

352.22 REFUND OR DEFERRED ANNUITIES.

Subdivision 1. **Service termination.** Any employee who ceases to be a state employee by reason of termination of state service or layoff is entitled to a refund provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refund may be made after the termination of state service or layoff if the applicant has not again become a state employee required to be covered by the system.

Subd. 2. **Amount of refund.** Except as provided in subdivision 3, the refund payable to a person who ceased to be a state employee by reason of a termination of state service is an amount equal to employee accumulated contributions plus interest at the rate of six percent per year compounded daily from the date that the contribution was made until June 30, 2011, or until the date on which the refund is paid, whichever is earlier, and at the rate of four percent per year compounded daily from the date that the contribution was made or from July 1, 2011, whichever is later, until the date on which the refund is paid. Included with the refund is any interest paid as part of repayment of a past refund, plus interest thereon from the date of repayment.

Subd. 2a. **Certain refund repayments prohibited.** No refunds of contributions made to the metropolitan transit commission-transit operating division employees retirement fund received before July 1, 1978, or for service rendered before July 1, 1978, may be repaid.

Subd. 3. **Deferred annuity.** (a) An employee who has at least three years of allowable service if employed before July 1, 2010, or who has at least five years of allowable service if employed after June 30, 2010, when termination occurs may elect to leave the accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. The annuity must be computed under the law in effect when state service terminated, on the basis of the allowable service credited to the person before the termination of service.

(b) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, and who does not return to state service must have an annuity, deferred annuity, or other benefit to which the employee may become entitled computed under the law in effect on the employee's last working day.

(c) No application for a deferred annuity may be made more than 60 days before the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity begins to accrue no earlier than 60 days before the date the application is filed in the office of the system, but not (1) before the date on which the employee reaches the required age for entitlement to the annuity nor (2) before the day following the termination of state service in a position which is not covered by the retirement system.

(d) Application for the accumulated contributions left on deposit with the fund may be made at any time following the date of the termination of service.

(e) Deferred annuities must be augmented as provided in section 352.72, subdivision 2.

Subd. 4. [Repealed, 1983 c 128 s 36]

Subd. 5. **Refund generally unlimited.** The right of refund provided in this section is not restricted as to time unless specifically provided and the statute of limitation does not apply to it.

Subd. 6. [Repealed, 1965 c 230 s 18]

Subd. 7. [Repealed, Ex1967 c 57 so 20]

Subd. 8. **Refund specifically limited.** If a former employee covered by the system does not apply for refund within five years after the last deduction was taken from salary for the retirement fund, and does not have enough service to qualify for a deferred annuity, accumulated contributions must be credited to and become a part of the retirement fund. If the former employee returns to state service and becomes a state employee covered by the system, the amount credited to the retirement fund, if more than \$25, must be restored to the individual account. If the amount credited to the fund is over \$25 and the former employee applies for refund or an annuity under section 352.72, the amount must be restored to the former employee's individual account and a refund made or an annuity paid, whichever applies.

Subd. 9. [Repealed, 1993 c 307 art 7 s 1]

Subd. 10. **Other refunds.** Former employees covered by the system are entitled to apply for refunds if they are or become members of the State Patrol retirement fund, the state Teachers Retirement Association, or employees of the University of Minnesota excluded from coverage under the system by action of the Board of Regents; or employees of the adjutant general who under federal law effectually elect membership in a federal retirement system; or officers or employees of the senate or house of representatives, excluded from coverage under section 352.01, subdivision 2b, clause (7). The refunds must include accumulated contributions plus interest as provided in subdivision 2.

Subd. 11. [Repealed, 1980 c 342 s 21]

History: 1957 c 928 s 14; Ex1959 c 6 s 14,15; Ex1961 c 67 s 13,14; 1963 c 383 s 46-52; 1965 c 230 s 10-13; Ex1967 c 57 s 20; 1969 c 31 s 1; 1969 c 188 s 2; 1969 c 893 s 11; 1971 c 12 s 7,8; 1971 c 194 s 5; 1973 c 221 s 8; 1973 c 653 s 35,36; 1975 c 368 s 31,32; 1978 c 538 s 5; 1980 c 342 s 4,5; 1981 c 37 s 2; 1981 c 224 s 51-53; 1Sp1981 c 4 art 1 s 163; 1983 c 128 s 13; 1984 c 564 s 12; 1984 c 654 art 5 s 58; 1Sp1985 c 7 s 6; 1986 c 444; 1987 c 229 art 6 s 1; 1987 c 372 art 9 s 4; 1989 c 319 art 1 s 7,8; art 13 s 14,15; 1992 c 432 art 1 s 9; 1993 c 307 art 2 s 3,4; 1994 c 528 art 1 s 7; 1995 c 54 s 27; 1Sp2001 c 10 art 3 s 8; 2004 c 267 art 9 s 4,5; 1Sp2005 c 8 art 10 s 24; 2008 c 349 art 5 s 5; 2010 c 359 art 1 s 5,6; 2013 c 111 art 2 s 18