

CHAPTER 353E

LOCAL GOVERNMENT CORRECTIONAL SERVICE
RETIREMENT PLAN

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353E.01 LOCAL GOVERNMENT CORRECTIONAL SERVICE RETIREMENT PLAN.

Subdivision 1. **Plan administration; fund.** (a) The public employees local government correctional service retirement plan is established as a separate plan to be administered by the board of trustees and the executive director of the Public Employees Retirement Association.

(b) The board of trustees and the executive director shall undertake their activities in a manner consistent with chapter 356A.

(c) The association shall maintain a special fund to be known as the public employees local government correctional service retirement fund.

Subd. 2. **Revenue sources.** Member contributions under section 353E.03, subdivision 1, and employer contributions under section 353E.03, subdivision 2, and other amounts authorized by law, including any investment return on invested fund assets, must be deposited in the fund.

Subd. 3. **Investment.** (a) The public employees local government correctional service retirement fund participates in the Minnesota postretirement investment fund.

(b) The amounts provided in section 353.271 must be deposited in that fund.

(c) The balance of any assets of the fund must be deposited in the Minnesota combined investment fund as provided in section 11A.14, if applicable, or otherwise invested under section 11A.23.

Subd. 4. **Collection of contributions.** The collection of member and employer contributions is governed by section 353.27, subdivisions 4, 7, 7b, 10, 11, and 12.

Subd. 5. **Fund disbursement restricted.** (a) The public employees local government correctional service retirement fund and its share of participation in the Minnesota postretirement investment fund may be disbursed only for the purposes provided for in this chapter.

(b) The proportional share of the necessary and reasonable administrative expenses of the association and any benefits provided in this chapter, other than benefits payable from the Minnesota postretirement investment fund, must be paid from the public employees local government correctional service retirement fund. Retirement annuities, disability benefits, survivorship benefits, and any refunds of accumulated deductions may be paid only from the correctional service retirement fund after those needs have been certified by the executive director and any applicable amounts withdrawn from the share of participation in the Minnesota postretirement fund under section 11A.18.

(c) The amounts necessary to make the payments from the public employees local government correctional service retirement fund and its participation in the Minnesota postretirement investment fund are annually appropriated from those funds for those purposes.

History: 1999 c 222 art 2 s 7

353E.02 CORRECTIONAL SERVICE RETIREMENT PLAN MEMBERSHIP.

Subdivision 1. **Retirement coverage.** The members of the local government correctional service retirement plan established by this chapter are:

(1) local government correctional service employees as defined in subdivision 2; and

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(2) medical center protection officers as defined in subdivision 2a.

Subd. 2. Local government correctional service employee. (a) A local government correctional service employee, for purposes of subdivision 1, is a person whom the employer certifies:

(1) is employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers;

(2) is directly responsible for the direct security, custody, and control of the county correctional institution and its inmates;

(3) is expected to respond to incidents within the county correctional institution as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire fund.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

(c) A person who was a member of the local government correctional service retirement plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration of the person's employment in that county correctional institution position, even if the person's subsequent service in this position does not meet the requirements set forth in paragraph (a).

Subd. 2a. Medical center protection officer. (a) A medical center protection officer, for purposes of subdivision 1, is a person whom the employer certifies:

(1) is employed by Hennepin Healthcare System, Inc. as a protection officer;

(2) is directly responsible for the direct security of the medical center;

(3) is expected to respond to any incidents within the medical center as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire plan.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

Subd. 3. County correctional institution. A county correctional institution is:

(1) a jail administered by a county;

(2) a correctional facility administered by a county;

(3) a regional correctional facility administered by or on behalf of multiple counties; or

(4) a juvenile correctional facility administered by a county or on behalf of multiple counties.

History: 1999 c 222 art 2 s 8; 2000 c 461 art 10 s 1; 2002 c 392 art 4 s 1,2; 2005 c 125 art 3 s 5; 2006 c 271 art 3 s 36

NOTE: The amendment to subdivision 2a by Laws 2005, chapter 125, article 3, section 5, is effective the day after the Hennepin County Board files a certificate of local approval in compliance with section 645.021, subdivision 3. Laws 2005, chapter 125, article 1, section 29, as amended by Laws 2005, First Special Session chapter 7, section 34; and Laws 2005, chapter 125, article 3 section 7.

353E.03 CORRECTIONAL SERVICE PLAN CONTRIBUTIONS.

Subdivision 1. Member contributions. A member of the local government correctional service retirement plan shall make an employee contribution in an amount equal to 5.83 percent of salary.

Subd. 2. Employer contributions. The employer shall contribute for a member of the local government correctional service retirement plan an amount equal to 8.75 percent of salary.

History: 1999 c 222 art 2 s 9; 2000 c 461 art 10 s 2; ISp2001 c 10 art 3 s 28; 2002 c 392 art 4 s 3-6

353E.04 CORRECTIONAL SERVICE PLAN RETIREMENT ANNUITY.

Subdivision 1. **Eligibility requirements.** After termination of public employment, an employee covered under section 353E.02 who has attained the age of at least 55 years and has credit for not less than three years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. Instead of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Subd. 2. **Average salary base.** In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a local government correctional employee upon which employee contributions were paid for any five successive years of allowable service. Average salary must be based on all allowable service if this service is less than five years.

Subd. 3. **Annuity amount.** The average salary as defined in subdivision 2, multiplied by the percent specified in section 356.315, subdivision 5a, for each year of allowable service, determines the amount of the normal retirement annuity. If a person has earned allowable service in the Public Employees Retirement Association or the public employees police and fire fund prior to participation under this chapter, the retirement annuity representing such service must be computed in accordance with the formula specified in sections 353.29 and 353.30 or 353.651, whichever applies.

Subd. 4. **Early retirement.** An employee covered under section 353E.02 who has attained the age of at least 50 years and has credit for not less than three years of coverage in the local government correctional service plan is entitled, upon application, to a reduced retirement annuity equal to the annuity calculated under subdivision 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue until age 55.

Subd. 5. **Accrual and duration.** The retirement annuity under this section begins to accrue as provided in section 353.29, subdivision 7. The retirement annuity is payable for the life of the recipient, or in accordance with the terms of any optional annuity form selected by the retiring member.

Subd. 6. **Multiple service limitation.** A former employee who has both public employees retirement plan and public employees local government correctional retirement plan credited service must, if qualified, receive a retirement annuity from each retirement plan that takes into account both periods of service and both covered salary amounts, but no period of service may be used more than once in calculating the annuity.

History: 1999 c 222 art 2 s 10; 2002 c 392 art 11 s 52

353E.05 AUGMENTATION IN CERTAIN CASES.

Unless prior service has been transferred or unless a combined service annuity under section 356.30 has been elected, an employee who becomes a local government correctional employee after being a member of the Public Employees Retirement Association or the public employees police and fire fund is covered under section 353.71, subdivision 2, with respect to that prior service. An employee who becomes a member of the Public Employees Retirement Association or the public employees police and fire plan after being a local government correctional employee is also covered under section 353.71, subdivision 2, with respect to that prior service, unless calculated under section 356.30.

History: 1999 c 222 art 2 s 11

353E.06 DISABILITY BENEFITS.

Subdivision 1. **Duty disability qualification requirements.** A local government correctional employee who becomes disabled and physically or mentally unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability that is medically determinable, that was incurred in or arose out of any act of duty, and that renders the employee physically or mentally unable to perform the employee's duties, is entitled to a dis-

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ability benefit. The disability benefit must be based on covered service under this chapter only and is an amount equal to 47.5 percent of the average salary defined in section 353E.04, subdivision 2, plus an additional percent equal to that specified in section 356.315, subdivision 5a, for each year of covered service under this chapter in excess of 25 years.

Subd. 2. Nonduty disability qualification requirements. A local government correctional employee who has at least one year of covered service under this chapter and becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury that is medically determinable and that occurs while not engaged in covered employment, is entitled to a disability benefit based on covered service under this chapter. The disability benefit must be computed in the same manner as an annuity under section 353E.04, subdivision 3, and as though the employee had at least ten years of covered correctional service.

Subd. 3. Optional annuity. A disabled local government correctional employee may elect the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity must be made before the commencement of payment of the disability benefit and is effective on the date on which the disability benefit begins to accrue as provided in section 353.33, subdivision 2. Upon becoming effective, the optional annuity begins to accrue on the same date as provided for the disability benefit.

Subd. 4. Disability benefit application. A claim or demand for a disability benefit must be initiated by written application in the manner and form prescribed by the executive director, filed in the office of the association, showing compliance with the statutory conditions qualifying the applicant for a disability benefit. A member or former member who became disabled during a period of membership may file an application for disability benefits within three years following termination of local government correctional service, but not after that time has elapsed. The disability benefit begins to accrue the day following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the 90-day period, from the date salary ceased, whichever is latest. No payment may accrue beyond the end of the month in which entitlement has terminated. If the disabled employee dies before negotiating the check for the month in which death occurs, payment must be made to the optional annuitant or beneficiary.

Subd. 5. Disability benefit termination. The disability benefit paid to a disabled local government correctional employee terminates at the end of the month in which the employee reaches age 65. If the disabled local government correctional employee is still disabled when the employee reaches age 65, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a normal retirement annuity computed in the manner provided in section 353E.04, subdivision 3, or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made within 90 days before attaining the age of 65 years, or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later.

Subd. 6. Resumption of employment. If a disabled employee resumes a gainful occupation from which earnings are less than salary received at the date of disability or the salary currently paid for similar positions, or should the employee be entitled to receive workers' compensation benefits, the disability benefit must be continued in an amount that, when added to such earnings and workers' compensation benefits, does not exceed the salary received at the date of disability or the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater.

Subd. 7. Combined service disability benefit. If the employee is entitled to receive a disability benefit as provided in subdivision 1 or 2 and has credit for less covered correctional service than the length of service upon which the correctional disability benefit is based, and also has credit for public employees retirement plan service, the employee is entitled to a dis-

ability benefit or deferred retirement annuity based on the regular plan service only for the service that, when combined with the correctional service, exceeds the number of years on which the correctional disability benefit is based. The disabled employee who also has credit for regular plan service must in all respects qualify under section 353.33 to be entitled to receive a disability benefit based on the public employees retirement plan service, 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 public employees retirement plan service must be augmented as provided in section 353.71 while the employee is receiving a disability benefit under this section.

Subd. 8. **Continuing benefit eligibility.** Continuing eligibility for a disability benefit is subject to section 353.33, subdivision 6.

History: 1999 c 222 art 2 s 12; 2002 c 392 art 11 s 52

353E.07 SURVIVOR BENEFITS.

Subdivision 1. **Member at least age 50.** If a member or former member of the local government correctional service retirement plan who has attained the age of at least 50 years and has credit for not less than three years of allowable service dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, a surviving spouse annuity equal to the 100 percent joint and survivor annuity for which the member could have qualified had the member terminated service on the date of death.

Subd. 2. **Member not yet age 50.** If the member was under age 50, dies, and had credit for not less than three years of allowable service on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the employee and the surviving spouse at the time of death. The annuity is payable using the early retirement reduction under section 353E.04, subdivision 4, to age 50 and one-half the early retirement reduction from age 50 to the age payment begins. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision.

Subd. 3. **Election; accrual.** A surviving spouse election under subdivisions 1 and 2 may be made at any time after the date of death of the local government correctional service employee. The surviving spouse benefit begins to accrue as of the first of the next month following the date on which the application for the benefit was filed.

Subd. 4. **Surviving spouse coverage; term certain.** In lieu of the 100 percent optional annuity under subdivision 1, the surviving spouse of a deceased local government correctional service employee may elect to receive survivor coverage in a term certain of ten, 15, or 20 years. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1 and must be based on tables approved by the actuary retained under section 356.214. The optional annuity ceases upon the expiration of the term certain period. If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Subd. 5. **Dependent child survivor coverage.** If there is no surviving spouse eligible for benefits under subdivisions 1, 2, and 4, a dependent child as defined in section 353.01, subdivision 15a, is eligible for a dependent child survivor benefit. Benefits to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age 20 if the child is under age 15 on the date of death. If the child is 15 years or older on the date of death, the benefit is payable for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent joint and survivor optional annuity using the age of the employee and age of the dependent child at the date of death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account, with the amount of the benefit payable to each child to be determined based on the portion of

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the total eligibility period that each child is eligible. The process for calculating the dependent child survivor benefit must be approved by the actuary retained under section 356.214.

Subd. 6. Payment to designated beneficiary. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse or dependent children must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member.

Subd. 7. Election that section does not apply. A member may specify in writing that this section does not apply and that payment must be made only to the designated beneficiary, as otherwise provided by this chapter.

History: 1999 c 222 art 2 s 13; 2006 c 271 art 3 s 47

353E.08 SCOPE AND APPLICATION.

The general provisions of chapter 353 apply to the local government correctional service retirement plan except where otherwise specifically provided in sections 353E.01 to 353E.07.

History: 1999 c 222 art 2 s 14