

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1475

(SENATE AUTHORS: STUMPF)

DATE	D-PG	OFFICIAL STATUS
05/23/2011	3514	Introduction and first reading Referred to State Government Innovation and Veterans See SF1808, Art. 13, Sec. 5

A bill for an act
relating to retirement; general employees retirement plan of the Public
Employees Retirement Association; authorizing the purchase of prior service
credit for uncredited public employment by Crookston Township.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. SERVICE CREDIT PURCHASE AUTHORIZATION FOR
UNCREDITED PRIOR PUBLIC EMPLOYMENT.

(a) An eligible person described in paragraph (b) is entitled to purchase allowable
service in the general employees retirement plan of the Public Employees Retirement
Association under Minnesota Statutes, section 353.01, subdivision 16, for the period
described in paragraph (c) upon the payment of the purchase requirement specified in
paragraph (e).

(b) An eligible person is a person who:
(1) was born on September 10, 1949;
(2) was first employed by Crookston Township on July 1, 1990;
(3) was enrolled in the general employees retirement plan of the Public Employees
Retirement Association on September 15, 2010; and
(4) had omitted deductions paid for allowable service for Crookston Township
back to January 1, 2007.

(c) The period of prior service credit available for purchase is the period of
Crookston Township employment from July 1, 1990, to December 31, 2006, if the service
was not that of an independent contractor and the compensation for the service met or
exceeded the applicable minimum monthly salary threshold amount for plan coverage.

2.1 (d) The eligible person must apply with the executive director of the Public
2.2 Employees Retirement Association to make the service credit purchase under this section.
2.3 The application must be in writing and must include all necessary relevant documentation
2.4 that the executive director may require.

2.5 (e) Allowable service credit under Minnesota Statutes, section 353.01, subdivision
2.6 16, must be granted by the general employees retirement plan of the Public Employees
2.7 Retirement Association to the eligible person upon the receipt of the prior service credit
2.8 purchase payment amount required under Minnesota Statutes, section 356.551. Of the
2.9 total prior service credit purchase payment amount under Minnesota Statutes, section
2.10 356.551, the eligible person must pay an amount equal to the employee contribution rates
2.11 in effect during the uncredited employment period applied to the actual salary rates of the
2.12 eligible person during the period, plus annual compound interest at the rate of 8.5 percent
2.13 from the date on which the member contribution payment should have been made if made
2.14 in a timely fashion until the date on which the equivalent contribution is actually made. If
2.15 the eligible person makes the payment, Crookston Township shall pay the balance of the
2.16 total prior service credit purchase payment amount calculated under Minnesota Statutes,
2.17 section 356.551, within 60 days of the date on which the treasurer of Crookston Township
2.18 is ratified by the executive director of the Public Employees Retirement Association that
2.19 the member contribution payment had been received by the association. If Crookston
2.20 Township fails to pay its portion of the prior service credit purchase payment amount
2.21 under this section, the executive director of the Public Employees Retirement Association
2.22 shall collect the unpaid amount under Minnesota Statutes, section 353.28, subdivision 6,
2.23 paragraph (a).

2.24 (f) Authority for an eligible person to make a prior service credit purchase under this
2.25 section expires on June 30, 2012, or upon the eligible person's termination of employment
2.26 covered by the Public Employees Retirement Association.

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