

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 2515

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DATE
03/14/2019

D-PG

Introduction and first reading
Referred to State Government Finance and Policy and Elections

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to retirement; revising the employer supplemental and state contributions
1.3 to the Public Employees Retirement Association related to the former MERF
1.4 division; amending Minnesota Statutes 2018, sections 353.27, subdivision 3c;
1.5 353.505.

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

1.7 Section 1. Minnesota Statutes 2018, section 353.27, subdivision 3c, is amended to read:

1.8 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For
1.9 the period July 1, ~~2015~~ 2019, through December 31, 2031, the member contributions for
1.10 former members of the Minneapolis Employees Retirement Fund and by the former
1.11 Minneapolis Employees Retirement Fund-covered employing units are governed by this
1.12 subdivision.

1.13 (b) The member contribution for a public employee who was a member of the former
1.14 Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of
1.15 the employee.

1.16 (c) The employer regular contribution with respect to a public employee who was a
1.17 member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75
1.18 percent of the salary of the employee.

1.19 (d) The annual employer supplemental contribution is the employing unit's share of
1.20 ~~\$31,000,000. For calendar years 2017 and 2018, the employer supplemental contribution~~
1.21 ~~is the employing unit's share of \$21,000,000.~~

1.22 (e) Each employing unit's share under paragraph (d) is the amount determined from an
1.23 allocation between each employing unit in the portion equal to the unit's employer

2.1 supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50,
2.2 during calendar year 2014.

2.3 (f) The employer supplemental contribution amount under paragraph (d) for calendar
2.4 year ~~2015~~ 2019 must be invoiced by the executive director of the Public Employees
2.5 Retirement Association by July 1, ~~2015~~. ~~The calendar year 2015 payment is payable in a~~
2.6 ~~single amount on or before September 30, 2015~~ 2019. For subsequent calendar years, the
2.7 employer supplemental contribution under paragraph (d) must be invoiced on January 31
2.8 of each year ~~and~~. The employer supplemental contribution is payable in two parts, with the
2.9 first half payable on or before July 31 and with the second half payable on or before
2.10 December 15. Late payments are payable with interest, compounded annually, at the
2.11 applicable rate or rates specified in section 356.59, subdivision 3, per month for each month
2.12 or portion of a month that has elapsed after the due date.

2.13 (g) The employer supplemental contribution under paragraph (d) terminates on December
2.14 31, 2031.

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

2.16 Sec. 2. Minnesota Statutes 2018, section 353.505, is amended to read:

2.17 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

2.18 (a) On September 15, 2019, and annually thereafter, the state shall pay to the general
2.19 employees retirement plan of the Public Employees Retirement Association, with respect
2.20 to the former MERF division, ~~\$6,000,000~~ \$16,000,000.

2.21 ~~(b) On September 15, 2017, and September 15, 2018, the state shall pay to the general~~
2.22 ~~employees retirement plan of the Public Employees Retirement Association, with respect~~
2.23 ~~to the former MERF division, \$16,000,000.~~

2.24 ~~(e)~~ (b) State contributions under this section end on September 15, 2031.

2.25 (c) The commissioner of management and budget shall pay the contribution specified
2.26 in this section. The amount required is appropriated annually from the general fund to the
2.27 commissioner of management and budget.

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