

## CHAPTER 352

## MINNESOTA STATE RETIREMENT SYSTEM

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**352.01 DEFINITIONS.**

*[For text of subs 1 to 2a, see M.S.2002]*

Subd. 2b. **Excluded employees.** "State employee" does not include:

(1) students employed by the University of Minnesota, or the state colleges and universities, unless approved for coverage by the Board of Regents or the Board of Trustees of the Minnesota State Colleges and Universities, as the case may be;

(2) employees who are eligible for membership in the state Teachers Retirement Association, except employees of the Department of Education who have chosen or may choose to be covered by the general state employees retirement plan of the Minnesota State Retirement System instead of the Teachers Retirement Association;

(3) employees of the University of Minnesota who are excluded from coverage by action of the Board of Regents;

(4) officers and enlisted personnel in the National Guard and the Naval Militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(5) election officers;

(6) persons who are engaged in public work for the state but who are employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(7) officers and employees of the senate, or of the house of representatives, or of a legislative committee or commission who are temporarily employed;

(8) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the Department of Labor and Industry;

(9) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota Veterans Home;

(10) persons who are employed for professional services where the service is incidental to their regular professional duties and whose compensation is paid on a per diem basis;

(11) employees of the Sibley House Association;

(12) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years; and the board of managers of the State Agricultural Society and its treasurer unless the treasurer is also its full-time secretary;

(13) state troopers;

(14) temporary employees of the Minnesota State Fair who are employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons who are employed at any time by the state fair administration for special events held on the fairgrounds;

(15) emergency employees who are in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

- (16) persons who are described in section 352B.01, subdivision 2, clauses (2) to (6);
- (17) temporary employees in the classified service, and temporary employees in the unclassified service who are appointed for a definite period of not more than six months and who are employed less than six months in any one-year period;
- (18) trainee employees, except those listed in subdivision 2a, clause (10);
- (19) persons whose compensation is paid on a fee basis;
- (20) state employees who are employed by the board of trustees of the Minnesota State Colleges and Universities in unclassified positions enumerated in section 43A.08, subdivision 1, clause (9);
- (21) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the Teachers Retirement Association or a retirement system in St. Paul, Minneapolis, or Duluth;
- (22) employees of the adjutant general who are employed on an unlimited intermittent or temporary basis in the classified or unclassified service for the support of Army and Air National Guard training facilities;
- (23) chaplains and nuns who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended through December 31, 1992;
- (24) examination monitors who are employed by departments, agencies, commissions, and boards to conduct examinations required by law;
- (25) persons who are appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;
- (26) temporary employees who are employed for limited periods under any state or federal program for training or rehabilitation, including persons who are employed for limited periods from areas of economic distress, but not including skilled and supervisory personnel and persons having civil service status covered by the system;
- (27) full-time students who are employed by the Minnesota Historical Society intermittently during part of the year and full-time during the summer months;
- (28) temporary employees who are appointed for not more than six months, of the Metropolitan Council and of any of its statutory boards, if the board members are appointed by the Metropolitan Council;
- (29) persons who are employed in positions designated by the Department of Employee Relations as student workers;
- (30) members of trades who are employed by the successor to the Metropolitan Waste Control Commission, who have trade union pension plan coverage under a collective bargaining agreement, and who are first employed after June 1, 1977;
- (31) persons who are employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;
- (32) off-duty peace officers while employed by the Metropolitan Council;
- (33) persons who are employed as full-time police officers by the Metropolitan Council and as police officers are members of the public employees police and fire fund;

(34) persons who are employed as full-time firefighters by the Department of Military Affairs and as firefighters are members of the public employees police and fire fund;

(35) foreign citizens with a work permit of less than three years, or an H-1b/JV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended; and

(36) persons who are employed by the board of trustees of the Minnesota State Colleges and Universities and who elect to remain members of the Public Employees Retirement Association or the Minneapolis employees retirement fund, whichever applies, under section 136C.75.

**Subd. 3. Head of department.** "Head of department" means the head of any department, institution, or branch of the state service that directly pays salaries out of its income or that prepares, approves, and submits salary abstracts of its employees to the commissioner of finance.

*[For text of subs 4 to 26, see M.S.2002]*

**History:** 2003 c 112 art 2 s 50; 2003 c 130 s 12

#### **352.04 STATE EMPLOYEES RETIREMENT FUND, CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.**

*[For text of subs 1 to 3, see M.S.2002]*

**Subd. 4. Payroll deductions.** The head of each department shall have employee contributions deducted from the salary of each employee covered by the system on every payroll abstract and shall approve one voucher payable to the commissioner of finance for the aggregate amount deducted on the payroll abstract. Deductions from salaries of employees paid direct by any department, institution, or agency of the state must be made by the officer or employee authorized by law to pay the salaries. The head of any department or agency having authority to appoint any employee who receives fees as compensation or who receives compensation on federal payrolls shall collect as the required employee contribution the applicable amounts required in subdivision 2. Deductions from salary and amounts collected must be remitted to the director with a statement showing the amount of earnings or fees, and in the case of fees, the number of transactions, and the amount of each of the deductions and collections and the names of the employees on whose account they have been made.

*[For text of subs 5 to 12, see M.S.2002]*

**History:** 2003 c 112 art 2 s 50

#### **352.05 COMMISSIONER OF FINANCE TO BE TREASURER OF SYSTEM.**

The commissioner of finance is ex officio treasurer of the retirement funds of the system. The general bond to the state shall cover all liability for actions as treasurer of these funds. Funds of the system received by the commissioner of finance must be set aside in the state treasury to the credit of the proper fund. The commissioner of finance shall deliver to the director copies of all payroll abstracts of the state together with the commissioner of finance's warrants covering the deductions made on these payroll abstracts for the retirement fund. The director shall have a list made of the commissioner of finance's warrants. These warrants must then be credited to the retirement fund. The commissioner of finance shall pay out of this fund only upon abstracts signed by the director, or by the finance officer designated by the director during the disability or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments may be signed by the executive director of the State Board of Investment.

**History:** 2003 c 112 art 2 s 39

**352.15 EXEMPTION FROM PROCESS AND TAXATION.**

Subdivision 1. **Exemption; exceptions.** None of the money, annuities, or other benefits mentioned in this chapter is assignable either in law or in equity or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 1a or section 518.58, 518.581, or 518.6111.

*[For text of subds 1a to 4, see M.S.2002]*

**History:** 2003 c 127 art 3 s 18

**352.96 DEFERRED COMPENSATION.**

*[For text of subds 1 and 1a, see M.S.2002]*

Subd. 2. **Purchase of shares.** The amount of compensation so deferred may be used to purchase:

(1) shares in the Minnesota Supplemental Investment Fund established in section 11A.17 that are selected to be offered under the plan by the State Board of Investment;

(2) saving accounts in federally insured financial institutions;

(3) life insurance contracts, fixed annuity and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce;

(4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(5) investment options from a firm that is a registered investment advisor under the Investment Advisers Act of 1940, United States Code, title 15, section 80b-1 to 80b-21;

(6) 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); or

(7) a combination of clause (1), (2), (3), (4), (5), or (6), as provided by the plan as specified by the participant.

All amounts contributed to the deferred compensation plan and all earnings on those amounts will be held for the exclusive benefit of the plan participants and beneficiaries. These amounts will be held in trust, in custodial accounts, or in qualifying annuity contracts as required by federal law and in accordance with section 356A.06, subdivision 1. This subdivision does not authorize an employer contribution, except as authorized in section 356.24, subdivision 1, paragraph (a), clause (5). The state, political subdivision, or other employing unit is not responsible for any loss that may result from investment of the deferred compensation.

*[For text of subds 3 to 6, see M.S.2002]*

**History:** 1Sp2003 c 12 art 2 s 2