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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **876**

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Authored by Swails

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

A bill for an act

relating to retirement; Public Employees Retirement Association general plan; authorizing a city of St. Paul employee to purchase service credit for a period of uncovered service.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **PERA-GENERAL; CITY OF ST. PAUL EMPLOYEE SERVICE CREDIT PURCHASE.**

(a) An eligible person described in paragraph (b) is entitled to purchase allowable service credit from the general employees retirement plan of the Public Employees Retirement Association for the period of employment by the city of St. Paul between November 11, 1988, and September 30, 1989, that qualified as employment by a public employee under Minnesota Statutes 1988, section 353.01, subdivision 2b, that was not previously credited by the retirement plan.

(b) An eligible person is a person who:

(1) was born on December 29, 1958;

(2) was first employed by the city of St. Paul as a part-time or seasonal employee in 1985;

(3) qualified for Public Employees Retirement Association general plan coverage in November 1988 but was not reported by the city of St. Paul to the Public Employees Retirement Association for coverage until October 1989; and

(4) became a member of the general employees retirement plan of the Public Employees Retirement Association in October 1989.

(c) The eligible person described in paragraph (b) is authorized to apply with the executive director of the Public Employees Retirement Association to make the service

2.1 credit purchase under this section. The application must be in writing and must include
2.2 all necessary documentation of the applicability of this section and any other relevant
2.3 information that the executive director may require.

2.4 (d) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
2.5 16, must be granted by the general employees retirement plan of the Public Employees
2.6 Retirement Association to the account of the eligible person upon the receipt of the prior
2.7 service credit purchase payment amount required under Minnesota Statutes, section
2.8 356.551.

2.9 (e) Of the prior service credit purchase payment amount under Minnesota Statutes,
2.10 section 356.551, the eligible person must pay an amount equal to the employee
2.11 contribution rate or rates in effect during the uncredited employment period applied to the
2.12 actual salary rates in effect during the period, plus annual compound interest at the rate
2.13 of 8.5 percent from the date the member contribution payment should have been made
2.14 if made in a timely fashion until the date on which the contribution is actually made. If
2.15 the equivalent member contribution payment, plus interest, is made, the city of St. Paul
2.16 shall pay the balance of the total prior service credit purchase payment amount under
2.17 Minnesota Statutes, section 356.551, within 60 days of notification by the executive
2.18 director of the Public Employees Retirement Association that the member contribution
2.19 equivalent payment has been received by the association.

2.20 (f) Authority for an eligible person to make a prior service credit purchase under this
2.21 section expires June 30, 2009, or upon termination of employment covered by the Public
2.22 Employees Retirement Association, whichever is earlier.

2.23 (g) If the city of St. Paul fails to pay its portion of the prior service credit purchase
2.24 payment amount under paragraph (e), the executive director of the Public Employees
2.25 Retirement Association must notify the commissioners of finance and revenue of that fact
2.26 and the commissioners shall order the deduction of the required payment amount from
2.27 the next payment of any state aid to the city of St. Paul and the commissioners shall
2.28 transmit the applicable amount to the general employees retirement fund of the Public
2.29 Employees Retirement Association.

2.30 **Sec. 2. EFFECTIVE DATE.**

2.31 Section 1 is effective the day following final enactment.