

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 764

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DATE	D-PG	OFFICIAL STATUS
02/25/2013	391	Introduction and first reading Referred to State and Local Government

1.1 A bill for an act
 1.2 relating to retirement; Minnesota State Colleges and Universities system faculty
 1.3 retirement coverage elections; eliminating a sunset date; amending Minnesota
 1.4 Statutes 2012, section 354B.21, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2012, section 354B.21, subdivision 2, is amended to read:

1.7 Subd. 2. **Coverage; election.** (a) An eligible person employed by the board has
 1.8 the default coverage specified in subdivision 3, or other subdivisions of this section,
 1.9 whichever is applicable, and retains that coverage for the period of covered employment
 1.10 unless a timely election to change that coverage is made as specified in this section.

1.11 (b) An eligible person under subdivision 3, paragraph (b) or (c), is authorized to elect
 1.12 prospective Teachers Retirement Association plan coverage.

1.13 (c) An eligible person under subdivision 3, paragraph (d), is authorized to elect
 1.14 prospective coverage by the plan established by this chapter.

1.15 (d) The election under paragraph (a) must be made within one year of commencing
 1.16 eligible Minnesota State Colleges and Universities system employment. If an election
 1.17 is not made within the specified election period due to a termination of Minnesota State
 1.18 Colleges and Universities system employment, an election may be made within 90 days
 1.19 of returning to eligible Minnesota State Colleges and Universities system employment.
 1.20 Except as specified in paragraph (f), all elections are irrevocable.

1.21 (e) Except as provided in paragraph (f), a purchase of service credit in the Teachers
 1.22 Retirement Association plan for any period or periods of Minnesota State Colleges
 1.23 and Universities system employment occurring before the election under this section
 1.24 is prohibited.

2.1 (f) Notwithstanding other paragraphs in this subdivision, a faculty member who
2.2 is a member of the individual retirement account plan may elect to transfer retirement
2.3 coverage to the teachers retirement plan within one year of the faculty member first
2.4 achieving tenure or its equivalent at a Minnesota state college or university. The faculty
2.5 member electing Teachers Retirement Association coverage under this paragraph must
2.6 purchase service credit in the Teachers Retirement Association for the entire period of
2.7 time covered under the individual retirement account plan and the purchase payment
2.8 amount must be determined under section 356.551. The Teachers Retirement Association
2.9 may charge a faculty member transferring coverage a reasonable fee to cover the costs
2.10 associated with computing the actuarial cost of purchasing service credit and making the
2.11 transfer. A faculty member transferring from the individual retirement account plan to the
2.12 Teachers Retirement Association may use any balances to the credit of the faculty member
2.13 in the individual retirement account plan, any balances to the credit of the faculty member
2.14 in the higher education supplemental retirement plan established under chapter 354C, or
2.15 any source specified in section 356.441, subdivision 1, to purchase the service credit in the
2.16 Teachers Retirement Association. If the total amount of payments under this paragraph are
2.17 less than the total purchase payment amount under section 356.551, the payment amounts
2.18 must be refunded to the applicable source. ~~The retirement coverage transfer and service
2.19 credit purchase authority under this paragraph expires with respect to any Minnesota State
2.20 Colleges and Universities System faculty initially hired after June 30, 2014.~~

2.21 **EFFECTIVE DATE.** This section is effective July 1, 2013.