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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 13

01/07/2021 Authored by Johnson
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; authorizing purchase of service credit from the Public
1.3 Employees Retirement Association for omitted service.

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

1.5 Section 1. CREDIT FOR SERVICE IN PERA GENERAL EMPLOYEES
1.6 RETIREMENT PLAN.

1.7 Subdivision 1. Service credit purchase. (a) Notwithstanding Minnesota Statutes, section
1.8 353.27, subdivision 12, an eligible person described in paragraph (b) is entitled to purchase
1.9 allowable service in the general employees retirement plan under Minnesota Statutes, chapter
1.10 353, for the period described in paragraph (b), clause (2), upon making the payment described
1.11 in subdivision 2 to the general employees retirement fund.

1.12 (b) An eligible person is a person who:

1.13 (1) was hired by Independent School District No. 911, Cambridge-Isanti, as a driver,
1.14 and whose first day of employment was after September 1, 2010, and before September 30,
1.15 2010;

1.16 (2) received salary for a period of employment with Independent School District No.
1.17 911, Cambridge-Isanti, that occurred between September 1, 2010, and December 1, 2010,
1.18 and during a portion of the period of employment the school district failed to deduct employee
1.19 contributions as required by Minnesota Statutes 2010, section 353.27, subdivision 2; and

1.20 (3) on November 1, 2020, was employed by Independent School District No. 911,
1.21 Cambridge-Isanti.

2.1 (c) Upon receiving the payment described in subdivision 2, the executive director of the
2.2 Public Employees Retirement Association shall credit the eligible person with allowable
2.3 service for the period of employment described in paragraph (b), clause (2).

2.4 Subd. 2. **Payment by eligible person.** If the eligible person elects to purchase allowable
2.5 service credit as described in subdivision 1, the eligible person shall pay to the general
2.6 employees retirement fund an amount equal to the total amount of the employee contributions
2.7 that the eligible person would have made to the general employees retirement fund based
2.8 on the eligible person's total salary for the period of employment described in subdivision
2.9 1, paragraph (b), clause (2), plus interest, compounded annually, at the applicable annual
2.10 rate or rates specified in Minnesota Statutes, section 356.59, subdivision 3, from the end of
2.11 the year in which the contributions would have been made to the date on which the payment
2.12 is made. The amount of the required payment shall be determined by the executive director
2.13 of the Public Employees Retirement Association, who shall notify the eligible person
2.14 regarding the amount and the basis for determining the amount. Payment must be made by
2.15 the eligible person in a lump sum within 90 days of the effective date of this subdivision.

2.16 Subd. 3. **Payment by employer.** Upon payment by an eligible person of the amount
2.17 required by subdivision 2, Independent School District No. 911, Cambridge-Isanti, shall
2.18 pay to the general employees retirement fund an amount equal to the total amount of the
2.19 employer contributions that would have been made to the general employees retirement
2.20 fund based on the eligible person's total salary for the period of employment described in
2.21 subdivision 1, paragraph (b), clause (2), plus interest, compounded annually, at the applicable
2.22 annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 3, from the
2.23 end of the year in which the contributions would have been made to the date on which the
2.24 payment is made. The executive director shall notify the school district regarding the amount
2.25 and the basis for determining the amount. The payment shall be made within 60 days
2.26 following receipt by the general employees retirement fund of the eligible person's payment
2.27 under subdivision 2.

2.28 Subd. 4. **Collection of unpaid amounts.** If Independent School District No. 911,
2.29 Cambridge-Isanti, fails to make all or any portion of the payment required by subdivision
2.30 3, the executive director of the Public Employees Retirement Association shall follow the
2.31 procedures in Minnesota Statutes, section 353.28, subdivision 6, to collect the amount not
2.32 paid.

2.33 **EFFECTIVE DATE; LOCAL APPROVAL.** Subdivisions 1, 2, and 4 are effective
2.34 the day following final enactment. Subdivision 3 is effective the day after the governing

- 3.1 body of Independent School District No. 911, Cambridge-Isanti, and its chief clerical officer
- 3.2 complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.