

CHAPTER 354A

TEACHERS RETIREMENT, CERTAIN CITIES

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354A.011 DEFINITIONS.

[For text of subs 1 to 3, see M.S.1986]

Subd. 3a. **Actuarial equivalent.** "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the appropriate board of trustees based on the experience of that retirement fund association as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

[For text of subs 4 to 16, see M.S.1986]

Subd. 17. **Optional survivors annuity.** "Optional survivors annuity" means the payments made by the teachers retirement fund association to a survivor of a former member pursuant to an actuarial equivalent optional annuity form established by the applicable board of trustees under section 354A.32 and selected by the member at or before retirement.

[For text of subs 18 to 28, see M.S.1986]

History: 1987 c 259 s 46,47

354A.021 TEACHERS RETIREMENT FUND ASSOCIATIONS IN CITIES OF THE FIRST CLASS.

[For text of subs 1 to 6, see M.S.1986]

Subd. 7. **Actuarial consultant.** The board of trustees or directors of each teachers retirement fund association may contract for the services of an approved actuary and fix the reasonable compensation for those services. Any approved actuary retained by the board shall function as the actuarial advisor to the board and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.

Subd. 8. **Audit by state auditor.** The books and accounts of each teachers retirement fund association must be examined and audited periodically as considered necessary by the state auditor. A full and detailed report of the examination and audit must be made and a copy provided to the teachers retirement fund association board of trustees. The cost of any examination and audit must be paid by the teachers retirement fund association in accordance with section 6.56. For purposes of section 6.56, each teachers retirement fund association is considered a state agency.

History: 1987 c 259 s 48; 1987 c 284 art 7 s 1

354A.094 QUALIFIED PART-TIME TEACHERS; PARTICIPATION IN FUND.

[For text of subds 1 to 4, see M.S.1986]

Subd. 4a. [Repealed, 1987 c 398 art 7 s 43]

[For text of subds 5 to 8, see M.S.1986]

Subd. 9. [Repealed, 1987 c 398 art 7 s 43]

[For text of subds 10 to 12, see M.S.1986]

354A.11 CERTAIN MONEY AND CREDITS OF TEACHERS EXEMPT.

All money deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of a teacher or member of a teachers retirement fund association organized pursuant to this chapter, and all money, rights, and interests or annuities due or to become due to a teacher, member, or annuitant, or their beneficiaries, from any association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from a court and other legal process, except as provided in section 518.58, 518.581, or 518.611, and shall not be subject to the estate tax provisions of this state.

History: 1987 c 157 s 7

354A.21 PROPORTIONATE ANNUITY.

A teacher who terminates employment at any time during the academic year at the end of which the teacher is required to terminate employment pursuant to this section shall be entitled upon application to a proportionate retirement annuity pursuant to section 356.32. Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher but upon having earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute teacher, any person over the age of 70 years shall terminate employment for the remainder of that academic year. No person employed as a substitute teacher after reaching the age of at least 65 years and who has retired under this chapter shall resume membership in the teachers retirement fund association by virtue of the employment as a substitute teacher.

History: 1987 c 284 art 2 s 6

354A.31 COORDINATED PROGRAM RETIREMENT BENEFITS.

Subdivision 1. Age and service requirements. Any coordinated member or former coordinated member who has ceased to render teaching service for the school district in which the teachers retirement fund association exists and who has either attained the age of at least 55 years with not less than five years of allowable service credit or received credit for not less than 30 years of allowable service regardless of age, shall be entitled upon written application to a retirement annuity.

[For text of subds 2 to 4, see M.S.1986]

Subd. 5. Unreduced normal retirement annuity. Upon retirement at age 65 with at least five years of service credit or at age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a normal retirement annuity calculated pursuant to subdivision 4.

Subd. 6. Reduced retirement annuity. Upon retirement at an age prior to age 65 with five years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that

the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

History: 1987 c 372 art 9 s 29-31

354A.32 OPTIONAL RETIREMENT ANNUITIES.

Subdivision 1. **Optional forms generally.** The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Each board shall also establish an optional retirement annuity which shall take the form of a guarantee that in the event of death the balance of the accumulated deductions shall be paid to a designated beneficiary. Optional annuity forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Subd. 2. **Special optional annuity provisions.** In the event of the death of the designated beneficiary of a retired member who had elected an optional annuity in the form of a joint and survivor annuity under subdivision 1, the retired member shall thereafter receive the unreduced amount of the earned benefit computed pursuant to 354A.31. The effect of this provision shall be reflected in calculating the actuarial equivalent joint and survivor annuity under subdivision 1.

History: 1987 c 259 s 49

354A.33 SOCIAL SECURITY LEVELING ADJUSTMENT OPTION.

Any coordinated member who retires prior to the time the member becomes eligible for social security old age retirement benefits shall be entitled to elect to receive a social security leveling adjustment optional annuity from the teachers retirement fund association. The social security leveling adjustment optional annuity shall be established by the board of the teachers retirement fund association. It shall take the form of an annuity payable for the period prior to the member's becoming eligible for social security old age retirement benefits in an amount greater than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amounts payable immediately subsequent to becoming eligible for social security old age retirement benefits in an amount less than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement. The optional form shall be the actuarial equivalent to the normal forms provided in section 354A.31. In establishing the optional form, the board shall obtain the written recommendation of the commission-retained actuary and the recommendation shall be a part of the permanent records of the board.

History: 1987 c 259 s 50

354A.35 SURVIVOR BENEFITS.

[For text of subd 1, see M.S.1986]

Subd. 2. **Death while eligible to retire; surviving spouse optional annuity.** The surviving spouse of any coordinated member who has attained the age of at least 50 years and has credit for at least five years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in

the event of death of the member prior to retirement. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section. The benefits shall be payable for life.

[For text of subs 2a to 5, see M.S.1986]

History: 1987 c 372 art 9 s 32

354A.36 PERMANENT DISABILITY BENEFITS.

Subdivision 1. **Minimum age, service and salary requirements.** Any coordinated member who has at least five years of allowable service credit, has an average salary of at least \$75 per month and has become totally and permanently disabled shall be entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least three years of the required allowable service shall be required to have been rendered subsequent to the last interruption in service.

[For text of subs 2 to 10, see M.S.1986]

History: 1987 c 372 art 9 s 33

354A.39 SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.

Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota state patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis employees retirement fund, the Duluth teachers retirement fund association new law coordinated program, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals five or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least five years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals five or more years.

History: 1987 c 372 art 9 s 34

354A.41 ADMINISTRATION OF COORDINATED PROGRAM.

[For text of subd 1, see M.S.1986]

Subd. 2. **Actuarial valuations.** In any actuarial valuation of the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, or the Duluth teachers retirement fund association under section 356.215 prepared by the commission-retained actuary or supplemental actuarial valuation prepared by an approved actuary retained by the teachers retirement fund association, there shall be included a finding of the condition of the fund showing separately the basic and coordinated programs or the old law coordinated and new law coordinated programs,

as appropriate. The finding shall include the level normal cost and the applicable employee and employer contribution rates for each program.

History: 1987 c 259 s 51