

MINNESOTA STATE RETIREMENT SYSTEM 352.01

The county board of any county, or the council of any city or village, in which such societies exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise appropriated, not exceeding \$4,800 in any one year; provided, that no part of the appropriation shall be expended for the payment of the salary of any officer of the society.

[1973 c 187 s 1]

OTHER PUBLIC RIGHTS AND PRIVILEGES

CHAPTER 352. MINNESOTA STATE RETIREMENT SYSTEM

| Sec. | | Sec. | |
|----------|--|--------|---|
| 352.01 | Definitions. | 352.12 | Refundment after death of employee or former employee. |
| 352.021 | Minnesota state retirement system. | 352.22 | Refundments or deferred annuities. |
| 352.03 | Board of directors, composition, executive director; duties, powers. | 352.23 | Termination of rights. |
| 352.04 | State employees retirement fund, contributions by employee and employer. | 352.27 | Credit for military service. |
| 352.115 | Retirement annuity. | 352.72 | Coverage by more than one retirement system or association. |
| 352.116 | Annuities upon retirement. | 352.90 | Correctional employees [New]. |
| 352.118 | Increase in benefits. | 352.91 | Covered correctional service. [New]. |
| 352.119 | Participation in Minnesota adjustable fixed benefit fund. | 352.92 | Correctional employee contributions [New]. |
| 352.1191 | Survivor benefit increase [New]. | 352.93 | Retirement annuity [New]. |
| | | 352.94 | Augmentation [New]. |
| | | 352.95 | Disability benefits [New]. |

352.01 Definitions

[For text of subds. 1 to 2A, see M.S.1971]

Subd. 2B. Excluded employees. The following persons are excluded from the meaning of state employee:

- (1) Elective state officers;
- (2) Students employed by the University of Minnesota, the state colleges, and state junior colleges unless approved for coverage by the board of regents, the state college board or the state junior college board, as the case may be;
- (3) Employees who are eligible to membership in the state teachers retirement association except employees of the department of education who have elected or may elect to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) Employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) Officers and enlisted men in the national guard and the naval militia and such as are assigned to permanent peacetime duty who pursuant to federal law are or are required to be members of a federal retirement system;
- (6) Election officers;
- (7) Persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;
- (8) Officers and employees of the senate and house of representatives who are temporarily employed and those employees of the legislative research committee who are intermittently employed when needed;
- (9) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except employees of the supreme court and referees and adjusters employed by the department of labor and industry;
- (10) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota veterans home;

352.01 MINNESOTA STATE RETIREMENT SYSTEM

(11) Persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) Employees of the Sibley House Association;

(13) Employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) Operators and drivers employed pursuant to section 16.07, subdivision 4;

(15) Members of the tax court, the civil service board, and the members of any other state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;

(16) State highway patrolmen;

(17) Temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; also persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) Emergency employees in the classified service except emergency employees who within the same pay period become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the beginning of the pay period;

(19) Persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;

(20) All temporary employees in the classified service, and all seasonal help in the unclassified service employed by either the motor vehicle division or the department of taxation to perform clerical duties;

(21) Trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2A(10);

(22) Persons whose compensation is paid on a fee basis;

(23) State employees who in any year have credit for 12 months service as teachers in the public schools of the state and as such teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) Employees of the adjutant general employed on an unlimited intermittent basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) Chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) Labor service employees who are entitled to receive a pay differential because they are not entitled to annual or sick leave, or pay for holidays, or insurance coverage;

(27) Examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) Members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4;

(29) Persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179;

(30) Temporary employees employed for limited periods of time under any state or federal program for the purpose of training or rehabilitation including needy persons employed thereunder for limited periods of time from areas

MINNESOTA STATE RETIREMENT SYSTEM 352.01

of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) Full time students employed by the Minnesota historical society who are employed intermittently during part of the year and full time during the summer months; and

(32) Temporary employees, appointed for not more than six months, of the Metropolitan council and of any of its statutory boards, the members of which board are appointed by the Metropolitan council.

[1973 c 178 s 20]

[For text of subds. 3 to 10, see M.S.1971]

Subd. 11. Allowable service. "Allowable service" means:

(1) Any service rendered by an employee for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or

(2) Any service rendered by an employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or

(3) Any service rendered by an employee after July 1, 1957, for any calendar month in which he is paid salary from which deductions are made, deposited and credited in the fund, including deductions made, deposited and credited as provided in section 352.041, or

(4) Any service rendered by an employee after July 1, 1957 for any calendar month for which payments in lieu of salary deductions are made, deposited and credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month. The board of directors of the Minnesota state retirement system shall establish rules governing the accrual of allowable service credit for less than full time employment.), or

(5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the workmen's compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund, or

(6) The unused portion of an employee's annual leave allowance for which he is paid salary, or

(7) Any employee who made payment in installments in order to obtain additional service credit but failed to make the final payment on or before July 1, 1962 shall be entitled to have credit for all service for which the payments he made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or

(8) Former state employees who hold numbered certificates of deferred annuity who again become state employees shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates, or

(9) Any service covered by refundment repaid as provided in section 352.23 but does not include service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system.

[1973 c 221 s 1]

[For text of subds. 12 to 15, see M.S.1971]

352.01 MINNESOTA STATE RETIREMENT SYSTEM

Subd. 16. Year of allowable service. "Year of allowable service" means any 12 calendar months not necessarily consecutive in which an employee is entitled to allowable service credit. It also means 12 months credit each calendar year for teachers in the state colleges and state institutions who may or may not receive compensation in every month in the calendar year.

[1973 c 221 s 2]

[For text of subds. 17 to 23, see M.S.1971]

352.021 Minnesota state retirement system

[For text of subds. 1 and 2, see M.S.1971]

Subd. 3. Optional exemptions. Any person who is appointed by the governor or lieutenant governor may request exemption from coverage under this chapter if he is not so covered at the date of such appointment. To qualify for this exemption he shall make his request within 90 days from the date of entering upon the duties of the position to which appointed. He shall not thereafter be entitled to such coverage so long as he continues in the position which entitled him to exemption therefrom.

[1973 c 221 s 3]

[For text of subds. 4 and 5, see M.S.1971]

352.03 Board of directors, composition, executive director; duties, powers

Subdivision 1. Membership of board; election; term. The policy making function of the system is hereby vested in a board of seven members, who shall be known as the board of directors, hereinafter called the board. This board shall consist of three members appointed by the governor, one of whom shall be a constitutional officer or appointed state official and two public members knowledgeable in pension matters, and four state employees who shall be elected by state employees covered by the system at a time and in a manner to be fixed by the board. Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The term of the two board members whose terms expire in 1968 shall terminate on the first Monday in March, 1968, and the terms of the two board members whose terms expire in 1970 shall terminate on the first Monday in March, 1970. The members of the board so elected shall hold office for a term of four years and until their successors are elected, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of directors; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period.

[1973 c 653 s 24]

[For text of subd. 2, see M.S.1971]

Subd. 3. Directors serve without compensation. The members of the board employed by the state shall serve without compensation, but shall be reimbursed out of the retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties, and shall suffer no loss of salary or wages through service on the board. The public members of the board shall be paid \$35 per day for each day actually devoted to duties as a member of the board. Members of the board shall be paid for expenses in travel to and from meetings and for necessary expenses incurred during meetings of the board.

[1973 c 653 s 25]

Subd. 4. Duties and powers of board of directors. It is the duty of the board and it has power to:

- (1) Elect a chairman;
- (2) Appoint an executive director;

MINNESOTA STATE RETIREMENT SYSTEM 352.115

(3) Establish rules and regulations for the administration of the provisions of chapter 352 and transaction of the business of the system, all subject to the limitations of said chapter and the law;

(4) Consider and dispose of, or take such other action as the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system;

(5) Advise the director on any matters relating to the system and the carrying out of the functions and purposes of said chapter, which advice shall be controlling; and

The director and assistant director shall be in the unclassified service but appointees may be selected from civil service lists if it is desired to do so.

[1973 c 35 s 52]

[For text of subds. 5 to 15, see M.S.1971]

352.04 State employees retirement fund, contributions by employee and employer

[For text of subd. 1, see M.S.1971]

Subd. 2. Employee contributions. The employee contribution to the fund shall be an amount equal to four percent of salary, beginning with the first full pay period after June 30, 1973. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

[1973 c 653 s 26]

Subd. 3. Employer contributions. The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional two percent of salary beginning with the first full pay period after June 30, 1973. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

[1973 c 653 s 27]

[For text of subds. 4 to 6, see M.S.1971]

Subd. 7. [Repealed, 1973 c 221 s 11]

[For text of subds. 8 to 12, see M.S.1971]

352.115 Retirement annuity

Subdivision 1. Age and service requirements. After separation from state service any employee (a) who has attained the age of at least 62 years and who is entitled to credit for not less than ten years allowable service or (b) who has attained the age of at least 58 years and who is entitled to credit for not less than 20 years allowable service is entitled upon application to a retirement annuity.

[1973 c 221 s 4]

Subd. 2. Average salary. The retirement annuity hereunder payable at age 65 or thereafter shall be computed in accordance with the applicable provisions of the formula stated in subdivision 3 hereof, on the basis of the employee's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, "average salary" of an employee for the purpose of determining his retirement annuity means the average of the highest five successive years of salary upon which he has made contributions to the retirement fund by payroll deductions.

[1973 c 653 s 28]

Subd. 3. Retirement annuity formula. The employee's average salary, as defined in subdivision 2 multiplied by 1 percent per year of allowable service for the first ten years and 1.5 percent for each subsequent year of

352.115 MINNESOTA STATE RETIREMENT SYSTEM

allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee qualifying therefor is entitled.

[1973 c 653 s 29]

[For text of subds. 4 to 9, see M.S.1971]

Subd. 10. Re-employment of annuitant. Should any retired employee again become entitled to receive salary or wages from the state, other than salary or wages received as a temporary employee of the legislature during a legislative session, his annuity or retirement allowance shall cease when he has earned \$2000 in any calendar year. The annuity shall be resumed when state service terminates, or, if the retired employee is still employed at the beginning of the next calendar year, at the beginning of such calendar year, and payment shall again terminate when he has earned \$2000. No payroll deductions for the retirement fund shall be made from the earnings of such retired employee. If such retired employee is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed during the period of sick leave. No change shall be made in the monthly amount of such annuity or retirement allowance because of such employment.

[1973 c 35 s 53]

[For text of subds. 11 and 12, see M.S.1971]

Subd. 13. Proportionate annuity in certain cases. Any employee who prior to July 1, 1973, was less than 60 years of age when entering covered state service who, due to the lowering of the mandatory retirement age, does not qualify for an annuity at the time he is required to retire, shall be entitled upon application to a proportionate annuity based upon his allowable service credit at time of mandatory retirement.

[1973 c 653 s 30]

352.116 Annuities upon retirement

Subdivision 1. Reduced annuity before age 65. Any employee who retires prior to age 65 shall be paid the normal retirement annuity provided in sections 352.115, subdivisions 2 and 3, or 352.715, subdivision 2, as the case may be, reduced by one-half of one percent for each month that the employee is under age 65 on the last day for which he is entitled to service credit as provided in section 352.01, subdivision 11, clause (3), or the date state service terminated, or the date the application for the annuity is filed with the director, whichever is later, provided however that if an employee is entitled to credit for not less than 30 years allowable service, such reduction shall be applied only for each month the employee is under age 62.

[1973 c 653 s 31]

[For text of subds. 2 and 3, see M.S.1971]

352.118 Increase in benefits

The retirement annuities and disability benefits authorized and in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for such benefits determined by using an interest assumption of three and one-half percent bears to the actuarially computed reserve for such benefits determined by using an interest assumption of five percent. The reserves upon which such increase shall be based shall be the actuarially determined reserve for benefits in effect at June 30, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of three and one-half percent and five percent. Such ratio of increase computed to the last full one one-hundredth of one percent shall be applied to benefits in effect on June 30, 1973 and shall begin to accrue July 1, 1973. Notwithstanding section 356.18, increases in benefit payments pursuant to this section will be made automatically unless the intended recipient files written notice with the Minnesota state retirement system requesting that the increase shall not be made.

[1973 c 653 s 32]

MINNESOTA STATE RETIREMENT SYSTEM 352.12

352.119 Participation in Minnesota adjustable fixed benefit fund

[For text of subd. 1, see M.S.1971]

Subd. 2. Valuation of assets; adjustment of benefits. (1) Effective July 1, 1969, for those employees commencing to receive benefits pursuant to chapter 352, and acts amendatory thereof, the required reserves as determined in accordance with the interest assumption then in effect and appropriate mortality table based on experience of the fund as recommended by the system's actuary shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue.

(2) Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

[1973 c 653 s 33]

[For text of subd. 3, see M.S.1971]

352.1191 Survivor benefit increase

The survivor benefits payable from the state employees retirement fund as provided by section 352.715, subdivision 4, which are authorized and in effect on January 1, 1974 shall be increased 25 percent. Such increase shall apply to the accrual of benefits commencing January 1, 1974.

[1973 c 653 s 34]

352.12 Refundment after death of employee or former employee

Subdivision 1. Death before termination of service. If an employee dies before his state service has terminated and neither a survivor annuity nor a reversionary annuity is payable or if a former employee who has sufficient service credit to be entitled to an annuity dies before the benefit has become payable, the director shall make a refundment to his last designated beneficiary or, if there be none, to his surviving spouse or, if none, to the representative of his estate in an amount equal to his accumulated contributions plus interest thereon to the date of death at the rate of three and one-half percent per annum compounded annually. In the event an employee dies who has received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the repayment was made in installments, interest shall be paid only from the date installment payments began. The designated beneficiary, surviving spouse or representative of the estate of an employee who had received a disability benefit shall not be entitled to interest upon any balance remaining to his credit in the fund at the time of death.

[1973 c 221 s 5]

Subd. 2. Surviving spouse benefit. If an employee who has attained the age of at least 62 years and has credit for not less than ten years allowable service or who has attained the age of at least 58 years and has credit for not less than 20 years allowable service dies before his state service has terminated or if an employee who has filed a valid application for an annuity or disability benefit prior to the termination of his state service dies before the benefit has become payable, notwithstanding any designation of beneficiary to the contrary, his surviving spouse may elect to receive, in lieu of the refundment with interest provided in subdivision 1, an annuity equal to the joint and 50 percent survivor annuity which the employee could have qualified for had he retired on the date of death, computed as provided in section 352.115, subdivisions 2 and 3, and section 352.116, subdivisions 1 and 3. The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the representative of the estate of such deceased employee. Any em-

352.12 MINNESOTA STATE RETIREMENT SYSTEM

ployee may request in writing that this subdivision not apply and that payment be made only to his designated beneficiary as otherwise provided by this chapter.

[1973 c 221 s 6]

[For text of subds. 3 to 5, see M.S.1971]

Subd. 6. Death after service termination. Except as provided in subdivision 1, if a former employee covered by the system dies and he has not received an annuity, a retirement allowance or a disability benefit, a refundment shall be made to his last designated beneficiary or, if there be none, to his surviving spouse or, if none, to the representative of his estate in an amount equal to his accumulated contributions.

[1973 c 221 s 7]

[For text of subds. 7 to 13, see M.S.1971]

352.22 Refundments or deferred annuities

Subdivision 1. Service termination. Any employee who ceases to be a state employee by reason of termination of state service, shall be entitled to a refundment provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refundment may be made 60 or more days after the termination of state service if the applicant has not again become a state employee required to be covered by the system; except that employees who attain mandatory retirement age and are required to retire and who are not eligible to receive an annuity under sections 352.115 or 352.72, may apply for refundment without any waiting period.

[1973 c 653 s 35]

Subd. 2. Amount of refundment. Except as provided in subdivision 3, any person who ceased to be a state employee after June 30, 1973, by reason of termination of state service shall receive a refundment in an amount equal to his accumulated contributions plus interest at the rate of three and one-half percent per annum compounded annually on deductions taken after the third year of coverage except that if the employee, due to age, could not qualify for an annuity upon reaching compulsory retirement age had he continued in covered employment, he shall be paid interest from the date of coverage. Such interest shall be computed to the first day of the month in which the refund is processed and shall be based on fiscal year balances.

[1973 c 653 s 36]

Subd. 3. Deferred annuity. (1) Any employee with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff who does not return to state service during the period his name is carried on a layoff list pursuant to civil service law or regulation shall have any deferred annuity to which he may become entitled computed under the law in effect on his last working day.

(3) The provisions of section 352.28, subdivision 1, and section 352.115, subdivisions 4 and 5 shall not apply to paragraphs (1) and (2) hereof.

(4) No application for a deferred annuity shall be made prior to the time the former employee reaches the required age to entitle him to the payment of such annuity. Such deferred annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed in the office of the system except that if an optional annuity as provided in section 352.116 is selected the annuity shall begin to accrue 30 days after the application is filed but in no event prior to the date the employee reaches the required age to entitle him to such annuity nor prior to the day following the termination of state service in a position not covered by the retirement system nor prior to the day following the termination of employment in a position which requires the

MINNESOTA STATE RETIREMENT SYSTEM 352.72

employee to be a member of either the public employees retirement association or the teachers retirement association.

(5) Application for the accumulated contributions left on deposit with the fund may be made at any time after 60 days following the date of his termination of service.

[1973 c 221 s 8]

[For text of subds. 4 to 11, see M.S.1971]

352.23 Termination of rights

When any employee accepts a refundment as provided in section 352.22, all existing service credits and all rights and benefits to which the employee was entitled prior to the acceptance of such refundment shall terminate and shall not again be restored until the former employee acquires not less than one year's allowable service credit subsequent to taking his last refundment. In that event, he may repay all refundments which he had taken from the retirement fund. Repayment of refundments will entitle the employee only to credit for service covered by (a) salary deductions, (b) payments made in lieu of salary deductions, and (c) payments made to obtain credit for service as permitted by laws in effect at the time payment was made. If an employee before taking one or more refundments had credit for prior service or for military service without payment in either case, he may obtain credit for such forfeited service prior to July 1, 1929, and for such forfeited military service by making payments at a contribution rate of three percent of his average salary upon which deductions for the retirement fund were based, for the three year period immediately preceding repayment of refundment for service credit prior to July 1, 1929, and on the salary received by him at the time of entering military service to restore his military service credit. All such payments and repayment of refundments are to be paid with interest at six percent per annum compounded annually.

[1973 c 653 s 37]

352.27 Credit for military service

Any employee given a leave of absence to enter military service who returns to state service upon discharge from military service as provided in section 192.262, may obtain credit for his period of military service but he shall not be entitled to credit for any voluntary extension of military service at the instance of the employee beyond the initial period of enlistment, induction or call to active duty, nor to credit for any period of service following a voluntary return to military service. Such employee may obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be the applicable amounts required in section 352.04, subdivision 2, plus interest at six percent per annum compounded annually. In such cases the matching employer contribution and additional contribution provided in section 352.04 shall be paid by the department employing such employee upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.

[1973 c 653 s 38]

352.72 Coverage by more than one retirement system or association

[For text of subd. 1, see M.S.1971]

Subd. 2. Computation of deferred annuity. The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, shall be computed in the manner provided in section 352.22, subdivision 3, and acts amendatory thereof, on the basis of allowable service prior to termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity shall be determined as of the date the benefit begins to accrue and augmented by in-

352.72 MINNESOTA STATE RETIREMENT SYSTEM

terest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be two and one-half percent compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refundment, the service restored by such repayment shall be considered as continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. The mortality table and interest assumption used to compute such annuity shall be those in effect at the time the employee files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

[1973 c 221 s 9]

[Subd. 3 repealed in M.S.1971]

Subd. 4. Refundment repayment. Any person who has received a refundment from the state employees retirement fund, and who is a member of a public retirement system included in subdivision 1, may repay such refundment with interest to the state employees retirement fund. If a refundment is repaid to the fund and more than one refundment has been received from the fund, all refundments must be repaid. Such repayment shall be made as provided in Minnesota Statutes 1957, Section 352.23, and acts amendatory thereof, and under such terms and conditions consistent therewith as may be agreed upon with the director.

[1973 c 221 s 10]

352.90 Correctional employees

It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who, because of the nature of their employment, are required to retire at an early age. For the purpose of chapter 356, the actuary shall make separate reports with respect to these employees. Except as otherwise provided, the provisions of chapter 352, apply to covered correctional employees.

[1973 c 653 s 39]

352.91 Covered correctional service

Covered correctional service means: (a) services performed on, before, or after July 1, 1973, by a state employee, as defined in section 352.01, as an attendant guard, attendant guard supervisor, correctional captain, correctional counselor I, correctional counselor II, correctional counselor III, correctional counselor IV, correctional lieutenant, correctional officer, correctional sergeant, director of attendant guards and guard farmer garden, provided the employee was employed in such position on July 1, 1973 or thereafter; (b) services performed before July 1, 1973 by an employee covered under clause (a) in a position classified as a houseparent or guard instructor; and (c) services performed before July 1, 1973 in a position listed in clause (a) and positions classified as houseparent, guard instructor and guard farmer dairy, by a person employed on July 1, 1973 in a position classified as a license plant manager, prison industry foreman (general, metal fabricating and foundry), prison industry supervisor, food service manager, prison farmer supervisor, prison farmer assistant supervisor or rehabilitation therapist employed at the Minnesota security hospital. However an employee shall not be covered hereunder

MINNESOTA STATE RETIREMENT SYSTEM 352.93

if first employed after July 1, 1973 and who because of his age could not acquire ten years of service to qualify for an annuity as a correctional employee.

[1973 c 653 s 40]

352.92 Correctional employee contributions

Subdivision 1. Employee contributions. Beginning with the first full pay period after June 30, 1973, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to six percent of salary.

Subd. 2. Employer contributions. Beginning with the first full pay period after June 30, 1973, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees (1) an amount equal to $1\frac{1}{2}$ times the deduction from salaries of covered correctional employees on each payroll abstract, plus (2) an additional amount of five percent of salaries of covered correctional employees on each payroll abstract.

[1973 c 653 s 41]

352.93 Retirement annuity

Subdivision 1. After separation from state service an employee covered under section 352.1191 who has attained the age of at least 55 years and has credit for not less than a total of ten years of covered correctional service and regular Minnesota state retirement system service shall be entitled upon application to a retirement annuity under this section based only on covered correctional employees' service.

For the purpose of this section, average salary means the average of the monthly salary during the employees' highest five successive years of salary as a correctional employee.

Subd. 2. The monthly annuity under this section shall be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first 20 years of correctional service and two percent for each year thereafter; provided however, the monthly annuity shall not exceed 75 percent of the average monthly salary.

Subd. 3. The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and shall be paid for an additional 84 full calendar months or to the first of the month following the month in which he becomes age 65, whichever occurs first, and then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at such time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to such social security benefit will equal the amount payable under subdivision 2. When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11.25, prior to the reduction, shall be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan between the ages of 58 and 65 shall receive a partial return of his correctional contributions at retirement with five percent interest based on the following formula:

| | | |
|--|---|--|
| Employee contributions contributed as a correctional employee in excess of the contributions such employee would have contributed as a regular employee | X | Years and complete months of regular service between ages 58 and 65 |
| | | 7 |

Subd. 4. A former employee who has both regular and correctional service shall, if qualified, receive an annuity based on both periods of service under

352.93 MINNESOTA STATE RETIREMENT SYSTEM

applicable sections of law but no period of service shall be used more than once in calculating the annuity.

Subd. 5. Notwithstanding the provisions of subdivision 1 an employee who was in a covered correctional position on July 1, 1973; was employed in a position covered by chapter 352, prior to reaching age 60; and was required to retire because of the lowering of the mandatory age, shall be entitled to an annuity under this section even though he does not have ten years of covered service under chapter 352.

Subd. 6. This section shall apply to qualified employees who retire on or after July 1, 1973, but the annuity payable hereunder shall not begin to accrue until July 1, 1974.

[1973 c 653 s 42]

352.94 Augmentation

Subdivision 1. An employee who becomes a correctional employee after serving as a regular employee shall be covered under section 352.72, subdivision 2, with respect to the regular service.

Subd. 2. An employee who becomes a regular employee after serving as a correctional employee shall not be covered under section 352.72, subdivision 2, with respect to his correctional service.

[1973 c 653 s 43]

352.95 Disability benefits

An employee who becomes totally and permanently disabled while in a covered correctional position shall have his disability benefit rights determined under section 352.113 except that when such person becomes 55 years of age he shall be deemed to be retired and shall be entitled to receive the benefit provided under section 352.113, subdivision 3, whether or not disabled at such age. An employee who receives a disability benefit shall not be entitled to an annuity under section 352.93, even though otherwise qualified, until re-employed in a covered correctional position for a period of at least one year.

[1973 c 653 s 44]

CHAPTER 352A. STATE POLICE OFFICERS RETIREMENT FUND

Sec.

Sec.

352A.01 to 352A.29 Repealed.

352A.01 [Repealed, 1973 c 178 s 22]

(NOTE: Section 352A.01, Subdivision 8, was also amended by Laws 1973, Chapter 388, Section 170, to read as follows:

"Sec. 170. Minnesota Statutes 1971, Section 352A.01, Subdivision 8, is amended to read:

Subd. 8. [Temporary disability.] Members who are absent from their duties because of temporary disability resulting from injuries for which the state is liable under the workmen's compensation law shall have the period of such absence for which compensation is paid under the workmen's compensation law included in determining the period of service for the state unless they are

receiving a disability allowance from the retirement fund. The workmen's compensation division shall furnish the retirement board with a copy of each abstract submitted to the state auditor and to be charged to the state compensation revolving fund which shall be construed as notice to the retirement board that the employees listed thereon have sustained injury arising out of and in the course of employment by the state of Minnesota and are entitled to credit for service on the records of the association during the time compensation is received for temporary disability resulting from such injury, but shall not be used for any other purpose."

352A.02 [Repealed, 1973 c 178 s 22]

352A.03 [Repealed, 1973 c 178 s 22]

352A.04 [Repealed, 1973 c 178 s 22]

352A.05 [Repealed, 1973 c 178 s 22]

352A.06 [Repealed, 1973 c 178 s 22]

352A.07 [Repealed, 1973 c 178 s 22]