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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **870**

02/25/2013 Authored by Kahn; Murphy, M.; Nelson and O'Driscoll
The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act
1.2 relating to retirement; Minnesota State Colleges and University System faculty
1.3 members; increasing the maximum for the annuitant retire-to-work provision;
1.4 amending Minnesota Statutes 2012, sections 352.1155, subdivisions 1, 4;
1.5 354.445; 354A.31, subdivision 3a.

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

1.7 Section 1. Minnesota Statutes 2012, section 352.1155, subdivision 1, is amended to read:

1.8 Subdivision 1. **Eligibility.** Except as indicated in subdivision 4, the annuity
1.9 reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

1.10 (1) retires from the Minnesota State Colleges and Universities system with at least
1.11 ten years of combined service credit in a system under the jurisdiction of the Board of
1.12 Trustees of the Minnesota State Colleges and Universities;

1.13 (2) was employed on a full-time basis immediately preceding retirement as a faculty
1.14 member or as an unclassified administrator in that system;

1.15 (3) begins drawing an annuity from the general state employees retirement plan of
1.16 the Minnesota State Retirement System; and

1.17 (4) returns to work on not less than a one-third time basis and not more than a
1.18 two-thirds time basis in the system from which the person retired under an agreement in
1.19 which the person may not ~~earn a salary of more than \$46,000~~ be employed for more
1.20 than two-thirds of a full-time basis in a calendar year ~~from~~ through employment after
1.21 retirement in the system from which the person retired.

1.22 Sec. 2. Minnesota Statutes 2012, section 352.1155, subdivision 4, is amended to read:

1.23 Subd. 4. **Exemption limit.** For a person eligible under this section who ~~earns more~~
1.24 ~~than \$46,000~~ is employed in excess of two-thirds of a full-time basis in a calendar year ~~from~~

2.1 through reemployment in the Minnesota State Colleges and Universities system following
 2.2 retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only
 2.3 to income ~~over \$46,000~~ for employment in excess of two-thirds of a full-time basis.

2.4 Sec. 3. Minnesota Statutes 2012, section 354.445, is amended to read:

2.5 **354.445 NO ANNUITY REDUCTION.**

2.6 (a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply
 2.7 to a person who:

2.8 (1) retires from the Minnesota State Colleges and Universities system with at least
 2.9 ten years of combined service credit in a system under the jurisdiction of the Board of
 2.10 Trustees of the Minnesota State Colleges and Universities;

2.11 (2) was employed on a full-time basis immediately preceding retirement as a faculty
 2.12 member or as an unclassified administrator in that system;

2.13 (3) begins drawing an annuity from the teachers retirement association; and

2.14 (4) returns to work on not less than a one-third time basis and not more than a
 2.15 two-thirds time basis in the system from which the person retired under an agreement in
 2.16 which the person may not ~~earn a salary of more than \$46,000~~ be employed for more
 2.17 than two-thirds of a full-time basis in a calendar year ~~from~~ through employment after
 2.18 retirement in the system from which the person retired.

2.19 (b) Initial participation, the amount of time worked, and the duration of participation
 2.20 under this section must be mutually agreed upon by the president of the institution where
 2.21 the person returns to work and the employee. The president may require up to one-year
 2.22 notice of intent to participate in the program as a condition of participation under this
 2.23 section. The president shall determine the time of year the employee shall work. The
 2.24 employer or the president may not require a person to waive any rights under a collective
 2.25 bargaining agreement as a condition of participation under this section.

2.26 (c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a)
 2.27 and (b) may not, based on employment to which the waiver in this section applies, earn
 2.28 further service credit in a Minnesota public defined benefit plan and is not eligible to
 2.29 participate in a Minnesota public defined contribution plan, other than a volunteer fire plan
 2.30 governed by chapter 424A. No employer or employee contribution to any of these plans
 2.31 may be made on behalf of such a person.

2.32 (d) For a person eligible under paragraphs (a) and (b) who ~~earns more than \$46,000~~
 2.33 is employed in excess of two-thirds of a full-time basis in a calendar year ~~from~~ through
 2.34 employment after retirement due to employment by the Minnesota state colleges and

3.1 universities system, the annuity reduction provisions of section 354.44, subdivision 5, apply
3.2 only to income ~~over \$46,000~~ for employment in excess of two-thirds of a full-time basis.

3.3 (e) A person who returns to work under this section is a member of the appropriate
3.4 bargaining unit and is covered by the appropriate collective bargaining contract. Except
3.5 as provided in this section, the person's coverage is subject to any part of the contract
3.6 limiting rights of part-time employees.

3.7 Sec. 4. Minnesota Statutes 2012, section 354A.31, subdivision 3a, is amended to read:

3.8 Subd. 3a. **No annuity reduction.** (a) The annuity reduction provisions of
3.9 subdivision 3 do not apply to a person who:

3.10 (1) retires from the technical college system with at least ten years of service credit
3.11 in the system from which the person retires;

3.12 (2) was employed on a full-time basis immediately preceding retirement as a
3.13 technical college faculty member;

3.14 (3) begins drawing an annuity from a first class city teachers retirement association;
3.15 and

3.16 (4) returns to work on not less than a one-third time basis and not more than a
3.17 two-thirds time basis in the technical college system under an agreement in which the
3.18 person may not ~~earn a salary of more than \$46,000~~ be employed for more than two-thirds
3.19 of a full-time basis in a calendar year from through the technical college system.

3.20 (b) Initial participation, the amount of time worked, and the duration of participation
3.21 under this section must be mutually agreed upon by the employer and the employee. The
3.22 employer may require up to a one-year notice of intent to participate in the program as a
3.23 condition of participation under this section. The employer shall determine the time
3.24 of year the employee shall work.

3.25 (c) Notwithstanding any law to the contrary, a person eligible under paragraphs
3.26 (a) and (b) may not earn further service credit in a first class city teachers retirement
3.27 association and is not eligible to participate in the individual retirement account plan or
3.28 the supplemental retirement plan established in chapter 354B as a result of service under
3.29 this section. No employer or employee contribution to any of these plans may be made on
3.30 behalf of such a person.

3.31 Sec. 5. **EFFECTIVE DATE.**

3.32 Sections 1 to 4 are effective July 1, 2013.