

A bill for an act

relating to retirement; general employees retirement plan of the Public Employees Retirement Association; clarifying the effective date of a privatization by Hutchinson Area Health Care; amending Minnesota Statutes 2006, section 353F.04, subdivision 1.

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

Section 1. Minnesota Statutes 2006, 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.

(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, 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.

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