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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 345**

02/04/2013 Authored by Nelson; Murphy, M.; Morgan and Lesch

The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act  
1.2 relating to retirement; general state employees retirement plan of the Minnesota  
1.3 State Retirement System; providing retirement coverage for employees of the  
1.4 Minnesota Association of Professional Employees; amending Minnesota Statutes  
1.5 2012, sections 352.01, subdivision 2a; 352.029, subdivisions 1, 2a, 2b, 3, 5.

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

1.7 Section 1. Minnesota Statutes 2012, section 352.01, subdivision 2a, is amended to read:

1.8 Subd. 2a. **Included employees.** (a) "State employee" includes:

1.9 (1) employees of the Minnesota Historical Society;

1.10 (2) employees of the State Horticultural Society;

1.11 (3) employees of the Minnesota Crop Improvement Association;

1.12 (4) employees of the adjutant general whose salaries are paid from federal funds and  
1.13 who are not covered by any federal civilian employees retirement system;

1.14 (5) employees of the Minnesota State Colleges and Universities who are employed  
1.15 under the university or college activities program;

1.16 (6) currently contributing employees covered by the system who are temporarily  
1.17 employed by the legislature during a legislative session or any currently contributing  
1.18 employee employed for any special service as defined in subdivision 2b, clause (8);

1.19 (7) employees of the legislature who are appointed without a limit on the duration  
1.20 of their employment and persons employed or designated by the legislature or by a  
1.21 legislative committee or commission or other competent authority to conduct a special  
1.22 inquiry, investigation, examination, or installation;

1.23 (8) trainees who are employed on a full-time established training program  
1.24 performing the duties of the classified position for which they will be eligible to receive  
1.25 immediate appointment at the completion of the training period;

- (9) employees of the Minnesota Safety Council;
- (10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;
- (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;
- (12) judges of the Tax Court;
- (13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;
- (14) personnel who are employed as seasonal employees in the classified or unclassified service;
- (15) persons who are employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;
- (16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);
- (17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;
- (18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply; ~~and~~
- (19) employees of the Minnesota Sports Facilities Authority; and
- (20) employees of the Minnesota Association of Professional Employees.
- (b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 2. Minnesota Statutes 2012, section 352.029, subdivision 1, is amended to read:

Subdivision 1. **Qualifications.** Unless already specifically included under section 352.01, subdivision 2a, or unless specifically excluded under section 352.01, subdivision 2b, a state employee on leave of absence without pay to provide service as an employee or officer of a labor organization that is an exclusive bargaining agent representing state employees may elect under subdivision 2 to be covered by the general state employees retirement plan of the Minnesota State Retirement System for service with the labor organization, subject to the limitations set forth in subdivisions 2a and 2b.

Sec. 3. Minnesota Statutes 2012, section 352.029, subdivision 2a, is amended to read:

Subd. 2a. **Limitations on salary for benefits and contributions.** (a) The covered salary for a labor organization employee who is a member under section 352.01, subdivision 2a, paragraph (a), clause (20), or who qualifies for membership under this section or section 352.75 is limited to the lesser of:

(1) the employee's actual salary as defined under section 352.01, subdivision 13; or

(2) 75 percent of the salary of the governor as set under section 15A.082.

(b) The limited covered salary determined under this subdivision must be used in determining employee, employer, and employer additional contributions under section 352.04, subdivisions 2 and 3, and in determining retirement annuities and other benefits under this chapter and chapter 356.

Sec. 4. Minnesota Statutes 2012, section 352.029, subdivision 2b, is amended to read:

Subd. 2b. **Earning restrictions apply.** A retirement annuity is only payable, if the person has met any other applicable requirements, upon the termination of employment by the labor organization by the person who is a member under section 352.01, subdivision 2a, paragraph (a), clause (20), or who elected coverage under subdivision 1 of employment by the labor organization. The reemployed annuitant earnings limitation set forth in section 352.115, subdivision 10, applies in the event that the person who is a member under section 352.01, subdivision 2a, paragraph (a), clause (20), or who elected coverage under subdivision 1 retires and is subsequently reemployed while an annuitant by the labor organization or by any other entity employing persons who are covered by the Minnesota State Retirement System by virtue of that employment.

Sec. 5. Minnesota Statutes 2012, section 352.029, subdivision 3, is amended to read:

Subd. 3. **Contributions.** The employee and employer contributions required by section 352.04, or by section 352.92 for employees covered by section 352.91, are the obligation of the employee who is a member under section 352.01, subdivision 2a,

4.1 paragraph (a), clause (20), or who chooses coverage under this section. However, the  
4.2 employing labor organization may pay the employer contributions. Contributions made by  
4.3 the employee must be made by salary deduction. The employing labor organization shall  
4.4 pay all contributions to the system as required by section 352.04, or by section 352.92  
4.5 for employees covered by section 352.91.

4.6 Sec. 6. Minnesota Statutes 2012, section 352.029, subdivision 5, is amended to read:

4.7 Subd. 5. **Board membership excluded.** Employees of a labor organization who  
4.8 become members of the system under section 352.01, subdivision 2a, paragraph (a),  
4.9 clause (20), or under this section are not eligible for election to the board of directors.

4.10 Sec. 7. **EFFECTIVE DATE.**

4.11 Sections 1 to 6 are effective July 1, 2013.