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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 2725

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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; Public Employees Retirement Association police and fire
1.3 fund; authorizing a joint and survivor annuity for a divorced spouse of a deceased
1.4 retiree who elected a single life annuity.

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

1.6 Section 1. **PERA-P&F; JOINT AND SURVIVOR ANNUITY FOR SURVIVING**
1.7 **SPOUSE.**

1.8 Subdivision 1. **Purpose.** The annuity provided by this section is intended to
1.9 compensate for harm caused by the Public Employees Retirement Association, by its
1.10 failure to provide an eligible person with information about the benefit options available to
1.11 the eligible person's divorced spouse following a consolidation.

1.12 Subd. 2. **Eligibility.** (a) Notwithstanding the election of a single life annuity,
1.13 prohibitions against revising an annuity form, and the death of the retiree, a person
1.14 specified in paragraph (b) is authorized to receive a joint and survivor annuity as specified
1.15 in subdivision 3 upon satisfying the requirements specified in subdivision 4.

1.16 (b) An eligible person is the surviving divorced spouse of a person who:

1.17 (1) was born on March 27, 1942;

1.18 (2) was employed by the South St. Paul Police Department beginning in 1966, with
1.19 coverage by the South St. Paul Police Relief Association plan;

1.20 (3) was an active member of that relief association when the association was
1.21 consolidated into the Public Employees Retirement Association police and fire plan;

1.22 (4) became divorced in 1993;

2.1 (5) retired in 1999 under the provisions of the Public Employees Retirement
2.2 Association police and fire plan, having elected a single life annuity rather than a joint
2.3 and survivor annuity; and

2.4 (6) died on September 9, 2006.

2.5 Subd. 3. **Annuity.** (a) The annuity is the second half of a 50 percent joint and
2.6 survivor annuity computed as if the deceased Public Employees Retirement Association
2.7 police and fire plan retiree had elected this annuity rather than a single life annuity and had
2.8 named the eligible person under subdivision 2 as the beneficiary. The monthly annuity
2.9 payments must reflect all applicable postretirement adjustments that would have occurred
2.10 since the deceased began drawing a retirement annuity in 1999. The annuity is prospective
2.11 only and commences on the first day of the month following the effective date of this
2.12 section, and upon making the repayment under paragraph (b), whichever is later.

2.13 (b) To be eligible for the annuity under paragraph (a), the eligible person under
2.14 subdivision 2 must pay to the executive director of the Public Employees Retirement
2.15 Association the sum of the monthly differential between the single life annuity amounts
2.16 paid to the deceased and the payments the deceased would have received if the deceased
2.17 had elected a 50 percent joint and survivor annuity, naming the divorced spouse of the
2.18 deceased as the beneficiary. This amount is payable in a lump sum with compound interest
2.19 at a monthly rate of 0.71 percent from the date each payment was made to the deceased
2.20 until the end of the month in which the lump sum payment under this paragraph is made.
2.21 Payment of this lump sum must occur before July 1, 2008.

2.22 Subd. 4. **Annuity application.** An eligible person described in subdivision 2 shall
2.23 apply in writing on forms provided by the executive director of the Public Employees
2.24 Retirement Association for the annuity provided by this section. The application must
2.25 be made before July 1, 2008, and must include all necessary documentation of the
2.26 applicability of this section and any other relevant information which the executive
2.27 director may require.

2.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.