

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 580

(SENATE AUTHORS: HAWJ)

DATE	D-PG	OFFICIAL STATUS
02/05/2015	214	Introduction and first reading Referred to State and Local Government See SF1398, Art. 11, Sec. 7

1.1 A bill for an act
 1.2 relating to retirement; general employees retirement plan of the Public
 1.3 Employees Retirement Association; permitting a service credit purchase for
 1.4 certain St. Paul public school employees.

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

1.6 Section 1. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION - GENERAL;**
 1.7 **ST. PAUL PUBLIC SCHOOL EMPLOYEES WITH ERRONEOUSLY REPORTED**
 1.8 **EMPLOYMENT TERMINATIONS.**

1.9 (a) An eligible person described in paragraph (b) is entitled to purchase allowable
 1.10 service credit from the general employees retirement plan of the Public Employees
 1.11 Retirement Association (PERA) for the period specified in paragraph (c) upon making the
 1.12 prior service credit purchase payment indicated in paragraph (d).

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

1.14 (1) was born on June 18, 1952;

1.15 (2) was initially employed by Independent School District No. 625, St. Paul, in
 1.16 1987, in a nonteaching employment position;

1.17 (3) was initially covered by the general employees retirement plan of PERA;

1.18 (4) was erroneously reported to PERA by Independent School District No. 625, St.
 1.19 Paul, as having terminated employment in August 1993;

1.20 (5) did not have member contributions deducted for the general employees
 1.21 retirement plan of PERA for the period of August 1, 1993, through January 3, 1997; and

1.22 (6) had the error discovered in 1998 and received PERA general plan allowable
 1.23 service credit for the period of July 1, 1994, through January 3, 1997.

2.1 (c) The period authorized for a purchase of prior allowable service credit is August
2.2 1, 1993, through June 30, 1994.

2.3 (d) To purchase the prior allowable service credit in paragraph (c), the eligible
2.4 person shall make the member contributions that would have been deducted from the
2.5 person's salary if the eligible person had been included in PERA general plan retirement
2.6 coverage during the period of August 1, 1993, through June 30, 1994, plus compound
2.7 interest at the rate of 8.5 percent per annum for complete years and 0.71 percent monthly
2.8 for months or parts of months January 15, 1994, to the date that payment is made.

2.9 (e) If an eligible person makes the payment specified under paragraph (d),
2.10 Independent School District No. 625, St. Paul, shall pay the balance of the full actuarial
2.11 value prior service credit payment amount provided for in Minnesota Statutes, section
2.12 356.551, within 60 days of the date on which the executive director of PERA certifies that
2.13 the eligible person's payment was received by PERA. If Independent School District No.
2.14 625, St. Paul, does not make the payment required by this paragraph in a timely manner,
2.15 the executive director of PERA shall certify (1) that payment was not timely; (2) the
2.16 amount of the unpaid employer obligation under this paragraph; and (3) interest at a
2.17 monthly rate of 0.71 percent from the date on which the eligible person made the payment
2.18 under paragraph (d) until the first day of the first month next following the certification to
2.19 the commissioner of education, who shall withhold that amount from any state aid payable
2.20 to Independent School District No. 625, St. Paul.

2.21 (f) Upon receipt of the payment under paragraph (d), PERA shall grant allowable
2.22 service credit under Minnesota Statutes, section 353.01, subdivision 16, to the eligible
2.23 person.

2.24 (g) This section expires on December 31, 2016.

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