

**11A.181 DISSOLUTION OF MINNESOTA POSTRETIREMENT INVESTMENT FUND.**

Subdivision 1. **Conditions for dissolution.** The postretirement investment fund established in section 11A.18 must be dissolved according to the schedule in subdivision 2 if the composite funded ratio calculated as of June 30 of that year under section 11A.18, subdivision 2a, is:

(1) less than 85 percent and was less than 85 percent as of June 30 of the immediately preceding year; or

(2) less than 80 percent.

Subd. 2. **Transition.** If conditions for dissolution of the postretirement investment fund under subdivision 1 apply:

(1) the retirement plans shall not transfer reserves as required under sections 11A.18, subdivision 6; 352.119, subdivision 2; 352B.26, subdivision 3; 353.271, subdivision 2; 354.63, subdivision 2; and 490.123, subdivision 1e, to the postretirement investment fund after December 31 of the calendar year in which conditions for dissolution under subdivision 1 occur;

(2) the retirement plans shall not transfer additional funds to the Minnesota postretirement investment fund as a result of the calculation by the actuary retained under section 356.214 of net mortality losses under section 11A.18, subdivision 11;

(3) the assets of the postretirement investment fund must be transferred back to each participating public retirement plan on June 30 of the year following the year in which conditions for dissolution under subdivision 1 occur. The assets to be transferred to each public retirement plan must be based on each plan's participation in the postretirement fund as determined under section 11A.18, subdivision 7, on the June 30 when the transfer back to the plan occurs; and

(4) the postretirement investment fund ceases to exist upon the transfer of all assets as required in clause (3).

Subd. 3. **Postretirement adjustments.** (a) Notwithstanding section 11A.18 or any other law to the contrary, if the postretirement investment fund is dissolved, postretirement adjustments are payable only as follows:

(1) a postretirement increase of 2.5 percent must be applied each year, effective January 1, to the monthly annuity or benefit of each annuitant and benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the prior January 1; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, an annual postretirement increase of 1/12 of 2.5 percent for each month

the person has been receiving an annuity or benefit must be applied, effective January 1 of the year in which the person has been retired for less than 12 months.

(b) The increases provided by this subdivision commence on the first January 1 occurring after the postretirement fund is dissolved under subdivision 2.

**History:** *2008 c 349 art 2 s 1*