

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2890

(SENATE AUTHORS: PEDERSON)

DATE	D-PG	OFFICIAL STATUS
03/17/2016	5111	Introduction and first reading Referred to State and Local Government

1.1 A bill for an act
 1.2 relating to retirement; service credit purchase for St. Cloud State University
 1.3 employment.

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

1.5 Section 1. **PERA-GENERAL; PURCHASE OF SERVICE CREDIT FOR ST.**
 1.6 **CLOUD STATE UNIVERSITY EMPLOYEE.**

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

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

1.12 (1) was born on September 1, 1960;

1.13 (2) was an employee of St. Cloud State University on March 14, 2016;

1.14 (3) was a member of the general employees retirement plan of the Public Employees
 1.15 Retirement Association on March 14, 2016;

1.16 (4) was employed by St. Cloud Technical College on April 1, 1993, and was a
 1.17 member of the general employees retirement plan of the Public Employees Retirement
 1.18 Association; and

1.19 (5) changed employment within St. Cloud State University on February 22, 2006,
 1.20 and was erroneously placed into the higher education individual retirement account
 1.21 plan from February 22, 2006, until May 10, 2011, by the Minnesota State Colleges and
 1.22 Universities System.

2.1 (c) The period of uncredited service authorized for purchase is the period of February
2.2 22, 2006, until May 10, 2011, during which the eligible person was erroneously placed
2.3 into and contributed to the higher education individual retirement account plan.

2.4 (d) The eligible person's member contributions to the higher education individual
2.5 retirement account plan must be transferred to the Public Employees Retirement
2.6 Association with any earned investment returns on those contributions. The eligible
2.7 person must pay the member contributions that the eligible person would have made to
2.8 the Public Employees Retirement Association on the eligible person's compensation from
2.9 the Minnesota State Colleges and Universities System for the period of service described
2.10 in paragraph (c) as if the person had been covered by the Public Employees Retirement
2.11 Association during the period, plus annual compound interest on that amount at the rate
2.12 of 8.5 percent from February 22, 2006, until June 30, 2015, and eight percent from July
2.13 1, 2015, until the date on which payment is made to the Public Employees Retirement
2.14 Association, less the transferred member contributions and investment earnings.

2.15 (e) Upon transfer of the equivalent member contribution amount and any additional
2.16 payments under paragraph (d), the balance of the eligible person's higher education
2.17 individual retirement account plan account must be transferred to the Public Employees
2.18 Retirement Association within 60 days following the receipt of the eligible person's
2.19 payment under paragraph (d).

2.20 (f) Upon the transfer of the amounts under paragraphs (d) and (e), the Minnesota
2.21 State Colleges and Universities System shall pay the prior service credit purchase payment
2.22 amount calculated under Minnesota Statutes, section 356.551, less any amounts received
2.23 under paragraphs (d) and (e), within 60 days following the receipt of the eligible person's
2.24 payment under paragraph (d).

2.25 (g) Upon the transfers and payments under paragraph (f), the eligible person must be
2.26 credited by the Public Employees Retirement Association with allowable service credit
2.27 for Minnesota State Colleges and Universities System employment from February 22,
2.28 2006, until May 10, 2011.

2.29 (h) Authority to make a service credit purchase under this section expires January
2.30 1, 2017.

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