

**353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED SALARY.**

(a) A member may purchase differential salary credit as described in paragraph (c) for a period specified in paragraph (b).

(b) The applicable period is a period during which the member is receiving no or a reduced salary from the employer while the member is:

(1) receiving workers' compensation payments related to the member's service to the public employer;

(2) on an authorized leave of absence, except that if the authorized leave of absence exceeds 12 months, the period of leave for which differential salary credit may be purchased is limited to 12 months; or

(3) on an authorized leave of absence as a result of a budgetary or salary savings program offered or mandated by a governmental subdivision, if certified to the executive director by the governmental subdivision.

(c) Differential salary credit is the difference between the salary received by the member during a period specified in paragraph (b) and the salary of the member, excluding overtime, on which contributions to the applicable plan would have been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.

(d) To receive differential salary credit, the member shall pay the plan, by delivering payment to the executive director, an amount equal to:

(1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary amount;

(2) plus an employer equivalent payment equal to the applicable employer contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as applicable, multiplied by the differential salary amount;

(3) plus, if applicable, an equivalent employer additional amount equal to the additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary amount.

(e) The employer, by appropriate action of its governing body and documented in its official records, may pay the employer equivalent contributions and, as applicable, the equivalent employer additional contributions on behalf of the member.

(f) Payment under this section must include interest on the contribution amount or amounts, whichever applies, at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, prorated for the number of months, if less than 12 months, from the date on which the period of reduced salary specified in paragraph (b) terminates to the date on which the payment or payments are received by the executive director. Payment under this section must be completed by the earliest of:

(1) 30 days after termination of public service by the employee under section 353.01, subdivision 11a;

(2) one year after the termination of the period specified in paragraph (b); or

(3) 30 days after the commencement of a disability benefit.

(g) If the member has purchased 12 months of differential salary credit, the member must return to public service and render a minimum of three months of allowable service to purchase differential salary credit for a subsequent leave of absence.

**History:** 2010 c 359 art 5 s 7; 2015 c 68 art 3 s 10; art 12 s 10; 2018 c 211 art 6 s 17; art 10 s 4