A bill for an act

relating to retirement; making administrative changes to the Minnesota State Retirement System, Teachers Retirement Association, Public Employees Retirement Association, and St. Paul Teachers Retirement Fund Association; clarifying refund repayment procedures; modifying executive director credentials; clarifying service requirements; revising appeal procedures; modifying service credit purchase procedures; establishing new procedures for disability applications due to private disability insurance requirements; clarifying disability benefit payment provisions; modifying annual benefit limitations for federal tax code compliance; authorizing use of IRS correction procedures; clarifying benefit offsets for certain refund payments; clarifying police and fire plan coverage for certain Hennepin Healthcare System supervisors; modifying various economic actuarial assumptions; adopting recommendations of the Volunteer Firefighter Relief Association Working Group; increasing relief association lump-sum service pension maximums; lowering certain vesting requirements for Eden Prairie Volunteer Firefighters Relief Association; adopting definition of the Hometown Heroes Act related to public safety officer death benefits; allowing service credit purchase and Rule of 90-eligibility for certain Minnesota Department of Transportation employees; authorizing MnSCU employees to elect retroactive and prospective TRA coverage; authorizing MnSCU employee to transfer past service from IRAP to PERA; increasing maximum employer contribution to a supplemental laborers pension fund; authorizing certain additional sources of retirement plan funding; making technical and conforming changes; amending Minnesota Statutes 2016, sections 3A.03, subdivisions 2, 3; 16A.14, subdivision 2a; 352.03, subdivisions 5, 6; 352.113, subdivision 2; 352.23; 352B.11, subdivision 4; 352D.05, subdivision 4; 353.01, subdivisions 16, 43; 353.012; 353.0162; 353.32, subdivisions 1, 4; 353.34, subdivision 2; 353.64, subdivision 10; 353G.02, subdivision 6; 354.05, by adding a subdivision; 354.06, subdivisions 2, 2a; 354.095; 354.44, subdivision 9; 354.46, subdivision 6; 354.48, subdivision 1; 354.52, subdivision 4; 354A.011, subdivision 29; 354A.093; subdivisions 4, 6; 354A.095; 354A.096; 354A.35, subdivision 2; 354A.38; 356.215; subdivision 8; 356.24, subdivision 1; 356.50, subdivision 2; 356.551, subdivision 2; 356.635, subdivision 10, by adding subdivisions; 356.96, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 423A.02, subdivision 3; 423A.01, by adding subdivisions; 424A.015, by adding a subdivision; 424A.02, subdivision 3; 424B.20, subdivision 4; 490.124, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 356; 424A; repealing Minnesota Statutes 2016, sections 352.04, subdivision 11; 353.0161; 353.34, subdivision 6; 354A.12, subdivisions 2c, 3c;
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

MINNESOTA STATE RETIREMENT SYSTEM
ADMINISTRATIVE PROVISIONS

Sec. 1. Minnesota Statutes 2016, section 3A.03, subdivision 2, is amended to read:

Subd. 2. Refund. (a) A former member who has made contributions under subdivision 1 and who is no longer a member of the legislature is entitled to receive, upon written application to the executive director on a form prescribed by the executive director, a refund from the general fund of all contributions credited to the member's account with interest computed as provided in section 352.22, subdivision 2.

(b) The refund of contributions as provided in paragraph (a) terminates all rights of a former member of the legislature and the survivors of the former member under this chapter.

(e) If the former member of the legislature again becomes a member of the legislature after having taken a refund as provided in paragraph (a), the member is a member of the unclassified employees retirement program of the Minnesota State Retirement System.

(d) However, the member may reinstate the rights and credit for service previously forfeited under this chapter if the member repays all refunds taken, plus interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually from the date on which the refund was taken to the date on which the refund is repaid. Repayment must be made as provided in section 352.23, paragraph (d).

(e) No person may be required to apply for or to accept a refund.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 3A.03, subdivision 3, is amended to read:

Subd. 3. Legislators retirement fund. (a) The legislators retirement fund, a special retirement fund, is created within the state treasury. The legislators retirement fund must be credited with any investment proceeds on the assets of the retirement fund.

(b) The payment of annuities under section 3A.115, paragraph (b), is appropriated from the legislators retirement fund.

(c) The legislators retirement fund may receive transfers of general fund proceeds.
3.1 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.2 Sec. 3. Minnesota Statutes 2016, section 16A.14, subdivision 2a, is amended to read:

3.3 Subd. 2a. **Exceptions.** The allotment and encumbrance system does not apply to:

3.4 (1) appropriations for the courts or the legislature;

3.5 (2) payment of unemployment benefits;

3.6 (3) transactions within the defined contribution funds administered by the Minnesota State Retirement System.

3.7 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.8 Sec. 4. Minnesota Statutes 2016, section 352.03, subdivision 5, is amended to read:

3.9 Subd. 5. **Executive director, deputy director, and assistant director.** (a) The board shall appoint an executive director, in this chapter called the director, of the system must be appointed by the board on the basis of fitness, education, experience in the retirement field, and leadership ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The director must have had at least five years' experience on the administrative staff of a major retirement system in either an executive level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.

3.10 (b) The executive director, deputy director, and assistant director must be in the unclassified service but appointees may be selected from civil service lists if desired. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The salary of the executive director must not exceed the limit for a position listed in section 15A.0815, subdivision 2. The salary of the deputy director and assistant director must be set in accordance with section 43A.18, subdivision 3.

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

3.12 Sec. 5. Minnesota Statutes 2016, section 352.03, subdivision 6, is amended to read:

3.13 Subd. 6. **Duties and powers of executive director.** The management of the system is vested in the director, who is the executive and administrative head of the system. The director may appoint a deputy director and an assistant director with the approval of the board. The director shall be advisor to the board on matters pertaining to the system and shall also act as the secretary of the board. The director shall:
4.1 (1) attend meetings of the board;
4.2 (2) prepare and recommend to the board appropriate rules to carry out this chapter;
4.3 (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
4.4 (4) designate an assistant director with the approval of the board;
4.5 (5) appoint any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter;
4.6 (6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe. Appointments to exercise delegated power must be by written order and shall be filed with the secretary of state;
4.7 (7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services. The contracts are not subject to competitive bidding under chapter 16C. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained under section 356.214. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the Legislative Commission on Pensions and Retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the Legislative Reference Library as provided by section 3.195, and to the executive director of the commission at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director;
4.8 (8) with the advice and consent of the board provide in-service training for the employees of the system;
4.9 (9) make refunds of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased state employees or deceased former state employees, as provided in this chapter;
determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the system;

certify funds available for investment to the State Board of Investment;

with the advice and approval of the board request the State Board of Investment to sell securities when the director determines that funds are needed for the system;

prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Management and Budget; and

with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 6. Minnesota Statutes 2016, section 352.23, is amended to read:

352.23 TERMINATION OF RIGHTS; REPAYMENT OF REFUND.

(a) When any employee accepts a refund as provided in section 352.22, all existing allowable service credits and all rights and benefits to which the employee was entitled before accepting the refund terminate.

(b) Terminated service credits and rights must not again be restored until the former employee acquires at least six months of allowable service credit after taking the last refund. In that event, the employee may repay and repays all refunds previously taken from the retirement fund with interest as provided in paragraph (d).

(c) Repayment of refunds entitles the employee only to credit for service covered by (1) salary deductions; (2) payments previously made in lieu of salary deductions as permitted under law in effect when the payment in lieu of deductions was made; (3) payments made to obtain credit for service as permitted by laws in effect when payment was made; and (4) allowable service previously credited while receiving temporary workers' compensation as provided in section 352.01, subdivision 11, paragraph (a), clause (3).
(d) Payments under this section for repayment of refunds are to be paid with interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually from the date the refund was taken until the date the refund is repaid. They may be paid in a lump sum or by payroll deduction in the manner provided in section 352.04. Payment may be made in partial payments consistent with section 356.44 during employment or in a lump sum up to six months after termination from service.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 7. Minnesota Statutes 2016, section 352B.11, subdivision 4, is amended to read:

Subd. 4. **Reentry into state service.** When a former member, who has become separated from state service that entitled the member to membership and has received a refund of retirement payments, reenters the state service in a position that entitles the member to membership, that member shall receive credit for the period of prior allowable state service if the member repays into the fund the amount of the refund, plus interest on it at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually at any time before subsequent retirement. Repayment may be made in installments or in a lump sum. Repayment must be made as provided in section 352.23, paragraph (d).

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 8. Minnesota Statutes 2016, section 352D.05, subdivision 4, is amended to read:

Subd. 4. **Repayment of refund.** (a) A participant in the unclassified program may repay regular refunds taken under section 352.22, as provided in section 352.23.

(b) A participant in the unclassified program or an employee covered by the general employees retirement plan who has withdrawn the value of the total shares may repay the refund taken and thereupon restore the service credit, rights and benefits forfeited by paying into the fund the amount refunded plus interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually from the date that the refund was taken until the date that the refund is repaid. If the participant had withdrawn only the employee shares as permitted under prior laws, repayment must be pro rata.

(c) Except as provided in section 356.441, the repayment of a refund under this section must be made in a lump sum. Repayment must be made as provided in section 352.23, paragraph (d).

**EFFECTIVE DATE.** This section is effective July 1, 2017.
Sec. 9. Minnesota Statutes 2016, section 490.124, subdivision 12, is amended to read:

Subd. 12. Refund. (a) A person who ceases to be a judge is entitled to a refund in an amount that is equal to all of the member's employee contributions to the judges' retirement fund plus interest computed under section 352.22, subdivision 2.

(b) A refund of contributions under paragraph (a) terminates all service credits and all rights and benefits of the judge and the judge's survivors under this chapter.

(c) A person who becomes a judge again after taking a refund under paragraph (a) may reinstate the previously terminated allowable service credit, rights, and benefits by repaying the total amount of the previously received refund. The refund repayment must include interest on the total amount previously received at the annual rate of 8.5 percent until June 30, 2015, and eight percent thereafter, compounded annually, from the date on which the refund was received until the date on which the refund is repaid. Repayment must be made as provided in section 352.23, paragraph (d).

EFFECTIVE DATE. This section is effective July 1, 2017.

ARTICLE 2
TEACHERS RETIREMENT ASSOCIATION
ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 2016, section 354.05, is amended by adding a subdivision to read:

Subd. 17a. Former spouse. "Former spouse" means a person who is no longer a spouse of a member due to dissolution of the marriage, legal separation, or annulment.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 354.06, subdivision 2, is amended to read:

Subd. 2. President; executive director. The board shall annually elect one of its members as president. It shall elect an executive director. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The salary of the executive director must not exceed the limit for a position listed in section 15A.0815, subdivision 2. The salary of the assistant executive director who shall be in the unclassified service, shall be set in accordance with section 43A.18, subdivision 2. The executive director shall serve during the pleasure of the board and be the executive officer of the board, with such duties as the board shall prescribe. The board shall employ all other clerks and employees necessary to properly administer the association. The cost and expense of administering the provisions
8.1 of this chapter shall be paid by the association. The board shall appoint an executive director
8.2 shall be appointed by the board on the basis of fitness, education, experience in the retirement
8.3 field and leadership, ability to manage and lead system staff, and ability to assist the board
8.4 in setting a vision for the system. The executive director shall have had at least five years
8.5 of experience on the administrative staff of a major retirement system.

8.6 **EFFECTIVE DATE.** This section is effective July 1, 2017.

8.7 Sec. 3. Minnesota Statutes 2016, section 354.06, subdivision 2a, is amended to read:

8.8 Subd. 2a. **Duties of executive director.** The management of the association is vested
8.9 in the executive director who shall be the executive and administrative head of the
8.10 association. The executive director shall act as advisor to the board on all matters pertaining
8.11 to the association and shall also act as the secretary of the board. The executive director
8.12 shall:

8.13 (1) attend all meetings of the board;
8.14 (2) prepare and recommend to the board appropriate rules to carry out the provisions of
8.15 this chapter;
8.16 (3) establish and maintain an adequate system of records and accounts following
8.17 recognized accounting principles and controls;
8.18 (4) designate, as necessary, a deputy executive director and an assistant executive director
8.19 in the unclassified service, as defined in section 43A.08, whose salaries shall be set in
8.20 accordance with section 43A.18, subdivision 3, and two assistant executive directors in the
8.21 classified service, as defined in section 43A.07, with the approval of the board, and appoint
8.22 such employees, both permanent and temporary, as are necessary to carry out the provisions
8.23 of this chapter;
8.24 (5) organize the work of the association as the director deems necessary to fulfill the
8.25 functions of the association, and define the duties of its employees and delegate to them
8.26 any powers or duties, subject to the director's control and under such conditions as the
8.27 director may prescribe;
8.28 (6) with the approval of the board, contract and set the compensation for the services of
8.29 an approved actuary, professional management services, and any other consulting services.
8.30 These contracts are not subject to the competitive bidding procedure prescribed by chapter
8.31 16C. An approved actuary retained by the executive director shall function as the actuarial
8.32 advisor of the board and the executive director and may perform actuarial valuations and
8.33 experience studies to supplement those performed by the actuary retained under section
356.214. Any supplemental actuarial valuations or experience studies shall be filed with
the executive director of the Legislative Commission on Pensions and Retirement. Copies
of professional management survey reports must be transmitted to the secretary of the senate,
the chief clerk of the house of representatives, and the Legislative Reference Library as
provided by section 3.195, and to the executive director of the commission at the same time
as reports are furnished to the board. Only management firms experienced in conducting
management surveys of federal, state, or local public retirement systems are qualified to
contract with the executive director;

(7) with the approval of the board, provide in-service training for the employees of the
association;

(8) make refunds of accumulated contributions to former members and to the designated
beneficiary, surviving spouse, legal representative, or next of kin of deceased members or
deceased former members, under this chapter;

(9) determine the amount of the annuities and disability benefits of members covered
by the association and authorize payment of the annuities and benefits beginning as of the
dates on which the annuities and benefits begin to accrue, under this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses
of the association;

(11) prepare and submit to the board and the legislature an annual financial report
covering the operation of the association, as required by section 356.20;

(12) certify funds available for investment to the State Board of Investment;

(13) with the advice and approval of the board, request the State Board of Investment
to sell securities on determining that funds are needed for the purposes of the association;

(14) prepare and submit biennial and annual budgets to the board and with the approval
of the board submit those budgets to the Department of Management and Budget; and

(15) with the approval of the board, perform such other duties as may be required for
the administration of the association and the other provisions of this chapter and for the
transaction of its business. The executive director may:

(i) reduce all or part of the accrued interest and fines payable by an employing unit for
reporting requirements under section 354.52 chapter 354, based on an evaluation of any
extenuating circumstances of the employing unit;
(ii) assign association employees to conduct field audits of an employing unit to ensure compliance with the provisions of this chapter; and

(iii) recover overpayments, if not repaid to the association, by suspending or reducing the payment of a retirement annuity, refund, disability benefit, survivor benefit, or optional annuity under this chapter until the overpayment, plus interest, has been recovered.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 354.095, is amended to read:

**354.095 MEDICAL LEAVE.**

(a) Upon granting a medical leave, an employing unit must certify the leave to the association on a form specified by the executive director. A member of the association who is on an authorized medical leave of absence is entitled to receive allowable service credit, not to exceed five years, for the period of leave, upon making the prescribed payment to the fund under section 354.72. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354.48 and receive allowable service credit under this section for the same period of time.

(b) The executive director shall reject an application for disability benefits under section 354.48 if the member is applying only because an employer-sponsored provider of private disability insurance benefits requires such an application and the member would not have applied for disability benefits in the absence of such requirement. The member shall submit a copy of the disability insurance policy that requires an application for disability benefits from the plan if the member wishes to assert that the application is only being submitted because of the disability insurance policy requirement.

(c) Notwithstanding the provisions of any agreement to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement both during and at the end of the medical leave.

**EFFECTIVE DATE.** Paragraphs (a) and (c) are effective July 1, 2018. Paragraph (b) is effective retroactively from July 1, 2016.

Sec. 5. Minnesota Statutes 2016, section 354.44, subdivision 9, is amended to read:

Subd. 9. **Determining applicable law.** A former teacher who returns to covered service following a termination and who is not receiving a retirement annuity under this section
must have earned at least \textit{85 days} one-half year of credited service following the return to covered service to be eligible for improved benefits resulting from any law change enacted subsequent to that termination.

\textbf{EFFECTIVE DATE.} This section is effective July 1, 2017.

Sec. 6. Minnesota Statutes 2016, section 354.46, subdivision 6, is amended to read:

Subd. 6. \textbf{Application.} (a) A beneficiary designation and an application for benefits under this section must be in writing on a form prescribed by the executive director.

(b) Sections 354.55, subdivision 11, and 354.60 apply to a deferred annuity payable under this section.

(c) Unless otherwise specified, the annuity must be computed under section 354.44, subdivision 2 or 6, whichever is applicable.

(d) Each designated beneficiary eligible for a lifetime benefit under this subdivision may apply for an annuity any time after the member's death. The benefit may not begin to accrue more than six months before the date the application is filed with the executive director and may not accrue before the member's death.

\textbf{EFFECTIVE DATE.} This section is effective July 1, 2017.

Sec. 7. Minnesota Statutes 2016, section 354.48, subdivision 1, is amended to read:

\textbf{Subdivision 1.} \textbf{Age, service and salary requirements.} A member who is totally and permanently disabled, who has not reached the normal retirement age as defined in section 354.05, subdivision 38, and who has at least three years of credited allowable service at the time that the total and permanent disability begins is entitled to a disability benefit based on this allowable service in an amount provided in subdivision 3. If the disabled member's teaching service has terminated at any time, at least two of the required three years of allowable service must have been rendered after last becoming a member. \textit{Any member whose average salary is less than $75 per month is not entitled to disability benefits.}

\textbf{EFFECTIVE DATE.} This section is effective July 1, 2017.

Sec. 8. Minnesota Statutes 2016, section 354.52, subdivision 4, is amended to read:

\textbf{Subd. 4. \textit{Reporting and remittance requirements.}} An employer shall remit all amounts due to the association and furnish a statement indicating the amount due and transmitted with any other information required by the executive director. If an amount due is not received by the association within 14 calendar days of the payroll warrant, the amount
accrues interest at an annual rate of 8.5 percent compounded annually from the due date until the amount is received by the association. All amounts due and other employer obligations not remitted within 60 days of notification by the association must be certified to the commissioner of management and budget who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 9. Minnesota Statutes 2016, section 423A.02, subdivision 3, is amended to read:

Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference between $5,720,000 and the current year amortization aid distributed under subdivision 1 that is not distributed for any reason to a municipality must be distributed by the commissioner of revenue according to this paragraph. The commissioner shall distribute 60 percent of the amounts derived under this paragraph to the Teachers Retirement Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments must be made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or the Duluth Teachers Retirement Fund Association becomes fully funded, the association's eligibility for its portion of this aid ceases. Amounts remaining in the undistributed balance account at the end of the biennium if aid eligibility ceases cancel to the general fund.

(b) In order to receive amortization aid under paragraph (a), before June 30 annually Independent School District No. 625, St. Paul, must make an additional contribution of $800,000 each year to the St. Paul Teachers Retirement Fund Association.

(c) Thirty percent of the difference between $5,720,000 and the current year amortization aid under subdivision 1 that is not distributed for any reason to a municipality must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

**ARTICLE 3**

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**ADMINISTRATIVE PROVISIONS**

Section 1. Minnesota Statutes 2016, section 353.0162, is amended to read:

**353.0162 REDUCED SALARY PERIODS SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED SALARY.**

Article 3 Section 1.
(a) A member may purchase additional differential salary credit, as described in paragraph (c), for a period specified in this section paragraph (b).

(b) The applicable period is a period during which the member is receiving no or reduced salary from the employer while the member is:

(1) receiving temporary workers' compensation payments related to the member's service to the public employer;

(2) on an authorized leave of absence, except that if the authorized leave of absence exceeds 12 months, the period of leave for which differential salary credit may be purchased is limited to 12 months; or

(3) on an authorized partial paid leave of absence as a result of a budgetary or salary savings program offered or mandated by a governmental subdivision, if certified to the executive director by the governmental subdivision.

(c) The Differential salary amount credit is the difference between the average monthly salary received by the member during the period of reduced salary under this section specified in paragraph (b) and the average monthly salary of the member, excluding overtime, on which contributions to the applicable plan were would have been made during the period of the last six months of covered employment occurring immediately before the period of reduced salary, applied to based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.

(d) To receive eligible differential salary credit, the member shall pay the plan, by delivering payment to the executive director, an amount equal to:

(1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary amount;

(2) plus an employer equivalent payment equal to the applicable employer contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as applicable, multiplied by the differential salary amount;

(3) plus, if applicable, an equivalent employer additional amount equal to the additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary amount.

(e) The employer, by appropriate action of its governing body and documented in its official records, may pay the employer equivalent contributions and, as applicable, the equivalent employer additional contributions on behalf of the member.
(f) Payment under this section must include interest on the contribution amount or amounts, whichever applies, at an 8.5 percent annual rate until June 30, 2015, and at an eight percent annual rate thereafter, prorated for applicable months from the date on which the period of reduced salary specified under this section in paragraph (b) terminates to the date on which the payment or payments are received by the executive director. Payment under this section must be completed within by the earlier earliest of:

1. 30 days from after termination of public service by the employee under section 353.01, subdivision 11a, or;
2. one year after the termination of the period specified in paragraph (b), as further restricted under this section; or
3. 30 days after the commencement of a disability benefit.

(g) The period for which additional allowable salary credit may be purchased is limited to the period during which the person receives temporary workers' compensation payments or for those business years in which the governmental subdivision offers or mandates a budget or salary savings program, as certified to the executive director by a resolution of the governing body of the governmental subdivision. For an authorized leave of absence, the period for which allowable salary credit may be purchased may not exceed 12 months of authorized leave.

(h) To purchase (g) If the member has purchased 12 months of differential salary credit for a subsequent period of temporary workers' compensation benefits or subsequent authorized medical leave of absence, the member must return to public service and render a minimum of three months of allowable service to purchase differential salary credit for a subsequent leave of absence.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 353.32, subdivision 1, is amended to read:

Subdivision 1. Before retirement. If a member or former member who terminated public service dies before retirement or before receiving any retirement annuity and no other payment of any kind is or may become payable to any person, a refund is payable to the designated beneficiary or, if there be none, to the surviving spouse, or, if none, to the legal representative of the decedent's estate. The refund must be in an amount equal to accumulated deductions, less the sum of any disability or survivor benefits that have been paid by the fund, plus annual compound interest thereon at the rate specified in section 353.34, subdivision 2, and less the sum of any disability or survivor benefits, if any, that may have
been paid by the fund; provided that a survivor who has a right to benefits under section
353.31 may waive such benefits in writing, except such benefits for a dependent child under
the age of 18 years may only be waived under an order of the district court.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 3. Minnesota Statutes 2016, section 353.34, subdivision 2, is amended to read:

Subd. 2. Refund with interest. (a) Except as provided in subdivision 1, any person who
ceases to be a public employee is entitled to receive a refund in an amount equal to
accumulated deductions with, less the sum of any disability benefits that have been paid by
the fund, plus annual compound interest to the first day of the month in which the refund
is processed.

(b) For a person who ceases to be a public employee before July 1, 2011, the refund
interest is at the rate of six percent to June 30, 2011, and at the rate of four percent after
June 30, 2011. For a person who ceases to be a public employee after July 1, 2011, the
refund interest is at the rate of four percent.

(c) If a person repays a refund and subsequently applies for another refund, the repayment
amount, including interest, is added to the fiscal year balance in which the repayment was
made.

(d) If the refund payable to a member is based on employee deductions that are
determined to be invalid under section 353.27, subdivision 7, the interest payable on the
invalid employee deductions is four percent.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 353.64, subdivision 10, is amended to read:

Subd. 10. Pension coverage for Hennepin Healthcare System, Inc.; paramedics and
emergency medical technicians. An employee of Hennepin Healthcare System, Inc. is a
member of the public employees police and fire retirement plan under sections 353.63 to
353.68 if the person is:

(1) certified as a paramedic or emergency medical technician by the state under section
144E.28, subdivision 4;

(2) employed full time by Hennepin County as:

(i) a paramedic or;

(ii) an emergency medical technician by Hennepin County; or
(iii) a supervisor or manager of paramedics or emergency medical technicians; and

(3) not eligible for coverage under the agreement signed between the state and the
secretary of the federal Department of Health and Human Services making the provisions
of the federal Old Age, Survivors, and Disability Insurance Act applicable to paramedics
and emergency medical technicians because the person’s position is excluded after that date
from application under United States Code, title 42, sections 418(d)(5)(A) and 418(d)(8)(D),
and section 355.07.

Hennepin Healthcare System, Inc. shall deduct the employee contribution from the salary
of each full-time paramedic and emergency medical technician it employs as required by
section 353.65, subdivision 2, shall make the employer contribution for each full-time
paramedic and emergency medical technician it employs as required by section 353.65,
subdivision 3, and shall meet the employer recording and reporting requirements in section
353.65, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 5. REPEALER.

Minnesota Statutes 2016, section 353.0161, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2017.

ARTICLE 4
ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION
ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 2016, section 354A.093, subdivision 4, is amended to read:

Subd. 4. Eligible payment period. (a) To receive service credit under this section, the
contributions specified in this section must be transmitted to the applicable first class city
St. Paul Teachers Retirement Fund Association during the period which begins with the
date the individual returns to teaching service and which has a duration of three times the
length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph
(a) is less than one year, the contributions required under this section to receive service
credit may be made within one year from the discharge date.

EFFECTIVE DATE. This section is effective July 1, 2017.
Sec. 2. Minnesota Statutes 2016, section 354A.093, subdivision 6, is amended to read:

Subd. 6. Interest requirements. The employer shall pay interest on all equivalent employee and employer contribution amounts payable under this section. Interest must be computed at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually from the end of each fiscal year of the leave or break in service to the end of the month in which payment is received at the annual compound rate of 8.5 percent for any period, or portion thereof, through June 30, 2015, and eight percent thereafter.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 3. Minnesota Statutes 2016, section 354A.096, is amended to read:

354A.096 MEDICAL LEAVE.

Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2a, as applied to the member's average full-time monthly salary rate on the date the leave of absence commenced plus annual interest compounded annually from the end of the fiscal year during which the leave terminates to the end of the month during which payment is made at the rate of 8.5 percent until any period, or portion thereof, through June 30, 2015, and eight percent thereafter per year from the end of the fiscal year during which the leave terminates to the end of the month during which payment is made. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

EFFECTIVE DATE. This section is effective July 1, 2017.
Sec. 4. Minnesota Statutes 2016, section 354A.38, is amended to read:

**354A.38 EFFECT OF REFUND; REPAYMENT OF REFUND.**

Subdivision 1. Effect of refund; termination of service credit. If a coordinated member or former coordinated member applies for and accepts a refund pursuant to section 354A.37, all allowable service which was credited to the member or former member shall be terminated.

Subd. 2. Repayment of refund. A coordinated member with at least two years of allowable service credited subsequent to the member's last application for and acceptance payment of a refund pursuant to section 354A.37 shall be entitled to repay the refund. The amount of the refund repayment shall be calculated pursuant to subdivision 3. If the member has previously applied for and accepted more than one refund, and the previous refund or all refunds have not been repaid, then the member shall be entitled only to repay all outstanding refunds and shall not be entitled to repay only the most recent refund pro rata.

Subd. 3. Computation of refund repayment amount. If the coordinated member elects to repay a refund under subdivision 2, the repayment to the fund must be in an amount equal to the refunds the member has accepted issued plus interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually from the date that the refund was accepted issued to the date that the refund is repaid at a rate of 8.5 percent for any period, or portion thereof, through June 30, 2015, and eight percent thereafter.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

**ARTICLE 5**

**RETIREFMENT SYSTEMS, GENERALLY ADMINISTRATIVE PROVISIONS**

Section 1. Minnesota Statutes 2016, section 356.50, subdivision 2, is amended to read:

Subd. 2. Service credit procedure. (a) To obtain the public pension plan allowable service credit, the eligible person under subdivision 1 shall pay the required member contribution amount. The required member contribution amount is the member contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the unpaid gross salary amounts of the back pay award including unemployment insurance, workers’ compensation, or wages from other sources which reduced the back award. No contributions may be made under this clause for compensation covered by a public pension plan listed in section 356.30, subdivision 3, for employment
19.1 during the removal period. The person shall pay the required member contribution amount
within 60 days of the date of receipt of the back pay award or within 60 days of a billing
from the retirement fund, whichever is later.

19.2 (b) The public employer who wrongfully discharged the public employee must pay an
employer contribution on the back pay award. The employer contribution must be based
on the employer contribution rate or rates in effect for the pension plan during the period
of service covered by the back pay award, applied to the salary amount on which the member
contribution amount was determined under paragraph (a). The employer must pay the interest
on both the required member and employer contribution amount must be paid by the employer
amounts from the date the contribution amount would have been paid to the date of actual
payment at the annual compound rate of 8.5 percent for any period for the Teachers
Retirement Association and 8.5 percent until for any period, or portion thereof, through
June 30, 2015, and eight percent thereafter, for any other retirement plan listed in section
356.30, subdivision 3, per year, expressed monthly, between the date the contribution amount
would have been paid to the date of actual payment. The employer payment must be made
within 30 days of the payment under paragraph (a).

19.3 EFFECTIVE DATE. This section is effective July 1, 2017.

19.4 Sec. 2. Minnesota Statutes 2016, section 356.551, subdivision 2, is amended to read:

19.5 Subd. 2. Determination. (a) Unless the minimum purchase amount set forth in paragraph
(c) applies, the prior service credit purchase amount is an amount equal to the actuarial
present value, on the date of payment, as calculated by the chief administrative officer of
the pension plan and reviewed by the actuary retained under section 356.214, of the amount
of the additional retirement annuity obtained by the acquisition of the additional service
credit in this section.

19.6 (b) Calculation of this amount must be made using the preretirement interest rate
applicable to the public pension plan specified in section 356.215, subdivision 8, and the
mortality table adopted for the public pension plan. The calculation must assume continuous
future service in the public pension plan until, and retirement at, the age at which the
minimum requirements of the fund for normal retirement or retirement with an annuity
unreduced for retirement at an early age, including section 356.30, are met with the additional
service credit purchased. The calculation must also assume a full-time equivalent salary, or
actual salary, whichever is greater, and a future salary history that includes annual salary
increases at the applicable salary increase rate for the plan specified in section 356.215,
subdivision 8d.
(c) The prior service credit purchase amount may not be less than the amount determined by applying, for each year or fraction of a year being purchased, the sum of the employee contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, applicable during that period, to the person's annual salary during that period, or fractional portion of a year's salary, if applicable, plus interest at the annual rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually from the end of the year in which contributions would otherwise have been made to the date on which the payment is received at the rate of 8.5 percent for any period for the Teachers Retirement Association and 8.5 percent for any period, or portion thereof, through June 30, 2015, and eight percent thereafter, for any other retirement plan listed in section 356.30, subdivision 3.

(d) Unless otherwise provided by statutes governing a specific plan, payment must be made in one lump sum within one year of the prior service credit authorization or prior to the member's effective date of retirement, whichever is earlier. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of 8.5 percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made at the rate of 8.5 percent for any period for the Teachers Retirement Association and 8.5 percent for any period, or portion thereof, through June 30, 2015, and eight percent thereafter, for any other retirement plan listed in section 356.30, subdivision 3. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 3. Minnesota Statutes 2016, section 356.635, is amended by adding a subdivision to read:

Subd. 9a. Definitions. (a) The following definitions apply for purposes of this subdivision and subdivisions 10 to 12.
(b) "Annual addition" means the sum for the limitation year of all pretax and after-tax contributions made by the member or the member's employer and credited to an account in the name of the member in any defined contribution plan maintained by the employer.

(c) "Compensation" means the compensation actually paid or made available to a member for any limitation year, including all items of remuneration described in Code of Federal Regulations, title 26, section 1.415(c)-2(b), and excluding all items of remuneration described in Code of Federal Regulations, title 26, section 1.415(c)-2(c). Compensation for pension plan purposes for any limitation year shall not exceed the applicable federal compensation limit described in section 356.611, subdivision 2.

(d) "Limitation year" means the calendar year or fiscal year, whichever is applicable to the particular pension plan.

(e) "Maximum permissible benefit" means an annual benefit of $160,000, automatically adjusted under section 415(d) of the Internal Revenue Code for each limitation year ending after December 31, 2001, payable in the form of a single life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a member's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The maximum permissible benefit amount shall be further adjusted as follows:

(1) if the member has less than ten years of participation, the maximum permissible benefit shall be multiplied by a fraction, the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the plan, and the denominator of which is ten;

(2) if the annual benefit begins before the member has attained age 62, the determination as to whether the maximum permissible benefit limit has been satisfied shall be made, in accordance with regulations prescribed by the United States secretary of the treasury, by reducing the limit so that the limit, as so reduced, equals an annual benefit, beginning when the annual benefit actually begins, which is equivalent to a $160,000, as adjusted, annual benefit beginning at age 62; and

(3) if the annual benefit begins after the member has attained age 65, the determination as to whether the maximum permissible benefit limit has been satisfied shall be made, in accordance with regulations prescribed by the United States secretary of the treasury, by increasing the limit so that the limit, as so increased, equals an annual benefit, beginning when the annual benefit actually begins, which is equivalent to a $160,000, as adjusted, annual benefit beginning at age 65.
EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 356.635, subdivision 10, is amended to read:

Subd. 10. Annual benefit limitations; defined benefit plans. (a) The annual benefit payable to a member shall not exceed the maximum permissible benefit. If the benefit the member would otherwise receive for a limitation year would result in the payment of an annual benefit in excess of the maximum permissible benefit, the benefit shall be reduced to the extent necessary so the benefit does not exceed the maximum permissible benefit.

(b) For purposes of applying the limits of section 415(b) of the Internal Revenue Code, a retirement limitation in paragraph (a), an annual benefit that is payable in any form other than a single life annuity and that is subject to section 417(e)(3) of the Internal Revenue Code must be adjusted to an actuarially equivalent single life annuity that equals, if the annuity starting date is in a plan year beginning after 2005, the annual amount of the single life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit, using whichever of the following produces the greatest annual amount:

(1) the interest rate and the mortality table or other tabular factor specified in the plan for adjusting benefits in the same form;

(2) a 5.5 percent interest rate assumption and the applicable mortality table; or

(3) the applicable interest rate under section 417(e)(3) of the Internal Revenue Code and the applicable mortality table, divided by 1.05.

(c) If a member participated in more than one pension plan in which the employer participates, the benefits under each plan must be reduced proportionately to satisfy the limitation in paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 5. Minnesota Statutes 2016, section 356.635, is amended by adding a subdivision to read:

Subd. 11. Annual addition limitation; defined contribution plans. The annual additions by or on behalf of a member to a defined contribution plan for any limitation year shall not exceed the lesser of (1) 100 percent of the member's compensation for the limitation year or (2) the dollar limit in effect for the limitation year under section 415(c)(1)(A) of the Internal Revenue Code, as adjusted by the United States secretary of the treasury under section 415(d)(1)(C) of the Internal Revenue Code.
EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 6. Minnesota Statutes 2016, section 356.635, is amended by adding a subdivision to read:

Subd. 12. Incorporation by reference. Any requirements of section 415(b) and (c) of the Internal Revenue Code and related regulations and agency guidance not addressed by subdivisions 10 and 11 shall be considered incorporated by reference, including provisions applicable to qualified police and firefighters and to survivor and disability benefits. Subdivisions 10 to 12 shall be interpreted in a manner that is consistent with the requirements of section 415(b) and (c) of the Internal Revenue Code and the related regulations.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 7. Minnesota Statutes 2016, section 356.635, is amended by adding a subdivision to read:

Subd. 13. Correction of errors. The executive director of each plan may correct an operational, demographic, employer eligibility, or plan document error as the executive director deems necessary or appropriate to preserve and protect the plan's tax qualification under section 401(a) of the Internal Revenue Code, including as provided in the Internal Revenue Service's Employee Plans Compliance Resolution System (EPCRS) or any successor thereto. To the extent deemed necessary by the executive director to implement correction, the executive director may:

(1) make distributions;

(2) transfer assets; or

(3) recover an overpayment by reducing future benefit payments or designating appropriate revenue or source of funding that will restore to the plan the amount of the overpayment.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 8. Minnesota Statutes 2016, section 356.96, subdivision 1, is amended to read:

Subdivision 1. Definitions. (a) Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the terms in paragraphs (b) to (e) this subdivision have the meanings given them.

(b) "Chief administrative officer" "Executive director" means the executive director of a covered pension plan or the executive director's designee or representative.
(c) "Covered pension plan" means a plan enumerated in section 356.20, subdivision 2, clauses (1) to (4), (8), and (11) to (14), but does not mean the deferred compensation plan administered under sections 352.965 and 352.97 or to the postretirement health care savings plan administered under section 352.98.

(d) "Governing board" means the Board of Trustees of the Public Employees Retirement Association, the Board of Trustees of the Teachers Retirement Association, or the Board of Directors of the Minnesota State Retirement System.

(e) "Person" includes an active, retired, deferred, or nonvested inactive participant in a covered pension plan or a beneficiary of a participant, or an individual who has applied to be a participant or who is or may be a survivor of a participant, or the representative of a state agency or other governmental unit that employs active participants in a covered pension plan.

(f) "Petitioner" means a person who has filed a petition for review of an executive director's determination under this section.

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

Sec. 9. Minnesota Statutes 2016, section 356.96, subdivision 2, is amended to read:

Subd. 2. Right to review appeal to executive director; determination. A determination made by the chief administrative officer of a covered pension plan regarding a person's eligibility, benefits, or other rights under the plan with which the person does not agree may be appealed to the executive director of the plan. The appeal must be in writing and be delivered to the executive director. The executive director may overturn, modify, or affirm the staff's decision. The executive director's determination is subject to review under this section.

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

Sec. 10. Minnesota Statutes 2016, section 356.96, subdivision 3, is amended to read:

Subd. 3. Notice of determination. If the applicable chief administrative officer denies an application or a written request, modifies a benefit, or terminates a benefit of a person claiming a right or potential rights under a covered pension plan, the chief administrative officer shall notify that person through a written notice containing: The executive director shall issue a written notice of determination to the person who files an appeal under subdivision 2. The notice of determination must be delivered by certified mail to the address to which the most recent benefit payment was sent or, if that address is that of a financial
institution, to the last known address of the person. The notice of determination shall include
the following:

(1) a statement of the reasons for the determination;

(2) a notice statement that the person may petition the governing board of the covered
pension plan for a review of the determination and that a person's petition for review must
be filed in the administrative office of the covered pension plan within no later than 60 days
of the receipt after the date of the written notice of the determination;

(3) a statement indicating that a failure to petition for review within 60 days precludes
the person from contesting in any other further administrative or judicial review or court
procedure the issues determined by the chief administrative officer of the executive director's
determination;

(4) a statement indicating that all relevant materials, documents, affidavits, and other
records that the person wishes to be reviewed in support of the petition and a list of any
witnesses who will testify before the governing board, along with a summary of their
testimony, must be filed with and received in the administrative office of the covered pension
plan at least 15 days before the date of the hearing under subdivision 10 or as directed by
the administrative law judge who conducts a fact-finding conference under subdivision 7,
paragraph (b), or a contested case hearing under subdivision 12, paragraph (b); and

(5) a summary of this section, including all filing requirements and deadlines; and

(6) the statement required under subdivision 4, paragraph (a), if applicable.

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

Sec. 11. Minnesota Statutes 2016, section 356.96, subdivision 4, is amended to read:

Subd. 4. Termination of benefits. (a) If a covered pension plan decides to the executive
director's determination will terminate a benefit that is being paid to a person, before
terminating the benefit, the chief administrative officer must, in addition to the other
procedures prescribed in this section, provide the individual with written notice of the
pending benefit termination by certified mail. The notice must explain the reason for the
pending benefit termination. The person must be given an the notice of determination must
also state that the person has the opportunity to explain, in writing, in person, by telephone,
or by e-mail, the reasons that the benefit should not be terminated.

(b) If the chief administrative officer is unable to contact the person and notice of
determination is returned as undeliverable, and the person cannot be reached by any other
reasonable means of communication, and the executive director determines that a failure
to terminate the benefit will result in unauthorized payment by a covered pension plan, the
chief administrative officer executive director may terminate the benefit immediately upon
mailing a written notice containing the information required by subdivision 3 to the address
to which the most recent benefit payment was sent and, if that address is that of a financial
institution, to the last known address of the person.

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

Sec. 12. Minnesota Statutes 2016, section 356.96, subdivision 5, is amended to read:

**Subd. 5. Petition for review.** (a) Upon receipt of the notice of determination required
in subdivision 3, a person who claims a right under subdivision 2 may petition the governing
board of the covered pension plan for a review of that decision by the governing board of
the covered pension plan the executive director's determination.

(b) A petition under this section must be sent to the chief administrative officer by mail
and must be postmarked The petitioner must file the petition for review with the
administrative office of the covered pension plan no later than 60 days after the person
received date of the notice of determination required by subdivision 3. Filing of the petition
is effective upon mailing or personal delivery. The petition must include the person's
petitioner's statement of the reason or reasons that the person believes the decision of the
chief administrative officer determination of the executive director should be reversed or
modified. The petition may include all documentation and written materials that the petitioner
deems to be relevant. In developing a record for review by the board when a decision is
appealed, the chief administrative officer may direct that the applicant participate in a
fact-finding session conducted by an administrative law judge assigned by the Office of
Administrative Hearings and, as applicable, participate in a vocational assessment conducted
by a qualified rehabilitation counselor on contract with the applicable retirement system.

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

Sec. 13. Minnesota Statutes 2016, section 356.96, subdivision 6, is amended to read:

**Subd. 6. Failure to petition.** If a timely petition for review under subdivision 5 is not
filed with the chief administrative officer, office of the covered pension plan's plan, the
executive director's determination is final and is not subject to further administrative or
judicial review.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 14. Minnesota Statutes 2016, section 356.96, subdivision 7, is amended to read:

Subd. 7. Notice of hearing; fact-finding; filing and timing requirements. (a) After receiving a petition, the chief administrative officer executive director must schedule a timely hearing to review of the petition before the governing board of the covered pension plan or the executive director may defer the scheduling of a hearing until after a fact-finding conference under paragraph (b). The review must be scheduled to take into consideration any necessary accommodations to allow the petitioner to participate in the governing board's review.

(b) The executive director may direct the petitioner to participate in a fact-finding conference conducted by an administrative law judge assigned by the Office of Administrative Hearings. The fact-finding conference is an informal proceeding not subject to the provisions of Minnesota Rules, chapter 1400, except that part 1400.7300 shall govern the admissibility of evidence and part 1400.8603 shall govern how the fact-finding conference is conducted. The administrative law judge must issue a report and a recommendation to the governing board.

(c) If the petitioner's claim relates to disability benefits, the executive director may direct the petitioner to participate in a vocational assessment conducted by a qualified rehabilitation counselor under contract with the covered pension plan. The counselor must issue a report regarding the assessment to the governing board.

(d) Not less than 30 calendar days before the date scheduled for the hearing before the governing board, the chief administrative officer executive director must provide by mail to notify the petitioner an acknowledgment of the receipt of the person's petition and a follow-up notice of the time and place of the meeting at which the governing board is scheduled to consider the petition and conduct the hearing. If there has been no fact-finding conference under paragraph (b), not less than 15 days before the date scheduled for the hearing, the petitioner and the executive director must provide a copy to the governing board and the other party copies of all relevant documents, documentary evidence, summaries, and recommendations assembled by or on behalf of the plan administration to be considered by the governing board that will be presented and a list of witnesses who will testify, along with a summary of their testimony.

(e) All documents and materials that the petitioner wishes to be part of the record for review must be filed with the chief administrative officer and must be received in the offices of the covered pension plan at least 15 days before the date of the meeting at which the petition is scheduled to be heard.
(d) A petitioner may request a continuance postponement of the date scheduled for the hearing if the request is received by the chief administrative officer within before the governing board within a reasonable time, but no later than ten calendar days of before the scheduled hearing date of the applicable board meeting. The chief administrative officer must reschedule the review within a reasonable time. Only one continuance may be granted to any petitioner. A petitioner shall be granted only one postponement unless the applicable covered pension plan agrees to additional postponements.

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

Sec. 15. Minnesota Statutes 2016, section 356.96, subdivision 8, is amended to read:

Subd. 8. Record for review. (a) All evidence, including all records, documents, and affidavits in the possession of the covered pension plan of which the covered pension plan desires to avail itself and be considered by the governing board, and all evidence which the petitioner wishes to present to the governing board, including any evidence which would otherwise be classified by law as "private," must be made part of the hearing record.

(b) The chief administrative officer executive director must provide a copy of the record to each member of the governing board at least seven five days before the scheduled hearing date.

(c) Any additional document, affidavit, or other relevant information that the petitioner requests be part of the record may be admitted with the consent of the governing board. If a fact-finding conference under subdivision 7, paragraph (b), is not conducted, the record is limited to those materials provided to the petitioner in accordance with subdivision 7, paragraph (d), those filed by the petitioner with the covered pension plan in a timely manner in accordance with subdivision 7, paragraph (e), any vocational assessment report under subdivision 7, paragraph (c), and any testimony at the hearing before the governing board. Any additional evidence may be placed in the record pursuant to subdivision 10, paragraph (b).

(d) If a fact-finding conference under subdivision 7, paragraph (b), or a contested case hearing under subdivision 12, paragraph (b), is conducted, the record before the governing board must be limited to the following:

1. the record from the Office of Administrative Hearings;
2. seven-page submissions by the petitioner and a representative of the covered pension plan commenting on the administrative law judge’s recommendation; and
3. any vocational assessment report under subdivision 7, paragraph (c).
**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 16. Minnesota Statutes 2016, section 356.96, subdivision 9, is amended to read:

Subd. 9. **Amended determination.** At any time before the hearing before the governing board, for good cause shown and made part of the records of the plan, the chief administrative officer executive director may reverse, alter, amend, or modify the prior decision which is subject to review under this section by issuing an amended decision determination to the petitioner. Upon doing so, the chief administrative officer executive director may cancel the governing board's scheduled review of the person's petition and shall so notify the petitioner.

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

Sec. 17. Minnesota Statutes 2016, section 356.96, subdivision 10, is amended to read:

Subd. 10. **Board hearing.** (a) The governing board shall hold a timely hearing on a petition for review as part of a regularly scheduled board meeting, or as part of a special meeting if so scheduled. All governing board members who participate in the decision-making process must be familiar with the record. The governing board shall make its decision on a petition solely on the record as submitted and on the proceedings of the hearing.

(b) At the hearing, the petitioner, the petitioner's attorney, and the chief administrative officer representative, if any, the executive director and a representative of the covered pension plan who does not also serve as the governing board's legal advisor during the board's decision-making process, may state and discuss with the governing board their positions with respect to the petition. If no fact-finding conference under subdivision 7, paragraph (b), or contested case hearing under subdivision 12, paragraph (b), was conducted, additional evidence may be received in the form of testimony from previously disclosed witnesses. The governing board may allow further documentation to be placed in the record at the board meeting only with the agreement of both the chief administrative officer executive director and the petitioner. The chief administrative officer executive director may not otherwise participate in the board's decision-making process.

(b) When a petition presents a contested issue of law, an assistant attorney general may participate and may argue on behalf of the legal position taken by the chief administrative officer if that assistant attorney general does not also serve as the governing board's legal advisor during the board's decision-making process.
(c) A motion by a board member, supported by a summary of the relevant facts, conclusions and reasons, as properly amended and approved by a majority of the governing board, constitutes the board's final decision. A verbatim statement of the board's final decision must be served upon the petitioner. If the decision is contrary to the petitioner's desired outcome, the notice shall inform the petitioner of the appeal rights set forth in subdivision 13.

(d) If a petitioner who received timely notice of a scheduled hearing fails to appear, the governing board may nevertheless hear the petition and issue a decision.

The governing board's decision shall be made upon a motion by a board member and approval by a majority of the governing board. The governing board must issue its decision as a written order containing findings of fact, conclusions of law, and the board's decision no later than 30 days after the hearing. If the decision is contrary to the petitioner's desired outcome, the notice must inform the petitioner of the appeal rights set forth in subdivision 13.

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

Sec. 18. Minnesota Statutes 2016, section 356.96, subdivision 11, is amended to read:

Subd. 11. Disability medical issues. (a) If a person petitions the governing board the petitioner seeks to reverse or modify a determination which found by the executive director that there exists no medical data supporting an application for disability benefits, the governing board may reverse that determination only if there is in fact medical evidence supporting the application. The governing board has the discretion to resubmit a disability benefit application at any time to a medical advisor for reconsideration, and the resubmission may include an instruction that further medical examinations be obtained.

(b) The governing board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical evidence contrary to the opinion of the medical advisor in the record and the medical advisor attests that the decision was made in accordance with the applicable disability standard, the board must follow the decision of the medical advisor regarding the cause of the disability.

(c) The obligation of the governing board to follow the decision of the medical advisor under paragraph (b) does not apply to instances when the governing board makes a
EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 19. Minnesota Statutes 2016, section 356.96, subdivision 12, is amended to read:

Subd. 12. Referral for administrative hearing. (a) Notwithstanding any provision of sections 14.03, 14.06, and 14.57 to 14.69 to the contrary, a challenge to a determination of the chief administrative officer of a covered pension plan under subdivision 7, paragraph (b), must be conducted exclusively under the procedures set forth in this section and is not as a contested case under chapter 14.

(b) Notwithstanding the provisions of paragraph (a), A governing board, in its sole discretion, may refer a petition brought under this section to the Office of Administrative Hearings for a contested case hearing under sections 14.57 to 14.69.

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

Sec. 20. Minnesota Statutes 2016, section 356.96, subdivision 13, is amended to read:

Subd. 13. Appeal of the governing board's decision; judicial review. Within No later than 60 days of the date of the mailing of the notice of the governing board's decision, the petitioner may appeal the decision by filing a writ of certiorari with the Court of Appeals under section 606.01 and Rule 115 of the Minnesota Rules of Civil Appellate Procedure. Failure by a person to appeal to the Court of Appeals within the 60-day period precludes the person from later raising, in any subsequent administrative hearing or court proceeding, those substantive and procedural issues that reasonably should have been raised upon a timely appeal.

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

Sec. 21. REPEALER.

(a) Minnesota Statutes 2016, section 356.611, subdivisions 3, 3a, 4, and 5, are repealed.

(b) Minnesota Statutes 2016, section 356.96, subdivisions 14 and 15, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2017. Paragraph (b) is effective the day following final enactment.
ARTICLE 6

ACTUARIAL ASSUMPTION CHANGES

Section 1. Minnesota Statutes 2016, section 356.215, subdivision 8, is amended to read:

Subd. 8. Interest and salary assumptions. (a) The actuarial valuation must use the applicable following interest assumption:

(1) select and ultimate interest rate assumption

<table>
<thead>
<tr>
<th>Plan</th>
<th>Ultimate Interest Rate Assumption</th>
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<tbody>
<tr>
<td>Teachers retirement plan</td>
<td>8.5%</td>
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</table>

The select preretirement interest rate assumption for the period through June 30, 2017, is eight percent:

(2) single rate interest rate assumption

<table>
<thead>
<tr>
<th>Plan</th>
<th>Interest Rate Assumption</th>
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<tbody>
<tr>
<td>General state employees retirement plan</td>
<td>8%</td>
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<tr>
<td>Correctional state employees retirement plan</td>
<td>8</td>
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<tr>
<td>State Patrol retirement plan</td>
<td>8</td>
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<tr>
<td>Legislators retirement plan, and for the constitutional officers calculation of total plan liabilities</td>
<td>0</td>
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<tr>
<td>Judges retirement plan</td>
<td>8</td>
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<tr>
<td>General public employees retirement plan</td>
<td>8</td>
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<tr>
<td>Public employees police and fire retirement plan</td>
<td>8</td>
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<tr>
<td>Local government correctional service retirement plan</td>
<td>8</td>
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<tr>
<td>Teachers retirement plan</td>
<td>8</td>
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<tr>
<td>St. Paul teachers retirement plan</td>
<td>8</td>
</tr>
<tr>
<td>Bloomington Fire Department Relief Association</td>
<td>6</td>
</tr>
<tr>
<td>Local monthly benefit volunteer firefighter relief associations</td>
<td>5</td>
</tr>
<tr>
<td>Monthly benefit retirement plans in the statewide volunter firefighter retirement plan</td>
<td>6</td>
</tr>
</tbody>
</table>

(b)(1) If funding stability has been attained, the valuation must use a postretirement adjustment rate actuarial assumption equal to the postretirement adjustment rate specified in section 354A.27, subdivision 7, 354A.29, subdivision 9c, or 356.415, subdivision 1, whichever applies.
(2) If funding stability has not been attained, the valuation must use a select postretirement adjustment rate actuarial assumption equal to the postretirement adjustment rate specified in section 354A.27, subdivision 6a; 354A.29, subdivision 8, or 356.415, subdivision 1a, 1b, 1c, 1d, 1e, or 1f, whichever applies, for a period ending when the approved actuary estimates that the plan will attain the defined funding stability measure, and thereafter an ultimate postretirement adjustment rate actuarial assumption equal to the postretirement adjustment rate under section 354A.27, subdivision 7; 354A.29, subdivision 9, or 356.415, subdivision 1, for the applicable period or periods beginning when funding stability is projected to be attained.

(c) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

<table>
<thead>
<tr>
<th>Plan</th>
<th>Future Salary Increase Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>legislators retirement plan</td>
<td>5%</td>
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<tr>
<td>judges retirement plan</td>
<td>2.75</td>
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<tr>
<td>Bloomington Fire Department Relief Association</td>
<td>4</td>
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</tbody>
</table>

(2) age-related future salary increase or graded rate future salary increase assumption

<table>
<thead>
<tr>
<th>Plan</th>
<th>Future Salary Increase Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>local government correctional service retirement plan</td>
<td>assumption B</td>
</tr>
<tr>
<td>St. Paul teachers retirement plan</td>
<td>assumption A</td>
</tr>
</tbody>
</table>

For plans other than the St. Paul Teachers Retirement plan and the local government correctional service retirement plan, the select calculation is: Fund Association, during the designated select period of 15 years, in addition to the age-based rates shown below, a designated percentage rate of 0.2 percent is multiplied by the result of the designated integer 15 minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated select period is ten years and the designated integer is ten.
the local government correctional service

retirement plan and 15 for the St. Paul Teachers Retirement Fund Association. The designated percentage rate is 0.2 percent for the St. Paul Teachers Retirement Fund Association.

The ultimate future salary increase assumption is:

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<th>age</th>
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35.27  (3) service-related ultimate future salary increase assumption

35.28  general state employees retirement plan of the Minnesota State Retirement System  assumption A

35.29  general employees retirement plan of the Public Employees Retirement Association  assumption B

35.30  Teachers Retirement Association  assumption C

35.31  public employees police and fire retirement plan  assumption D

35.32  State Patrol retirement plan  assumption E

35.33  correctional state employees retirement plan of the Minnesota State Retirement System  assumption F

35.34  service length  A  B  C  D  E  F
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<th>Payroll Growth Assumption</th>
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<td>30% or more</td>
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</tr>
</tbody>
</table>

(d) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Payroll Growth Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>General State Employees Retirement Plan</td>
<td>3.5%</td>
</tr>
<tr>
<td>State Retirement System</td>
<td></td>
</tr>
<tr>
<td>Correctional State Employees Retirement Plan</td>
<td>3.5</td>
</tr>
</tbody>
</table>
State Patrol retirement plan 3.5
judges retirement plan 2.75
general employees retirement plan of the Public 3.5
Employees Retirement Association
public employees police and fire retirement plan 3.5
local government correctional service retirement plan 3.5
teachers retirement plan 3.75
St. Paul teachers retirement plan 4

c) The assumptions set forth in paragraphs (c) and (d) continue to apply, unless a

different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;
(2) is accompanied by the concurring recommendation of the actuary retained under
section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most
recent actuarial valuation report if section 356.214 does not apply; and
(3) has been approved or deemed approved under subdivision 18.

EFFECTIVE DATE. This section is effective July 1, 2017, and applies to actuarial
valuations prepared on or after that date.

ARTICLE 7
VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS MODIFICATIONS

Section 1. Minnesota Statues 2016, section 353G.02, subdivision 6, is amended to read:

Subd. 6. Initial administrative expenses of the monthly benefit retirement division;
allocation of reimbursement. (a) The administration expenses incurred by the Public
Employees Retirement Association in the establishment of the monthly benefit retirement
division of the voluntary statewide volunteer firefighter retirement plan, including any
computer programming expenses and any actuarial consultant expenses, are payable from
the assets of the initial monthly benefit volunteer firefighter relief association that elects to
transfer its administration to the voluntary statewide volunteer firefighter retirement plan,
following the transfer of assets.

(b) The administrative expenses in excess of $33,600 paid under paragraph (a) must be
reimbursed by the next nine monthly benefit volunteer firefighter relief associations that
transfer plan administration to the voluntary statewide volunteer firefighter retirement plan.
The reimbursement charge for each of the nine is three-tenths of one percent of the market
value of assets of the volunteer firefighter relief association as of December 31, 2012. The
reimbursement amounts, up to the amount of administrative expenses actually incurred under paragraph (a) in excess of $33,600, must be credited to the account of the fire department associated with the former monthly benefit volunteer firefighter relief association that first transferred plan administration to the volunteer firefighter retirement plan.

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

Sec. 2. [424A.003] CERTIFICATION OF SERVICE CREDIT.

(a) When a municipal fire department, a joint powers fire department, or an independent nonprofit firefighting corporation is directly associated with the volunteer firefighters relief association, the fire chief shall certify annually by March 31 the service credit for the previous calendar year of each volunteer firefighter rendering active service with the fire department.

(b) The certification shall be made to an officer of the relief association's board of trustees and to the municipal clerk or clerk-treasurer of the largest municipality in population served by the associated fire department.

(c) The fire chief shall notify each volunteer firefighter rendering active service with the fire department of the amount of service credit rendered by the firefighter for the previous calendar year. The service credit notification and a description of the process and deadlines for the firefighter to challenge the fire chief's determination of service credit must be provided to the firefighter 60 days prior to its certification to the relief association and municipality. If the service credit amount is challenged, the fire chief shall accept and consider any additional pertinent information and shall make a final determination of service credit.

(d) The service credit certification must be expressed as the number of completed months of the previous year during which an active volunteer firefighter rendered at least the minimum level of duties as specified and required by the fire department under the rules, regulations, and policies applicable to the fire department. No more than one year of service credit may be certified for a calendar year.

(e) If a volunteer firefighter who is a member of the relief association leaves active firefighting service to render active military service that is required to be governed by the federal Uniformed Services Employment and Reemployment Rights Act, as amended, the firefighter must be certified as providing service credit for the period of the military service, up to the applicable limit of the federal Uniformed Services Employment and Reemployment Rights Act. If the volunteer firefighter does not return from the military service in compliance with the federal Uniformed Services Employment and Reemployment Rights Act, the service credit.
credits applicable to that military service credit period are forfeited and canceled at the end of the calendar year in which the time limit set by federal law occurs.

**EFFECTIVE DATE.** This section is effective January 1, 2018.

Sec. 3. Minnesota Statutes 2016, section 424A.01, is amended by adding a subdivision to read:

Subd. 4a. **Prohibition on receipt of concurrent service credit.** No firefighter may be credited with service credit in a volunteer firefighters relief association for the same hours of service for which coverage is already provided in a fund operated pursuant to chapter 353.

**EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to service rendered on or after that date.

Sec. 4. Minnesota Statutes 2016, section 424A.01, is amended by adding a subdivision to read:

Subd. 5a. **Volunteer emergency medical personnel.** Volunteer emergency medical personnel are eligible to be members of the applicable volunteer firefighters relief association and to qualify for service pension or other benefit coverage of the relief association on the same basis as fire department personnel who perform or supervise fire suppression or fire prevention duties, if:

1. the fire department employs or otherwise uses the services of persons solely as volunteer emergency medical personnel to perform emergency medical response duties or supervise emergency medical response activities;
2. the bylaws of the relief association authorize the eligibility; and
3. the eligibility is approved by:
   1. the municipality, if the fire department is a municipal department;
   2. the joint powers board, if the fire department is a joint powers entity; or
   3. the contracting municipality or municipalities, if the fire department is an independent nonprofit firefighting corporation.

**EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to service rendered on or after that date.
Sec. 5. Minnesota Statutes 2016, section 424A.015, is amended by adding a subdivision to read:

Subd. 7. **Combined service pensions.** (a) A volunteer firefighter with credit for service as an active firefighter in more than one volunteer firefighters relief association is entitled to a prorated service pension from each relief association if:

1. the articles of incorporation or bylaws of the relief associations provide;
2. the applicable requirements of paragraphs (b) and (c) are met; and
3. the volunteer firefighter otherwise qualifies.

(b) A volunteer firefighter receiving a prorated service pension under this subdivision must have a total combined amount of service credit from the two or more relief associations of ten years or more, unless the bylaws of every affected relief association specify less than a ten-year service vesting requirement, in which case, the total amount of required service credit is the longest service vesting requirement of the relief associations. The member must have one year or more of service credit in each relief association. The prorated service pension must be based on:

1. for defined benefit relief associations, the service pension amount in effect for the relief association on the date on which active volunteer firefighting services covered by that relief association terminate; and
2. for defined contribution relief associations, the member's individual account balance on the date on which active volunteer firefighting services covered by that relief association terminate.

(c) To receive a prorated service pension under this subdivision, the firefighter must become a member of the second or succeeding association and must give notice of membership to the prior association within two years of the date of termination of active service with the prior association. The second or subsequent relief association secretary must certify the notice.

**EFFECTIVE DATE.** This section is effective January 1, 2018.

Sec. 6. Minnesota Statutes 2016, section 424A.02, subdivision 3, is amended to read:

Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each
defined benefit relief association shall calculate and certify to the governing body of the
applicable municipality the average amount of available financing per active covered
firefighter for the most recent three-year period. The amount of available financing includes
any amounts of fire state aid and police and firefighter retirement supplemental state aid
received or receivable by the relief association, any amounts of municipal contributions to
the relief association raised from levies on real estate or from other available revenue sources
exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued
liabilities of the relief association calculated under section 424A.092, subdivision 2;
424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

(b) The maximum service pension which the defined benefit relief association has
authority to provide for in its bylaws for payment to a member retiring after the calculation
date when the minimum age and service requirements specified in subdivision 1 are met
must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a defined benefit relief association where the governing bylaws provide for a
monthly service pension to a retiring member, the maximum monthly service pension amount
per month for each year of service credited that may be provided for in the bylaws is the
greater of the service pension amount provided for in the bylaws on the date of the calculation
of the average amount of the available financing per active covered firefighter or the
maximum service pension figure corresponding to the average amount of available financing
per active covered firefighter:

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(d) For a defined benefit relief association in which the governing bylaws provide for a lump-sum service pension to a retiring member, the maximum lump-sum service pension amount for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

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Article 7 Sec. 6.
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<tr>
<td>48.36</td>
<td>7395</td>
<td>13,700</td>
</tr>
</tbody>
</table>
(e) For a defined benefit relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump-sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a defined benefit relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No defined benefit relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

(h) The method of calculating service pensions must be applied uniformly for all years of active service. Credit must be given for all years of active service except for caps on service credit if so provided in the bylaws of the relief association.
EFFECTIVE DATE; LOCAL APPROVAL. (a) For relief associations other than the Eden Prairie volunteer firefighters relief association, this section is effective January 1, 2018.

(b) For the Eden Prairie volunteer firefighters relief association, this section is effective the day after the city council of Eden Prairie and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, or January 1, 2018, whichever is earlier.

Sec. 7. Minnesota Statutes 2016, section 424B.20, subdivision 4, is amended to read:

Subd. 4. Benefit trust fund establishment. (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. If the fire department was a joint powers entity, the remaining assets of the special fund shall be transferred to the chief financial official of the municipality designated as the fiscal agent in the joint powers agreement or, if the agreement does not designate a municipality as the fiscal agent, the remaining assets of the special fund shall be transferred to the chief financial official of the municipality with the largest population served by the joint powers fire department. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality in which is located receiving the remaining assets of the special fund of a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared under paragraph (a) and the
other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095. Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel to the general fund of the municipality; or, if the fire department was a joint powers entity, any remaining assets in the trust fund cancel to the general fund of each municipality that was a contracting party to the joint powers agreement as specified in the joint powers agreement. If the joint powers agreement does not specify how the remaining assets are to be distributed among the contracting parties, each of the contracting parties shall receive a pro rata share of the remaining assets based on the proportion of total operating contributions to each contracting municipality made to the joint powers entity over the most recent ten calendar years. If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability. If the fire department was a joint powers entity, the contracting municipalities are liable for their share of the unfunded actuarial accrued liability as specified in the joint powers agreement. If the joint powers agreement does not specify liability for any unfunded actuarial accrued liability, the contracting municipalities are liable for their pro rata share of the unfunded actuarial accrued liability based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar years.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 8. EDEN PRAIRIE VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION SERVICE PENSIONS; RETURN TO ACTIVE SERVICE.

(a) Notwithstanding any provision of Minnesota Statutes, section 424A.01, subdivision 6, section 424A.02, subdivision 2, or any other provision of law to the contrary, if the bylaws of the Eden Prairie volunteer firefighters relief association so provide, a former firefighter who has received a lump-sum service pension or is receiving a monthly benefit service pension and returns to active relief association membership under Minnesota Statutes, section 424A.01, subdivision 6, paragraph (b), is entitled to receive an unreduced lump-sum service pension for the resumption service period if the firefighter completes at least three years of active service as an active member of the fire department during the resumption service period and completes at least three years of active membership with the relief association during the resumption service period.

(b) A lump-sum service pension must be calculated by applying the service pension amount in effect on the date of the firefighter's termination of the resumption service for all
years of the resumption service. No firefighter may be paid a service pension more than
once for the same period of service. Payment of a lump-sum service pension shall have no
effect on the firefighter's previous service pension.

EFFECTIVE DATE. This section is effective the day after the Eden Prairie City Council
and its chief clerical officer timely complete their compliance with Minnesota Statutes,
section 645.021, subdivisions 2 and 3.

Sec. 9. REPEALER.

Minnesota Statutes 2016, section 424A.02, subdivision 13, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2018.

ARTICLE 8

MSRS-ADMINISTERED RETIREMENT PLAN MODIFICATIONS

Section 1. Minnesota Statutes 2016, section 352.113, subdivision 2, is amended to read:

Subd. 2. Application; accrual of benefits. (a) An employee making claim for a total
and permanent disability benefit, or someone acting on behalf of the employee upon proof
of authority satisfactory to the director, shall file a written application for benefits in the
office of the system on or before the deadline specified in subdivision 4, paragraph (g).

(b) The application must be in a form and manner prescribed by the executive director.

(c) The benefit shall begin to accrue the day following the start of disability or the day
following the last day paid, whichever is later, but not earlier than 180 days before the date
the application is filed with the director.

EFFECTIVE DATE. This section is effective July 1, 2017.

ARTICLE 9

PERA-ADMINISTERED RETIREMENT PLAN MODIFICATIONS

Section 1. Minnesota Statutes 2016, section 353.01, subdivision 43, is amended to read:

Subd. 43. Line of duty death. "Line of duty death" means:

(1) a death that occurs while performing or as a direct result of performing normal or
less frequent duties which are specific to protecting the property and personal safety of
others and that present inherent dangers that are specific to the positions covered by the
public employees police and fire plan; or
Section 1. Minnesota Statutes 2016, section 356.24, subdivision 1, is amended to read:

Subdivision 1. Restriction; exceptions. It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

1. to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;
2. to a plan that provides solely for group health, hospital, disability, or death benefits;
3. to the individual retirement account plan established by chapter 354B;
4. to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;
5. for employees other than personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and covered under the Higher Education Supplemental Retirement Plan under chapter 354C, but including city managers covered by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph (a), or by the defined contribution plan of the Public Employees Retirement Association under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit or in the individual employment contract between a city and a city manager, and if for each available investment all fees and historic rates of return for the prior one-, three-, five-, and ten-year periods, or since inception, are disclosed in an easily comprehended document not to exceed two pages, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of one-half of the available elective deferral permitted per year per employee, under the Internal Revenue Code:

EFFECTIVE DATE. This section is effective the day following final enactment.
(i) to the state of Minnesota deferred compensation plan under section 352.965;

(ii) in payment of the applicable portion of the contribution made to any investment
eligible under section 403(b) of the Internal Revenue Code, if the employing unit has
complied with any applicable pension plan provisions of the Internal Revenue Code with
respect to the tax-sheltered annuity program during the preceding calendar year; or

(iii) any other deferred compensation plan offered by the employer under section 457
of the Internal Revenue Code;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges
and Universities and not covered by clause (5), to the supplemental retirement plan under
chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in
the collective bargaining agreement of the public employer with the exclusive representative
of the covered employees in an appropriate unit, in an amount matching employee
contributions on a dollar for dollar basis, but not to exceed an employer contribution of
$2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health
care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the
supplemental plan coverage is provided for in a personnel policy or in the collective
bargaining agreement of a public employer with the exclusive representative of the covered
employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund
for the employees of a governmental subdivision who are covered by a collective bargaining
agreement that provides for coverage by that fund and that sets forth a fund contribution
rate, but not to exceed an employer contribution of $5,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters
local pension fund for the employees of a governmental subdivision who are covered by a
collective bargaining agreement that provides for coverage by that fund and that sets forth
a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per
employee;

(10) to the international union of operating engineers pension fund for the employees
of a governmental subdivision who are covered by a collective bargaining agreement that
provides for coverage by that fund and that sets forth a fund contribution rate, but not to
exceed an employer contribution of $5,000 per year per employee;
(11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay;

(12) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(13) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(14) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5; or

(15) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment.

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

Sec. 2. [356.631] ADDITIONAL SOURCES OF FUNDING.

Notwithstanding any other provision of law to the contrary, in addition to all sources of funding described in Minnesota Statutes, section 356.63, paragraphs (a) and (b), any public retirement plan described in Minnesota Statutes, section 356.63, paragraph (b), is authorized to accept, at its discretion, for deposit in its fund the following:

(1) gifts;

(2) donations;

(3) bequests; and

(4) life insurance death benefits.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 3. REPEALER.

Minnesota Statutes 2016, sections 352.04, subdivision 11; and 353.34, subdivision 6, are repealed.

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

ARTICLE 11

SMALL GROUP RETIREMENT CHANGES

Section 1. MSRS-GENERAL RETIREMENT ELIGIBILITY CLARIFICATION; SERVICE CREDIT PURCHASE IN CERTAIN INSTANCES.

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is entitled to purchase prior uncredited service credit under paragraph (c) and, if the service credit purchase is made, to have an effective start date for active retirement plan membership of June 1, 1989, and to retire under Minnesota Statutes, section 352.116, subdivision 1.

(b) An eligible person is a person who:

(1) was born on the dates as follows:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Birth Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>October 2, 1968</td>
</tr>
<tr>
<td>B</td>
<td>June 12, 1965</td>
</tr>
<tr>
<td>C</td>
<td>August 10, 1958</td>
</tr>
<tr>
<td>D</td>
<td>April 29, 1963</td>
</tr>
<tr>
<td>E</td>
<td>April 11, 1955</td>
</tr>
<tr>
<td>F</td>
<td>August 13, 1966</td>
</tr>
<tr>
<td>G</td>
<td>April 22, 1961</td>
</tr>
<tr>
<td>H</td>
<td>December 31, 1958</td>
</tr>
<tr>
<td>I</td>
<td>October 10, 1966</td>
</tr>
<tr>
<td>J</td>
<td>February 4, 1961</td>
</tr>
<tr>
<td>K</td>
<td>August 21, 1963</td>
</tr>
<tr>
<td>L</td>
<td>January 23, 1960</td>
</tr>
<tr>
<td>M</td>
<td>September 19, 1966</td>
</tr>
<tr>
<td>N</td>
<td>November 3, 1961</td>
</tr>
<tr>
<td>O</td>
<td>June 13, 1958</td>
</tr>
<tr>
<td>P</td>
<td>June 23, 1954</td>
</tr>
<tr>
<td>Q</td>
<td>October 20, 1956</td>
</tr>
<tr>
<td>R</td>
<td>July 28, 1955</td>
</tr>
</tbody>
</table>
(2) became an employee of the Minnesota Department of Transportation prior to July 1, 1989, in a position which was not covered by the general state employees retirement plan of the Minnesota State Retirement System:

(3) was eventually employed as a permanent employee after June 30, 1989, and covered by the general state employees retirement plan of the Minnesota State Retirement System on the dates as follows:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Membership Record Date</th>
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</thead>
<tbody>
<tr>
<td>A</td>
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</tr>
<tr>
<td>B</td>
<td>September 27, 1989</td>
</tr>
<tr>
<td>C</td>
<td>September 26, 1989</td>
</tr>
<tr>
<td>D</td>
<td>September 27, 1989</td>
</tr>
<tr>
<td>E</td>
<td>September 26, 1989</td>
</tr>
<tr>
<td>F</td>
<td>September 13, 1989</td>
</tr>
<tr>
<td>G</td>
<td>September 1, 1989</td>
</tr>
<tr>
<td>H</td>
<td>September 27, 1989</td>
</tr>
<tr>
<td>I</td>
<td>September 27, 1989</td>
</tr>
<tr>
<td>J</td>
<td>September 13, 1989</td>
</tr>
<tr>
<td>K</td>
<td>September 13, 1989</td>
</tr>
<tr>
<td>L</td>
<td>September 26, 1989</td>
</tr>
<tr>
<td>M</td>
<td>August 30, 1989</td>
</tr>
<tr>
<td>N</td>
<td>September 26, 1989</td>
</tr>
<tr>
<td>O</td>
<td>September 13, 1989</td>
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<tr>
<td>P</td>
<td>September 27, 1989</td>
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<tr>
<td>Q</td>
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<td>R</td>
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<tr>
<td>S</td>
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<tr>
<td>T</td>
<td>September 13, 1989</td>
</tr>
<tr>
<td>U</td>
<td>September 27, 1989</td>
</tr>
<tr>
<td>V</td>
<td>September 26, 1989</td>
</tr>
</tbody>
</table>

(4) was sent annual statements by the Minnesota State Retirement System between July 1, 2005, and July 1, 2015, indicating eligibility for a retirement benefit under Minnesota Statutes, section 352.116, subdivision 1; and

Article 11 Section 1.
(5) was sent notification from the Minnesota State Retirement System revising the start
date for general state employees retirement plan membership from a date before July 1,
1989, to a date after June 30, 1989, and indicating consequent inapplicability of Minnesota
Statutes, section 352.116, subdivision 1.

(c) An eligible person may purchase allowable service credit in the general state
employees retirement plan of the Minnesota State Retirement System by paying an amount
equal to the employer contributions and employee contributions that would have been paid
from June 1, 1989, to the end of the month prior to the date the employee entered covered
service plus interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter
compounded annually on the combined employer and employee contribution amount from
the date the contributions would have been paid to the date the Minnesota State Retirement
System receives payment for this service credit purchase. The payment must be made in a
lump sum.

(d) An eligible person who purchases allowable service credit under paragraph (c) has
a June 1, 1989, start date for the purpose of allowable service credited by the general state
employees retirement plan of the Minnesota State Retirement System and is eligible for a
retirement annuity under Minnesota Statutes, section 352.116, subdivision 1.

(e) Authority to purchase prior uncredited service credit under this section expires one
year from the effective date of this section.

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

Sec. 2. PERA-GENERAL; PURCHASE OF SERVICE CREDIT FOR ST. CLOUD
STATE UNIVERSITY EMPLOYEE.

(a) Notwithstanding any provision of law to the contrary, an eligible person described
in paragraph (b) is entitled to purchase from the general employees retirement plan of the
Public Employees Retirement Association allowable service credit under Minnesota Statutes,
section 353.01, subdivision 16, for the period of service described in paragraph (c).

(b) An eligible person is a person who:

(1) was born on September 1, 1960;

(2) was an employee of St. Cloud State University on March 14, 2016;

(3) was a member of the general employees retirement plan of the Public Employees
Retirement Association on March 14, 2016;
(4) was employed by St. Cloud Technical College on April 1, 1993, and was a member of the general employees retirement plan of the Public Employees Retirement Association; and

(5) changed employment within St. Cloud State University on February 22, 2006, and was erroneously placed into the higher education individual retirement account plan from February 22, 2006, until May 10, 2011, by the Minnesota State Colleges and Universities system.

(c) The period of uncredited service authorized for purchase is the period of February 22, 2006, until May 10, 2011, during which time the eligible person was erroneously placed into and contributed to the higher education individual retirement account plan.

(d) The eligible person's member contributions to the higher education individual retirement account plan must be transferred to the Public Employees Retirement Association with any earned investment returns on those contributions. The eligible person must pay the member contributions that the eligible person would have made to the Public Employees Retirement Association on the eligible person's compensation from the Minnesota State Colleges and Universities system for the period of service described in paragraph (c) as if the person had been covered by the Public Employees Retirement Association during the period, plus annual compound interest on that amount at the rate of 8.5 percent from February 22, 2006, until June 30, 2015, and eight percent from July 1, 2015, until the date on which payment is made to the Public Employees Retirement Association, less the transferred member contributions and investment earnings.

(e) Upon transfer of the equivalent member contribution amount and any additional payments under paragraph (d), the balance of the eligible person's higher education individual retirement account plan account must be transferred to the Public Employees Retirement Association within 60 days following the receipt of the eligible person's payment under paragraph (d).

(f) Upon the transfer of the amounts under paragraphs (d) and (e), the Minnesota State Colleges and Universities system shall pay the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.551, less any amounts received under paragraphs (d) and (e), within 60 days following the receipt of the eligible person's payment under paragraph (d).

(g) Upon the transfers and payments under paragraph (f), the eligible person must be credited by the Public Employees Retirement Association with allowable service credit for

(h) Authority to make a service credit purchase under this section expires one year from the effective date of this section.

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

Sec. 3. **TRA COVERAGE ELECTION AND PERA REFUND REPAYMENT AUTHORITY FOR CERTAIN MNSCU EMPLOYEE.**

(a) Notwithstanding any provision of Minnesota Statutes, chapter 353 or 354B, to the contrary, an eligible person described in paragraph (b) is eligible to become a coordinated member of the Teachers Retirement Association and to purchase service and salary credit in the Teachers Retirement Association coordinated plan retroactively from July 1, 2001, upon repaying a member contribution refund taken from the general employees retirement plan of the Public Employees Retirement Association under paragraph (c), upon making an election under paragraph (e), and upon making all required payments under paragraphs (f) and (g).

(b) An eligible person is a person who:

(1) was born April 4, 1956;

(2) was employed by a governmental subdivision in 1995, with retirement coverage in the general employees retirement plan of the Public Employees Retirement Association, for which a refund of member contributions and interest was taken before 2001;

(3) was employed by St. Cloud State University in the late 1990s, with retirement coverage in the general state employees retirement plan of the Minnesota State Retirement System;

(4) was hired as an academic advisor by St. Cloud State University on July 1, 2001, with retirement coverage in the higher education individual retirement account plan; and

(5) was not informed of the option to elect Teachers Retirement Association coverage in the coverage election authorized by Minnesota Statutes 2001, section 354B.21, so remained in the higher education individual retirement account plan.

(c) The refund repayment required by Minnesota Statutes, section 356.551, subdivision 1, paragraph (c), must be calculated under Minnesota Statutes, section 353.35, subdivision 1, paragraph (c).
(d) Authority to repay a refund under this section expires one year from the effective date of this section.

(e) To be eligible for coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include all documentation of the applicability of this section and any other relevant information that the executive director may require. Teachers Retirement Association plan membership commences after the date of the retirement coverage election under this section and past salary and service credit is granted for past Minnesota State Colleges and Universities system employment from July 1, 2001, until the executive director receives the written application specified in this paragraph and receipts of the payments specified in paragraphs (c), (f), and (g). Coverage by the Teachers Retirement Association is in lieu of coverage by the individual retirement account plan.

(f) If the eligible person makes the retirement coverage election under paragraph (e), the eligible person's member contributions to the higher education individual retirement account plan must be transferred to the Teachers Retirement Association with any earned investment returns on those contributions. If the transferred member contributions and investment earnings are less than the calculated amount of the member contributions that the eligible person would have made to the Teachers Retirement Association on the eligible person's compensation from the Minnesota State Colleges and Universities system for the period from July 1, 2001, to the date of the retirement coverage election if the person had been covered by the Teachers Retirement Association during the period, plus annual compound interest at the rate of 8.5 percent, then the eligible person shall pay the balance of that calculated member contribution obligation within 30 days of the retirement coverage election.

(g) Upon the transfer of the equivalent member contribution amount and any additional payment under paragraph (f), the balance of the eligible person's higher education individual retirement account plan account must be transferred to the Teachers Retirement Association. If the amounts under paragraph (f) and the individual retirement account plan balance under this paragraph are less than the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.551, the Minnesota State Colleges and Universities system shall pay the difference within 60 days of the retirement election date.

(h) The authority to make a retirement coverage election under this section expires one year from the effective date of this section.
EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. TRA COVERAGE FOR CERTAIN MESABI RANGE COMMUNITY AND TECHNICAL COLLEGE FACULTY MEMBERS.

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is authorized to become a coordinated member of the Teachers Retirement Association and to purchase service and salary credit in the Teachers Retirement Association coordinated plan retroactive from July 19, 2000, or September 15, 2000, whichever is applicable, upon making an election under paragraph (c) and upon making all required payments under paragraphs (d) and (e).

(b) An eligible person is a person who:

(1) either:

   (i) was born on September 25, 1964, and has been employed at Mesabi Range Community and Technical College and a contributing member of the higher education individual retirement account plan since July 19, 2000; or

   (ii) was born on October 15, 1963, and has been employed at Mesabi Range Community and Technical College and a contributing member of the higher education individual retirement account plan since September 15, 2000;

(2) was classified in the unlimited full-time category on August 21, 2012;

(3) became eligible for an election of Teachers Retirement Association coverage under Laws 2009, chapter 169, article 6, section 1; and

(4) was not offered an election of Teachers Retirement Association coverage by the Minnesota State Colleges and Universities system.

(c) To be eligible for coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include all documentation of the applicability of this section and any other relevant information that the executive director may require. Teachers Retirement Association plan membership commences after the date of the retirement coverage election under this section and past salary and service credit is granted for past Minnesota State Colleges and Universities system employment from July 19, 2000, or September 15, 2000, whichever is applicable, until the executive director receives the written application specified in this paragraph and receipts of the payments specified in paragraphs (d) and (e). Coverage by
the Teachers Retirement Association is in lieu of coverage by the individual retirement account plan.

(d) If the eligible person makes the retirement coverage election under paragraph (c), the eligible person shall make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if the Teachers Retirement Association had provided coverage from July 19, 2000, or September 15, 2000, whichever is applicable, rather than the individual retirement account plan. These additional contribution amounts shall include 8.5 percent annual compound interest computed from the date the contribution would have been made if deducted from salary until paid. The total amount to be paid under this paragraph shall be determined by the executive director of the Teachers Retirement Association and written notification of the amount required under this paragraph must be transmitted to the eligible person.

(e) If payment is made under paragraph (d), the value of the applicable eligible person's higher education individual retirement account plan account shall be transferred to the Teachers Retirement Association.

(f) The Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, imposed upon the Teachers Retirement Association under this section due to the salary and service credit purchase.

(g) From the total amount computed under paragraph (f), the executive director of the Teachers Retirement Association shall subtract the amounts received under paragraphs (d) and (e). The Minnesota State Colleges and Universities system must transmit the remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the payments under paragraphs (d) and (e).

(h) The authority to make a retirement coverage election under this section expires one year from the effective date of this section.

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

ARTICLE 12

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 2016, section 353.01, subdivision 16, is amended to read:

Subd. 16. Allowable service; limits and computation. (a) "Allowable service" means:
(1) service during years of actual membership in the course of which employee deductions were withheld from salary and contributions were made at the applicable rates under section 353.27, 353.65, or 353E.03;

(2) periods of service covered by payments in lieu of salary deductions under sections 353.27, subdivisions 12 and 12a, and 353.35;

(3) service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect;

(4) a period of authorized leave of absence during which the employee receives pay as specified in subdivision 10, paragraph (a), clause (4) or (5), from which deductions for employee contributions are made, deposited, and credited to the fund;

(5) a period of authorized leave of absence without pay, or with pay that is not included in the definition of salary under subdivision 10, paragraph (a), clause (4) or (5), for which salary deductions are not authorized, and for which a member obtained service credit for up to 12 months of the authorized leave period by payment under section 353.0161 or 353.0162, to the fund made in place of salary deductions;

(6) a periodic, repetitive leave that is offered to all employees of a governmental subdivision. The leave program may not exceed 208 hours per annual normal work cycle as certified to the association by the employer. A participating member obtains service credit by making employee contributions in an amount or amounts based on the member's average salary, excluding overtime pay, that would have been paid if the leave had not been taken. The employer shall pay the employer and additional employer contributions on behalf of the participating member. The employee and the employer are responsible to pay interest on their respective shares at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter, compounded annually, from the end of the normal cycle until full payment is made. An employer shall also make the employer and additional employer contributions, plus 8.5 percent interest until June 30, 2015, and eight percent interest thereafter, compounded annually, on behalf of an employee who makes employee contributions but terminates public service. The employee contributions must be made within one year after the end of the annual normal working cycle or within 30 days after termination of public service, whichever is sooner. The executive director shall prescribe the manner and forms to be used by a governmental subdivision in administering a periodic, repetitive leave. Upon payment, the member must be granted allowable service credit for the purchased period;
(7) an authorized temporary or seasonal layoff under subdivision 12, limited to three months allowable service per authorized temporary or seasonal layoff in one calendar year. An employee who has received the maximum service credit allowed for an authorized temporary or seasonal layoff must return to public service and must obtain a minimum of three months of allowable service subsequent to the layoff in order to receive allowable service for a subsequent authorized temporary or seasonal layoff;

(8) a period during which a member is absent from employment by a governmental subdivision by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), if the member returns to public service with the same governmental subdivision upon discharge from service in the uniformed service within the time frames required under United States Code, title 38, section 4312(e), provided that the member did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions. The service must be credited if the member pays into the fund equivalent employee contributions based upon the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the member would have received if the member had continued to be employed in covered employment rather than to provide uniformed service, or, if the determination of that rate is not reasonably certain, the annual salary rate is the member's average salary rate during the 12-month period of covered employment rendered immediately preceding the period of the uniformed service. Payment of the member equivalent contributions must be made during a period that begins with the date on which the individual returns to public employment and that is three times the length of the military leave period, or within five years of the date of discharge from the military service, whichever is less. If the determined payment period is less than one year, the contributions required under this clause to receive service credit may be made within one year of the discharge date. Payment may not be accepted following 30 days after termination of public service under subdivision 11a. If the member equivalent contributions provided for in this clause are not paid in full, the member's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total member contributions received by the total member contributions otherwise required under this clause. The equivalent employer contribution, and, if applicable, the equivalent additional employer contribution must be paid by the governmental subdivision employing the member if the member makes the equivalent employee contributions. The employer payments must be made from funds available to the employing unit, using the employer and additional employer contribution.
rate or rates in effect at the time that the uniformed service was performed, applied to the
same annual salary rate or rates used to compute the equivalent member contribution. The
governmental subdivision involved may appropriate money for those payments. The amount
of service credit obtainable under this section may not exceed five years unless a longer
purchase period is required under United States Code, title 38, section 4312. The employing
unit shall pay interest on all equivalent member and employer contribution amounts payable
under this clause. Interest must be computed at the rate of 8.5 percent until June 30, 2015,
and eight percent thereafter, compounded annually, from the end of each fiscal year of the
leave or the break in service to the end of the month in which the payment is received. Upon
payment, the employee must be granted allowable service credit for the purchased period;
or

(9) a period specified under section 353.0162.

(b) No member may receive more than 12 months of allowable service credit in a year
either for vesting purposes or for benefit calculation purposes.

(c) For an active member who was an active member of the former Minneapolis
Firefighters Relief Association on December 29, 2011, "allowable service" is the period of
service credited by the Minneapolis Firefighters Relief Association as reflected in the
transferred records of the association up to December 30, 2011, and the period of service
credited under paragraph (a), clause (1), after December 30, 2011. For an active member
who was an active member of the former Minneapolis Police Relief Association on December
29, 2011, "allowable service" is the period of service credited by the Minneapolis Police
Relief Association as reflected in the transferred records of the association up to December
30, 2011, and the period of service credited under paragraph (a), clause (1), after December
30, 2011.

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

Sec. 2. Minnesota Statutes 2016, section 353.012, is amended to read:

353.012 UNIVERSITY OF MINNESOTA EMPLOYEES; FURLOUGH SERVICE
AND SALARY CREDIT.

A furloughed employee of the University of Minnesota who is a member of the public
employees police and fire plan may obtain allowable service and salary credit for the furlough
period. The allowable service and salary credit authorization is a leave of absence
authorization for purposes of section 353.0161 and the purchase payment procedure of
section 353.0162, subdivision 2, applies 353.0162.
EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2016, section 353.32, subdivision 4, is amended to read:

Subd. 4. Lack, or death, of beneficiary. If a member or former member dies without having designated a beneficiary or if the beneficiary should die before making application for refund, and if there is no surviving spouse, and if the legal representative of such member or former member does not apply for refund within five years from the date of death of the member or former member, the accumulated deductions to the member or former member's credit at the time of death shall be disposed of in the manner provided in section 353.34, subdivision 6.

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

Sec. 4. Minnesota Statutes 2016, section 354A.011, subdivision 29, is amended to read:

Subd. 29. Vesting; vested. (a) "Vesting" or "vested" means having entitlement to a nonforfeitable annuity or benefit from a coordinated member program administered by a teachers retirement fund association by having credit for sufficient allowable service under paragraph (b) or (c), whichever applies when the teacher has accrued credit for at least three years of allowable service.

(b) For purposes of qualifying for an annuity or a benefit as a coordinated plan member of the St. Paul Teachers Retirement Fund Association, the teacher is vested when the teacher has accrued credit for at least three years of service.

(c) For purposes of qualifying for an annuity or a benefit as a coordinated plan member of the Duluth Teachers Retirement Fund Association:

(1) a teacher who first became a member of the plan before July 1, 2010, is vested when the teacher has accrued at least three years of service; and

(2) a teacher who first became a member of the plan after June 30, 2010, is vested when the teacher has accrued at least five years of service.

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

Sec. 5. Minnesota Statutes 2016, section 354A.095, is amended to read:

354A.095 PARENTAL AND MATERNITY LEAVE.

Basic or coordinated members of the St. Paul Teachers Retirement Fund Association and new coordinated members of the Duluth Teachers Retirement Fund Association, who
are granted parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary rate upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

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

Sec. 6. Minnesota Statutes 2016, section 354A.35, subdivision 2, is amended to read:

Subd. 2. **Death while eligible to retire; surviving spouse optional annuity.** (a) The surviving spouse of a vested coordinated member who dies prior to retirement may elect to receive, instead of a refund with interest under subdivision 1, an annuity equal to the 100 percent joint and survivor annuity the member could have qualified for had the member terminated service on the date of death. The surviving spouse eligible for a surviving spouse benefit under this paragraph may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. A surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for an annuity at any time after the member's death.

The member's surviving spouse shall be paid a joint and survivor annuity under section 354A.32 and computed under section 354A.31.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6, paragraph (a), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If a vested member of the Duluth Teachers Retirement Fund Association was under age 55 on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the early retirement reduction from age 55 to the date payment begins.
(d) (c) If a vested member of the St. Paul Teachers Retirement Fund Association was under age 55 on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the actuarial equivalent reduction from age 55 to the date payment begins. The actuarial equivalent reduction is calculated so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(e) (d) Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity or surviving spouse benefit payable under this section. The benefits are payable for the life of the surviving spouse, or upon expiration of the term certain benefit payment under subdivision 2b.

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

Sec. 7. **REPEALER.**

Minnesota Statutes 2016, sections 354A.12, subdivisions 2c and 3c; 354A.31, subdivision 3; and 356.47, subdivision 1, are repealed.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
APPENDIX
Article locations in 17-1919

ARTICLE 1  PROVISIONS ................................................................. Page.Ln 2.4
MINNESOTA STATE RETIREMENT SYSTEM ADMINISTRATIVE
TEACHERS RETIREMENT ASSOCIATION ADMINISTRATIVE
ARTICLE 2  PROVISIONS ................................................................. Page.Ln 7.15
PUBLIC EMPLOYEES RETIREMENT
ARTICLE 3  ASSOCIATION ADMINISTRATIVE PROVISIONS ............... Page.Ln 12.27
ST. PAUL TEACHERS RETIREMENT FUND
ARTICLE 4  ASSOCIATION ADMINISTRATIVE PROVISIONS ............... Page.Ln 16.18
RETIREMENT SYSTEMS, GENERALLY ADMINISTRATIVE
ARTICLE 5  PROVISIONS ................................................................. Page.Ln 18.22
ARTICLE 6  ACTUARIAL ASSUMPTION CHANGES ................................ Page.Ln 32.1
VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS
ARTICLE 7  MODIFICATIONS ......................................................... Page.Ln 37.18
ARTICLE 8  MSRS-ADMINISTERED RETIREMENT PLAN MODIFICATIONS Page.Ln 52.10
ARTICLE 9  PERA-ADMINISTERED RETIREMENT PLAN MODIFICATIONS Page.Ln 52.22
ARTICLE 10  GENERALLY APPLICABLE RETIREMENT CHANGES ........... Page.Ln 53.4
ARTICLE 11  SMALL GROUP RETIREMENT CHANGES ........................ Page.Ln 56.5
ARTICLE 12  TECHNICAL CORRECTIONS ........................................ Page.Ln 63.27
352.04 STATE EMPLOYEES RETIREMENT FUND, CONTRIBUTIONS BY
EMPLOYEE AND EMPLOYER.
Subd. 11. Gifts and bequests. The director may credit to the retirement fund any money received in the form of donations, gifts, appropriations, bequests, or otherwise, or derived from it.

353.0161 AUTHORIZED LEAVE OF ABSENCE SERVICE CREDIT PURCHASE
PROCEDURE.
Subdivision 1. Application. This section applies to employees covered by any plan specified in this chapter or chapter 353E for any period of authorized leave of absence specified in section 353.01, subdivision 16, paragraph (a), clause (5), for which the employee obtains credit for allowable service by making payment as specified in this section to the applicable fund.

Subd. 2. Purchase procedure. (a) An employee covered by a plan specified in subdivision 1 may purchase credit for allowable service in that plan for a period specified in subdivision 1 if the employee makes a payment as specified in paragraph (b) or (c), whichever applies. The employing unit, at its option, may pay the employer portion of the amount specified in paragraph (b) on behalf of its employees.

(b) If payment is received by the executive director within one year from the date the member returned to work following the authorized leave, or within 30 days after the date of termination of public service if the member did not return to work, the payment amount is equal to the employee and employer contribution rates specified in law for the applicable plan at the end of the leave period, or at termination of public service, whichever is earlier, multiplied by the employee's average monthly salary, excluding overtime, upon which deductions were paid during the six months, or portion thereof, before the commencement of the leave of absence and by the number of months of the leave of absence for which the employee wants allowable service credit. Payments made under this paragraph must include compound interest at the monthly rate of 0.71 percent until June 30, 2015, and 0.667 percent per month thereafter from the last day of the leave period until the last day of the month in which payment is received.

(c) If payment is received by the executive director after one year, the payment amount is the amount determined under section 356.551. Payment under this paragraph must be made before the date the person terminates public service under section 353.01, subdivision 11a.

Subd. 3. Restriction on subsequent purchases. To purchase salary credit or service credit for a subsequent authorized leave of absence period, the member must return to public service and render a minimum of three months of allowable service credit.

353.34 RIGHTS UPON TERMINATION OF MEMBERSHIP.
Subd. 6. Additions to fund. The board of trustees may credit to the general employees retirement fund any money received in the form of contributions, donations, gifts, appropriations, bequests, or otherwise.

354A.12 CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.
Subd. 2c. Duluth Teachers Retirement Fund Association; employer contributions for reemployed annuitants. The school district shall make the regular employer contributions and additional employer contributions specified in subdivision 2a on behalf of any retired member of the Duluth Teachers Retirement Fund Association who is reemployed by Independent School District No. 709, including providing service to the school district as an independent contractor or as an employee of an independent contractor.

Subd. 3c. Termination of supplemental contributions and direct matching and state aid.
(a) The supplemental contributions payable to the St. Paul Teachers Retirement Fund Association by Independent School District No. 625 under section 423A.02, subdivision 3, and all forms of aid under subdivision 3a to the St. Paul Teachers Retirement Fund Association must continue until the actuarial value of assets of the fund equal or exceed the actuarial accrued liability of the fund as determined in the most recent actuarial report for the fund by the actuary retained under section 356.214 or until the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier.

(b) The aid to the Duluth Teachers Retirement Fund Association under section 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the Duluth Teachers Retirement Fund Association must continue until the current assets of the fund equal or exceed the actuarial accrued liability of the fund as determined in the most recent actuarial report for the fund by the
actuary retained under section 356.214 or until the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier.

354A.31 COORDINATED PROGRAM RETIREMENT BENEFITS.
Subd. 3. Resumption of teaching after commencement of a retirement annuity. (a) Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 or any person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that all or a portion of the annuity payments must be deferred during the calendar year immediately following the calendar year in which the person's salary from the teaching service is in an amount greater than $46,000. The amount of the annuity deferral is one-third the salary amount in excess of $46,000 and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned.

(b) If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment salary exempt from triggering a deferral as specified in this subdivision must be prorated for that calendar year.

(c) After a person has reached the Social Security normal retirement age, no deferral requirement is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

(d) The amount of the retirement annuity deferral must be handled or disposed of as provided in section 356.47.

(e) Notwithstanding other paragraphs of this subdivision, for any retired Duluth Teachers Retirement Fund Association member whose effective date of retirement is after June 30, 2013, amounts specified as deferred under this subdivision must instead be forfeited to the Duluth Teachers Retirement Fund Association fund.

(f) Notwithstanding other paragraphs of this subdivision, for any retired St. Paul Teachers Retirement Fund Association basic or coordinated program member whose effective date of retirement is after June 30, 2013, amounts specified as deferred under this subdivision must instead be forfeited to the St. Paul Teachers Retirement Fund Association fund.

(g) For the purpose of this subdivision, salary from teaching service includes: (i) all income for services performed as a consultant or independent contractor; or income resulting from working with the school district in any capacity; and (ii) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

(h) On or before February 15 of each year, each applicable employing unit shall report to the teachers retirement fund association the amount of postretirement salary as defined in this subdivision, earned as a teacher, consultant, or independent contractor during the previous calendar year by each retiree of the teachers retirement fund association for teaching service performed after retirement. The report must be in a format approved by the executive secretary or director.

356.47 DISPOSITION OF AMOUNT IN EXCESS OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.
Subdivision 1. Application. (a) This section applies to the balance of annual retirement annuities on the amount of retirement annuity reductions after reemployed annuitant earnings limitations for retirement plans governed by section 352.115, subdivision 10; 353.37; or 354.44, subdivision 5.

(b) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the Duluth Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

(c) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the St. Paul Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

356.611 LIMITATION ON PUBLIC EMPLOYEE SALARIES FOR PENSION PURPOSES.
Subd. 3. **Maximum benefit limitations.** An annuitant's annual benefit, if necessary, must be reduced to the extent required by section 415(b) of the federal Internal Revenue Code, as adjusted by the United States secretary of the treasury under section 415(d) of the federal Internal Revenue Code for any applicable increases in the cost of living, including applicable increases in the cost of living after the member's termination of employment. If an annuitant participated in more than one pension plan in which the employer participates, the benefits under each plan must be reduced proportionately, if necessary, to satisfy the applicable limitation.

Subd. 3a. **Maximum annual addition limitation, defined contribution plans.** The annual additions on behalf of a member to a defined contribution plan for any limitation year shall not exceed the applicable limitation on annual additions under section 415(c) of the federal Internal Revenue Code, as adjusted by the United States secretary of the treasury under section 415(d) of the federal Internal Revenue Code.

Subd. 4. **Compensation.** For purposes of this section, compensation means a member's compensation actually paid or made available for any limitation year including all items of remuneration described in federal treasury regulation section 1.415 (c)-2(b) and excluding all items of remuneration described in federal treasury regulation section 1.415 (c)-2(c). Compensation for pension plan purposes for any limitation year shall not exceed the applicable federal compensation limit described in subdivision 2.

Subd. 5. **Limitation year.** Unless otherwise specifically provided, for purposes of section 415 of the federal Internal Revenue Code, the limitation year of a pension plan covered by this section is the calendar year or fiscal year, whichever is applicable.

**356.96 PENSION PLAN APPEAL PROCEDURES.**

Subd. 14. **Petitions without notice.** Notwithstanding the petition notice and requirements under this section, a person who believes that the person's rights have been affected by a decision made by the administration of a covered pension plan may request a review under this section by the appropriate governing board. The petition under this subdivision must be made within 45 days of the time that the person knew or should have known of the disputed decision.

Subd. 15. **Governing board review panel.** Any covered pension plan subject to this section, by motion duly made and adopted, may appoint a panel of governing board members to hear and determine any or all petitions brought under this section. The governing board review panel must contain a minimum number of board members that would otherwise constitute a quorum of board members under the governing body's rules and procedures.

**424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.**

Subd. 13. **Combined service pensions.** (a) If the articles of incorporation or bylaws of the defined benefit relief associations so provide, a volunteer firefighter with credit for service as an active firefighter in more than one defined benefit volunteer firefighters relief association is entitled, when the applicable requirements of paragraph (b) are met and when otherwise qualified, to a prorated service credit from each relief association.

(b) A volunteer firefighter receiving a prorated service pension under this subdivision must have a total amount of service credit of ten years or more, if the bylaws of every affected relief association do not specify only a five-year service vesting requirement, or five years or more, if the bylaws of every affected relief association require only a five-year service vesting requirement, as a member of two or more relief associations otherwise qualified. The member must have one year or more of service credit in each relief association. The prorated service pension must be based on the service pension amount in effect for the relief association on the date on which active volunteer firefighting services covered by that relief association terminate. To receive a service pension under this subdivision, the firefighter must become a member of the second or succeeding association and must give notice of membership to the prior association within two years of the date of termination of active service with the prior association. The notice must be attested to by the second or subsequent relief association secretary.