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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2279**

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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; clarifying
1.3 the current and past coverage for certain Minnesota Correctional Facility-St.
1.4 Cloud employees.

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

1.6 Section 1. **COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN**
1.7 **PERSONS.**

1.8 Subdivision 1. **Definition.** For purposes of this section, "covered correction service"
1.9 means service between April 25, 1990, through September 7, 1994, as a stores clerk at the
1.10 Minnesota Correctional Facility-St. Cloud.

1.11 Subd. 2. **Election of prior state service coverage.** (a) An employee who has
1.12 retirement coverage for past correctional service transferred to the correctional state
1.13 employees retirement plan under subdivision 1 is entitled to elect to obtain prior service
1.14 credit for eligible state service performed as a stores clerk after April 24, 1990, and before
1.15 September 8, 1994, with the Department of Corrections. All eligible prior service credit
1.16 must be purchased.

1.17 (b) The commissioner of corrections shall certify the eligible state service as a
1.18 stores clerk rendered by the employee to the executive director of the Minnesota State
1.19 Retirement System.

1.20 (c) The covered correctional plan employee who has past service covered under
1.21 subdivision 1 is entitled to purchase the past service if the department certifies that
1.22 the employee met the eligibility requirements for coverage. The employee shall pay
1.23 the difference between the employee contributions actually paid during the period and
1.24 what should have been paid under the correctional state employees retirement plan, as

2.1 determined under subdivision 3. Payment for past service must be completed by June
2.2 30, 2008.

2.3 Subd. 3. **Payment for past service.** (a) An employee electing to obtain prior service
2.4 credit under subdivision 2, paragraph (c), must pay an additional employee contribution
2.5 for that prior service. The additional member contribution is the contribution differential
2.6 percentage rate applied to the actual salary paid to the employee during the period of the
2.7 prior eligible state service. The contribution differential percentage is the difference
2.8 between 4.9 percent of salary and the applicable employee contribution rate of the general
2.9 state employees retirement plan during the April 24, 1990, and September 8, 1994, period.

2.10 (b) The additional member contribution may be paid only in a lump sum. Payment
2.11 must accompany the election to obtain prior service credit. No election to make the past
2.12 service payment may be made by the person or accepted by the executive director after
2.13 June 30, 2008.

2.14 Subd. 4. **Transfer of assets.** Assets must be transferred from the general state
2.15 employees retirement plan to the correctional state employees retirement plan in an
2.16 amount equal to the present value of benefits accrued under the general employees
2.17 retirement plan for the employee transferring to the correctional state employees
2.18 retirement plan, as determined by the actuary retained under Minnesota Statutes, section
2.19 356.214, and calculated under the relevant provisions of Minnesota Statutes, section
2.20 356.215. The transfer of assets must be made within 45 days after the employee elects to
2.21 transfer coverage to the correctional state employees retirement plan.

2.22 Subd. 5. **Effect of asset transfer.** Upon transfer of assets in subdivision 4, the
2.23 service credit associated with those assets in the general state employees plan of the
2.24 Minnesota State Retirement System for the covered correctional plan employee is forfeited
2.25 and may not be reinstated. The service credit and transferred assets must be credited to the
2.26 correctional state employees retirement plan.

2.27 **Sec. 2. EFFECTIVE DATE.**

2.28 Section 1 is effective the day following final enactment.