

CHAPTER 352

MINNESOTA STATE RETIREMENT SYSTEM

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352.01 DEFINITIONS.

*[For text of subds 1 and 2, see M.S.1980]*

Subd. 2A. **Included employees.** The following persons are included in the meaning of state employee:

- (1) Employees of the Minnesota Historical Society.
- (2) Employees of the State Horticultural Society.
- (3) Employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed prior to July 1, 1963.
- (4) Employees of the Minnesota Crop Improvement Association.
- (5) Employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system.
- (6) Employees of the state universities employed under the university activities program.
- (7) Currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in clause (8) of subdivision 2B.
- (8) Employees of the armory building commission.
- (9) Permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation including permanent employees of the legislative research committee.
- (10) Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.
- (11) Employees of the Minnesota Safety Council.
- (12) Employees of the transit operating division of the metropolitan transit commission and any employees on authorized leave of absence from the transit operating division who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division.
- (13) Employees of the metropolitan council, metropolitan parks and open space commission, metropolitan transit commission, metropolitan waste control

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commission, metropolitan sports facilities commission or the metropolitan mosquito control commission unless excluded or covered by another public pension fund or plan pursuant to sections 473.141, subdivision 12, or 473.415, subdivision 3.

(14) Judges of the tax court.

*[For text of subs 2B to 7, see M.S.1980]*

Subd. 11. **Allowable service.** "Allowable service" means:

(1) Any service rendered by an employee for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or

(2) Any service rendered by an employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or

(3) Except as provided in clause (1), any service rendered by an employee after July 1, 1957, for any calendar month in which he is paid salary from which deductions are made, deposited and credited in the fund, including deductions made, deposited and credited as provided in section 352.041, or

(4) Except as provided in clause (1), any service rendered by an employee after July 1, 1957 for any calendar month for which payments in lieu of salary deductions are made, deposited and credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month. The board of directors of the Minnesota state retirement system shall establish rules governing the accrual of allowable service credit for less than full time employment.), or

(5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund, or

(6) The unused portion of an employee's annual leave allowance for which he is paid salary, or

(7) Any employee who made payment in installments in order to obtain additional service credit but failed to make the final payment on or before July 1, 1962 shall be entitled to have credit for all service for which the payments he made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or

(8) Former state employees who hold numbered certificates of deferred annuity who again become state employees shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates, or

(9) Any service covered by a refund repaid as provided in sections 352.23 or 352D.05, subdivision 4, but does not include service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system, or

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(10) Any service prior to July 1, 1978 by an employee of the transit operating division of the metropolitan transit commission or by an employee on an authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division which was credited by the metropolitan transit commission-transit operating division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous or allowable service as defined in the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977, or

(11) Any service by an employee of the metropolitan transit commission-transit operating division who is employed part time for less than 32 hours per week or 1,664 hours per year for which the employee is paid salary from which deductions are made, deposited and credited in the fund, including deductions made, deposited and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited and credited in the fund as provided in section 352.27 shall be credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full time week or a full time year, or

(12) Any service by an employee in the Minnesota demonstration job-sharing program pursuant to sections 43.56 to 43.62 which is less than 40 hours per week or 2,080 hours per year and for which the employee is paid salary from which deductions are made, deposited and credited in the fund, shall be credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full time week or a full time year.

*[For text of subds 12 to 18, see M.S.1980]*

Subd. 19. **Retirement.** "Retirement" means the time after a state employee is entitled to an accrued annuity, as defined in subdivision 21, payable to him pursuant to his application for annuity filed in the office of the system as provided in section 352.115, subdivision 8 or, in the case of an employee who has received a disability benefit, when he attains age 65.

*[For text of subds 20 to 22, see M.S.1980]*

Subd. 23. **Coverage or covered by the system.** "Coverage" or "covered by the system" for the purposes of this chapter means that state employees who serve the state of Minnesota and make the required employee contributions to the retirement fund will by reason thereof become entitled to either (1) a retirement annuity, or (2) a disability benefit, or (3) a refund of accumulated contributions, all as provided in this chapter.

**History:** 1981 c 224 s 41-44

## 352.029 COVERAGE FOR EMPLOYEES OF LABOR ORGANIZATIONS.

Subdivision 1. **Qualifications.** A former state employee who is an employee of a labor organization which is an exclusive bargaining agent representing state employees may elect pursuant to subdivision 2 to be covered by the state retirement system established by this chapter with respect to service with the labor organization unless specifically excluded under section 352.01, subdivision 2B.

*[For text of subds 2 to 5, see M.S.1980]*

**History:** 1981 c 224 s 45

**352.03 BOARD OF DIRECTORS, COMPOSITION, EXECUTIVE DIRECTOR; DUTIES, POWERS.**

*[For text of subds 1 to 5, see M.S.1980]*

Subd. 6. **Duties and powers of executive director.** The management of the system is vested in the director who shall be the executive and administrative head of the system. He shall act as advisor to the board on all matters pertaining to the system. He shall also act as the secretary of the board. It is the duty of the director and he has the power to:

- (1) Attend all meetings of the board;
- (2) Prepare and recommend to the board rules and regulations for the purpose of carrying out the provisions of this chapter;
- (3) Establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) Designate an assistant director with the approval of the board;
- (5) Appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;
- (6) Organize the work of the system as he deems necessary to fulfill the functions of the system, and to define the duties of its employees and delegate to them any of his powers or duties, subject to his control and under such conditions as he may prescribe. Appointments to exercise delegated power shall be by written order filed with the secretary of state;
- (7) With the advice and consent of the board, contract for actuarial services, professional management services, and consulting services as may be necessary and fix the compensation therefor. The contracts shall not be subject to the competitive bidding procedure prescribed by chapter 16. Professional management services may not be contracted for more often than once in every six years. Copies of all professional management survey reports shall be sent directly to the legislature and the legislative auditor at the same time reports are furnished the board. Only management firms experienced in conducting management surveys of federal, state or local public retirement systems shall be qualified to contract with the director hereunder;
- (8) With the advice and consent of the board provide inservice training for all employees of the system;
- (9) Make refundments of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased state employees or deceased former state employees, all as provided in this chapter;
- (10) Determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment thereof beginning as of the dates the annuities and benefits begin to accrue, all in accordance with the provisions of said chapter;
- (11) Pay annuities, refundments, survivor benefits, salaries and all necessary operating expenses of the system;
- (12) Certify funds available for investment to the state board of investment;
- (13) With the advice and approval of the board request the state board of investment to sell securities when he determines that funds are needed for the purposes of the system;
- (14) Prepare and submit to the board and the legislature an annual report covering the operation of the system, as required by sections 356.215 to 356.23;

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(15) Prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit the budgets to the department of administration; and

(16) With the approval of the board, perform such other duties as may be required for the administration of the retirement and other provisions of this chapter and for the transaction of its business.

*[For text of subds 7 to 16, see M.S.1980]*

**History:** 1981 c 224 s 46

## 352.04 STATE EMPLOYEES RETIREMENT FUND, CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.

*[For text of subds 1 to 9, see M.S.1980]*

Subd. 10. [Repealed, 2Sp1981 c 1 s 8]

*[For text of subds 11 and 12, see M.S.1980]*

## 352.113 PERMANENT DISABILITY BENEFITS.

*[For text of subds 1 and 2, see M.S.1980]*

Subd. 3. **Computation of benefits.** The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability begins to accrue as provided in subdivision 2, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Subd. 4. **Medical examinations; authorization for payment of benefit.** The director shall have the employee examined by at least two licensed physicians designated by the medical advisor. These physicians shall make written reports to the director concerning the employee's disability including medical opinions as to whether he is permanently and totally disabled within the meaning of section 352.01, subdivision 17. The director shall also obtain written certification from the employer stating whether the employee is on sick leave of absence because of a disability which will prevent further service to the employer and as a consequence the employee is not entitled to compensation from the employer. If upon the consideration of the reports of the physicians and such other evidence as may have been supplied by the employee or others interested therein, the medical advisor finds the employee totally and permanently disabled, he shall make appropriate recommendation to the director in writing together with the date from which the employee has been totally disabled, and the director shall thereupon determine the propriety of authorizing payment of a disability benefit as provided in this section. The fact that an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because he has reached age 65 as provided in this section, the disability benefit shall cease with the last payment received by the disabled employee or which had accrued to him in his lifetime unless he leaves a spouse

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surviving him; in that event the surviving spouse shall be entitled to the disability benefit for the calendar month in which the disabled employee died.

*[For text of subs 5 to 11, see M.S.1980]*

Subd. 12. **Retirement status at age 65.** The disability benefit paid to a disabled employee hereunder shall terminate when the employee reaches age 65. If the disabled employee is still totally and permanently disabled when the employee reaches age 65, the employee shall be deemed to be a retired employee and, if the employee had elected an optional annuity pursuant to subdivision 3, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the employee had not elected an optional annuity pursuant to subdivision 3, may then elect to receive either a normal retirement annuity equal in amount to the disability benefit paid before the employee reached age 65 or an optional annuity as provided in section 352.116, subdivision 3. Election of an optional annuity shall be made prior to reaching age 65. If an optional annuity is elected, the election shall be effective on the date on which the employee attains the age of 65 years and the optional annuity shall begin to accrue the first of the month following the month in which the employee attains age 65.

**History:** 1981 c 68 s 10,11; 1981 c 224 s 47

## 352.115 RETIREMENT ANNUITY.

*[For text of subs 1 to 9, see M.S.1980]*

Subd. 10. **Re-employment of annuitant.** Should any retired employee again become entitled to receive salary or wages from the state, or any employer who employs state employees as that term is defined in section 352.01, subdivision 2, other than salary or wages received as a temporary employee of the legislature during a legislative session, the annuity or retirement allowance shall cease when the retired employee has earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of 42 U.S.C., Section 403, in any calendar year. In the event that the retired employee has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the retired employee shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The annuity shall be resumed when state service terminates, or, if the retired employee is still employed at the beginning of the next calendar year, at the beginning of such calendar year, and payment shall again terminate when the retired employee has earned the applicable re-employment earnings maximum specified in this subdivision. No payroll deductions for the retirement fund shall be made from the earnings of a re-employed retired employee. If the retired employee is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed during the period of sick leave. No change shall be made in the monthly amount of an annuity or retirement allowance because of the re-employment of an annuitant.

*[For text of subs 11 and 12, see M.S.1980]*

Subd. 13. [Repealed, 1981 c 224 s 276]

**History:** 1981 c 224 s 48

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## 352.116 ANNUITIES UPON RETIREMENT.

*[For text of subds 1 and 2, see M.S.1980]*

Subd. 3. **Optional annuities.** The board shall establish an optional retirement annuity which shall take the form of a joint and survivor annuity. The board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. The optional forms shall be actuarially equivalent to the normal forms provided in sections 352.115 and 352.116, whichever applies. In establishing these optional forms the board shall obtain the written recommendation of an approved actuary as defined in section 352.01, subdivision 15, and these recommendations shall be a part of the permanent records of the board.

**History:** 1981 c 224 s 49

**352.1181** [Repealed, 1981 c 224 s 276]

## 352.12 REFUNDMENT AFTER DEATH OF EMPLOYEE OR FORMER EMPLOYEE.

*[For text of subds 1 to 10, see M.S.1980]*

Subd. 11. **Death of disability annuitant.** If an employee who has received a disability benefit dies, there shall be paid to his last designated beneficiary or, if there be none, to his surviving spouse, or if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the employee at the time the disability benefit began to accrue over and above the aggregate of (1) all disability benefits he had received and which had accrued in his lifetime, and (2) the benefit for the month in which the disabled employee died, payable, if applicable, to his surviving spouse under section 352.113, subdivision 4.

*[For text of subds 12 and 13, see M.S.1980]*

**History:** 1981 c 224 s 50

## 352.22 REFUND OR DEFERRED ANNUITIES.

*[For text of subds 1 and 2, see M.S.1980]*

Subd. 2a. **Amount of certain refund.** For any employee who is entitled to receive a refund pursuant to subdivision 1 and who, prior to July 1, 1978, was a member of the metropolitan transit commission--transit operating division employees retirement fund, the refund for contributions made prior to July 1, 1978 shall be equal to the following amounts:

(a) For any employee contributions made prior to January 1, 1950, the amount equal to one-half of the employee contributions without interest;

(b) For any employee contributions made subsequent to December 31, 1949, but prior to January 1, 1975, the amount of the employee contributions plus simple interest at the rate of two percent per annum; and

(c) For any employee contributions made subsequent to December 31, 1974, but prior to July 1, 1978, the amount of the employee contributions plus simple interest at the rate of three and one-half percent per annum. The refund of contributions made on or after July 1, 1978 shall be determined pursuant to subdivision 2. Interest shall be computed to the first day of the month in which

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the refund is processed and shall be based on fiscal year balances. No refunds of contributions made to the metropolitan transit commission--transit operating division employees retirement fund received prior to July 1, 1978 or for service rendered prior to July 1, 1978 may be repaid.

**Subd. 3. Deferred annuity.** (1) Any employee with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service shall have any annuity, deferred annuity or other benefit to which he may become entitled computed under the law in effect on his last working day.

(3) The provisions of Minnesota Statutes 1974, Section 352.28, Subdivision 1, and Section 352.115, Subdivisions 4 and 5 shall not apply to clauses (1) and (2).

(4) No application for a deferred annuity shall be made prior to the time the former employee reaches the required age to entitle him to the payment of the annuity. The deferred annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed in the office of the system except that if an optional annuity as provided in section 352.116 is selected the annuity shall begin to accrue 30 days after the application is filed but in no event prior to the date the employee reaches the required age to entitle him to the annuity nor prior to the day following the termination of state service in a position not covered by the retirement system nor prior to the day following the termination of employment in a position which requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

(5) Application for the accumulated contributions left on deposit with the fund may be made at any time after 60 days following the date of his termination of service.

*[For text of subds 4 to 9, see M.S.1980]*

**Subd. 10. Other refunds.** Former employees covered by the system who are or who become members of the highway patrol retirement fund, the state teacher's retirement association or employees of the University of Minnesota excluded from coverage under the system by action of the board of regents; or labor service employees, excluded from coverage under section 352.01, subdivision 2B, clause (26); or employees of the adjutant general who under federal law effectually elect membership in a federal retirement system; or officers or employees of the senate or house of representatives, excluded from coverage under section 352.01, subdivision 2B, clause (8), shall be entitled to make application for a refund of their accumulated contributions plus interest as provided in subdivision 2, upon the expiration of 30 days or more after their coverage ceases, notwithstanding their continuance in state service but in positions not covered by this chapter.

**History:** 1981 c 224 s 51-53; 1Sp1981 c 4 art 1 s 163

**352.72 COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION.**

*[For text of subd 1, see M.S.1980]*



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Subd. 2. **Computation of deferred annuity.** The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, shall be computed in the manner provided in section 352.22, subdivision 3, on the basis of allowable service prior to termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity shall be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent compounded annually until January 1, 1981, and thereafter three percent compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refundment, the service restored by the repayment shall be considered as continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. The mortality table and interest assumption used to compute the annuity shall be those in effect at the time the employee files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

Subd. 4. **Refundment repayment.** Any person who has received a refundment from the state employees retirement fund, and who is a member of a public retirement system included in subdivision 1, may repay such refundment with interest to the state employees retirement fund. If a refundment is repaid to the fund and more than one refundment has been received from the fund, all refundments must be repaid. Such repayment shall be made as provided in section 352.23, and under such terms and conditions consistent therewith as may be agreed upon with the director.

*[For text of subd 5, see M.S.1980]*

**History:** 1981 c 224 s 54,55

## 352.75 TRANSFER OF PENSION COVERAGE SAVINGS CLAUSE; INCREASE IN EXISTING ANNUITIES AND BENEFITS.

Subdivision 1. **Existing employees.** Notwithstanding any provisions of law to the contrary, as of July 1, 1978, all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on July 1, 1978, by a labor organization which is the exclusive bargaining agent representing employees of the transit operating division shall cease to be members of the metropolitan transit commission--transit operating employees retirement fund and shall cease to have any accrual of service credit, rights or benefits under that retirement fund. From and after July 1, 1978, all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on July 1, 1978, by the labor organization which is the exclusive bargaining agent

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representing employees of the transit operating division shall be members of the Minnesota state retirement system, shall be considered state employees for purposes of this chapter, unless specifically excluded pursuant to section 352.01, subdivision 2B, and shall have past service with the transit operating division of the metropolitan transit commission credited by the Minnesota state retirement system in accordance with section 352.01, subdivision 11, clause (10). Any employees on authorized leaves of absence from the transit operating division of the metropolitan transit commission who become employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division after July 1, 1978, shall be entitled to be members of the Minnesota state retirement system pursuant to section 352.029.

**Subd. 2. New employees.** All persons first employed by the metropolitan transit commission as employees of the transit operating division on or after July 1, 1978, shall be members of the Minnesota state retirement system and shall be considered state employees for purposes of this chapter unless specifically excluded pursuant to section 352.01, subdivision 2B.

**Subd. 3. Existing retired members and benefit recipients.** As of July 1, 1978, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the metropolitan transit commission--transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission--transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to July 1, 1978, and the required reserves for the increase in annuities and benefits provided pursuant to subdivision 6 shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota post-retirement investment fund on July 1, 1978, but shall be considered transferred as of June 30, 1978. The annuity or benefit amount in effect on July 1, 1978, including the increase granted pursuant to subdivision 6, shall be utilized for purposes of any adjustments made pursuant to section 11A.18. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

**Subd. 4. Existing deferred retirees.** Any former member of the metropolitan transit commission--transit operating division employees retirement fund who is not an active employee of the transit operating division of the metropolitan transit commission on July 1, 1978, who has at least ten years of active continuous service with the transit operating division of the metropolitan transit commission as defined by the metropolitan transit commission--transit operating division employees retirement plan document in effect on December 31, 1977, who has not received a refund of contributions and who has not retired or begun receiving an annuity or benefit from the metropolitan transit commission--transit operating division employees retirement fund shall be entitled to a retirement annuity from the Minnesota state retirement system upon attaining the age of at least 55 years and submitting a valid application for a retirement annuity to the executive director of the Minnesota state retirement system. The person shall be entitled to a retirement annuity in an amount equal to the normal old age retirement allowance calculated under the metropolitan transit commission--transit operating division employees retirement fund plan document in effect on December 31, 1977 subject to an early retirement reduction or adjustment in amount on account of

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retirement prior to the normal retirement age specified in that metropolitan transit commission--transit operating division employees retirement fund plan document. The deferred retirement annuity of any person to whom this subdivision applies shall be augmented. The required reserves applicable to the deferred retirement annuity, determined as of the date the allowance begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented by interest at the rate of five percent per annum compounded annually from January 1, 1978 to January 1, 1981 and three percent per annum compounded annually from January 1, 1981 to the first day of the month in which the annuity begins to accrue. Upon the commencement of the retirement annuity, the required reserves for the annuity shall be transferred to the Minnesota post-retirement investment fund in accordance with subdivision 2 and section 352.119. Upon application for a retirement annuity under this subdivision, the person shall be entitled to elect a joint and survivor optional annuity pursuant to section 352.116, subdivision 3.

**Subd. 5. Savings clause for certain existing employees.** Any person who is a member of the metropolitan transit commission--transit operating division employees retirement fund on July 1, 1978 shall be entitled to retain past and prospective rights under the retirement benefit formula, normal retirement age and early reduced retirement age provisions of the metropolitan transit commission--transit operating division employees retirement fund plan document in effect on July 1, 1978 in lieu of the provisions contained in sections 352.115; 352.116; 352.22, subdivisions 3 to 11; and 356.30.

**Subd. 6. Increase in existing annuities and benefits.** All persons receiving retirement allowances or annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits from the metropolitan transit commission--transit operating division employees retirement fund on December 31, 1977 and on July 1, 1978, shall be entitled to have that retirement allowance or annuity, disability benefit, survivorship annuity or survivor of deceased active employee benefit increased by an amount equal to \$20 per month. Notwithstanding section 356.18, increases in payments pursuant to this subdivision shall be made automatically unless the intended recipient files written notice with the executive director of the Minnesota state retirement system requesting that the increase shall not be made. If any actuarial reduction or adjustment was applied to the retirement allowance or annuity, disability benefit, survivorship annuity or survivor of deceased active employee benefit, the increase specified in this subdivision shall be similarly reduced or adjusted. Upon the death of any person receiving an annuity or benefit where the person made a joint and survivor optional annuity election, the survivor shall be entitled to the continued receipt of the increase provided for under this subdivision; provided, however, that the increase shall be reduced or adjusted in accordance with the optional annuity election.

**History:** 1981 c 224 s 56

## 352.85 SPECIAL RETIREMENT COVERAGE FOR MILITARY AFFAIRS DEPARTMENT PERSONNEL.

*[For text of subs 1 to 5, see M.S.1980]*

**Subd. 6. Actuarial valuation exhibit.** In each valuation of the Minnesota state retirement system prepared pursuant to section 356.215, an exhibit pertaining to this special retirement program shall be included which shall contain for the special program those actuarial valuation contents items specified in section

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356.215, subdivision 4, which the executive director deems are necessary to adequately disclose the actuarial condition of the special program.

**History:** 1981 c 224 s 57

## 352.90 CORRECTIONAL EMPLOYEES.

It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who may be required to retire at an early age because they are unable to retain the mental or physical capacity required to maintain the safety, security, discipline and custody of inmates at state adult correctional facilities.

**History:** 1981 c 224 s 58

## 352.91 COVERED CORRECTIONAL SERVICE.

*[For text of subd 1, see M.S.1980]*

Subd. 2. Covered correctional service shall also mean service rendered at any time by state employees as special teachers, tradesmen and maintenance personnel certified by the commissioner of employee relations as being regularly engaged in rehabilitation, treatment, custody or supervision of inmates employed at the Minnesota correctional facility-St. Cloud, the Minnesota correctional facility-Stillwater and the Minnesota correctional facility-Shakopee on or after July 1, 1974, other than any employees who are 62 years of age or older as of July 1, 1974, and, effective the first payroll period after June 1, 1980 or the date of initial employment in covered correctional service, whichever is later, shall also include those employees of the Minnesota correctional facility-Lino Lakes and the employees of any other adult state correctional facility which may be established, who perform covered correctional service after June 1, 1980. The term special teacher shall also include the classifications of facility educational administrator and supervisor.

*[For text of subd 3, see M.S.1980]*

Subd. 3a. **Security guards.** Covered correctional service shall also mean service rendered prior to January 1, 1981, in the classification of security guard by any employee employed in a covered correctional position on January 1, 1981.

*[For text of subd 4, see M.S.1980]*

**History:** 1981 c 224 s 59; 1981 c 297 s 3

## 352.95 DISABILITY BENEFITS.

*[For text of subd 1, see M.S.1980]*

Subd. 1a. **Optional annuity election.** A disabled correctional employee may elect the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue as provided in subdivision 3, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

*[For text of subs 2 to 4, see M.S.1980]*

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Subd. 5. **Retirement status at age 65.** The disability benefit paid to a disabled correctional employee hereunder shall terminate when the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee shall be deemed to be a retired employee and, if the employee had elected an optional annuity pursuant to subdivision 1a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the employee had not elected an optional annuity pursuant to subdivision 1a, may then either elect to receive a normal retirement annuity computed in the manner provided in section 352.115 or elect to receive an optional annuity as provided in section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity shall be made prior to attaining the age of 62 years. The reduction for retirement prior to age 65 as provided in section 352.116, subdivision 1, shall not be applicable. The savings clause provision of section 352.93, subdivision 3, shall be applicable. If an optional annuity is elected, the optional annuity shall begin to accrue on the first of the month following the month in which the employee attains the age of 62 years.

*[For text of subds 6 and 7, see M.S.1980]*

**History:** 1981 c 68 s 12,13

## **352.951 APPLICABILITY OF GENERAL LAW.**

Except as otherwise provided, the provisions of this chapter shall apply to covered correctional employees.

**History:** 1981 c 224 s 60