

**354A.37 REFUNDS; DEFERRED ANNUITY.**

Subdivision 1. **Eligibility for refund.** Any coordinated member who ceases to render teaching service for the school district in which the teachers retirement fund association is located shall be entitled to a refund in lieu of any other annuity or benefit from the teachers retirement fund association. The amount of the refund must be calculated under subdivision 3. The application for the refund must not be made prior to 30 days after the cessation of teaching services if the coordinated member has not resumed active teaching services for the district. Payment of the refund must be made within 90 days after receipt of the refund application by the board.

Subd. 2. **Eligibility for deferred retirement annuity.** (a) Any coordinated member who ceases to render teaching services for the school district in which the teachers retirement fund association is located, with sufficient allowable service credit to meet the minimum service requirements specified in section 354A.31, subdivision 1, shall be entitled to a deferred retirement annuity in lieu of a refund under subdivision 1. The deferred retirement annuity must be computed under section 354A.31 and shall be augmented as provided in this subdivision. The deferred annuity commences upon application after the person on deferred status attains at least the minimum age specified in section 354A.31, subdivision 1.

(b) The monthly annuity amount that had accrued when the member ceased to render teaching service must be augmented from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There is no augmentation if this period is less than three months. The rate of augmentation is three percent compounded annually until January 1 of the year following the year in which the former member attains age 55, five percent compounded annually after that date to July 1, 2012, and two percent compounded annually after that date to the effective date of retirement if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually to July 1, 2012, and two percent compounded annually after that date to the effective date of retirement if the employee became an employee after June 30, 2006. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354A.31 must be used for each period, and the monthly annuity amount related to each period must be augmented as provided in this subdivision. The sum of the augmented monthly annuity amounts determines the total deferred annuity payable. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with the fund. If a person does not render teaching services in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of resumption of teaching service are those applicable to new members. The mortality table and interest assumption used to compute the annuity are the table established by the fund to compute other annuities, and the interest assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purpose of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

(c) The augmentation provided by this subdivision applies to the benefit provided in section 354A.35, subdivision 2. The augmentation provided by this subdivision does not apply to any period in which a person is on an approved leave of absence from an employer unit.

Subd. 3. **Computation of refund amount.** A former coordinated member who qualifies for a refund under subdivision 1 is entitled to receive a refund equal to the amount of the former coordinated member's accumulated employee contributions with interest at the rate of six percent per annum compounded annually to July 1, 2011, if the person is a former member of the St. Paul Teachers Retirement Fund Association, and four percent per annum compounded annually thereafter.

Subd. 4. **Certain refunds at normal retirement age.** Any coordinated member who has attained the normal retirement age with less than ten years of allowable service credit and has terminated active teaching service is entitled to a refund in lieu of a proportionate annuity under section 356.32. The refund must be equal to the coordinated member's accumulated employee contributions plus interest at the rate of six percent compounded annually to July 1, 2011, if the person is a former member of the St. Paul Teachers Retirement Fund Association, and four percent per annum compounded annually thereafter.

Subd. 5. **Unclaimed minimal refund amounts; disposition.** If a coordinated member ceases to render teaching services for the school district in which the teachers retirement fund association is located but does not apply for a refund under subdivision 1 within five years after the end of the plan year next following the cessation of teaching services and if the amount of the refund that the former coordinated member would have been entitled to under subdivision 3 is \$500 or less, then the amount of the refund and any accumulated interest must be credited to and become a part of the retirement fund. If the former coordinated member subsequently renders teaching services for the school district in which the teachers retirement fund association is located and the amount of the refund that the former coordinated member would have previously been entitled to under subdivision 3 is at least \$5, then the amount of the refund and any accumulated interest must be restored to the member's individual account. If the amount of the refund that the former coordinated member would have previously been entitled to under subdivision 3 is at least \$5 and the former coordinated member applies for a refund under subdivision 1 or for an annuity under sections 354A.31 and 354A.32 or section 356.30, the amount of the refund and any accumulated interest must be restored to the member's individual account.

**History:** 1979 c 217 s 22; 1984 c 564 s 40,41; 1989 c 319 art 13 s 86-88; 2006 c 277 art 2 s 9; 2010 c 359 art 1 s 65-67; 1Sp2011 c 8 art 2 s 11; 2014 c 296 art 6 s 26,27,49; 2017 c 40 art 1 s 111