

CHAPTER 354B

INDIVIDUAL RETIREMENT ACCOUNT PLAN

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354B.01 DEFINITIONS.

[For text of subd 1, see M.S.1990]

Subd. 1a. **Supplemental plan.** "Supplemental plan" means the supplemental retirement plan established in sections 354B.07 to 354B.09.

[For text of subds 2 and 3, see M.S.1990]

History: 1991 c 269 art 4 s 1

354B.04 CONTRIBUTIONS.

[For text of subd 1, see M.S.1990]

Subd. 2. **Employer contributions.** The employer of persons in covered employment who participate in the plan shall make an employer contribution to the plan in an amount equal to the amount prescribed by section 354.42, subdivision 3.

[For text of subd 3, see M.S.1990]

History: 1991 c 340 s 30; 1991 c 341 s 42

354B.06 RULES.

The state university system and the community college system may adopt rules to administer the provisions of sections 354B.07 to 354B.09. The systems may deposit member contributions in a nontreasury account established under chapter 136, an account or accounts established under section 11A.17, or other appropriate accounts of the state board of investment for investment under procedures established by the state board of investment.

History: 1991 c 269 art 4 s 2

354B.07 SUPPLEMENTAL RETIREMENT PLAN.

Subdivision 1. **Establishment.** The supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full-time contract is governed by this section. An unclassified employee employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal Comprehensive Employment and Training Act is not included in the supplemental retirement plan provided for in this section after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by this section on account of that unclassified employee from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the unclassified employee agrees in writing to make the employer contribution required by this section in addition to the member contribution.

Subd. 2. **Redemptions.** The chancellor of the state university system and the chan-

cellor of the state community college system shall redeem all shares in the accounts of the Minnesota supplemental investment fund held on behalf of personnel in the supplemental plan who elect an investment option other than the supplemental investment fund, except that shares in the guaranteed return account may not be redeemed until the expiration dates for the guaranteed investment contracts. The chancellors shall transfer the cash realized to the financial institutions selected by the state university board and the community college board under section 354B.05.

History: 1991 c 269 art 4 s 3

354B.08 SALARY DEDUCTIONS, MATCHING FUNDS.

Subdivision 1. Deductions. The state university board and the state board for community colleges shall deduct from the salary of each person described in section 354B.07 a sum equal to five percent of the person's annual salary paid between \$6,000 and \$15,000. The deduction must be made in the same manner as other retirement deductions are made from the salary of the person. The employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. If an agreement is made under section 356.24 for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's annual salary above \$15,000 as specified in this subdivision. Two percent of the amount of the salary deductions and employer contributions may be used by the state university board and the state board for community colleges for payment of necessary and reasonable administrative expenses.

Subd. 2. Administration. The chancellor of the state university system and the chancellor of the state community college system shall administer the supplemental retirement plan for their employees. The chancellors shall invest contributions made under this section, less amounts used for administrative expenses, as authorized by law. The retirement contributions and death benefits provided by annuity contracts or custodial accounts purchased by the chancellors are owned by the plan and must be paid in accordance with the annuity contracts or custodial accounts.

History: 1991 c 269 art 4 s 4

354B.09 TAX SHELTER PROVISIONS.

Subdivision 1. Agreements; adjustments. For the purpose of, and to permit the participation in a tax shelter under provisions of sections 501(c) and 403(b) and related provisions of the Internal Revenue Code, the state university board and the board for community colleges may enter into agreements to reduce or adjust salaries downward for persons defined in section 354B.07, subdivision 1, and to pay as employer an amount equivalent to the salary reduction in the same manner as deductions would have been paid by the person under section 354B.08, subdivision 1.

Subd. 2. Rules. Subject to the approval of their governing boards, the chancellors of the state university system and community college system may adopt rules and procedures consistent with sections 354B.07 to 354B.09 which permit, if possible, participation in a tax shelter under provisions of the Internal Revenue Code.

History: 1991 c 269 art 4 s 5