

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2490

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Introduction and first reading
Referred to State Government Finance and Policy and Elections

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to retirement; public employees police and fire retirement plan; revising
 1.3 the annual municipal contribution related to the former Minneapolis firefighters
 1.4 and police relief associations; amending Minnesota Statutes 2018, section 353.665,
 1.5 subdivision 8, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2018, section 353.665, subdivision 8, is amended to read:

1.8 Subd. 8. **Member and employer contributions.** (a) Except as provided in paragraph
 1.9 (b), (c), or (d), the employee contribution rate for merged former consolidation account
 1.10 active members is the rate specified in section 353.65, subdivision 2, and the regular
 1.11 municipal contribution rate on behalf of merged former consolidation account active members
 1.12 is the rate specified in section 353.65, subdivision 3.

1.13 (b) With respect to active members of the merged former Minneapolis Firefighters Relief
 1.14 Association and the merged former Minneapolis Police Relief Association, there are no
 1.15 employee contributions payable and the employer contribution on behalf of those active
 1.16 members is at the rate specified in section 353.65, subdivision 3, applied to the active
 1.17 member's salary. ~~In addition, an additional municipal contribution is payable by the city of~~
 1.18 ~~Minneapolis annually on July 15, set at the amount calculated as of December 30, 2011, as~~
 1.19 ~~sufficient to amortize, on a level annual dollar basis by December 31, 2031, the unfunded~~
 1.20 ~~present value figure calculated as required by Minnesota Statutes 2012, section 353.667,~~
 1.21 ~~subdivision 6, paragraph (a), and Minnesota Statutes 2012, section 353.668, subdivision 6,~~
 1.22 ~~paragraph (a). If the postretirement or preretirement interest rate actuarial assumption~~
 1.23 ~~applicable to the public employees police and fire retirement plan under section 356.215,~~
 1.24 ~~subdivision 8, is modified from the rates specified in Minnesota Statutes 2010, section~~

2.1 ~~356.215, subdivision 8, the remainder present value of future benefits amount calculation~~
 2.2 ~~under Minnesota Statutes 2012, section 353.667, subdivision 6, and Minnesota Statutes~~
 2.3 ~~2012, section 353.668, subdivision 6, paragraph (a), updated for the passage of time, must~~
 2.4 ~~be revised and the amortization contribution by the city of Minneapolis for the balance of~~
 2.5 ~~the amortization period must be redetermined by the actuary retained under section 356.214~~
 2.6 ~~and certified by the executive director to the city of Minneapolis.~~

2.7 (c) If there are assets of the former Fairmont Police Relief Association in excess of the
 2.8 present value of future benefits as of June 29, 2012, these assets must be credited to an
 2.9 interest-bearing suspense account within the public employees police and fire retirement
 2.10 fund, must be used to offset any amount payable under paragraph (a) until June 30, 2015,
 2.11 and, after June 30, 2015, must be paid to the city of Fairmont. The suspense account must
 2.12 be credited with the same rate of investment return as the public employees police and fire
 2.13 retirement fund. If, after June 29, 2012, the postretirement or preretirement interest rate
 2.14 actuarial assumption applicable to the public employees police and fire retirement plan
 2.15 under section 356.215, subdivision 8, is modified from the rates specified in Minnesota
 2.16 Statutes 2010, section 356.215, subdivision 8, the remainder present value of future benefits
 2.17 amount calculation under paragraph (a), updated for the passage of time, must be revised
 2.18 and the amortization contribution by the city of Fairmont for the balance of the amortization
 2.19 period must be redetermined by the actuary retained under section 356.214 and certified by
 2.20 the executive director to the city of Fairmont.

2.21 (d) If there was a remainder present value of future benefits amounts under Minnesota
 2.22 Statutes 2012, section 353.6691, subdivision 5, paragraph (a), the city of Virginia shall pay
 2.23 an additional municipal contribution annually on or before December 31 sufficient to
 2.24 amortize on a level annual dollar basis by December 31, 2020, that remainder present value
 2.25 of future benefits amounts of the former Virginia fire department consolidation account. If,
 2.26 after June 29, 2012, the postretirement or preretirement interest rate actuarial assumption
 2.27 applicable to the public employees police and fire retirement plan under section 356.215,
 2.28 subdivision 8, is modified from the rates specified in Minnesota Statutes 2010, section
 2.29 356.215, subdivision 8, the remainder present value of future benefits amount calculation
 2.30 under paragraph (a), updated for the passage of time, must be revised and any amortization
 2.31 contribution by the city of Virginia for the balance of the amortization period must be
 2.32 redetermined by the actuary retained under section 356.214 and certified by the executive
 2.33 director to the city of Virginia.

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

3.1 Sec. 2. Minnesota Statutes 2018, section 353.665, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 8a. **City of Minneapolis contribution for firefighters and police.** (a) Until July
3.4 15, 2018, the city of Minneapolis shall make a contribution annually to the public employees
3.5 police and fire retirement plan on July 15, set at the amount calculated as of December 30,
3.6 2011, as sufficient to amortize, on a level annual dollar basis by December 31, 2031, the
3.7 unfunded present value figure calculated as required by Minnesota Statutes 2012, sections
3.8 353.667, subdivision 6, paragraph (a), and 353.668, subdivision 6, paragraph (a).

3.9 (b) Beginning July 15, 2019, and every July 15 thereafter until and including July 15,
3.10 2031, the city of Minneapolis shall make a contribution annually to the public employees
3.11 police and fire retirement plan equal to \$3,188,735, attributable to the former Minneapolis
3.12 Firefighters Relief Association, and \$4,489,837, attributable to the former Minneapolis
3.13 Police Relief Association.

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