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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 3320**

February 21, 2008

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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; first class city teacher retirement fund associations;  
1.3 correcting special direct state aid references; amending Minnesota Statutes 2006,  
1.4 section 354A.12, subdivision 3a; Minnesota Statutes 2007 Supplement, section  
1.5 354A.12, subdivision 3c.

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

1.7 Section 1. Minnesota Statutes 2006, section 354A.12, subdivision 3a, is amended to  
1.8 read:

1.9 Subd. 3a. **Special direct state aid to first class city teachers retirement fund**  
1.10 **associations.** (a) ~~In fiscal year 1998, The state shall pay \$4,827,000 to the St. Paul~~  
1.11 ~~Teachers Retirement Fund Association, \$17,954,000 to the Minneapolis Teachers~~  
1.12 ~~Retirement Fund Association, and \$486,000 to the Duluth Teachers Retirement Fund~~  
1.13 ~~Association. In each fiscal year after fiscal year 2006, these payments to the first class city~~  
1.14 ~~teachers retirement fund associations must be \$2,827,000 for \$2,967,000 to the St. Paul;~~  
1.15 ~~\$12,954,000 to the Teachers Retirement Fund Association and, for the former Minneapolis~~  
1.16 ~~Teachers Retirement Fund Association, and \$486,000 for Duluth \$13,300,000 to the~~  
1.17 Teachers Retirement Association.

1.18 (b) The direct state aids under this subdivision are payable October 1 annually. The  
1.19 commissioner of finance shall pay the direct state aid. The amount required under this  
1.20 subdivision is appropriated annually from the general fund to the commissioner of finance.

1.21 Sec. 2. Minnesota Statutes 2007 Supplement, section 354A.12, subdivision 3c, is  
1.22 amended to read:

1.23 Subd. 3c. **Termination of supplemental contributions and direct matching**  
1.24 **and state aid.** (a) The supplemental contributions payable to the Minneapolis Teachers

2.1 Retirement Fund Association by Special School District No. 1 and the city of Minneapolis  
2.2 under section 423A.02, subdivision 3, must ~~continue to~~ be paid to the Teachers Retirement  
2.3 Association and must continue until 2037. The supplemental contributions payable to the  
2.4 St. Paul Teachers Retirement Fund Association by Independent School District No. 625  
2.5 under section 423A.02, subdivision 3, or the direct state ~~aids~~ aid under subdivision 3a to  
2.6 the St. Paul Teachers Retirement Fund Association terminate at the end of the fiscal year  
2.7 in which the accrued liability funding ratio for that fund, as determined in the most recent  
2.8 actuarial report for that fund by the actuary retained under section 356.214, equals or  
2.9 exceeds the accrued liability funding ratio for the Teachers Retirement Association, as  
2.10 determined in the most recent actuarial report for the Teachers Retirement Association by  
2.11 the actuary retained under section 356.214.

2.12 ~~(b) If the state direct matching, state supplemental, or state aid is terminated for a~~  
2.13 ~~first class city teachers retirement fund association under paragraph (a), it may not again~~  
2.14 ~~be received by that fund.~~

2.15 ~~(c)~~ If the St. Paul Teachers Retirement Fund Association is funded at an amount  
2.16 equal to or greater than the funding ratio applicable to the Teachers Retirement Association  
2.17 ~~when the provisions of paragraph (b) become effective~~, then any future state aid previously  
2.18 ~~distributed to that association must be immediately transferred~~ under subdivision 3a is  
2.19 payable to the Teachers Retirement Association.

### 2.20 Sec. 3. **EFFECTIVE DATE; RETROACTIVITY.**

2.21 (a) Sections 1 and 2 are effective on the day following final enactment and apply  
2.22 retroactively to direct state aid paid or payable during fiscal years 2007 and 2008.

2.23 (b) If any direct state aid payable to the Teachers Retirement Association or to the  
2.24 St. Paul Teachers Retirement Fund Association under sections 1 and 2 was not paid to  
2.25 the applicable retirement plan in a timely fashion, the retroactive payment of the direct  
2.26 state aid must also include compound interest on the aid amount at a monthly rate of 0.708  
2.27 percent from the date that the payment would have been paid if paid in a timely fashion  
2.28 until the date on which the payment is made.