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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3606

03/24/2016 Authored by Erhardt

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

1.1 A bill for an act  
1.2 relating to retirement; correctional state employees retirement plan; transfer of  
1.3 prior general plan service credit and retirement annuity adjustment for certain  
1.4 Department of Corrections retiree.

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

1.6 Section 1. TRANSFER OF PAST MSRS-GENERAL SERVICE CREDIT TO  
1.7 MSRS-CORRECTIONAL.

1.8 (a) An eligible person described in paragraph (b) who makes payment to the  
1.9 correctional state employees retirement fund required under paragraph (c) on or before  
1.10 July 1, 2017, is entitled to have (1) the employer payment made on the eligible person's  
1.11 behalf under paragraph (d), and (2) service credit transferred from the general state  
1.12 employees retirement plan of the Minnesota State Retirement System to the correctional  
1.13 state employees retirement plan of the Minnesota State Retirement System for the period  
1.14 from June 1, 1986, to August 31, 1989, under paragraph (e).

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

1.16 (1) was born on June 11, 1960;

1.17 (2) was a member of the correctional state employees retirement plan from  
1.18 November 1981 to May 1986 and from September 1989 to January 27, 2015;

1.19 (3) had service covered by the general state employees retirement plan from  
1.20 June 1986 through August 1989 as a security case worker and who is certified by the  
1.21 Department of Corrections to have spent at least 75 percent of the person's working time  
1.22 in direct contact with inmates or patients;

1.23 (4) did not purchase service under Laws 1996, chapter 408, article 8; and

1.24 (5) retired on January 27, 2015.

2.1 (c) An eligible person under paragraph (b) must pay to the executive director of the  
2.2 Minnesota State Retirement System the difference between the employee contribution rate  
2.3 for the general state employees retirement plan and the employee contribution rate for  
2.4 the correctional state employees retirement plan in effect during the period eligible for  
2.5 transfer, applied to the eligible person's salary at the time that each additional contribution  
2.6 would have been deducted from pay if coverage had been provided by the correctional  
2.7 state employees retirement plan. These amounts must be paid in a lump sum no later  
2.8 than July 1, 2017, plus eight percent interest compounded annually from June 30, 1999,  
2.9 until the date paid.

2.10 (d) If an eligible person pays the past member contributions under paragraph (c), the  
2.11 Department of Corrections, on behalf of the eligible person, shall pay to the executive  
2.12 director of the Minnesota State Retirement System the difference between the actuarial  
2.13 present value of the additional benefit resulting from the transferred service credit less the  
2.14 amount described in paragraph (c) to be paid by the eligible person. This amount must  
2.15 be paid by the Department of Corrections in a lump sum within 30 days after the date on  
2.16 which the executive director notifies the department that the amount under paragraph  
2.17 (c) has been paid.

2.18 (e) If the payments under paragraphs (c) and (d) are made, assets must be transferred  
2.19 from the general state employees retirement fund to the correctional state employees  
2.20 retirement fund in an amount equal to the value of the benefits earned by the eligible person  
2.21 under the general state employees retirement plan, reduced by the value of payments made  
2.22 to the eligible person by the general state employees retirement fund. The transfer of assets  
2.23 must be made within 15 days after the receipt of the payments under paragraphs (c) and (d).

2.24 (f) Upon receipt of the payments under paragraphs (c) and (d), the eligible person shall  
2.25 have allowable service from June 1, 1986, to August 31, 1989, transferred from the general  
2.26 employees retirement plan to the correctional state employees retirement plan and the  
2.27 eligible person's annuity shall be adjusted accordingly retroactively from January 28, 2015.

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