA-General Member. A person born on December 16, 1944, who became a PERA-General member on August 1, 1973, may purchase service credit at full actuarial value in PERA-General for up to four years of service for employment which was covered by a teacher plan in another state, providing the individual is not eligible for an annuity from that out-of-state plan. (Laws 2002, Chapter 392, Article 14, Section 5.)
 - (k) Special Law Provision: Service Credit Purchase by Former Hubbard County Legislator. A former legislator who represented Hubbard County during the 1961-1963 Legislative Session, and who retired from MSRS-General on July 1, 1980, with ten years, six months, and nine days of service credit is eligible to receive additional service credit from PERA-General and MSRS-General and to have annuities computed with that additional service credit. The PERA-General period is for a period in 1961 and 1962 of uncredited service as a member of the Legislature. The applicable MSRS-General period is 5.48 years of service credit for uncredited periods from 1964 to 1980 between seasonal Itasca state park employment. To receive the additional service credit in these plans, the eligible individual must pay to the respective plan administrators the employee contributions that would have been made on full-time equivalent salary plus 8.5 percent interest. If payment is made, the House of Representatives with respect to the legislative service to be covered by PERA-General, and the Department of Natural Resources with respect to the state park employment, must pay the remainder, if any, of the full actuarial value. (Laws 2002, Chapter 392, Article 14, Section 7.)
 - (l) Special Law Provision: Exception to Disability Application Deadline. An eligible person born on February 8, 1970, who was covered by PERA General for employment from May 1, 1991 to May 31, 1992, and who was hired as a Blooming Prairie police officer on January 9, 1995 with PERA P&F coverage, and who was severely injured when struck by a vehicle while performing police duty, is authorized to apply for a disability benefit from the two applicable PERA plans notwithstanding requirements in law for the timely filing of disability benefit applications. (Laws 2002, Chapter 392, Article 14, Section 9.)
2. PERA Privatized Employees Chapter (Chapter 353F)
- (a) Kanabec Hospital Added to PERA Privatized Employees Chapter. Kanabec Hospital is added as a privatized medical facility in the PERA privatized employee chapter (Chapter 353F), permitting the privatized employees to be eligible for treatment under that chapter. Requires local approval, and a finding by the actuary that the liabilities created by this treatment do not exceed the actuarial gain to PERA-General. (Laws 2002, Chapter 392, Article 5.)
3. PERA-Local Government Correctional Plan
- (a) Membership Expanded to Include Hennepin County Medical Center Protection Officers. Hennepin County Medical Center Protection Officers, who must respond to incidents at the medical center and who provide security at the medical center, are eligible to be certified for PERA-Local Correctional Plan coverage. (Laws 2002, Chapter 392, Article 4, Section 1.)
 - (b) Clarification of Contribution Rates; Repeal of Scheduled Contribution Rate Increase. Contribution rate provisions are clarified by restating in law the rates currently in effect, and a scheduled contribution rate increase is repealed. (Laws 2002, Chapter 392, Article 4, Sections 3 and 4.)
4. PERA-Police and Fire (PERA-P&F)
- (a) PERA-P&F Coverage Permitted for Part-Time Metropolitan Transit Police Officers. PERA-P&F law is revised to permit PERA-P&F coverage for part-time Metropolitan Transit police officers. (Laws 2002, Chapter 392, Article 3, Section 8.)

- (b) Recision of Retirement Annuity in Favor of Disability Benefit. A person born in 1949 who was employed for 17 years with the West Saint Paul Fire Department, and who retired from PERA-P&F and began drawing a retirement annuity is authorized to apply for a PERA-P&F disability benefit. The retirement annuity is revoked if the PERA board determines that the individual is disabled under applicable PERA-P&F law. (Laws 2002, Chapter 392, Article 14, Section 3.)
- (c) Exception to Disability Application Deadline. An eligible person born on February 8, 1970, who was covered by PERA General for employment from May 1, 1991 to May 31, 1992, who was hired as a Blooming Prairie police officer on January 9, 1995, with PERA-P&F coverage, and who was severely injured when struck by a vehicle while performing police duty is authorized to apply for a disability benefit from the two applicable PERA plans notwithstanding requirements in law for the timely filing of disability benefit applications. (Laws 2002, Chapter 392, Article 14, Section 9.)

C. Teachers Retirement Association (TRA)

- (a) Service Credit Purchase for Strike Period. State employees who were on strike may receive service credit for the strike period by paying both the employee and employer contributions that would have been made if the employee was not on strike, plus 8.5 percent interest. If payment is made after 12 months of the end of the strike, a full actuarial value payment would be required to receive service credit. The provision is retroactive to July 1, 2001, and expires on May 23, 2003 (which is 12 months after the date of enactment). (Laws 2002, Chapter 392, Article 2, Section 3.)
- (b) TRA Coverage for Charter School Teachers. All charter school teachers will be covered by TRA effective July 1, 2002. First class city teacher plan law is revised to eliminate further coverage of charter school teachers. (Laws 2002, Chapter 392, Article 6, Section 1.)
- (c) Prior Service Credit Purchase Refund. A TRA member born on February 6, 1947, who purchased 1.58 years of military service credit in TRA for \$23,958 using after-tax dollars may receive a refund of that after tax purchase amount if the eligible individual transfers an equivalent amount to TRA from pre-tax assets. The authority is contingent upon TRA receiving a favorable ruling from the Internal Revenue Service for this practice. (Laws 2002, Chapter 392, Article 14, Section 8.)

D. First Class City Teacher Plans

Duluth Teachers Retirement Fund Association (DTRFA)
 St. Paul Teachers Retirement Fund Association (SPTRFA)
 Minneapolis Teachers Retirement Fund Association (MTRFA)

1. DTRFA, MTRFA, and SPTRFA

- (a) TRA Coverage for Charter School Teachers. All charter school teachers, including those teaching in first class cities and previously covered by a first class city teacher plan, will be covered by TRA effective July 1, 2002. First class city teacher plan law is revised to eliminate further coverage of charter school teachers. (Laws 2002, Chapter 392, Article 6, Section 1.)

2. MTRFA and SPTRFA

- (a) Additional Trigger, Supplemental Administrative Expense Assessment. An additional trigger is added to the SPTRFA and MTRFA administrative assessment provision. An administrative expense assessment otherwise payable under law will not be assessed if the administrative expenses of the applicable teacher fund association do not exceed the July 1, 2001, administrative expense amount adjusted over time for inflation. (Laws 2002, Chapter 392, Article 6, Section 3.)

E. Local Police and Paid Fire Relief Associations

1. Minneapolis Police Relief Association

- (a) Clarification of Optional Annuity Eligibility. Only a member's spouse may be named to receive a joint-and-survivor annuity, and no benefit or annuity may be paid to a person who

does not meet the definition of surviving spouse (local approval is not required). (Laws 2002, Chapter 392, Article 16.)

2. The following provisions revised the Minneapolis Fire Relief Association codification, which was enacted in 2001. The changes below passed as a separate bill (Laws 2002, Chapter 231).
 - (a) Revision of Excess Investment Income Definition. The definition of excess investment income (for purposes of determining thirteenth check eligibility) is revised to conform with prior special law authority which specified that the investment return/salary increase comparisons are to be based on five-year rather than one-year comparisons. (Laws 2002, Chapter 231, Section 1.)
 - (b) Revised Surviving Spouse Definition; Revised Benefit Eligibility. The definition of surviving spouse member is revised by stating that if a surviving spouse was married to a retired or deferred member, the marriage had to occur at least one year prior to termination of service, rather than two years prior to termination. (Laws 2002, Chapter 231, Section 2.)
 - (c) Revised Performance Bonding Payment Source. Payment for performance bonding will occur from the special fund rather than the general fund. (Laws 2002, Chapter 231, Section 3.)
 - (d) Revised Board of Examiners. The Minneapolis Firefighters Relief Association Board of Examiners provision is revised by striking the requirement that the board (which reviews disabilitant claims) must include a physician as a board member, and by removing the requirement that relief association members on the Board of Examiners must be active duty members. (Laws 2002, Chapter 231, Section 4.)
 - (e) Clarification of Association Responsibility Over Funds and Accounts. The association duties provision is revised by stating that the association has full and permanent charge and responsibility to manage all revenues that flow to it. (Law 2002, Chapter 231, Section 5.)
 - (f) Health Insurance Account Clarification. The health insurance account provision is clarified by indicating that the accounts are funded by contributions from members with at least 25 years of service whose employee contributions would otherwise go to the special fund. (Laws 2002, Chapter 231, Section 6.)
 - (g) Revised Service-Related Disability Benefit Amounts. The service-related disability benefit amount is revised from 42 units to 41 units, and redundant Board of Examiner language is eliminated. (Laws 2002, Chapter 231, Section 7.)
 - (h) Clarification of Non-Service-Related Disability Provision. The provision is clarified by adding language to clearly indicate that the provision applies in cases where the disability is not service-related. (Laws 2002, Chapter 231, Section 8.)
 - (i) Revised Surviving Spouse/Family Benefit Amounts. The surviving spouse/dependent child benefit provision is revised by increasing the maximum family benefit amount from 41 to 42 units. (Laws 2002, Chapter 231, Section 9.)
 - (j) Revised Eligibility for Alternative Service Pension for Unmarried Member. The alternative service pension for unmarried member provision, which provides an enhanced benefit for members who were unmarried on September 1, 1997, and October 25, 2001, is revised by specifying that the provision applies only to those applicable members who obtained 25 years of service credit on or before October 15, 2001. (Laws 2002, Chapter 231, Section 10.)
 - (k) INTENT. The sections summarized in items (a), (b), (g), (i), and (j) above are intended to clarify and correct provisions in the 2001 Minneapolis Firefighter Relief Association codification laws. Except for the alternative service pension for unmarried member provision (as further revised in item (j) above), no provision of Laws 2002, Chapter 231, or in the 2001 MFRA codification legislation are intended as a benefit revision or enhancement. The MFRA must alert the city and the LCPR if any other provision of Laws 2002, Chapter 231, or the 2001 codification legislation has any impact on benefits.

- (l) EFFECTIVE DATES. Local approval is not required. Sections 1, 2, 7, and 9, and 10 (items (a), (b), (g), (i), and (j) above) are effective retroactive to October 25, 2001. Section 3 to 6, and 8, (items (c) through (f) and item (h)) are effective on the day following final enactment.
3. Local Police and Paid Fire Relief Associations Governing Law Clarification. In Laws 2002, Chapter 392, Article 1, the Legislature clarified general local police and paid fire retirement plan laws, making the laws that remain specifically applicable to the four remaining local police and paid fire relief associations (with clarifications where needed for the Bloomington Fire Relief Association, which provides coverage for volunteer firefighters, but is in part subject to paid fire plan law). The four remaining local police and paid fire relief associations are the Fairmont Police Relief Association, the Minneapolis Firefighters Relief Association, the Minneapolis Police Relief Association, and the Virginia Fire Department Relief Association.
- (a) Guidelines Act Restructured. The 1969 Local Police and Paid Fire Relief Association Guidelines Act is restructured, and a reference to additional amortization aid is added to the list of aid and other contributions which reduce the net municipal contribution requirement. (Laws 2002, Chapter 392, Article 1, Section 1.)
- (b) Authorized Administrative Expense Provision Clarified and Restructured. The authorized administrative expense provision (Section 68.80) is clarified and subdivided into paragraphs. (Laws 2002, Chapter 392, Article 1, Section 2.)
- (c) Miscellaneous Clarifications; Instruction to Revisor. The following provisions are clarified and obsolete cross-references are removed: Minnesota Statutes, Section 353A.08, Subdivision 6a, (a Public Employees Retirement Association Police and Fire consolidation account military service crediting provision); Section 423A.17 (a police and paid firefighter plan general law provision that allows surviving spouse benefits to continue following remarriage, and related authority found in Section 423A.171 to revise bylaws related to this continuing surviving spouse benefit provision); and Section 424A.09 (a volunteer fire plan benefit payment limit provision). The Revisor of Statutes is instructed to make numerous cross-reference changes and related editorial changes. (Laws 2002, Chapter 392, Article 1, Sections 3 to 6, and Section 8.)
- (d) Continuing Application of Certain Law to Bloomington Fire Relief Association. An uncoded provision is added clarifying that applicable provisions of Minnesota Statutes 2000, Chapter 424, continue to apply to the Bloomington Fire Relief Association. (Laws 2002, Chapter 392, Article 1, Section 7.)
- (e) Repeal of Obsolete General and Special Local Plan Police and Paid Fire Law. The first class city fire, second class city fire, second class city police, and third class city police relief association governing laws are repealed. Obsolete special laws are repealed for Albert Lea Fire; Albert Lea Police; Anoka Police; Austin Fire; Austin Police; Bloomington Police; Brainerd Police; Brooklyn Center Police; Buhl Police; Chisholm Fire; Chisholm Police; Cloquet Fire; Columbia Heights Fire; Columbia Heights Police; Crookston Fire; Crookston Police; Crystal Police; Duluth Fire; Duluth Police; Eveleth Fire; Eveleth Police; Faribault Fire; Faribault Police; Fridley Fire; Fridley Police; Hibbing Fire; Hibbing Police; Mankato Fire; Mankato Police; Moorhead Fire; Moorhead Police; New Ulm Police; Red Wing Fire; Red Wing Police; Richfield Fire; Richfield Police; Rochester Fire; Rochester Police; St. Cloud Fire; St. Cloud Police; St. Louis Park Fire; St. Louis Park Police; St. Paul Fire; St. Paul Police; South St. Paul Fire; South St. Paul Police; Thief River Falls Police; Virginia Police; West St. Paul Fire; West St. Paul Police; Winona fire; and Winona Police. (Laws 2002, Chapter 392, Article 1, Section 9.)

F. Volunteer Fire Relief Associations

- (a) Payment of Pension Despite Subsequent Rehiring. Certain retirees are authorized to receive and retain a volunteer firefighter pension although subsequently employed full-time within the fire department by the applicable city or independent nonprofit firefighting corporation, providing that the employer determines the position would be difficult to fill with another similarly qualified applicant, and providing the relief association bylaws permit it. (Laws 2002, Chapter 392, Article 13.)

II. GENERAL PENSION PROVISIONS

This portion of the memo summarizes provisions applying to all pension plans or to miscellaneous plan groupings.

1. The following provision applies to the retirement plans which provided coverage to charter school teachers and other charter school employees. Those plans are TRA, the first class city teacher plans, and PERA-General:
 - (a) Charter School Unpaid Contribution Issues. The state will provide payment to the applicable retirement plans of any unpaid employee, employer, and employer additional contributions for charter schools which closed before April 1, 2002, and which did not pay all required contributions to the applicable retirement plan or plans. The required amounts are to be certified by the pension plan administrators and paid to the applicable pension funds by the Commissioner of the Department of Children, Families and Learning. Payment is to occur on July 1, 2002, from the building lease aid. The department must reduce the remaining building lease aid by the amount remitted to the retirement funds. This action does not release any closed charter school employer from responsibility for covering these payments, and the Department of Revenue must make reasonable efforts to recover these amounts from those employers. (Laws 2002, Chapter 392, Article 6, Sections 4 and 5.)
2. The 2002 Legislature extended the expiration dates for various service credit purchase provisions by one year, to 2003 rather than 2002, applicable to teacher plans as indicated below:
 - (a) Expiration Date Extension, Various Service Credit Purchase Provisions Applicable to Teachers. The expiration date on various generalized service credit purchase provisions enacted in 1999 is extended from May 16, 2002, to May 16, 2003. The provisions, applicable to teachers covered by TRA or first class city teacher plans, permit service credit purchases for prior or uncredited military service, prior out-of-state-teaching service, maternity leaves and related breaks-in-service, private or parochial school teaching service, Peace Corps or VISTA service, uncredited charter school teaching service (and for first class city teacher plans only, previously uncredited part-time teaching service). (Laws 2002, Chapter 392, Article 7, Section 1.)
 - (b) Expiration Date Extension, Authority for Higher Education Teachers to Use Pre-Tax Assets to Purchase Service Credit. The expiration date on provisions enacted in 2000 which permit participants in the higher education supplemental retirement plan to use that supplemental account to purchase service credit in TRA or a first class city teacher plan, if applicable, under the various service credit purchase provisions enacted in 1999 and referred to in item (a), is extended from May 16, 2002, to May 16, 2003. (Laws 2002, Chapter 392, Article 7, Section 2.)
 - (c) Expiration Date Extension, Authority for Higher Education Teachers to Use Pre-Tax Assets to Purchase Service Credit for Family Leaves. Authority for participants in the higher education supplemental retirement plan to use that account to purchase service credit in TRA or a first class city teacher plan for family leave is extended from May 16, 2002, to May 16, 2003. (Laws 2002, Chapter 392, Article 7, Section 3.)
3. Chapter 355 Recodification (Social Security Coverage). Minnesota Statutes, Chapter 355, covers the process of coordinating with Social Security; election procedures and divisions of plans into coordinated and basic plans, where applicable; and the subsequent responsibilities of the employing units and covered employees. The recodification language defines terms and replaces numerous redundant sections and subdivisions (covering state agency reimbursement procedures, reporting requirements, division of plans, and similar process sections) with a single statement of process. The following items provide a brief summary of this Social Security chapter recodification:
 - (a) Definition of Terms. Some existing definitions in the Social Security chapter are clarified and some terms are newly defined. The newly defined or clarified terms include “constitutional officer,” “Duluth teacher,” “director,” “educational employee,” “employee,” “employee tax,” “employment,” “federal insurance contribution act,” “higher education employee,” “governmental employee,” “hospital employee,” “judge,” “legislator,” “local governmental subdivision,” “Minneapolis teacher,” “political subdivision,” “public

employee,” “public hospital employee,” “Saint Paul teacher,” “Secretary of Health and Human Services,” “Social Security Act,” “special authority,” “state agency,” “state employee,” and “wages.” (Laws 2002, Chapter 392, Article 8, Sections 1-26.)

- (b) General Authority Provision Clarified. Clarifications are made in the general authority for the state to enter into Social Security coverage agreements. (Laws 2002, Chapter 392, Article 8, Section 27.)
 - (c) Contribution Provisions Clarified. Clarifications are made in the Social Security employee and employer contribution requirement provision. (Laws 2002, Chapter 392, Article 8, Section 28.)
 - (d) Single Reporting and Cost Reimbursement Sections Created, Replacing Multiple Sections. The various provisions covering cost reimbursement, and the various provisions specifying employer reporting requirements, are replaced with single sections. (Laws 2002, Chapter 392, Article 8, Sections 29 and 30.)
 - (e) Single Plan Division Section Created, Replacing Multiple Sections. The various provisions covering division of plans into coordinated and basic plans are replaced with a single section. (Laws 2002, Chapter 392, Article 8, Section 35.)
 - (f) Repealer of Obsolete and Redundant Provisions. Obsolete and redundant provisions are repealed. (Laws 2002, Chapter 392, Article 8, Section 36.)
- 4. Revised Select and Ultimate Salary Increase Assumptions. The select and ultimate salary increase assumptions are revised for non-public-safety plans (TRA, SPTRFA, DTRFA, MSRS-General, and PERA-General). (Laws 2002, Chapter 392, Article 9, Section 1.)
 - 5. Exemptions on Employer Contributions to Supplemental Plans. Employer contributions, not to exceed \$2,000 per employee per year, are permitted for contributions to the plumbers and pipefitters national pension fund, and for the international union of operating engineers pension fund. A clarification is also added (with no stated maximum) for contributions to Internal Revenue Code qualified plans funded wholly and solely from employee-accumulated sick leave, vacation leave, and severance pay. Any past contributions of employee-accumulated sick leave, vacation leave, or severance pay to previously established plans are ratified and validated. (Laws 2002, Chapter 392, Article 10, Sections 1 and 3.)
 - 6. Chapter 356 Recodification (Retirement Systems, Generally). Minnesota Statutes, Chapter 356, is clarified, reorganized, and obsolete language is eliminated. This chapter includes provisions of general application to all or many retirement plans, including public pension fund financial reporting requirements, investment performance reporting requirements, actuarial reporting provisions, definitions of actuarial assets, economic actuarial assumptions (involving investment earnings and salary increase assumptions), combined service annuity, combined service disability, and combined service disability provisions. Provisions in the current law version of Chapter 356 dealing with administrative pension legislation and the provisions governing the recently completed public pension retirement plan building are moved to a new proposed chapter, Chapter 356B. (Laws 2002, Chapter 392, Article 11.)

III. MISCELLANEOUS PROVISIONS

This section covers miscellaneous legislation, some of which is not directly related to pensions but which may be of interest to various retiree and public employee groups.

- 1. Leasing Space to a Deferred Compensation Service Provider. The Commissioner of Administration is authorized to lease a portion of the recently completed public pension plan building housing MSRS, PERA, and TRA to a private company providing services to the deferred compensation plan administered by MSRS. (Laws 2002, Chapter 392, Article 12, Section 1.)
- 2. Extending Permitted Length of Voluntary Leaves. An existing special law which permits voluntary leaves up to 160 hours without losing seniority rights, insurance, and pension and other benefits is revised to permit up to 320 hours of leave for the period ending June 30, 2003. (Laws 2002, Chapter 392, Article 14, Section 1.)

3. Minneapolis Joint Venture Asphalt Plant Employees to be Considered Public Employees. Laws 2002, Chapter 264, authorizes the City of Minneapolis to enter into a joint venture or other similar arrangement with a private business to share the output of an asphalt facility and states that any individual who is a Minneapolis city employee when the asphalt production joint venture is created and who performs services at the facility “shall continue to be considered a ‘public employee’” and that the private party in the joint venture must recognize all bargaining representatives and existing labor contracts applicable to the Minneapolis employees.

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