

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 2163**

(SENATE AUTHORS: DIBBLE)

DATE  
03/16/2017

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

1.1 A bill for an act  
 1.2 relating to retirement; Minnesota State Retirement System; revising the treatment  
 1.3 of certain former privatized hospital employees who return to public service;  
 1.4 amending Minnesota Statutes 2016, section 352F.04, subdivision 2, by adding a  
 1.5 subdivision.

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

1.7 Section 1. Minnesota Statutes 2016, section 352F.04, subdivision 2, is amended to read:

1.8 Subd. 2. ~~Exceptions~~ **Exception.** The ~~increased~~ enhanced augmentation rates specified  
 1.9 in subdivision 1 do not apply if the terminated hospital employee:

1.10 ~~(1) becomes covered again by a retirement plan enumerated in section 356.30, subdivision~~  
 1.11 ~~3; or~~

1.12 ~~(2)~~ begins receipt of a retirement annuity under chapter 352 while employed by the  
 1.13 employer which assumed operations of the medical facility or other public employing unit  
 1.14 or purchased the medical facility or other public employing unit.

1.15 **EFFECTIVE DATE.** This section is effective July 1, 2016.

1.16 Sec. 2. Minnesota Statutes 2016, section 352F.04, is amended by adding a subdivision to  
 1.17 read:

1.18 Subd. 3. **Return to covered employment.** (a) If a terminated hospital employee becomes  
 1.19 covered by a retirement plan enumerated in section 356.30, subdivision 3, the employee  
 1.20 shall be entitled to whichever of the following annuities produces the highest monthly  
 1.21 payment:

2.1 (1) a deferred annuity and augmentation to which the employee would have been entitled  
2.2 under subdivision 1 reduced by the dollar amount of any additional benefit earned under  
2.3 any enumerated retirement plan after the effective date as defined in section 352F.02,  
2.4 subdivision 3;

2.5 (2) a combined service annuity calculated under section 356.30; or

2.6 (3) an annuity calculated under section 352.72 for coverage by more than one retirement  
2.7 system using the augmentation rates set forth in section 352.72, subdivision 2, paragraph  
2.8 (a).

2.9 (b) This subdivision applies to:

2.10 (1) any terminated hospital employee who begins to receive a retirement annuity under  
2.11 chapter 352 on or after July 1, 2016; and

2.12 (2) any terminated hospital employee or the survivor of any terminated hospital employee  
2.13 who is receiving a retirement annuity under chapter 352 that began prior to July 1, 2016.

2.14 In the case of a terminated hospital employee or survivor who is receiving a retirement  
2.15 annuity under chapter 352 that began prior to July 1, 2016, the retirement annuity shall be  
2.16 increased, effective with the first payment on or after July 1, 2016, to the annuity calculated  
2.17 under this subdivision, if the annuity calculated under this subdivision results in a greater  
2.18 monthly amount than the monthly amount the terminated hospital employee has been  
2.19 receiving as an annuity prior to July 1, 2016.

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