

**353D.12 CONTRIBUTIONS FOR PRIOR ELECTED SERVICE.**

Subdivision 1. **Eligibility; contributions.** An elected local government official who participates in the defined contribution plan under this chapter may make contributions to the plan for the service as an elected public officer rendered before June 30, 1991, that was not covered by a public or private employer contributory pension plan, including a plan administered by the public employees retirement association under chapter 353. An elected local government official may make contributions for prior elected service to the defined contribution plan even if eligibility criteria for the defined benefit plan under chapter 353 were not met at the time service was rendered. The association shall not accept contributions for prior elected service from a former elected official after the end of the tax year in which the elected official ceases to hold office. Employer contributions on behalf of the former elected official must be made to the association no later than 30 days after April 15 following the end of the tax year under section 415 of the federal Internal Revenue Code, as amended. Employee contributions must be made to the association no later than 30 days after the close of the limitation year under section 415 of the federal Internal Revenue Code, as amended.

Subd. 2. **Amount of prior service contributions.** (a) The employee purchase amount is that amount that the participating elected local government official specifies, but combined with subdivision 6 may not exceed in total the amount of the employee and employer contributions that would have been payable under section 353.27, subdivisions 2, 3, and 3a, based on the actual salary or compensation of the elected local government official from public sources during the prior service and based on the rates in effect during the prior service, plus interest at an annual compound rate of six percent.

(b) In any year, the purchase amount to be paid in is subject to the limitation for defined contribution plans under section 415(c) of the federal Internal Revenue Code, as amended, or comparable contribution limitation set forth in the federal Internal Revenue Code, and applicable regulations and revenue rulings, remaining after subtracting the funding amounts under section 353D.03, paragraph (a), for that year.

Subd. 3. **Installment payments.** The purchase amount may be made in annual installments but may not exceed, combined with subdivision 6, in any installment the limitation set forth in subdivision 2, paragraph (a), or in total the limitation set forth in subdivision 2, paragraph (a).

Subd. 4. **Authorized rollovers.** To the extent allowed by federal law, the employee purchase amount may be made with funds distributed from: (1) a plan qualified under section 401(a) of the federal Internal Revenue Code, as amended; (2) an annuity qualified under section 403(a) of the federal Internal Revenue Code, as amended; (3) an individual retirement account used solely to

receive a nontaxable rollover from that type of plan or annuity; (4) the state deferred compensation plan authorized under section 352.965 and qualified under section 457 of the federal Internal Revenue Code, as amended; or (5) another tax qualified plan or annuity that authorizes rollovers. The participating elected local government official shall supply sufficient written documentation that the transfer amounts are eligible for tax-free rollover treatment. An authorized tax-free rollover, plus any other purchase amount payments under this section, including subdivision 6, may not exceed the limitation in subdivision 2, paragraph (a). Notwithstanding any provision of state law or rule to the contrary, to the extent permitted under federal law, the employee purchase amount may be transferred from the state deferred compensation plan before the employee terminates public employment.

Subd. 5. **Prior service and compensation documentation.** The participating elected local government official shall supply sufficient documentation of the person's prior uncredited service and compensation for which the purchase payment is made.

Subd. 6. **Employing unit payment.** The employing unit of the participating elected local government official shall pay the amount of the employer contributions that could have been payable under section 353.27, subdivisions 3 and 3a, based on the actual salary or compensation of the elected local government official from public sources during the prior service, plus interest at an annual compound rate of six percent. This amount combined with any employee purchase amount and any contributions under section 353D.03, paragraph (a), must in any year comply with the limitation set forth in subdivision 2, paragraph (a).

**History:** 1990 c 570 art 8 s 13; 1991 c 341 s 41; 1992 c 432 art 2 s 44; 2008 c 349 art 11 s 5