

## CHAPTER 354B

## INDIVIDUAL RETIREMENT ACCOUNT PLAN

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**354B.01 DEFINITIONS.**

Subdivision 1. **Plan.** "Plan" means the individual retirement account plan established by sections 354B.01 to 354B.04.

Subd. 2. **Covered employment; state universities.** "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan.

Subd. 3. **Covered employment; community colleges.** "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2.

*History: 1988 c 709 art 11 s 2*

**354B.02 COVERED PERSONS.**

Subdivision 1. **Plan participants.** Except as provided in subdivision 2, a person who was first employed in covered employment after June 30, 1988, shall participate in the plan.

Subd. 2. **Persons with certain prior service.** A person with prior service as a member of the teachers retirement association other than in covered employment under section 354B.01, subdivision 2 or 3, who is entitled to a deferred annuity under section 354.55, subdivision 11, and who is first employed in covered employment after June 30, 1988, may, at the person's option, remain a member of the teacher's retirement association or participate in the plan.

*History: 1988 c 709 art 11 s 3*

**354B.04 CONTRIBUTIONS.**

Subdivision 1. **Member contributions.** Persons in covered employment who participate in the plan shall make a member contribution in an amount equal to the amount prescribed by section 354.42, subdivision 2. The contribution must be made by payroll deduction each pay period.

Subd. 2. **Employer contributions.** The employer of persons in covered employment who participate in the plan shall make an employer contribution in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Subd. 3. **Manner of employer contributions.** The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

*History: 1988 c 709 art 11 s 4*

**354B.05 ADMINISTRATION.**

Subdivision 1. **Governing boards.** The state university board shall administer the plan for persons in covered employment under section 354B.01, subdivision 2. The community college board shall administer the plan for persons in covered employment under section 354B.01, subdivision 3.

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Subd. 2. **Purchase of contracts.** The state university board and the community college board shall arrange for the purchase of annuity contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with contributions under section 354B.03 or money or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. **Selection of financial institutions.** The state university board and the community college board shall select no more than three financial institutions to provide annuity contracts or custodial accounts. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:

- (1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;
- (2) the relationship of the benefits to their cost; and
- (3) the financial strength and stability of the institution.

Subd. 4. **Benefits owned by members.** The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.

**History:** 1988 c 709 art 11 s 5