

CHAPTER 352

MINNESOTA STATE RETIREMENT SYSTEM

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352.03 BOARD OF DIRECTORS; EXECUTIVE DIRECTOR.

Subdivision 1. **Membership of board; election; term.** The policy-making function of the system is vested in a board of 11 members known as the board of directors. This board shall consist of three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters, four state employees elected by state employees covered by the system excluding employees in categories specifically authorized to designate or elect a member by this subdivision, one employee of the metropolitan council's transit operations or its successor agency designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division, one member of the state patrol retirement fund elected by members of that fund at a time and in a manner fixed by the board, one employee covered by the correctional employees plan elected by employees covered by that plan, and one retired employee elected by disabled and retired employees of all plans administered by the system at a time and in a manner to be fixed by the board. Two state employee members, whose terms of office begin on the first Monday in May after their election, must be elected biennially. Elected members and the appointed member of the metropolitan council's transit operations hold office for a term of four years and until their successors are elected or appointed, and have qualified. An employee of the system is not eligible for membership on the board of directors. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors. The term of any board member who is on leave for more than six months automatically ends on expiration of the term of office.

[For text of subds 1a to 5, see M.S.1998]

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

- (1) attend meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out 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 any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter;
- (6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe. Appointments to exercise delegated power must be by written order and shall be filed with the secretary of state;
- (7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services. The contracts are not subject to competitive bidding under chapter 16C. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valu-

ations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, and to the executive director of the commission at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director;

(8) with the advice and consent of the board provide in-service training for the employees of the system;

(9) make refunds 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, as provided in this chapter;

(10) determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(11) pay annuities, refunds, survivor benefits, salaries, and 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 the director determines that funds are needed for the system;

(14) prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

(15) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the department of finance; and

(16) with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

[For text of subs 7 to 16, see M.S.1998]

History: 1999 c 99 s 15; 1999 c 222 art 9 s 3

352.1155 NO ANNUITY REDUCTION.

Subdivision 1. **Eligibility.** Except as indicated in subdivision 4, the annuity reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

(1) retires from the Minnesota state colleges and universities system with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) begins drawing an annuity from the general state employees retirement plan of the Minnesota state retirement system; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

Subd. 2. **Approval requirements.** Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

Subd. 3. **Service credit prohibition.** Notwithstanding any law to the contrary, a person eligible under this section may not, based on employment to which the waiver in this section

applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Subd. 4. **Exemption limit.** For a person eligible under this section who earns more than \$35,000 in a calendar year from reemployment in the Minnesota state colleges and universities system following retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only to income over \$35,000.

Subd. 5. **Continuing rights.** A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

History: 1999 c 222 art 19 s 3

352.87 STATE FIRE MARSHAL DIVISION EMPLOYEES.

Subdivision 1. **Eligibility.** A member of the general plan who is employed by the department of public safety, state fire marshal division, as a deputy state fire marshal, fire/arson investigator, who elects special benefit coverage under subdivision 8, is entitled to retirement benefits or disability benefits, as applicable, as stated in this section for eligible service under this section rendered after July 1, 1999, for which allowable service credit is received. The covered member must be at least age 55 to qualify for the retirement annuity specified in subdivision 3.

Subd. 2. **Retirement annuity eligibility.** A person specified in subdivision 1 who meets all eligibility requirements specified in this chapter applicable to general plan members is eligible for retirement benefits as specified in subdivision 3.

Subd. 3. **Retirement annuity formula.** A person specified in subdivision 1 will have a retirement annuity applicable for allowable service credit under this section calculated by multiplying the employee's average salary, as defined in section 352.115, subdivision 2, by the percent specified in section 356.19, subdivision 2a, for each year or portions of a year of allowable service credit. No reduction for retirement prior to normal retirement age, as specified in section 352.01, subdivision 25, applies to service to which this section applies.

Subd. 4. **Non-job-related disability benefits.** An eligible member described in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while not engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 15 years of service qualifying under this section and waiving the minimum age requirement. If the eligible member becomes disabled under this subdivision with more than 15 years of service covered under this section, the eligible member is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the minimum age requirement.

Subd. 5. **Job-related disability benefits.** An eligible member defined in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 20 years of service qualifying under this section and waiving the minimum age requirement. An eligible member who becomes disabled under this subdivision with more than 20 years of service credited under this section is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the age requirement.

Subd. 6. **Disability benefit coordination.** If the eligible employee is entitled to receive a disability benefit as provided in subdivision 4 or 5 and has allowable service credit under this section for less service than the length of service upon which the disability benefit in subdivision 4 or 5 is based, and also has allowable service in the general plan not includable in this section, the employee is entitled to a disability benefit or deferred retirement annuity based on the general plan service not includable in this section only for the service that, when

combined with the service includable in this section, exceeds the number of years on which the disability benefit provided in subdivision 4 or 5 is based. The benefit recipient under subdivision 4 or 5 who also has credit for regular plan service must in all respects qualify under section 352.113 to be entitled to receive a disability benefit based on the general plan service not includable in this section, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on general plan service not includable in this section must be augmented as provided in section 352.72, subdivision 2, while the employee is receiving a disability benefit under this section.

Subd. 7. Additional contributions. The special retirement annuity and disability coverage under this section must be financed by an employee contribution of 2.78 percent of covered salary and an employer contribution of 4.20 percent of covered salary. These contributions are in addition to the contributions required by section 352.04, subdivisions 2 and 3, and must be made in the manner provided for in section 352.04, subdivisions 4, 5, and 6.

Subd. 8. Election of coverage. To be covered by this section, an employee of the department of public safety described in subdivision 1 who is employed in a position described in that subdivision on or after July 1, 1999, must file a notice with the executive director of the Minnesota state retirement system on a form prescribed by the executive director stating whether or not the employee elects to be covered by this section. Notice must be filed by September 1, 1999, or within 90 days of employment, whichever is later. Elections are irrevocable during any period of covered employment. A failure to file a timely notice shall be deemed a waiver of coverage by this section.

History: 1999 c 222 art 15 s 1

352.90 POLICY.

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 lose the mental or physical capacity required to maintain the safety, security, discipline, and custody of inmates at state correctional facilities or of patients at the Minnesota security hospital or at the Minnesota sexual psychopathic personality treatment center or of patients in the Minnesota extended treatment options on-campus program at the Cambridge regional human services center.

History: 1999 c 222 art 13 s 1

352.91 COVERED CORRECTIONAL SERVICE.

[For text of subs 1 to 3d, see M.S.1998]

Subd. 3e. Minnesota extended treatment options program; Cambridge. "Covered correctional service" means service by a state employee in one of the following employment positions with the Minnesota extended treatment options on-campus program at the Cambridge regional human services center if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota extended treatment options program and if service in such a position is certified to the executive director by the commissioner of human services, unless the person elects to retain current retirement coverage under section 6:

- (1) behavior analyst I;
- (2) human services support specialist;
- (3) mental retardation residential program lead;
- (4) psychologist 2;
- (5) recreation program assistant;
- (6) recreation therapist senior;
- (7) registered nurse senior;
- (8) skills development specialist; and
- (9) social worker senior.

[For text of subs. 4 and 5, see M.S.1998]

History: 1999 c 222 art 13 s 2

352.92 CORRECTIONAL EMPLOYEE CONTRIBUTIONS.

Subdivision 1. **Employee contributions.** Employee contributions of covered correctional employees must be in an amount equal to 5.69 percent of salary.

Subd. 2. **Employer contributions.** The employer shall contribute for covered correctional employees an amount equal to 7.98 percent of salary.

[For text of subd 3, see M.S.1998]

History: 1999 c 222 art 13 s 3,4

352.93 RETIREMENT ANNUITY.

[For text of subds 1 and 2, see M.S.1998]

Subd. 2a. **Early retirement.** Any covered correctional employee who becomes at least 50 years old and who has at least three years of allowable service is entitled upon application to a reduced retirement annuity equal to the annuity calculated under subdivision 2, reduced by two-tenths of one percent for each month that the correctional employee is under age 55 at the time of retirement.

[For text of subds 3 to 4, see M.S.1998]

History: 1999 c 222 art 13 s 5