

## CHAPTER 354B

## INDIVIDUAL RETIREMENT ACCOUNT PLAN

354B.24 Sabbatical leave.  
354B.25 Individual retirement account plan administration.

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**354B.24 SABBATICAL LEAVE.**

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

Subd. 3. **Additional contributions.** (a) In addition to contributions required by subdivision 2, a plan participant on an approved sabbatical leave shall make a member contribution based on the member contribution rate specified in section 354B.23, subdivision 1, applied to the difference between the amount of salary actually received during the sabbatical leave and the full-time salary the member would have received if not on sabbatical leave.

(b) Any additional member contribution must be made through payroll deduction as though the member were employed full time.

(c) When an additional member contribution is made, the employing unit must make the employer contribution at the rate specified in section 354B.23, subdivision 3, on the salary that was the basis for the additional member contribution under paragraph (a).

(d) An employer contribution required under this section must be made no later than 60 days after the date on which the optional additional member contribution was made.

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

**History:** 1999 c 222 art 19 s 8

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

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

Subd. 2. **Investment options.** The plan administrator shall arrange for the purchase of investment products.

The investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board.

The Minnesota supplemental investment fund established under section 11A.17 and administered by the state board of investment is one of the investment products for the individual retirement account plan. Direct access must also be provided to lower expense and no-load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

- (1) savings accounts at federally insured financial institutions;
- (2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;
- (3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;
- (4) investment options from a firm that is a registered investment advisor under the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and
- (5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Subd. 3. **Selection of financial institutions.** (a) The investment options provided under subdivision 2 must be selected by the state board of investment.

In making its selection, at a minimum, the state board of investment shall consider the following:

(1) the experience and ability of the financial institution to provide benefits and products that are suited to meet the needs of plan participants;

(2) the relationship of those benefits and products provided by the financial institution to their cost;

(3) the financial strength and stability of the financial institution; and

(4) the fees and expenses associated with the investment products in comparison to other products of similar risk and rates of return.

(b) After selecting a financial institution, the state board of investment must periodically review each financial institution and the offered products. The periodic review must occur at least every three years. In making its review, the state board of investment may retain appropriate consulting services to assist it in its periodic review, establish a budget for the cost of the periodic review process, and charge a proportional share of these costs to the reviewed financial institution.

(c) Contracts with financial institutions under this section must be executed by the board and must be approved by the state board of investment before execution.

(d) The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out the provisions of this subdivision.

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

**Subd. 5. Individual retirement account plan administrative expenses.** (a) The reasonable and necessary administrative expenses of the individual retirement account plan may be charged to plan participants by the plan sponsor in the form of an annual fee, an asset-based fee, a percentage of the contributions to the plan, or a combination thereof.

(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:** 1999 c 222 art 19 s 9–11

### **354B.31 IRAP PART-TIME TEACHER MOBILITY PROGRAM.**

**Subdivision 1. Participation requirements.** A faculty member who has three years or more of service in the Minnesota state colleges and universities system, by agreement with the board or with the authorized representative of the board, may be assigned to teaching service in a part-time teaching position under subdivision 2.

**Subd. 2. Part-time teaching position; defined.** For purposes of this section, “part-time teaching position” means a teaching position within the Minnesota state colleges and universities system in which the teacher is employed for at least 50 full days or a fractional equivalent as prescribed in section 354.091, and for which the faculty member is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time faculty member with identical education and experience with the employing unit.

**Subd. 3. Retirement contributions.** A faculty member assigned to a part-time position under this section shall continue to make employee contributions to the individual retirement account plan during the period of part-time employment on the same basis and in the same amounts as would have been paid if the person had been employed on a full-time basis provided that, prior to June 30 each year, the member and the board make that portion of the required employer contribution to the plan, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the person had been employed on a full-time basis and the amount of compensation

actually received by the person for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the plan on behalf of the person that is based on the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354B.23. Employee contributions for part-time teaching service pursuant to this section shall not continue for more than ten years.

**Subd. 4. Other membership precluded.** A faculty member entitled to make 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 a volunteer firefighters relief association governed by sections 69.771 to 69.776.

**Subd. 5. Insurance.** If the board enters into an agreement authorized by this section, the board shall continue any insurance programs furnished or authorized a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section. However, the requirements of this subdivision may be modified by a collective bargaining agreement between a board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section are eligible for state paid insurance benefits as if the teachers were employed full time.

**Subd. 6. Eligibility for credit.** Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, clauses (e) and (f), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

**Subd. 7. Board power not restricted.** This section does not limit the authority of the board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from and employee contributions to the retirement fund under this section.

**Subd. 8. Substitute teaching.** Subdivision 4 does not prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for employee contributions to the retirement plan pursuant to this section.

**History:** 1999 c 222 art 19 s 12