

1.1 moves to amend H.F. No. 1951, the delete everything amendment
1.2 (S1803-23A), as follows:

1.3 Page 96, after line 3, insert:

1.4 "Sec. 2. Minnesota Statutes 2012, section 356.215, subdivision 11, is amended to read:

1.5 Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating
1.6 the level normal cost, the actuarial valuation of the retirement plan must contain an
1.7 exhibit for financial reporting purposes indicating the additional annual contribution
1.8 sufficient to amortize the unfunded actuarial accrued liability and must contain an exhibit
1.9 for contribution determination purposes indicating the additional contribution sufficient
1.10 to amortize the unfunded actuarial accrued liability. For the retirement plans listed in
1.11 subdivision 8, paragraph (c), but excluding the MERF division of the Public Employees
1.12 Retirement Association and the legislators retirement plan, the additional contribution
1.13 must be calculated on a level percentage of covered payroll basis by the established date
1.14 for full funding in effect when the valuation is prepared, assuming annual payroll growth
1.15 at the applicable percentage rate set forth in subdivision 8, paragraph ~~(e)~~ (d). For all
1.16 other retirement plans and for the MERF division of the Public Employees Retirement
1.17 Association and the legislators retirement plan, the additional annual contribution must be
1.18 calculated on a level annual dollar amount basis.

1.19 (b) For any retirement plan other than ~~the general state employees retirement plan of~~
1.20 ~~the Minnesota State Retirement System~~ or a retirement plan governed by paragraph (d),
1.21 (e), (f), (g), (h), (i), ~~or~~ (j), or (k), if there has not been a change in the actuarial assumptions
1.22 used for calculating the actuarial accrued liability of the fund, a change in the benefit
1.23 plan governing annuities and benefits payable from the fund, a change in the actuarial
1.24 cost method used in calculating the actuarial accrued liability of all or a portion of the
1.25 fund, or a combination of the three, which change or changes by itself or by themselves
1.26 without inclusion of any other items of increase or decrease produce a net increase in the

2.1 unfunded actuarial accrued liability of the fund, the established date for full funding is the
2.2 first actuarial valuation date occurring after June 1, 2020.

2.3 (c) For any retirement plan ~~other than the general employees retirement plan of the~~
2.4 ~~Public Employees Retirement Association~~, if there has been a change in any or all of the
2.5 actuarial assumptions used for calculating the actuarial accrued liability of the fund, a
2.6 change in the benefit plan governing annuities and benefits payable from the fund, a
2.7 change in the actuarial cost method used in calculating the actuarial accrued liability of all
2.8 or a portion of the fund, or a combination of the three, and the change or changes, by itself
2.9 or by themselves and without inclusion of any other items of increase or decrease, produce
2.10 a net increase in the unfunded actuarial accrued liability in the fund, the established date
2.11 for full funding must be determined using the following procedure:

2.12 (i) the unfunded actuarial accrued liability of the fund must be determined in
2.13 accordance with the plan provisions governing annuities and retirement benefits and the
2.14 actuarial assumptions in effect before an applicable change;

2.15 (ii) the level annual dollar contribution or level percentage, whichever is applicable,
2.16 needed to amortize the unfunded actuarial accrued liability amount determined under item
2.17 (i) by the established date for full funding in effect before the change must be calculated
2.18 using the interest assumption specified in subdivision 8 in effect before the change;

2.19 (iii) the unfunded actuarial accrued liability of the fund must be determined in
2.20 accordance with any new plan provisions governing annuities and benefits payable from
2.21 the fund and any new actuarial assumptions and the remaining plan provisions governing
2.22 annuities and benefits payable from the fund and actuarial assumptions in effect before
2.23 the change;

2.24 (iv) the level annual dollar contribution or level percentage, whichever is applicable,
2.25 needed to amortize the difference between the unfunded actuarial accrued liability amount
2.26 calculated under item (i) and the unfunded actuarial accrued liability amount calculated
2.27 under item (iii) over a period of 30 years from the end of the plan year in which the
2.28 applicable change is effective must be calculated using the applicable interest assumption
2.29 specified in subdivision 8 in effect after any applicable change;

2.30 (v) the level annual dollar or level percentage amortization contribution under item
2.31 (iv) must be added to the level annual dollar amortization contribution or level percentage
2.32 calculated under item (ii);

2.33 (vi) the period in which the unfunded actuarial accrued liability amount determined
2.34 in item (iii) is amortized by the total level annual dollar or level percentage amortization
2.35 contribution computed under item (v) must be calculated using the interest assumption
2.36 specified in subdivision 8 in effect after any applicable change, rounded to the nearest

3.1 integral number of years, but not to exceed 30 years from the end of the plan year in which
3.2 the determination of the established date for full funding using the procedure set forth in this
3.3 clause is made and not to be less than the period of years beginning in the plan year in which
3.4 the determination of the established date for full funding using the procedure set forth in
3.5 this clause is made and ending by the date for full funding in effect before the change; and

3.6 (vii) the period determined under item (vi) must be added to the date as of which
3.7 the actuarial valuation was prepared and the date obtained is the new established date
3.8 for full funding.

3.9 (d) For the MERF division of the Public Employees Retirement Association, the
3.10 established date for full funding is June 30, 2031.

3.11 (e) For the general employees retirement plan of the Public Employees Retirement
3.12 Association, the established date for full funding is June 30, 2031.

3.13 (f) For the Teachers Retirement Association, the established date for full funding is
3.14 June 30, 2037.

3.15 (g) For the correctional state employees retirement plan of the Minnesota State
3.16 Retirement System, the established date for full funding is June 30, 2038.

3.17 (h) For the judges retirement plan, the established date for full funding is June
3.18 30, 2038.

3.19 (i) For the public employees police and fire retirement plan, the established date
3.20 for full funding is June 30, 2038.

3.21 (j) For the St. Paul Teachers Retirement Fund Association, the established date for
3.22 full funding is June 30 of the 25th year from the valuation date. In addition to other
3.23 requirements of this chapter, the annual actuarial valuation must contain an exhibit
3.24 indicating the funded ratio and the deficiency or sufficiency in annual contributions when
3.25 comparing liabilities to the market value of the assets of the fund as of the close of the
3.26 most recent fiscal year.

3.27 (k) For the general state employees retirement plan of the Minnesota State
3.28 Retirement System, the established date for full funding is June 30, 2040.

3.29 (l) For the retirement plans for which the annual actuarial valuation indicates an
3.30 excess of valuation assets over the actuarial accrued liability, the valuation assets in
3.31 excess of the actuarial accrued liability must be recognized as a reduction in the current
3.32 contribution requirements by an amount equal to the amortization of the excess expressed
3.33 as a level percentage of pay over a 30-year period beginning anew with each annual
3.34 actuarial valuation of the plan.

3.35 **EFFECTIVE DATE.** This section is effective July 1, 2014, and applies to actuarial
3.36 valuation results prepared on or after that date."

- 4.1 Renumber the sections in sequence and correct the internal references
- 4.2 Amend the title accordingly