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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4343

03/17/2022 Authored by Nelson, M., The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to retirement; State Patrol retirement plan; eliminating the cap on accruals;
1.3 amending Minnesota Statutes 2020, sections 352B.011, subdivision 4; 352B.08,
1.4 subdivision 2; 352B.11, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2020, section 352B.011, subdivision 4, is amended to read:

1.7 Subd. 4. Average monthly salary. (a) Subject to the limitations of section 356.611,
1.8 "average monthly salary" means the average of the highest monthly salaries for five years
1.9 of service as a member upon which contributions were deducted from pay under section
1.10 352B.02, or upon which appropriate contributions or payments were made to the fund to
1.11 receive allowable service and salary credit as specified under the applicable law. Average
1.12 monthly salary must be based upon all allowable service if this service is less than five
1.13 years.

1.14 (b) The salary used for the calculation of "average monthly salary" means the salary of
1.15 the member as defined in section 352.01, subdivision 13. "Average monthly salary" includes
1.16 the salary of the member during the period of covered employment rendered after reaching
1.17 the allowable service credit limit of section 352B.08, subdivision 2, paragraph (b). The
1.18 salary used for the calculation of "average monthly salary" does not include any lump-sum
1.19 annual leave payments and overtime payments made at the time of separation from state
1.20 service, any amounts of severance pay, or any reduced salary paid during the period the
1.21 person is entitled to workers' compensation benefit payments for temporary disability.

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

2.1 Sec. 2. Minnesota Statutes 2020, section 352B.08, subdivision 2, is amended to read:

2.2 Subd. 2. **Normal retirement annuity.** ~~(a)~~ The annuity must be paid in monthly
 2.3 installments. The annuity is equal to the amount determined by multiplying the average
 2.4 monthly salary of the member by 3.0 percent for each year of allowable service and prorated
 2.5 for additional completed months of allowable service, ~~unless restricted under paragraph (b).~~

2.6 ~~(b) Allowable service in excess of 33 years must not be used in computing the annuity.~~
 2.7 ~~This restriction does not apply to any member who has at least 28 years of allowable service~~
 2.8 ~~before July 1, 2013.~~

2.9 ~~(c) When the annuity commences, any member contributions attributable to allowable~~
 2.10 ~~service not used to compute the annuity due to the restrictions in paragraph (b) must be~~
 2.11 ~~refunded using procedures specified in section 352B.11, subdivision 1.~~

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

2.13 Sec. 3. Minnesota Statutes 2020, section 352B.11, subdivision 1, is amended to read:

2.14 Subdivision 1. **Refund of payments.** (a) A member who has not received other benefits
 2.15 under this chapter is entitled to a refund of payments made by salary deduction, plus interest,
 2.16 if the member is separated, either voluntarily or involuntarily, from the state service that
 2.17 entitled the member to membership.

2.18 ~~(b) A refund under section 352B.08, subdivision 2, paragraph (c), does not result in a~~
 2.19 ~~forfeiture of salary credit for the allowable service credit covered by the refund.~~

2.20 ~~(c)~~ (b) In the event of the member's death, if there are no survivor benefits payable under
 2.21 this chapter, a refund plus interest is payable to the last designated beneficiary on a form
 2.22 filed with the director before death, or if no designation is filed, is payable to the member's
 2.23 estate. Interest under this subdivision must be calculated as provided in section 352.22,
 2.24 subdivision 2. To receive a refund, the application must be made on a form prescribed by
 2.25 the executive director.

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