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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2483**

02/23/2012 Authored by Eken

The bill was read for the first time and referred to the Committee on Government Operations and Elections

1.1 A bill for an act
1.2 relating to retirement; public employees defined contribution plan; authorizing
1.3 in-service distributions at age 66; amending Minnesota Statutes 2010, section
1.4 353D.07, subdivisions 1, 2, 3, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2010, section 353D.07, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. **Type of plan; uniformity.** (a) The plan is a defined contribution plan
1.9 the benefits from which are payable upon termination of service, retirement, disability,
1.10 ~~or death, or under an in-service withdrawal under subdivision 6.~~ The amount of benefits
1.11 is determined by the value of accumulated contributions plus a proportionate share of
1.12 investment income of the fund credited to each individual account.

1.13 (b) In the case of ambulance service personnel, eligibility standards must be uniform
1.14 among all ambulance service personnel of an ambulance service electing to participate.

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

1.16 Sec. 2. Minnesota Statutes 2010, section 353D.07, subdivision 2, is amended to read:

1.17 Subd. 2. **Payment of benefits.** Withdrawal of a benefit based on individual
1.18 participant contributions and employer contributions plus accrued investment income is
1.19 payable upon the death or termination of a participant ~~but not at the time, or when an~~
1.20 individual revokes membership in the defined contribution plan under ~~section 353D.02~~
1.21 subdivision 6. ~~An~~ A valid application, made by or on behalf of the participant on a form
1.22 prescribed by the executive director, must be filed before any payment of benefits ~~may be~~
1.23 is made.

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

2.2 Sec. 3. Minnesota Statutes 2010, section 353D.07, subdivision 3, is amended to read:

2.3 Subd. 3. **Form of benefit.** A retirement benefit is payable in a lump sum equal to
2.4 the value of a participant's account at the date of the account withdrawal. As an alternative
2.5 to a lump-sum distribution, the participant may choose to have the association transfer
2.6 the total account value for the purchase of an annuity payable at a designated age to an
2.7 insurance company of the participant's choice that is licensed to do business in the state.

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

2.9 Sec. 4. Minnesota Statutes 2010, section 353D.07, is amended by adding a subdivision
2.10 to read:

2.11 Subd. 6. **In-service withdrawal option.** (a) Notwithstanding section 353D.02, a
2.12 participant in the plan who has attained at least age 66 may terminate plan coverage
2.13 although the person continues in the employment which gave rise to the plan coverage.

2.14 (b) A termination of coverage under paragraph (a) is irrevocable. Notwithstanding
2.15 any law to the contrary, the person is not eligible for the continuing employment to
2.16 have coverage by this plan or any other, except for a 403(b), 457(b), or other applicable
2.17 supplemental plan in which the person is authorized by law to participate.

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