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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **889**

February 12, 2007

Authored by Murphy, M., by request,

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

1.1 relating to retirement; Public Employees Retirement Association; making
1.2 changes primarily of an administrative nature; increasing deferred death while
1.3 active survivor benefits; authorizing health insurance withholding for certain
1.4 public safety retirees of various plans; revising receivables allocation procedures
1.5 for various plans; amending Minnesota Statutes 2006, sections 353.01,
1.6 subdivisions 2a, 2b, 6, 28; 353.03, subdivisions 3, 3a, 4; 353.27, subdivision 12;
1.7 353.28, subdivision 6; 353.29, subdivision 3; 353.30, subdivisions 1a, 1b, 1c;
1.8 353.32, subdivisions 1a, 1b; 353.34, subdivision 3; 356.87; proposing coding for
1.9 new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 2006,
1.10 sections 353.30, subdivision 1; 353.34, subdivision 7; 353.69.
1.11

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

1.13 Section 1. Minnesota Statutes 2006, section 353.01, subdivision 2a, is amended to read:

1.14 Subd. 2a. **Included employees.** (a) Public employees whose salary from
1.15 employment in one or more positions within one governmental subdivision exceeds \$425
1.16 in any month shall participate as members of the association. If the salary is less than
1.17 \$425 in a subsequent month, the employee retains membership eligibility. Eligible public
1.18 employees shall participate as members of the association with retirement coverage by
1.19 the public employees retirement plan or the public employees police and fire retirement
1.20 plan under this chapter, or the local government correctional employees retirement plan
1.21 under chapter 353E, whichever applies, as a condition of their employment on the first
1.22 day of employment unless they:

1.23 (1) are specifically excluded under subdivision 2b;

1.24 (2) do not exercise their option to elect retirement coverage in the association as
1.25 provided in subdivision 2d, paragraph (a); or

2.1 (3) are employees of the governmental subdivisions listed in subdivision 2d,
 2.2 paragraph (b), where the governmental subdivision has not elected to participate as a
 2.3 governmental subdivision covered by the association.

2.4 (b) A public employee who was a member of the association on June 30, 2002,
 2.5 based on employment that qualified for membership coverage by the public employees
 2.6 retirement plan or the public employees police and fire plan under this chapter, or the
 2.7 local government correctional employees retirement plan under chapter 353E as of June
 2.8 30, 2002, retains that membership for the duration of the person's employment in that
 2.9 position or incumbency in elected office. Except as provided in subdivision 28, the person
 2.10 shall participate as a member until the employee or elected official terminates public
 2.11 employment under subdivision 11a or terminates membership under subdivision 11b.

2.12 (c) Public employees under paragraph (a) include physicians under section 353D.01,
 2.13 subdivision 2, who do not elect public employees defined contribution plan coverage
 2.14 under section 353D.02, subdivision 2.

2.15 Sec. 2. Minnesota Statutes 2006, section 353.01, subdivision 2b, is amended to read:

2.16 Subd. 2b. **Excluded employees.** The following public employees are not eligible
 2.17 to participate as members of the association with retirement coverage by the public
 2.18 employees retirement plan, the local government correctional employees retirement plan
 2.19 under chapter 353E, or the public employees police and fire retirement plan:

2.20 (1) public officers, other than county sheriffs, who are elected to a governing body,
 2.21 or persons who are appointed to fill a vacancy in an elective office of a governing body,
 2.22 whose term of office commences on or after July 1, 2002, for the service to be rendered
 2.23 in that elective position. ~~Elected governing body officials who were active members~~
 2.24 ~~of the association's coordinated or basic retirement plans as of June 30, 2002, continue~~
 2.25 ~~participation throughout incumbency in office until termination of public service occurs as~~
 2.26 ~~defined in subdivision 11a;~~

2.27 (2) election officers or election judges;

2.28 (3) patient and inmate personnel who perform services for a governmental
 2.29 subdivision;

2.30 (4) except as otherwise specified in subdivision 12a, employees who are hired for
 2.31 a temporary position as defined under subdivision 12a, and employees who resign from
 2.32 a nontemporary position and accept a temporary position within 30 days in the same
 2.33 governmental subdivision;

2.34 (5) employees who are employed by reason of work emergency caused by fire,
 2.35 flood, storm, or similar disaster;

3.1 (6) employees who by virtue of their employment in one governmental subdivision
3.2 are required by law to be a member of and to contribute to any of the plans or funds
3.3 administered by the Minnesota State Retirement System, the Teachers Retirement
3.4 Association, the Duluth Teachers Retirement Fund Association, the Minneapolis Teachers
3.5 Retirement Fund Association, the St. Paul Teachers Retirement Fund Association, the
3.6 Minneapolis Employees Retirement Fund, or any police or firefighters relief association
3.7 governed by section 69.77 that has not consolidated with the Public Employees Retirement
3.8 Association, or any local police or firefighters consolidation account who have not elected
3.9 the type of benefit coverage provided by the public employees police and fire fund under
3.10 sections 353A.01 to 353A.10, or any persons covered by section 353.665, subdivision 4,
3.11 5, or 6, who have not elected public employees police and fire plan benefit coverage. This
3.12 clause must not be construed to prevent a person from being a member of and contributing
3.13 to the Public Employees Retirement Association and also belonging to and contributing to
3.14 another public pension plan or fund for other service occurring during the same period
3.15 of time. A person who meets the definition of "public employee" in subdivision 2 by
3.16 virtue of other service occurring during the same period of time becomes a member of the
3.17 association unless contributions are made to another public retirement fund on the salary
3.18 based on the other service or to the Teachers Retirement Association by a teacher as
3.19 defined in section 354.05, subdivision 2;

3.20 (7) persons who are members of a religious order and are excluded from coverage
3.21 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the
3.22 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),
3.23 as amended through January 1, 1987, if no irrevocable election of coverage has been made
3.24 under section 3121(r) of the Internal Revenue Code of 1954, as amended;

3.25 (8) employees of a governmental subdivision who have not reached the age of
3.26 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time
3.27 basis at an accredited school, college, or university in an undergraduate, graduate, or
3.28 professional-technical program, or a public or charter high school;

3.29 (9) resident physicians, medical interns, and pharmacist residents and pharmacist
3.30 interns who are serving in a degree or residency program in public hospitals;

3.31 (10) students who are serving in an internship or residency program sponsored
3.32 by an accredited educational institution;

3.33 (11) persons who hold a part-time adult supplementary technical college license who
3.34 render part-time teaching service in a technical college;

3.35 (12) except for employees of Hennepin County or Hennepin Healthcare System,
3.36 Inc., foreign citizens working for a governmental subdivision with a work permit of less

4.1 than three years, or an H-1b visa valid for less than three years of employment. Upon
4.2 notice to the association that the work permit or visa extends beyond the three-year period,
4.3 the foreign citizens must be reported for membership from the date of the extension;

4.4 (13) public hospital employees who elected not to participate as members of the
4.5 association before 1972 and who did not elect to participate from July 1, 1988, to October
4.6 1, 1988;

4.7 (14) except as provided in section 353.86, volunteer ambulance service personnel,
4.8 as defined in subdivision 35, but persons who serve as volunteer ambulance service
4.9 personnel may still qualify as public employees under subdivision 2 and may be members
4.10 of the Public Employees Retirement Association and participants in the public employees
4.11 retirement fund or the public employees police and fire fund, whichever applies, on the
4.12 basis of compensation received from public employment service other than service as
4.13 volunteer ambulance service personnel;

4.14 (15) except as provided in section 353.87, volunteer firefighters, as defined in
4.15 subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties;
4.16 provided that a person who is a volunteer firefighter may still qualify as a public
4.17 employee under subdivision 2 and may be a member of the Public Employees Retirement
4.18 Association and a participant in the public employees retirement fund or the public
4.19 employees police and fire fund, whichever applies, on the basis of compensation received
4.20 from public employment activities other than those as a volunteer firefighter;

4.21 (16) pipefitters and associated trades personnel employed by Independent School
4.22 District No. 625, St. Paul, with coverage under a collective bargaining agreement by the
4.23 pipefitters local 455 pension plan who were either first employed after May 1, 1997, or,
4.24 if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter
4.25 241, article 2, section 12;

4.26 (17) electrical workers, plumbers, carpenters, and associated trades personnel
4.27 employed by Independent School District No. 625, St. Paul, or the city of St. Paul,
4.28 who have retirement coverage under a collective bargaining agreement by the Electrical
4.29 Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan,
4.30 or the Carpenters Local 87 pension plan who were either first employed after May 1,
4.31 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000,
4.32 chapter 461, article 7, section 5;

4.33 (18) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers,
4.34 painters, allied tradesworkers, and plasterers employed by the city of St. Paul or
4.35 Independent School District No. 625, St. Paul, with coverage under a collective
4.36 bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan,

5.1 the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324
 5.2 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities
 5.3 Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if
 5.4 first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special
 5.5 Session chapter 10, article 10, section 6;

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

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

5.13 (21) persons who are provided supported employment or work-study positions
 5.14 by a governmental subdivision and who participate in an employment or industries
 5.15 program maintained for the benefit of these persons where the governmental subdivision
 5.16 limits the position's duration to three years or less, including persons participating in a
 5.17 federal or state subsidized on-the-job training, work experience, senior citizen, youth, or
 5.18 unemployment relief program where the training or work experience is not provided as a
 5.19 part of, or for, future permanent public employment;

5.20 (22) independent contractors and the employees of independent contractors; and

5.21 (23) reemployed annuitants of the association during the course of that
 5.22 reemployment.

5.23 Sec. 3. Minnesota Statutes 2006, section 353.01, subdivision 6, is amended to read:

5.24 Subd. 6. **Governmental subdivision.** (a) "Governmental subdivision" means
 5.25 a county, city, town, school district within this state, or a department ~~or~~, unit or
 5.26 instrumentality of state or local government, or any public body ~~whose revenues are~~
 5.27 ~~derived~~ established under state or local authority that has a governmental purpose, is
 5.28 under public control, is responsible for the employment and payment of the salaries of
 5.29 employees of the entity, and receives a major portion of its revenues from taxation, fees,
 5.30 assessments or from other public sources.

5.31 (b) Governmental subdivision also means the Public Employees Retirement
 5.32 Association, the League of Minnesota Cities, the Association of Metropolitan
 5.33 Municipalities, charter schools formed under section 124D.10, service cooperatives
 5.34 exercising retirement plan participation under section 123A.21, subdivision 5, joint powers
 5.35 boards organized under section 471.59, subdivision 11, paragraph (a), family service

6.1 collaboratives and children's mental health collaboratives organized under section 471.59,
 6.2 subdivision 11, paragraph (b) or (c), provided that the entities creating the collaboratives
 6.3 are governmental units that otherwise qualify for retirement plan membership, public
 6.4 hospitals owned or operated by, or an integral part of, a governmental subdivision or
 6.5 governmental subdivisions, the Association of Minnesota Counties, the Metropolitan
 6.6 Minnesota Intercounty Association, the Minnesota Municipal Utilities Association, the
 6.7 Metropolitan Airports Commission, the University of Minnesota with respect to police
 6.8 officers covered by the public employees police and fire retirement plan, the Minneapolis
 6.9 Employees Retirement Fund for employment initially commenced after June 30, 1979, the
 6.10 Range Association of Municipalities and Schools, soil and water conservation districts,
 6.11 economic development authorities created or operating under sections 469.090 to
 6.12 469.108, the Port Authority of the city of St. Paul, the Spring Lake Park Fire Department,
 6.13 incorporated, the Lake Johanna Volunteer Fire Department, incorporated, the Red Wing
 6.14 Environmental Learning Center, the Dakota County Agricultural Society, and Hennepin
 6.15 Healthcare System, Inc.

6.16 (c) Governmental subdivision does not mean any municipal housing and
 6.17 redevelopment authority organized under the provisions of sections 469.001 to 469.047;
 6.18 or any port authority organized under sections 469.048 to 469.089 other than the Port
 6.19 Authority of the city of St. Paul; or any hospital district organized or reorganized prior
 6.20 to July 1, 1975, under sections 447.31 to 447.37 or the successor of the district, ~~nor~~
 6.21 ~~the Minneapolis Community Development Agency;~~ or the board of a family service
 6.22 collaborative or children's mental health collaborative organized under sections 124D.23,
 6.23 245.491 to 245.495, or 471.59, if that board is not controlled by representatives of
 6.24 governmental units.

6.25 (d) A nonprofit corporation governed by chapter 317A or organized under Internal
 6.26 Revenue Code, section 501(c)(3), which is not covered by paragraph (a) or (b), is not a
 6.27 governmental subdivision unless the entity has obtained a written advisory opinion from
 6.28 the United States Department of Labor or a ruling from the Internal Revenue Service
 6.29 declaring the entity to be an instrumentality of the state so as to provide that any future
 6.30 contributions by the entity on behalf of its employees are contributions to a governmental
 6.31 plan within the meaning of Internal Revenue Code, section 414(d).

6.32 (e) A public body created by state or local authority may request membership on
 6.33 behalf of its employees by providing sufficient evidence that it meets the requirements in
 6.34 paragraph (a).

7.1 (f) An entity determined to be a governmental subdivision shall be subject to the
 7.2 reporting requirements of this chapter on a prospective basis upon receipt of a written
 7.3 notice of eligibility from the association.

7.4 Sec. 4. Minnesota Statutes 2006, section 353.01, subdivision 28, is amended to read:

7.5 Subd. 28. **Retirement.** (a) "Retirement" means the commencement of payment of
 7.6 an annuity based on a date designated by the board of trustees. This date determines
 7.7 the rights under this chapter which occur either before or after retirement. A right to
 7.8 retirement is subject to termination of public service under subdivision 11a. A right to
 7.9 retirement requires a complete and continuous separation for 30 days from employment as
 7.10 a public employee and from the provision of paid services to that employer.

7.11 (b) An individual who separates from employment as a public employee and who,
 7.12 within 30 days of separation, returns to provide service to a governmental subdivision
 7.13 as an independent contractor or as an employee of an independent contractor, has not
 7.14 satisfied separation requirements under paragraph (a).

7.15 ~~(c) A former member of the basic or police and fire fund who becomes a coordinated~~
 7.16 ~~member upon returning to eligible, nontemporary public service, terminates employment~~
 7.17 ~~before obtaining six months' allowable service under subdivision 16, paragraph (a), in~~
 7.18 ~~the coordinated fund, and is eligible to receive an annuity the first day of the month after~~
 7.19 ~~the most recent termination date shall not accrue a right to a retirement annuity under the~~
 7.20 ~~coordinated fund. An annuity otherwise payable to the former member must be based on~~
 7.21 ~~the laws in effect on the date of termination of the most recent service under the basic or~~
 7.22 ~~police and fire fund and shall be retroactive to the first day of the month following that~~
 7.23 ~~termination date or one year preceding the filing of an application for retirement annuity~~
 7.24 ~~as provided by section 353.29, subdivision 7, whichever is later. The annuity payment~~
 7.25 ~~must be suspended under the provisions of section 353.37, if earned compensation for the~~
 7.26 ~~reemployment equals or exceeds the amounts indicated under that section. The association~~
 7.27 ~~will refund the employee deductions made to the coordinated fund, with interest under~~
 7.28 ~~section 353.34, subdivision 2, return the accompanying employer contributions, and~~
 7.29 ~~remove the allowable service credits covering the deductions refunded.~~

7.30 ~~(d)~~ (c) Notwithstanding the 30-day separation requirement under paragraph (a), a
 7.31 member of ~~the~~ a defined benefit plan under this chapter, who also participates in the public
 7.32 employees defined contribution plan under chapter 353D for other public service, may be
 7.33 paid, if eligible, a retirement annuity from the defined benefit plan while participating in the
 7.34 defined contribution plan. A retirement annuity is also payable from a defined benefit plan

8.1 under this chapter to an eligible member who terminates public service and who, within
 8.2 30 days of separation, takes office as an elected official of a governmental subdivision.

8.3 (d) Elected officials included in association membership under subdivisions 2a and
 8.4 2d meet the 30-day separation requirement under this section by resigning from office
 8.5 prior to filing for a subsequent term in the same office and by remaining completely and
 8.6 continuously separated from that office for 30 days prior to the date of the election.

8.7 Sec. 5. Minnesota Statutes 2006, section 353.03, subdivision 3, is amended to read:

8.8 Subd. 3. **Duties and powers of the board.** (a) The board shall:

8.9 (1) elect a president and vice-president. ~~The board shall;~~

8.10 (2) approve the staffing complement, as recommended by the executive director,
 8.11 necessary to administer the fund. ~~The cost of administering this chapter must be paid by~~
 8.12 the fund.;

8.13 ~~(b) The board shall~~ (3) adopt bylaws for its own government and for the management
 8.14 of the fund consistent with the laws of the state and may modify them at pleasure. ~~It shall;~~

8.15 (4) adopt, alter, and enforce reasonable rules consistent with the laws of the state
 8.16 and the terms of the applicable benefit plans for the administration and management of the
 8.17 fund, for the payment and collection of payments from members; and for the payment
 8.18 of withdrawals and benefits. ~~It shall,~~ and that are necessary in order to comply with the
 8.19 applicable federal Internal Revenue Service and Department of Labor requirements;

8.20 (5) pass upon and allow or disallow all applications for membership in the fund
 8.21 and shall allow or disallow claims for withdrawals, pensions, or benefits payable from
 8.22 the fund. ~~It shall;~~

8.23 (6) adopt an appropriate mortality table based on experience of the fund as
 8.24 recommended by the association actuary and approved under section 356.215, subdivision
 8.25 18, with interest set at the rate specified in section 356.215, subdivision 8. ~~It shall;~~

8.26 (7) provide for the payment out of the fund of the cost of administering this
 8.27 chapter, of all necessary expenses for the administration of the fund and of all claims for
 8.28 withdrawals, pensions, or benefits allowed. ~~The board shall; and~~

8.29 (8) approve or disapprove all recommendations and actions of the executive director
 8.30 made subject to its approval or disapproval by subdivision 3a.

8.31 ~~(c)~~ (b) In passing upon all applications and claims, the board may summon, swear,
 8.32 hear, and examine witnesses and, in the case of claims for disability benefits, may require
 8.33 the claimant to submit to a medical examination by a physician of the board's choice, at the
 8.34 expense of the fund, as a condition precedent to the passing on the claim, and, in the case
 8.35 of all applications and claims, may conduct investigations necessary to determine their

9.1 validity and merit. The board shall establish procedures to assure that a benefit applicant
 9.2 and recipient may have a review of a benefit eligibility or benefit amount determination
 9.3 affecting the applicant or recipient. The review procedure may afford the benefit applicant
 9.4 or benefit recipient an opportunity to present views at any review proceeding conducted,
 9.5 but is not a contested case under chapter 14.

9.6 ~~(d)~~ (c) The board may continue to authorize the sale of life insurance to members
 9.7 under the insurance program in effect on January 1, 1985, but must not change that
 9.8 program without the approval of the commissioner of finance. The association shall
 9.9 not receive any financial benefit from the life insurance program beyond the amount
 9.10 necessary to reimburse the association for costs incurred in administering the program.
 9.11 The association shall not engage directly or indirectly in any other activity involving the
 9.12 sale or promotion of goods or services, or both, whether to members or nonmembers.

9.13 ~~(e)~~ (d) The board shall establish procedures governing reimbursement of expenses to
 9.14 board members. These procedures shall define the types of activities and expenses that
 9.15 qualify for reimbursement, shall provide that all out-of-state travel must be authorized
 9.16 by the board, and shall provide for independent verification of claims for expense
 9.17 reimbursement. The procedures must comply with applicable rules and policies of the
 9.18 Department of Finance, the Department of Administration, and the Department of
 9.19 Employee Relations.

9.20 ~~(f)~~ (e) The board may purchase fiduciary liability insurance and official bonds for the
 9.21 officers and members of the board of trustees and employees of the association and may
 9.22 purchase property insurance or may establish a self-insurance risk reserve including, but
 9.23 not limited to, data processing insurance and "extra-expense" coverage.

9.24 Sec. 6. Minnesota Statutes 2006, section 353.03, subdivision 3a, is amended to read:

9.25 Subd. 3a. **Executive director.** (a) **Appointment.** The board shall appoint, ~~with~~
 9.26 ~~the advice and consent of the senate,~~ an executive director on the basis of education,
 9.27 experience in the retirement field, and leadership ability. The executive director shall have
 9.28 had at least five years' experience in an executive level management position, which
 9.29 has included responsibility for pensions, deferred compensation, or employee benefits.
 9.30 The executive director serves at the pleasure of the board. The salary of the executive
 9.31 director is as provided by section 15A.0815.

9.32 (b) **Duties.** The management of the association is vested in the executive director
 9.33 who shall be the executive and administrative head of the association. The executive
 9.34 director shall act as adviser to the board on all matters pertaining to the association and
 9.35 shall also act as the secretary of the board. The executive director shall:

- 10.1 (1) attend all meetings of the board;
- 10.2 (2) prepare and recommend to the board appropriate rules to carry out the provisions
10.3 of this chapter;
- 10.4 (3) establish and maintain an adequate system of records and accounts following
10.5 recognized accounting principles and controls;
- 10.6 (4) designate, with the approval of the board, up to two persons who ~~shall~~ may serve
10.7 in the unclassified service and whose ~~salary is~~ salaries are set in accordance with section
10.8 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and
10.9 appoint employees to carry out this chapter, who are subject to chapters 43A and 179A
10.10 in the same manner as are executive branch employees;
- 10.11 (5) organize the work of the association as the director deems necessary to fulfill
10.12 the functions of the association, and define the duties of its employees and delegate to
10.13 them any powers or duties, subject to the control of, and under such conditions as, the
10.14 executive director may prescribe;
- 10.15 (6) with the approval of the board, contract for the services of an approved actuary,
10.16 professional management services, and any other consulting services as necessary
10.17 to fulfill the purposes of this chapter. All contracts are subject to chapter 16C. The
10.18 commissioner of administration shall not approve, and the association shall not enter
10.19 into, any contract to provide lobbying services or legislative advocacy of any kind.
10.20 Any approved actuary retained by the executive director shall function as the actuarial
10.21 advisor of the board and the executive director and may perform actuarial valuations and
10.22 experience studies to supplement those performed by the actuary retained under section
10.23 356.214. Any supplemental actuarial valuations or experience studies shall be filed with
10.24 the executive director of the Legislative Commission on Pensions and Retirement. Copies
10.25 of professional management survey reports shall be transmitted to the secretary of the
10.26 senate, the chief clerk of the house of representatives, and the Legislative Reference
10.27 Library as provided by section 3.195, and to the executive director of the commission at
10.28 the same time as reports are furnished to the board. Only management firms experienced
10.29 in conducting management surveys of federal, state, or local public retirement systems
10.30 shall be qualified to contract with the director hereunder;
- 10.31 (7) with the approval of the board provide in-service training for the employees
10.32 of the association;
- 10.33 (8) make refunds of accumulated contributions to former members and to the
10.34 designated beneficiary, surviving spouse, legal representative or next of kin of deceased
10.35 members or deceased former members, as provided in this chapter;

11.1 (9) determine the amount of the annuities and disability benefits of members covered
 11.2 by the association and authorize payment of the annuities and benefits beginning as of
 11.3 the dates on which the annuities and benefits begin to accrue, in accordance with the
 11.4 provisions of this chapter;

11.5 (10) pay annuities, refunds, survivor benefits, salaries, and necessary operating
 11.6 expenses of the association;

11.7 (11) prepare and submit to the board and the legislature an annual financial report
 11.8 covering the operation of the association, as required by section 356.20;

11.9 (12) prepare and submit biennial and annual budgets to the board for its approval
 11.10 and submit the approved budgets to the Department of Finance for approval by the
 11.11 commissioner;

11.12 (13) reduce all or part of the accrued interest payable under section 353.27,
 11.13 subdivisions 12, 12a, and 12b, or 353.28, subdivision 5, upon receipt of proof by the
 11.14 association of an unreasonable processing delay or other extenuating circumstances of
 11.15 the employing unit. The executive director shall prescribe and submit for approval by the
 11.16 board the conditions under which such interest may be reduced; and

11.17 (14) with the approval of the board, perform such other duties as may be required for
 11.18 the administration of the association and the other provisions of this chapter and for the
 11.19 transaction of its business.

11.20 Sec. 7. Minnesota Statutes 2006, section 353.03, subdivision 4, is amended to read:

11.21 Subd. 4. **Offices.** The commissioner of administration shall make provision for
 11.22 suitable office space in the ~~state capitol or other state office buildings, or at such other~~
 11.23 ~~location as is determined by the commissioner for the use of the board of trustees and its~~
 11.24 ~~executive director. The commissioner shall give the board at least four months notice~~
 11.25 ~~for any proposed removal from their present location. Any and all rental charges shall~~
 11.26 ~~be paid by the trustees from the public employees retirement fund~~ public pension fund
 11.27 facilities created under section 356B.10.

11.28 Sec. 8. Minnesota Statutes 2006, section 353.27, subdivision 12, is amended to read:

11.29 Subd. 12. **Omitted salary deductions; obligations.** (a) In the case of omission
 11.30 of required deductions from the salary of an employee, the department head or designee
 11.31 shall immediately, upon discovery, report the employee for membership and deduct the
 11.32 employee deductions under subdivision 4 during the current pay period or during the pay
 11.33 period immediately following the discovery of the omission. Payment for the omitted

12.1 obligations may only be made in accordance with reporting procedures and methods
12.2 established by the executive director.

12.3 (b) When the entire omission period of an employee does not exceed 60 days, the
12.4 governmental subdivision may report and submit payment of the omitted employee
12.5 deductions and the omitted employer contributions through the reporting processes under
12.6 subdivision 4.

12.7 (c) When the omission period of an employee exceeds 60 days, the governmental
12.8 subdivision shall furnish to the association sufficient data and documentation upon which
12.9 the obligation for omitted employee and employer contributions can be calculated. The
12.10 omitted employee deductions must be deducted from the employee's subsequent salary
12.11 payment or payments and remitted to the association. The employee shall pay omitted
12.12 employee deductions due for the 60 days prior to the end of the last pay period in the
12.13 omission period during which salary was earned. The employer shall pay any remaining
12.14 omitted employee deductions and any omitted employer contributions, plus cumulative
12.15 interest at an annual rate of 8.5 percent compounded annually, from the date or dates each
12.16 omitted employee contribution was first payable.

12.17 (d) An employer shall not hold an employee liable for omitted employee deductions
12.18 beyond the pay period dates under paragraph (c), nor attempt to recover from the employee
12.19 those employee deductions paid by the employer on behalf of the employee. Omitted
12.20 deductions due under paragraph (c) which are not paid by the employee constitute a
12.21 liability of the employer that failed to deduct the omitted deductions from the employee's
12.22 salary. The employer shall make payment with interest at an annual rate of 8.5 percent
12.23 compounded annually. Omitted employee deductions are no longer due if an employee
12.24 terminates public service before making payment of omitted employee deductions to
12.25 the association, but the employer remains liable to pay omitted employer contributions
12.26 plus interest at an annual rate of 8.5 percent compounded annually from the date the
12.27 contributions were first payable.

12.28 (e) The association may not commence action for the recovery of omitted employee
12.29 deductions and employer contributions after the expiration of three calendar years after
12.30 the calendar year in which the contributions and deductions were omitted. Except as
12.31 provided under paragraph (b), no payment may be made or accepted unless the association
12.32 has already commenced action for recovery of omitted deductions. An action for recovery
12.33 commences on the date of the mailing of any written correspondence from the association
12.34 requesting information from the governmental subdivision upon which to determine
12.35 whether or not omitted deductions occurred.

13.1 (f) The association shall not commence action for the recovery of omitted employer
13.2 contributions or omitted employee deductions for any period prior to the initial plan
13.3 coverage date of the governmental subdivision.

13.4 Sec. 9. Minnesota Statutes 2006, section 353.28, subdivision 6, is amended to read:

13.5 Subd. 6. **Collection of unpaid amounts.** (a) If a governmental subdivision which
13.6 receives the direct proceeds of property taxation fails to pay an amount due under chapter
13.7 353, 353A, 353B, 353C, or 353D, the executive director shall certify the amount to the
13.8 governmental subdivision for payment. If the governmental subdivision fails to remit the
13.9 sum so due in a timely fashion, the executive director shall certify the amount to the
13.10 applicable county auditor for collection. The county auditor shall collect the amount
13.11 out of the revenue of the governmental subdivision, or shall add the amount to the levy
13.12 of the governmental subdivision and make payment directly to the association. This
13.13 tax must be levied, collected, and apportioned in the manner that other taxes are levied,
13.14 collected, and apportioned.

13.15 (b) If a governmental subdivision which is not funded directly from the proceeds
13.16 of property taxation fails to pay an amount due under this chapter, the executive
13.17 director shall certify the amount to the governmental subdivision for payment. If the
13.18 governmental subdivision fails to pay the amount for a period of 60 days after the date
13.19 of the certification, the executive director shall certify the amount to the commissioner
13.20 of finance, who shall deduct the amount from any subsequent state-aid payment or state
13.21 appropriation amount applicable to the governmental subdivision and make payment
13.22 directly to the association. If the amount of the state-aid payment or state appropriation is
13.23 not sufficient to pay the full sum due, the amounts paid to the association shall be applied
13.24 first to the unpaid employee deductions withheld from the employees' wages and next to
13.25 the unpaid employer contributions. Any remaining amount received by the association
13.26 must be applied to the interest due on the employee and employer contribution amounts.
13.27 If a government subdivision under this paragraph owes amounts to more than one public
13.28 retirement plan, section 356.98 applies.

13.29 (c) If a governmental subdivision has been dissolved or closed, the requirements in
13.30 paragraph (b) of a certification to the governmental subdivision and the related 60-day
13.31 waiting period do not apply. The executive director is authorized to immediately certify
13.32 the applicable amount to the commissioner of finance.

13.33 Sec. 10. Minnesota Statutes 2006, section 353.29, subdivision 3, is amended to read:

14.1 Subd. 3. **Retirement annuity formula.** (a) This paragraph, in conjunction with
 14.2 section 353.30, subdivisions †, 1a, 1b, and 1c, applies to any member who first became a
 14.3 public employee or a member of a pension fund listed in section 356.30, subdivision 3,
 14.4 before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision
 14.5 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average
 14.6 salary as defined in section 353.01, subdivision 17a, multiplied by the percent specified in
 14.7 section 356.315, subdivision 3, for each year of allowable service for the first ten years
 14.8 and thereafter by the percent specified in section 356.315, subdivision 4, per year of
 14.9 allowable service and completed months less than a full year for ~~the "basic member,"~~ a
 14.10 basic member, and the percent specified in section 356.315, subdivision 1, for each year of
 14.11 allowable service for the first ten years and thereafter by the percent specified in section
 14.12 356.315, subdivision 2, per year of allowable service and completed months less than a
 14.13 full year for ~~the "coordinated member,"~~ a coordinated member shall determine the amount
 14.14 of the ~~"normal"~~ normal retirement annuity.

14.15 (b) This paragraph applies to a member who has become at least 55 years old and
 14.16 first became a public employee after June 30, 1989, and to any other member whose
 14.17 annuity amount, when calculated under this paragraph and in conjunction with section
 14.18 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in
 14.19 conjunction with section 353.30, subdivisions †, 1a, 1b, and 1c. The average salary, as
 14.20 defined in section 353.01, subdivision 17a, multiplied by the percent specified in section
 14.21 356.315, subdivision 4, for each year of allowable service and completed months less than
 14.22 a full year for a basic member and the percent specified in section 356.315, subdivision 2,
 14.23 per year of allowable service and completed months less than a full year for a coordinated
 14.24 member, shall determine the amount of the normal retirement annuity.

14.25 Sec. 11. Minnesota Statutes 2006, section 353.30, subdivision 1a, is amended to read:

14.26 Subd. 1a. **Pre-July 1, 1989 members: rule of 90.** ~~Any~~ Upon termination of
 14.27 public service under section 353.01, subdivision 11a, a person who first became a public
 14.28 employee or a member of a pension fund listed in section 356.30, subdivision 3, before
 14.29 July 1, 1989, and whose attained age plus credited allowable service totals 90 years is
 14.30 entitled upon application to a retirement annuity in an amount equal to the normal annuity
 14.31 provided in section 353.29, ~~subdivisions 2 and~~ subdivision 3, paragraph (a), without any
 14.32 reduction in annuity ~~by reason of such~~ due to early retirement.

14.33 Sec. 12. Minnesota Statutes 2006, section 353.30, subdivision 1b, is amended to read:

15.1 Subd. 1b. **Pre-July 1, 1989 members: 30 years of service.** ~~Any~~ Upon termination
 15.2 of public service under section 353.01, subdivision 11a, a person who first became a
 15.3 public employee or a member of a pension fund listed in section 356.30, subdivision
 15.4 3, before July 1, 1989, with 30 years or more of allowable service credit, who elects
 15.5 ~~early retirement under subdivision 1~~ to retire prior to normal retirement age, shall receive
 15.6 an annuity in an amount equal to the normal annuity provided under section 353.29,
 15.7 ~~subdivisions 2 and~~ subdivision 3, paragraph (a), reduced by one-quarter of one percent for
 15.8 each month that the member is under age 62 at the time of retirement.

15.9 Sec. 13. Minnesota Statutes 2006, section 353.30, subdivision 1c, is amended to read:

15.10 Subd. 1c. **Pre-July 1, 1989 members: early retirement.** ~~Any~~ Upon termination of
 15.11 public service, a person who first became a public employee or a member of a pension
 15.12 fund listed in section 356.30, subdivision 3, before July 1, 1989, ~~and who has received~~
 15.13 ~~credit for at least 30 years of allowable service or~~ who has become at least 55 years old but
 15.14 not normal retirement age, and has received credit for at least three years of allowable
 15.15 service is entitled upon application to a retirement annuity in an amount equal to the
 15.16 normal annuity provided in section 353.29, ~~subdivisions 2 and~~ subdivision 3, paragraph
 15.17 (a), reduced by one-quarter of one percent for each month that the member is under normal
 15.18 retirement age at the time of retirement, ~~except that for any member who has 30 or more~~
 15.19 ~~years of allowable service the reduction shall be applied only for each month that the~~
 15.20 ~~member is under age 62 at the time of retirement.~~

15.21 Sec. 14. Minnesota Statutes 2006, section 353.32, subdivision 1a, is amended to read:

15.22 Subd. 1a. **Surviving spouse optional annuity.** (a) If a member or former member
 15.23 who has credit for not less than three years of allowable service and dies before the
 15.24 annuity or disability benefit begins to accrue under section 353.29, subdivision 7, or
 15.25 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the
 15.26 surviving spouse may elect to receive, instead of a refund with interest under subdivision
 15.27 1, or surviving spouse benefits otherwise payable under section 353.31, an annuity equal
 15.28 to ~~the~~ a 100 percent joint and survivor annuity ~~that the member could have qualified for~~
 15.29 ~~had the member terminated service on the date of death~~ computed consistent with section
 15.30 353.30, subdivision 1a, 1c, or 5, whichever is applicable.

15.31 (b) If ~~the~~ a member ~~was under age 55~~ first became a public employee or a member of
 15.32 a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and has credit
 15.33 for at least 30 years of allowable service on the date of death, the surviving spouse may
 15.34 elect to receive a 100 percent joint and survivor annuity ~~based on the age of the member~~

16.1 ~~and surviving spouse on the date of death. The annuity is payable using~~ computed using
 16.2 section 353.30, subdivision 1b, except that the full early retirement reduction under section
 16.3 353.30, subdivisions 1b and 1c, to that provision will be applied from age 62 back to age 55
 16.4 and one-half of the early retirement reduction from age 55 back to the age payment begins.

16.5 (c) If ~~the~~ a member who was under age 55 and has credit for at least three years of
 16.6 allowable service ~~on the date of death dies,~~ but did not qualify for retirement on the date
 16.7 of death, the surviving spouse may elect to receive ~~the~~ a 100 percent joint and survivor
 16.8 annuity based on the age of the member and surviving spouse at the time of death. The
 16.9 annuity is payable computed using section 353.30, subdivision 1c or 5, as applicable,
 16.10 except that the full early retirement reduction under section 353.30, subdivision 1, 1b, 1c,
 16.11 or 5, specified in the applicable subdivision will be applied to age 55 and one-half of the
 16.12 early retirement reduction from age 55 back to the age payment begins.

16.13 (d) Notwithstanding the definition of surviving spouse in section 353.01, subdivision
 16.14 20, a former spouse of the member, if any, is entitled to a portion of the monthly surviving
 16.15 spouse optional annuity if stipulated under the terms of a marriage dissolution decree filed
 16.16 with the association. If there is no surviving spouse or child or children, a former spouse
 16.17 may be entitled to a lump-sum refund payment under subdivision 1, if provided for in a
 16.18 marriage dissolution decree, but not a monthly surviving spouse optional annuity, despite
 16.19 the terms of a marriage dissolution decree filed with the association.

16.20 (e) The surviving spouse eligible for surviving spouse benefits under paragraph (a)
 16.21 may apply for the annuity at any time after the date on which the deceased employee would
 16.22 have attained the required age for retirement based on the employee's allowable service.
 16.23 The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may
 16.24 apply for an annuity any time after the member's death. ~~The annuity must be computed~~
 16.25 ~~under sections 353.29, subdivisions 2 and 3, and 353.30, subdivisions 1, 1a, 1b, 1c, and 5.~~

16.26 (f) Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred
 16.27 annuity or surviving spouse benefit payable under this subdivision. ~~No payment may~~
 16.28 ~~accrue beyond the end of the month in which entitlement to the annuity has terminated or~~
 16.29 ~~upon expiration of the term certain benefit payment under subdivision 1b.~~

16.30 (g) An amount equal to any excess of the accumulated contributions that were
 16.31 credited to the account of the deceased employee over and above the total of the annuities
 16.32 paid and payable to the surviving spouse must be paid to the surviving spouse's estate.

16.33 (g) (h) A member may specify in writing that this subdivision does not apply and
 16.34 that payment may be made only to the designated beneficiary as otherwise provided by
 16.35 this chapter. The waiver of a surviving spouse annuity under this section does not make a
 16.36 dependent child eligible for benefits under subdivision 1c.

17.1 (i) If the deceased member or former member first became a public employee or a
 17.2 member of a public pension plan listed in section 356.30, subdivision 3, on or after July
 17.3 1, 1989, a survivor annuity computed under paragraph (a) or (c) must be computed as
 17.4 specified in section 353.30, subdivision 5, except for the revised early retirement reduction
 17.5 specified in paragraph (c), if paragraph (c) is the applicable provision.

17.6 (j) For any survivor annuity determined under this subdivision, the payment is to
 17.7 be based on the total allowable service the member had accrued as of the date of death,
 17.8 and, on the date payment begins, the age the member or former member would have
 17.9 been and the age of the surviving spouse.

17.10 Sec. 15. Minnesota Statutes 2006, section 353.32, subdivision 1b, is amended to read:

17.11 Subd. 1b. **Survivor coverage term certain.** (a) In lieu of the 100 percent optional
 17.12 annuity under subdivision 1a, or a refund under subdivision 1, the surviving spouse of
 17.13 a deceased member may elect to receive survivor coverage for a term certain period of
 17.14 ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average
 17.15 high-five monthly salary of the deceased member. The benefit terminates at the end of
 17.16 the specified term certain period. Except as otherwise specified in this subdivision, the
 17.17 monthly term certain annuity must be actuarially equivalent to the 100 percent optional
 17.18 annuity under subdivision 1a.

17.19 (b) If a surviving spouse elects a term certain annuity and dies before the expiration
 17.20 of the specified term certain period, the commuted value of the remaining annuity
 17.21 payments must be paid in a lump sum to the survivor's estate.

17.22 Sec. 16. Minnesota Statutes 2006, section 353.34, subdivision 3, is amended to read:

17.23 Subd. 3. **Deferred annuity; eligibility; computation.** A member with at least
 17.24 three years of allowable service when termination of public service or termination of
 17.25 membership occurs has the option of leaving the accumulated deductions in the fund and
 17.26 being entitled to a deferred retirement annuity commencing at normal retirement age
 17.27 or to a deferred early retirement annuity under section 353.30, subdivision ~~1~~, 1a, 1b,
 17.28 1c, or 5. The deferred annuity must be computed under section 353.29, ~~subdivisions 2~~
 17.29 ~~and subdivision 3~~, on the basis of the law in effect on the date of termination of public
 17.30 service or termination of membership, whichever is earlier, and must be augmented as
 17.31 provided in section 353.71, subdivision 2. A former member qualified to apply for a
 17.32 deferred retirement annuity may revoke this option at any time before the commencement
 17.33 of deferred annuity payments by making application for a refund. The person is entitled to

18.1 a refund of accumulated member contributions within 30 days following date of receipt of
 18.2 the application by the executive director.

18.3 Sec. 17. Minnesota Statutes 2006, section 356.87, is amended to read:

18.4 **356.87 HEALTH INSURANCE WITHHOLDING.**

18.5 Subdivision 1. Public employees insurance program withholding. (a) Upon
 18.6 authorization of a person entitled to receive a retirement annuity, disability benefit or
 18.7 survivor benefit, the executive director of a public pension fund enumerated in section
 18.8 356.20, subdivision 2, shall withhold health insurance premium amounts from the
 18.9 retirement annuity, disability benefit or survivor benefit, and shall pay the premium
 18.10 amounts to the public employees insurance program.

18.11 (b) The public employees insurance program shall reimburse a public pension fund
 18.12 for the administrative expense of withholding the premium amounts and shall assume
 18.13 liability for the failure of a public pension fund to properly withhold the premium amounts.

18.14 Subd. 2. Public safety retiree insurance withholding. (a) For purposes of this
 18.15 subdivision, "governing board" means the governing board or body that has been assigned
 18.16 the chief policy making powers and management duties of the applicable pension plan.

18.17 (b) The governing board may, for a pension plan providing monthly annuity
 18.18 payments and which is enumerated in section 356.20, subdivision 2, direct the plan's chief
 18.19 administrative officer to withhold health, accident, and long-term care insurance premiums
 18.20 from the retirement annuity or disability benefit and to transmit the amount to an approved
 18.21 insurance provider specified by the eligible person. A governing board which agrees to
 18.22 participate may revise or revoke that decision at a later date, providing reasonable notice
 18.23 is provided to the applicable parties.

18.24 (c) An eligible person is a person who:

18.25 (1) is a retiree or disabilitant from a participating plan;

18.26 (2) was a public safety officer as defined in United States Code, title 42, section
 18.27 3796b;

18.28 (3) terminated service as a public safety officer upon attainment of normal retirement
 18.29 age and commences receipt of an annuity without any period of deferral, or is receiving
 18.30 a disability benefit; and

18.31 (4) satisfies any other requirements to have all or a portion of the health, accident,
 18.32 or long-term care insurance premiums excluded from income for taxation purposes, as
 18.33 specified in the Pension Protection Act of 2006, section 845.

18.34 (d) An approved insurance provider is:

18.35 (1) any regulated, licensed insurance company;

19.1 (2) a fraternal or any other organization sponsoring a regulated, licensed insurance
 19.2 program; or

19.3 (3) an employer-sponsored insurance program, whether directly through the
 19.4 employer or a third-party administrator.

19.5 (e) Using a form determined by the chief administrative officer of the applicable
 19.6 plan, an eligible person may elect to have the applicable plan administrator withhold and
 19.7 transmit the insurance amounts described in paragraph (b).

19.8 (f) A pension fund and the plan fiduciaries which authorize or administer
 19.9 withholding of insurance premiums under this subdivision shall not be held liable for
 19.10 failure to properly withhold or transmit the premium amounts.

19.11 **COMPREHENSIVE EMPLOYMENT TRAINING ACT**
 19.12 **SERVICE CREDIT PURCHASE**

19.13 **Sec. 18. [356.95] PURCHASE OF PRIOR COMPREHENSIVE EMPLOYMENT**
 19.14 **TRAINING ACT SERVICE.**

19.15 Subdivision 1. **Eligibility.** An eligible person is a person who:

19.16 (1) is currently an active plan member in a plan included under section 356.30,
 19.17 subdivision 3, other than clause (3);

19.18 (2) was excluded from pension coverage under the provisions of Laws 1978, chapter
 19.19 720; and

19.20 (3) subsequently became employed in unsubsidized public employment covered by
 19.21 a pension plan included under section 356.30, subdivision 3, other than clause (3), with
 19.22 the same public employer which provided the subsidized employment or other public
 19.23 employer.

19.24 Subd. 2. **Authorization.** An eligible person under subdivision 1 is authorized to
 19.25 purchase service credit for that period of uncovered prior subsidized public employment,
 19.26 other than a period of prior subsidized public employment for which a repayment of a
 19.27 refund was made, with a public pension plan specified in subdivision 1, clause (3), which,
 19.28 except for the exclusion provided by Laws 1978, chapter 720, would have provided
 19.29 pension coverage for the subsidized employment.

19.30 Subd. 3. **Procedures.** Section 356.551 applies to purchases under this section,
 19.31 except that payment must be made before the expiration date of this section or termination
 19.32 from eligible employment covered by a pension plan under subdivision 1, clause (1),
 19.33 whichever is earlier.

19.34 Subd. 4. **Restriction.** (a) Pre-July 1, 1989, service credit purchased under this
 19.35 section does not extend eligibility to plan benefits applicable to individuals who became
 19.36 members prior to July 1, 1989, of a plan listed in section 356.30, subdivision 3.

20.1 (b) Service credit may not be purchased for any period for which the individual
20.2 has service credit in a covered pension plan, as defined in section 356A.01, subdivision
20.3 8, other than a volunteer firefighter plan.

20.4 Subd. 5. **Expiration.** This section expires on June 30, 2009.

20.5 **RECEIVABLES**

20.6 **Sec. 19. ~~[356.98]~~ ALLOCATION OF RECEIVABLES.**

20.7 If an employing unit is dissolved or closed and amounts are owed to more than one
20.8 Minnesota public pension plan, any amounts available to cover payments to the plans
20.9 shall be applied first to the employee contributions owed to the applicable plans, and
20.10 next to the unpaid employer contributions, including any applicable employer additional
20.11 contributions, and finally to the interest due on the employee and employer amounts. If, at
20.12 any stage in this allocation process, the available amount is insufficient to fully cover the
20.13 amount required, the remaining available payment amount must be prorated among the
20.14 applicable plans based on each plan's share of combined covered payroll.

20.15 **Sec. 20. ~~REPEALER.~~**

20.16 Minnesota Statutes 2006, sections 353.30, subdivision 1; 353.34, subdivision 7;
20.17 and 353.69, are repealed.

20.18 **Sec. 21. ~~EFFECTIVE DATE.~~**

20.19 (a) Sections 1 to 13 and 15, 16, 18, 19, and 20 are effective the day following
20.20 enactment.

20.21 (b) Section 3, paragraphs (e) and (f), and section 8 apply to initial plan coverage
20.22 dates occurring on or after the effective date of the applicable section.

20.23 (c) Section 14 is effective for survivor benefits based on a date of death occurring
20.24 on or after July 1, 2007. Section 14, other than paragraph (j), is not intended to increase,
20.25 modify, impair, or diminish the benefit entitlements specified in the subdivision within
20.26 the Minnesota Statutes being amended. If the executive director of the Public Employees
20.27 Retirement Association determines that any provision of section 14, other than paragraph
20.28 (j), does increase, modify, impair, or diminish the benefit entitlements as reflected in
20.29 applicable law just before the effective date of this section, the executive director shall
20.30 certify that determination and a recommendation as to the required legislative correction
20.31 to the chairs of the Legislative Commission on Pensions and Retirement, the house
20.32 Governmental Operations and Veterans Affairs Policy Committee, the senate State and

- 21.1 Local Governmental Operations Committee, and the executive director of the Legislative
- 21.2 Commission on Pensions and Retirement.
- 21.3 (d) Section 17 is effective January 1, 2007.