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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2188

03/15/2021

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The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to retirement; Minnesota State Retirement System; transferring a state
1.3 employee's service credit from the general employees retirement plan to the
1.4 correctional employees retirement plan.

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 MSRS
1.7 CORRECTIONAL.

1.8 Subdivision 1. Definitions. The following terms as used in this section have the meanings
1.9 given in this subdivision:

1.10 (1) "Correctional plan" means the correctional employees retirement plan of the
1.11 Minnesota State Retirement System.

1.12 (2) "Executive director" means the executive director of the Minnesota State Retirement
1.13 System.

1.14 (3) "General plan" means the general state employees retirement plan of the Minnesota
1.15 State Retirement System.

1.16 (4) "Service credit" means time credited as allowable service under Minnesota Statutes,
1.17 section 352.01, subdivision 11, to an eligible person described in subdivision 3.

1.18 (5) "Transfer period" means the period from March 2, 2011, to March 19, 2020.

1.19 Subd. 2. Transfer of past service credit authorized. An eligible person described in
1.20 subdivision 3 who makes payment to the correctional employees retirement fund required
1.21 under subdivision 4 on or before one year following the effective date of this section, is
1.22 entitled to have:

- 2.1 (1) the employer payment made on the eligible person's behalf under subdivision 5; and
2.2 (2) applicable past service credit transferred from the general plan to the correctional
2.3 plan for the transfer period under subdivision 6.

2.4 Subd. 3. **Eligible person.** An eligible person is a person who meets all of the following
2.5 requirements:

2.6 (1) The person has service credit in the general plan from August 15, 1990, to March
2.7 19, 2020.

2.8 (2) The person was employed by the Department of Human Services at the St. Peter
2.9 State Hospital as a customer services specialist principal from March 2, 2011, until at least
2.10 January 27, 2021.

2.11 (3) The commissioner of human services has certified to the executive director that the
2.12 person spent at least 75 percent of the person's working time in direct contact with patients,
2.13 during the period of the person's employment under clause (2).

2.14 (4) The person has service credit in the correctional plan beginning March 20, 2020.

2.15 Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive
2.16 director the difference between the employee contribution rate for the general plan and the
2.17 employee contribution rate for the correctional plan for the transfer period. The difference
2.18 between the two rates must be applied to the eligible person's salary at the time that each
2.19 contribution would have been deducted from pay if the eligible person had been covered
2.20 by the correctional plan for the transfer period. The payment must include interest at the
2.21 applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision
2.22 2, calculated from the date that each contribution would have been deducted to the date that
2.23 payment is made.

2.24 (b) The payment under paragraph (a) must be made in a lump sum no later than one year
2.25 following the effective date. Upon receipt of the payment, the executive director must notify
2.26 the commissioner of human services that payment was made and of the amount owed under
2.27 subdivision 5.

2.28 Subd. 5. **Payment by the Department of Human Services.** If an eligible person makes
2.29 the payment under subdivision 4, the Department of Human Services, on behalf of the
2.30 eligible person, shall pay to the executive director the actuarial present value of the additional
2.31 benefit resulting from the transferred service credit less the payment made under subdivision
2.32 4. This amount must be paid by the Department of Human Services in a lump sum within

3.1 30 days after the date on which the executive director notifies the commissioner of human
3.2 services under subdivision 4.

3.3 Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions
3.4 4 and 5 are made, the executive director must transfer assets from the general state employees
3.5 retirement fund to the correctional employees retirement fund in an amount equal to the
3.6 actuarial present value of the benefits earned by the eligible person under the general plan
3.7 during the transfer period. The transfer of assets must be made within 15 days after receipt
3.8 of the payments under subdivisions 4 and 5.

3.9 (b) Upon transfer of the assets under paragraph (a), the eligible person shall have service
3.10 credit in the correctional plan and no service credit in the general plan for the transfer period.

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