

(4) left public service on September 16, 1996.

(c) The period of purchasable allowable service credit is the period beginning on February 12, 1964, and ending on October 31, 1964.

(d) To purchase credit for prior eligible service under paragraph (c), there must be paid to the public employees retirement association an amount equal to the present value of the amount of the additional disability benefit obtained by purchase of the additional service credit. The calculation of this amount must be made by the executive director of the public employees retirement association using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the retirement association. The person making the purchase must establish in the records of the association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the retirement association. Payment of the amount calculated under this subdivision is the obligation of the eligible person and must be made prior to July 1, 1998, in a lump sum. However, the former employer of the eligible individual may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rate or rates in effect during the period or periods of prior service, plus interest at the rate of 8.5 percent per year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this paragraph, the person must make the employee payments required under this paragraph prior to July 1, 1998. If that employee payment is made, the employing unit payment under this paragraph must be remitted to the executive director of the retirement association within 60 days of receipt by the executive director of the employee payments specified under this paragraph.

(e) Service credit for the purchase period or periods must be granted to the account of the eligible person upon receipt of the purchase payment amount specified in paragraph (d) and the disability benefit of the person must be recalculated in light of the additional service credit.

Sec. 4. EFFECTIVE DATE.

Sections 1, 2, and 3 are effective on the day following final enactment.

Presented to the governor May 30, 1997

Signed by the governor June 3, 1997, 1:45 p.m.

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VETOED

New language is indicated by underline, deletions by ~~strikeout~~.