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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1199

02/02/2023 Authored by Wolgamott and Tabke
The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to retirement; making administrative changes to the statutes governing the
1.3 retirement plans administered by the Minnesota State Retirement System; amending
1.4 Minnesota Statutes 2022, sections 352B.08, subdivision 1; 490.1211; repealing
1.5 Minnesota Statutes 2022, section 490.124, subdivision 10.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2022, section 352B.08, subdivision 1, is amended to read:

1.8 Subdivision 1. Eligibility; when to apply; accrual. (a) Every member who is credited
1.9 with three or more years of allowable service if first employed before July 1, 2013, or with
1.10 at least ten years of allowable service if first employed after June 30, 2013, is entitled to
1.11 separate from state service and upon becoming 50 years old, is entitled to receive a life
1.12 annuity, upon separation from state service.

1.13 (b) Members must apply for an annuity in a form and manner prescribed by the executive
1.14 director.

1.15 (c) No application may be made more than 90 60 days before the date the member is
1.16 eligible to retire by reason of both age and service requirements.

1.17 (d) An annuity begins to accrue no earlier than 180 days before the date the application
1.18 is filed with the executive director.

1.19 EFFECTIVE DATE. This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2022, section 490.1211, is amended to read:

2.2 **490.1211 UNIFORMED SERVICE.**

2.3 Subdivision 1. Federal uniformed service protections. (a) A judge who is absent from
2.4 employment by reason of service in the uniformed services, as defined in United States
2.5 Code, title 38, section 4303(13), and who returns to state employment as a judge upon
2.6 discharge from service in the uniformed service within the time frame required in United
2.7 States Code, title 38, section 4312(e), may obtain service credit for the period of the
2.8 uniformed service, provided that the judge did not separate from uniformed service with a
2.9 dishonorable or bad conduct discharge or under other than honorable conditions.

2.10 (b) The judge may obtain credit by paying into the fund equivalent member contribution
2.11 based on the contribution rate or rates in effect at the time that the uniformed service was
2.12 performed multiplied by the full and fractional years being purchased and applied to the
2.13 annual salary rate. The annual salary rate is the average annual salary during the purchase
2.14 period that the judge would have received if the judge had continued to provide employment
2.15 services to the state rather than to provide uniformed service, or if the determination of that
2.16 rate is not reasonably certain, the annual salary rate is the judge's average salary rate during
2.17 the 12-month period of judicial employment rendered immediately preceding the ~~purchase~~
2.18 period of the uniformed service.

2.19 (c) The equivalent employer contribution and, if applicable, the equivalent employer
2.20 additional contribution, must be paid by the employing unit, using the employer and employer
2.21 additional contribution rate or rates in effect at the time that the uniformed service was
2.22 performed, applied to the same annual salary rate or rates used to compute the equivalent
2.23 member contribution.

2.24 (d) If the member equivalent contributions provided for in this section are not paid in
2.25 full, the judge's allowable service credit must be prorated by multiplying the full and
2.26 fractional number of years of uniformed service eligible for purchase by the ratio obtained
2.27 by dividing the total member contributions received by the total member contributions
2.28 otherwise required under this section.

2.29 (e) To receive allowable service credit under this section, the contributions specified in
2.30 this section ~~and section 490.121~~ must be transmitted to the fund during the period which
2.31 begins with the date on which the individual returns to judicial employment and which has
2.32 a duration of three times the length of the uniformed service period, but not to exceed five
2.33 years. If the determined payment period is calculated to be less than ~~one year~~ three years,

3.1 the contributions required under this section to receive service credit ~~may~~ must be transmitted
3.2 to the fund within ~~one year~~ three years from the discharge date.

3.3 (f) The amount of allowable service credit obtainable under this section and section
3.4 490.121 may not exceed five years, unless a longer purchase period is required under United
3.5 States Code, title 38, section 4312.

3.6 (g) The state court administrator shall pay interest on all equivalent member and employer
3.7 contribution amounts payable under this section. Interest must be at the applicable annual
3.8 rate or rates specified in section 356.59, subdivision 2, compounded annually, from the end
3.9 of each fiscal year of the leave or break in service to the end of the month in which payment
3.10 is received.

3.11 Subd. 2. State-authorized purchase of service credit for periods of military service. (a)
3.12 Unless prohibited under paragraph (b), a judge is eligible to purchase service credit, not to
3.13 exceed five cumulative years of service credit, for one or more periods of service in the
3.14 uniformed services, as defined in United States Code, title 38, section 4303(13), if:

3.15 (1) the judge has at least three years of service credit with the judges retirement plan
3.16 under this chapter;

3.17 (2) the duration of the judge's current period of employment is at least six months; and

3.18 (3) the judge did not obtain service credit for a period of military service under
3.19 subdivision 1.

3.20 (b) A service credit purchase is prohibited if:

3.21 (1) the judge separated from uniformed service with a dishonorable or bad conduct
3.22 discharge or under other than honorable conditions;

3.23 (2) the judge has purchased or otherwise received service credit from any Minnesota
3.24 public employee pension plan for the same period of service in the uniformed services; or

3.25 (3) the judge's service in the uniformed services occurred before the judge was first
3.26 appointed or elected as a judge.

3.27 (c) When purchasing a period of service, if the period of service in the uniformed services
3.28 is one year or less, then the judge must purchase the full period of service. If the period of
3.29 service in the uniformed services is longer than one year, the judge may purchase the full
3.30 period, not to exceed five cumulative years, or may purchase a portion of the period of
3.31 service. If the judge purchases a portion of the period of service in the uniformed services,

4.1 the portion must: (1) not be less than one year; and (2) be in increments of six months of
4.2 service.

4.3 Subd. 3. **Application and documentation.** To purchase service credit under subdivision
4.4 2, a judge must apply to the executive director of the Minnesota State Retirement System
4.5 to make the purchase. The application must include all necessary documentation of the
4.6 judge's qualifications to make the purchase, signed written permission to allow the executive
4.7 director to request and receive necessary verification of applicable facts and eligibility
4.8 requirements, and any other relevant information that the executive director may require.
4.9 The judge must submit with the application payment of the administrative fee in the amount
4.10 of \$250 to cover the costs of calculating the purchase payment amount under section 356.551.
4.11 If the judge proceeds with the purchase, the administrative fee will be credited toward the
4.12 purchase payment amount.

4.13 Subd. 4. **Purchase payment amount; service credit grant.** (a) The purchase payment
4.14 amount for a purchase under subdivision 2 is the amount determined under section 356.551
4.15 for the period or periods of service requested, except that, for purposes of calculating the
4.16 purchase payment amount to purchase service credit for service in the uniformed services
4.17 that occurred before becoming a judge or between periods of employment as a judge, section
4.18 356.551, subdivision 2, paragraph (c), does not apply.

4.19 (b) Service credit must be granted by the judges retirement plan to the purchasing judge
4.20 upon the executive director's receipt of the purchase payment amount. The service credit
4.21 purchased under this section may not be used for the purpose of determining a disability
4.22 benefit under section 490.124, subdivision 4.

4.23 (c) Payment must be made before the effective date of the judge's retirement.

4.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.25 Sec. 3. **REPEALER.**

4.26 Minnesota Statutes 2022, section 490.124, subdivision 10, is repealed.

4.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

APPENDIX
Repealed Minnesota Statutes: 23-01850

490.124 MATURITY OF BENEFITS; RETIREMENT AND SURVIVORS' ANNUITIES.

Subd. 10. **Prior survivors' benefits; limitation.** (a) Benefits provided under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.1091, for a surviving spouse of a retired judge, payable after the death of the judge, are limited to spouses of judges who have retired before January 1, 1974.

(b) No other judge in office on or after January 1, 1974, is required to contribute under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.109.