

A bill for an act

relating to retirement; amending limitations on supplemental retirement plans;
providing an additional exception to the restriction; amending Minnesota Statutes
2006, section 356.24, subdivision 1.

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

Section 1. Minnesota Statutes 2006, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** (a) It is unlawful for a school district
or other governmental subdivision or state agency to levy taxes for, or to contribute
public funds to a supplemental pension or deferred compensation plan that is established,
maintained, and operated in addition to a primary pension program for the benefit of the
governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated
before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death
benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring
or terminating employee;

(5) for employees other than personnel employed by the Board of Trustees of the
Minnesota State Colleges and Universities and covered under the Higher Education
Supplemental Retirement Plan under chapter 354C, but including city managers covered
by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph
(a), or by the defined contribution plan of the Public Employees Retirement Association
under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is

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provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit or in the individual employment contract between a city and a city manager, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee:

(i) to the state of Minnesota deferred compensation plan under section 352.96; or

(ii) in payment of the applicable portion of the contribution made to any investment eligible under section 403(b) of the Internal Revenue Code, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

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(11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay; ~~or~~

(12) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee; or

(13) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program under section 352.96, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a.

(b) No governmental subdivision may make a contribution to a deferred compensation plan operating under section 457 of the Internal Revenue Code for volunteer or emergency on-call firefighters in lieu of providing retirement coverage under the federal old age, survivors, and disability insurance program.

EFFECTIVE DATE. This section is effective July 1, 2008.