

Legislative Commission on Pensions and Retirement

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TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Susan Lenczewski, Executive Director
Chad Burkitt, Analyst

DATE: April 5, 2019

RE: Summary of the 2019 Omnibus Retirement Bill of the Legislative Commission on Pensions and Retirement, revised delete-everything amendment H2632-1A to H.F. 2632 (Murphy); S.F. 2583 (Rosen),

Introduction

Revised delete-everything amendment H2632-1A to H.F. 2632 (Murphy); S.F. 2583 (Rosen) is the Commission's 2019 Omnibus Retirement Bill. This delete-everything amendment is "revised," because the amendment now includes bills and amendments approved at the meeting of the Commission on April 2, 2019. Accordingly, the revised amendment incorporates all of the bills that the Commission has adopted for inclusion during the 2019 Legislative Session through its April 2, 2019, meeting.

Summary of H2632-1A By Article

1. Minnesota State Retirement System (MSRS) Administrative Provisions

This article makes a number of administrative changes to the plans administered by MSRS. Primarily those changes do the following:

- Clarify voting right for members of the Unclassified Plan and inactive vested members to vote in Board of Director elections;
- Establish a process that clearly defines when a benefit application has been filed with MSRS and what documents are required to apply for a benefit;
- Correct an error in the 2018 omnibus retirement bill related to the calculation of augmentation for former University of Minnesota Hospital (Fairview) employees; and
- Make other minor administrative, technical changes or conforming changes.

2. Public Employees Retirement Association (PERA)

Phased Retirement Option.

This article makes permanent a program administered by PERA called the "post-retirement option" (PRO). The program was established in 2009. The program is available to members of the PERA General Employees Retirement Plan who are age 62 or older. The program allows eligible members to enter into an agreement with their employer to continue working half time or less while collecting

a retirement annuity. Under the program, a member is not allowed to contribute to a pension benefit or accrue additional service credit.

This article also makes several changes to the program including adding additional reporting requirements for employers, changing the maximum initial agreement period from one year to five years and renaming the program as the “Phased Retirement Option.”

Military Service Credit Purchases.

This article expands the right of members covered by the PERA general, police and fire, and correctional retirement plans to purchase service credit for periods of military leave. It adds two new sections:

- 353.014 is a restatement of current law regarding service credit purchases for military leave that is also subject to federal law (USERRA), with the addition of new requirements to ensure the returning military service member receives notice of his or her right to purchase service credit.
- 353.0141 gives members the right to purchase up to five years of service credit for military service leave that is not federally protected because either the service occurred prior to public employment or the member did not meet the payment deadlines applicable to federally protected leave purchases. A member requesting to purchase the leave must pay an administrative fee of \$250 for the cost of calculating the purchase price, which will be credited toward the purchase if the member decides to do the purchase. The service credit purchased cannot be used in calculating a disability pension.

Modification of Minneapolis Payments to PERA P&F for Relief Associations.

The last two sections of this article (before the repealer) modifies the annual amount paid by the City of Minneapolis to the Public Employees Police and Fire Retirement Plan (PERA P&F) on behalf of the Minneapolis Police Relief Association (MPRA) and the Minneapolis Firefighters Relief Association (MFRA). The payments are intended to cover the unfunded liabilities accepted by PERA P&F when it merged with MPRA and MFRA in 2011. However, the payment amount has fluctuated significantly since 2011 because current law requires the payment to be recalculated when actuarial assumptions change.

PERA and the City of Minneapolis agreed to a new calculation method, which fixes the amounts to be paid by the City for each relief association at \$4,489,837 and \$3,188,735 for MPRA and MFRA, respectively, starting in 2019, through 2031.

3. PERA Statewide Volunteer Firefighter Plan (PERA SVF)

This article establishes a process through which a municipality, independent nonprofit firefighting corporation, or a joint powers entity may terminate participation in the PERA SVF plan. The process includes fully vesting firefighters in their pension benefits, allocating any assets in excess of benefit liabilities, and making immediate distributions. A session law grandfathers any termination already underway and establishes a termination date, which will permit the Brevator Township to terminate participation and its former firefighters to receive distributions of their pension benefits.

4. Volunteer Firefighter Relief Associations

State Auditor Fire Relief Association Working Group Bill.

This article includes a number of provisions modifying the requirements imposed on volunteer firefighter relief associations that are recommended for legislation by the State Auditor's Fire Relief Association Working Group. Many of the changes are administrative or technical in nature (e.g., clarifying break-in-service requirements, correcting terminology, and updating filing requirements for bylaw amendments). The substantive changes include:

- Reducing the permitted graded vesting schedule from 20 years to 10 years for defined benefit relief associations;
- Adding provisions regarding the applicable benefit level when a firefighter does not return from a leave or when an inactive firefighter dies or becomes disabled; and
- Allowing supplemental benefits to be paid to designated beneficiaries and estates, where there is no surviving spouse or children.

City of Austin.

The 2018 omnibus retirement bill provided a special exemption to the City of Austin from the general requirement that municipalities must pay all fire state aid to their affiliated volunteer firefighter relief association. The exemption allows the City to allocate fire state aid between its relief association and contributions to PERA P&F for its full-time firefighters. The exemption is currently set to expire on July 1, 2019. This article includes a session law that extends the expiration date indefinitely, until the effective date of general legislation that permits the allocation of fire state aid.

5. Minnesota State Colleges and Universities Retirement Provisions

Employee Contributions to the Individual Account Retirement Plan (IRAP).

The current option available to members of the IRAP to elect to transfer from the IRAP to the Teachers Retirement Association (TRA) does not comply with federal Internal Revenue Code requirements and IRS guidance. This article increases the employee contribution rate to match the TRA employee contribution rate, which is one of two alternatives for bringing the IRAP into compliance. (The other alternative—not included in this legislation—would have been to eliminate the election to transfer to TRA.) The current employee contribution rate of 4.5% is increased to 7.5%, effective July 1, 2019, and is tied to the TRA rate thereafter. The employee contribution rate for employees who are not eligible for an election is increased over a five-year phase in, which brings their contribution rate equal to the TRA rate by July 1, 2024.

Employer Contributions to the IRAP.

This article also increases employer contributions to the IRAP. The employer contribution rate is phased in starting in 2019 and completing the phase-in in on July 1, 2024. The current employer contribution rate is 6%. At the end of the phase-in period, the IRAP employe contribution rate will be tied to the TRA employe contribution rate (scheduled to be 7.75%).

Extension of Early Separation Incentive Program.

Minnesota State's early separation incentive program allows Minnesota State to offer incentives to induce eligible employees to retire as early as age 55. The incentives may be in the form of a cash payment not to exceed one year's salary, and/or a contribution to the employee's health care savings plan account. This article removes the sunset clause for the program, making the program permanent. Under current law, the program expires on June 30, 2019.

Administrative and Technical Provisions.

This article makes a number of technical and conforming changes. The most significant of these is the recodification of current Minnesota Statutes, Section 354B.21, into new Section 354B.211. Section 354B.21 governs the eligibility criteria and election options for members of the IRAP. The recodification and reorganization of Section 354B.21 improves the readability of the provisions, reduces ambiguity, and does not make any substantive changes.

6. Generally Applicable Retirement Plan Changes

This article includes three generally applicable retirement plan provisions. The first was included in the recommendations of the State Auditor's Fire Relief Association Working Group bill and amends current law to increase the threshold for plan assets required before an entity is subject to a more stringent investment reporting requirement from \$25,000,000 to \$50,000,000.

The second change is a new section that applies to the statewide retirement systems and the State Board of Investment, which are currently exempt from using MN.IT services. This provision inserts that exemption into Chapter 356.

The third provision is a new session law that creates a one-year exemption for the City of St. Paul and the St. Paul School District, allowing them to continue to make contributions to supplemental pension and retirement plans on behalf of trade union employees for one year, until June 30, 2020. Current law prohibits contributions to supplemental plans unless specifically allowed as an exception; however, the exceptions in current law do not cover most of the contributions being made by these employers to a number of multiemployer plans. The LCPR staff is required to work with the effected groups to propose legislation for consideration by the Commission during the 2020 legislative session that would resolve the non-compliance.

7. Individual Issues

This article allows an individual employee of Minnesota State, who is currently in the IRAP, to elect coverage under TRA, which will result in a transfer of service from the IRAP to TRA. The individual has one year to elect to make the transfer. If the individual elects to make the transfer, the individual is required to pay the difference in the amount of the employee contributions that would have been contributed to TRA for the period compared to the amount that was contributed for the period to the IRAP, plus interest. In addition, the employee's IRAP account must be transferred to TRA. Minnesota State is required to pay any remaining cost required to cover the actuarial value of the employee's new pension benefit under TRA.

8. Minneapolis Employee Retirement Fund (MERF) Supplemental Contributions

This article reduces the employer supplemental contributions paid by the City of Minneapolis and related entities to PERA on behalf of MERF. Current law provides for a 2019 contribution of \$31,000,000. The new amount is \$21,000,000. This article also increases the state's contribution to PERA on behalf of MERF from the current \$6,000,000 to \$16,000,000.

9. State Aid to Local Governments for Contributions to PERA

Since 1997, the state has provided aid to local government to defray some of the cost of employer contributions to PERA. The authorization for the state aid expires on June 30, 2020. This article changes the expiration date to the earlier June 30, 2048, or the year following the PERA General Employees Retirement Plan achieving full funding. The amount of state aid paid in 2019 was \$13,919,000.

10. Technical Corrections

This article makes a number of technical changes. The changes correct errors in the 2018 omnibus retirement bill, update terminology, and make other minor language revisions and clarifications.

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2019 Omnibus Retirement Bill Source Bills

Revised delete-all amendment H2632-1A includes the following retirement bills recommended by the Commission through April 2, 2019:

- 1. HF 483 (Poppe); SF 570 (Sparks)**
Extending the alternative allocation of fire state aid for the City of Austin.
- 2. HF 549 (Dettmer); SF 1444 (Anderson, B.),** in the form of amendment H2632-4A
PERA military service credit purchase provisions.
- 3. HF 2310 (Sundin); SF 2366 (Rarick)**
PERA Statewide Volunteer Firefighter Plan; Authorizing the termination of plan participation and coverage and distribution of benefits.
- 4. HF 2373 (Murphy, by request); SF 2491 (Rosen)**
State Auditor's Volunteer Fire Relief Association Working Group bill.
- 5. HF 2387 (Murphy, by request); SF 2488 (Rosen)**
Extending the 1997 state aid to local governments to fund increased employer contributions to PERA.
- 6. HF 2489 (Murphy, by request)**
Minnesota State IRAP; Employee contribution rate increase.
- 7. HF 2512 (Long); SF 2515 (Dziedzic)**
PERA; Revising the employer supplemental and state contributions to PERA related to the former Minneapolis Employees Retirement Fund (MERF).
- 8. HF 2598 (Freiberg); SF 2490 (Jasinski)**
PERA Police and Fire Plan; Revising the City of Minneapolis municipal contribution related to the former Minneapolis fire and police relief associations.
- 9. HF 2631 (Nelson); SF 2621 (Senjem)**
Prohibition on supplemental pension and retirement plans; exemption for contributions to labor organization multiemployer plans.
- 10. HF 2632 (Murphy, by request); SF 2583 (Rosen)**
MSRS administrative bill.
- 11. HF 2633 (Murphy, by request); SF 2584 (Rosen)**
PERA Phased Retirement Program; Eliminate sunset and annual renewal requirement.
- 12. HF 2671 (Nelson); SF 243 (Frentz)**
Minnesota State IRAP; Employer contribution rate increase.
- 13. HF 2683 (Murphy, by request)**
Minnesota State; Eliminating the expiration of an early retirement incentive; administrative changes.
- 14. HF 2775 (Youakim); SF 2713 (Latz),** in the form of Amendment H2632-9A
Permitting a Minnesota State employee who was not offered an election to transfer to TRA in 1995 the option to elect TRA coverage and pay the additional employee contributions.

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Section-by-Section Summary

Article 1: Minnesota State Retirement System Administrative Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	1.9	HF2632; SF2583	3A.02, New Subd. 7	Legislators Plan	Specifies that the annuity application procedure for the Legislator’s plan is the application procedure in § 352.115.
2	1.14	HF2632; SF2583	352.03, Subd. 1	MSRS Plans	Clarifies that Unclassified Plan members are eligible to vote in board elections and makes clarifying changes.
3	2.26	HF2632; SF2583	352.03, Subd. 1b	MSRS Plans	Adds references to the Unclassified Plan and makes clarifying changes.
4	3.14	HF2632; SF2583	352.113, Subd. 2	MSRS Plans	Specifies that disability applications must include certain medical reports at the time they are filed.
5	3.25	HF2632; SF2583	352.115, Subd. 7	MSRS Plans	Corrects one word - “in” to “on”.
6	4.1	HF2632; SF2583	352.115, New Subd. 7a	MSRS Plans	Establishes the procedure for filing an application for an annuity or any other benefit.
7	4.19	HF2632; SF2583	352.23	MSRS Plans	Clarifies that a refund must be repaid in full before a member is entitled to restoration of full benefits, including Rule of 90.
8	5.13	HF2632; SF2583	352.85, Subd. 4	Military Affairs Plan	Clarifies that a coverage election is retroactive to the first day of employment, and the employer and member must pay the difference between MSRS General and Military Affairs contribution rates for the period between the first date of employment and the election date.
9	5.26	HF2632; SF2583	352.87, Subd. 8	State Fire Marshal Plan	Clarifies that a coverage election is retroactive to the first day of employment, and the employer and member must pay the difference between MSRS General and Fire Marshal contribution rates for the period between the first day of employment and the election date.
10	6.7	HF2632; SF2583	352B.08, New Subd. 1a	State Patrol Plan	Specifies that the annuity application procedure for the State Patrol Plan is the application procedure in § 352.115.
11	6.12	HF2632; SF2583	352D.05, Subd. 3	Unclassi- fied Plan	Modifies the Unclassified Plan application for withdrawal procedure to conform with the application procedure in § 352.115.
12	6.24	HF2632; SF2583	352F.04, Subd. 1	U of M Hospital Privatized Employees	Corrects an error in the 2018 omnibus bill related to former University of Minnesota Hospital (aka Fairview) employees to provide that the augmentation rate changes are prospective only and that any augmentation credited before January 1, 2019, is not forfeited or reduced.
13	7.10	HF2632; SF2583	490.126, Subd. 3	Judges Plan	Specifies that the annuity application procedure for the Judges Plan is the application procedure in § 352.115.

Section-by-Section Summary

Article 1: Minnesota State Retirement System Administrative Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
14	7.20	HF2632; SF2583	352F.06	U of M Hospital Privatized Employees	Repeals Minn. Stat. § 352F.06, which applies earnings limitations to Fairview employees upon return to public employment, and is inconsistent with changes made under the 2018 omnibus retirement bill to allow Fairview employees to receive an MSRS annuity while still employed.

Article 2: Public Employees Retirement Association Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	7.25	HF549; SF1444 as H2632-4A	353.01, Subd. 16	PERA Plans	The substantive description of the amount of the service credit permitted and the conditions for receiving the credit for a uniformed services leave is deleted and replaced with references to new §§ 353.014 and 353.0141.
2	10.23	HF549; SF1444 as H2632-4A	New 353.014	PERA Plans	Inserts new § 353.014 that restates and clarifies the provisions that had been in PERA's definitions section; provides for the purchase of service credit under PERA plans for periods of military service, which is required by federal law (USERRA); adds new notice requirements.
3	12.25	HF549; SF1444 as H2632-4A	New 353.0141	PERA Plans	Inserts new § 353.0141 that provides for the purchase of up to five years of service credit for military leave that occurs prior to public employment or for which the member missed the payment deadlines under § 353.014; requires the payment of a \$250 fee to PERA to calculate the purchase payment amount; provides that the purchased service may not be used in calculating a disability benefit.
4	14.1	HF2633; SF2584	353.371, Subd. 1	PERA PRO	Clarifies that elected officials are not permitted to enter into a Phased Retirement Option (PRO) and that the eligibility requirements must be met no later than the end of the month in which the PRO begins; makes technical changes
5-6	14.27 15.2	HF2633; SF2584	353.371, Subd. 2-3	PERA PRO	Makes clarifying language changes.
7	15.10	HF2633; SF2584	353.371, Subd. 4	PERA PRO	Removes the requirement that the initial period of a PRO agreement is limited to 1 year, and prohibits an employee from being employed under a PRO agreement or combination of PRO agreements for longer than 5 years.
8	15.20	HF2633; SF2584	353.371, Subd. 5	PERA PRO	Requires documentation of a PRO agreement be provided to PERA before the employee's termination of membership.
9	16.1	HF2633; SF2584	353.371, Subd. 6	PERA PRO	Establishes a new reporting requirement that employers must report the number of hours worked by employees covered by a PRO within 14 days of the end of each pay period.

Section-by-Section Summary

Article 2: Public Employees Retirement Association Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
10	16.15	HF2633; SF2584	353.371, Subd. 7	PERA PRO	Establishes a new reporting requirement that employers and employees must inform PERA that the employee has terminated from a PRO covered position, and clarifies that any public employment that occurs after the PRO agreement cannot commence until at least 30 days after employment under the PRO ends.
11	17.1	HF2598; SF2490	353.665, Subd. 8	PERA P&F	Deletes language that is either obsolete or moved to new subdivision 8a.
12	18.18	HF2598; SF2490	353.665, New Subd. 8a	PERA P&F	Adds a new subdivision establishing the amounts of the annual City of Minneapolis contribution to PERA P&F with regard to the former Minneapolis firefighters and police relief associations for 2019- 2031.
13	19.1	HF2633; SF2584	353.371, Subd. 8	PERA PRO	Repeals Minn. Stat. § 353.371, Subd. 8, which established an expiration date for the PRO program.

Article 3: Statewide Volunteer Firefighter Plan Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	19.6	HF2310; SF2366	New 353G.18	PERA SVF	Provides a new process by which a municipality may terminate its participation in the Statewide Plan and authorize the distribution of benefits; includes provisions for full vesting of all firefighters and allocation of any assets in excess of benefit liabilities.
2	22.2	HF2310; SF2366	Session Law	PERA SVF	Grandfathers, for the benefit of Brevator Township, any previously approved termination, establishes a termination date, and permits the termination to proceed in accordance with the resolutions adopted by the board of the municipality.
3	22.9	HF2310; SF2366	353G.15	PERA SVF	Repeals § 353G.15, now obsolete, which permitted direct rollovers of distributions, subject to the election of the firefighter, from the Statewide Plan only if the Plan receives a favorable determination letter from the IRS, which letter was issued in 2016.

Article 4: Volunteer Firefighter Relief Association Retirement Changes

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	22.15	HF2373; SF2491	69.051, Subd. 1	VFRAs	Incorporates the requirements of § 6.65, ensuring that the audits of relief associations include legal compliance as well as financial reports.
2	23.18	HF2373; SF2491	424A.001, New Subd. 9a	VFRAs	Creates a new definition for “break in service.”
3	23.27	HF2373; SF2491	424A.01, Subd. 6	VFRAs	Clarifies the requirements within which relief associations may define the treatment of firefighters who return to service after a break in service.

Section-by-Section Summary

Article 4: Volunteer Firefighter Relief Association Retirement Changes

Sec.	Pg.Ln	Source	Statute	Plan	Summary
4	27.10	HF2373; SF2491	424A.015, Subd. 6	VFRAs	Clarifies that, in determining the amount of a pension benefit, the applicable benefit level is the level in effect at the earlier of 1) the date of the firefighter's separation from active service; or 2) the date on which the member begins a break in service if the break continues until the member's separation from active service.
5	27.21	HF2373; SF2491	424A.016, Subd. 3	Defined contri- bution VFRAs	Adds a definition of "vesting" and "vested," and clarifies that a defined contribution relief association's bylaws may not require more than 20 years to become fully vested and may not provide more generous vesting percentages than the following: <ul style="list-style-type: none"> • 40% vested with 5 years • 52% vested with 6 years • 64% vested with 7 years • 76% vested with 8 years • 88% vested with 9 years • 100% vested with 10 years
6	28.18	HF2373; SF2491	424A.016, Subd. 6	Defined contri- bution VFRAs	Replaces "paid" with "credited" and "pay" with "credit" to correct language regarding investment earnings on a defined contribution account for an inactive firefighter who has not yet reached age 50.
7	29.26	HF2373; SF2491	424A.02, Subd. 2	Defined benefit VFRAs	Makes the same changes that were made in section 5 to the vesting requirements for defined benefit relief associations and revises the requirements to be identical to the vesting requirements for defined contribution plans, shortening the 5- to 20-year vesting schedule to a 5- to 10-year vesting schedule.
8	31.2	HF2373; SF2491	424A.02, Subd. 7	Defined benefit VFRAs	Replaces "paid" with "credited" and "pay" with "credit" to correct language regarding the annual interest that will be credited automatically on the pension benefit of an inactive firefighter who has not yet reached age 50, if the bylaws of a relief association so provide.
9	32.25	HF2373; SF2491	424A.02, Subd. 9	Defined benefit VFRAs	Clarifies that, for deferred members, the amount of a disability or survivor benefit is calculated using the benefit level in effect on the date of separation from service, unless the bylaws provide differently.
10	35.1	HF2373; SF2491	424A.02, Subd. 10	Defined benefit VFRAs	Clarifies the entities that would approve a bylaws amendment that must be filed with the State Auditor.
11	36.7	HF2373; SF2491	424A.10, Subd. 1	VFRAs	Authorizes the payment of supplemental survivor benefits to a designated beneficiary or to an estate if there is no surviving spouse and no surviving children.
12	37.9	HF483; SF570	Laws 2018, Ch. 211, Art. 14, Sec. 26	Fire state aid City of Austin	The City of Austin is permitted to transfer less than all of its annual fire state aid to the affiliated volunteer firefighter relief association and apply the remainder toward its employer contributions to PERA P&F without a specific expiration date, and until the effective date of general legislation that permits the allocation of fire state aid.

Section-by-Section Summary

Article 5: Minnesota State Colleges and Universities Retirement Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	38.7	HF2683	136F.47	MNState	Updates the current statutory references to the new § 354B.211.
2	38.17	HF2683	136F.481	MNState	Removes the sunset clause for the Minnesota state colleges and universities early separation incentive program.
3-4	40.1 40.10	HF2683	354.05, Subd. 2a; 354.51, Subd. 5	MNState	Updates the current statutory references to the new § 354B.211.
5	41.18	HF2683	354A.011, Subd. 27	MNState	Replaces “Department of Education” with “Professional Educator Licensing and Standards Board” and removes references to outdated plan election options.
6	42.28	HF2683	354B.20, Subd. 4	MNState	Modifies the definition of “covered employment.”
7	43.10	HF2683	354B.20, New Subd. 6a	MNState	Creates a new definition for “Eligible unclassified faculty position.” This definition aligns with current statute by incorporating an eligibility requirement found in 354B.21 into the new definition.
8-9	43.21 44.1	HF2683	354B.20, Subd. 7, 12	MNState	Updates the current statutory references to the new § 354B.211.
10	44.6	HF2683	New 354B.211	MNState	Establishes new § 354B.211, which contains the same requirements as the current coverage section but is reorganized and rewritten to provide clarity to provisions that have been amended numerous times since 1995.
11	44.6	HF2683	354B.22, Subd. 2	MNState	Updates the current statutory references to the new § 354B.211.
12	47.24	HF2489	354B.23, Subd. 1	MNState IRAP	Increases the IRAP employee contribution rate to the TRA member rate, except that, for participants who achieved tenure before July 1, 2018, or who are in an unclassified administrative position, not faculty, and started contributing to IRAP before July 1, 2018, the employee contribution rate is increased by 0.65% of pay per year over the next five years until the rate equals the TRA member contribution rate. The immediate increase to the TRA rate for all participants who may have a “second chance election” to transfer to TRA is intended to bring the IRAP into compliance with federal regulations governing the option to elect coverage by another plan.
13	48.14	HF2671; SF243	354B.23, Subd. 3	MNState IRAP	Ties the IRAP employer contribution rate to the TRA employee contribution rate, phasing in the increases by 0.35% each year between FY2020 and FY2025.

Section-by-Section Summary

Article 5: Minnesota State Colleges and Universities Retirement Provisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
14-15	48.22 49.4	HF2683	354B.23, Subd. 5; 354C.12, Subd. 2	MNState	Replaces the interest rate charged on omitted member deductions with a reference to a section added by the 2018 omnibus retirement bill that compiled the interest rates for all the statewide plans into one section.
16-17	49.19 49.26	HF2683	355.01, Subd. 3c; 355.091	MNState	Updates the current statutory references to the new § 354B.211.
18	50.18	HF2683	354B.20, Subd. 8; 354B.21	MNState	Repeals § 354B.20, subdivision 8, defining “faculty,” which has been replaced by a new defined term, “eligible unclassified faculty position” in 354B.20, new subdivision 6a; repeals § 354B.21, which is replaced by new § 354B.211.

Article 6: Generally Applicable Retirement Plan Changes

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	50.24	HF2373; SF2491	356.219, Subd. 3	VFRAs	Increases the additional investment reporting threshold from \$25M to \$50M so relief associations remain under the threshold and maintain their current level of reporting.
2	52.28	HF549; SF1444 as H2632-4A	356.551, Subd. 2	PERA military service credit purchases	Adds a modified calculation method to be used in determining the actuarial cost of purchasing service credit under the PERA plans for periods of military service under § 353.0141, subdivision 3 (a new section added by Art. 2, Sec. 3), intended to provide greater protection to PERA against an actuarial loss due to the employee retiring early with a subsidized early retirement benefit or future changes to actuarial assumptions.
3	54.12	HF2632; SF2583	New Section 356.97	Retire- ment, Generally	Adds a new section stating that MSRS, PERA, TRA, and SBI are exempt from the general requirement in Chapter 16E that MN.IT manage the provision of IT hardware and services for state agencies.
4	54.17	HF2631; SF2621 LCPR H2631-1A	Uncoded	Supple- mental plans restriction	Permits the City of St. Paul and the St. Paul School District to continue contributing to the listed multiemployer funds as required under the applicable collective bargaining agreements until June 30, 2020.
5	55.17	HF2631; SF2621 LCPR H2631-1A	Uncoded	Supple- mental plans restriction	Directs representatives of the City of St. Paul, the St. Paul School District, and the labor organizations listed in section 4 to work with LCPR staff during the interim to draft legislation for consideration during the 2020 legislative session that will eliminate the need to identify the multi-employer funds, while safeguarding the intent of the statute to limit the public funds contributed to supplemental pension and retirement plans.

Section-by-Section Summary

Article 7: Session Law for One Person

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	56.17	HF2775; SF2713	Special law	MnState, TRA	Permits an employee of Minnesota State, currently in the IRAP, to elect TRA coverage, resulting in a transfer of service from the IRAP to TRA, if the individual, within a year, elects to make the transfer, pays the difference in the amount of the employee contributions that would have been made to TRA for the period compared to the IRAP contributions for the period, plus interest, after which the employee's IRAP account will be transferred to TRA and Minnesota State is required to pay any remaining cost required to cover the actuarial value of the employee's new pension benefit under TRA.

Article 8: Former MERF Division Employer and State Contribution Revisions

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	58.4	HF2512; SF2515	353.27, Subd. 3c	PERA MERF	Reduces the employer supplemental contribution relating to the merger of MERF into PERA from \$31M to \$21M, beginning July 1, 2019.
2	59.2	HF2512; SF2515	353.505	PERA MERF	Increases the State payment to PERA with respect to MERF from \$6M to \$16M, beginning with the September 15, 2019, payment and annually thereafter; provides for an appropriation.

Article 9: State Aid to Local Governments for Employer Contributions to PERA

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	59.18	HF2387; SF2488	273.1385, Subd. 4	Local gov't aid related to PERA	Continues the aid, currently set to terminate June 30, 2020, to the earlier of 1) the fiscal year after the fiscal year in which PERA General becomes fully funded; or 2) June 30, 2048, the end of PERA General's current 30-year amortization period.

Article 10: Technical Corrections

Sec.	Pg.Ln	Source	Statute	Plan	Summary
1	60.3	H2632-2A	3.85, Subd. 2	LCPR	Removes the requirement that the LCPR file a biennial report.
2	60.21	H2632-2A	69.031, Subd. 5	PERA P&F State Aid	Corrects a cross reference.
3	62.1	H2632-2A	69.051, Subd. 3	Fire State Aid	Replaces the word "conformity" with "compliance" to clarify fire state aid reporting standards.
4	63.5	H2632-2A	352.22, New Subd. 3b	MSRS	Reinserts language that was deleted in error in the 2018 omnibus retirement bill that relates to segmented annuities.

Section-by-Section Summary

Article 10: Technical Corrections

Sec.	Pg.Ln	Source	Statute	Plan	Summary
5	63.22	H2632-2A	352.22, New Subd. 3c	MSRS	Reinserts language that was deleted in error in the 2018 omnibus retirement bill that relates to the calculation of benefits for former state employees who terminated before July 1, 1997.
6	64.1	H2632-2A	352D.04, Subd. 2	MSRS Unclassified	Deletes a reference to a repealed section.
7	64.20	H2632-2A	353.01, Subd. 2b	PERA	Corrects language revised in the 2018 omnibus retirement bill that relates to PERA coverage for foreign citizens.
8	68.26	H2632-2A	353.34, Subd. 2	PERA	Makes a conforming change for interest paid on certain refunds by PERA that was missed in the 2018 omnibus retirement bill.
9	69.9	H2632-2A	353E.05	PERA Correctional	Corrects a cross reference.
10- 11	69.19 70.1	H2632-2A	354B.23, Subd. 5; 354C.12, Subd. 2	MNState IRAP, Supple- mental	Replaces the interest rate charged on omitted member deductions with a reference to a section added by the 2018 omnibus retirement bill that compiles the interest rates for all the statewide plans into one section.
12	70.15	H2632-2A	356.215, Subd. 11	Certain fire relief associations	Makes conforming changes needed because of other language simplified and clarified within this subdivision.
13- 16	73.1 74.1 75.9 75.14	H2632-2A	423A.02, Subd. 1, 1b, 2, 4	Police & fire state aid	Corrects a cross reference.
17	75.27	H2632-2A	Revisor's Instruc- tion	Various plans	Instructs the Revisor of Statutes to replace various terms, including terms that refer to the "preretirement" and/or "postretirement" "interest rate" assumption, with "investment return" assumption throughout the retirement plan statutes, to conform to the term used in the 2018 omnibus retirement bill.
18	76.29	H2632-2A	--	--	The article is effective upon final enactment.