

CHAPTER 354B

INDIVIDUAL RETIREMENT ACCOUNT PLAN

354B.015 Social security coverage.

354B.02 Covered persons.

354B.03 Coverage transfer.

354B.04 Contributions.

354B.05 Administration.

354B.015 SOCIAL SECURITY COVERAGE.

Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2 or 3, remain members of the teachers retirement association for purposes of social security coverage only and remain covered by the applicable agreement entered into under section 355.02, but are not members of the association for any other purpose while employed in covered employment.

History: 1989 c 319 art 18 s 4

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, 1989, shall participate in the plan.

Subd. 2. **Persons with certain prior service.** A person with less than three years of prior allowable service as a member of the teachers retirement association other than in covered employment under section 354B.01, subdivision 2 or 3, and who is first employed in covered employment after June 30, 1989, may remain a member of the teacher's retirement association for all purposes or elect to participate in the plan. This election must be made within 60 days of the start of covered employment.

Subd. 3. **Optional participation.** A person with less than three years of allowable service who was first employed in covered employment before July 1, 1989, and who is a coordinated member of the teachers retirement association, may elect to transfer retirement coverage to the plan under section 6. The election must be made on a form provided by the executive director. An election to transfer retirement coverage to the plan must be made before July 1, 1992, and is irrevocable. When a member transfers coverage to the plan, all existing service credits with the association to which the person was entitled before the transfer terminate and may not be restored.

History: 1989 c 319 art 18 s 5

354B.03 COVERAGE TRANSFER.

Subdivision 1. **Procedure.** If a person with less than three years of allowable service elects a transfer to the plan under section 354B.02, subdivision 2 or 3, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions plus interest compounded annually at five percent a year. The transfer must be made within 90 days from the date the executive director receives notification of the election. The transfer may not include any amount representing an employer contribution nor any amount representing the repayment of a refund received by the association after the date of enactment of this act.

Subd. 2. **Limitations.** A transfer to the plan under this section is a transfer to the financial institution selected by a plan administrator to provide annuity contracts or custodial accounts and must be made through the governing board of the system in which the person electing the transfer is employed in covered employment. No amount may be distributed to the person electing the transfer.

Subd. 3. **Election.** A person with more than three years of allowable service credit who was first employed in covered employment before July 1, 1989, or after June 30,

1989, as provided in section 354B.02, subdivision 2, may elect coverage by the plan. If coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the teachers retirement fund and that person shall remain eligible for a deferred annuity from that fund augmented with interest at the rate of five percent computed as specified in section 354.55, subdivision 11. Future contributions only shall be made to the plan.

History: 1989 c 319 art 18 s 6

NOTE: This section is repealed October 1, 1992. See Laws 1989, chapter 319, article 18, section 12.

354B.04 CONTRIBUTIONS.

[For text of subd 1, see M.S.1988]

Subd. 2. Employer contributions. The employer of persons in covered employment who participate in the plan shall make an employer contribution to the plan 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.

[For text of subd 3, see M.S.1988]

History: 1989 c 319 art 18 s 7

354B.05 ADMINISTRATION.

[For text of subds 1 and 2, see M.S.1988]

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. Each board may at its discretion change a selection of an institution. 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 trust and must be paid in accordance with the provisions of the plan document.

History: 1989 c 319 art 18 s 8,9