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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4666

03/07/2024 Authored by Wolgamott

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to retirement; public employees police and fire retirement plan; increasing
1.3 the postretirement adjustment; decreasing the waiting period for a postretirement
1.4 adjustment; amending Minnesota Statutes 2022, section 356.415, subdivision 1c.

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

1.6 Section 1. Minnesota Statutes 2022, section 356.415, subdivision 1c, is amended to read:

1.7 Subd. 1c. Annual postretirement adjustments; PERA- public employees police and
1.8 fire retirement plan. (a) Retirement annuity, disability benefit, or survivor benefit recipients
1.9 of the public employees police and fire retirement plan are entitled to an annual postretirement
1.10 adjustment, effective as of each January 1, as follows: equal to the percentage of increase
1.11 determined under this subdivision. The increase to the annuity or benefit shall be determined
1.12 by multiplying the monthly amount of the annuity or benefit by the percentage of increase
1.13 specified in paragraph (b), after taking into account any reduction to the percentage of
1.14 increase required under paragraph (c).

1.15 (b) The percentage of increase shall be one percent unless the federal Social Security
1.16 Administration has announced a cost-of-living adjustment pursuant to United States Code,
1.17 title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than
1.18 two percent. If the cost-of-living adjustment announced by the federal Social Security
1.19 Administration is greater than two percent, the percentage of increase shall be 50 percent
1.20 of the cost-of-living adjustment announced by the federal Social Security Administration,
1.21 but in no event may the percentage of increase exceed 1.5 percent.

1.22 (c)(1) for each annuitant or benefit If the recipient who will have of an annuity, disability
1.23 benefit, or survivor's benefit has been receiving an the annuity or benefit for at least 36 12

2.1 full months as of the ~~immediate preceding~~ June 30, ~~a postretirement~~ of the calendar year
 2.2 immediately before the effective date of the increase, there is no reduction in the percentage
 2.3 of increase of one percent must be applied each year to the amount of the monthly annuity
 2.4 or benefit of the annuitant or benefit recipient; or.

2.5 (2) ~~for each annuitant or benefit~~ If the recipient who of an annuity, disability benefit, or
 2.6 survivor's benefit has been receiving the annuity or benefit for at least 25 full months one
 2.7 month, but less than 36 12 full months as of the ~~immediate preceding~~ June 30, ~~a~~
 2.8 ~~postretirement increase of 1/12 of one percent for each full month that the person has been~~
 2.9 ~~receiving an~~ of the calendar year immediately before the effective date of the increase, the
 2.10 percentage of the increase is multiplied by a fraction, the numerator of which is the number
 2.11 of months the annuity or benefit during was received as of June 30 of the fiscal preceding
 2.12 calendar year in which the annuity or benefit was effective must be applied each year to the
 2.13 amount of the monthly annuity or benefit of the annuitant or benefit recipient and the
 2.14 denominator of which is 12.

2.15 ~~(b)~~ (d) An increase in annuity or benefit payments under this section subdivision must
 2.16 be made automatically unless written notice is filed by the annuitant or benefit recipient
 2.17 with the executive director of the Public Employees Retirement Association requesting that
 2.18 the increase not be made.

2.19 **EFFECTIVE DATE.** This section is effective for postretirement adjustments beginning
 2.20 on or after January 1, 2025.