

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1839

(SENATE AUTHORS: MILLER)

DATE
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OFFICIAL STATUS
Introduction and first reading
Referred to State Government Finance and Policy and Elections
See SF545, Art. 19, Sec. 5
See SF2620, Art. 18, Sec. 5

1.1 A bill for an act
1.2 relating to retirement; Teachers Retirement Association, Minnesota State Retirement
1.3 System, and the higher education individual retirement account plan; correcting a
1.4 plan election problem; authorizing eligible Winona State University employees to
1.5 elect Teachers Retirement Association coverage and receive retroactive coverage.

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

1.7 Section 1. **TEACHERS RETIREMENT ASSOCIATION COVERAGE ELECTION**
1.8 **AND MINNESOTA STATE RETIREMENT SYSTEM REFUND REPAYMENT**
1.9 **AUTHORITY FOR CERTAIN WINONA STATE UNIVERSITY EMPLOYEE.**

1.10 (a) Notwithstanding any provision of Minnesota Statutes, chapter 352 or 354B, to the
1.11 contrary, an eligible person described in paragraph (b) is eligible to become a coordinated
1.12 member of the Teachers Retirement Association and to purchase service and salary credit
1.13 in the Teachers Retirement Association coordinated plan retroactively from January 1, 1995,
1.14 upon repaying a member contribution refund taken from the general employees retirement
1.15 plan of the Minnesota State Retirement System under paragraph (c), upon making an election
1.16 under paragraph (e), and upon making all required payments under paragraphs (f), (g), and
1.17 (h).

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

1.19 (1) was born November 11, 1957;

1.20 (2) began state employment in 1981, with retirement coverage in the general employees
1.21 retirement plan of the Minnesota State Retirement System for which a refund of member
1.22 contributions and interest was taken;

2.1 (3) was employed by Winona State University on September 11, 1989, with retirement
2.2 coverage in the higher education individual retirement account plan; and

2.3 (4) was not informed of the option to elect Teachers Retirement Association coverage
2.4 in the coverage election authorized under Laws 1994, chapter 508, article 1, section 10, so
2.5 remained in the higher education individual retirement account plan.

2.6 (c) The refund repayment required by Minnesota Statutes, section 356.551, subdivision
2.7 1, paragraph (c), must be calculated under Minnesota Statutes, section 352.23.

2.8 (d) Authority to repay a refund under this section expires one year from the effective
2.9 date of this section.

2.10 (e) To be eligible for coverage by the Teachers Retirement Association, an eligible
2.11 person must submit a written application to the executive director of the Teachers Retirement
2.12 Association on a form provided by the Teachers Retirement Association. The application
2.13 must include all relevant documentation and information that the executive director may
2.14 require. Teachers Retirement Association plan membership commences after the date of
2.15 the retirement coverage election under this section and past salary and service credit is
2.16 granted for past Minnesota State Colleges and Universities system employment from January
2.17 1, 1995, until the executive director receives the written application specified in this
2.18 paragraph and receipts of the payments specified in paragraphs (c), (f), (g), and (h). Coverage
2.19 by the Teachers Retirement Association is in lieu of coverage by the individual retirement
2.20 account plan.

2.21 (f) If the eligible person makes the retirement coverage election under paragraph (e),
2.22 the eligible person's member contributions to the higher education individual retirement
2.23 account plan account from January 1, 1995, to the date of the retirement coverage election
2.24 must be transferred to the Teachers Retirement Association, with any earned investment
2.25 returns on those contributions. If the transferred member contributions and investment
2.26 earnings are less than the calculated amount of the member contributions that the eligible
2.27 person would have made to the Teachers Retirement Association on the eligible person's
2.28 compensation from the Minnesota State Colleges and Universities system for the period
2.29 from January 1, 1995, to the date of the retirement coverage election, if the person had been
2.30 covered by the Teachers Retirement Association during the period, plus annual compound
2.31 interest at the rate of 8.5 percent, then the eligible person shall pay the balance of that
2.32 calculated member contribution obligation within 30 days of the retirement coverage election.

2.33 (g) Upon the transfer of the equivalent member contribution amount and any additional
2.34 payment under paragraph (f), the employer contributions made on behalf of the eligible

3.1 member to the higher education individual retirement account plan account from January
3.2 1, 1995, to the date of the retirement coverage election must be transferred to the Teachers
3.3 Retirement Association, with any earned investment returns on those contributions.

3.4 (h) If the amounts under paragraphs (f) and (g) are less than the prior service credit
3.5 purchase payment amount under Minnesota Statutes, section 356.551, the Minnesota State
3.6 Colleges and Universities system shall pay the difference within 60 days following receipt
3.7 of the amounts transmitted under paragraphs (f) and (g).

3.8 (i) The authority to make a retirement coverage election under this section expires one
3.9 year from the effective date of this section.

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