

## CHAPTER 354

### TEACHERS RETIREMENT ACT

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#### 354.05 DEFINITIONS.

*[For text of subs 1 to 39, see M.S.1998]*

Subd. 40. **Timely receipt.** An application, payment, return, claim, or other document that is not personally delivered to the association on or before the applicable due date is considered to be a timely receipt if received on or before the due date or if delivered or filed under section 645.151.

**History:** 1999 c 222 art 9 s 4

#### 354.06 BOARD OF TRUSTEES; MEMBERSHIP; DUTIES.

Subdivision 1. **Board.** The management of the association is vested in a board of eight trustees known as the board of trustees of the teachers retirement association. It is composed of the following persons: the commissioner of children, families, and learning, the commissioner of finance, a representative of the Minnesota school boards association, four members of the association elected by the members of the association, and one retiree elected by the retirees of the association. The five elected members of the board of trustees must be chosen by ballot in a manner fixed by the board of trustees of the association. In every odd-numbered year there shall be elected two members of the association to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every other odd-numbered year one retiree of the association must be elected to the board of trustees for a term of four years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the association. Each election must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the association at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree may be appointed by the board, or elected by the members of the association as a trustee, if the person is not a member or retiree of the association in good standing at the time of the appointment or election.

*[For text of subs 1a and 2, see M.S.1998]*

Subd. 2a. **Duties of executive director.** The management of the association is vested in the executive director who shall be the executive and administrative head of the association. The executive director shall act as advisor to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry 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 executive director in the unclassified service and two assistant executive directors in the classified service with the approval of the board, and appoint such

employees, both permanent and temporary, as are necessary to carry out the provisions of this chapter;

(5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the director's control and under such conditions as the director may prescribe;

(6) with the approval of the board, contract and set the compensation for the services of an approved actuary, professional management services, and any other consulting services. These contracts are not subject to the competitive bidding procedure prescribed by chapter 16C. An 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 valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. 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 same 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 executive director;

(7) with the approval of the board, provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased members or deceased former members, under this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, under this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

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

(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 on determining that funds are needed for the purposes of the association;

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

(15) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business. The executive director may:

(i) reduce all or part of the accrued interest and fines payable by an employing unit for reporting requirements under section 354.52, based on an evaluation of any extenuating circumstances of the employing unit;

(ii) assign association employees to conduct field audits of an employing unit to ensure compliance with the provisions of this chapter; and

(iii) recover overpayments, if not repaid to the association, by suspending or reducing the payment of a retirement annuity, refund, disability benefit, survivor benefit, or optional annuity under this chapter until the overpayment, plus interest, has been recovered.

*[For text of subs 3 to 7, see M.S.1998]*

**History:** 1999 c 99 s 18; 1999 c 222 art 9 s 5

### **354.10 FUNDS NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES.**

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

Subd. 4. **Changes in designated beneficiaries.** Any beneficiary designated by a retiree or member under section 354.05, subdivision 22, may be changed or revoked by the retiree or member on a form provided by the executive director. A change or revocation made under this subdivision is valid only if the properly completed form is received by the association on or before the date of death of the retiree or the member. If a designated beneficiary dies before the retiree or member designating the beneficiary, and a new beneficiary is not designated, the retiree's or member's estate is the beneficiary.

**History:** 1999 c 222 art 9 s 6

### **354.445 NO ANNUITY REDUCTION.**

(a) The annuity reduction provisions of section 354.44, subdivision 5, 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 teachers retirement association; 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.

(b) 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.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) 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.

(d) For a person eligible under paragraphs (a) and (b) who earns more than \$35,000 in a calendar year from employment after retirement due to employment by the Minnesota state colleges and universities system, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over \$35,000.

(e) 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 4

### **354.53 CREDIT FOR MILITARY SERVICE LEAVE OF ABSENCE.**

Subdivision 1. **Employee and employer contributions.** Any employee given a leave of absence to enter military service and who returns to teaching service upon discharge from military service as provided in section 192.262, may obtain credit for the period of military service but shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. The member shall obtain credit by paying into the fund an employee contribution based upon the contribution rates in effect at the time that the military service was performed multiplied by the annual salary rate of the member for the year beginning with the date of return from military service and the number of years of military service together with interest there-

on at an annual rate of 8.5 percent compounded annually from the time the military service was rendered to the first date of payment. The employer contribution and additional contribution provided in section 354.42 must be paid by the employing unit at the rates in effect at the time that the military service was performed, applied to the annual salary rate of the member for the year beginning with the date of return from military service, in the manner provided in section 354.52, subdivision 4.

Subd. 2. **Calculation of credit.** All payments into the fund pursuant to this section shall be considered accumulations after July 1, 1957 for the purpose of computing any annuity in accordance with section 354.44, subdivision 2. If the contributions and interest thereon provided in this section are not paid in full, the member's formula service credit shall be calculated by multiplying the number of years of military service by the ratio obtained by the total amount paid and the maximum amount payable provided herein.

Subd. 3. **Payments.** Payments pursuant to this section shall be made within five years from the date of discharge.

**History:** 1999 c 222 art 16 s 17

### 354.533 PRIOR OR UNCREDITED MILITARY SERVICE CREDIT PURCHASE.

Subdivision 1. **Service credit purchase authorized.** A teacher who has at least three years of allowable service credit with the teachers retirement association and who performed service in the United States armed forces before becoming a teacher as defined in section 354.05, subdivision 2, or who failed to obtain service credit for a military leave of absence under the provisions of section 354.53, is entitled to purchase allowable and formula service credit for the initial period of enlistment, induction, or call to active duty without any voluntary extension by making payment under section 356.55 provided the teacher is not entitled to receive a current or deferred retirement annuity from a United States armed forces pension plan and has not purchased service credit from any other defined benefit public employee pension plan for the same period of service.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher upon receipt of the purchase payment amount. Payment must be made before the teacher's effective date of retirement.

**History:** 1999 c 222 art 16 s 1

**NOTE:** This section, as added by Laws 1999, chapter 222, article 16, section 1, is repealed effective May 16, 2002. Laws 1999, chapter 222, article 16, section 16.

### 354.534 PRIOR OUT-OF-STATE TEACHING SERVICE CREDIT PURCHASE.

Subdivision 1. **Service credit purchase authorized.** A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for out-of-state teaching service by making payment under section 356.55, provided the out-of-state teaching service was performed for an educational institution established and operated by another state, governmental subdivision of another state, or the federal government and the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit and has not purchased service credit from another defined benefit public employee pension plan for that out-of-state teaching service.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant

information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

**History:** 1999 c 222 art 16 s 2

**NOTE:** This section, as added by Laws 1999, chapter 222, article 16, section 2, is repealed effective May 16, 2002. Laws 1999, chapter 222, article 16, section 16.

### 354.535 MATERNITY LEAVE OF ABSENCE AND BREAK IN SERVICE PURCHASES.

Subdivision 1. **Service credit purchase authorized.** A teacher who has at least three years of allowable service credit with the teachers retirement association and who was granted a maternity leave of absence by a school district or other employing unit covered by the teachers retirement association for which the teacher did not previously receive allowable and formula service credit, or who had a maternity break in teaching service for which the teacher did not receive or purchase service credit from another defined benefit public employee pension plan is entitled to purchase the actual period of the leave or of the break in teaching service, up to five years, of allowable and formula service credit for applicable maternity leaves of absence or applicable maternity break in teaching service periods by making payment under section 356.55.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

**History:** 1999 c 222 art 16 s 3

**NOTE:** This section, as added by Laws 1999, chapter 222, article 16, section 3, is repealed effective May 16, 2002. Laws 1999, chapter 222, article 16, section 16.

### 354.536 PRIVATE OR PAROCHIAL TEACHING SERVICE CREDIT PURCHASE.

Subdivision 1. **Service credit purchase authorized.** A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for private or parochial school teaching service by making payment under section 356.55, provided that the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit from the applicable employer-sponsored pension plan and has not purchased service credit from the applicable defined benefit employer-sponsored pension plan for that service.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

**History:** 1999 c 222 art 16 s 4

**NOTE:** This section, as added by Laws 1999, chapter 222, article 16, section 4, is repealed effective May 16, 2002. Laws 1999, chapter 222, article 16, section 16.

**354.537 PEACE CORPS OR VISTA SERVICE CREDIT PURCHASE.**

Subdivision 1. **Service credit purchase authorized.** A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for service rendered in the federal Peace Corps program or in the federal Volunteers in Service to America program by making payment under section 356.55, provided that the teacher has not purchased service credit from any defined benefit pension plan for that service.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

**History:** 1999 c 222 art 16 s 5

**NOTE:** This section, as added by Laws 1999, chapter 222, article 16, section 5, is repealed effective May 16, 2002. Laws 1999, chapter 222, article 16, section 16.

**354.538 CHARTER SCHOOL TEACHING SERVICE CREDIT PURCHASE.**

Subdivision 1. **Service credit purchase authorized.** A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for charter school teaching service by making payment under section 356.55, provided that the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit from the applicable employer-sponsored pension plan and has not purchased service credit from the applicable defined benefit employer-sponsored pension plan for that service.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

**History:** 1999 c 222 art 16 s 6

**NOTE:** This section, as added by Laws 1999, chapter 222, article 16, section 6, is repealed effective May 16, 2002. Laws 1999, chapter 222, article 16, section 16.

**354.66 QUALIFIED PART-TIME TEACHERS; MEMBERSHIP IN ASSOCIATION.**

*[For text of subs 1 and 1a, see M.S.1998]*

Subd. 1b. **District, defined.** For purposes of this section, the term "district" means a school district or the Minnesota state colleges and universities system.

Subd. 1c. **Participation.** (a) Except as indicated in paragraph (b), participation in the part-time mobility program must be based on a full fiscal year and the employment pattern of the teacher during the most recent fiscal year.

(b) For a teacher in the Minnesota state colleges and universities system who teaches only during the first semester in an academic year and retires immediately after the first semester, participation in the part-time mobility program must be based on one-half of a full

fiscal year and the employment pattern of the teacher during the most recent one-half of the most recent fiscal year.

*[For text of subd 2, see M.S.1998]*

**Subd. 3. Part-time teaching position, defined.** (a) For purposes of this section, the term "part-time teaching position" means a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit.

(b) For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time teaching position" means a teaching position within the district in which the teacher is employed for at least 25 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 40 percent of the compensation established by the board for a full-time teacher, with identical education and experience with the employing unit.

*[For text of subd 4, see M.S.1998]*

**Subd. 5. Other membership precluded.** A teacher entitled to full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in or make employee contributions to any other Minnesota public employee pension plan, except the plan established in chapter 3A, the plan established in chapter 352D if the teacher also is a legislator, or a volunteer firefighters' relief association governed by sections 69.771 to 69.776.

*[For text of subds 6 to 11, see M.S.1998]*

**History:** 1999 c 222 art 8 s 1; art 19 s 5-7

**NOTE:** The amendment to subdivision 5 by Laws 1999, chapter 222, article 8, section 1, is effective January 2, 2001. Laws 1999, chapter 222, article 8, section 11.