

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 294

DATE: March 11, 2003

Version: First Engrossment

Authors: Eastlund and others

Subject: Veterans, Pay Differential

Analyst: Jim Cleary, 651-296-5053

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This legislation would require the replacement by any state agency of the net amount of salary lost by any state government employee, who is also a National Guard member or other military reservist, as a result of that person's mobilization to active military service on or after September 11, 2001 and before June 30, 2005. The bill also requires a state employer to pay any benefit to which the member was entitled when ordered to active service. The bill also clarifies the existing authority of local units of government to take similar actions, at their discretion.

Section

- 1** **State employees.** This section is modeled (generally) after a 1991 enactment that was repealed in 1997, which applied to the activation of reservists for the Persian Gulf War. It applies to certain *state* employees.
 - (a) Requires that the employing agency continue the pay of an eligible person at a rate equal to the difference between the person's basic active duty military salary and the salary the person would be paid as an active state employee, provided that the military salary is less than the state salary (i.e., as compensation for any loss of pay upon call to active duty). Such payments must be at the regular intervals and may not extend beyond four years. The bill also requires a state employer to pay any benefit to which the member was entitled at the time of reporting for active service.

- (b) Defines "eligible member" as a United States Armed Forces reservist or National Guard member who was a state employee when reporting for active military service on or after September 11, 2001.
- (c) Defines "employee of the state" as an employee of the executive, judicial or legislative branch of state government (including MNSCU but not the university of Minnesota), or an employee of the MSRS, PERA or TRA retirement associations.
- (d) Defines "active service" to include "state active service," "federally funded state active service," and "federal active service." However, it specifically excludes service performed exclusively for training purposes, whether initial or periodic, as well as any mobilization for service in the full-time administration of the Department of Military Affairs.
- (e) Requires the commissioners of employee relations and finance to adopt procedures which are exempt from rulemaking.
- (f) Provides a sunset date for persons mobilized after June 30, 2005.

2 Political subdivisions. This section amends existing statute that was also enacted in 1991 in response to the Persian Gulf War but which, unlike the provision for *state* employees, has not since been repealed.

This section applies to employees of political subdivisions who are called to active military service on or after September 11, 2001. Under current law, political subdivisions may, at their discretion, pay a salary differential and/or continue benefits to compensate an employee who is an eligible member of the United States Armed Forces who is a reservist or National Guard member who was mobilized to active service for the Persian Gulf War and related operations.

The amendments in this second section of the bill are aimed at ensuring consistency with the provisions in section 1 of the bill dealing with state employees. (But this section remains at the discretion of the political subdivision.)

3 Effective date. The day following enactment, retroactive to September 11, 2001.