

## CHAPTER 354B

### HIGHER EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS

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**354B.01** [Repealed, 1995 c 141 art 4 s 31]

**354B.015** [Repealed, 1995 c 141 art 4 s 31]

**354B.02** [Repealed, 1995 c 141 art 4 s 31]

**354B.03** [Repealed, 1989 c 319 art 18 s 12]

**354B.035** [Repealed, 1995 c 141 art 4 s 31]

**354B.04** [Repealed, 1995 c 141 art 4 s 31]

**354B.045** [Repealed, 1995 c 141 art 4 s 31]

**354B.05** [Repealed, 1995 c 141 art 4 s 31]

**354B.06** [Repealed, 1995 c 141 art 4 s 31]

**354B.07** [Repealed, 1995 c 141 art 4 s 31]

**354B.08** [Repealed, 1995 c 141 art 4 s 31]

**354B.085** [Repealed, 1995 c 141 art 4 s 31]

**354B.09** [Repealed, 1995 c 141 art 4 s 31]

**354B.15** [Repealed, 1995 c 141 art 4 s 31]

#### **354B.20 DEFINITIONS.**

Subdivision 1. **In general.** Unless the content or subject matter indicates otherwise, as used in this chapter the terms in this section have the meanings given them.

Subd. 2. **Board.** "Board" means the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 3. **Chancellor.** "Chancellor" means the chancellor of the board.

Subd. 4. **Covered employment.** "Covered employment" means employment by an employee in the fiscal year in which the employee first attains eligible employee status, as determined under section 354B.211, subdivision 1, and thereafter all employment by that individual in an eligible unclassified administrative position as defined in subdivision 6 or in an eligible unclassified faculty position as defined in subdivision 6a.

Subd. 5. **Covered salary.** (a) "Covered salary" means the periodic compensation paid to the participant before deductions for deferred compensation, supplemental retirement coverage, or other voluntary salary reduction program.

(b) "Covered salary" does not mean lump-sum sick leave payments, severance payments, payments in lieu of employer-paid group insurance coverage, payments based on differences between single employer-paid group insurance coverage and insurance coverage including dependents, or workers' compensation payment.

Subd. 6. **Eligible unclassified administrative position.** "Eligible unclassified administrative position" means the following:

(1) the chancellor of the board;

(2) a president of a state college or university;

(3) an administrator employed in a state university or college, by the board, or by the Minnesota Office of Higher Education; or

(4) other managers and professionals in academic and academic support programs in the unclassified service employed in a state university or college, by the board, or by the Minnesota Office of Higher Education.

Subd. 6a. **Eligible unclassified faculty position.** "Eligible unclassified faculty position" means employment by an employing unit in:

(1) a classification under section 179A.10, subdivision 2, included in the:

(i) state university instructional unit;

(ii) state university administrative unit; or

(iii) state college instructional unit; or

(2) an employment position that meets the definition of "teacher" under section 354.05, subdivision 2, or 354A.011, subdivision 27.

Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

(1) the board;

(2) the Minnesota Office of Higher Education; and

(3) the Higher Education Facilities Authority.

Subd. 8. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 9. **First class city teacher retirement fund association.** "First class city teacher retirement fund association" means a retirement plan, fund, and plan administration established under chapter 354A.

Subd. 10. **General state employees retirement plan.** "General state employees retirement plan" means the retirement plan administered by the Minnesota State Retirement System and governed by sections 352.01 to 352.27.

Subd. 11. **Board of Trustees of the Minnesota State Colleges and Universities.** "Board of Trustees of the Minnesota State Colleges and Universities" means the governing board for the state universities, the community colleges, and the technical colleges established by section 136F.02.

Subd. 12. **Participant.** "Participant" means a person who is employed in covered employment by the board and who elects coverage by the plan under section 354B.211.

Subd. 13. **Plan.** "Plan" means the individual retirement account plan established by this chapter.

Subd. 14. **Plan administrator.** "Plan administrator" means the board employee or an independent contract agent designated by the board to perform the primary administrative functions relating to the plan.

Subd. 15. **Sabbatical leave.** "Sabbatical leave" means a sabbatical leave as specified in the applicable collective bargaining agreement or personnel policy of the board for its employees.

Subd. 16. **State unclassified employees retirement program.** "State unclassified employees retirement program" means the retirement program established by chapter 352D.

Subd. 17. **Supplemental plan.** "Supplemental plan" means the retirement program established by chapter 354C.

Subd. 18. **Teachers retirement plan.** "Teachers retirement plan" means the retirement plan established by chapter 354.

Subd. 19. **Unclaimed plan account amounts.** "Unclaimed plan account amounts" means the accounts of any plan participant who has terminated employment by the Minnesota State Colleges and Universities System or who has died, or of the surviving spouse, beneficiary, or estate of the participant if the plan administrator is unable to locate the applicable recipient in accordance with Internal Revenue Service due diligence requirements.

**History:** 1995 c 141 art 4 s 8; 1995 c 212 art 3 s 59; art 4 s 64; 1996 c 305 art 1 s 139; 2004 c 267 art 1 s 6,7; 2005 c 107 art 2 s 60; 2008 c 349 art 9 s 1; 2019 c 50 art 1 s 116; 1Sp2019 c 8 art 5 s 6-9

**354B.21** Subdivision 1. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 1a. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 2. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 3. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 3a. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 3b. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 3c. [Repealed, 1Sp2011 c 8 art 2 s 22]

Subd. 4. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 5. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 6. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

Subd. 7. MS 2018 [Repealed, 1Sp2019 c 8 art 5 s 15]

**354B.211 COVERAGE.**

Subdivision 1. **Eligibility.** (a) The following persons are eligible to have coverage by the individual retirement account plan or coverage by another plan as further specified in this section:

(1) employees who are employed for at least 25 percent of a full academic year, exclusive of the summer session, in eligible unclassified faculty positions under section 354B.20, subdivision 6a; and

(2) employees who are employed for at least 25 percent of a full fiscal year in eligible unclassified administrative positions under section 354B.20, subdivision 6.

(b) An employee who becomes eligible under paragraph (a), clause (1) or (2), remains eligible regardless of (1) a break in service, or (2) the percentage of full time worked in any covered employment.

Subd. 2. **Default coverage.** (a) The default retirement coverage specified under this subdivision for an eligible employee applies to all covered employment unless the eligible employee makes a coverage election under subdivision 4.

(b) The individual retirement account plan is the default coverage if:

(1) the eligible employee does not have continuing coverage under subdivision 3; and

(2) the eligible employee:

(i) was employed before July 1, 2011; or

(ii) is employed on or after July 1, 2011, and does not have allowable service credit or an account in any retirement plan listed in section 356.30, subdivision 3.

(c) The Teachers Retirement Association is the default coverage if the eligible employee (1) does not have continuing coverage under subdivision 3, paragraph (c) or (d), (2) is employed on or after July 1, 2011, and (3) has allowable service credit or an account in any retirement plan listed in section 356.30, subdivision 3.

(d) At the time of hire, the employee must certify to the employer the existence of any allowable service credit or an account within any plan listed in section 356.30, subdivision 3. If an employee fails to provide certification, the Minnesota State Colleges and Universities system and its board shall be held harmless and, notwithstanding any law to the contrary, any resulting cost or financial liability becomes the employee's responsibility.

Subd. 3. **Coverage continuation; certain technical college employees.** (a) If an employee was employed in a technical college faculty position with Teachers Retirement Association coverage on or before June 30, 1997, that coverage continues for all covered employment unless the employee elects coverage under paragraph (e).

(b) If an employee was employed in a technical college faculty position on or before June 30, 1995, and covered by a former first class city teacher retirement fund association, the Teachers Retirement Association shall provide coverage for all covered employment unless the employee elects coverage under paragraph (e).

(c) If an employee was employed in a technical college faculty position with St. Paul Teachers Retirement Fund Association coverage on or before June 30, 1995, that coverage continues for all covered employment unless the employee elects coverage under paragraph (e).

(d) If an employee was employed in a technical college position with Public Employees Retirement Association coverage on or before June 30, 1995, that coverage continues for all covered employment unless the employee elects coverage under paragraph (e).

(e) If an employee under this subdivision changes employment within the Minnesota State Colleges and Universities system, the employee is authorized to elect prospective coverage by the individual retirement account plan pursuant to subdivision 4 for all subsequent covered employment.

**Subd. 4. Coverage; election for new employment position.** (a) Unless a timely coverage election is made as specified below, an eligible employee retains the default coverage specified in subdivision 2 for all covered employment.

(1) An eligible employee who has default coverage with the individual retirement account plan under subdivision 2 may elect prospective Teachers Retirement Association coverage.

(2) An eligible employee who has default coverage with the Teachers Retirement Association under subdivision 2 may elect prospective coverage by the individual retirement account plan.

(b) An election under paragraph (a) must be made within one year of commencing covered employment. If an election is not made within one year of commencing covered employment and the employee separated from such covered employment prior to completion of the year, an election may be made within 90 days of returning to covered employment.

(c) Except as provided in subdivision 6, purchasing service credit in the Teachers Retirement Association for any period of Minnesota State Colleges and Universities system employment occurring before the election under this section is prohibited.

(d) An election made under this subdivision is irrevocable unless a subsequent election is made under subdivision 6.

**Subd. 5. Required notice.** (a) No later than 90 days before the end of any applicable election period specified in this section, the employer must provide an eligible employee the following information:

(1) the eligible employee's default retirement coverage;

(2) the form for electing alternative coverage other than the default coverage; and

(3) the website addresses for the plan providing default coverage and comparable information for the applicable optional coverage.

(b) The election of coverage forms must include a certification statement that the employee has received and reviewed materials on the alternative and default coverages prior to making the election.

**Subd. 6. Coverage; election for tenure.** (a) A faculty member, defined as a person employed in an eligible unclassified faculty position under section 354B.20, subdivision 6a, who is a member of the individual retirement account plan may elect to transfer retirement coverage to the Teachers Retirement Association within one year of the faculty member first achieving tenure or its equivalent at a Minnesota state college or university.

(b) A faculty member electing Teachers Retirement Association coverage must purchase service credit in the Teachers Retirement Association for the entire period of time covered under the individual retirement account plan. The purchase payment amount must be determined under section 356.551. The Teachers

Retirement Association may charge a faculty member transferring coverage a reasonable fee to cover the costs associated with computing the actuarial cost of purchasing service credit and making the transfer.

(c) A faculty member purchasing service credit in the Teachers Retirement Association may use:

(1) any balances in the faculty member's individual retirement account plan or higher education supplemental retirement plan established under chapter 354C; or

(2) any source specified in section 356.441, subdivision 1.

If the total amount of payments under this paragraph is less than the total purchase payment amount under section 356.551, and the employee fails to make timely payments as determined by the Teachers Retirement Association, all payment amounts must be refunded to the applicable source.

**Subd. 7. Coverage; acting, interim, or temporary appointments.** An employee on a leave of absence from a classified position who is appointed to an acting, interim, or temporary unclassified position retains the retirement coverage that the employee had in the prior classified position for up to one year of covered employment. If the employee continues in the unclassified position, the employee has the option to make an election under subdivision 4, provided no previous election had been made under that subdivision.

**Subd. 8. Coverage; certain part-time employees.** Notwithstanding subdivision 1, an employee in a part-time eligible unclassified administrative position or eligible unclassified faculty position that constitutes less than 25 percent of a full academic year is eligible for Teachers Retirement Association coverage for all covered employment if the person certifies to the employer existing membership in the Teachers Retirement Association.

**History:** *1Sp2019 c 8 art 5 s 10*

### **354B.22 IRAP COVERAGE IN ADDITION TO SOCIAL SECURITY COVERAGE.**

**Subdivision 1. Social Security coverage.** (a) Any employee of the board or other employing unit who elects coverage by this chapter is a member of the Teachers Retirement Association solely for purposes of coverage by the federal old age, survivors, disability and health insurance program, and is covered by the agreement made under section 355.02.

(b) A person with federal Social Security coverage through Teachers Retirement Association membership under paragraph (a) is not a member of the Teachers Retirement Association for any other purpose while employed as a teacher by the board, and membership in the Teachers Retirement Association for this limited purpose conveys no rights or benefit entitlement under chapter 354.

**Subd. 2. Public pension coverage as condition of employment.** Coverage by a public pension plan under section 354B.211 is a condition of initial employment or continued employment in an eligible unclassified faculty position or an eligible unclassified administrative position by the board or other employing unit.

**History:** *1995 c 141 art 4 s 10; 1Sp2019 c 8 art 5 s 11*

### **354B.23 CONTRIBUTIONS.**

**Subdivision 1. Member contribution rate.** (a) Except for a participant described under paragraph (b), the member contribution rate for participants in the individual retirement account plan is equal to the coordinated employee contribution rate in section 354.42, subdivision 2.

(b) The member contribution rate is the rate described in paragraph (c) for a participant in the individual retirement account plan who:

- (1) achieved tenure or its equivalent at a Minnesota state college or university before July 1, 2018; or
- (2) is an employee in an eligible unclassified administrative position, is not a faculty member, and first contributed to the individual retirement account plan before July 1, 2018.

(c) The member contribution rate for a participant described in paragraph (b) is the following percentage of salary:

from July 1, 2019, to June 30, 2020	5.15
from July 1, 2020, to June 30, 2021	5.80
from July 1, 2021, to June 30, 2022	6.45
from July 1, 2022, to June 30, 2023	7.10
from July 1, 2023, to June 30, 2024	7.75

After June 30, 2024, the member contribution rate is the rate specified in paragraph (a).

Subd. 2. **Member contribution method.** Member contributions must be made by payroll deduction during each pay period.

Subd. 3. **Employer contribution rate.** The employer contribution rate on behalf of participants in the individual retirement account plan is six percent of salary.

Subd. 4. **Employer contribution method.** The employer contribution must be made by the employing unit of a plan participant during each pay period. The employer contribution must be made from the available revenue sources of the employing unit.

Subd. 5. **Omitted member deductions.** (a) If the employing unit that employs a plan participant fails to deduct the member contribution from the participant's salary and a period of less than 60 days from the date on which the deduction should have been made has elapsed, the employing unit must obtain the omitted member deduction by an additional payroll deduction during the pay period next following the discovery of the omission.

(b) If the employing unit of a plan participant fails to deduct the member contribution from the participant's salary and that omission continues for at least 60 days from the date on which the deduction should have been made, the employing unit must pay the amount representing the omitted member contribution, and the full required employer contribution, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 4, compounded annually. The contributions and any interest must be made within one year of the date on which the omission was discovered.

Subd. 5a. **Excess contributions.** When contributions to the plan exceed limits imposed by federal law or regulation, the excess employee contributions must be returned to the employee and the excess employer contributions must be reallocated in accordance with section 415 of the federal Internal Revenue Code, as amended, and the applicable federal regulations and revenue rulings.

Subd. 6. **Transfer of certain TRA member contribution amounts to IRAP.** (a) Notwithstanding any provisions of chapter 354 to the contrary, a former member of the Teachers Retirement Association who

has less than three years of allowable service credit under section 354.05, subdivision 13, and who is a member of the individual retirement account plan may elect to transfer to the plan an amount equal to the refund that the person could have received under section 354.49, subdivision 2, if the person had been eligible to receive a refund.

(b) The transfer must be made from the Teachers Retirement Association directly to the individual retirement account plan and credited to the appropriate account.

(c) No amount under this subdivision may be paid directly to the former Teachers Retirement Association member.

(d) The election of this transfer must be made on a form prescribed by the executive director of the Teachers Retirement Association, after consultation with the plan administrator.

**History:** 1995 c 141 art 4 s 11; 1998 c 390 art 2 s 10; 2000 c 461 art 12 s 12; 2004 c 267 art 5 s 3; 1Sp2019 c 8 art 5 s 12; art 8 s 16

### 354B.24 SABBATICAL LEAVE.

Subdivision 1. **Continuation of coverage.** A person who is a participant in the individual retirement plan, and who goes on an approved sabbatical leave, must remain a participant in the plan for any period during which the person receives a salary from the board or during which the person makes an optional contribution provided for in subdivision 3.

Subd. 2. **Mandatory contributions.** (a) From the salary paid to the person during the course of an approved sabbatical leave, the employing unit must deduct a member contribution as required under section 354B.23, subdivision 1.

(b) The employing unit must make the employer contribution on behalf of the plan participant as provided in section 354B.23, subdivision 3.

Subd. 3. **Additional contributions.** (a) In addition to contributions required by subdivision 2, a plan participant on an approved sabbatical leave shall make a member contribution based on the member contribution rate specified in section 354B.23, subdivision 1, applied to the difference between the amount of salary actually received during the sabbatical leave and the full-time salary the member would have received if not on sabbatical leave.

(b) Any additional member contribution must be made through payroll deduction as though the member were employed full time.

(c) When an additional member contribution is made, the employing unit must make the employer contribution at the rate specified in section 354B.23, subdivision 3, on the salary that was the basis for the additional member contribution under paragraph (a).

(d) An employer contribution required under this section must be made no later than 60 days after the date on which the optional additional member contribution was made.

Subd. 4. **Reinstatement rights.** Notwithstanding the provisions of any sabbatical leave agreements, regular and optional additional member contributions and employer contributions under this section are permissible only if the plan participant retains the right to full reinstatement to an employment position with the applicable employing unit both during and at the conclusion of the sabbatical leave.

**History:** 1995 c 141 art 4 s 12; 1999 c 222 art 19 s 8

**354B.25 INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATION.**

Subdivision 1. **General governance.** The individual retirement account plan is the administrative responsibility of the Board of Trustees of the Minnesota State Colleges and Universities. The Board of Trustees of the Minnesota State Colleges and Universities may administer the plan directly or may contract out for administrative services with a qualified third-party plan administrative entity and may contract out for investment review and selection service.

Subd. 1a. [Repealed, 2007 c 133 art 2 s 13]

Subd. 2. **Investment options.** (a) The plan administrator shall arrange for the purchase of investment products.

(b) The investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board.

(c) Various investment accounts offered through the Minnesota supplemental investment fund established under section 11A.17 and administered by the State Board of Investment may be included as investment products for the individual retirement account plan. Direct access must also be provided to lower expense and no-load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at federally insured financial institutions;

(2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Subd. 3. **Selection of financial institutions.** (a) The investment options provided under subdivision 2 must be selected by the board. The board may contract with the State Board of Investment or with a third party to provide the investment review and selection services. The board must not contract with a third party to provide the investment option review and selection services if the third party markets, offers, or has other material interest in investment products. The board must require any third party contracted to provide investment review and selection services to disclose to the board any contracts for services and any financial relationships it has with vendors under consideration to provide investment products under the plan.

In making its selection, at a minimum, the board shall consider the following:

(1) the experience and ability of the financial institution to provide benefits and products that are suited to meet the needs of plan participants;

(2) the relationship of those benefits and products provided by the financial institution to their cost;

(3) the financial strength and stability of the financial institution; and

(4) the fees and expenses associated with the investment products in comparison to other products of similar risk and rates of return.

(b) After selecting a financial institution, the board must periodically review each financial institution and the offered products. The periodic review must occur at least every three years. In making its review, the board may retain appropriate consulting services to assist it in its periodic review, establish a budget for the cost of the periodic review process, and charge a proportional share of these costs to the reviewed financial institution.

(c) Contracts with financial institutions under this section must be executed by the board.

**Subd. 4. Benefit ownership.** The retirement benefits provided by the annuity contracts and custodial accounts of the individual retirement account plan are held for the benefit of plan participants and must be paid according to this chapter and the plan document.

**Subd. 5. Individual retirement account plan administrative expenses.** (a) The reasonable and necessary administrative expenses of the individual retirement account plan may be charged to plan participants by the plan sponsor in the form of an annual fee, an asset-based fee, a percentage of the contributions to the plan, or a combination thereof. This amount shall be offset by interest earned on both the plan reserves and unclaimed funds account.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The Board of Trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the Board of Trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

**Subd. 6. Disposition of abandoned public pension amounts.** (a) Any unclaimed plan account amounts are presumed to be abandoned, but are not subject to the provisions of sections 345.31 to 345.60. If the account remains unclaimed after five years following the date that the plan administrator first attempts to locate the former member, surviving spouse, or other beneficiary, the unclaimed plan account amount cancels and must be credited to the reserve account specified in paragraph (b).

(b) The board must establish a separate account to receive unclaimed plan account amounts. A portion of this reserve account and any investment earnings attributable to this reserve account are to be used to offset the reasonable and necessary expenses of the individual retirement account plan, including costs incurred in efforts to locate lost participants, surviving spouses, or other beneficiaries.

(c) If the unclaimed plan account amount exceeded \$25 and the inactive member, surviving spouse, or beneficiary, whichever is applicable, establishes a valid claim to the forfeited account, the forfeited account is to be reestablished in an amount equal to the amount originally forfeited. The board must ensure that the reserve account has sufficient assets to cover any transfers needed to reestablish accounts.

**History:** 1995 c 141 art 4 s 13; 1995 c 212 art 4 s 64; 1997 c 241 art 3 s 7,8; 1998 c 390 art 2 s 11,12; 1999 c 222 art 19 s 9-11; 2001 c 133 s 4; 1Sp2005 c 8 art 8 s 1; 2008 c 349 art 9 s 2,3; 2010 c 359 art 8 s 2,3

**354B.26 DEFERRED ANNUITY ENTITLEMENT FOR CERTAIN FORMER TRA MEMBERS.**

Notwithstanding any provision of chapter 354 to the contrary, a person covered by this chapter who had less than three years of prior allowable service credit in the teachers retirement association is entitled to a deferred annuity and augmentation under section 354.55, subdivision 11.

**History:** 1995 c 141 art 4 s 14

**354B.30 PROHIBITION ON LOANS OR PRETERMINATION DISTRIBUTIONS.**

(a) No participant may obtain a loan from the plan or obtain any distribution from the plan at a time before the participant terminates the employment that gave rise to plan coverage.

(b) No amounts to the credit of the plan are assignable either in law or in equity, or are subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518A.53.

**History:** 1995 c 141 art 4 s 15; 1997 c 203 art 6 s 92; 2003 c 127 art 3 s 21; 2005 c 164 s 29; 1Sp2005 c 7 s 28

**354B.31 IRAP PART-TIME TEACHER MOBILITY PROGRAM.**

Subdivision 1. **Participation requirements.** A faculty member who has three years or more of service in the Minnesota State Colleges and Universities system, by agreement with the board or with the authorized representative of the board, may be assigned to teaching service in a part-time teaching position under subdivision 2.

Subd. 2. **Part-time teaching position; defined.** For purposes of this section, "part-time teaching position" means a teaching position within the Minnesota State Colleges and Universities system in which the teacher is employed for at least 50 full days or a fractional equivalent as prescribed in section 354.091, and for which the faculty member is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time faculty member with identical education and experience with the employing unit.

Subd. 3. **Retirement contributions.** A faculty member assigned to a part-time position under this section shall continue to make employee contributions to the individual retirement account plan during the period of part-time employment on the same basis and in the same amounts as would have been paid if the person had been employed on a full-time basis provided that, prior to June 30 each year, the member and the board make that portion of the required employer contribution to the plan, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the person had been employed on a full-time basis and the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the plan on behalf of the person that is based on the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354B.23. Employee contributions for part-time teaching service pursuant to this section shall not continue for more than ten years.

Subd. 4. **Other membership precluded.** A faculty member entitled to make employee contributions for part-time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in, or make employee contributions to any other Minnesota

public employee pension plan, except a volunteer firefighters relief association governed by sections 424A.091 to 424A.096.

Subd. 5. **Insurance.** If the board enters into an agreement authorized by this section, the board shall continue any insurance programs furnished or authorized a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section. However, the requirements of this subdivision may be modified by a collective bargaining agreement between a board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section are eligible for state paid insurance benefits as if the teachers were employed full time.

Subd. 6. **Eligibility for credit.** Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, clauses (e) and (f), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

Subd. 7. **Board power not restricted.** This section does not limit the authority of the board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from and employee contributions to the retirement fund under this section.

Subd. 8. **Substitute teaching.** Subdivision 4 does not prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for employee contributions to the retirement plan pursuant to this section.

**History:** 1999 c 222 art 19 s 12; 2013 c 111 art 5 s 80

**354B.32** [Repealed, 1Sp2011 c 8 art 2 s 22]

**354B.33** MS 2005 Supp [Expired, 1Sp2005 c 1 art 4 s 98]