

## CHAPTER 353F

PRIVATIZED PUBLIC HOSPITAL, PERA PENSION  
BENEFITS

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**353F.01 PURPOSE AND INTENT.**

The purpose of this chapter is to ensure, to the extent possible, that persons employed at public medical facilities and other public employing units who are privatized and consequently are excluded from retirement coverage by the Public Employees Retirement Association will be entitled to receive future retirement benefits under the general employees retirement plan of the Public Employees Retirement Association commensurate with the prior contributions made by them or made on their behalf upon the privatization of the medical facility or other public employing unit.

**History:** 1999 c 222 art 1 s 1

**353F.02 DEFINITIONS.**

Subdivision 1. **Generally.** As used in this chapter, unless the context clearly indicates otherwise, each of the terms in the following subdivisions has the meaning indicated.

Subd. 2. **Allowable service.** "Allowable service" has the meaning provided in section 353.01, subdivision 16, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred.

Subd. 3. **Effective date.** "Effective date" means the date that the operation of the medical facility or other public employing unit is assumed by another employer or the date that the medical facility or other public employing unit is purchased by another employer and active membership in the Public Employees Retirement Association consequently terminates.

Subd. 4. **Medical facility.** "Medical facility" means:

- (1) Bridges Medical Services;
- (2) the City of Cannon Falls Hospital;
- (3) Clearwater County Memorial Hospital doing business as Clearwater Health Services in Bagley;
- (4) the Dassel Lakeside Community Home;
- (5) the Fair Oaks Lodge, Wadena;
- (6) the Glencoe Area Health Center;
- (7) the Hutchinson Area Health Care;
- (8) the Kanabec Hospital;
- (9) the Luverne Public Hospital;
- (10) the Northfield Hospital;
- (11) the RenVilla Nursing Home;
- (12) the Renville County Hospital in Olivia;
- (13) the St. Peter Community Healthcare Center; and
- (14) the Waconia-Ridgeview Medical Center.

Subd. 5. **Other public employing unit.** "Other public employing unit" means:

- (1) Metro II, a joint powers organization formed under section 471.59; and
- (2) the St. Paul Civic Center authority.

Subd. 6. **Terminated medical facility or other public employing unit employee.** "Terminated medical facility or other public employing unit employee" means a person who:

- (1) was employed on the day before the effective date by the medical facility or other public employing unit; or
- (2) terminated employment with the medical facility or other public employing unit on the day before the effective date; and
- (3) was a participant in the general employees retirement plan of the Public Employees Retirement Association at the time of termination of employment with the medical facility or other public employing unit.

Subd. 7. **Years of allowable service.** "Years of allowable service" means the total number of years of allowable service under section 353.01, subdivision 18, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred.

**History:** 1999 c 222 art 1 s 2; 2000 c 461 art 8 s 1; 2002 c 392 art 5 s 1; 1Sp2003 c 12 art 5 s 1; 2004 c 267 art 12 s 1; 1Sp2005 c 8 art 6 s 1; 2006 c 271 art 5 s 2

**NOTE:** Subdivision 4 with respect to Clearwater County Memorial Hospital is effective upon the latter of:

- (1) the day after the governing body of Clearwater County and its chief clerical officer meet the requirements under section 645.021, subdivisions 2 and 3; and
- (2) the first day of the month following certification to Clearwater County by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Clearwater Health Services employees under Laws 2006, chapter 271, article 5, section 2, does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained under section 356.214. The cost of the actuarial calculations must be borne by the current employer or by the entity which is the employer following the privatization. Laws 2006, chapter 271, article 5, section 5.

**NOTE:** Subdivision 4 with respect to the Dassel Lakeside Community Home is effective upon the latter of:

- (1) the day after the governing body of the city of Dassel and its chief clerical officer timely complete compliance with section 645.021, subdivisions 2 and 3; and
- (2) the first day of the month next following certification to Dassel City Council by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Dassel Lakeside Community Home employees under Laws 2006, chapter 271, article 5, section 2, does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained under section 356.214. The cost of the actuarial calculations must be borne by the city of Dassel or by the entity which is the employer following the privatization. Laws 2006, chapter 271, article 5, section 5.

**NOTE:** Subdivision 4 relating to the Hutchinson Area Health Care is effective upon the later of:

- (1) the day after the governing body of the city of Hutchinson and its chief clerical officer timely complete their compliance with section 645.021, subdivisions 2 and 3, except that the certificate of approval must be filed before January 1, 2008; and
- (2) the first day of the month next following certification to the governing body of the city of Hutchinson by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Hutchinson Area Health Care employees under subdivision 4 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained under section 356.214. Laws 2005, First Special Session chapter 8, article 6, section 4, as amended by Laws 2006, chapter 271, article 5, section 4.

**NOTE:** Subdivision 4 relating to the Northfield Hospital is effective upon the later of:

- (1) the day after the governing body of the city of Northfield and its chief clerical officer timely complete their compliance with section 645.021, subdivisions 2 and 3; and
- (2) the first day of the month next following certification to the governing body of the city of Northfield by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Northfield Hospital employees under subdivision 4 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained under section 356.214. Laws 2005, First Special Session chapter 8, article 6, section 4, as amended by Laws 2006, chapter 271, article 5, section 4.

### 353F.03 VESTING RULE FOR CERTAIN EMPLOYEES.

Notwithstanding any provision of chapter 353 to the contrary, a terminated medical facility or other public employing unit employee is eligible to receive a retirement annuity under section 353.29 of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, without regard to the requirement for three years of allowable service.

**History:** 1999 c 222 art 1 s 3

**353F.04 AUGMENTATION INTEREST RATES FOR TERMINATED MEDICAL OR OTHER PUBLIC EMPLOYING UNIT FACILITY EMPLOYEES.**

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, 2007. 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.

Subd. 2. **Exceptions.** The increased augmentation rates specified in subdivision 1 do not apply if the terminated medical facility or other public employing unit employee:

(1) becomes covered again by a retirement plan enumerated in section 356.30, subdivision 3; or

(2) begins receipt of a retirement annuity while employed by the employer which assumed operations of the medical facility or other public employing unit or purchased the medical facility or other public employing unit.

**History:** 1999 c 222 art 1 s 4; 2006 c 271 art 5 s 3

**353F.05 AUTHORIZATION FOR ADDITIONAL ALLOWABLE SERVICE FOR CERTAIN EARLY RETIREMENT PURPOSES.**

For the purpose of determining eligibility for early retirement benefits provided under section 353.30, subdivision 1a, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, and notwithstanding any provision of chapter 353, to the contrary, the years of allowable service for a terminated medical facility or other public employing unit employee who transfers employment on the effective date and does not apply for a refund of contributions under section 353.34, subdivision 1, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, or any similar provision, includes service with the successor employer to the medical facility or other public employing unit following the effective date. The successor employer shall provide any reports that the executive director of the Public Employees Retirement Association may reasonably request to permit calculation of benefits.

To be eligible for early retirement benefits under this section, the individual must separate from service with the successor employer to the medical facility. The terminated eligible individual, or an individual authorized to act on behalf of that individual, may apply for an annuity following application procedures under section 353.29, subdivision 4.

**History:** 1999 c 222 art 1 s 5

**353F.051 CONTINUATION OF DISABILITY COVERAGE.**

Subdivision 1. **Eligibility.** A terminated medical facility or other public employing unit employee who is totally and permanently disabled under Minnesota Statutes 1998, section 353.01, subdivision 19, and who had a medically documented preexisting condition of the disability before the termination of coverage, may apply for a disability benefit.

Subd. 2. **Calculation of benefits.** A person qualifying under subdivision 1 is entitled to receive a disability benefit calculated under Minnesota Statutes 1998, section 353.33, subdivision 3. The disability benefit must be augmented under Minnesota Statutes 1998, section 353.71, subdivision 2, from the date of termination to the date the disability benefit begins to accrue.

Subd. 3. **Applicability of general law.** Except as otherwise provided, Minnesota Statutes 1998, section 353.33, applies to a person who qualifies for disability under subdivision 1.

**History:** *1Sp2001 c 10 art 9 s 2*

### **353F.052 APPLICATION OF SURVIVING SPOUSE, DEPENDENT CHILD PROVISION.**

Notwithstanding any provisions of law to the contrary, subdivisions within section 353.32 of the edition of Minnesota Statutes published in the year before the year in which a privatization occurred, applicable to the surviving spouse or dependent children of a former member as defined in section 353.01, subdivision 7a, apply to the survivors of a terminated medical facility or other public employing unit employee.

**History:** *2004 c 267 art 9 s 16*

### **353F.06 APPLICATION OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.**

The reemployed annuitant earnings limitations of section 353.37 apply to any service by a terminated medical facility or other public employing unit employee as an employee of the successor employer to the medical facility.

**History:** *1999 c 222 art 1 s 6*

### **353F.07 EFFECT ON REFUND.**

Notwithstanding any provision of chapter 353 to the contrary, terminated medical facility or other public employing unit employees may receive a refund of employee accumulated contributions plus interest at the rate of six percent per year compounded annually in accordance with section 353.34, subdivision 2, of the edition of Minnesota Statutes published in the year in which the privatization occurred, at any time after the transfer of employment to the successor employer to the medical facility or other public employing unit. If a terminated medical facility employee has received a refund from a pension plan enumerated in section 356.30, subdivision 3, the person may not repay that refund unless the person again becomes a member of one of those enumerated plans and complies with section 356.30, subdivision 2.

**History:** *1999 c 222 art 1 s 7*

### **353F.08 COUNSELING SERVICES.**

The medical facility or other public employing unit and the executive director of the Public Employees Retirement Association shall provide terminated medical facility or other public employing unit employees with counseling on their benefits available under the general employees retirement plan of the Public Employees Retirement Association during the 90 days following privatization.

**History:** *1999 c 222 art 1 s 8*