

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 1434

(SENATE AUTHORS: MATHEWS)

DATE	D-PG	OFFICIAL STATUS
02/25/2021	556	Introduction and first reading Referred to Higher Education Finance and Policy
03/10/2021	813	Withdrawn and re-referred to State Government Finance and Policy and Elections

1.1 A bill for an act

1.2 relating to retirement; Teachers Retirement Association and higher education

1.3 individual retirement account plan; authorizing an eligible St. Cloud State

1.4 University employee to elect Teachers Retirement Association coverage and receive

1.5 retroactive coverage.

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

1.7 Section 1. TRA COVERAGE ELECTION FOR CERTAIN ST. CLOUD STATE

1.8 UNIVERSITY EMPLOYEE.

1.9 (a) Notwithstanding any law to the contrary, an eligible person described in paragraph

1.10 (b) is authorized to become a coordinated member of the Teachers Retirement Association

1.11 and to purchase service and salary credit in the Teachers Retirement Association retroactively

1.12 from July 1, 2001, upon making an election under paragraph (c) and upon making all required

1.13 payments under paragraph (d) or (e), as applicable.

1.14 (b) An eligible person is a person who:

1.15 (1) was born on November 30, 1955;

1.16 (2) was initially employed in a clerical position by St. Cloud State University and was

1.17 covered by the general state employees retirement plan of the Minnesota State Retirement

1.18 System on November 27, 1989;

1.19 (3) was hired as an academic adviser by St. Cloud State University on July 1, 2001;

1.20 (4) was covered by the higher education individual retirement account plan, established

1.21 by chapter 354B, on July 1, 2001; and

2.1 (5) did not elect or was not provided the opportunity to elect coverage by the Teachers
2.2 Retirement Association as authorized by Minnesota Statutes 2001, section 354B.21.

2.3 (c) To be eligible for coverage by the Teachers Retirement Association, an eligible
2.4 person must submit a written application electing coverage by the Teachers Retirement
2.5 Association to the executive director of the Teachers Retirement Association on a form
2.6 provided by the Teachers Retirement Association. The application must include all
2.7 documentation of the applicability of this section and any other relevant information that
2.8 the executive director may require. Membership in the Teachers Retirement Association
2.9 commences after the date of the retirement coverage election under this section and past
2.10 salary and service credit is granted for past Minnesota State Colleges and Universities system
2.11 employment from July 1, 2001, until the executive director receives the written application
2.12 specified in this paragraph and the payments specified in paragraph (d) or (e), as applicable.
2.13 The authority granted by this section is void if the eligible person terminates from Minnesota
2.14 state system employment prior to receipt by the executive director of the Teachers Retirement
2.15 Association of the application specified in this paragraph and the amounts specified in
2.16 paragraph (d) or (e), as applicable. Coverage by the Teachers Retirement Association is in
2.17 lieu of coverage by the higher education individual retirement account plan.

2.18 (d) Subject to paragraph (e), if the eligible person elects retirement coverage by the
2.19 Teachers Retirement Association under paragraph (c), the eligible person shall execute
2.20 documents necessary to transfer the entirety of the person's account in the individual
2.21 retirement account plan to the Teachers Retirement Association and, to the extent that the
2.22 transferred account balance is less than the amount calculated under Minnesota Statutes,
2.23 section 356.551, shall pay the remaining amount within 30 days of the retirement coverage
2.24 election.

2.25 (e) The executive director of the Teachers Retirement Association shall not be required
2.26 to accept the transfer of the eligible person's account in the individual retirement account
2.27 plan if the executive director determines that the transfer is not from a pre-tax source, will
2.28 cause the account balance to be taxable to the member, or will jeopardize the tax-qualified
2.29 status of the Teachers Retirement Association. If the executive director rejects the transfer,
2.30 the eligible person shall pay the amount calculated under Minnesota Statutes, section 356.551,
2.31 from other sources acceptable to the executive director within a year of the retirement
2.32 coverage election.

2.33 (f) The authority to make a retirement coverage election under this section expires one
2.34 year from the effective date of this section.

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