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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1923

02/16/2023 Authored by Wolgamott The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to retirement; Public Employees Retirement Association; permitting the
1.3 transfer of service credit from the general employees retirement plan to the police
1.4 and fire retirement plan for two employees of the Metropolitan Airports
1.5 Commission.

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

1.7 Section 1. TRANSFER OF PAST PERA GENERAL PLAN SERVICE CREDIT TO
1.8 THE POLICE AND FIRE PLAN.

1.9 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.10 the meanings given.

1.11 (b) "Executive director" means the executive director of the Public Employees Retirement
1.12 Association.

1.13 (c) "General plan" means the general employees retirement plan of the Public Employees
1.14 Retirement Association.

1.15 (d) "Police and fire plan" means the police and fire retirement plan of the Public
1.16 Employees Retirement Association.

1.17 (e) "Service credit" means time credited as allowable service under Minnesota Statutes,
1.18 section 353.01, subdivision 16, and credit for salary earned during that time.

1.19 (f) "Transfer period" means the period beginning May 2, 2005, and ending October 28,
1.20 2005.

1.21 Subd. 2. Authorization. Notwithstanding any state law to the contrary, an eligible person
1.22 described in subdivision 3 who makes a payment to the police and fire retirement fund, as

2.1 permitted under subdivision 4, on or before one year following the effective date of this
2.2 section is entitled to have:

2.3 (1) the employer payment made on the eligible person's behalf under subdivision 5; and

2.4 (2) applicable past service credit transferred from the general plan to the police and fire
2.5 plan for the transfer period under subdivision 6.

2.6 Subd. 3. **Eligible person.** (a) An eligible person is a person described in paragraph (b)
2.7 or (c).

2.8 (b) An eligible person is a person who:

2.9 (1) was born on July 2, 1982;

2.10 (2) was hired as a full-time police officer by the Metropolitan Airports Commission on
2.11 May 2, 2005; and

2.12 (3) was erroneously credited with allowable service in the general plan instead of the
2.13 police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

2.14 (c) An eligible person is a person who:

2.15 (1) was born on April 18, 1982;

2.16 (2) was hired as a full-time police officer by the Metropolitan Airports Commission on
2.17 May 2, 2005; and

2.18 (3) was erroneously credited with allowable service in the general plan instead of the
2.19 police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

2.20 Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive
2.21 director the difference between the employee contribution rate for the general plan and the
2.22 employee contribution rate for the police and fire plan for the transfer period. The difference
2.23 between the two rates must be applied to the eligible person's salary at the time that each
2.24 contribution would have been deducted from pay if the eligible person had been covered
2.25 by the police and fire plan for the transfer period. The payment must include interest at the
2.26 applicable annual interest rate or rates that applied for each period listed in Minnesota
2.27 Statutes, section 354.49, subdivision 2, calculated from the date that each contribution would
2.28 have been deducted to the date that payment is made.

2.29 (b) The payment under paragraph (a) must be made in a lump sum no later than one year
2.30 following the effective date. Upon receipt of payment, the executive director must notify
2.31 the Metropolitan Airports Commission that the payment was made and of the amount owed
2.32 under subdivision 5.

3.1 Subd. 5. Payment by the Metropolitan Airports Commission. If an eligible person
3.2 makes the payment under subdivision 4, the Metropolitan Airports Commission, on behalf
3.3 of the eligible person, must pay to the Public Employees Retirement Association the actuarial
3.4 present value of the additional benefit resulting from the transferred service credit less the
3.5 payment made under subdivision 4. This amount must be paid by the department in a lump
3.6 sum within 30 days after the date on which the executive director notifies the Metropolitan
3.7 Airports Commission under subdivision 4.

3.8 Subd. 6. Transfer of assets and service credit. (a) If the payments under subdivisions
3.9 4 and 5 are made, the executive director must transfer assets from the general employees
3.10 retirement fund to the police and fire retirement fund in an amount equal to the actuarial
3.11 present value of the benefits earned by the eligible person under the general plan during the
3.12 transfer period. The transfer of assets must be made within 15 days after receipt of the
3.13 payments under subdivisions 4 and 5.

3.14 (b) Upon transfer of the assets under paragraph (a), the eligible person shall have service
3.15 credit in the police and fire plan and no service credit in the general plan for the transfer
3.16 period.

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