

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1295

(SENATE AUTHORS: SPARKS)

DATE	D-PG	OFFICIAL STATUS
04/26/2011	1408	Introduction and first reading Referred to State Government Innovation and Veterans See SF1808, Art. 13, Sec. 4

A bill for an act  
relating to retirement; Teachers Retirement Association; permitting certain  
Minnesota State Colleges and Universities system faculty members to elect  
prospective and retroactive defined benefit coverage for Minnesota State  
Colleges and Universities system employment.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. TEACHERS RETIREMENT ASSOCIATION; COVERAGE  
ELECTION FOR CERTAIN MNSCU FACULTY MEMBER.

(a) Notwithstanding any provision to the contrary in Minnesota Statutes, chapter 354B, an eligible person described in paragraph (b) may elect prospective and retroactive retirement coverage under paragraph (c).  
(b) An eligible person is a person who:  
(1) was born on February 2, 1978;  
(2) was initially employed by the Minnesota State Colleges and Universities system on a part-time basis at Metropolitan State University on August 27, 2005;  
(3) was also additionally employed within the Minnesota State Colleges and Universities system at Inver Hills Community College and St. Paul College; and  
(4) was covered by the higher education individual retirement account plan because of a failure of Metropolitan State University to advise the eligible person about the optional election and default retirement coverage provisions of Minnesota Statutes, section 354B.21, subdivisions 2 and 3.  
(c) An eligible person may elect retirement coverage by the Teachers Retirement Association rather than the higher education individual retirement account plan for faculty employment rendered after the date of the retirement coverage election under this section and for past Minnesota State Colleges and Universities system faculty employment from

August 27, 2005, until the date of the retirement coverage election. The election must be made in writing, must be filed with the executive director of the Teachers Retirement Association, and must be accompanied with any relevant documentation required by the executive director of the Teachers Retirement Association.

(d) If an eligible person makes the retirement coverage election under paragraph (c), the eligible person's member contributions to the higher education individual retirement account plan must be transferred to the Teachers Retirement Association, with any earned investment returns on those contributions. If the transferred member contributions and investment earnings are less than the calculated amount of the member contribution that the eligible person would have made to the Teachers Retirement Association on the eligible person's compensation from the Minnesota State Colleges and Universities system for the period from August 27, 2005, to the date of the retirement coverage election, if the person had been covered by the Teachers Retirement Association during the period, plus annual compound interest at the rate of 8.5 percent, the eligible person shall pay the balance of that calculated member contribution obligation within 30 days of the retirement coverage election. Any payment may be made through an institution-to-institution transfer from the eligible person's account in the Minnesota state deferred compensation program or the eligible person's tax-sheltered savings account under the federal Internal Revenue Code, section 403(b).

(e) Upon the transfer of the equivalent member contribution amount and any additional payments under paragraph (d), the balance of the eligible person's higher education individual retirement account plan account must be transferred to the Teachers Retirement Association. If the amounts under paragraph (d) and the higher education individual retirement account plan account balance under this paragraph are less than the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.551, the Minnesota State Colleges and Universities system shall pay that difference within 60 days of the retirement coverage election date.

(f) Upon the transfers and payments under paragraphs (d) and (e), the eligible person must be credited by the Teachers Retirement Association with allowable and formula service for Minnesota State Colleges and Universities system employment since August 27, 2005.

(g) The authority to make a retirement coverage election under this section expires on January 1, 2012.

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