

SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION

S.F. No. 3541

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DATE	D-PG	OFFICIAL STATUS
02/28/2022	5152	Introduction and first reading Referred to State Government Finance and Policy and Elections
05/17/2022	8451a	Comm report: To pass as amended and re-refer to Finance
05/18/2022	8472	Joint rule 2.03, referred to Rules and Administration Comm report: Adopt previous comm report Jt. rule 2.03 suspended

1.1 A bill for an act

1.2 relating to retirement; general state employees retirement plan; correctional state

1.3 employees retirement plan; unclassified state employees retirement program;

1.4 legislators retirement plan; State Patrol retirement plan; general employees

1.5 retirement plan; public employees police and fire retirement plan; Teachers

1.6 Retirement Association; St. Paul Teachers Retirement Fund Association; higher

1.7 education individual retirement account plan; reducing employee contribution

1.8 rates; increasing postretirement adjustments; modifying vesting and return to work

1.9 requirements, decreasing employer contribution rates, and establishing a

1.10 supplemental employer contribution for the public employees police and fire

1.11 retirement plan; reducing the investment rate of return actuarial assumption;

1.12 increasing or adding direct state aids; increasing employer contributions; increasing

1.13 the pension adjustment revenue for school districts; appropriating money; amending

1.14 Minnesota Statutes 2020, sections 126C.10, subdivision 37; 352.04, subdivision

1.15 2; 352.92, subdivision 1; 352B.02, subdivision 1a; 353.01, subdivision 47; 353.27,

1.16 subdivision 2; 353.65, subdivisions 2, 3, 3b, by adding a subdivision; 354.42,

1.17 subdivisions 2, 3; 354A.12, subdivisions 2a, 3a, 3c; 354A.29, subdivision 7;

1.18 354B.23, subdivision 1; 356.215, subdivision 8; 356.415, subdivisions 1, 1c, 1d,

1.19 1e; 356.59; Minnesota Statutes 2021 Supplement, section 354A.12, subdivision

1.20 1; proposing coding for new law in Minnesota Statutes, chapters 352; 352B; 353;

1.21 354.

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

1.23 **ARTICLE 1**

1.24 **EMPLOYEE CONTRIBUTION RATE DECREASE**

1.25 Section 1. Minnesota Statutes 2020, section 352.04, subdivision 2, is amended to read:

1.26 Subd. 2. **Employee contributions.** (a) The employee contribution to the fund must be

1.27 equal to the following percent of salary:

1.28	<del>from July 1, 2014, to June 30, 2018</del>	<del>5.5</del>
1.29	<del>from July 1, 2018, to June 30, 2019</del>	<del>5.75</del>

2.1 ~~after from July 1, 2019, to June 30, 2019~~ 2022 6

2.2 after June 30, 2022 5.75

2.3 (b) These contributions must be made by deduction from salary as provided in subdivision  
2.4 4.

2.5 (c) Contribution increases under paragraph (a) must be paid starting the first day of the  
2.6 first full pay period after the effective date of the increase.

2.7 Sec. 2. Minnesota Statutes 2020, section 352.92, subdivision 1, is amended to read:

2.8 Subdivision 1. **Employee contributions.** (a) Employee contributions of covered  
2.9 correctional employees must be in an amount equal to the following percent of salary:

2.10 ~~from July 1, 2014, to June 30, 2018~~ 9.1

2.11 ~~after from July 1, 2018, to June 30, 2018~~ 2022 9.6

2.12 after June 30, 2022 7.5

2.13 (b) These contributions must be made by deduction from salary as provided in section  
2.14 352.04, subdivision 4.

2.15 (c) Contribution increases under paragraph (a) must be paid starting the first day of the  
2.16 first full pay period after the effective date of the increase.

2.17 Sec. 3. Minnesota Statutes 2020, section 352B.02, subdivision 1a, is amended to read:

2.18 Subd. 1a. **Member contributions.** (a) The member contribution is the following  
2.19 percentage of the member's salary:

2.20 ~~from July 1, 2014, to June 30, 2016~~ 13.4

2.21 ~~from July 1, 2016, to June 30, 2018~~ 14.4

2.22 ~~from July 1, 2018, to June 30, 2020~~ 14.9

2.23 ~~after June 30,~~ from July 1, 2020, to June 30, 2022 15.4

2.24 after June 30, 2022 10.5

2.25 (b) These contributions must be made by deduction from salary as provided in section  
2.26 352.04, subdivision 4.

2.27 (c) Contribution increases under paragraph (a) must be paid starting the first day of the  
2.28 first full pay period after the effective date of the increase.

3.1 Sec. 4. Minnesota Statutes 2020, section 353.27, subdivision 2, is amended to read:

3.2 Subd. 2. **General employees retirement plan; employee contribution.** (a) For a basic  
3.3 member of the general employees retirement plan of the Public Employees Retirement  
3.4 Association, the employee contribution is 9.10 percent of salary. For a coordinated member  
3.5 of the general employees retirement plan of the Public Employees Retirement Association,  
3.6 the employee contribution is the following percentage of salary plus any contribution rate  
3.7 adjustment under subdivision 3b:

3.8	<del>Effective after December 31, 2010</del>	<del>6.25</del>
3.9	<u>Effective from January 1, 2015, to June 30, 2022</u>	6.5
3.10	<u>after June 30, 2022</u>	<u>6.25</u>

3.11 (b) These contributions must be made by deduction from salary as defined in section  
3.12 353.01, subdivision 10, in the manner provided in subdivision 4. If any portion of a member's  
3.13 salary is paid from other than public funds, the member's employee contribution must be  
3.14 based on the total salary received by the member from all sources.

3.15 Sec. 5. Minnesota Statutes 2020, section 353.65, subdivision 2, is amended to read:

3.16 Subd. 2. **Employee contribution.** (a) For members other than members who were active  
3.17 members of the former Minneapolis Firefighters Relief Association on December 29, 2011,  
3.18 or for members other than members who were active members of the former Minneapolis  
3.19 Police Relief Association on December 29, 2011, the employee contribution is an amount  
3.20 equal to the following percentage of the total salary of each member, as follows:

3.21	<del>before January 1, 2019</del>	<del>10.8 percent</del>
3.22	<del>from January 1, 2019, through December 31, 2019</del>	<del>11.3 percent</del>
3.23	from January 1, 2020, <del>and thereafter</del> <u>through June 30,</u>	
3.24	<u>2022</u>	11.8 percent
3.25	<u>after June 30, 2022</u>	<u>9.4 percent</u>

3.26 (b) For members who were active members of the former Minneapolis Firefighters Relief  
3.27 Association on December 29, 2011, the employee contribution is an amount equal to eight  
3.28 percent of the monthly unit value under section 353.01, subdivision 10a, multiplied by 80  
3.29 and expressed as a biweekly amount for each member. The employee contribution made  
3.30 by a member with at least 25 years of service credit as an active member of the former  
3.31 Minneapolis Firefighters Relief Association must be deposited in the postretirement health  
3.32 care savings account established under section 352.98.

3.33 (c) For members who were active members of the former Minneapolis Police Relief  
3.34 Association on December 29, 2011, the employee contribution is an amount equal to eight

4.1 percent of the monthly unit value under section 353.01, subdivision 10b, multiplied by 80  
 4.2 and expressed as a biweekly amount for each member. The employee contribution made  
 4.3 by a member with at least 25 years of service credit as an active member of the former  
 4.4 Minneapolis Police Relief Association must be deposited in the postretirement health care  
 4.5 savings account established under section 352.98.

4.6 (d) Contributions under this section must be made by deduction from salary in the manner  
 4.7 provided in subdivision 4. Where any portion of a member's salary is paid from other than  
 4.8 public funds, the member's employee contribution is based on the total salary received from  
 4.9 all sources.

4.10 Sec. 6. Minnesota Statutes 2020, section 354.42, subdivision 2, is amended to read:

4.11 Subd. 2. **Employee contribution.** (a) The employee contribution to the fund is the  
 4.12 following percentage of the member's salary:

4.13	Period	Basic Program	Coordinated Program
4.14	from July 1, 2014, through June 30, <del>2023</del>		
4.15	<u>2022</u>	11 percent	7.5 percent
4.16	after June 30, <del>2023</del> <u>2022</u>	<del>11.25</del> <u>10.75</u> percent	<del>7.75</del> <u>7.25</u> percent

4.17 (b) When an employee contribution rate changes for a fiscal year, the new contribution  
 4.18 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
 4.19 reported.

4.20 (c) This contribution must be made by deduction from salary. Where any portion of a  
 4.21 member's salary is paid from other than public funds, the member's employee contribution  
 4.22 must be based on the entire salary received.

4.23 Sec. 7. Minnesota Statutes 2021 Supplement, section 354A.12, subdivision 1, is amended  
 4.24 to read:

4.25 Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by  
 4.26 each member of the St. Paul Teachers Retirement Fund Association is the percentage of  
 4.27 total salary specified below ~~for the applicable association and program:~~

4.28	Program	Percentage of Total Salary
4.29	<del>St. Paul Teachers Retirement Fund Association</del>	
4.30	<del>basic program after June 30, 2016</del>	<del>10 percent</del>
4.31	<del>basic program after June 30, 2023</del>	<del>10.25 percent</del>

5.1 ~~coordinated program after June 30~~ July 1, 2016,  
 5.2 to June 30, 2022 7.5 percent  
 5.3 ~~coordinated program after June 30, 2023~~ 2022 ~~7.75~~ 7.25 percent

5.4 (b) Contributions must be made by deduction from salary and must be remitted directly  
 5.5 to the St. Paul Teachers Retirement Fund Association at least once each month.

5.6 (c) When an employee contribution rate changes for a fiscal year, the new contribution  
 5.7 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

5.8 Sec. 8. Minnesota Statutes 2020, section 354B.23, subdivision 1, is amended to read:

5.9 Subdivision 1. **Member contribution rate.** (a) Except for a participant described under  
 5.10 paragraph (b), the member contribution rate for participants in the individual retirement  
 5.11 account plan is equal to the coordinated employee contribution rate in section 354.42,  
 5.12 subdivision 2.

5.13 (b) The member contribution rate is the rate described in paragraph (c) for a participant  
 5.14 in the individual retirement account plan who:

5.15 (1) achieved tenure or its equivalent at a Minnesota state college or university before  
 5.16 July 1, 2018; or

5.17 (2) is an employee in an eligible unclassified administrative position, is not a faculty  
 5.18 member, and first contributed to the individual retirement account plan before July 1, 2018.

5.19 (c) The member contribution rate for a participant described in paragraph (b) is the  
 5.20 following percentage of salary:

5.21	<del>from July 1, 2019, to June 30, 2020</del>	<del>5.15</del>
5.22	<del>from July 1, 2020, to June 30, 2021</del>	<del>5.80</del>
5.23	from July 1, 2021, to June 30, 2022	6.45
5.24	from July 1, 2022, to June 30, 2023	7.10
5.25	<del>from July 1, 2023, to June 30, 2024</del>	<del>7.75</del>

5.26 After June 30, ~~2024~~ 2023, the member contribution rate is the rate specified in paragraph  
 5.27 (a).

5.28 Sec. 9. **EFFECTIVE DATE.**

5.29 Sections 1 to 8 are effective the day following enactment.

6.1 **ARTICLE 2**

6.2 **POSTRETIREMENT ADJUSTMENTS**

6.3 Section 1. Minnesota Statutes 2020, section 354A.29, subdivision 7, is amended to read:

6.4 Subd. 7. **Postretirement adjustments.** (a) Except as set forth in paragraph (c), each  
6.5 person who has been receiving an annuity or benefit under the articles of incorporation, the  
6.6 bylaws, or this chapter, whose effective date of benefit commencement occurred on or  
6.7 before July 1 of the calendar year immediately before the adjustment, is eligible to receive  
6.8 an annual postretirement adjustment, effective as of each January 1, as follows:

6.9 (1) ~~there shall be no~~ the postretirement adjustment is one percent on January 1, 2019,  
6.10 ~~and January 1, 2020~~ 2022; and

6.11 (2) the postretirement adjustment ~~shall be one~~ is 1.5 percent on January 1, 2021 2023,  
6.12 and each January 1 thereafter.

6.13 (b) A postretirement adjustment is to be applied as a permanent increase to the regular  
6.14 payment of each eligible member on January 1. For any eligible member whose effective  
6.15 date of benefit commencement occurred after January 1 of the immediately preceding  
6.16 calendar year, the amount of the postretirement adjustment must be reduced by 50 percent.

6.17 (c) Each person who retires on or after July 1, 2024, is entitled to an annual postretirement  
6.18 adjustment, effective as of each January 1, beginning with the year following the year in  
6.19 which the member attains normal retirement age.

6.20 (d) Paragraph (c) does not apply to members who retire under section 354A.31,  
6.21 subdivision 6, paragraph (b), or who retire when the member is at least age 62 and has at  
6.22 least 30 years of service under section 354A.31, subdivision 7.

6.23 Sec. 2. Minnesota Statutes 2020, section 356.415, subdivision 1, is amended to read:

6.24 Subdivision 1. **Annual postretirement adjustments; Minnesota State Retirement**  
6.25 **System general state employees retirement plan, legislators retirement plan, and**  
6.26 **unclassified state employees retirement program.** (a) Except as set forth in paragraph  
6.27 (c), recipients of a retirement annuity, disability benefit, or survivor benefit from the general  
6.28 state employees retirement plan, the legislators retirement plan, or the unclassified state  
6.29 employees retirement program are entitled to an annual postretirement adjustment, effective  
6.30 as of each January 1, as follows:

6.31 (1) effective January 1, 2019, through December 31, ~~2023~~ 2022, a postretirement increase  
6.32 of one percent must be applied each year to the amount of the monthly annuity or benefit

7.1 of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at  
7.2 least 12 full months as of the June 30 of the calendar year immediately before the adjustment;

7.3 (2) effective January 1, 2019, through December 31, ~~2023~~ 2022, for each annuitant or  
7.4 benefit recipient who has been receiving an annuity or a benefit for at least one full month,  
7.5 but less than 12 full months as of the June 30 of the calendar year immediately before the  
7.6 adjustment, a postretirement increase of 1/12 of one percent for each month that the person  
7.7 has been receiving an annuity or benefit must be applied to the amount of the monthly  
7.8 annuity or benefit of the annuitant or benefit recipient;

7.9 (3) effective January 1, ~~2024~~ 2023, and thereafter, a postretirement increase of 1.5 percent  
7.10 must be applied each year to the amount of the monthly annuity or benefit of each annuitant  
7.11 or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months  
7.12 as of the June 30 of the calendar year immediately before the adjustment; and

7.13 (4) effective January 1, ~~2024~~ 2023, and thereafter, for each annuitant or benefit recipient  
7.14 who has been receiving an annuity or a benefit for at least one full month, but less than 12  
7.15 full months as of the June 30 of the calendar year immediately before the adjustment, an  
7.16 annual postretirement increase of 1/12 of 1.5 percent for each month that the person has  
7.17 been receiving an annuity or benefit must be applied to the amount of the monthly annuity  
7.18 or benefit of the annuitant or benefit recipient.

7.19 (b) An increase in annuity or benefit payments under this subdivision must be made  
7.20 automatically unless written notice is filed by the annuitant or benefit recipient with the  
7.21 executive director of the covered retirement plan requesting that the increase not be made.

7.22 (c) Members who retire on or after January 1, 2024, under the general state employees  
7.23 retirement plan, the legislators retirement plan, or the unclassified state employees retirement  
7.24 program are entitled to an annual postretirement adjustment of the member's retirement  
7.25 annuity, effective as of each January 1, beginning with the year following the year in which  
7.26 the member attains normal retirement age, as follows:

7.27 (1) if a member has been receiving an annuity for at least 12 full months as of the June  
7.28 30 of the calendar year immediately before the date of the adjustment, a postretirement  
7.29 increase equal to the percentage specified in paragraph (a), clause (3), must be applied,  
7.30 effective on January 1, to the amount of the member's monthly annuity;

7.31 (2) if a member has been receiving an annuity for at least one full month, but less than  
7.32 12 full months as of the June 30 of the calendar year immediately before the date of  
7.33 adjustment, a postretirement increase of 1/12 of the percentage specified in paragraph (a),

8.1 clause (4), for each month that the member has been receiving an annuity must be applied,  
8.2 effective on January 1, to the amount of the member's monthly annuity; or

8.3 (3) if a member has been receiving an annuity for fewer than seven months before the  
8.4 date of adjustment, a postretirement increase shall not be applied until the next January 1  
8.5 and the amount of the adjustment shall be the amount determined under clause (2).

8.6 (d) Paragraph (c) does not apply to members who retire under section 352.116,  
8.7 subdivision 1, paragraph (c).

8.8 Sec. 3. Minnesota Statutes 2020, section 356.415, subdivision 1c, is amended to read:

8.9 Subd. 1c. **Annual postretirement adjustments; ~~PERA-police~~ public employees police**  
8.10 **and fire retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit  
8.11 recipients of the public employees police and fire retirement plan are entitled to an annual  
8.12 postretirement adjustment, effective as of each January 1, as follows:

8.13 (1) through December 31, 2022, for each annuitant or benefit recipient who will have  
8.14 been receiving an annuity or benefit for at least 36 full months as of the immediate preceding  
8.15 June 30, a postretirement increase of one percent must be applied each year to the amount  
8.16 of the monthly annuity or benefit of the annuitant or benefit recipient; ~~or~~

8.17 (2) through December 31, 2022, for each annuitant or benefit recipient who has been  
8.18 receiving ~~the~~ an annuity or benefit for at least 25 full months, but less than 36 months as of  
8.19 the immediate preceding June 30, a postretirement increase of 1/12 of one percent for each  
8.20 full month that the person has been receiving an annuity or benefit during the fiscal year in  
8.21 which the annuity or benefit was effective must be applied each year to the amount of the  
8.22 monthly annuity or benefit of the annuitant or benefit recipient;

8.23 (3) effective January 1, 2023, and thereafter, for each annuitant or benefit recipient who  
8.24 has been receiving an annuity or benefit for at least 36 full months as of the immediate  
8.25 preceding June 30, a postretirement increase of 1.5 percent must be applied each year to  
8.26 the amount of the monthly annuity or benefit of the annuitant or benefit recipient; or

8.27 (4) effective January 1, 2023, and thereafter, for each annuitant or benefit recipient who  
8.28 has been receiving an annuity or benefit for at least 25 full months, but less than 36 months  
8.29 as of the immediate preceding June 30, a postretirement increase of 1/12 of 1.5 percent for  
8.30 each full month that the person has been receiving an annuity or benefit during the fiscal  
8.31 year in which the annuity or benefit was effective must be applied to the amount of the  
8.32 monthly annuity or benefit of the annuitant or benefit recipient.



9.1 (b) An increase in annuity or benefit payments under this section must be made  
 9.2 automatically unless written notice is filed by the annuitant or benefit recipient with the  
 9.3 executive director of the Public Employees Retirement Association requesting that the  
 9.4 increase not be made.

9.5 Sec. 4. Minnesota Statutes 2020, section 356.415, subdivision 1d, is amended to read:

9.6 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.** (a)  
 9.7 Except as set forth in paragraph (d), recipients of a retirement annuity, disability benefit,  
 9.8 or survivor benefit from the Teachers Retirement Association are entitled to an annual  
 9.9 postretirement adjustment, effective as of each January 1, as follows:

9.10 (1) effective January 1, 2019, through December 31, ~~2023~~ 2022, a postretirement increase  
 9.11 of one percent must be applied each year to the amount of the monthly annuity or benefit  
 9.12 of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at  
 9.13 least 12 full months as of the June 30 of the calendar year immediately before the adjustment;

9.14 (2) effective January 1, 2019, through December 31, ~~2023~~ 2022, for each annuitant or  
 9.15 benefit recipient who has been receiving an annuity or a benefit for at least one full month,  
 9.16 but less than 12 full months as of the June 30 of the calendar year immediately before the  
 9.17 adjustment, a postretirement increase of 1/12 of one percent for each month the person has  
 9.18 been receiving an annuity or benefit must be applied to the amount of the monthly annuity  
 9.19 or benefit of the annuitant or benefit recipient;

9.20 (3) effective January 1, ~~2024~~ 2023, and thereafter, a postretirement increase of 1.5 percent  
 9.21 must be applied each year to the amount of the monthly annuity or benefit of each annuitant  
 9.22 or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months  
 9.23 as of the June 30 of the calendar year immediately before the adjustment, ~~at the following~~  
 9.24 rates; and

9.25	<del>from January 1, 2024, through December 31, 2024</del>	<del>1.1 percent</del>
9.26	<del>from January 1, 2025, through December 31, 2025</del>	<del>1.2 percent</del>
9.27	<del>from January 1, 2026, through December 31, 2026</del>	<del>1.3 percent</del>
9.28	<del>from January 1, 2027, through December 31, 2027</del>	<del>1.4 percent</del>
9.29	<del>from January 1, 2028, and thereafter</del>	<del>1.5 percent</del>

9.30 (4) effective January 1, ~~2024~~ 2023, and thereafter, for each annuitant or benefit recipient  
 9.31 who has been receiving an annuity or a benefit for at least one full month, but less than 12  
 9.32 full months, as of the June 30 of the calendar year immediately before the adjustment, an  
 9.33 annual postretirement increase of 1/12 of ~~the applicable percentage~~ 1.5 percent for each

10.1 month that the person has been receiving an annuity or benefit must be applied to the amount  
 10.2 of the monthly annuity or benefit of the annuitant or benefit recipient. ~~The applicable~~  
 10.3 ~~percentages are the following:~~

10.4	<del>from January 1, 2024, through December 31, 2024</del>	<del>1.1 percent</del>
10.5	<del>from January 1, 2025, through December 31, 2025</del>	<del>1.2 percent</del>
10.6	<del>from January 1, 2026, through December 31, 2026</del>	<del>1.3 percent</del>
10.7	<del>from January 1, 2027, through December 31, 2027</del>	<del>1.4 percent</del>
10.8	<del>from January 1, 2028, and thereafter</del>	<del>1.5 percent</del>

10.9 (b) An increase in annuity or benefit payments under this section must be made  
 10.10 automatically unless written notice is filed by the annuitant or benefit recipient with the  
 10.11 executive director of the Teachers Retirement Association requesting that the increase not  
 10.12 be made.

10.13 (c) The retirement annuity payable to a person who retires before becoming eligible for  
 10.14 Social Security benefits and who has elected the optional payment as provided in section  
 10.15 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement  
 10.16 annuity for the purposes of any postretirement adjustment. The period-certain retirement  
 10.17 annuity plus the life retirement annuity must be the annuity amount payable until age 62,  
 10.18 65, or normal retirement age, as selected by the member at retirement, for an annuity amount  
 10.19 payable under section 354.35. A postretirement adjustment granted on the period-certain  
 10.20 retirement annuity must terminate when the period-certain retirement annuity terminates.

10.21 (d) Members who retire on or after July 1, 2024, are entitled to an annual postretirement  
 10.22 adjustment of the member's retirement annuity, effective as of each January 1, beginning  
 10.23 with the year following the year in which the member attains normal retirement age, as  
 10.24 follows:

10.25 (1) if a member has been receiving an annuity for at least 12 full months as of the June  
 10.26 30 of the calendar year immediately before the date of the adjustment, a postretirement  
 10.27 increase equal to the percentage specified in paragraph (a), clause (3), must be applied,  
 10.28 effective on January 1, to the amount of the member's monthly annuity;

10.29 (2) if a member has been receiving an annuity for at least one full month, but less than  
 10.30 12 full months as of the June 30 of the calendar year immediately before the date of  
 10.31 adjustment, a postretirement increase of 1/12 of the applicable percentage specified in  
 10.32 paragraph (a), clause (4), for each month that the member has been receiving an annuity  
 10.33 must be applied, effective on January 1, to the amount of the member's monthly annuity;  
 10.34 or

11.1 (3) if a member has been receiving an annuity for fewer than seven months as of the  
11.2 January 1 of the year following the year in which the member attains normal retirement  
11.3 age, a postretirement adjustment shall be applied effective as of the next January 1. The  
11.4 amount of the adjustment shall be determined under clause (2).

11.5 (e) Paragraph (d) does not apply to members who retire under section 354.44, subdivision  
11.6 6, paragraph (c), clause (3), or who retire when the member is at least age 62 and has at  
11.7 least 30 years of service under section 354.44, subdivision 6, paragraph (c), (d), (e), or (f),  
11.8 as applicable.

11.9 Sec. 5. Minnesota Statutes 2020, section 356.415, subdivision 1e, is amended to read:

11.10 Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.** (a)  
11.11 Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol  
11.12 retirement plan are entitled to an annual postretirement adjustment, effective as of each  
11.13 January 1, as follows:

11.14 (1) through December 31, 2022, a postretirement increase of one percent must be applied  
11.15 each year to the monthly annuity or benefit of each annuitant or benefit recipient who has  
11.16 been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the  
11.17 calendar year immediately before the adjustment; ~~and~~

11.18 (2) through December 31, 2022, for each annuitant or benefit recipient who has been  
11.19 receiving an annuity or a benefit for at least one full month, but less than 12 full months as  
11.20 of the June 30 of the calendar year immediately before the adjustment, an annual  
11.21 postretirement increase of 1/12 of one percent for each month that the person has been  
11.22 receiving an annuity or benefit must be applied to the amount of the monthly annuity or  
11.23 benefit of each annuitant or benefit recipient;

11.24 (3) effective January 1, 2023, and thereafter, a postretirement increase of 1.5 percent  
11.25 must be applied each year to the monthly annuity or benefit of each annuitant or benefit  
11.26 recipient who has been receiving an annuity or benefit for at least 12 full months as of the  
11.27 June 30 of the calendar year immediately before the adjustment; and

11.28 (4) effective January 1, 2023, and thereafter, for each annuitant or benefit recipient who  
11.29 has been receiving an annuity or benefit for at least one full month, but less than 12 full  
11.30 months, as of the June 30 of the calendar year immediately before the adjustment, an annual  
11.31 postretirement increase of 1/12 of 1.5 percent for each month that the person has been  
11.32 receiving an annuity or benefit must be applied to the amount of the monthly annuity or  
11.33 benefit of each annuitant or benefit recipient.

12.1 (b) An increase in annuity or benefit payments under this subdivision must be made  
 12.2 automatically unless written notice is filed by the annuitant or benefit recipient with the  
 12.3 executive director of the applicable covered retirement plan requesting that the increase not  
 12.4 be made.

12.5 Sec. 6. EFFECTIVE DATE.

12.6 Sections 1 to 5 are effective the day following final enactment.

### 12.7 ARTICLE 3

#### 12.8 POLICE AND FIRE PLAN EMPLOYER CONTRIBUTION RATE

12.9 Section 1. Minnesota Statutes 2020, section 353.65, subdivision 3, is amended to read:

12.10 Subd. 3. **Employer contribution and supplemental employer contribution.** (a) With  
 12.11 respect to members other than members who were active members of the former Minneapolis  
 12.12 Firefighters Relief Association on December 29, 2011, or for members other than members  
 12.13 who were active members of the former Minneapolis Police Relief Association on December  
 12.14 29, 2011, the employer contribution is an amount equal to the following percentage of the  
 12.15 total salary of each member, as follows:

12.16	<del>before January 1, 2019</del>	<del>16.2 percent</del>
12.17	<del>from January 1, 2019, through December 31, 2019</del>	<del>16.95 percent</del>
12.18	from January 1, 2020, and thereafter through June 30,	
12.19	<u>2022</u>	17.7 percent
12.20	<u>from July 1, 2022, and thereafter</u>	<u>14.1 percent</u>

12.21 (b) With respect to members who were active members of the former Minneapolis  
 12.22 Firefighters Relief Association on December 29, 2011, the employer contribution is an  
 12.23 amount equal to the amount of the member contributions under subdivision 2, paragraph  
 12.24 (b).

12.25 (c) With respect to members who were active members of the former Minneapolis Police  
 12.26 Relief Association on December 29, 2011, the employer contribution is an amount equal  
 12.27 to the amount of the member contributions under subdivision 2, paragraph (c).

12.28 (d) Effective July 1, 2022, with respect to members other than members described in  
 12.29 paragraphs (b) and (c), the employing governmental subdivision must pay to the public  
 12.30 employees police and fire retirement plan a supplemental employer contribution. The  
 12.31 supplemental employer contribution is 3.6 percent of the total salary of each member. The  
 12.32 supplemental employer contribution remains in effect until the earlier of:

13.1 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
 13.2 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
 13.3 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
 13.4 accrued liabilities; or

13.5 (2) July 1, 2048.

13.6 ~~(d)~~ (e) Contributions under this subdivision must be made from funds available to the  
 13.7 employing governmental subdivision by the means and in the manner provided in section  
 13.8 353.28.

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

#### 13.10 **ARTICLE 4**

#### 13.11 **OTHER PERA POLICE AND FIRE PLAN PROVISIONS**

13.12 Section 1. Minnesota Statutes 2020, section 353.01, subdivision 47, is amended to read:

13.13 Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an  
 13.14 annuity or benefit from a retirement plan administered by the Public Employees Retirement  
 13.15 Association by having credit for sufficient allowable service under paragraph (b), (c), or  
 13.16 (d), whichever applies.

13.17 (b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan  
 13.18 member of the general employees retirement plan of the Public Employees Retirement  
 13.19 Association:

13.20 (1) a public employee who first became a member of the association before July 1, 2010,  
 13.21 is 100 percent vested when the person has accrued credit for not less than three years of  
 13.22 allowable service in the general employees retirement plan; and

13.23 (2) a public employee who first becomes a member of the association after June 30,  
 13.24 2010, is 100 percent vested when the person has accrued credit for not less than five years  
 13.25 of allowable service in the general employees retirement plan.

13.26 (c) For purposes of qualifying for an annuity or benefit as a member of the local  
 13.27 government correctional service retirement plan:

13.28 (1) a public employee who first became a member of the association before July 1, 2010,  
 13.29 is 100 percent vested when the person has accrued credit for not less than three years of  
 13.30 allowable service in the local government correctional service retirement plan; and

14.1 (2) a public employee who first becomes a member of the association after June 30,  
 14.2 2010, is vested at the following percentages when the person has accrued credit for allowable  
 14.3 service in the local government correctional service retirement plan, as follows:

14.4 (i) 50 percent after five years;

14.5 (ii) 60 percent after six years;

14.6 (iii) 70 percent after seven years;

14.7 (iv) 80 percent after eight years;

14.8 (v) 90 percent after nine years; and

14.9 (vi) 100 percent after ten years.

14.10 (d) For purposes of qualifying for an annuity or benefit as a member of the public  
 14.11 employees police and fire retirement plan:

14.12 (1) a public employee who first became a member of the association before July 1, 2010,  
 14.13 is 100 percent vested when the person has accrued credit for not less than three years of  
 14.14 allowable service in the public employees police and fire retirement plan;

14.15 (2) a public employee who first ~~becomes~~ became a member of the association after June  
 14.16 30, 2010, and before July 1, 2014, is vested at the following percentages when the person  
 14.17 has accrued credited allowable service in the public employees police and fire retirement  
 14.18 plan, as follows:

14.19 (i) 50 percent after five years;

14.20 (ii) 60 percent after six years;

14.21 (iii) 70 percent after seven years;

14.22 (iv) 80 percent after eight years;

14.23 (v) 90 percent after nine years; and

14.24 (vi) 100 percent after ten years; ~~and~~

14.25 (3) a public employee who first ~~becomes~~ became a member of the association after June  
 14.26 30, 2014, and is not a member of the association after June 30, 2022, is vested at the following  
 14.27 percentages when the person has accrued credit for allowable service in the public employees  
 14.28 police and fire retirement plan, as follows:

14.29 (i) 50 percent after ten years;

14.30 (ii) 55 percent after 11 years;

15.1 (iii) 60 percent after 12 years;

15.2 (iv) 65 percent after 13 years;

15.3 (v) 70 percent after 14 years;

15.4 (vi) 75 percent after 15 years;

15.5 (vii) 80 percent after 16 years;

15.6 (viii) 85 percent after 17 years;

15.7 (ix) 90 percent after 18 years;

15.8 (x) 95 percent after 19 years; and

15.9 (xi) 100 percent after 20 or more years; and

15.10 (4) a public employee who first became a member of the association after June 30, 2014,  
 15.11 and who is a member of the association after June 30, 2022, is 100 percent vested when the  
 15.12 person has accrued credit for not less than ten years of allowable service in the public  
 15.13 employees police and fire retirement plan.

15.14 Sec. 2. **[353.6513] REEMPLOYMENT OF RETIREE.**

15.15 (a) Notwithstanding any state law to the contrary, including section 353.37, if an eligible  
 15.16 person described in paragraph (b) is receiving an annuity from the public employees police  
 15.17 and fire retirement plan, the eligible person may return to employment with a governmental  
 15.18 subdivision on or after the effective date without any reduction or suspension of the person's  
 15.19 annuity.

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

15.21 (1) has been separated from public service for at least 30 days;

15.22 (2) is returning with the approval of the chief of the police or fire department or director  
 15.23 of the agency to a position that is covered by the public employees police and fire retirement  
 15.24 plan or the State Patrol retirement plan; and

15.25 (3) if returning to a position covered by the State Patrol retirement plan, has not yet  
 15.26 attained age 60 or the mandatory retirement age specified in section 43A.34, subdivision  
 15.27 4, if later.

15.28 (c) This section expires December 31, 2032.

16.1 Sec. 3. EFFECTIVE DATE.16.2 Sections 1 and 2 are effective July 1, 2022.16.3 **ARTICLE 5**16.4 **INVESTMENT RATE OF RETURN ASSUMPTION**

16.5 Section 1. Minnesota Statutes 2020, section 356.215, subdivision 8, is amended to read:

16.6 Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable  
16.7 following investment return assumption:

16.8	plan	investment return 16.9 assumption
16.10	general state employees retirement plan	<del>7.5%</del> <u>7%</u>
16.11	correctional state employees retirement plan	<del>7.5</del> <u>7</u>
16.12	State Patrol retirement plan	<del>7.5</del> <u>7</u>
16.13	legislators retirement plan, and for the	0
16.14	constitutional officers calculation of total plan	
16.15	liabilities	
16.16	judges retirement plan	<del>7.5</del> <u>7</u>
16.17	general public employees retirement plan	<del>7.5</del> <u>7</u>
16.18	public employees police and fire retirement plan	<del>7.5</del> <u>7</u>
16.19	local government correctional service retirement	<del>7.5</del> <u>7</u>
16.20	plan	
16.21	teachers retirement plan	<del>7.5</del> <u>7</u>
16.22	St. Paul teachers retirement plan	<del>7.5</del> <u>7</u>
16.23	Bloomington Fire Department Relief Association	6
16.24	local monthly benefit volunteer firefighter relief	5
16.25	associations	
16.26	monthly benefit retirement plans in the statewide	6
16.27	volunteer firefighter retirement plan	

16.28 (b) The actuarial valuation for each of the covered retirement plans listed in section  
16.29 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take  
16.30 into account the postretirement adjustment rate or rates applicable to the plan as specified  
16.31 in section 354A.29, subdivision 7, or 356.415, whichever applies.

16.32 (c) The actuarial valuation must use the applicable salary increase and payroll growth  
16.33 assumptions found in the appendix to the standards for actuarial work adopted by the  
16.34 Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision  
16.35 10. The appendix must be updated whenever new assumptions have been approved or  
16.36 deemed approved under subdivision 18.



17.1 (d) The assumptions set forth in the appendix to the standards for actuarial work continue  
 17.2 to apply, unless a different salary assumption or a different payroll increase assumption:

17.3 (1) has been proposed by the governing board of the applicable retirement plan;

17.4 (2) is accompanied by the concurring recommendation of the actuary retained under  
 17.5 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most  
 17.6 recent actuarial valuation report if section 356.214 does not apply; and

17.7 (3) has been approved or deemed approved under subdivision 18.

17.8 **EFFECTIVE DATE.** This section is effective June 30, 2022.

17.9 Sec. 2. Minnesota Statutes 2020, section 356.59, is amended to read:

17.10 **356.59 INTEREST RATES.**

17.11 Subdivision 1. **Applicable interest rates.** Whenever the payment of interest is required  
 17.12 with respect to any payment, including refunds, remittances, shortages, contributions, or  
 17.13 repayments, the rate of interest is the rate or rates specified in subdivisions 2 to 5 for each  
 17.14 public retirement plan.

17.15 Subd. 2. **Minnesota State Retirement System.** The interest rates for all retirement plans  
 17.16 administered by the Minnesota State Retirement System are as follows:

	Annual	Monthly
17.17 before July 1, 2015	8.5 percent	0.71 percent
17.18 from July 1, 2015, to June 30, 2018	8.0 percent	0.667 percent
17.19 <del>after June 30, from July 1, 2018, to</del>		
17.20 <u>June 30, 2022</u>	7.5 percent	0.625 percent
17.21 <u>after June 30, 2022</u>	<u>7.0 percent</u>	<u>0.583 percent</u>

17.23 Subd. 3. **Public Employees Retirement Association.** The interest rates for all retirement  
 17.24 plans administered by the Public Employees Retirement Association are as follows:

17.25 before July 1, 2015	8.5 percent
17.26 from July 1, 2015, to June 30, 2018	8.0 percent
17.27 <del>after June 30, from July 1, 2018, to</del>	
17.28 <u>June 30, 2022</u>	7.5 percent
17.29 <u>after June 30, 2022</u>	<u>7.0 percent</u>

17.30 Subd. 4. **Teachers Retirement Association.** The interest rates for the retirement plan  
 17.31 administered by the Teachers Retirement Association are as follows:

	Annual	Monthly
17.32 before July 1, 2018	8.5 percent	0.71 percent

18.1	<del>after June 30, from July 1, 2018, to</del>		
18.2	<u>June 30, 2022</u>	7.5 percent	0.625 percent
18.3	<u>after June 30, 2022</u>	<u>7.0 percent</u>	<u>0.583 percent</u>

18.4 Subd. 5. **St. Paul Teachers Retirement Fund Association.** The interest rates for the  
 18.5 retirement plan administered by the St. Paul Teachers Retirement Fund Association are as  
 18.6 follows:

18.7		Annual	Monthly
18.8	before July 1, 2015	8.5 percent	0.71 percent
18.9	from July 1, 2015, to June 30, 2018	8.0 percent	0.667 percent
18.10	<del>after June 30, from July 1, 2018, to</del>		
18.11	<u>June 30, 2022</u>	7.5 percent	0.625 percent
18.12	<u>after June 30, 2022</u>	<u>7.0 percent</u>	<u>0.583 percent</u>

18.13 **EFFECTIVE DATE.** This section is effective June 30, 2022.

## 18.14 ARTICLE 6

### 18.15 DIRECT AIDS TO PENSION PLANS

18.16 Section 1. **[352.043] DIRECT STATE AID; GENERAL STATE EMPLOYEES**  
 18.17 **RETIREMENT FUND.**

18.18 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$8,000,000  
 18.19 annually to the general state employees retirement fund.

18.20 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay  
 18.21 the aid amount under subdivision 1 on or before October 1, 2022, and October 1 of each  
 18.22 year thereafter. The amount required is appropriated annually from the general fund to the  
 18.23 commissioner of management and budget.

18.24 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:

18.25 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
 18.26 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
 18.27 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
 18.28 accrued liabilities; or

18.29 (2) July 1, 2048.

19.1 Sec. 2. **[352.922] DIRECT STATE AID; CORRECTIONAL STATE EMPLOYEES**  
19.2 **RETIREMENT FUND.**

19.3 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$6,000,000  
19.4 annually to the correctional state employees retirement fund.

19.5 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay  
19.6 the aid amount under subdivision 1 on or before October 1, 2022, and October 1 of each  
19.7 year thereafter. The amount required is appropriated annually from the general fund to the  
19.8 commissioner of management and budget.

19.9 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:

19.10 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
19.11 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
19.12 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
19.13 accrued liabilities; or

19.14 (2) July 1, 2048.

19.15 Sec. 3. **[352B.025] DIRECT STATE AID; STATE PATROL RETIREMENT FUND.**

19.16 Subdivision 1. Aid authorization. Beginning in 2022, the state shall pay \$14,500,000  
19.17 annually to the State Patrol retirement fund.

19.18 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay  
19.19 the aid amount under subdivision 1 on or before October 1, 2022, and October 1 of each  
19.20 year thereafter. The amount required is appropriated annually from the general fund to the  
19.21 commissioner of management and budget.

19.22 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:

19.23 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
19.24 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
19.25 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
19.26 accrued liabilities; or

19.27 (2) July 1, 2048.

20.1 Sec. 4. [353.275] DIRECT STATE AID; GENERAL EMPLOYEES RETIREMENT  
 20.2 FUND.

20.3 Subdivision 1. Aid Authorization. Beginning in 2022, the state shall pay \$17,000,000  
 20.4 annually to the general employees retirement fund of the Public Employees Retirement  
 20.5 Association.

20.6 Subd. 2. Aid appropriation. The commissioner of management and budget shall pay  
 20.7 the amount under subdivision 1 on or before October 1, 2022, and October 1 of each year  
 20.8 thereafter. The amount required is appropriated annually from the general fund to the  
 20.9 commissioner of management and budget.

20.10 Subd. 3. Aid expiration. The aid under subdivision 1 continues until the earlier of:

20.11 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
 20.12 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
 20.13 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
 20.14 accrued liabilities; or

20.15 (2) July 1, 2048.

20.16 Sec. 5. Minnesota Statutes 2020, section 353.65, subdivision 3b, is amended to read:

20.17 Subd. 3b. **Direct state aid.** (a) The state shall pay ~~\$4,500,000~~ \$9,000,000 on ~~October~~  
 20.18 ~~1, 2018, and October 1, 2019~~ 2021, to the public employees police and fire retirement plan.

20.19 (b) By October 1 of each year after 2019 2021, the state shall pay \$9,000,000 \$84,000,000  
 20.20 to the public employees police and fire retirement plan.

20.21 (c) The commissioner of management and budget shall pay the aid specified in this  
 20.22 subdivision. The amount required is annually appropriated from the general fund to the  
 20.23 commissioner of management and budget.

20.24 ~~(b) The aid under paragraph (a) continues until the earlier of:~~

20.25 ~~(1) the first day of the fiscal year following the fiscal year in which the actuarial value~~  
 20.26 ~~of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as~~  
 20.27 ~~reported by the actuary retained under section 356.214 in the annual actuarial valuation~~  
 20.28 ~~prepared under section 356.215; or~~

20.29 ~~(2) July 1, 2048.~~

21.1 Sec. 6. Minnesota Statutes 2020, section 353.65, is amended by adding a subdivision to  
21.2 read:

21.3 Subd. 3c. **Aid expiration.** The aid under subdivision 3b continues until the earlier of:

21.4 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
21.5 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
21.6 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
21.7 accrued liabilities; or

21.8 (2) July 1, 2048.

21.9 Sec. 7. [354.434] **DIRECT STATE AID; TEACHERS RETIREMENT FUND.**

21.10 Subdivision 1. **Aid authorization.** Beginning in 2022, the state shall pay \$7,000,000  
21.11 annually to the Teachers Retirement Association.

21.12 Subd. 2. **Aid appropriation.** Beginning in 2022, the commissioner of management and  
21.13 budget shall pay the aid amount under subdivision 1 on or before October 1, 2022, and  
21.14 October 1 of each year thereafter. The amount required is appropriated annually from the  
21.15 general fund to the commissioner of management and budget.

21.16 Subd. 3. **Aid expiration.** The aid under subdivision 1 continues until the earlier of:

21.17 (1) December 31 following two consecutive annual actuarial valuations, prepared under  
21.18 section 356.215 by the actuary retained by the fund under section 356.214, which indicate  
21.19 that the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial  
21.20 accrued liabilities; or

21.21 (2) July 1, 2048.

21.22 Sec. 8. Minnesota Statutes 2020, section 354A.12, subdivision 3a, is amended to read:

21.23 Subd. 3a. ~~Direct state aid to first class city teachers retirement fund associations.~~ (a)  
21.24 The state shall pay \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

21.25 (b) In addition to other amounts specified in this subdivision, the state shall pay  
21.26 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

21.27 (c) In addition to the amounts specified in paragraphs (a) and (b), the state shall pay  
21.28 \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

22.1 (d) In addition to the amounts specified in paragraphs (a) to (c), the state shall pay  
 22.2 \$12,000,000 as state aid to the St. Paul Teachers Retirement Fund Association beginning  
 22.3 in 2022.

22.4 ~~(d)~~ (e) The aid under this subdivision is payable October 1 annually. The commissioner  
 22.5 of management and budget shall pay the aid specified in this subdivision. The amount  
 22.6 required is appropriated annually from the general fund to the commissioner of management  
 22.7 and budget.

22.8 Sec. 9. Minnesota Statutes 2020, section 354A.12, subdivision 3c, is amended to read:

22.9 Subd. 3c. **Termination of supplemental contributions and direct matching and state**  
 22.10 **aid.** ~~(a)~~ The supplemental contributions payable to the St. Paul Teachers Retirement Fund  
 22.11 Association by Independent School District No. 625 under section 423A.02, subdivision 3,  
 22.12 and the aid under subdivision 3a, ~~paragraphs (a) and (b)~~; continue until the earlier of:

22.13 (1) ~~the first day of the fiscal year~~ December 31 following ~~the year in~~ two consecutive  
 22.14 annual actuarial valuations, prepared under section 356.215 by the actuary retained by the  
 22.15 fund under section 356.214, which indicate that the actuarial value of assets of the fund  
 22.16 equals or exceeds 100 percent of the actuarial accrued liability as reported by the actuary  
 22.17 retained under section 356.214 in the most recent annual actuarial valuation prepared under  
 22.18 section 356.215 liabilities; or

22.19 (2) July 1, 2048.

22.20 ~~(b) The aid under subdivision 3a, paragraph (c), continues until the earlier of:~~

22.21 ~~(1) the first day of the fiscal year following the fiscal year in which the actuarial value~~  
 22.22 ~~of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as~~  
 22.23 ~~reported by the actuary retained under section 356.214 in the annual actuarial valuation~~  
 22.24 ~~prepared under section 356.215; or~~

22.25 ~~(2) July 1, 2048.~~

22.26 Sec. 10. **EFFECTIVE DATE.**

22.27 Sections 1 to 8 are effective the day following final enactment.

23.1

**ARTICLE 7****23.2 TEACHER PLAN EMPLOYER CONTRIBUTION INCREASE AND FUNDING**

23.3 Section 1. Minnesota Statutes 2020, section 126C.10, subdivision 37, is amended to read:

23.4 Subd. 37. **Pension adjustment revenue.** (a) A school district's pension adjustment  
23.5 revenue equals the sum of:

23.6 (1) the greater of zero or the product of:

23.7 (i) the difference between the district's adjustment under Minnesota Statutes 2012, section  
23.8 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state average  
23.9 adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year  
23.10 2014 per adjusted pupil unit; and

23.11 (ii) the district's adjusted pupil units for the fiscal year; and

23.12 (2) the product of the salaries paid to district employees who were members of the  
23.13 Teachers Retirement Association and the St. Paul Teachers' Retirement Fund Association  
23.14 for the prior fiscal year and the district's pension adjustment rate for the fiscal year. The  
23.15 pension adjustment rate for Independent School District No. 625, St. Paul, equals ~~0.84~~  
23.16 ~~percent for fiscal year 2019, 1.67 percent for fiscal year 2020, 1.88 percent for fiscal year~~  
23.17 ~~2021, 2.09 percent for fiscal year 2022, 2.3~~ 2.55 percent for fiscal year 2023, and ~~2.5~~ 3.0  
23.18 percent for fiscal year 2024 and later. The pension adjustment rate for all other districts  
23.19 equals ~~0.21 percent for fiscal year 2019, 0.42 percent for fiscal year 2020, 0.63 percent for~~  
23.20 ~~fiscal year 2021, 0.84 percent for fiscal year 2022, 1.05~~ 1.3 percent for fiscal year 2023,  
23.21 and ~~1.25~~ 1.75 percent for fiscal year 2024 and later.

23.22 (b) For fiscal year ~~2025~~ 2027 and later, the state total pension adjustment revenue under  
23.23 paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause  
23.24 (2), for fiscal year ~~2024~~ 2026. The commissioner must prorate the pension adjustment  
23.25 revenue under paragraph (a), clause (2), so as not to exceed the maximum.

23.26 (c) Notwithstanding section 123A.26, subdivision 1, a cooperative unit, as defined in  
23.27 section 123A.24, subdivision 2, qualifies for pension adjustment revenue under paragraph  
23.28 (a), clause (2), as if it was a district, and the aid generated by the cooperative unit shall be  
23.29 paid to the cooperative unit.

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

24.1 Sec. 2. Minnesota Statutes 2020, section 354.42, subdivision 3, is amended to read:

24.2 Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School  
24.3 District No. 1, Minneapolis, is an amount equal to the applicable following percentage of  
24.4 salary of each coordinated member and the applicable percentage of salary of each basic  
24.5 member specified in paragraph (c).

24.6 The additional employer contribution to the fund by Special School District No. 1,  
24.7 Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a  
24.8 coordinated member or who is a basic member.

24.9 (b) The regular employer contribution to the fund by Independent School District No.  
24.10 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or  
24.11 new law coordinated member specified for the coordinated program in paragraph (c).

24.12 (c) The employer contribution to the fund for every other employer is an amount equal  
24.13 to the applicable following percentage of the salary of each coordinated member and the  
24.14 applicable following percentage of the salary of each basic member:

24.15	Period	Coordinated Member	Basic Member
24.16	<del>from July 1, 2014, through June 30, 2018</del>	<del>7.5 percent</del>	<del>11.5 percent</del>
24.17	<del>from July 1, 2018, through June 30, 2019</del>	<del>7.71 percent</del>	<del>11.71 percent</del>
24.18	<del>from July 1, 2019, through June 30, 2020</del>	<del>7.92 percent</del>	<del>11.92 percent</del>
24.19	<del>from July 1, 2020, through June 30, 2021</del>	<del>8.13 percent</del>	<del>12.13 percent</del>
24.20	from July 1, 2021, through June 30, 2022	8.34 percent	12.34 percent
24.21	from July 1, 2022, through June 30, 2023	<del>8.55</del> <u>8.8</u> percent	<del>12.55</del> <u>12.8</u> percent
24.22	after June 30, 2023	<del>8.75</del> <u>9.25</u> percent	<del>12.75</del> <u>13.25</u> percent

24.23 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
24.24 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
24.25 reported.

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

24.27 Sec. 3. Minnesota Statutes 2020, section 354A.12, subdivision 2a, is amended to read:

24.28 Subd. 2a. **Employer regular and additional contributions.** (a) The employing units  
24.29 shall make the following employer contributions to the teachers retirement fund association:

24.30 (1) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
24.31 the employing unit shall make a regular employer contribution to the retirement fund  
24.32 association in an amount equal to the designated percentage of the salary of the coordinated  
24.33 member as provided below:



25.1	<del>after June 30, 2016</del>	<del>6.25 percent</del>
25.2	<del>after June 30, 2017</del>	<del>6.5 percent</del>
25.3	<del>after June 30, 2018</del>	<del>7.335 percent</del>
25.4	<del>after June 30, 2019</del>	<del>8.17 percent</del>
25.5	<del>after June 30, 2020</del>	<del>8.38 percent</del>
25.6	after June 30, 2021	8.59 percent
25.7	after June 30, 2022	<del>8.8</del> <u>9.05</u> percent
25.8	after June 30, 2023	<del>9</del> <u>9.5</u> percent

25.9 (2) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 25.10 employing unit shall make a regular employer contribution to the respective retirement fund  
 25.11 in an amount according to the schedule below:

25.12	<del>after June 30, 2016</del>	<del>9.75 percent of salary</del>
25.13	<del>after June 30, 2017</del>	<del>10 percent of salary</del>
25.14	<del>after June 30, 2018</del>	<del>10.835 percent of salary</del>
25.15	<del>after June 30, 2019</del>	<del>11.67 percent of salary</del>
25.16	<del>after June 30, 2020</del>	<del>11.88 percent of salary</del>
25.17	after June 30, 2021	12.09 percent of salary
25.18	after June 30, 2022	<del>12.3</del> <u>12.55</u> percent of salary
25.19	after June 30, 2023	<del>12.5</del> <u>13</u> percent of salary

25.20 (3) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 25.21 employing unit shall make an additional employer contribution to the respective fund in an  
 25.22 amount equal to 3.64 percent of the salary of the basic member; and

25.23 (4) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
 25.24 the employing unit shall make an additional employer contribution to the respective fund  
 25.25 in an amount equal to 3.84 percent of the coordinated member's salary.

25.26 (b) The regular and additional employer contributions must be remitted directly to the  
 25.27 St. Paul Teachers Retirement Fund Association at least once each month. Delinquent amounts  
 25.28 are payable with interest under the procedure in subdivision 1a.

25.29 (c) Payments of regular and additional employer contributions for school district or  
 25.30 technical college employees who are paid from normal operating funds must be made from  
 25.31 the appropriate fund of the district or technical college.

25.32 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
 25.33 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

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

26.1 Sec. 4. **EDUCATION APPROPRIATION.**

26.2 **Subdivision 1. Department of Education.** The sum indicated is appropriated from the  
 26.3 general fund to the Department of Education for the fiscal year designated. This sum is in  
 26.4 addition to appropriations made for the same purpose in any other law.

26.5 **Subd. 2. General education aid.** For general education aid under Minnesota Statutes,  
 26.6 section 126C.13, subdivision 4:

26.7 \$ 12,774,000 ..... 2023

26.8 The 2023 appropriation includes \$0 for 2022 and \$12,774,000 for 2023.

26.9 **EFFECTIVE DATE.** This section is effective June 30, 2022.

26.10

**ARTICLE 8**

26.11

**APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION**

26.12

Section 1. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

26.13

\$30,000 in fiscal year 2023 is appropriated from the general fund to the Legislative

26.14

Coordinating Commission for the Legislative Commission on Pensions and Retirement.