

422A.16 RETIREMENT ALLOWANCE; DEFERRED COMPENSATION.

Subdivision 1. **Contribution.** Any member of the contributing class who becomes permanently separated from the service of the city after three or more years of service to the city may, by an instrument in writing filed with the retirement board within 30 days after such separation becomes permanent, elect to allow the member's contributions to the fund to the date of separation to remain on deposit in the fund.

Subd. 2. **Deferred defined contribution annuity.** (a) A person who is a member of the contributing class on April 28, 1973, and who makes the election provided for in this subdivision and in subdivision 1, may, upon attaining the age of 55 years, but before attaining the age of 65 years, or someone acting in the member's behalf, may make application to receive the retirement allowance provided for in section 422A.15, subdivision 3, or an optional retirement allowance in the manner provided for by section 422A.17. The retirement allowance shall be the actuarial equivalent of the city's contribution and the member's deposit, as they were on the date the separation becomes permanent, plus interest, as provided for in section 422A.12.

(b) The retirement allowance provided under this subdivision or any optional annuity form of the retirement allowance shall be computed and determined under a procedure specified by the actuary retained under section 356.214 utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the actuary retained under section 356.214 and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 8.

Subd. 3. **Payments to beneficiaries.** (a) If such contributing member dies without having made the election provided for herein, the net accumulated amount of deductions from the member's salary, pay or compensation plus interest to the member's credit on date of death must be paid to such person, or persons, as the member shall have nominated by written designation filed with the retirement board, in such form as the retirement board shall require. If the employee fails to make a designation, or if the person or persons designated by the employee is not living to receive payment, the net accumulated amount of deductions from the employee's salary, pay, or compensation, plus interest to the credit of such employee on date of death must be paid to the employee's estate. The net accumulated city deposits must be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member. If there is no surviving spouse, or surviving child or children, deposits must be paid to a person actually dependent on and receiving principal support from such member or surviving mother or father, or surviving brother or sister, or surviving children of the deceased brother or sister of such member.

(b) If the beneficiary designated by the member is not one of the class of persons named in the preceding paragraph, such benefit from the accumulations of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child, or children, to the dependent or dependents of the member, share and share alike; (4) if there be no surviving spouse, child, or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the surviving brothers and sisters of the member, in equal shares; (6) and if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; (7) and if there be no person named in this paragraph who survives the member, the accumulation of city deposits must be canceled.

Subd. 3a. [Repealed, 1999 c 222 art 17 s 9]

Subd. 4. **Retirement allowance.** A contributing member may, after electing to receive a retirement allowance as provided herein, make application to withdraw the member's deposit before reaching the age of 60 years, at which time that portion contributed by the city shall be canceled.

Subd. 5. **Withdrawal before retirement.** If such deposit is withdrawn before retirement, the retirement rights shall be forfeited unless such employee returns to the service of the city and again becomes a contributing member to the fund and redeposits the amount withdrawn, plus six percent compound interest from date of withdrawal to date of reinstatement to the service of the city.

Subd. 6. **Disability allowance.** If a contributing member, after becoming permanently separated from the service of the city and after electing to receive a retirement allowance as provided herein, becomes totally and permanently disabled for any cause before reaching the age of 60 years, the member shall be entitled to receive such disability allowance upon application to the retirement board and certified by the medical board provided in this chapter. Such disability allowance shall be the actuarial equivalent of the total credit to the member's account on the date application for such retirement allowance is made.

Subd. 7. **Election for funds to remain on deposit.** Any member of the contributing class who becomes permanently separated from the service of the city after ten or more years of service for such city, and who is under the age of 60 years, may, by an instrument in writing, filed with the retirement board within 30 days after such separation becomes permanent, elect to allow the member's contributions to such fund to the date of separation to remain on deposit in such fund, and in such event the member shall be entitled to receive a retirement allowance at age 60 or later, but before age 65, provided the member, or someone acting in the member's behalf if

the member be incompetent, make written application for the retirement allowance provided for in section 422A.15, subdivision 1, in the same manner provided for in section 422A.17. The provisions of subdivisions 3, 4, 5 and 6 shall also apply to any member qualifying for benefits under this subdivision.

Subd. 8. Service in more than one fund. Any person who was a member of the Minneapolis Employees Retirement Fund and also a member of a plan administered by the director of the Minnesota State Retirement System having a like provision or a member of the Public Employees Retirement Association or the Teachers Retirement Association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing 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 any two or more of these funds totals ten or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that any refundment received from the Minneapolis Employees Retirement Fund has been repaid to that fund. The annuity from each fund shall be determined by the appropriate provisions of that fund except the provision requiring at least ten years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equal ten or more years.

Subd. 9. Incompetency or death of member. (a) Any member of the contributing class who becomes permanently separated from the service of the city under subdivision 8, may, by an instrument in writing, filed with the municipal employees retirement board within 30 days after the separation becomes permanent, elect to allow the member contributions to the fund to the date of separation to remain on deposit in the fund, and in the event the member is entitled to receive a retirement allowance at age 65, provided the member, or someone acting in the member's behalf if the member be incompetent, must make a written application for the retirement allowance in the same manner provided for in section 422A.17 and in accordance with the provisions of section 422A.15, subdivision 1, except for determining average salary.

(b) If the contributing member dies before reaching the age of 65 years, or having attained the age of 65 years without having made the election provided for herein, the net accumulated amount of deductions from the member's salary, pay or compensation, plus interest, to the member's credit on date of death is payable to the person or persons as have been nominated by written designation filed with the retirement board, in the form that the retirement board requires.

(c) If the employee fails to make a designation, or if the person or persons designated by the employee predeceases the employee, the net accumulated credit to the employee's account on date of death is payable to the employee's estate.

(d) The provisions of subdivisions 4, 5, and 6 also apply to any member qualifying for benefits under this subdivision, except for purposes of this subdivision the age referred to in subdivision 4 is 65 years.

Subd. 10. **Deferred allowance augmentation.** Deferred allowances granted under this section shall be calculated as of the date of separation and shall be increased by the interest rate of five percent per year until January 1, 1981, and thereafter by the interest rate of three percent per year, compounded annually.

History: 1973 c 133 s 16; 1973 c 770 s 7-11; 1974 c 76 s 10,11; 1975 c 152 s 1; 1977 c 399 s 16; 1977 c 429 s 63; 1978 c 796 s 45; 1980 c 607 art 16 s 17 subd 2; 1981 c 224 s 189; 1981 c 298 s 11; 1986 c 444; 1987 c 259 s 73-75; 1991 c 206 s 7,8; 2002 c 392 art 11 s 52; 1Sp2005 c 8 art 1 s 27; art 10 s 80; 2006 c 271 art 3 s 47