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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3136

03/16/2016 Authored by Thissen and Murphy, M.,
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act
1.2 relating to retirement; increasing the maximum permissible employer
1.3 contribution to a laborers pension fund; amending Minnesota Statutes 2014,
1.4 section 356.24, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2014, section 356.24, subdivision 1, is amended to read:

1.7 Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other
1.8 governmental subdivision or state agency to levy taxes for or to contribute public funds to
1.9 a supplemental pension or deferred compensation plan that is established, maintained,
1.10 and operated in addition to a primary pension program for the benefit of the governmental
1.11 subdivision employees other than:

1.12 (1) to a supplemental pension plan that was established, maintained, and operated
1.13 before May 6, 1971;

1.14 (2) to a plan that provides solely for group health, hospital, disability, or death
1.15 benefits;

1.16 (3) to the individual retirement account plan established by chapter 354B;

1.17 (4) to a plan that provides solely for severance pay under section 465.72 to a retiring
1.18 or terminating employee;

1.19 (5) for employees other than personnel employed by the Board of Trustees of the
1.20 Minnesota State Colleges and Universities and covered under the Higher Education
1.21 Supplemental Retirement Plan under chapter 354C, but including city managers covered
1.22 by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph
1.23 (a), or by the defined contribution plan of the Public Employees Retirement Association
1.24 under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is

2.1 provided for in a personnel policy of the public employer or in the collective bargaining
2.2 agreement between the public employer and the exclusive representative of public
2.3 employees in an appropriate unit or in the individual employment contract between a city
2.4 and a city manager, and if for each available investment all fees and historic rates of return
2.5 for the prior one-, three-, five-, and ten-year periods, or since inception, are disclosed in an
2.6 easily comprehended document not to exceed two pages, in an amount matching employee
2.7 contributions on a dollar for dollar basis, but not to exceed an employer contribution of
2.8 one-half of the available elective deferral permitted per year per employee, under the
2.9 Internal Revenue Code:

2.10 (i) to the state of Minnesota deferred compensation plan under section 352.965;

2.11 (ii) in payment of the applicable portion of the contribution made to any investment
2.12 eligible under section 403(b) of the Internal Revenue Code, if the employing unit has
2.13 complied with any applicable pension plan provisions of the Internal Revenue Code with
2.14 respect to the tax-sheltered annuity program during the preceding calendar year; or

2.15 (iii) any other deferred compensation plan offered by the employer under section
2.16 457 of the Internal Revenue Code;

2.17 (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges
2.18 and Universities and not covered by clause (5), to the supplemental retirement plan under
2.19 chapter 354C, if the supplemental plan coverage is provided for in a personnel policy
2.20 or in the collective bargaining agreement of the public employer with the exclusive
2.21 representative of the covered employees in an appropriate unit, in an amount matching
2.22 employee contributions on a dollar for dollar basis, but not to exceed an employer
2.23 contribution of \$2,700 a year for each employee;

2.24 (7) to a supplemental plan or to a governmental trust to save for postretirement
2.25 health care expenses qualified for tax-preferred treatment under the Internal Revenue
2.26 Code, if the supplemental plan coverage is provided for in a personnel policy or in the
2.27 collective bargaining agreement of a public employer with the exclusive representative of
2.28 the covered employees in an appropriate unit;

2.29 (8) to the laborers national industrial pension fund or to a laborers local pension fund
2.30 for the employees of a governmental subdivision who are covered by a collective bargaining
2.31 agreement that provides for coverage by that fund and that sets forth a fund contribution
2.32 rate, but not to exceed an employer contribution of ~~\$5,000~~ \$7,000 per year per employee;

2.33 (9) to the plumbers and pipefitters national pension fund or to a plumbers and
2.34 pipefitters local pension fund for the employees of a governmental subdivision who are
2.35 covered by a collective bargaining agreement that provides for coverage by that fund and

3.1 that sets forth a fund contribution rate, but not to exceed an employer contribution of
3.2 \$5,000 per year per employee;

3.3 (10) to the international union of operating engineers pension fund for the employees
3.4 of a governmental subdivision who are covered by a collective bargaining agreement that
3.5 provides for coverage by that fund and that sets forth a fund contribution rate, but not to
3.6 exceed an employer contribution of \$5,000 per year per employee;

3.7 (11) to a supplemental plan organized and operated under the federal Internal
3.8 Revenue Code, as amended, that is wholly and solely funded by the employee's
3.9 accumulated sick leave, accumulated vacation leave, and accumulated severance pay;

3.10 (12) to the International Association of Machinists national pension fund for the
3.11 employees of a governmental subdivision who are covered by a collective bargaining
3.12 agreement that provides for coverage by that fund and that sets forth a fund contribution
3.13 rate, but not to exceed an employer contribution of \$5,000 per year per employee;

3.14 (13) for employees of United Hospital District, Blue Earth, to the state of Minnesota
3.15 deferred compensation program, if the employee makes a contribution, in an amount that
3.16 does not exceed the total percentage of covered salary under section 353.27, subdivisions
3.17 3 and 3a;

3.18 (14) to the alternative retirement plans established by the Hennepin County Medical
3.19 Center under section 383B.914, subdivision 5; or

3.20 (15) to the International Brotherhood of Teamsters Central States pension plan for
3.21 fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who
3.22 are members of the International Brotherhood of Teamsters Local 638 by virtue of that
3.23 employment.