

## CHAPTER 354B

## INDIVIDUAL RETIREMENT ACCOUNT PLAN

354B.21 Coverage.  
354B.25 Individual retirement account plan administration.

354B.30 Prohibition on loans or pretermination distributions.

**354B.21 COVERAGE.**

*[For text of subs 1 and 2, see M.S.1996]*

**Subd. 3. Default coverage.** (a) If an eligible person fails to elect coverage by the plan under subdivision 2 or if the person fails to make a timely election, the following retirement coverage applies:

(1) for employees of the board who are employed in faculty positions in the technical colleges, in the state universities or in the community colleges, the retirement coverage is by the plan established by this chapter;

(2) for employees of the board who are employed in faculty positions in the technical colleges, the retirement coverage is by the plan established by this chapter unless on June 30, 1997, the employee was a member of the teachers retirement association established under chapter 354 and then the retirement coverage is by the teachers retirement association, or, unless the employee was a member of a first class city teacher retirement fund established under chapter 354A on June 30, 1995, and then the retirement coverage is by the Duluth teachers retirement fund association if the person was a member of that plan on June 30, 1995, or the Minneapolis teachers retirement fund association if the person was a member of that plan on June 30, 1995, or the St. Paul teachers retirement fund association if the person was a member of that plan on June 30, 1995; and

(3) for employees of the board who are employed in eligible unclassified administrative positions, the retirement coverage is by the plan established by this chapter.

(b) If an employee fails to correctly certify prior membership in the teachers retirement association to the Minnesota state colleges and universities system, the system shall not pay interest on employee contributions, employer contributions, and additional employer contributions to the teachers retirement association under section 354.52, subdivision 4.

*[For text of subs 3a to 6, see M.S.1996]*

**History:** 1997 c 241 art 8 s 5

**354B.25 INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATION.**

*[For text of subd 1, see M.S.1996]*

**Subd. 1a. Advisory committee.** (a) A committee is created to advise the state board of investment and the board of trustees of the Minnesota state colleges and universities concerning administration of the individual retirement account plan and the supplemental retirement plan established in chapter 354C. The exclusive representatives of the state university instructional unit, the community college instructional unit, and the technical college instructional unit shall each appoint two members to the committee. The exclusive representatives of the general professional unit, the supervisory employees unit and the state university administrative unit shall each appoint one member to the committee. The chancellor of the Minnesota state colleges and universities shall appoint three members, at least one of whom shall be a personnel administrator. No member of the committee shall be retired. Members serve at the pleasure of the applicable appointing authority, but no member shall serve for more than a total of five years. Members shall be reimbursed from the administrative expense account of the individual retirement account plan for expenses as provided in section 15.059, subdivision 3.

(b) The committee shall:

(1) advise the board of trustees of the Minnesota state colleges and universities on the structure and operation of the individual retirement account plan and the supplemental retirement plan;

(2) along with any other consultants selected by the board, advise the state board of investment on selection of financial institutions and on the type of investment products to be offered by these institutions for the plans;

(3) advise the board of trustees of the Minnesota state colleges and universities on administration of the plans, including selection of a third-party plan administrator, if any, for the individual retirement account plan.

(c) The board of trustees of the Minnesota state colleges and universities shall provide the advisory committee with meeting space and other administrative support.

(d) Expenses of the advisory committee are considered administrative expenses of the plans under subdivision 5 and section 354C.12, subdivision 4, and must be allocated between the two plans in proportion to the market value of the total assets of the plans as of the most recent prior audited annual financial report.

*[For text of subs 2 to 4, see M.S.1996]*

**Subd. 5. Individual retirement account plan administrative expenses.** (a) The reasonable and necessary administrative expenses of the individual retirement account plan must be paid by plan participants in the following manner:

(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment as provided in section 11A.17, subdivisions 10a and 14; and

(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

**History:** 1997 c 241 art 3 s 7,8

### **354B.30 PROHIBITION ON LOANS OR PRETERMINATION DISTRIBUTIONS.**

(a) No participant may obtain a loan from the plan or obtain any distribution from the plan at a time before the participant terminates the employment that gave rise to plan coverage.

(b) No amounts to the credit of the plan are assignable either in law or in equity, are subject to state estate tax, or are subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111.

**History:** 1997 c 203 art 6 s 92