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ARTICLE 11
LOCAL RETIREMENT PLANS

Section 1. Minnesota Statutes 2004, section 69.77, subdivision 4, is amended to read:

Subd. 4. [RELIEF ASSOCIATION FINANCIAL REQUIREMENTS; MINIMUM MUNICIPAL OBLIGATION.] (a) The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality must be determined on or before the submission date established by the municipality under subdivision 5.

(b) The financial requirements of the relief association for the following calendar year must be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate must be used in calculating the subsequent financial requirements of the relief association.

(c) If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated under clauses (1), (2), and (3), constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated under clauses (1) and (2) constitute the financial requirements of the relief association for the following year. The financial requirement elements are:

(1) the normal level cost requirement for the following year, expressed as a dollar amount, which must be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected change in the active membership, for the following year;

(2) for the Bloomington Fire Department Relief Association, the Fairmont Police Relief Association, and the Virginia Fire Department Relief Association, to the dollar amount of normal cost determined under clause (1) must be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. The administrative expenses are those authorized under section 69.80. No amount of administrative expenses under this clause are to be included in the financial requirements of the Minneapolis Firefighters Relief Association or the Minneapolis Police Relief Association; and

(3) to the dollar amount of normal cost and expenses

146.1 determined under clauses (1) and (2) must be added an amount
 146.2 equal to the level annual dollar amount which is sufficient to
 146.3 amortize the unfunded actuarial accrued liability by December
 146.4 31, 2010, the Fairmont Police Relief Association, the
 146.5 Minneapolis Firefighters Relief Association, and the Virginia
 146.6 Fire Department Relief Association, by the date determined under
 146.7 section 356.216, paragraph (a), clause (2), for the Bloomington
 146.8 Fire Department Relief Association, and by December 31, 2020,
 146.9 for the Minneapolis Police Relief Association, as determined
 146.10 from the actuarial valuation or survey of the fund, using an
 146.11 interest assumption set at the applicable rate specified in
 146.12 section 356.215, subdivision 8. The amortization date specified
 146.13 in this clause applies to all local police or salaried
 146.14 firefighters' relief associations and that date supersedes any
 146.15 amortization date specified in any applicable special law.

146.16 (d) The minimum obligation of the municipality is an amount
 146.17 equal to the financial requirements of the relief association
 146.18 reduced by the estimated amount of member contributions from
 146.19 covered salary anticipated for the following calendar year and
 146.20 the estimated amounts anticipated for the following calendar
 146.21 year from the applicable state aid program established under
 146.22 sections 69.011 to 69.051 receivable by the relief association
 146.23 after any allocation made under section 69.031, subdivision 5,
 146.24 paragraph (b), clause (2), or 423A.01, subdivision 2, clause
 146.25 (6), from the local police and salaried firefighters' relief
 146.26 association amortization aid program established under section
 146.27 423A.02, subdivision 1, from the supplementary amortization
 146.28 state-aid program established under section 423A.02, subdivision
 146.29 1a, and from the additional amortization state aid under section
 146.30 423A.02, subdivision 1b.

146.31 Sec. 2. Minnesota Statutes 2004, section 356.215,
 146.32 subdivision 8, is amended to read:

146.33 Subd. 8. [INTEREST AND SALARY ASSUMPTIONS.] (a) The
 146.34 actuarial valuation must use the applicable following
 146.35 preretirement interest assumption and the applicable following
 146.36 postretirement interest assumption:

147.1	preretirement	postretirement
147.2	interest rate	interest rate
147.3	assumption	assumption
147.4		
147.5	8.5%	6.0%
147.6		
147.7	8.5	6.0
147.8	8.5	6.0
147.9	8.5	6.0
147.10		
147.11	8.5	6.0
147.12	8.5	6.0
147.13		
147.14	8.5	6.0
147.15		
147.16	8.5	6.0
147.17		
147.18	8.5	6.0
147.19	8.5	6.0
147.20		
147.21	6.0	5.0

147.22	Duluth teachers retirement plan	8.5	8.5
147.23	Minneapolis teachers retirement		
147.24	plan	8.5	8.5
147.25	St. Paul teachers retirement		
147.26	plan	8.5	8.5
147.27	Minneapolis Police Relief		
147.28	Association	6.0	6.0
147.29	Fairmont Police Relief		
147.30	Association	5.0	5.0
147.31	Minneapolis Fire Department		
147.32	Relief Association	6.0	6.0
147.33	Virginia Fire Department		
147.34	Relief Association	5.0	5.0
147.35	<u>Bloomington Fire Department</u>		
147.36	<u>Relief Association</u>	<u>6.0</u>	<u>6.0</u>
147.37	local monthly benefit volunteer		
147.38	firefighters relief associations	5.0	5.0
147.39	(b) The actuarial valuation must use the applicable		
147.40	following single rate future salary increase assumption, the		
147.41	applicable following modified single rate future salary increase		
147.42	assumption, or the applicable following graded rate future		
147.43	salary increase assumption:		
147.44	(1) single rate future salary increase assumption		
147.45		future salary	
147.46	plan	increase assumption	
147.47	legislators retirement plan	5.0%	
147.48	elective state officers retirement		
147.49	plan	5.0	
147.50	judges retirement plan	5.0	
147.51	Minneapolis Police Relief Association	4.0	
147.52	Fairmont Police Relief		
147.53	Association	3.5	
147.54	Minneapolis Fire Department Relief		
147.55	Association	4.0	
147.56	Virginia Fire Department		
147.57	Relief Association	3.5	
147.58	<u>Bloomington Fire Department Relief</u>		
147.59	<u>Association</u>	<u>4.0</u>	
147.60	(2) modified single rate future salary increase assumption		
148.1		future salary	
148.2	plan	increase assumption	
148.3	Minneapolis employees	the prior calendar year	
148.4	retirement plan	amount increased first by	
148.5		1.0198 percent to prior	
148.6		fiscal year date and	
148.7		then increased by 4.0	
148.8		percent annually for	
148.9		each future year	
148.10	(3) select and ultimate future salary increase assumption		
148.11	or graded rate future salary increase assumption		
148.12		future salary	
148.13	plan	increase assumption	
148.14	general state employees	select calculation and	
148.15	retirement plan	assumption A	
148.16	correctional state employees		
148.17	retirement plan	assumption H	
148.18	State Patrol retirement plan	assumption H	

148.19 general public employees select calculation and
 148.20 retirement plan assumption B
 148.21 public employees police and fire
 148.22 fund retirement plan assumption C
 148.23 local government correctional service
 148.24 retirement plan assumption H
 148.25 teachers retirement plan assumption D
 148.26 Duluth teachers retirement plan assumption E
 148.27 Minneapolis teachers retirement plan assumption F
 148.28 St. Paul teachers retirement plan assumption G
 148.29

148.30 The select calculation is:
 148.31 during the ten-year select period, a designated percent
 148.32 is multiplied by the result of ten minus T, where T is
 148.33 the number of completed years of service, and is added
 148.34 to the applicable future salary increase assumption. The
 148.35 designated percent is 0.2 percent for the correctional state
 148.36 employees retirement plan, the State Patrol retirement
 148.37 plan, the public employees police and fire plan, and the
 148.38 local government correctional service plan; 0.3 percent
 148.39 for the general state employees retirement plan, the
 148.40 general public employees retirement plan, the teachers
 148.41 retirement plan, the Duluth Teachers Retirement Fund
 148.42 Association, and the St. Paul Teachers Retirement Fund
 148.43 Association; and 0.4 percent for the Minneapolis Teachers
 148.44 Retirement Fund Association.
 148.45

148.46 The ultimate future salary increase assumption is:

148.47	age	A	B	C	D	E	F	G	H
148.48	16	6.95%	6.95%	11.50%	8.20%	8.00%	6.50%	6.90%	7.7500
148.49	17	6.90	6.90	11.50	8.15	8.00	6.50	6.90	7.7500
148.50	18	6.85	6.85	11.50	8.10	8.00	6.50	6.90	7.7500
148.51	19	6.80	6.80	11.50	8.05	8.00	6.50	6.90	7.7500
148.52	20	6.75	6.40	11.50	6.00	6.90	6.50	6.90	7.7500
148.53	21	6.75	6.40	11.50	6.00	6.90	6.50	6.90	7.1454
148.54	22	6.75	6.40	11.00	6.00	6.90	6.50	6.90	7.0725
148.55	23	6.75	6.40	10.50	6.00	6.85	6.50	6.85	7.0544
148.56	24	6.75	6.40	10.00	6.00	6.80	6.50	6.80	7.0363
148.57	25	6.75	6.40	9.50	6.00	6.75	6.50	6.75	7.0000
148.58	26	6.75	6.36	9.20	6.00	6.70	6.50	6.70	7.0000
148.59	27	6.75	6.32	8.90	6.00	6.65	6.50	6.65	7.0000
148.60	28	6.75	6.28	8.60	6.00	6.60	6.50	6.60	7.0000
148.61	29	6.75	6.24	8.30	6.00	6.55	6.50	6.55	7.0000
148.62	30	6.75	6.20	8.00	6.00	6.50	6.50	6.50	7.0000
148.63	31	6.75	6.16	7.80	6.00	6.45	6.50	6.45	7.0000
148.64	32	6.75	6.12	7.60	6.00	6.40	6.50	6.40	7.0000
148.65	33	6.75	6.08	7.40	6.00	6.35	6.50	6.35	7.0000
148.66	34	6.75	6.04	7.20	6.00	6.30	6.50	6.30	7.0000
148.67	35	6.75	6.00	7.00	6.00	6.25	6.50	6.25	7.0000
149.1	36	6.75	5.96	6.80	6.00	6.20	6.50	6.20	6.9019
149.2	37	6.75	5.92	6.60	6.00	6.15	6.50	6.15	6.8074
149.3	38	6.75	5.88	6.40	5.90	6.10	6.50	6.10	6.7125
149.4	39	6.75	5.84	6.20	5.80	6.05	6.50	6.05	6.6054
149.5	40	6.75	5.80	6.00	5.70	6.00	6.50	6.00	6.5000
149.6	41	6.75	5.76	5.90	5.60	5.90	6.50	5.95	6.3540
149.7	42	6.75	5.72	5.80	5.50	5.80	6.50	5.90	6.2087

149.8	43	6.65	5.68	5.70	5.40	5.70	6.50	5.85	6.0622
149.9	44	6.55	5.64	5.60	5.30	5.60	6.50	5.80	5.9048
149.10	45	6.45	5.60	5.50	5.20	5.50	6.50	5.75	5.7500
149.11	46	6.35	5.56	5.45	5.10	5.40	6.40	5.70	5.6940
149.12	47	6.25	5.52	5.40	5.00	5.30	6.30	5.65	5.6375
149.13	48	6.15	5.48	5.35	5.00	5.20	6.20	5.60	5.5822
149.14	49	6.05	5.44	5.30	5.00	5.10	6.10	5.55	5.5404
149.15	50	5.95	5.40	5.25	5.00	5.00	6.00	5.50	5.5000
149.16	51	5.85	5.36	5.25	5.00	5.00	5.90	5.45	5.4384
149.17	52	5.75	5.32	5.25	5.00	5.00	5.80	5.40	5.3776
149.18	53	5.65	5.28	5.25	5.00	5.00	5.70	5.35	5.3167
149.19	54	5.55	5.24	5.25	5.00	5.00	5.60	5.30	5.2826
149.20	55	5.45	5.20	5.25	5.00	5.00	5.50	5.25	5.2500
149.21	56	5.35	5.16	5.25	5.00	5.00	5.40	5.20	5.2500
149.22	57	5.25	5.12	5.25	5.00	5.00	5.30	5.15	5.2500
149.23	58	5.25	5.08	5.25	5.10	5.00	5.20	5.10	5.2500
149.24	59	5.25	5.04	5.25	5.20	5.00	5.10	5.05	5.2500
149.25	60	5.25	5.00	5.25	5.30	5.00	5.00	5.00	5.2500
149.26	61	5.25	5.00	5.25	5.40	5.00	5.00	5.00	5.2500
149.27	62	5.25	5.00	5.25	5.50	5.00	5.00	5.00	5.2500
149.28	63	5.25	5.00	5.25	5.60	5.00	5.00	5.00	5.2500
149.29	64	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.30	65	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.31	66	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.32	67	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.33	68	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.34	69	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.35	70	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
149.36	71	5.25	5.00	5.70	5.70	5.00	5.00	5.00	5.2500

149.37 (c) The actuarial valuation must use the applicable
149.38 following payroll growth assumption for calculating the
149.39 amortization requirement for the unfunded actuarial accrued
149.40 liability where the amortization retirement is calculated as a
149.41 level percentage of an increasing payroll:

149.42		payroll growth
149.43	plan	assumption
149.44	general state employees retirement plan	5.00%
149.45	correctional state employees retirement plan	5.00
149.46	State Patrol retirement plan	5.00
149.47	legislators retirement plan	5.00
149.48	elective state officers retirement plan	5.00
149.49	judges retirement plan	5.00
149.50	general public employees retirement plan	6.00
149.51	public employees police and fire	
149.52	retirement plan	6.00
149.53	local government correctional service	
149.54	retirement plan	6.00
149.55	teachers retirement plan	5.00
149.56	Duluth teachers retirement plan	5.00
149.57	Minneapolis teachers retirement plan	5.00
149.58	St. Paul teachers retirement plan	5.00
149.59	Sec. 3. Minnesota Statutes 2004, section 356.216, is	
149.60	amended to read:	
149.61	356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE	
150.1	AND FIRE FUNDS.]	

150.2 (a) The provisions of section 356.215 that govern the
150.3 contents of actuarial valuations must apply to any local police

150.4 or fire pension fund or relief association required to make an
150.5 actuarial report under this section, except as follows:

150.6 (1) in calculating normal cost and other requirements, if
150.7 required to be expressed as a level percentage of covered
150.8 payroll, the salaries used in computing covered payroll must be
150.9 the maximum rate of salary on which retirement and survivorship
150.10 credits and amounts of benefits are determined and from which
150.11 any member contributions are calculated and deducted;

150.12 (2) in lieu of the amortization date specified in section
150.13 356.215, subdivision 11, the appropriate amortization target
150.14 date specified in section 69.77, subdivision 4, or 69.773,
150.15 subdivision 4, clause (c), must be used in calculating any
150.16 required amortization contribution, except that if the actuarial
150.17 report for the Bloomington Fire Department Relief Association
150.18 indicates an unfunded actuarial accrued liability, the unfunded
150.19 obligation is to be amortized on a level dollar basis by
150.20 December 31 of the year occurring 20 years later, and if
150.21 subsequent actuarial valuations for the Bloomington Fire
150.22 Department Relief Association determine a net actuarial
150.23 experience loss incurred during the year which ended as of the
150.24 day before the most recent actuarial valuation date, any
150.25 unfunded liability due to that loss is to be amortized on a
150.26 level dollar basis by December 31 of the year occurring 20 years
150.27 later and except that the amortization date for the Minneapolis
150.28 Police Relief Association is December 31, 2020;

150.29 (3) in addition to the tabulation of active members and
150.30 annuitants provided for in section 356.215, subdivision 13, the
150.31 member contributions for active members for the calendar year
150.32 and the prospective annual retirement annuities under the
150.33 benefit plan for active members must be reported;

150.34 (4) actuarial valuations required under section 69.773,
150.35 subdivision 2, must be made at least every four years and
150.36 actuarial valuations required under section 69.77 shall be made
151.1 annually;

151.2 (5) the actuarial balance sheet showing accrued assets
151.3 valued at market value if the actuarial valuation is required to
151.4 be prepared at least every four years or valued as current
151.5 assets under section 356.215, subdivision 1, clause (6), or
151.6 paragraph (b), whichever applies, if the actuarial valuation is
151.7 required to be prepared annually, actuarial accrued liabilities,
151.8 and the unfunded actuarial accrued liability must include the
151.9 following required reserves:

- 151.10 (i) For active members
- 151.11 1. Retirement benefits
 - 151.12 2. Disability benefits
 - 151.13 3. Refund liability due to death or withdrawal
 - 151.14 4. Survivors' benefits
- 151.15 (ii) For deferred annuitants' benefits
- 151.16 (iii) For former members without vested rights
- 151.17 (iv) For annuitants
- 151.18 1. Retirement annuities
 - 151.19 2. Disability annuities
 - 151.20 3. Surviving spouses' annuities
 - 151.21 4. Surviving children's annuities

151.22 In addition to those required reserves, separate items must
151.23 be shown for additional benefits, if any, which may not be
151.24 appropriately included in the reserves listed above; and

151.25 (6) actuarial valuations are due by the first day of the
151.26 seventh month after the end of the fiscal year which the
151.27 actuarial valuation covers.

151.28 (b) For the Minneapolis Firefighters Relief Association or
151.29 the Minneapolis Police Relief Association, the following
151.30 provisions additionally apply:

151.31 (1) in calculating the actuarial balance sheet, unfunded
151.32 actuarial accrued liability, and amortization contribution of
151.33 the relief association, "current assets" means the value of all
151.34 assets at cost, including realized capital gains and losses,
151.35 plus or minus, whichever applies, the average value of total
151.36 unrealized capital gains or losses for the most recent
152.1 three-year period ending with the end of the plan year
152.2 immediately preceding the actuarial valuation report
152.3 transmission date; and

152.4 (2) in calculating the applicable portions of the actuarial
152.5 valuation, an annual preretirement interest assumption of six
152.6 percent, an annual postretirement interest assumption of six
152.7 percent, and an annual salary increase assumption of four
152.8 percent must be used.

152.9 Sec. 4. Minnesota Statutes 2004, section 383B.46,
152.10 subdivision 2, is amended to read:

152.11 Subd. 2. [ESTABLISHMENT OF ACCOUNT; CONTRIBUTIONS.] The
152.12 county of Hennepin shall deduct from the salary of every person
152.13 who is eligible for coverage and who elected to retain or obtain
152.14 coverage by the Hennepin County supplemental retirement program
152.15 a sum equal to one percent of the total salary of the person.
152.16 Any classified or unclassified employee who is employed in
152.17 subsidized on-the-job training, work experience or public
152.18 service employment as an enrollee under the federal
152.19 Comprehensive Employment and Training Act shall not be included
152.20 in the supplemental retirement account from and after March 30,
152.21 1978 unless the employee has as of the later of March 30, 1978
152.22 or the date of employment sufficient service credit in the
152.23 public employees retirement fund or the Minneapolis municipal
152.24 employees retirement fund, whichever is applicable, to meet the
152.25 minimum vesting requirements for a deferred retirement annuity,
152.26 or the county agrees in writing to make the required employer
152.27 contributions on account of the individual from revenue sources
152.28 other than funds provided under the federal Comprehensive
152.29 Employment and Training Act, or the employee agrees in writing
152.30 to make the required employer contribution in addition to the
152.31 employee contribution. The deduction shall be made in the same
152.32 manner as other retirement deductions are made from the salary
152.33 of the person. An amount equal to the amounts deducted during
152.34 each payroll period shall be contributed by the county of
152.35 Hennepin. The total amount deducted and contributed shall be
152.36 deposited to the credit of the supplemental retirement account
153.1 in the treasury of the county of Hennepin a separate account
153.2 administered by the Minnesota State Retirement System on behalf
153.3 of Hennepin County. The Hennepin County supplemental retirement
153.4 account is hereby established as an account separate and
153.5 distinct from other funds, accounts, or assets of the county of
153.6 Hennepin.

153.7 Sec. 5. Minnesota Statutes 2004, section 383B.47, is
153.8 amended to read:
153.9 383B.47 [PARTICIPATION IN MINNESOTA SUPPLEMENTAL INVESTMENT

153.10 FUND.]

153.11 With the moneys deposited to the credit of the supplemental
153.12 retirement account ~~in the treasury of the county of Hennepin,~~
153.13 ~~the county of Hennepin,~~ the Minnesota State Retirement System
153.14 shall purchase shares on behalf of Hennepin County in the
153.15 accounts of the Minnesota supplemental investment fund as
153.16 provided in section 383B.48.

153.17 Sec. 6. Minnesota Statutes 2004, section 383B.48, is
153.18 amended to read:

153.19 383B.48 [BUYING STATE SUPPLEMENTAL INVESTMENT FUND SHARES.]

153.20 ~~At the time a person becomes eligible for coverage and~~
153.21 ~~elects to obtain coverage by the Hennepin County supplemental~~
153.22 ~~retirement program and before November 1 of each subsequent~~
153.23 ~~year,~~ A participant in the Hennepin County supplemental
153.24 retirement program shall indicate ~~in writing on a form provided~~
153.25 ~~by the county of Hennepin~~ the account of the Minnesota
153.26 supplemental investment fund in which the participant wishes
153.27 salary deductions and county matching contributions attributable
153.28 to salary deductions to be invested for ~~the subsequent 12-month~~
153.29 ~~period~~ such time as allowed by the Minnesota State Retirement
153.30 System. ~~For that 12-month period,~~ The county of Hennepin
153.31 Minnesota State Retirement System shall purchase with the salary
153.32 deductions and county matching funds attributable to the salary
153.33 deductions shares in the appropriate account of the Minnesota
153.34 supplemental investment fund in accordance with the indicated
153.35 preferences of the participant. However, the county of Hennepin
153.36 has the authority to determine which accounts of the Minnesota
154.1 supplemental investment fund will be available for participant
154.2 investment. The shares purchased must stand in the name of the
154.3 county of Hennepin. A record must be kept by the ~~county of~~
154.4 ~~Hennepin~~ Minnesota State Retirement System indicating the number
154.5 of shares in each account of the Minnesota supplemental
154.6 investment fund purchased with the salary deductions and county
154.7 matching funds attributable to the salary deductions of each
154.8 participant. The record must be known as the "participant's
154.9 share account record." The participant's share account record
154.10 must show, in addition to the number of shares in the account,
154.11 any cash balance of salary deductions or county matching funds
154.12 attributable to those deductions which stand uninvested in
154.13 shares. At the option of the county of Hennepin, and subject to
154.14 any terms and conditions established and communicated in writing
154.15 by the county to a participant, the participant may designate no
154.16 more often than once each ~~calendar quarter~~ month that prior
154.17 salary deductions and county matching contributions attributable
154.18 to the salary deductions, together with any interest earned, be
154.19 reinvested in another account of the Minnesota supplemental
154.20 investment fund made available by the county of Hennepin.

154.21 Sec. 7. Minnesota Statutes 2004, section 383B.49, is
154.22 amended to read:

154.23 383B.49 [SUPPLEMENTAL RETIREMENT BENEFITS; REDEMPTION OF
154.24 SHARES.]

154.25 When requested to do so, in writing, on forms provided by
154.26 the ~~county~~ Minnesota State Retirement System, by a participant,
154.27 surviving spouse, a guardian of a surviving child or a personal
154.28 representative, whichever is applicable, the ~~county of Hennepin~~
154.29 Minnesota State Retirement System shall on behalf of Hennepin
154.30 County redeem shares in the accounts of the Minnesota

154.31 supplemental investment fund standing in a participant's share
154.32 account record under the following circumstances and in
154.33 accordance with the laws and regulations governing the Minnesota
154.34 supplemental investment fund:

154.35 (1) A participant who is no longer employed by the county
154.36 of Hennepin is entitled to receive the cash realized on the
155.1 redemption of the shares to the credit of the participant's
155.2 share account record of the person. The participant may request
155.3 the redemption of all or a portion of the shares in the
155.4 participant's share account record of the person, but may not
155.5 request more than one redemption in any one calendar year. If
155.6 only a portion of the shares in the participant's share account
155.7 record is requested to be redeemed the person may request to
155.8 redeem not less than 20 percent of the shares in any one
155.9 calendar year and the redemption must be completed in no more
155.10 than five years. The person may select annual redemption in a
155.11 single lump sum or in monthly payments. An election is
155.12 irrevocable except that a participant may request an amendment
155.13 of the election to redeem all of the person's remaining shares.
155.14 All requests under this paragraph are subject to application to
155.15 and approval of the ~~Hennepin County administrator, in the sole~~
155.16 ~~discretion of the administrator~~ Minnesota State Retirement
155.17 System upon verification by Hennepin County through the county
155.18 administrator of the recipient's eligibility to redeem funds.

155.19 (2) In the event of the death of a participant leaving a
155.20 surviving spouse, the surviving spouse is entitled to receive
155.21 the cash realized on the redemption of all or a portion of the
155.22 shares in the participant's share account record of the deceased
155.23 spouse, but in no event may the spouse request more than one
155.24 redemption in each calendar year. If only a portion of the
155.25 shares in the participant's share account record is requested to
155.26 be redeemed, the surviving spouse may request the redemption of
155.27 not less than 20 percent of the shares in any one calendar year.
155.28 The surviving spouse may elect annual redemption in a single
155.29 lump sum payment or in monthly payments. Redemption must be
155.30 completed in no more than five years. An election is
155.31 irrevocable except that the surviving spouse may request an
155.32 amendment of the election to redeem all of the participant's
155.33 remaining shares. All requests under this paragraph are subject
155.34 to application to and approval of the ~~Hennepin County~~
155.35 ~~administrator, in the sole discretion of the~~
155.36 ~~administrator~~ Minnesota State Retirement System upon
156.1 verification by Hennepin County through the county administrator
156.2 of the recipient's eligibility to redeem funds. Upon the death
156.3 of the surviving spouse, any shares remaining in the
156.4 participant's share account record must be redeemed on behalf of
156.5 Hennepin County by the county of Hennepin Minnesota State
156.6 Retirement System and the cash realized from the redemption
156.7 distributed to the estate of the surviving spouse.

156.8 (3) In the event of the death of a participant leaving no
156.9 surviving spouse, but leaving a minor surviving child or minor
156.10 surviving children, the guardianship estate of the minor child
156.11 is, or the guardianship estates of the minor children are,
156.12 entitled to receive the cash realized on the redemption of all
156.13 shares to the credit of the participant's share account record
156.14 of the deceased participant. In the event of minor surviving
156.15 children, the cash realized must be paid in equal shares to the

156.16 guardianship estates of the minor surviving children.
156.17 (4) In the event of the death of a participant leaving no
156.18 surviving spouse and no minor surviving children, the estate of
156.19 the deceased participant is entitled to receive the cash
156.20 realized on the redemption of all shares to the credit of the
156.21 participant's share account record of the deceased participant.

156.22 Sec. 8. [383B.491] [MINNESOTA STATE RETIREMENT SYSTEM
156.23 BILLING AUTHORITY.]

156.24 The Minnesota State Retirement System executive director is
156.25 authorized to enter into an interagency agreement with Hennepin
156.26 County under which the Minnesota State Retirement System would
156.27 directly bill the county for the cost of the Minnesota State
156.28 Retirement System's administration of the Hennepin County
156.29 Supplemental Retirement Plan.

156.30 Sec. 9. Minnesota Statutes 2004, section 423B.05,
156.31 subdivision 3, is amended to read:

156.32 Subd. 3. [CONTINUATION OF BOARD.] Notwithstanding the
156.33 provisions of section 423A.01, subdivision 2, or any other law,
156.34 the board of trustees and its successors established under
156.35 subdivision 1 shall continue to govern the association until
156.36 there are no more than ~~100~~ 225 members of the police pension
157.1 fund. The fund thereafter must become a trust fund in
157.2 accordance with section 423A.01, subdivision 2.

157.3 Sec. 10. Minnesota Statutes 2004, section 423B.09,
157.4 subdivision 1, is amended to read:

157.5 Subdivision 1. [MINNEAPOLIS POLICE; PERSONS ENTITLED TO
157.6 RECEIVE PENSIONS.] The association shall grant pensions payable
157.7 from the police pension fund in monthly installments to persons
157.8 entitled to pensions in the manner and for the following
157.9 purposes.

157.10 ~~(a) When the actuarial value of assets of the fund~~
157.11 ~~according to the most recent annual actuarial valuation~~
157.12 ~~performed in accordance with sections 356.215 and 356.216 is~~
157.13 ~~less than 90 percent of the actuarial accrued liabilities, An~~
157.14 ~~active member or a deferred pensioner who has performed duty as~~
157.15 ~~a member of the police department of the city for five years or~~
157.16 ~~more, upon written application after retiring from duty and~~
157.17 ~~reaching at least age 50, is entitled to be paid monthly for~~
157.18 ~~life a service pension equal to eight units. For full years of~~
157.19 ~~service beyond five years, the service pension increases by 1.6~~
157.20 ~~units for each full year, to a maximum of 40 units. When the~~
157.21 ~~actuarial value of assets of the fund according to the most~~
157.22 ~~recent annual actuarial valuation prepared in accordance with~~
157.23 ~~sections 356.215 and 356.216 is greater than 90 percent of~~
157.24 ~~actuarial accrued liabilities, Active members, deferred~~
157.25 ~~members, and service pensioners are entitled to a service~~
157.26 ~~pension according to the following schedule:~~

157.27	5 years	8.0 units
157.28	6 years	9.6 units
157.29	7 years	11.2 units
157.30	8 years	12.8 units
157.31	9 years	14.4 units
157.32	10 years	16.0 units
157.33	11 years	17.6 units
157.34	12 years	19.2 units
157.35	13 years	20.8 units
157.36	14 years	22.4 units

158.1	15 years	24.0 units		
158.2	16 years	25.6 units		
158.3	17 years	27.2 units		
158.4	18 years	28.8 units		
158.5	19 years	30.4 units		
158.6			<u>A</u>	<u>B</u>
158.7	20 years	34.0 34.5 units	34.5 units	35.0 units
158.8	21 years	35.6 36.1 units	36.1 units	36.6 units
158.9	22 years	37.2 37.7 units	37.7 units	38.2 units
158.10	23 years	38.8 39.3 units	39.3 units	39.8 units
158.11	24 years	40.4	40.9 units	41.4 units
158.12	25 years	42.0 42.5 units	42.5 units	43.0 units

158.13 Column A is applicable until December 31, 2005, and applies
158.14 retroactively to January 1, 2005, for a service pensioner who
158.15 retired before January 1, 2005. Column B applies on and after
158.16 January 1, 2006.

158.17 Fractional years of service may not be used in computing
158.18 pensions.

158.19 (b) An active member who after five years' service but less
158.20 than 20 years' service with the police department of the city,
158.21 becomes superannuated so as to be permanently unable to perform
158.22 the person's assigned duties, is entitled to be paid monthly for
158.23 life a superannuation pension equal to four units for five years
158.24 of service and an additional two units for each full year of
158.25 service over five years and less than 20 years.

158.26 (c) An active member who is not eligible for a service
158.27 pension and who, while a member of the police department of the
158.28 city, becomes diseased or sustains an injury while in the
158.29 service that permanently unfits the member for the performance
158.30 of police duties is entitled to be paid monthly for life a
158.31 pension equal to 34 units while so disabled.

158.32 Sec. 11. Minnesota Statutes 2004, section 423B.09, is
158.33 amended by adding a subdivision to read:

158.34 Subd. 7. [ADDITIONAL UNIT.] The additional half units
158.35 provided to members by subdivision 1 must also be provided under
158.36 the same terms and at the same time as applicable under
159.1 subdivision 1 to members who selected a joint annuity option
159.2 under subdivision 6 and must be in an amount that is actuarially
159.3 equivalent to the service pension and the automatic survivor
159.4 coverage for that additional unit.

159.5 Sec. 12. Minnesota Statutes 2004, section 423B.10,
159.6 subdivision 1, is amended to read:

159.7 Subdivision 1. [ENTITLEMENT; BENEFIT AMOUNT.] (a) The
159.8 surviving spouse of a deceased service pensioner, disability
159.9 pensioner, deferred pensioner, superannuation pensioner, or
159.10 active member, who was the legally married spouse of the
159.11 decedent, residing with the decedent, and who was married while
159.12 or before the time the decedent was on the payroll of the police
159.13 department, and who, if the deceased member was a service or
159.14 deferred pensioner, was legally married to the member for a
159.15 period of at least one year before retirement from the police
159.16 department, is entitled to a surviving spouse benefit. The
159.17 surviving spouse benefit is equal to ~~22~~ 22.5 units per month
159.18 until December 31, 2005, and 23 units per month beginning on
159.19 January 1, 2006, if the person is the surviving spouse of a
159.20 deceased active member or disabilitant. The surviving spouse
159.21 benefit is equal to six units per month, plus an additional one

159.22 unit for each year of service to the credit of the decedent in
159.23 excess of five years, to a maximum of ~~22~~ 22.5 units per month
159.24 until December 31, 2005, and 23 units per month beginning on
159.25 January 1, 2006, if the person is the surviving spouse of a
159.26 deceased service pensioner, deferred pensioner, or
159.27 superannuation pensioner. The surviving spouse benefit is
159.28 payable for the life of the surviving spouse.

159.29 (b) A surviving child of a deceased service pensioner,
159.30 disability pensioner, deferred pensioner, superannuation
159.31 pensioner, or active member, who was living while the decedent
159.32 was an active member of the police department or was born within
159.33 nine months after the decedent terminated active service in the
159.34 police department, is entitled to a surviving child benefit.
159.35 The surviving child benefit is equal to eight units per month if
159.36 the person is the surviving child of a deceased active member or
160.1 disabilitant. The surviving child benefit is equal to two units
160.2 per month, plus an additional four-tenths of one unit per month
160.3 for each year of service to the credit of the decedent in excess
160.4 of five years, to a maximum of eight units, if the person is the
160.5 surviving child of a deceased service pensioner, deferred
160.6 pensioner, or superannuation pensioner. The surviving child
160.7 benefit is payable until the person attains age 18, or, if in
160.8 full-time attendance during the normal school year, in a school
160.9 approved by the board of directors, until the person receives a
160.10 bachelor's degree or attains the age of 22 years, whichever
160.11 occurs first. In the event of the death of both parents leaving
160.12 a surviving child or children entitled to a surviving child
160.13 benefit as determined in this paragraph, the surviving child is,
160.14 or the surviving children are, entitled to a surviving child
160.15 benefit in such sums as determined by the board of directors to
160.16 be necessary for the care and education of such surviving child
160.17 or children, but not to exceed the family maximum benefit per
160.18 month, to the children of any one family.

160.19 (c) The surviving spouse and surviving child benefits are
160.20 subject to a family maximum benefit. The family maximum benefit
160.21 is 41 units per month.

160.22 (d) A surviving spouse who is otherwise not qualified may
160.23 receive a benefit if the surviving spouse was married to the
160.24 decedent for a period of five years and was residing with the
160.25 decedent at the time of death. The surviving spouse benefit is
160.26 the same as that provided in paragraph (a), except that if the
160.27 surviving spouse is younger than the decedent, the surviving
160.28 spouse benefit must be actuarially equivalent to a surviving
160.29 spouse benefit that would have been paid to the member's spouse
160.30 had the member been married to a person of the same age or a
160.31 greater age than the member's age before retirement.

160.32 (e) For any surviving spouse who began receiving survivor
160.33 benefits before January 1, 2005, the half-unit increase under
160.34 paragraph (a) is effective retroactive to January 1, 2005.

160.35 Sec. 13. Minnesota Statutes 2004, section 423C.05,
160.36 subdivision 2, is amended to read:

161.1 Subd. 2. [SERVICE PENSION.] (a) ~~An active~~ A member who has
161.2 performed duty for the fire department for five years or more,
161.3 upon written application after retiring from duty and reaching
161.4 at least age 50, is entitled to be paid monthly for life a
161.5 service pension under paragraph (b).

161.6 (b) ~~Based on the percentage that the actuarial value of~~

161.7 ~~assets of the special fund equal to the actuarial accrued~~
 161.8 ~~liabilities of the special fund according to the most recent~~
 161.9 ~~annual actuarial valuation of the relief association prepared in~~
 161.10 ~~accordance with sections 356.215 and 356.216, The amount of the~~
 161.11 ~~service pension is as follows:~~

161.12	Length of	Service	Service	Service
161.13	allowable	pension	pension	pension
161.14	service	payable if	payable	payable if
161.15	credit	under 90	if greater	greater
161.16		percent	than 89.99	than 92.49
161.17			percent and	percent
161.18			less than	<u>Number of</u>
161.19			92.5 percent	<u>units</u>
161.20	5 years	-	8.0 units	8.0 units
161.21	6 years	-	9.6 units	9.6 units
161.22	7 years	-	11.2 units	11.2 units
161.23	8 years	-	12.8 units	12.8 units
161.24	9 years	-	14.4 units	14.4 units
161.25	10 years	16.0 units	16.0 units	16.0 units
161.26	11 years	17.6 units	17.6 units	17.6 units
161.27	12 years	19.2 units	19.2 units	19.2 units
161.28	13 years	20.8 units	20.8 units	20.8 units
161.29	14 years	22.4 units	22.4 units	22.4 units
161.30	15 years	24.0 units	24.0 units	24.0 units
161.31	16 years	25.6 units	25.6 units	25.6 units
161.32	17 years	27.2 units	27.2 units	27.2 units
161.33	18 years	28.8 units	28.8 units	28.8 units
161.34	19 years	30.4 units	30.4 units	30.4 units
161.35	20 years	33.0 units	33.5 units	34.0 units
161.36	21 years	34.6 units	35.1 units	35.6 units
162.1	22 years	36.2 units	37.7 units	37.2 units
162.2	23 years	37.8 units	38.3 units	38.8 units
162.3	24 years	39.4 units	39.9 units	40.4 units
162.4	25 years			
162.5	or more	41.0 units	41.5 units	42.0 units

162.6 (c) A member entitled to a benefit under this subdivision
 162.7 may elect to have it paid as an optional retirement annuity
 162.8 pursuant to the conditions set forth in subdivision 8. A member
 162.9 receiving a benefit pursuant to subdivision 5 or 6 shall not
 162.10 simultaneously be entitled to a benefit under this subdivision.

162.11 Sec. 14. [423C.16] [RECOMPUTATION OF DISABLED BENEFIT
 162.12 PROHIBITED.]

162.13 Notwithstanding section 423A.11, the Board of Trustees of
 162.14 the Minneapolis Firefighters Relief Association shall not
 162.15 recompute the disability benefit of a member who became
 162.16 permanently disabled as the result of a service-related disease
 162.17 or injury. Any prior recomputation of a disabled member's
 162.18 service-related disability pension shall be revoked upon the
 162.19 member's request and upon the member's signed and sworn
 162.20 agreement to waive any right to a recomputation of the benefit
 162.21 in the future. Non-service-related disability pension benefits
 162.22 that were recomputed at full 25-year service pensions shall
 162.23 remain in effect.

162.24 Sec. 15. [NO REDUCTION OF BENEFITS.]

162.25 When a pension benefit is properly paid in accordance with
 162.26 the laws governing the Minneapolis Police Relief Association or
 162.27 the Minneapolis Firefighters Relief Association, whichever

162.28 apply, to any member, the dollar amount of the pension a member
162.29 received may not be reduced if the city of Minneapolis and the
162.30 collective bargaining agent representing active police officers
162.31 or firefighters enter into or are required to abide by an
162.32 agreement that would otherwise require the association to reduce
162.33 the dollar amount of a pension that had properly been paid to
162.34 any member.

162.35 Sec. 16. [AURORA, BIWABIK CITY, HOYT LAKES, AND PALO
162.36 VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS; CONSOLIDATION.]

163.1 (a) This section applies to consolidation of any
163.2 combination of two or more of the following volunteer
163.3 firefighter relief associations: Aurora, Biwabik City, Hoyt
163.4 Lakes, and Palo.

163.5 (b) Notwithstanding Minnesota Statutes, section 424B.10,
163.6 subdivision 1, paragraph (a), the service pension to be paid by
163.7 the relief association existing after the consolidation is as
163.8 follows:

163.9 (1) for the service rendered by each individual volunteer
163.10 firefighter before the effective date of the consolidation, the
163.11 service pension amount is the amount payable to that volunteer
163.12 firefighter under the articles of incorporation or bylaws of the
163.13 consolidating volunteer firefighters relief association that the
163.14 firefighter was a member of immediately before the
163.15 consolidation;

163.16 (2) for the service rendered after the effective date of
163.17 the consolidation, the service pension amount is the highest
163.18 dollar amount service pension of any of the consolidating
163.19 volunteer firefighters relief associations under the articles of
163.20 incorporation or bylaws in effect immediately before the
163.21 consolidation; and

163.22 (3) after consolidation, increases in the amounts
163.23 established in clauses (1) and (2) may be implemented if
163.24 consistent with applicable requirements of Minnesota Statutes,
163.25 chapters 69 and 424A.

163.26 Sec. 17. [EVELETH RETIRED POLICE AND FIRE TRUST FUND; AD
163.27 HOC POSTRETIREMENT ADJUSTMENT.]

163.28 (a) In addition to the current pensions and other
163.29 retirement benefits payable, the pensions and retirement
163.30 benefits payable to retired police officers and firefighters and
163.31 their surviving spouses by the Eveleth police and fire trust
163.32 fund are increased by \$100 per month. Increases are retroactive
163.33 from January 1, 2005.

163.34 (b) Following the January 1, 2005, effective date of the
163.35 benefit increase provided under paragraph (a), every two years
163.36 thereafter, to be effective no earlier than the applicable
164.1 January 1, the city council of the city of Eveleth is authorized
164.2 to provide permanent, uniform benefit increases, not less than
164.3 \$100 per month nor to exceed \$100 per month, to any remaining
164.4 retirees and survivors receiving benefits from the Eveleth
164.5 police and fire trust fund. Any given benefit improvement under
164.6 this paragraph is not effective unless the city council passes a
164.7 resolution approving the increase.

164.8 (c) Within 30 days following the approval of a resolution
164.9 under paragraph (b), the chief administrative officer of the
164.10 city of Eveleth shall file a copy of the resolution with the
164.11 executive director of the Legislative Commission on Pensions and
164.12 Retirement, with the chair of the house Governmental Operations

164.13 and Veterans Affairs Committee, and with the chair of the senate
164.14 State and Local Government Operations Committee. Along with a
164.15 copy of the resolution, the city's chief administrative officer
164.16 must send a statement indicating the age of each benefit
164.17 recipient and the retirement benefit or survivor benefit being
164.18 received before and after the benefit increase.

164.19 Sec. 18. [MAPLEWOOD AND OAKDALE VOLUNTEER FIREFIGHTER
164.20 RELIEF ASSOCIATIONS; TRANSFER OF ASSETS.]

164.21 Notwithstanding any limitations in Minnesota Statutes,
164.22 section 424A.02, subdivision 13, or any other provision of law
164.23 to the contrary, if an agreement between the affected relief
164.24 associations and cities is reached as provided in this section,
164.25 the Maplewood Firefighters Relief Association may transfer
164.26 assets from its special fund to the Oakdale Fire Department
164.27 Relief Association representing the value of the accumulated
164.28 service credit for the current members of the Oakdale Fire
164.29 Department Relief Association who are currently eligible to
164.30 receive a combined service pension for firefighter service in
164.31 both associations. The transfer of the assets from the
164.32 Maplewood Firefighters Relief Association to the Oakdale Fire
164.33 Department Relief Association must be in an amount representing
164.34 the cumulative value of the service credit earned by the members
164.35 of the Oakdale Fire Department Relief Association who are
164.36 currently eligible to receive a combined service pension for
165.1 firefighting service in both associations for the service credit
165.2 that they accrued while working for the Maplewood Fire
165.3 Department. The amount of the assets, liabilities, and service
165.4 credit to be transferred must be specified in a joint agreement
165.5 negotiated by the secretaries of the two relief associations and
165.6 ratified by the boards of trustees of both relief associations
165.7 and of the cities of Maplewood and Oakdale. The agreement must
165.8 specify by name or other appropriate means the firefighters
165.9 affected by the liability, asset, and service credit transfer.
165.10 The ratification must be expressed in the form of resolutions
165.11 adopted by each entity. The agreements must specify the amount
165.12 of assets to be transferred, the amount of liabilities to be
165.13 transferred, and the amount of service credit each of the
165.14 applicable individuals will receive in the Oakdale Fire
165.15 Department Relief Association. Upon the ratification of the
165.16 agreement by both relief associations and both cities, the
165.17 assets, liabilities, and service credit of the applicable
165.18 individuals must be transferred to the Oakdale Fire Department
165.19 Relief Association, and the Maplewood Firefighters Relief
165.20 Association is relieved of any obligation to the individuals. A
165.21 certified copy of the ratified agreement must be filed with the
165.22 state auditor and with the secretary of state.

165.23 Sec. 19. [EFFECTIVE DATE; LOCAL APPROVAL.]

165.24 (a) Sections 2 and 3 with respect to the Bloomington Fire
165.25 Department Relief Association are effective the day after the
165.26 date on which the city council of the city of Bloomington and
165.27 its chief clerical officer timely complete their compliance with
165.28 Minnesota Statutes, section 645.021, subdivisions 2 and 4.

165.29 (b) Sections 1, 3, with respect to the Minneapolis Police
165.30 Relief Association, 9, 10, 11, 12, 13, and 15 are not severable
165.31 and are effective the day after the date of the approval by the
165.32 city council of the city of Minneapolis and the timely
165.33 completion by the chief clerical officer of the city of

165.34 Minneapolis of compliance with Minnesota Statutes, section
165.35 645.021, subdivisions 2 and 3.
165.36 (c) Sections 4, 5, 6, 7, and 8 are effective the day after
166.1 the board of Hennepin County and its chief clerical officer
166.2 complete in a timely manner their compliance with Minnesota
166.3 Statutes, section 645.021, subdivisions 2 and 3.
166.4 (d) Sections 14 and 15 are effective the day after the
166.5 governing body of the city of Minneapolis and its chief clerical
166.6 officer timely complete their compliance with Minnesota
166.7 Statutes, section 645.021, subdivisions 2 and 3.
166.8 (e) Section 17 is effective the day after the date on which
166.9 the city council of the city of Eveleth and its chief clerical
166.10 officer timely complete their compliance with Minnesota
166.11 Statutes, section 645.021, subdivisions 2 and 3.
166.12 (f) Section 16 is effective with respect to a volunteer
166.13 firefighters relief association listed in column A the day after
166.14 the governing body of the municipality listed in column B and
166.15 its chief clerical officer timely complete compliance with
166.16 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

	<u>A</u>	<u>B</u>
166.17		
166.18	<u>Aurora</u>	<u>city of Aurora</u>
166.19	<u>Biwabik</u>	<u>city of Biwabik</u>
166.20	<u>Hoyt Lakes</u>	<u>city of Hoyt Lakes</u>
166.21	<u>Palo</u>	<u>town of White</u>

166.22 (g) Section 18 is effective the day after the governing
166.23 body of the city of Maplewood, the governing body of the city of
166.24 Oakdale, the Maplewood chief clerical officer, and the Oakdale
166.25 chief clerical officer complete their compliance with Minnesota
166.26 Statutes, section 645.021, subdivisions 2 and 3.