

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 1938**

<b>(SENATE AUTHORS: FRENTZ, Kunesh, Cwodzinski, Gustafson and Murphy)</b>		
<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
02/20/2023	918	Introduction and first reading
		Referred to State and Local Government and Veterans
02/21/2023	993	Author added Murphy
		See HF3100

1.1 A bill for an act

1.2 relating to retirement; Teachers Retirement Association and St. Paul Teachers

1.3 Retirement Fund Association; providing for unreduced retirement at age 62 or

1.4 with 35 years of service; restoring deferred annuities augmentation for teachers;

1.5 providing additional service credit for school employees; modifying postretirement

1.6 adjustments to tie increases to inflation; increasing employer contributions;

1.7 increasing the pension adjustment revenue for school districts; appropriating

1.8 money; amending Minnesota Statutes 2022, sections 126C.10, subdivision 37;

1.9 354.05, subdivision 38; 354.35, subdivision 2; 354.42, subdivision 3; 354.44,

1.10 subdivisions 1a, 5, 6; 354.55, subdivision 11; 354A.011, subdivision 15a; 354A.12,

1.11 subdivision 2a; 354A.29, subdivision 7; 354A.31, subdivisions 3, 6, 7; 354A.36,

1.12 subdivision 3; 354A.37, subdivision 2; 356.415, subdivision 1d; repealing

1.13 Minnesota Statutes 2022, section 354.35, subdivision 1.

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

1.15 **ARTICLE 1**

1.16 **TEACHERS UNREDUCED RETIREMENT AT AGE 62 OR 35 YEARS OF SERVICE**

1.17 Section 1. Minnesota Statutes 2022, section 354.05, subdivision 38, is amended to read:

1.18 Subd. 38. **Normal retirement age.** "Normal retirement age" means age ~~65 for a person~~

1.19 ~~who first became a member of the association or a member of a pension fund listed in section~~

1.20 ~~356.30, subdivision 3, before July 1, 1989. For a person who first becomes a member of~~

1.21 ~~the association after June 30, 1989, normal retirement age means the higher of age 65 or~~

1.22 ~~"retirement age," as defined in United States Code, title 42, section 416(1), as amended, but~~

1.23 ~~not to exceed age 66~~ 62.

1.24 Sec. 2. Minnesota Statutes 2022, section 354.35, subdivision 2, is amended to read:

1.25 Subd. 2. **Election of accelerated annuity.** (a) Any coordinated member who retires

1.26 before normal retirement age may elect to receive an optional accelerated retirement annuity

2.1 from the association which provides for different annuity amounts over different periods  
 2.2 of retirement. The optional accelerated retirement annuity must take the form of an annuity  
 2.3 payable for the period before the member attains ~~age 65, or~~ normal retirement age, in a  
 2.4 greater amount than the amount of the annuity calculated under section 354.44 on the basis  
 2.5 of the age of the member at retirement, but the optional accelerated retirement annuity must  
 2.6 be the actuarial equivalent of the member's annuity computed on the basis of the member's  
 2.7 age at retirement. The greater amount must be paid until the retiree reaches ~~age 65, or~~ normal  
 2.8 retirement age, and at that time the payment from the association must be reduced. For each  
 2.9 year the retiree is under ~~age 65, or~~ normal retirement age, up to five percent of the total life  
 2.10 annuity required reserves may be used to accelerate the optional retirement annuity under  
 2.11 this section.

2.12 ~~(b) Members who retire before age 62 may elect to have the annuity under this subdivision~~  
 2.13 ~~accelerated to age 62 rather than normal retirement age or age 65.~~

2.14 ~~(e)~~ (b) The method of computing the optional accelerated retirement annuity provided  
 2.15 in this subdivision is established by the board of trustees. In establishing the method of  
 2.16 computing the optional accelerated retirement annuity or any modification of that procedure,  
 2.17 the board of trustees must obtain the written approval of the actuary retained under section  
 2.18 356.214. The written approval must be a part of the permanent records of the board of  
 2.19 trustees. The election of an optional accelerated retirement annuity is exercised by making  
 2.20 an application on a form provided by the executive director.

2.21 Sec. 3. Minnesota Statutes 2022, section 354.44, subdivision 1a, is amended to read:

2.22 Subd. 1a. **Proportionate annuity.** A member who terminates employment at any time  
 2.23 during the academic year at the end of which the person is ~~at the normal retirement age 65~~  
 2.24 or older shall, for the purpose of determining eligibility for a proportionate retirement  
 2.25 annuity, be considered to have been required to terminate employment at normal retirement  
 2.26 age or older pursuant to section 356.32. For purposes of this subdivision, an academic year  
 2.27 ends August 31.

2.28 Sec. 4. Minnesota Statutes 2022, section 354.44, subdivision 5, is amended to read:

2.29 Subd. 5. **Resumption of teaching service after retirement.** (a) Any person who retired  
 2.30 under the provisions of this chapter and has thereafter resumed teaching in any employer  
 2.31 unit to which this chapter applies is eligible to continue to receive payments in accordance  
 2.32 with the annuity except that all or a portion of the annuity payments must be deferred during  
 2.33 the calendar year immediately following the fiscal year in which the person's salary from

3.1 the teaching service is in an amount greater than \$46,000. The amount of the annuity deferral  
3.2 is one-half of the salary amount in excess of \$46,000 and must be deducted from the annuity  
3.3 payable for the calendar year immediately following the fiscal year in which the excess  
3.4 amount was earned.

3.5 (b) If the person is retired for only a fractional part of the fiscal year during the initial  
3.6 year of retirement, the maximum reemployment salary exempt from triggering a deferral  
3.7 as specified in this subdivision must be prorated for that fiscal year.

3.8 (c) After a person has reached the Social Security ~~normal~~ retirement age as defined in  
3.9 United States Code, title 42, section 416(1), as amended, no deferral requirement is applicable  
3.10 regardless of the amount of salary.

3.11 (d) The amount of the retirement annuity deferral must be handled or disposed of as  
3.12 provided in section 356.47.

3.13 (e) For the purpose of this subdivision, salary from teaching service includes all salary  
3.14 or income earned as a teacher as defined in section 354.05, subdivision 2, paragraph (a),  
3.15 clause (1). Salary from teaching service also includes, but is not limited to:

3.16 (1) all income for services performed as a consultant, independent contractor, or  
3.17 third-party supplier, or as an employee of a consultant, independent contractor, or third-party  
3.18 supplier, to an employer unit covered by the provisions of this chapter; and

3.19 (2) the greater of either the income received or an amount based on the rate paid with  
3.20 respect to an administrative position, consultant, independent contractor, or third-party  
3.21 supplier, or as an employee of a consultant, independent contractor, or third-party supplier,  
3.22 in an employer unit with approximately the same number of pupils and at the same level as  
3.23 the position occupied by the person who resumes teaching service.

3.24 (f) Notwithstanding other paragraphs of this subdivision, if the reemployed annuitant  
3.25 has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1,  
3.26 the portion payable to the former spouse must not be deferred.

3.27 Sec. 5. Minnesota Statutes 2022, section 354.44, subdivision 6, is amended to read:

3.28 Subd. 6. **Computation of formula program retirement annuity.** (a) The formula  
3.29 retirement annuity must be computed in accordance with the applicable provisions of the  
3.30 formulas stated in paragraph (b) or (d) on the basis of each member's average salary under  
3.31 section 354.05, subdivision 13a, for the period of the member's formula service credit.

4.1 (b) This paragraph, in conjunction with paragraph (c), applies to a person who first  
 4.2 became a member of the association or a member of a pension fund listed in section 356.30,  
 4.3 subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e),  
 4.4 produces a higher annuity amount, in which case paragraph (d) applies. The average salary  
 4.5 as defined in section 354.05, subdivision 13a, multiplied by the following percentages per  
 4.6 year of formula service credit shall determine the amount of the annuity to which the member  
 4.7 qualifying therefor is entitled for service rendered before July 1, 2006:

4.8	Period	Coordinated Member	Basic Member
4.9	Each year of service	1.2 percent per year	2.2 percent per year
4.10	during first ten		
4.11	Each year of service	1.7 percent per year	2.7 percent per year
4.12	thereafter		

4.13 For service rendered on or after July 1, 2006, by a member other than a member who  
 4.14 was a member of the former Duluth Teachers Retirement Fund Association between January  
 4.15 1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member  
 4.16 who was a member of the former Duluth Teachers Retirement Fund Association between  
 4.17 January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05,  
 4.18 subdivision 13a, multiplied by the following percentages per year of service credit, determines  
 4.19 the amount the annuity to which the member qualifying therefor is entitled:

4.20	Period	Coordinated Member	Basic Member
4.21	Each year of service	1.4 percent per year	2.2 percent per year
4.22	during first ten		
4.23	Each year of service after	1.9 percent per year	2.7 percent per year
4.24	ten years of service		

4.25 (c)(1) This paragraph applies only to a person who first became a member of the  
 4.26 association or a member of a pension fund listed in section 356.30, subdivision 3, before  
 4.27 July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction  
 4.28 with this paragraph than when calculated under paragraph (d), in conjunction with paragraph  
 4.29 (e).

4.30 (2) Where any member retires prior to ~~normal retirement~~ age 65 under a formula annuity,  
 4.31 the member shall be paid a retirement annuity in an amount equal to the normal annuity  
 4.32 provided in paragraph (b) reduced by one-quarter of one percent for each month that the  
 4.33 member is under ~~normal retirement~~ age 65 at the time of retirement except that for any  
 4.34 member who has 30 or more years of allowable service credit, the reduction shall be applied  
 4.35 only for each month that the member is under age 62.

5.1 (3) Any member whose attained age plus credited allowable service totals 90 years is  
5.2 entitled, upon application, to a retirement annuity in an amount equal to the normal annuity  
5.3 provided in paragraph (b), without any reduction by reason of early retirement.

5.4 (d) This paragraph applies to a member who has become at least 55 years old and first  
5.5 became a member of the association after June 30, 1989, and to any other member who has  
5.6 become at least 55 years old and whose annuity amount when calculated under this paragraph  
5.7 and in conjunction with paragraph (e), is higher than it is when calculated under paragraph  
5.8 (b), in conjunction with paragraph (c).

5.9 (1) For a basic member, the average salary, as defined in section 354.05, subdivision  
5.10 13a, multiplied by 2.7 percent for each year of service for a basic member determines the  
5.11 amount of the retirement annuity to which the basic member is entitled. The annuity of a  
5.12 basic member who was a member of the former Minneapolis Teachers Retirement Fund  
5.13 Association as of June 30, 2006, must be determined according to the annuity formula under  
5.14 the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association  
5.15 in effect as of that date.

5.16 (2) For a coordinated member, the average salary, as defined in section 354.05,  
5.17 subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1,  
5.18 2006, and by 1.9 percent for each year of service rendered on or after July 1, 2006, for a  
5.19 member other than a member who was a member of the former Duluth Teachers Retirement  
5.20 Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each  
5.21 year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers  
5.22 Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the  
5.23 amount of the retirement annuity to which the coordinated member is entitled.

5.24 (e) This paragraph applies to a person who has become at least 55 years old and first  
5.25 becomes a member of the association after June 30, 1989, and to any other member who  
5.26 has become at least 55 years old and whose annuity is higher when calculated under  
5.27 paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b)  
5.28 in conjunction with paragraph (c). An employee who retires under the formula annuity  
5.29 before the normal retirement age is entitled to receive the normal annuity provided in  
5.30 paragraph (d), reduced as described in clause (1) or (2), as applicable to (3), or an  
5.31 unreduced annuity as described in clause (4).

5.32 ~~(1) For a member who is at least age 62 and has at least 30 years of service, the annuity~~  
5.33 ~~shall be reduced by an early reduction factor of six percent for each year that the member's~~  
5.34 ~~age of retirement precedes the normal retirement age. The resulting reduced annuity shall~~

6.1 ~~be further adjusted to take into account the increase in the monthly amount that would have~~  
6.2 ~~occurred had the member retired early and deferred receipt of the annuity until normal~~  
6.3 ~~retirement age and the annuity was augmented during the deferral period at 2.5 percent, if~~  
6.4 ~~the member commenced employment after June 30, 2006, or at three percent, if the member~~  
6.5 ~~commenced employment before July 1, 2006, compounded annually.~~

6.6 ~~(2)~~ (1) For a member who has not attained the normal retirement age 62 or has fewer  
6.7 than 30 35 years of service, the annuity shall be reduced for each year that the member's  
6.8 age of retirement precedes normal retirement age by the following early reduction factors:

6.9 (i) for the period during which the member is age 55 through age 58, the factor is four  
6.10 percent; and

6.11 (ii) for the period during which the member is at least age 59 but not yet normal retirement  
6.12 age, the factor is seven percent.

6.13 ~~(2)~~ The resulting annuity shall be further adjusted to take into account the increase in  
6.14 the monthly amount that would have occurred had the member retired early and deferred  
6.15 receipt of the annuity until normal retirement age and the annuity was augmented during  
6.16 the deferral period at the applicable annual rate, compounded annually. The applicable  
6.17 annual rate is the rate in effect for the month that includes the member's effective date of  
6.18 retirement and shall be considered as fixed for the member for the period until the member  
6.19 reaches normal retirement age. The applicable annual rate for June 2019 is 2.5 percent, if  
6.20 the member commenced employment after June 30, 2006, or three percent, if the member  
6.21 commenced employment before July 1, 2006, compounded annually, and decreases each  
6.22 month beginning July 2019 in equal monthly increments over the five-year period that  
6.23 begins July 1, 2019, and ends June 30, 2024, to zero percent effective for July 2024 and  
6.24 thereafter.

6.25 ~~(3)~~ After June 30, 2024, the reduced annuity commencing before normal retirement age  
6.26 under this clause shall not take into account any augmentation.

6.27 (4) Any member who is credited with at least 35 years of allowable service is entitled,  
6.28 upon application, to a retirement annuity in an amount equal to the normal annuity provided  
6.29 in paragraph (d), without any reduction by reason of early retirement.

6.30 (f) No retirement annuity is payable to a former employee with a salary that exceeds 95  
6.31 percent of the governor's salary unless and until the salary figures used in computing the  
6.32 highest five successive years average salary under paragraph (a) have been audited by the  
6.33 Teachers Retirement Association and determined by the executive director to comply with  
6.34 the requirements and limitations of section 354.05, subdivisions 35 and 35a.

7.1 Sec. 6. Minnesota Statutes 2022, section 354A.011, subdivision 15a, is amended to read:

7.2 Subd. 15a. **Normal retirement age.** "Normal retirement age" means age 65 for a person  
7.3 who first became a member of the coordinated program of the St. Paul Teachers Retirement  
7.4 Fund Association or a member of a pension fund listed in section 356.30, subdivision 3,  
7.5 before July 1, 1989. For a person who first became a member of the coordinated program  
7.6 of the St. Paul Teachers Retirement Fund Association after June 30, 1989, normal retirement  
7.7 age means the higher of age 65 or retirement age, as defined in United States Code, title 42,  
7.8 section 416(1), as amended, but not to exceed age 66 62. For a person who is a member of  
7.9 the basic program of the St. Paul Teachers Retirement Fund Association, normal retirement  
7.10 age means the age at which a teacher becomes eligible for a normal retirement annuity  
7.11 computed upon meeting the age and service requirements specified in the applicable  
7.12 provisions of the articles of incorporation or bylaws of the teachers retirement fund  
7.13 association.

7.14 Sec. 7. Minnesota Statutes 2022, section 354A.29, subdivision 7, is amended to read:

7.15 Subd. 7. **Postretirement adjustments.** (a) Except as set forth in paragraph (c), each  
7.16 person who has been receiving an annuity or benefit under the articles of incorporation, the  
7.17 bylaws, or this chapter, whose effective date of benefit commencement occurred on or  
7.18 before July 1 of the calendar year immediately before the adjustment, is eligible to receive  
7.19 an annual postretirement adjustment, effective as of each January 1, as follows:

7.20 (1) there shall be no postretirement adjustment on January 1, 2019, and January 1, 2020;  
7.21 and

7.22 (2) the postretirement adjustment shall be one percent on January 1, 2021, and each  
7.23 January 1 thereafter.

7.24 (b) A postretirement adjustment is to be applied as a permanent increase to the regular  
7.25 payment of each eligible member on January 1. For any eligible member whose effective  
7.26 date of benefit commencement occurred after January 1 of the immediately preceding  
7.27 calendar year, the amount of the postretirement adjustment must be reduced by 50 percent.

7.28 (c) Each person who retires on or after July 1, 2024, is entitled to an annual postretirement  
7.29 adjustment, effective as of each January 1, beginning with the year following the year in  
7.30 which the member attains normal retirement age.

7.31 (d) Paragraph (c) does not apply to members who retire under section 354A.31,  
7.32 subdivision 6, paragraph (b), or who retire when the member is at least age 62 and has at  
7.33 least 30 years of service under section 354A.31, subdivision 7 (c).

8.1 Sec. 8. Minnesota Statutes 2022, section 354A.31, subdivision 3, is amended to read:

8.2 Subd. 3. **Resumption of teaching after commencement of a retirement annuity.** (a)

8.3 Any person who retired and is receiving a coordinated program retirement annuity under  
8.4 the provisions of sections 354A.31 to 354A.41 or any person receiving a basic program  
8.5 retirement annuity under the governing sections in the articles of incorporation or bylaws  
8.6 and who has resumed teaching service for the school district in which the teachers retirement  
8.7 fund association exists is entitled to continue to receive retirement annuity payments, except  
8.8 that all or a portion of the annuity payments must be deferred during the calendar year  
8.9 immediately following the calendar year in which the person's salary from the teaching  
8.10 service is in an amount greater than \$46,000. The amount of the annuity deferral is one-third  
8.11 the salary amount in excess of \$46,000 and must be deducted from the annuity payable for  
8.12 the calendar year immediately following the calendar year in which the excess amount was  
8.13 earned.

8.14 (b) If the person is retired for only a fractional part of the calendar year during the initial  
8.15 year of retirement, the maximum reemployment salary exempt from triggering a deferral  
8.16 as specified in this subdivision must be prorated for that calendar year.

8.17 (c) After a person has reached the Social Security ~~normal~~ retirement age as defined in  
8.18 United States Code, title 41, section 416(l), as amended, no deferral requirement is applicable  
8.19 regardless of the amount of any compensation received for teaching service for the school  
8.20 district in which the teachers retirement fund association exists.

8.21 (d) The amount of the retirement annuity deferral must be handled or disposed of as  
8.22 provided in section 356.47.

8.23 (e) Notwithstanding other paragraphs of this subdivision, for any retired St. Paul Teachers  
8.24 Retirement Fund Association basic or coordinated program member whose effective date  
8.25 of retirement is after June 30, 2013, amounts specified as deferred under this subdivision  
8.26 must instead be forfeited to the St. Paul Teachers Retirement Fund Association fund.

8.27 (f) For the purpose of this subdivision, salary from teaching service includes: (i) all  
8.28 income for services performed as a consultant or independent contractor; or income resulting  
8.29 from working with the school district in any capacity; and (ii) the greater of either the income  
8.30 received or an amount based on the rate paid with respect to an administrative position,  
8.31 consultant, or independent contractor in the school district in which the teachers retirement  
8.32 fund association exists and at the same level as the position occupied by the person who  
8.33 resumes teaching service.



9.1 (g) On or before February 15 of each year, each applicable employing unit shall report  
9.2 to the teachers retirement fund association the amount of postretirement salary as defined  
9.3 in this subdivision, earned as a teacher, consultant, or independent contractor during the  
9.4 previous calendar year by each retiree of the teachers retirement fund association for teaching  
9.5 service performed after retirement. The report must be in a format approved by the executive  
9.6 secretary or director.

9.7 Sec. 9. Minnesota Statutes 2022, section 354A.31, subdivision 6, is amended to read:

9.8 Subd. 6. **Reduced retirement annuity.** (a) This subdivision applies only to a person  
9.9 who first became a coordinated member or a member of a pension fund listed in section  
9.10 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated  
9.11 using the retirement annuity formula percentage in subdivision 4, paragraph (c), in  
9.12 conjunction with this subdivision than when calculated under subdivision 4, paragraph (d),  
9.13 in conjunction with subdivision 7.

9.14 (b) Upon retirement at an age before ~~normal retirement~~ age 65 or prior to age 62 with  
9.15 at least 30 years of service credit, a vested coordinated member shall be entitled to a  
9.16 retirement annuity in an amount equal to the normal retirement annuity calculated using the  
9.17 retirement annuity formula percentage in subdivision 4, paragraph (c), reduced by one-quarter  
9.18 of one percent for each month that the coordinated member is under ~~normal retirement~~ age  
9.19 65 if the coordinated member has less than 30 years of service credit or is under the age of  
9.20 62 if the coordinated member has at least 30 years of service credit.

9.21 (c) Any coordinated member whose attained age plus credited allowable service totals  
9.22 90 years is entitled, upon application, to a retirement annuity in an amount equal to the  
9.23 normal retirement annuity calculated using the retirement annuity formula percentage in  
9.24 subdivision 4, paragraph (c), without any reduction by reason of early retirement.

9.25 Sec. 10. Minnesota Statutes 2022, section 354A.31, subdivision 7, is amended to read:

9.26 Subd. 7. **Reduction for early retirement.** (a) This subdivision applies to a person who  
9.27 has become at least 55 years old and first becomes a coordinated member after June 30,  
9.28 1989, and to any other coordinated member who has become at least 55 years old and whose  
9.29 annuity is higher when calculated using the retirement annuity formula percentage in  
9.30 subdivision 4, paragraph (d), in conjunction with this subdivision than when calculated  
9.31 under subdivision 4, paragraph (c), in conjunction with subdivision 6. An employee who  
9.32 retires under the formula annuity before the normal retirement age shall be paid the normal

10.1 annuity reduced as described in paragraph (b) ~~if the person retires on or after July 1, 2019,~~  
10.2 ~~or in paragraph (c) if the person retires before July 1, 2019, as applicable.~~

10.3 (b) A coordinated member who retires before the normal retirement age ~~and on or after~~  
10.4 ~~July 1, 2019,~~ is entitled to receive a retirement annuity calculated using the retirement  
10.5 annuity formula percentage in subdivision 4, paragraph (d), reduced as described in clause  
10.6 (1) or (2), as applicable.

10.7 (1) If the member retires when the member is younger than the normal retirement age  
10.8 ~~62~~ or with fewer than ~~30~~ 35 years of service, the annuity must be reduced by an early  
10.9 reduction factor for each year that the member's age of retirement precedes normal retirement  
10.10 age. The early reduction factors are four percent per year for members whose age at  
10.11 retirement is at least 55 but not yet 59 and seven percent per year for members whose age  
10.12 at retirement is at least 59 but not yet normal retirement age. The resulting annuity must be  
10.13 further adjusted to take into account augmentation as if the employee had deferred receipt  
10.14 of the annuity until normal retirement age and the annuity were augmented at the applicable  
10.15 annual rate, compounded annually, from the day the annuity begins to accrue until normal  
10.16 retirement age. The applicable annual rate is the rate in effect on the employee's effective  
10.17 date of retirement and shall be considered as fixed for the employee. The applicable annual  
10.18 rates are the following:

10.19 (i) until June 30, 2019, 2.5 percent;

10.20 (ii) a rate that changes each month, beginning July 1, 2019, through June 30, 2024, which  
10.21 is determined by reducing the rate in item (i) to zero in equal monthly increments over the  
10.22 five-year period; and

10.23 (iii) after June 30, 2024, zero percent.

10.24 After June 30, 2024, the reduced annuity commencing before normal retirement age  
10.25 under this clause shall not take into account any augmentation.

10.26 (2) If the member retires when the member is at least age ~~62 or older~~ and has at least ~~30~~  
10.27 35 years of allowable service, the member is entitled ~~to receive a retirement annuity~~  
10.28 ~~calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d),~~  
10.29 ~~multiplied by the applicable early retirement factor specified for members "Age 62 or older~~  
10.30 ~~with 30 years of service" in the table in paragraph (e), upon application, to a retirement~~  
10.31 annuity in an amount equal to the normal retirement annuity calculated using the retirement  
10.32 annuity formula percentage in subdivision 4, paragraph (d), without any reduction by reason  
10.33 of early retirement.

11.1 ~~(e) A coordinated member who retires before the normal retirement age and before July~~  
 11.2 ~~1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity~~  
 11.3 ~~formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early~~  
 11.4 ~~retirement factor specified below:~~

	Under age 62		Age 62 or older	
	or less than 30 years of service		with 30 years of service	
Normal retirement age:	65	66	65	66
Age at retirement				
55	0.5376	0.4592		
56	0.5745	0.4992		
57	0.6092	0.5370		
58	0.6419	0.5726		
59	0.6726	0.6062		
60	0.7354	0.6726		
61	0.7947	0.7354		
62	0.8507	0.7947	0.8831	0.8389
63	0.9035	0.8507	0.9246	0.8831
64	0.9533	0.9035	0.9635	0.9246
65	1.0000	0.9533	1.0000	0.9635
66		1.0000		1.0000

11.21 ~~For normal retirement ages between ages 65 and 66, the early retirement factors must~~  
 11.22 ~~be determined by linear interpolation between the early retirement factors applicable for~~  
 11.23 ~~normal retirement ages 65 and 66.~~

11.24 Sec. 11. Minnesota Statutes 2022, section 354A.36, subdivision 3, is amended to read:

11.25 Subd. 3. **Computation of disability benefit.** The coordinated permanent disability  
 11.26 benefit is an amount equal to the normal coordinated retirement annuity computed under  
 11.27 section 354A.31, subdivision 4, based on allowable service credited to the date of disability  
 11.28 but without any reduction for the commencement of the benefit prior to the attainment of  
 11.29 normal retirement age or ~~age 62 with at least 30~~ 35 years of allowable service credit as  
 11.30 specified in section 354A.31, subdivision ~~6~~ 7.

11.31 Sec. 12. Minnesota Statutes 2022, section 356.415, subdivision 1d, is amended to read:

11.32 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.** (a)  
 11.33 Except as set forth in paragraph (d), recipients of a retirement annuity, disability benefit,

12.1 or survivor benefit from the Teachers Retirement Association are entitled to an annual  
12.2 postretirement adjustment, effective as of each January 1, as follows:

12.3 (1) effective January 1, 2019, through December 31, 2023, a postretirement increase of  
12.4 one percent must be applied each year to the amount of the monthly annuity or benefit of  
12.5 each annuitant or benefit recipient who has been receiving an annuity or a benefit for at  
12.6 least 12 full months as of the June 30 of the calendar year immediately before the adjustment;

12.7 (2) effective January 1, 2019, through December 31, 2023, for each annuitant or benefit  
12.8 recipient who has been receiving an annuity or a benefit for at least one full month, but less  
12.9 than 12 full months as of the June 30 of the calendar year immediately before the adjustment,  
12.10 a postretirement increase of 1/12 of one percent for each month the person has been receiving  
12.11 an annuity or benefit must be applied to the amount of the monthly annuity or benefit of  
12.12 the annuitant or benefit recipient;

12.13 (3) effective January 1, 2024, and thereafter, a postretirement increase must be applied  
12.14 each year to the amount of the monthly annuity or benefit of each annuitant or benefit  
12.15 recipient who has been receiving an annuity or a benefit for at least 12 full months as of the  
12.16 June 30 of the calendar year immediately before the adjustment, at the following rates:

12.17	from January 1, 2024, through December 31, 2024	1.1 percent
12.18	from January 1, 2025, through December 31, 2025	1.2 percent
12.19	from January 1, 2026, through December 31, 2026	1.3 percent
12.20	from January 1, 2027, through December 31, 2027	1.4 percent
12.21	from January 1, 2028, and thereafter	1.5 percent

12.22 (4) effective January 1, 2024, and thereafter, for each annuitant or benefit recipient who  
12.23 has been receiving an annuity or a benefit for at least one full month, but less than 12 full  
12.24 months, as of the June 30 of the calendar year immediately before the adjustment, an annual  
12.25 postretirement increase of 1/12 of the applicable percentage for each month that the person  
12.26 has been receiving an annuity or benefit must be applied to the amount of the monthly  
12.27 annuity or benefit of the annuitant or benefit recipient. The applicable percentages are the  
12.28 following:

12.29	from January 1, 2024, through December 31, 2024	1.1 percent
12.30	from January 1, 2025, through December 31, 2025	1.2 percent
12.31	from January 1, 2026, through December 31, 2026	1.3 percent
12.32	from January 1, 2027, through December 31, 2027	1.4 percent
12.33	from January 1, 2028, and thereafter	1.5 percent

13.1 (b) An increase in annuity or benefit payments under this section must be made  
13.2 automatically unless written notice is filed by the annuitant or benefit recipient with the  
13.3 executive director of the Teachers Retirement Association requesting that the increase not  
13.4 be made.

13.5 (c) The retirement annuity payable to a person who retires before becoming eligible for  
13.6 Social Security benefits and who has elected the optional payment as provided in section  
13.7 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement  
13.8 annuity for the purposes of any postretirement adjustment. The period-certain retirement  
13.9 annuity plus the life retirement annuity must be the annuity amount payable until age 62,  
13.10 65, or normal retirement age, as selected by the member at retirement, for an annuity amount  
13.11 payable under section 354.35. A postretirement adjustment granted on the period-certain  
13.12 retirement annuity must terminate when the period-certain retirement annuity terminates.

13.13 (d) Members who retire on or after July 1, 2024, are entitled to an annual postretirement  
13.14 adjustment of the member's retirement annuity, effective as of each January 1, beginning  
13.15 with the year following the year in which the member attains normal retirement age, as  
13.16 follows:

13.17 (1) if a member has been receiving an annuity for at least 12 full months as of the June  
13.18 30 of the calendar year immediately before the date of the adjustment, a postretirement  
13.19 increase equal to the percentage specified in paragraph (a), clause (3), must be applied,  
13.20 effective on January 1, to the amount of the member's monthly annuity;

13.21 (2) if a member has been receiving an annuity for at least one full month, but less than  
13.22 12 full months as of the June 30 of the calendar year immediately before the date of  
13.23 adjustment, a postretirement increase of 1/12 of the applicable percentage specified in  
13.24 paragraph (a), clause (4), for each month that the member has been receiving an annuity  
13.25 must be applied, effective on January 1, to the amount of the member's monthly annuity;  
13.26 or

13.27 (3) if a member has been receiving an annuity for fewer than seven months as of the  
13.28 January 1 of the year following the year in which the member attains normal retirement  
13.29 age, a postretirement adjustment shall be applied effective as of the next January 1. The  
13.30 amount of the adjustment shall be determined under clause (2).

13.31 (e) Paragraph (d) does not apply to members who retire under section 354.44, subdivision  
13.32 6, paragraph (c), clause (3), ~~or who retire when the member is at least age 62 and has at~~  
13.33 ~~least 30 years of service under section 354.44, subdivision 6, paragraph (c), (d), (e), or (f),~~  
13.34 ~~as applicable.~~

14.1 Sec. 13. **REPEALER.**14.2 Minnesota Statutes 2022, section 354.35, subdivision 1, is repealed.14.3 Sec. 14. **EFFECTIVE DATE.**14.4 Sections 1 to 13 are effective July 1, 2023.14.5 **ARTICLE 2**14.6 **RESTORING DEFERRED AUGMENTATION FOR TEACHERS**

14.7 Section 1. Minnesota Statutes 2022, section 354.55, subdivision 11, is amended to read:

14.8 Subd. 11. **Deferred annuity; augmentation.** (a) Any person covered under section  
14.9 354.44, subdivision 6, who ceases to render teaching service, may leave the person's  
14.10 accumulated deductions in the fund for the purpose of receiving a deferred annuity at  
14.11 retirement.

14.12 (b) The deferred retirement annuity of any former member must be augmented from the  
14.13 first day of the month following the termination of active service to the effective date of  
14.14 retirement.

14.15 (c) No augmentation is creditable if the deferral period is less than three months or if  
14.16 deferral commenced before July 1, 1971.

14.17 (d) For persons who became covered employees before July 1, 2006, the annuity must  
14.18 be augmented at the following rate or rates, compounded annually:

14.19 (1) five percent until January 1, 1981;

14.20 (2) three percent from January 1, 1981, until January 1 of the year following the year in  
14.21 which the deferred annuitant attains age 55 or June 30, 2012, whichever is earlier;

14.22 (3) five percent from the date established in clause (2) until June 30, 2012;

14.23 (4) two percent from July 1, 2012, until June 30, 2019; ~~and~~

14.24 (5) ~~after June 30~~ zero percent from July 1, 2019, the deferred annuity must not be  
14.25 augmented. until June 30, 2023; and

14.26 (6) two percent from July 1, 2023, and thereafter.

14.27 (e) For persons who become covered employees after June 30, 2006, the annuity must  
14.28 be augmented at the following rate or rates, compounded annually:

14.29 (1) 2.5 percent until June 30, 2012;

15.1 (2) two percent from July 1, 2012, until June 30, 2019; ~~and~~

15.2 (3) ~~after June 30~~ zero percent from July 1, 2019, the deferred annuity must not be  
15.3 augmented. until June 30, 2023; and

15.4 (4) two percent from July 1, 2023, and thereafter.

15.5 (f) In no case may the annuity payable under this subdivision be less than the amount  
15.6 of annuity payable under section 354.44, subdivision 6.

15.7 (g) The requirements and provisions for retirement before normal retirement age contained  
15.8 in section 354.44, subdivision 6, also apply to an employee fulfilling the requirements with  
15.9 a combination of service as provided in section 356.311.

15.10 (h) The augmentation provided by this subdivision applies to the benefit provided in  
15.11 section 354.46, subdivision 2.

15.12 (i) The augmentation provided by this subdivision does not apply to any period in which  
15.13 a person is on an approved leave of absence from an employer unit covered by the provisions  
15.14 of this chapter.

15.15 (j) The retirement annuity or disability benefit of, or the survivor benefit payable on  
15.16 behalf of, a former teacher who terminated service before July 1, 1997, which is not first  
15.17 payable until after June 30, 1997, must be increased on an actuarial equivalent basis to  
15.18 reflect the change in the investment return actuarial assumption under section 356.215,  
15.19 subdivision 8, from five percent to six percent under a calculation procedure and tables  
15.20 adopted by the board as recommended by an approved actuary and approved by the actuary  
15.21 retained under section 356.214.

15.22 Sec. 2. Minnesota Statutes 2022, section 354A.37, subdivision 2, is amended to read:

15.23 Subd. 2. **Eligibility for deferred retirement annuity.** (a) Any coordinated member  
15.24 who ceases to render teaching services for the school district in which the teachers retirement  
15.25 fund association is located, with sufficient allowable service credit to meet the minimum  
15.26 service requirements specified in section 354A.31, subdivision 1, shall be entitled to a  
15.27 deferred annuity in lieu of a refund under subdivision 1.

15.28 (b) The deferred annuity must be augmented from the first day of the month following  
15.29 the termination of active service to the effective date of retirement. There is no augmentation  
15.30 if this period is less than three months.

15.31 (c) The deferred annuity commences upon application after the person on deferred status  
15.32 attains at least the minimum age specified in section 354A.31, subdivision 1.

16.1 (d) For a person who became a covered employee before July 1, 2006, the annuity must  
16.2 be augmented at the following rate or rates, compounded annually:

16.3 (1) three percent until January 1 of the year following the year in which the former  
16.4 member attains age 55 or June 30, 2012, whichever is earlier;

16.5 (2) five percent from the January 1 next following the attainment of age 55 or until June  
16.6 30, 2012;

16.7 (3) two percent from July 1, 2012, until June 30, 2019; ~~and~~

16.8 (4) ~~after June 30~~ zero percent from July 1, 2019, the deferred annuity must not be  
16.9 ~~augmented.~~ until June 30, 2023; and

16.10 (5) two percent from July 1, 2023, and thereafter.

16.11 (e) For a person who became a covered employee after June 30, 2006, the annuity must  
16.12 be augmented at the following rate or rates, compounded annually:

16.13 (1) 2.5 percent until June 30, 2012;

16.14 (2) two percent from July 1, 2012, until June 30, 2019; ~~and~~

16.15 (3) ~~after June 30~~ zero percent from July 1, 2019, the deferred annuity must not be  
16.16 ~~augmented.~~ until June 30, 2023; and

16.17 (4) two percent from July 1, 2023, and thereafter.

16.18 (f) The augmentation provided by this subdivision applies to the benefit provided in  
16.19 section 354A.35, subdivision 2. The augmentation provided by this subdivision does not  
16.20 apply to any period in which a person is on an approved leave of absence from an employer  
16.21 unit.

16.22 Sec. 3. **EFFECTIVE DATE.**

16.23 Sections 1 and 2 are effective July 1, 2023.

## 16.24 **ARTICLE 3**

### 16.25 **ADDITIONAL SERVICE CREDIT FOR SCHOOL EMPLOYEES**

16.26 Section 1. **SCHOOL EMPLOYEE SERVICE CREDIT FOR 2020-2022.**

16.27 Notwithstanding any other law to the contrary, a member of the Public Employees  
16.28 Retirement Association, the Minnesota State Retirement System, the Teachers Retirement  
16.29 Association, or the St. Paul Teachers Retirement Fund Association must be credited with  
16.30 two months of allowable service credit for every one month of service credit earned as an



17.1 employee of a Minnesota school district, charter school, or the Perpich Center for Arts  
 17.2 Education during the years 2020, 2021, or 2022.

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

17.4 **ARTICLE 4**

17.5 **TEACHERS' POSTRETIREMENT ADJUSTMENT**

17.6 Section 1. Minnesota Statutes 2022, section 354A.29, subdivision 7, is amended to read:

17.7 Subd. 7. **Postretirement adjustments.** (a) Except as set forth in paragraph (c), each  
 17.8 person who has been receiving an annuity or benefit under the articles of incorporation, the  
 17.9 bylaws, or this chapter, whose effective date of benefit commencement occurred on or  
 17.10 before July 1 of the calendar year immediately before the adjustment, is eligible to receive  
 17.11 an annual postretirement adjustment, effective as of each January 1, ~~as follows:(1) there~~  
 17.12 ~~shall be no postretirement adjustment on January 1, 2019, and January 1, 2020; and(2) the~~  
 17.13 ~~postretirement adjustment shall be one percent on January 1, 2021, and each January 1~~  
 17.14 ~~thereafter~~ determined by multiplying the monthly amount of the annuity or benefit by the  
 17.15 percentage of increase specified in clause (1), after taking into account any reduction to the  
 17.16 percentage of increase required under clauses (2) and (3).

17.17 (1) The percentage of increase shall be one percent unless the federal Social Security  
 17.18 Administration has announced a cost-of-living adjustment pursuant to United States Code,  
 17.19 title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than  
 17.20 one percent. If the cost-of-living adjustment announced by the federal Social Security  
 17.21 Administration is greater than one percent, the percentage of increase shall equal the  
 17.22 cost-of-living adjustment announced by the federal Social Security Administration, but in  
 17.23 no event may the percentage of increase exceed three percent.

17.24 (2) If the recipient of an annuity or benefit has been receiving the annuity or benefit for  
 17.25 at least 12 full months as of June 30 of the calendar year immediately before the effective  
 17.26 date of the increase, there is no reduction in the percentage of increase.

17.27 (3) If the recipient of an annuity or benefit has been receiving the annuity or benefit for  
 17.28 at least one month but less than 12 full months as of June 30 of the calendar year immediately  
 17.29 preceding the effective date of the increase, the percentage of increase is multiplied by a  
 17.30 fraction, the numerator of which is the number of months the annuity or benefit was received  
 17.31 as of June 30 of the preceding calendar year and the denominator of which is 12.

17.32 (b) A postretirement adjustment is to be applied as a permanent increase to the regular  
 17.33 payment of each eligible member on January 1. For any eligible member whose effective

18.1 date of benefit commencement occurred after January 1 of the immediately preceding  
18.2 calendar year, the amount of the postretirement adjustment must be reduced by 50 percent.

18.3 (c) Each person who retires on or after July 1, 2024, is entitled to an annual postretirement  
18.4 adjustment, effective as of each January 1, beginning with the year following the year in  
18.5 which the member attains normal retirement age.

18.6 (d) Paragraph (c) does not apply to members who retire under section 354A.31,  
18.7 subdivision 6, paragraph (b), or who retire when the member is at least age 62 and has at  
18.8 least 30 years of service under section 354A.31, subdivision 7.

18.9 Sec. 2. Minnesota Statutes 2022, section 356.415, subdivision 1d, is amended to read:

18.10 Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.** (a)  
18.11 Except as set forth in paragraph (d), recipients of a retirement annuity, disability benefit,  
18.12 or survivor benefit from the Teachers Retirement Association are entitled to an annual  
18.13 postretirement adjustment, effective as of each January 1, as follows: by the percentage of  
18.14 increase determined under this subdivision. The increase to the annuity or benefit shall be  
18.15 determined by multiplying the monthly amount of the annuity or benefit by the percentage  
18.16 of increase specified in clause (1), after taking into account any reduction to the percentage  
18.17 of increase required under clauses (2) and (3).

18.18 ~~(1) effective January 1, 2019, through December 31, 2023, a postretirement increase of~~  
18.19 ~~one percent must be applied each year to the amount of the monthly annuity or benefit of~~  
18.20 ~~each annuitant or benefit recipient who has been receiving an annuity or a benefit for at~~  
18.21 ~~least 12 full months as of the June 30 of the calendar year immediately before the adjustment;~~

18.22 ~~(2) effective January 1, 2019, through December 31, 2023, for each annuitant or benefit~~  
18.23 ~~recipient who has been receiving an annuity or a benefit for at least one full month, but less~~  
18.24 ~~than 12 full months as of the June 30 of the calendar year immediately before the adjustment,~~  
18.25 ~~a postretirement increase of 1/12 of one percent for each month the person has been receiving~~  
18.26 ~~an annuity or benefit must be applied to the amount of the monthly annuity or benefit of~~  
18.27 ~~the annuitant or benefit recipient;~~

18.28 ~~(3) effective January 1, 2024, and thereafter, a postretirement increase must be applied~~  
18.29 ~~each year to the amount of the monthly annuity or benefit of each annuitant or benefit~~  
18.30 ~~recipient who has been receiving an annuity or a benefit for at least 12 full months as of the~~  
18.31 ~~June 30 of the calendar year immediately before the adjustment, at the following rates:~~

18.32 ~~from January 1, 2024, through December 31, 2024~~ 1.1 percent  
18.33 ~~from January 1, 2025, through December 31, 2025~~ 1.2 percent

19.1	<del>from January 1, 2026, through December 31, 2026</del>	<del>1.3 percent</del>
19.2	<del>from January 1, 2027, through December 31, 2027</del>	<del>1.4 percent</del>
19.3	<del>from January 1, 2028, and thereafter</del>	<del>1.5 percent</del>

19.4 ~~(4) effective January 1, 2024, and thereafter, for each annuitant or benefit recipient who~~  
 19.5 ~~has been receiving an annuity or a benefit for at least one full month, but less than 12 full~~  
 19.6 ~~months, as of the June 30 of the calendar year immediately before the adjustment, an annual~~  
 19.7 ~~postretirement increase of 1/12 of the applicable percentage for each month that the person~~  
 19.8 ~~has been receiving an annuity or benefit must be applied to the amount of the monthly~~  
 19.9 ~~annuity or benefit of the annuitant or benefit recipient. The applicable percentages are the~~  
 19.10 ~~following:~~

19.11	<del>from January 1, 2024, through December 31, 2024</del>	<del>1.1 percent</del>
19.12	<del>from January 1, 2025, through December 31, 2025</del>	<del>1.2 percent</del>
19.13	<del>from January 1, 2026, through December 31, 2026</del>	<del>1.3 percent</del>
19.14	<del>from January 1, 2027, through December 31, 2027</del>	<del>1.4 percent</del>
19.15	<del>from January 1, 2028, and thereafter</del>	<del>1.5 percent</del>

19.16 (1) The percentage of increase shall be one percent unless the federal Social Security  
 19.17 Administration has announced a cost-of-living adjustment pursuant to United States Code,  
 19.18 title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than  
 19.19 one percent. If the cost-of-living adjustment announced by the federal Social Security  
 19.20 Administration is greater than one percent, the percentage of increase shall equal the  
 19.21 cost-of-living adjustment announced by the federal Social Security Administration, but in  
 19.22 no event may the percentage of increase exceed three percent.

19.23 (2) If the recipient of an annuity, disability benefit, or survivor benefit has been receiving  
 19.24 the annuity or benefit for at least 12 full months as of June 30 of the calendar year  
 19.25 immediately before the effective date of the increase, there is no reduction in the percentage  
 19.26 of increase.

19.27 (3) If the recipient of an annuity, disability benefit, or survivor benefit has been receiving  
 19.28 the annuity or benefit for at least one month but less than 12 full months as of June 30 of  
 19.29 the calendar year immediately preceding the effective date of the increase, the percentage  
 19.30 of increase is multiplied by a fraction, the numerator of which is the number of months the  
 19.31 annuity or benefit was received as of June 30 of the preceding calendar year and the  
 19.32 denominator of which is 12.

19.33 (b) An increase in annuity or benefit payments under this section must be made  
 19.34 automatically unless written notice is filed by the annuitant or benefit recipient with the

20.1 executive director of the Teachers Retirement Association requesting that the increase not  
20.2 be made.

20.3 (c) The retirement annuity payable to a person who retires before becoming eligible for  
20.4 Social Security benefits and who has elected the optional payment as provided in section  
20.5 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement  
20.6 annuity for the purposes of any postretirement adjustment. The period-certain retirement  
20.7 annuity plus the life retirement annuity must be the annuity amount payable until age 62,  
20.8 65, or normal retirement age, as selected by the member at retirement, for an annuity amount  
20.9 payable under section 354.35. A postretirement adjustment granted on the period-certain  
20.10 retirement annuity must terminate when the period-certain retirement annuity terminates.

20.11 (d) Members who retire on or after July 1, 2024, are entitled to an annual postretirement  
20.12 adjustment of the member's retirement annuity, effective as of each January 1, beginning  
20.13 with the year following the year in which the member attains normal retirement age, as  
20.14 follows:

20.15 (1) if a member has been receiving an annuity for at least 12 full months as of the June  
20.16 30 of the calendar year immediately before the date of the adjustment, a postretirement  
20.17 increase equal to the percentage specified in paragraph (a), clause ~~(3)~~ (2), must be applied,  
20.18 effective on January 1, to the amount of the member's monthly annuity;

20.19 (2) if a member has been receiving an annuity for at least one full month, but less than  
20.20 12 full months as of the June 30 of the calendar year immediately before the date of  
20.21 adjustment, a postretirement increase of 1/12 of the applicable percentage specified in  
20.22 paragraph (a), clause ~~(4)~~ (3), for each month that the member has been receiving an annuity  
20.23 must be applied, effective on January 1, to the amount of the member's monthly annuity;  
20.24 or

20.25 (3) if a member has been receiving an annuity for fewer than seven months as of the  
20.26 January 1 of the year following the year in which the member attains normal retirement  
20.27 age, a postretirement adjustment shall be applied effective as of the next January 1. The  
20.28 amount of the adjustment shall be determined under clause (2).

20.29 (e) Paragraph (d) does not apply to members who retire under section 354.44, subdivision  
20.30 6, paragraph (c), clause (3), or who retire when the member is at least age 62 and has at  
20.31 least 30 years of service under section 354.44, subdivision 6, paragraph (c), (d), (e), or (f),  
20.32 as applicable.

21.1 Sec. 3. **EFFECTIVE DATE.**21.2 Sections 1 and 2 are effective July 1, 2023.21.3 **ARTICLE 5**21.4 **TEACHER PLAN EMPLOYER CONTRIBUTION INCREASE AND FUNDING**

21.5 Section 1. Minnesota Statutes 2022, section 126C.10, subdivision 37, is amended to read:

21.6 Subd. 37. **Pension adjustment revenue.** (a) A school district's pension adjustment  
21.7 revenue equals the sum of:

21.8 (1) the greater of zero or the product of:

21.9 (i) the difference between the district's adjustment under Minnesota Statutes 2012, section  
21.10 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state average  
21.11 adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year  
21.12 2014 per adjusted pupil unit; and

21.13 (ii) the district's adjusted pupil units for the fiscal year; and

21.14 (2) the product of the salaries paid to district employees who were members of the  
21.15 Teachers Retirement Association and the St. Paul Teachers' Retirement Fund Association  
21.16 for the prior fiscal year and the district's pension adjustment rate for the fiscal year. The  
21.17 pension adjustment rate for Independent School District No. 625, St. Paul, equals ~~0.84~~  
21.18 ~~percent for fiscal year 2019, 1.67 percent for fiscal year 2020, 1.88 percent for fiscal year~~  
21.19 ~~2021, 2.09 percent for fiscal year 2022, 2.3 percent for fiscal year 2023; and 2.5 ..... percent~~  
21.20 for fiscal year 2024 and later. The pension adjustment rate for all other districts equals ~~0.21~~  
21.21 ~~percent for fiscal year 2019, 0.42 percent for fiscal year 2020, 0.63 percent for fiscal year~~  
21.22 ~~2021, 0.84 percent for fiscal year 2022, 1.05 percent for fiscal year 2023; and 1.25 .....~~   
21.23 percent for fiscal year 2024 and later.21.24 (b) For fiscal year 2025 and later, the state total pension adjustment revenue under  
21.25 paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause  
21.26 (2), for fiscal year 2024. The commissioner must prorate the pension adjustment revenue  
21.27 under paragraph (a), clause (2), so as not to exceed the maximum.21.28 (c) Notwithstanding section 123A.26, subdivision 1, a cooperative unit, as defined in  
21.29 section 123A.24, subdivision 2, qualifies for pension adjustment revenue under paragraph  
21.30 (a), clause (2), as if it was a district, and the aid generated by the cooperative unit shall be  
21.31 paid to the cooperative unit.21.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.1 Sec. 2. Minnesota Statutes 2022, section 354.42, subdivision 3, is amended to read:

22.2 Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School  
22.3 District No. 1, Minneapolis, is an amount equal to the applicable following percentage of  
22.4 salary of each coordinated member and the applicable percentage of salary of each basic  
22.5 member specified in paragraph (c).

22.6 The additional employer contribution to the fund by Special School District No. 1,  
22.7 Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a  
22.8 coordinated member or who is a basic member.

22.9 (b) The regular employer contribution to the fund by Independent School District No.  
22.10 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or  
22.11 new law coordinated member specified for the coordinated program in paragraph (c).

22.12 (c) The employer contribution to the fund for every other employer is an amount equal  
22.13 to the applicable following percentage of the salary of each coordinated member and the  
22.14 applicable following percentage of the salary of each basic member:

22.15	Period	Coordinated Member	Basic Member
22.16	<del>from July 1, 2014, through June 30, 2018</del>	<del>7.5 percent</del>	<del>11.5 percent</del>
22.17	<del>from July 1, 2018, through June 30, 2019</del>	<del>7.71 percent</del>	<del>11.71 percent</del>
22.18	<del>from July 1, 2019, through June 30, 2020</del>	<del>7.92 percent</del>	<del>11.92 percent</del>
22.19	<del>from July 1, 2020, through June 30, 2021</del>	<del>8.13 percent</del>	<del>12.13 percent</del>
22.20	<del>from July 1, 2021, through June 30, 2022</del>	<del>8.34 percent</del>	<del>12.34 percent</del>
22.21	from July 1, 2022, through June 30, 2023	8.55 percent	12.55 percent
22.22	after June 30, 2023	8.75 <u>....</u> percent	12.75 <u>....</u> percent

22.23 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
22.24 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
22.25 reported.

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

22.27 Sec. 3. Minnesota Statutes 2022, section 354A.12, subdivision 2a, is amended to read:

22.28 Subd. 2a. **Employer regular and additional contributions.** (a) The employing units  
22.29 shall make the following employer contributions to the teachers retirement fund association:

22.30 (1) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
22.31 the employing unit shall make a regular employer contribution to the retirement fund  
22.32 association in an amount equal to the designated percentage of the salary of the coordinated  
22.33 member as provided below:

23.1	<del>after June 30, 2016</del>	<del>6.25 percent</del>
23.2	<del>after June 30, 2017</del>	<del>6.5 percent</del>
23.3	<del>after June 30, 2018</del>	<del>7.335 percent</del>
23.4	<del>after June 30, 2019</del>	<del>8.17 percent</del>
23.5	<del>after June 30, 2020</del>	<del>8.38 percent</del>
23.6	<del>after June 30, 2021</del>	<del>8.59 percent</del>
23.7	after June 30, 2022	8.8 percent
23.8	after June 30, 2023	9 <u>.....</u> percent

23.9 (2) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 23.10 employing unit shall make a regular employer contribution to the respective retirement fund  
 23.11 in an amount according to the schedule below:

23.12	<del>after June 30, 2016</del>	<del>9.75 percent of salary</del>
23.13	<del>after June 30, 2017</del>	<del>10 percent of salary</del>
23.14	<del>after June 30, 2018</del>	<del>10.835 percent of salary</del>
23.15	<del>after June 30, 2019</del>	<del>11.67 percent of salary</del>
23.16	<del>after June 30, 2020</del>	<del>11.88 percent of salary</del>
23.17	<del>after June 30, 2021</del>	<del>12.09 percent of salary</del>
23.18	after June 30, 2022	12.3 percent of salary
23.19	after June 30, 2023	<del>12.5</del> <u>.....</u> percent of salary

23.20 (3) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 23.21 employing unit shall make an additional employer contribution to the respective fund in an  
 23.22 amount equal to 3.64 percent of the salary of the basic member; and

23.23 (4) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
 23.24 the employing unit shall make an additional employer contribution to the respective fund  
 23.25 in an amount equal to 3.84 percent of the coordinated member's salary.

23.26 (b) The regular and additional employer contributions must be remitted directly to the  
 23.27 St. Paul Teachers Retirement Fund Association at least once each month. Delinquent amounts  
 23.28 are payable with interest under the procedure in subdivision 1a.

23.29 (c) Payments of regular and additional employer contributions for school district or  
 23.30 technical college employees who are paid from normal operating funds must be made from  
 23.31 the appropriate fund of the district or technical college.

23.32 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
 23.33 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

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

24.1 **Sec. 4. EDUCATION APPROPRIATION.**

24.2 Subdivision 1. **Department of Education.** The sums indicated are appropriated from  
24.3 the general fund to the Department of Education for the fiscal years designated. These sums  
24.4 are in addition to appropriations made for the same purpose in any other law.

24.5 Subd. 2. **General education aid.** For general education aid under Minnesota Statutes,  
24.6 section 126C.13, subdivision 4:

24.7 \$ ..... .. 2024

24.8 \$ ..... .. 2025

24.9 The 2024 appropriation includes \$0 for 2023 and \$..... for 2024.

24.10 The 2025 appropriation includes \$..... for 2024 and \$..... for 2025.

24.11 **EFFECTIVE DATE.** This section is effective June 30, 2023.



**354.35 OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE NORMAL RETIREMENT AGE.**

Subdivision 1. **Normal retirement age definition.** For purposes of this section, "normal retirement age" means normal retirement age as defined in United States Code, title 42, section 416(l), as amended.