

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2591

(SENATE AUTHORS: OSMEK)

DATE	D-PG	OFFICIAL STATUS
01/31/2022	4823	Introduction and first reading Referred to State Government Finance and Policy and Elections See SF3540

1.1 A bill for an act

1.2 relating to retirement; Minnesota State Retirement System; permitting the survivor

1.3 of a deceased state employee to purchase service credit to receive an annuity death

1.4 benefit.

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

1.6 Section 1. **PURCHASE OF SERVICE CREDIT AUTHORIZED FOR SURVIVOR**

1.7 **OF DECEASED EMPLOYEE.**

1.8 Subdivision 1. **Definitions.** For the purpose of this section, the following terms have

1.9 the meanings given:

1.10 (1) "executive director" means the executive director of the Minnesota State Retirement

1.11 System;

1.12 (2) "general plan" means the general state employees retirement plan of the Minnesota

1.13 State Retirement System;

1.14 (3) "service credit" means time credited as allowable service in the general plan under

1.15 Minnesota Statutes, section 352.01, subdivision 11; and

1.16 (4) "surviving spouse" means the surviving spouse of an eligible person described in

1.17 subdivision 3.

1.18 Subd. 2. **Purchase of service credit authorized.** Notwithstanding any state law to the

1.19 contrary, a surviving spouse may purchase service credit, as described under subdivision

1.20 4, on behalf of an eligible person. The surviving spouse may purchase only the amount of

1.21 service credit that is sufficient for the eligible person to be credited with a total of 60 months

1.22 of service credit.

2.1 Subd. 3. **Eligible person.** An eligible person is a person who:

2.2 (1) died in December 2020;

2.3 (2) was employed at or near the time of the person's death by the Minnesota Housing
2.4 Finance Agency; and

2.5 (3) is credited with no more than 59 months of service credit during the period from
2.6 February 1, 2016, to December 1, 2020.

2.7 Subd. 4. **Calculation of payment; payment.** (a) The executive director shall calculate
2.8 the amount of the purchase authorized under subdivision 2. The purchase amount is equal
2.9 to:

2.10 (1) 12.25 percent of the eligible person's final month of salary; and

2.11 (2) interest on the amount under clause (1) at the applicable annual rate or rates specified
2.12 in Minnesota Statutes, section 356.59, subdivision 2, compounded annually from January
2.13 1, 2021, to the date that payment is made.

2.14 (b) If the surviving spouse elects to pay the purchase amount under paragraph (a), the
2.15 purchase amount must be paid to the executive director in a lump sum within one year of
2.16 the effective date of this section.

2.17 Subd. 5. **Entitlement to annuity.** Upon payment under subdivision 4, the executive
2.18 director must credit the eligible person with the purchased service credit and the surviving
2.19 spouse is entitled to elect an annuity under Minnesota Statutes, section 352.12, subdivision
2.20 2, paragraph (a), (c), or (d), as applicable. If the surviving spouse elects to receive an annuity
2.21 under Minnesota Statutes, section 352.12, subdivision 2, paragraph (a) or (c), the surviving
2.22 spouse may elect a start date that is as early as January 1, 2021.

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