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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3538

02/19/2020 Authored by Runbeck
The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act
1.2 relating to retirement; Minnesota deferred compensation plan; permitting certain
1.3 in-service withdrawals; amending Minnesota Statutes 2018, section 352.965, by
1.4 adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2018, section 352.965, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 10. In-service withdrawals. In addition to the distribution and withdrawal rights
1.9 provided under the terms of the plan document referred to in subdivision 1, paragraph (d),
1.10 the plan document shall provide that a participant who is an active employee may request
1.11 a withdrawal in the form of a lump-sum payment of all or a portion of the participant's
1.12 account under the plan if the participant has attained at least age 59 and one-half. The plan
1.13 document shall provide for the frequency with which a participant may take an in-service
1.14 withdrawal under this subdivision, but must permit withdrawals at least as frequently as
1.15 once each plan year. Under the provisions in the plan document authorizing eligible rollover
1.16 distributions, the plan administrator shall permit a participant to elect a direct rollover of
1.17 an in-service withdrawal to an eligible retirement plan.

1.18 EFFECTIVE DATE. This section is effective July 1, 2020.