

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1181

(SENATE AUTHORS: ROSEN and by request)

DATE	D-PG	OFFICIAL STATUS
04/14/2011	1341	Introduction and first reading Referred to State Government Innovation and Veterans See SF1808, Art. 7, Sec. 2

A bill for an act
relating to retirement; Public Employees Retirement Association privatizations;
decreasing augmentation rates applicable to new privatizations; amending
Minnesota Statutes 2010, section 353F.04, subdivision 1.

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

Section 1. Minnesota Statutes 2010, section 353F.04, subdivision 1, is amended to read:

Subdivision 1. **Enhanced augmentation rates.** (a) The deferred annuity of
a terminated medical facility or other public employing unit employee is subject
to augmentation under section 353.71, subdivision 2, of the edition of Minnesota
Statutes published in the year in which the privatization occurred, except that the rate
of augmentation is as specified in ~~paragraph (b) or (c), whichever is applicable~~ this
subdivision.

(b) This paragraph applies if the legislation adding the medical facility or other
employing unit to section 353F.02, subdivision 4 or 5, as applicable, was enacted before
July 26, 2005, and became effective before January 1, 2008, for the Hutchinson Area
Health Care or before January 1, 2007, for all other medical facilities and all other
employing units. For a terminated medical facility or other public employing unit
employee, the augmentation rate is 5.5 percent compounded annually until January 1
following the year in which the person attains age 55. From that date to the effective date
of retirement, the augmentation rate is 7.5 percent compounded annually.

(c) If paragraph (b) is not applicable, and if the effective date of the privatization is
before January 1, 2011, the augmentation rate is four percent compounded annually until
January 1, following the year in which the person attains age 55. From that date to the
effective date of retirement, the augmentation rate is six percent compounded annually.

(d) If the effective date of the privatization is after December 31, 2010, and before January 1, 2012, and if the person became a public employee on or before June 30, 2006:

(1) if the former member is less than age 55 on January 1, 2011, the augmentation rate is at a 3.0 percent annual rate through December 31, 2011, prorated if the privatization occurs less than one full year before January 1, 2012;

(2) if the former member is age 55 or older on January 1, 2011, the augmentation rate is at a 5.0 percent annual rate through December 31, 2011, prorated if the privatization occurs less than one full year before January 1, 2012; and

(3) regardless of age, after December 31, 2011, the augmentation rate is 1.0 percent compounded annually until the effective date of retirement.

(e) If the effective date of the privatization is after December 31, 2010, and before January 1, 2012, and if the person became a public employee after June 30, 2006:

(1) the augmentation rate is at a 2.5 percent annual rate through December 31, 2011, prorated if the privatization occurs less than one year before January 1, 2012; and

(2) after December 31, 2011, the augmentation rate is 1.0 percent compounded annually until the effective date of retirement.

(f) If the effective date of the privatization is January 1, 2012, or later, no augmentation applies.

(g) The term "effective date of the privatization" as used in this subdivision means the "effective date" as defined in section 353F.02, subdivision 3.

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