

2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the employee is under age 62 at the time of retirement.

~~(c) Any person whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), without any reduction by reason of early retirement.~~

Sec. 2. Minnesota Statutes 2020, section 352.116, is amended by adding a subdivision to read:

Subd. 1b. **Rule of 90.** (a) This subdivision applies to any person who first became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before August 1, 1989, and whose attained age plus credited allowable service totals at least 90.

(b) A person described in paragraph (a) is entitled, upon application, to a retirement annuity that is the greater of:

(1) an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, paragraph (a), without any reduction by reason of early retirement and without regard to the requirement under section 352.115, subdivision 3, paragraph (a), that the person became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989; or

(2) an amount equal to the annuity to which the person is otherwise entitled under:

(i) section 352.115, subdivision 3, paragraph (a), in conjunction with subdivision 1; or

(ii) section 352.115, subdivision 3, paragraph (b), in conjunction with subdivision 1a.

Sec. 3. Minnesota Statutes 2020, section 353.29, subdivision 3, is amended to read:

Subd. 3. Retirement annuity formula. (a) This paragraph, in conjunction with section 353.30, subdivisions 1a, 1b, and 1c, applies to any member who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) applies. The average salary as defined in section 353.01, subdivision 17a, multiplied by 2.2 percent for each year of allowable service for the first ten years and thereafter by 2.7 percent per year of allowable service and completed months less than a full year for a basic member, and 1.2 percent for each year of allowable service for the first ten years and thereafter by 1.7 percent per year of allowable

service and completed months less than a full year for a coordinated member determines the amount of the normal retirement annuity.

(b) This paragraph applies to a member who has become at least 55 years old and first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions ~~1a~~, 1b, and 1c. The average salary, as defined in section 353.01, subdivision 17a, multiplied by 2.7 percent for each year of allowable service and completed months less than a full year for a basic member and 1.7 percent per year of allowable service and completed months less than a full year for a coordinated member, determines the amount of the normal retirement annuity.

Sec. 4. Minnesota Statutes 2020, section 353.30, is amended by adding a subdivision to read:

Subd. 6. **Rule of 90.** (a) This subdivision applies to any member who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before August 1, 1989, and whose attained age plus credited allowable service totals at least 90.

(b) Upon termination of public service under section 353.01, subdivision 11a, a person described in paragraph (a) is entitled, upon application, to a retirement annuity that is the greater of:

(1) an amount equal to the normal annuity provided in section 353.29, subdivision 3, paragraph (a), without any reduction by reason of early retirement and without regard to the requirement under section 353.29, subdivision 3, paragraph (a), that the person became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989; or

(2) an amount equal to the annuity to which the person is otherwise entitled under:

(i) section 353.29, subdivision 3, paragraph (a), in conjunction with subdivision 1b or 1c; or

(ii) section 353.29, subdivision 3, paragraph (b), in conjunction with subdivision 5.

Sec. 5. Minnesota Statutes 2020, section 353.651, subdivision 1, is amended to read:

Subdivision 1. **Age and allowable service requirements.** (a) Upon separation from public service, any police officer or firefighter member, other than a firefighter covered by

section 353.6511, or a police officer covered by section 353.6512, (1) who has attained the age of at least 55 years requirements under paragraph (b) or the age and service requirements under paragraph (c), and (2) who is partially or 100 percent vested under section 353.01, subdivision 47, is entitled upon application to a retirement annuity, known as the normal retirement annuity.

(b) A police or firefighter member has attained the age requirement under this paragraph if the member has attained the age of at least 55 years.

(c) A police or firefighter member has attained the age and service requirements under this paragraph if:

(1) the member first became a public employee or member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989; and

(2) the member's attained age plus credited allowable service totals at least 90.

Sec. 6. Minnesota Statutes 2020, section 353E.04, subdivision 1, is amended to read:

Subdivision 1. **Eligibility requirements.** (a) After termination of public employment, an employee covered under section 353E.02 (1) who has attained the age of at least 55 years requirements under paragraph (b) or the age and service requirements under paragraph (c), and (2) who is vested under section 353.01, subdivision 47, in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. Instead of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

(b) An employee has attained the age requirements under this paragraph if the employee has attained the age of at least 55 years.

(c) An employee has attained the age and service requirements under this paragraph if:

(1) the employee first became a public employee or member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989; and

(2) the employee's attained age plus credited allowable service totals at least 90.

Sec. 7. Minnesota Statutes 2020, section 354.44, subdivision 6, is amended to read:

Subd. 6. **Computation of formula program retirement annuity.** (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled for service rendered before July 1, 2006:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.2 percent per year	2.2 percent per year
Each year of service thereafter	1.7 percent per year	2.7 percent per year

For service rendered on or after July 1, 2006, by a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount the annuity to which the member qualifying therefor is entitled:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.4 percent per year	2.2 percent per year
Each year of service after ten years of service	1.9 percent per year	2.7 percent per year

(c)(1) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(2) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

~~(3) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.~~

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c).

(1) For a basic member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 2.7 percent for each year of service for a basic member determines the amount of the retirement annuity to which the basic member is entitled. The annuity of a basic member who was a member of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date.

(2) For a coordinated member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1, 2006, and by 1.9 percent for each year of service rendered on or after July 1, 2006, for a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the amount of the retirement annuity to which the coordinated member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b) in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age is entitled to receive the normal annuity provided in paragraph (d), reduced as described in clause (1) or (2), as applicable.

(1) For a member who is at least age 62 and has at least 30 years of service, the annuity shall be reduced by an early reduction factor of six percent for each year that the member's age of retirement precedes the normal retirement age. The resulting reduced annuity shall be further adjusted to take into account the increase in the monthly amount that would have

occurred had the member retired early and deferred receipt of the annuity until normal retirement age and the annuity was augmented during the deferral period at 2.5 percent, if the member commenced employment after June 30, 2006, or at three percent, if the member commenced employment before July 1, 2006, compounded annually.

(2) For a member who has not attained age 62 or has fewer than 30 years of service, the annuity shall be reduced for each year that the member's age of retirement precedes normal retirement age by the following early reduction factors:

(i) for the period during which the member is age 55 through age 58, the factor is four percent; and

(ii) for the period during which the member is at least age 59 but not yet normal retirement age, the factor is seven percent.

The resulting annuity shall be further adjusted to take into account the increase in the monthly amount that would have occurred had the member retired early and deferred receipt of the annuity until normal retirement age and the annuity was augmented during the deferral period at the applicable annual rate, compounded annually. The applicable annual rate is the rate in effect for the month that includes the member's effective date of retirement and shall be considered as fixed for the member for the period until the member reaches normal retirement age. The applicable annual rate for June 2019 is 2.5 percent, if the member commenced employment after June 30, 2006, or three percent, if the member commenced employment before July 1, 2006, compounded annually, and decreases each month beginning July 2019 in equal monthly increments over the five-year period that begins July 1, 2019, and ends June 30, 2024, to zero percent effective for July 2024 and thereafter.

After June 30, 2024, the reduced annuity commencing before normal retirement age under this clause shall not take into account any augmentation.

(f)(1) This paragraph applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before August 1, 1989, and whose attained age plus credited allowable service totals at least 90.

(2) A person described in clause (1) is entitled, upon application, to a retirement annuity that is the greater of:

(i) an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement and without regard to the requirement under paragraph (b) that the person became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989; or

(ii) an amount equal to the annuity to which the person is otherwise entitled under paragraph (b) in conjunction with paragraph (c) or under paragraph (d) in conjunction with paragraph (e).

~~(f)~~ (g) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

Sec. 8. Minnesota Statutes 2020, section 354A.31, subdivision 6, is amended to read:

Subd. 6. **Reduced retirement annuity.** (a) This subdivision applies only to a person who first became a coordinated member or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (d), in conjunction with subdivision 7.

(b) Upon retirement at an age before normal retirement age or prior to age 62 with at least 30 years of service credit, a vested coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), reduced by one-quarter of one percent for each month that the coordinated member is under normal retirement age if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit.

~~(c) Any coordinated member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), without any reduction by reason of early retirement.~~

Sec. 9. Minnesota Statutes 2020, section 354A.31, is amended by adding a subdivision to read:

Subd. 7a. **Rule of 90.** (a) This subdivision applies to a person (1) who first became a coordinated member or a member of a pension fund listed in section 356.30, subdivision 3, before August 1, 1989, and (2) whose age plus credited allowable service totals at least 90.

9.1 (b) A person described in paragraph (a) is entitled, upon application, to a retirement
9.2 annuity that is the greater of:

9.3 (1) an amount equal to the normal retirement annuity calculated using the retirement
9.4 annuity formula percentage in subdivision 4, paragraph (c), without any reduction by reason
9.5 of early retirement and without regard to the requirement under subdivision 4, paragraph
9.6 (c), that the person became a covered employee or a member of a pension fund listed in
9.7 section 356.30, subdivision 3, before July 1, 1989; or

9.8 (2) an amount equal to the annuity to which the person is otherwise entitled under
9.9 subdivision 4, paragraph (c), in conjunction with subdivision 6 or under subdivision 4,
9.10 paragraph (d), in conjunction with subdivision 7.

9.11 Sec. 10. **REVISOR INSTRUCTION.**

9.12 In Minnesota Statutes, sections 353.32, subdivision 1a; 353.34, subdivision 3; 353F.05;
9.13 and 356.415, subdivision 1b, the revisor of statutes shall replace references to Minnesota
9.14 Statutes, section 353.30, subdivision 1a, with references to Minnesota Statutes, section
9.15 353.30, subdivision 6.

9.16 Sec. 11. **REPEALER.**

9.17 Minnesota Statutes 2020, section 353.30, subdivision 1a, is repealed.

9.18 Sec. 12. **EFFECTIVE DATE.**

9.19 Sections 1 to 11 are effective July 1, 2022.

353.30 ANNUITIES UPON RETIREMENT.

Subd. 1a. **Pre-July 1, 1989, members: rule of 90.** Upon termination of public service under section 353.01, subdivision 11a, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the applicable normal annuity provided in section 353.29, subdivision 3, paragraph (a); section 353.651, subdivision 3; or section 353E.04, subdivision 3. Such annuity is not subject to a reduction for early retirement.