Overview

This is an omnibus public pension bill.

Section

Article 1

Hospital Privatization

1 Community Hospitals. Purpose statement for next seven sections, which deal with public pensions for employees of the Luverne, Glencoe, and Waconia-Ridgeview hospitals when the hospitals are converted from a public to a private facility.

2 Definitions. Defines terms used in next six sections.

3 Vesting. Provides that affected hospital employees are immediately vested in PERA, even if they have less than three years of service.

4 Deferred annuity augmentation. For affected hospital employees, increases the augmentation rate for deferred annuities. The rate is set at 5.5 percent (instead of 3 percent before age 55, and at 7.5 percent (instead of 5 percent after age 55).

5 Allowable service for early retirement. For affected hospital employees, provides that service with the new, private hospital employer counts as PERA service for purposes of determining eligibility for early retirement benefits (e.g. the Rule of 90).

6 Reemployed annuitant limits. Provides that the earnings limit for persons receiving PERA pension benefits applies to a person's employment with the new, private hospital employer.

7 Effect on refund. Permits affected hospital employees to receive refunds of employee contributions to PERA with six percent interest.

8 Counseling services. Requires hospitals and PERA to provide counseling to affected employees.

9 Effective date. Effective on final enactment.
Article 2
Local Police and Paid Fire

1. **Eveleth police and fire.** Increases retirement benefits for the Eveleth police and fire fund by $100 a month, retroactive to January 1, 1999. Requires local approval.

2. **Eveleth police and fire.** Strikes portion of session law stating that certain Eveleth police and fire benefit adjustments cease if the city fails to contribute specified amounts. The portion of current law requiring the city to pay the cost of the pension benefits is retained.

3. **Fairmont police.** Provides potential postretirement adjustments for benefit recipients in the Fairmont police relief association. The adjustment would occur each year, but only if: (1) assets of the relief association equal at least 102 percent of the actuarial accrued liability; and (2) the average time-weighted rate of return for the most recent five-year period exceeds by at least two percent the average salary increases for active patrol officers in the most recent five years. The post-retirement benefit adjustment would be provided by distributing one percent of the assets of the fund. The adjustment for each recipient would be in proportion to that person's pension in relation to all pensions paid by the relief association. Subject to local approval.

4. **Fairmont police spouse benefit.** A surviving spouse benefit provided under 1963 laws is extended to a surviving spouse who began receiving benefits before that law took effect. Subject to local approval.

5. **Bylaw amendments.** Requires the previous two sections to be implemented by amendments to bylaws of the Fairmont police relief association.


7. **Effective dates.** Requires local approval

Article 3
Teacher Prior Service Purchases

8. **TRA.** Permits purchases of prior service credit in TRA for the following purposes: military service, out-of-state public school teaching service, maternity leave, private or parochial school service, Peace Corps or VISTA service, and charter school service. The purchase price would be the full actuarial value of the service obtained. In most cases, the purchases could be made only by people who already have three years of TRA service.

9. **First-class cities.** Permits purchases of prior service credit in first class city teacher funds for the following purposes: military service, out-of-state public school teaching service, maternity leave, private or parochial school service, Peace Corps or VISTA service, and charter school service. The purchase price would be the full actuarial value of the service obtained. In most cases, the purchases could be made only by people who already have three years of service.

10. **Combined service.** Requires recognition of combined service annuity provisions in calculating the price for a purchase of prior service credit.

11. **Report.** Provide that report on prior service purchases will be made as a supplement to regular actuarial valuations.

12. **Expiration.** Provides that new authority in this article to purchase service credit expires May 16, 2002.

13. **Headnote.** Instructs revisor to change a statutory headnote.


Article 4
Individual and Small Group Changes

1. **St. Paul Public Health Bureau.** Permits purchase of prior service credit with St. Paul Bureau
of Public Health.

2 Minntonka. Permits purchase of medical leave credit, and requires the employer to make a specified payment.

3 Hopkins. Requires school district to reimburse a teacher for a past overcharge related to a member contribution shortage.

4 Spring Lake Park. Permits purchase of credit for a sabbatical leave period, and requires the employer to make a specified payment.

5 PERA. Permits purchase of credit by a public defender employee, and requires the board of public defense to make a specified payment.

6 Anoka-Hennepin. Permits service credit for leave of absence by Anoka-Hennepin principal.

7 Effective date. Effective on final enactment.

Article 5
Supplemental Needs Trust

1 Supplemental needs trust. Permits a supplemental needs trust to be designated as the recipient on an optional annuity for most major public pension plans.

2 Effective date. Effective immediately.

Article 6
Volunteer Fire

1 Service credit maximum. Repeals the 30-year limit on service credit in volunteer firefighter plans that provide monthly benefits.

2 Effective date. Effective immediately.

Article 7
Minneapolis Police and Fire Governance

1 Police. Strikes authority to pay the secretary of the Minneapolis police association secretary a salary of 30 percent of a first grade patrol officer, and to pay the board president 10 percent of the salary of a first grade patrol officer."

2 Minneapolis fire. Provides that the board of the Minneapolis firefighters relief association will continue to govern the association until there are fewer than 100 benefit recipients of the pension fund.

3 Effective dates. Section 1 is effective December 31, 1999. Section 2 is effective upon approval by the Minneapolis city council.

Article 8
Small Group Pension Changes

1 Teacher/Legislator. Permits person who participates in the TRA part-time teaching position to also contribute to the legislator's pension plan

2 PERA. Permits purchase of service credit for one year of military leave.

3 TRA/Bertha-Hewitt. Permits purchase of service credit for a year of leave, with a required employer contribution.

4 Virginia. Permits purchase of TRA service credit for teacher placed on unrequested leave.

5 Effective dates. Effective on final enactment.