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352D.01 STATE UNCLASSIFIED EMPLOYEES RETIREMENT PROGRAM 4144

CHAPTER 352D

STATE UNCLASSIFIED EMPLOYEES RETIREMENT PROGRAM

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352D.01 ESTABLISHMENT. There is hereby established a retirement program for certain unclassified employees in state service to be known as the Minnesota unclassified employees retirement program, which shall be administered by the Minnesota state retirement system.

[1971 c 604 s 1]

352D.02 COVERAGE. Any employee in the office of the governor, secretary of state, state auditor, state treasurer, or the state board of investment presently or in the future employed by the state of Minnesota on a full-time basis in the unclassified service, any department, division, or agency head, deputy or employee enumerated in sections 15A.05 to 15A.091, inclusive, and any permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature, shall be eligible for participation in the retirement program provided by sections 352D.01 to 352D.09, provided he gives notice of his desire to participate to the board of directors of the Minnesota state retirement system prior to January 1, 1972, or, in the case of employees commencing employment on or after July 1, 1971, within six months following commencement of their employment. Initial applications made prior to June 15, 1971, shall be effective as of July 1, 1971. Commencing on the date of transfer, any future employer and employee contributions, less any employer's contribution to amortize past deficits, shall be used to purchase shares in the Minnesota supplemental retirement fund, established in section 11.18.

[1971 c 604 s 2]

352D.03 TRANSFER OF ASSETS. Effective July 1, 1971, and January 1, 1972, depending upon the application date of the participant, a sum of money representing the assets credited to each present employee exercising the option contained in section 352D.01, plus an equal employer contribution together with interest for the employment period at the actuarially assumed rates during this period, compounded annually, shall be transferred to the invested treasurer's cash fund established by section 11.10, or, if so desired by the state auditor, an unclassified employees transfer investment account. Any employer's contribution to amortize the deficit in the state employee's retirement fund shall not, however, be transferred. Funds thus transferred shall be used for the purchase of shares on behalf of each employee in the two accounts of the supplemental retirement fund established by section 11.18, in substantially equal monthly installments over a 24 month period. Funds invested in the invested treasurer's cash fund shall earn interest at a rate determined by the state board of investment, consistent with the current earnings rate of that fund, or participants shall receive the approximate proportional share of investment earnings from the unclassified employees transfer investment account. An employee terminating his employment within the 24 month period shall be entitled to withdraw one half of the cash value of the shares credited to his account and one half of the funds remaining to his credit in the invested treasurer's cash fund or the unclassified employees transfer investment account together with the interest accrued thereon.

[1971 c 604 s 3]

352D.04 INVESTMENT OPTIONS. An employee exercising his option to participate in the retirement program provided by sections 352D.01 to 352D.09 may elect to purchase shares in either the income share account or a combination of the income share account and the growth share account of the supplemental retirement fund in accordance with one of the following options:

- (1) 100 percent invested in the income share account;

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(2) 75 percent invested in the income share account and 25 percent invested in the growth share account; or

(3) 50 percent invested in the income share account and 50 percent invested in the growth share account.

Prior to July 1 of each year, each participant may indicate in writing on forms provided by the Minnesota state retirement system his choice of options in accordance with the rules and procedures established in section 136.81, subdivision 3, except that the shares so purchased shall stand in the name of the board of directors of the Minnesota state retirement system.

[1971 c 604 s 4]

352D.05 WITHDRAWAL OPTIONS. Subdivision 1. No withdrawal of contributions shall be permitted prior to termination of employment of an employee in the unclassified service.

Subd. 2. Upon termination of employment prior to attaining the age of 65 years, an employee with less than 42 months of service shall, upon application at time of termination or at any future time, be paid the cash value of the shares purchased from the employee's contributions as valued at the month-end following the receipt of such application. The cash value of the shares purchased from the employer's contributions shall be appropriated to the Minnesota state retirement system in payment of administrative costs for the Minnesota unclassified employees' retirement program.

Subd. 3. Upon termination of employment prior to attaining the age of 65 years, an employee with more than 42 months of service shall be entitled to withdraw the cash value of the shares purchased from the employee's contributions as valued at the month-end following the receipt of such application or may leave such shares on deposit with the supplemental retirement fund. Shares purchased from the employer's contributions, together with any shares purchased from the employee's contributions and not withdrawn, shall remain on deposit with the supplemental retirement fund until the former employee attains the age of 65 years, at which time the cash value of such shares shall be transferred to the Minnesota adjustable fixed benefit fund established by section 11.25, and used for the purpose of providing pension benefits for such former employee in accordance with the annuity tables and interest assumptions then in effect for the Minnesota state retirement system. Any former employee previously covered by the provisions of sections 352D.01 to 352D.09 who has shares in the Minnesota supplemental retirement fund and who returns to work in the unclassified service as described in section 352D.02, even though such new employment be on a temporary, part-time basis with the legislature or a committee or commission of the legislature, shall, at such employee's option, have all employer's and employee's deductions credited to such employee's account in the Minnesota unclassified employees' retirement program. Upon attaining the age of 65 years, a former employee may withdraw the cash value of shares purchased with the employee's contribution over a five year period, but only as provided in section 136.82, subdivision 1, clauses (1), (2), and (3). The value of shares purchased with the employer's share of contributions shall, however, remain in the fund for the purpose of providing reduced pension benefits for the former employee.

[1971 c 604 s 5]

352D.06 REGULAR PENSIONS. Upon retirement at age 65 or thereafter the cash value of shares purchased for an employee shall be transferred to the Minnesota adjustable fixed benefit fund and used to provide pension benefits for the retired employee according to the reserve basis used by the Minnesota state retirement system in determining pensions and reserves.

[1971 c 604 s 6]

352D.07 PAYMENT OF CERTAIN PENSION BENEFITS. If the annual amount of accrued pension benefits payable to any employee pursuant to sections 352D.01 to 352D.09 shall be less than \$200, payment shall be made in a single installment at the beginning of each calendar year. If the annual amount thus payable shall be less than \$800, payment shall be made in four installments at the beginning of each calendar quarter.

[1971 c 604 s 7]

352D.08 SALARY DEDUCTIONS, REDEMPTION, AND GENERAL PROVISIONS. The employee and employer contributions shall be as provided in section

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352.04. The redemption of shares, the distribution of a prospectus, the rights of participants, and other procedures and duties authorized or required by sections 352D.01 to 352D.09 shall be in accordance with the provisions of sections 136.81 to 136.84, inclusive, in all instances not inconsistent with sections 352D.01 to 352D.09 and chapter 352.

[1971 c 604 s 8]

352D.09 ADMINISTRATION. The provisions of sections 352D.01 to 352D.09 shall be administered by the Minnesota state retirement system. The board of directors of the Minnesota state retirement system shall possess the powers and duties granted by the provisions of chapter 352, in all instances where not inconsistent with the provisions of sections 352D.01 to 352D.09.

[1971 c 604 s 9]