CHAPTER 337–S.F.No. 1481

An act relating to state government finance; authorizing retirement incentives for certain state employees.

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

Section 1. **RETIREMENT INCENTIVE.**

Subdivision 1. **Eligibility.** (a) An eligible appointing authority may provide the retirement incentive in this section to an employee who:

(1) has at least 15 years of allowable service in one or more of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, or has at least 15 years of coverage by the individual retirement account plan governed by Minnesota Statutes, chapter 354B, and upon retirement is immediately eligible for a retirement annuity or benefit from one or more of these funds;

(2) accepts the incentive no later than December 31, 2010, and retires no later than June 30, 2011; and

(3) is not in receipt of a retirement plan, retirement annuity, retirement allowance, or service pension from a fund listed in Minnesota Statutes, section 356.30, subdivision 3, during the month preceding the termination of qualified employment.

(b) An eligible appointing authority is any appointing authority in the executive, legislative, or judicial branch of state government, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association, or the Minnesota State Colleges and Universities.

(c) An elected official is not eligible to receive an incentive under this section.

(d) An employee who, after termination of employment, receives an employer contribution for health insurance may not receive a payment for health insurance under this section from that appointing authority.

Subd. 2. **Incentive.** For an employee eligible under subdivision 1, the appointing authority will deposit into the employee's account in the health care savings plan established in Minnesota Statutes, section 352.98, up to 24 months of the employer contribution, as specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminates service, for health and dental insurance for the employee, and, if the employee had dependent coverage immediately before retirement, for the employee's dependents. The contributions provided under this section are those the employee was receiving as of the date of termination, subject to any changes in contributions specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminated service.

Subd. 3. **Employer discretion; implementation.** Provision of an incentive under this section is at the discretion of the appointing authority. Appointing authorities in the executive branch must apply for approval from the commissioner of management and budget before providing early retirement incentives under this section. All appointing authorities and the commissioner's review must give consideration to issues such as equity within the agency, budgetary constraints, and workforce planning concerns. The appointing authority will determine the date of retirement upon consultation with the employee. Unilateral implementation of this section by the appointing authority is not an unfair labor practice under Minnesota Statutes, chapter 179A.

Subd. 4. **Acceptance.** An employee who is eligible for an incentive under this section, who is offered an incentive by the appointing authority, and who accepts the incentive offer must do so in writing. A copy of the acceptance document must be provided by the appointing authority to the applicable retirement plan within 15 days of its execution.

Subd. 5. **Reemployment prohibition.** An individual who receives an incentive payment under this section may not be reemployed or hired as a consultant by any agency or entity that participates in the State Employee Group Insurance Program for a period of three years after termination of service.

Subd. 6. **Report.** The commissioner of management and budget must report to the legislature by April 2, 2011, regarding use of the retirement incentive for calendar year 2010, with a recommendation regarding renewal of the incentive.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor May 11, 2010

Signed by the governor May 13, 2010, 9:13 a.m.