

A bill for an act
relating to retirement; general employees retirement plan of Public Employees
Retirement Association; authorizing purchase of service and salary credit
for certain former employees of Babbitt and Buhl for eligible unreported
employment.

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

Section 1. **PERA-GENERAL; BABBITT AND BUHL SERVICE AND SALARY
CREDIT PURCHASE AUTHORIZATION IN CERTAIN CASES.**

(a) An eligible person described in paragraph (b) is eligible to purchase from the
general employees retirement plan of the Public Employees Retirement Association
allowable service credit and salary credit for the period of uncredited prior employment
and salary specified in paragraph (c) by making the payment required under paragraph (d).

(b) An eligible person is a person who:

(1) was born on November 10, 1957;

(2) was employed as a part-time police officer by the city of Buhl from July 1988
until November 1996;

(3) was employed as a part-time police officer by Embarrass Township from March
1992 until August 1997;

(4) was employed as a part-time police officer by the City of Babbitt from April
1992 until September 1992; and

(5) was employed as a full-time police officer by the city of Babbitt since October 4,
1992, and as such is a member of the public employees police and fire retirement plan.

(c) The periods of unreported employment and salary that qualified for coverage by
the general employees retirement plan of the Public Employees Retirement Association
and eligible for purchase are employment by the city of Buhl from October 1989 until

November 1996 and employment by the city of Babbitt as a part-time police officer from April 1992 until September 1992.

(d) The allowable service and salary credit purchase payment amount must be calculated under Minnesota Statutes, section 356.551. Of the total payment amount, the eligible person is obligated to pay the amount of member contributions that the eligible person would have paid by deduction to the coordinated program of the general employees retirement plan of the Public Employees Retirement Association if made in a timely fashion, plus annual compound interest at the rate of 8.5 percent from the date that the contribution should have been made until the date that the contribution equivalent payment is made. The balance of the total payment amount must be allocated between the city of Buhl and the city of Babbitt on the basis of the additional retirement benefit associated with the applicable period of past unreported eligible employment. The city of Buhl and the city of Babbitt shall make their payments within 30 days of the date on which the executive director of the Public Employees Retirement Association certifies that the eligible person has paid the equivalent member contribution payment and interest. If a city fails to make a timely payment, the executive director shall collect the unpaid amount under Minnesota Statutes, section 353.28.

(e) The eligible person shall provide the executive director of the Public Employees Retirement Association with any necessary documentation of the applicability of this section that the executive director requests.

(f) The authority of the eligible person to make the equivalent member contribution and interest payment under this section expires on the earlier of July 1, 2012, or the date on which the eligible person finally terminates public employment covered by Minnesota Statutes, chapter 353.

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