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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3242

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Authored by Peppin

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 police and fire retirement plan;
1.3 authorizing a transfer of service credit for a prior period of firefighter employment
1.4 by the city of Maple Grove.

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

1.6 Section 1. **PERA-P&F; TRANSFER OF SERVICE CREDIT FOR PRIOR**
1.7 **MAPLE GROVE CITY EMPLOYMENT PERIOD.**

1.8 Subdivision 1. **Authorization.** An eligible person described in subdivision 2 is
1.9 authorized to have service credit transferred under subdivision 3 upon the payment of the
1.10 additional amounts required under subdivision 4 and upon the substantiation of the nature
1.11 of the employment under subdivision 5.

1.12 Subd. 2. **Eligible person.** For purposes of this section, an eligible person is a
1.13 person who:

1.14 (1) was born on April 12, 1956;

1.15 (2) was initially employed by the city of Maple Grove on February 16, 1988;

1.16 (3) was employed as a full-time fire inspector by the fire-rescue department of the
1.17 city of Maple Grove, including daytime response to fire calls, with retirement coverage
1.18 by the coordinated program of the general employees retirement plan of the Public
1.19 Employees Retirement Association, on April 2, 1990; and

1.20 (4) was transferred to retirement coverage by the public employees police and fire
1.21 retirement plan as a fire inspector by Maple Grove city council action on January 1, 1996.

1.22 Subd. 3. **Service credit transfer.** (a) An eligible person, upon filing a written
1.23 application as prescribed by the executive director of the Public Employees Retirement
1.24 Association and upon compliance with subdivisions 4 and 5, shall have service credit

2.1 for the period from April 2, 1990, to January 1, 1996, transferred from the coordinated
2.2 program of the general employees retirement plan to the public employees police and
2.3 fire retirement plan on the first of the month next following the receipt of the additional
2.4 payments under subdivision 4.

2.5 (b) Upon the transfer of service credit under paragraph (a), the service credit of
2.6 the eligible person in the coordinated program of the general employees retirement
2.7 plan for the period from April 2, 1990, to January 1, 1996, is forfeited and may not be
2.8 subsequently restored under Minnesota Statutes, section 353.35, or any other applicable
2.9 provision of law.

2.10 Subd. 4. **Additional payment amounts.** (a) Accompanying the written application
2.11 under subdivision 3, the eligible person shall include an additional member contribution
2.12 payment for the period from April 2, 1990, to January 1, 1996. The additional member
2.13 contribution payment amount is the difference between the member contribution rate
2.14 under Minnesota Statutes, section 353.65, subdivision 2, and the member contribution rate
2.15 under Minnesota Statutes, section 353.27, subdivision 2, applied to the eligible person's
2.16 total covered salary for the period from April 2, 1990, to January 1, 1996, plus annual
2.17 compound interest from August 1, 1993, to the date on which the payment is made at the
2.18 rate of 8.5 percent.

2.19 (b) Upon receipt of the additional member contributions under paragraph (a), the
2.20 executive director of the Public Employees Retirement Association shall notify the city
2.21 of Maple Grove that the payment was made and the amount of the additional employer
2.22 contribution. Within 30 days of the receipt of the notification from the Public Employees
2.23 Retirement Association, the city of Maple Grove shall pay the additional employer
2.24 contribution amount. The amount is the difference between the present value of the
2.25 eligible person's combined retirement annuity from the coordinated program of the general
2.26 employees retirement plan and from the public employees police and fire retirement plan
2.27 as of the end of the month preceding the payment of the additional member contribution
2.28 amount and the present value of the potential retirement annuity from the public employees
2.29 police and fire retirement plan if the service credit transfer occurred as of the same date,
2.30 reduced by the amount of the retirement plan asset transfer under paragraph (c) and by the
2.31 amount of the additional member contribution amount. The present value computation
2.32 must be made by the actuary retained under Minnesota Statutes, section 356.214, and must
2.33 utilize the applicable actuarial assumptions under Minnesota Statutes, section 356.215.
2.34 The additional employer contribution amount must be paid in a lump sum. If the additional
2.35 employer contribution payment is not made in a timely fashion, the executive director of
2.36 the Public Employees Retirement Association shall notify the commissioners of finance

3.1 and revenue of that fact and the commissioners shall deduct the required amount from any
3.2 state aid or other state payment amount applicable to the city, plus interest on the amount
3.3 at the rate of one percent per month from the payment due date to the actual payment date.

3.4 (c) Upon the receipt of the additional member contribution under paragraph (a), the
3.5 executive director shall transfer an amount equal to double the eligible person's member
3.6 contributions to the coordinated program of the general employees retirement plan for the
3.7 period from April 2, 1990, to January 1, 1996, plus compound interest at the annual rate
3.8 of 8.5 percent from August 1, 1993, to the date of transfer from the general employees
3.9 retirement fund to the public employees police and fire retirement fund.

3.10 Subd. 5. **Public safety employment substantiation.** Service credit is transferrable
3.11 under this section only if the employment for the city of Maple Grove by the eligible
3.12 person during the period from April 2, 1990, to January 1, 1996, is documented as
3.13 constituting firefighter employment sufficient to qualify for public employees police and
3.14 fire retirement plan membership and eligibility if the city of Maple Grove had adopted the
3.15 resolution under Minnesota Statutes, section 353.64, subdivision 2, as of April 2, 1990.
3.16 The city of Maple Grove and the eligible person must provide any relevant documentation
3.17 required by the executive director of the Public Employees Retirement Association.

3.18 Subd. 6. **Expiration.** Authority to transfer service credit under this section expires
3.19 on July 1, 2009.

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