

CHAPTER 354D

RETIREMENT PLANS, ARTS BOARD AND
HUMANITIES COMMISSION

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354D.01 DEFINITIONS.

Subdivision 1. **Terms.** Unless the language or context clearly indicates that a different meaning is intended, the following terms have the meanings given.

Subd. 2. **Individual retirement account plan or plan.** "Individual retirement account plan" or "plan" means the individual retirement account plan established by sections 354B.01 to 354B.05.

Subd. 3. **Covered employment.** "Covered employment" means employment as an eligible employee as defined under section 354D.02, subdivision 2.

Subd. 4. **Professional employee.** "Professional employee" means an employee who is engaged in work that:

- (1) is predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical;
- (2) involves discretion and judgment in its performance;
- (3) cannot be standardized in relation to a given period of time; and
- (4) requires advance knowledge in a field of science or learning usually acquired by long study in an institution of higher learning or hospital.

Subd. 5. **Supervisory employee.** "Supervisory employee" means an employee having the authority to hire, transfer, suspend, promote, discharge, assign, reward, or discipline employees, direct the work of employees, or adjust employees' grievances on behalf of the employer. To be included as a supervisory function, the exercise of the authority by the employee may not be merely routine or clerical in nature but must require the use of independent judgment.

History: 1994 c 508 art 2 s 1; 1995 c 141 art 4 s 30

354D.02 PARTICIPANTS.

Subdivision 1. **Election.** An eligible employee as enumerated in subdivision 2 who is eligible for membership in the Minnesota state retirement system under chapter 352, the public employees retirement association under chapter 353, or the teachers retirement association under chapter 354 may elect to participate in the individual retirement account plan rather than in the general state retirement plan. Election to participate in the plan must be made pursuant to section 354D.04.

Subd. 2. **Eligibility.** Eligible employees are:

- (1) any supervisory or professional employee of the state arts board; and
- (2) any supervisory or professional employee of the Minnesota humanities commission.

History: 1994 c 508 art 2 s 2; 1995 c 141 art 4 s 30

354D.03 SOCIAL SECURITY COVERAGE.

Plan participants remain members of the general state retirement plan for purposes of social security coverage only remain covered by the applicable agreement entered into under section 355.02 but are not members of the general state retirement plan for any other purpose while employed in covered employment.

History: 1994 c 508 art 2 s 3; 1995 c 141 art 4 s 30

354D.04 PLAN COVERAGE.

Eligible employees shall elect to participate in either the individual retirement account plan or their respective retirement plan as follows:

(1) An eligible employee first employed after the effective date of Laws 1994, chapter 508, in covered employment may elect retirement coverage under either their respective state retirement plan or the individual retirement account plan within 60 days of the start of covered employment. An election made under this subdivision is irrevocable.

(2) An eligible employee with prior allowable service as a member of the Minnesota state retirement system, the public employees retirement association, or the teachers retirement association may elect coverage by the plan. If plan coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the applicable retirement association or system. Notwithstanding any provision of law to the contrary, an individual who has transferred coverage for the same employment to the plan is entitled to an augmented deferred retirement annuity based on the amount representing the employer and employee contributions made on the individual's behalf in the retirement association or system in which the individual was formerly enrolled without regard to whether or not the individual meets the service credit vesting requirements of the applicable retirement association or system. An election made under this subdivision must be made within 120 days and is irrevocable.

History: 1994 c 508 art 2 s 4; 1995 c 141 art 4 s 30

354D.05 CONTRIBUTIONS.

Subdivision 1. **Member contributions.** Eligible employees who would otherwise be eligible to participate in the Minnesota state retirement system, the public employees retirement association, or the teachers retirement association, but who participate in the individual retirement account plan, shall make a member contribution in an amount equal to the member contribution amount required by the plan for which the individual was originally eligible for membership. The contribution must be made by payroll deduction each pay period and must be in accordance with either section 403(b) or 414(h) of the Internal Revenue Code.

Subd. 2. **Employer contributions.** The employer of eligible employees described in subdivision 1 who are eligible to participate in either the Minnesota state retirement system or the public employees retirement association shall make an employer contribution to the plan in an amount equal to the employer contribution amount required by the plan for which the individual was originally eligible for membership. The employer of eligible employees described in subdivision 1 who are eligible to participate in the teachers retirement association shall make an employer contribution to the plan in an amount equal to the employer contribution required by section 354.42, subdivision 3, and shall make an employer contribution to the teachers retirement association in an amount equal to the employer contribution required by section 354.42, subdivision 5.

History: 1994 c 508 art 2 s 5; 1995 c 141 art 4 s 30

354D.06 ADMINISTRATION.

The Minnesota state university system or its successor shall administer the individual retirement account plan for eligible employees in accordance with sections 354B.01 to 354B.05.

History: 1994 c 508 art 2 s 6; 1995 c 141 art 4 s 30

354D.07 TRANSFER OF CERTAIN MSRS MEMBER CONTRIBUTION REFUND AMOUNTS TO PLAN.

(a) Notwithstanding any provision of law to the contrary, a former member of the general state employees retirement plan of the Minnesota state retirement system who is a member of the individual retirement account plan under this chapter may elect to transfer to the individual retirement account plan an amount equal to the refund under section 352.22, subdivision 2, that the member could otherwise receive. The transfer must be made from the general state employees retirement fund directly to the individual retirement account plan and credited by the plan appropriately. No amount under this section is payable directly to any individual.

(b) The election must be made on a form prescribed by the executive director of the Minnesota state retirement system, after consultation with the administrators of the plan.

History: 1994 c 508 art 2 s 7; 1995 c 141 art 4 s 30