

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 2418

(SENATE AUTHORS: ROSEN)

DATE
04/14/2021

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OFFICIAL STATUS
Introduction and first reading
Referred to State Government Finance and Policy and Elections

1.1 A bill for an act
1.2 relating to retirement; Minnesota State Retirement System; extending eligibility
1.3 for a Rule of 90 unreduced early retirement benefit by one month to members
1.4 hired after June 30, 1989, and before August 1, 1989, upon payment of the actuarial
1.5 cost of the increased benefit; amending Minnesota Statutes 2020, section 352.116,
1.6 subdivision 1.

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

1.8 Section 1. Minnesota Statutes 2020, section 352.116, subdivision 1, is amended to read:

1.9 Subdivision 1. **Reduced annuity before normal retirement age.** (a) This subdivision
1.10 applies only to a person who first became a covered employee or a member of a pension
1.11 fund listed in section 356.30, subdivision 3, before ~~July~~ August 1, 1989, and whose annuity
1.12 is higher when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction
1.13 with this subdivision than when calculated under section 352.115, subdivision 3, paragraph
1.14 (b), in conjunction with subdivision 1a.

1.15 (b) Any employee who is eligible for a retirement annuity under section 352.115,
1.16 subdivision 1, and who retires before normal retirement age with credit for at least three
1.17 but less than 30 years of allowable service shall be paid the normal retirement annuity
1.18 provided in section 352.115, subdivisions 2 and 3, paragraph (a), reduced by one-quarter
1.19 of one percent for each month that the employee is under normal retirement age at the time
1.20 of retirement. An employee who is eligible for a retirement annuity under section 352.115,
1.21 subdivision 1, and who retires prior to age 62 with credit for at least 30 years of allowable
1.22 service shall be paid the normal retirement annuity provided in section 352.115, subdivisions
1.23 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the
1.24 employee is under age 62 at the time of retirement.

2.1 (c) Any person who first became a covered employee or a member of a pension fund
2.2 listed in section 356.30, subdivision 3, before July 1, 1989, and whose attained age plus
2.3 credited allowable service totals 90 years is entitled, upon application, to a retirement annuity
2.4 in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and
2.5 3, paragraph (a), without any reduction by reason of early retirement.

2.6 (d) Any person who first became a covered employee or a member of a pension fund
2.7 listed in section 356.30, subdivision 3, after June 30, 1989, and before August 1, 1989, and
2.8 whose attained age plus credited allowable service totals 90 years is entitled, upon application
2.9 and payment to the Minnesota State Retirement System of the amount described in paragraph
2.10 (e), to a retirement annuity equal to the normal annuity provided in section 352.115,
2.11 subdivisions 2 and 3, paragraph (a), without any reduction by reason of early retirement.

2.12 (e) The amount required to purchase an unreduced annuity under paragraph (d) is the
2.13 amount calculated under section 356.551, subdivision 2, without regard to paragraph (c) or
2.14 (e) of subdivision 2, as if the purchase were a purchase of prior service credit. The person
2.15 must pay the amount in one lump sum prior to the person's effective date of retirement.

2.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.