

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1877

(SENATE AUTHORS: ROSEN)

DATE	D-PG	OFFICIAL STATUS
03/18/2015	971	Introduction and first reading Referred to State and Local Government See SF1398, Art. 11, Sec. 8

1.1 A bill for an act
 1.2 relating to retirement; Public Employees Retirement Association; permitting a
 1.3 Nashville Township employee to purchase service credit for a period of omitted
 1.4 contributions.

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

1.6 Section 1. PERA-GENERAL; SERVICE CREDIT PURCHASE FOR OMITTED
 1.7 CONTRIBUTION PERIOD; NASHVILLE TOWNSHIP EMPLOYEE.

1.8 (a) Notwithstanding any provision to the contrary, an eligible person described in
 1.9 paragraph (b) is entitled to purchase from the general employees retirement plan of the
 1.10 Public Employees Retirement Association allowable service credit under Minnesota
 1.11 Statutes, section 353.01, subdivision 16, for the period of omitted member deductions in
 1.12 paragraph (c).

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

1.14 (1) was born on August 8, 1938;

1.15 (2) was first employed by Nashville Township on April 1, 1994;

1.16 (3) was eligible for retirement coverage by and membership in the general employees
 1.17 retirement plan of the Public Employees Retirement Association on July 1, 1998; and

1.18 (4) had omitted deductions paid for allowable service for Nashville Township back
 1.19 to July 1, 2010.

1.20 (c) The period of prior service credit available for purchase is the period from July 1,
 1.21 1998, to June 30, 2010, during which no member contributions for the general employees
 1.22 retirement plan of the Public Employees Retirement Association were deducted from the
 1.23 eligible person's salary by Nashville Township, and which could not be corrected through

2.1 the Public Employees Retirement Association omitted contribution provision due to the
2.2 three-year time limit in the provision.

2.3 (d) The purchase payment amount payable by the eligible person is the employee
2.4 contributions that should have been made, plus 8.5 percent interest compounded annually
2.5 from the date each deduction should have occurred, until the date paid to the Public
2.6 Employees Retirement Association. The purchase payment amount payable by Nashville
2.7 Township is the balance of the full actuarial value prior service credit purchase payment
2.8 amount determined under Minnesota Statutes, section 356.551, as of the first day of the
2.9 month next following the receipt of the eligible person's payment that is remaining after
2.10 deducting the purchase payment amount payable by the eligible person.

2.11 (e) The payment amount due from Nashville Township under paragraph (d) must be
2.12 made on or before the 15th of the month next following the receipt of the eligible person's
2.13 payment under paragraph (d). If the Nashville Township purchase payment amount is not
2.14 paid in a timely fashion, the amount due accrues compound monthly interest at the rate
2.15 of 0.71 percent per month from the first day of the month next following the receipt of
2.16 the eligible person's payment until the Nashville Township purchase payment amount is
2.17 received by the Public Employees Retirement Association. If Nashville Township fails
2.18 to pay its portion of the purchase payment amount to the Public Employees Retirement
2.19 Association 90 days after the receipt of the eligible person's payment, the executive
2.20 director shall collect the unpaid amount under Minnesota Statutes, section 353.28,
2.21 subdivision 6, paragraph (a).

2.22 (f) The eligible person must provide the executive director of the Public Employees
2.23 Retirement Association with any relevant requested information pertaining to this service
2.24 credit purchase.

2.25 (g) Authority to make a service credit purchase under this section expires on June 30,
2.26 2015, or upon the eligible person's termination of employment under Minnesota Statutes,
2.27 section 353.01, subdivision 11a, whichever occurs earlier.

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