

A bill for an act

relating to retirement; unclassified employees retirement program; clarifying transfer of coverage provision; amending Minnesota Statutes 2010, section 352D.02, subdivision 3.

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

Section 1. Minnesota Statutes 2010, section 352D.02, subdivision 3, is amended to read:

Subd. 3. **Transfer to general employees retirement plan.** (a) An employee referred to in subdivision 1, paragraph (c), clauses (2) to (4), (6) to (14), and (16) to (18), who is credited with shares in the unclassified program, and who has credit for allowable service, not later than one month following the termination of covered employment, may elect to terminate participation in the unclassified program and be covered by the general employees retirement plan by filing a written election with the executive director if the employee was employed before July 1, 2010, and has at least ten years of allowable service as of the date of the election or if the employee was first employed after June 30, 2010, and has no more than seven years of allowable service as of the date of the election.

(b) If the transfer election is made, the executive director shall then redeem the employee's total shares and shall credit to the employee's account in the general employees retirement plan the amount of contributions that would have been so credited had the employee been covered by the general employees retirement plan during the employee's entire covered employment or elective state service. The balance of money so redeemed and not credited to the employee's account must be transferred to the general employees retirement plan, except that (1) the employee contribution paid to the unclassified program must be compared to (2) the employee contributions that would have been paid to the

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general employees retirement plan for the comparable period, if the individual had been covered by that plan. If clause (1) is greater than clause (2), the difference must be refunded to the employee as provided in section 352.22. If clause (2) is greater than clause (1), the difference must be paid by the employee within six months of electing general employees retirement plan coverage or before the effective date of the annuity, whichever is sooner.

(c) An election under paragraph (a) to transfer coverage to the general employees retirement plan is irrevocable during any period of covered employment.

(d) A person referenced in subdivision 1, paragraph (c), clause (1), (5), or (15), who is credited with employee shares in the unclassified program is not permitted to terminate participation in the unclassified program and be covered by the general employees retirement plan.

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