

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 1995

(SENATE AUTHORS: SEEBERGER)

DATE
02/21/2023

D-PG
984

Introduction and first reading
Referred to State and Local Government and Veterans
See HF2950

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to retirement; authorizing an employee of Minnesota State Colleges and
1.3 Universities who is a member of the higher education individual retirement account
1.4 plan to elect coverage by the Teachers Retirement Association and receive
1.5 retroactive service credit.

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

1.7 Section 1. AUTHORITY FOR A CERTAIN MINNESOTA STATE EMPLOYEE
1.8 TO ELECT COVERAGE BY THE TEACHERS RETIREMENT ASSOCIATION.

1.9 (a) Notwithstanding any provision of law to the contrary, an eligible person described
1.10 in paragraph (b) is authorized to become a member of the Teachers Retirement Association
1.11 and to receive service and salary credit in the Teachers Retirement Association from May
1.12 28, 2008, upon making an election under paragraph (c) and upon making the required
1.13 contribution under paragraph (e).

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

1.15 (1) was born on July 11, 1950;

1.16 (2) was first employed on May 28, 2008, in the Minnesota State system office in the
1.17 city of St. Paul as an academic program director and, on December 31, 2022, was employed
1.18 as the system director for Academic Programs, Planning, and Transfer, with retirement
1.19 coverage in the higher education individual retirement account plan; and

1.20 (3) was not offered an election to be covered by the Teachers Retirement Association
1.21 as authorized by Minnesota Statutes 2008, section 354B.21.

2.1 (c) To elect coverage by the Teachers Retirement Association, an eligible person must
2.2 submit a written application to the executive director of the Teachers Retirement Association
2.3 on a form provided by the Teachers Retirement Association. The application must include
2.4 documentation demonstrating that the person is an eligible person under paragraph (b) and
2.5 any other relevant information that the executive director may require.

2.6 (d) Membership in the Teachers Retirement Association commences after the date the
2.7 executive director receives (1) the retirement coverage election, including information
2.8 described in paragraph (c), and (2) the contribution specified in paragraph (e). Upon
2.9 membership commencement, the executive director must grant past service and salary credit
2.10 for employment with Minnesota State from May 28, 2008.

2.11 (e) If the eligible person makes the retirement coverage election under paragraph (c),
2.12 the eligible person must make a contribution to the Teachers Retirement Association equal
2.13 to the excess, if any, of the employee contributions that the eligible person would have made
2.14 if covered by the Teachers Retirement Association for the period of past service and salary
2.15 for which credit is to be granted under paragraph (d) over the employee contributions that
2.16 the eligible person made to the higher education individual retirement account plan for the
2.17 same period of past service and salary. The executive director of the Teachers Retirement
2.18 Association must determine the amount to be contributed under this paragraph and notify
2.19 the eligible person of the amount required and options for making the payment.

2.20 (f) If payment is made under paragraph (e), the value of the eligible person's account in
2.21 the higher education individual retirement account plan must be transferred to the Teachers
2.22 Retirement Association.

2.23 (g) Upon receipt of the amount transferred under paragraph (f), the Teachers Retirement
2.24 Association shall determine the required purchase payment amount calculated under
2.25 Minnesota Statutes, section 356.551, as if the coverage election was a purchase of prior
2.26 service credit.

2.27 (h) From the amount calculated under paragraph (g), the executive director of the Teachers
2.28 Retirement Association must subtract the amounts received under paragraphs (e) and (f).
2.29 The Board of Trustees of the Minnesota State Colleges and Universities must transmit the
2.30 remaining amount, if any, to the executive director of the Teachers Retirement Association
2.31 within 60 days following the receipt of the amount transferred under paragraph (f).

2.32 (i) An eligible person's authority to make a retirement coverage election under this
2.33 section expires one year from the effective date of this section.

3.1 (j) An eligible person may elect coverage by the Teachers Retirement Association under
3.2 paragraph (c) during or after the eligible person's employment with the Minnesota State
3.3 Colleges and Universities, as long as the eligible person has not withdrawn or taken a
3.4 distribution of all or any portion of the eligible person's account in the higher education
3.5 individual retirement account plan.

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