

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1911**

March 12, 2007

Authored by Murphy, M.

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

1.1 A bill for an act
1.2 relating to retirement; correctional state employees retirement plan; including
1.3 additional Department of Corrections employees in plan coverage; providing for
1.4 transfer of prior service credit for certain correctional employment; amending
1.5 Minnesota Statutes 2006, section 352.91, subdivisions 3d, 4b.

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

1.7 Section 1. Minnesota Statutes 2006, section 352.91, subdivision 3d, is amended to read:

1.8 Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means
1.9 service by a state employee in one of the employment positions at a correctional facility or
1.10 at the Minnesota Security Hospital specified in paragraph (b) if at least 75 percent of the
1.11 employee's working time is spent in direct contact with inmates or patients and the fact of
1.12 this direct contact is certified to the executive director by the appropriate commissioner.

1.13 (b) The employment positions are as follows: baker; central services administrative
1.14 specialist, intermediate; central services administrative specialist, principal; chaplain;
1.15 ~~chemical dependency counselor supervisor~~; chief cook; cook; cook coordinator;
1.16 corrections program therapist 1; corrections program therapist 2; corrections program
1.17 therapist 3; corrections program therapist 4; corrections inmate program coordinator;
1.18 corrections transitions program coordinator; corrections security caseworker; corrections
1.19 security caseworker career; corrections teaching assistant; delivery van driver; dentist;
1.20 electrician supervisor; ~~general maintenance worker~~; general repair worker; ~~laundry~~
1.21 ~~coordinator~~; library/information research services specialist; library/information research
1.22 services specialist senior; library technician; plant maintenance engineer lead; plumber
1.23 supervisor; psychologist 1; psychologist 3; recreation therapist; recreation therapist
1.24 coordinator; recreation program assistant; recreation therapist senior; sports medicine

2.1 specialist; ~~water treatment plant operator~~; work therapy assistant; work therapy program
 2.2 coordinator; and work therapy technician.

2.3 Sec. 2. Minnesota Statutes 2006, section 352.91, subdivision 4b, is amended to read:

2.4 Subd. 4b. **Department of Corrections; procedure for coverage change**
 2.5 **considerations.** (a) The commissioner of corrections shall appoint a standing review
 2.6 committee to review and determine positions that should be included in legislative
 2.7 requests for correctional employees retirement plan coverage under subdivision 4a.

2.8 (b) Periodically, the Department of Corrections will convene meetings of the
 2.9 review committee. The review committee must review all requests and the supporting
 2.10 documentation for coverage by the correctional employees retirement plan and must
 2.11 determine which classes or positions meet the statutory requirements for coverage. The
 2.12 review committee also must determine if incumbents of and recent retirees from classes or
 2.13 positions determined for inclusion in correctional employees retirement plan coverage
 2.14 have prior Department of Corrections employment which also qualified as correctional
 2.15 service and which should be transferred from the general state employees retirement plan
 2.16 to the plan and the initial date for each potential service credit transfer.

2.17 (c) The review committee must evaluate and determine the eligibility date for initial
 2.18 plan participation and all periods of eligibility in the correctional employees retirement
 2.19 plan.

2.20 (d) The department must provide a notice of each determination and of the
 2.21 employee's right to appeal from the review committee to each employee who requested
 2.22 inclusion. Appeals must be filed with the agency human resource manager within 30 days
 2.23 of the date of the notice of determination.

2.24 ~~(d)~~ (e) The commissioner of corrections shall appoint a standing appeals committee
 2.25 to hear appeals of determinations for coverage. The appeal committee must include
 2.26 relevant department employees and employee representatives. Appeal committee
 2.27 determinations are final.

2.28 ~~(e)~~ (f) All positions approved for inclusion must be forwarded to the commissioner
 2.29 of corrections for the preparation of legislation to implement the coverage change and
 2.30 submission. The commissioner will submit a written recommendation documenting
 2.31 classes or positions that should or should not be covered by the correctional employees
 2.32 retirement plan. Documentation of each request and the final determination must be
 2.33 retained in the Department of Corrections' Office of Human Resource Management.

3.1 Sec. 3. **TRANSFER OF PAST MSRS-GENERAL SERVICE CREDIT TO**
3.2 **MSRS-CORRECTIONAL.**

3.3 Subdivision 1. Eligibility for service credit transfer. A person who is eligible for
3.4 the transfer of past service credit to the correctional state employees retirement plan of
3.5 the Minnesota State Retirement System is a person who:

3.6 (1) is a current employee of the Department of Corrections of the state of Minnesota;

3.7 (2) has current retirement coverage by the correctional state employees retirement
3.8 plan;

3.9 (3) has prior service credit in the general state employees retirement plan; and

3.10 (4) was determined eligible for a prior service credit transfer under Minnesota
3.11 Statutes, section 352.91, subdivision 4b, paragraph (c).

3.12 Subd. 2. Equivalent past member contributions. An eligible person who elects
3.13 the transfer of prior general state employees retirement plan service must pay to the
3.14 executive director of the Minnesota State Retirement System the difference between
3.15 the employee contribution rate for the general state employees retirement plan and the
3.16 employee contribution rate for the correctional state employees retirement plan in effect
3.17 during the period eligible for transfer, applied to the eligible person's salary at the time
3.18 that each additional contribution would have been deducted from pay if coverage had
3.19 been provided by the correctional state employees retirement plan. These amounts must
3.20 be paid in a lump sum within 18 months following the date of enactment, or before the
3.21 termination of service, whichever is earlier, plus 8.5 percent annual compound interest
3.22 from the applicable payroll deduction date until the date paid.

3.23 Subd. 3. Equivalent past employer contributions. If an eligible person pays
3.24 the past member contributions under subdivision 2, the Department of Corrections, on
3.25 behalf of the eligible person, shall pay to the executive director of the Minnesota State
3.26 Retirement System the difference between the employer contribution rate for the general
3.27 state employees retirement plan and the employer contribution rate for the correctional
3.28 state employees retirement plan in effect during the period eligible for transfer applied to
3.29 the eligible person's salary at the time that each additional contribution would have been
3.30 deducted from pay if coverage had been provided by the correctional state employees
3.31 retirement plan. These amounts must be paid by the department in a lump sum within 30
3.32 days after the date on which the executive director notifies the department that the amount
3.33 under subdivision 2 has been paid, plus 8.5 percent annual compound interest from the
3.34 applicable payroll deduction date until the date paid.

3.35 Subd. 4. Transfer of MSRS-general assets. If the payments under subdivisions 2
3.36 and 3 are made, assets must be transferred from the general state employees retirement

4.1 fund to the correctional state employees retirement fund in an amount equal to the present
4.2 value of the benefits earned by the eligible person under the general state employees
4.3 retirement plan, as determined by the actuary retained under Minnesota Statutes, section
4.4 356.214, in accordance with Minnesota Statutes, section 356.215. The transfer of assets
4.5 must be made within 15 days after the receipt of the payment under subdivision 3.

4.6 Subd. 5. **Service credit cancellation; effect of asset transfer.** (a) Upon the transfer
4.7 of assets under subdivision 4, the service credit and salary credit of the eligible person in
4.8 the general state employees retirement plan is forfeited and must be credited to the eligible
4.9 person in the correctional state employees retirement plan. The transferred amount of
4.10 member contributions to the general state employees retirement fund and the principal
4.11 amount of the equivalent past member contributions under subdivision 2 must be credited
4.12 to the person in the event of a refund following the termination of correctional service.

4.13 (b) Service and salary credit forfeited in the general state employees retirement plan
4.14 under paragraph (a) may not be reinstated.

4.15 Subd. 6. **Payment of cost of actuarial calculations.** The expense for the
4.16 calculations by the actuary under subdivision 4 must be paid by the Department of
4.17 Corrections.

4.18 **Sec. 4. EFFECTIVE DATE.**

4.19 Sections 1 to 3 are effective the first day of the first payroll period next following
4.20 June 30, 2007.