

A bill for an act

relating to teacher retirement savings; requiring collective bargaining over the number of tax-sheltered annuity vendors a school district permits for payroll deduction; amending Minnesota Statutes 2006, section 123B.02, subdivision 15.

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

Section 1. Minnesota Statutes 2006, section 123B.02, subdivision 15, is amended to read:

Subd. 15. **Annuity contract; payroll allocation.** At the request of an employee and as part of the employee's compensation arrangement, the board may purchase an individual annuity contract for an employee for retirement or other purposes and may make payroll allocations in accordance with such arrangement for the purpose of paying the entire premium due and to become due under such contract. The allocation must be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and the employee's rights under the contract shall be nonforfeitable except for failure to pay premiums. Section 122A.40 shall not be applicable hereto and the board shall have no liability thereunder because of its purchase of any individual annuity contracts. This statute shall be applied in a nondiscriminatory manner to employees of the school district. The identity and number of the available vendors under federal Internal Revenue Code section 403(b) is a term and condition of employment under section 179A.03.