CHAPTER 353E

LOCAL GOVERNMENT CORRECTIONAL SERVICE RETIREMENT

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353E.001 DEFINITIONS.

Subdivision 1. **Duty disability.** "Duty disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of a local government correctional service employee as defined under section 353E.02 and that is the direct result of an injury incurred during, or a disease arising out of, the performance of inherently dangerous duties that are specific to the positions covered by the local government correctional service retirement plan.

Subd. 1a. **Fund.** "Fund" means the public employees local government correctional service retirement fund.

Subd. 2. **Less frequent duties.** "Less frequent duties" means tasks designated in the applicant's job description as either required from time to time or as assigned, but which are not carried out as part of the normal routine of the applicant's job.

Subd. 2a. **Member.** "Member" means an individual identified as a member under section 353E.02, for whom retirement coverage is provided by the plan.

Subd. 3. **Normal duties.** "Normal duties" means specific tasks designated in the applicant's job description and which the applicant performs on a day-to-day basis, but do not include less frequent duties which may be requested to be done by the employer from time to time.

Subd. 3a. **Plan.** "Plan" means the public employees local government correctional service retirement plan.

Subd. 4. **Regular disability.** "Regular disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of a local government correctional service employee as defined under section 353E.02 and that results from a disease or an injury that arises from any activities while not at work or while at work from performing those normal or less frequent duties that do not present inherent dangers that are specific to the occupations covered by the local government correctional service retirement plan.

History: *2007 c 134 art 4 s 31; 2013 c 111 art 11 s 12; 2023 c 47 art 2 s 7-9*

353E.01 LOCAL GOVERNMENT CORRECTIONAL SERVICE RETIREMENT PLAN.

Subdivision 1. **Plan administration; fund.** (a) The public employees local government correctional service retirement plan is established as a separate plan to be administered by the board of trustees and the executive director of the Public Employees Retirement Association.

(b) The board of trustees and the executive director shall undertake their activities in a manner consistent with chapter 356A.

(c) The association shall maintain a special fund to be known as the public employees local government correctional service retirement fund.

Subd. 2. **Revenue sources.** Member contributions under section 353E.03, subdivision 1, and employer contributions under section 353E.03, subdivision 2, and other amounts authorized by law, including any investment return on invested fund assets, must be deposited in the fund.

Subd. 3. **Investment.** Assets of the public employees local government correctional service retirement fund must be deposited in the Minnesota combined investment fund as provided in section 11A.14, if applicable, or otherwise invested under section 11A.23.

Subd. 4. **Collection of contributions.** The collection of member and employer contributions is governed by section 353.27, subdivisions 4, 7, 7b, 10, 11, and 12.

Subd. 5. **Fund disbursement restricted.** (a) The public employees local government correctional service retirement fund may be disbursed only for the purposes provided for in this chapter.

(b) The proportional share of the necessary and reasonable administrative expenses of the association and any benefits provided in this chapter must be paid from the fund. Retirement annuities, disability benefits, survivorship benefits, and any refunds of accumulated deductions may be paid only from the correctional service retirement fund after those needs have been certified by the executive director.

(c) The amounts necessary to make the payments from the fund are annually appropriated from those funds for those purposes.

History: *1999 c 222 art 2 s 7; 2009 c 169 art 1 s 55,56; 2023 c 47 art 2 s 13*

353E.02 CORRECTIONAL SERVICE RETIREMENT PLAN MEMBERSHIP.

Subdivision 1. **Retirement coverage.** The members of the local government correctional service retirement plan established by this chapter are:

(1) local government correctional service employees as defined in subdivision 2; and

(2) medical center protection officers as defined in subdivision 2a.

Subd. 2. **Local government correctional service employee.** (a) A local government correctional service employee, for purposes of subdivision 1, is a person whom the employer certifies:

(1) is employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers;

(2) is directly responsible for the direct security, custody, and control of the county correctional institution and its inmates;

(3) is expected to respond to incidents within the county correctional institution as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire plan.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

(c) A person who was a member of the local government correctional service retirement plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration of the person's employment in that county correctional institution position, even if the person's subsequent service in this position does not meet the requirements set forth in paragraph (a).

Subd. 2a. **Medical center protection officer.** (a) A medical center protection officer, for purposes of subdivision 1, is a person whom the employer certifies:

(1) is employed by Hennepin Healthcare System, Inc. as a protection officer;

(2) is directly responsible for the direct security of the medical center;

(3) is expected to respond to any incidents within the medical center as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire plan.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

Subd. 3. **County correctional institution.** A county correctional institution is:

(1) a jail administered by a county;

(2) a correctional facility administered by a county;

(3) a regional correctional facility administered by or on behalf of multiple counties; or

(4) a juvenile correctional facility administered by a county or on behalf of multiple counties.

History: *1999 c 222 art 2 s 8; 2000 c 461 art 10 s 1; 2002 c 392 art 4 s 1,2; 2005 c 125 art 1, s 29; art 3 s 5,7; 1Sp2005 c 7 s 34; 2006 c 271 art 3 s 36; 2021 c 22 art 10 s 1*

353E.03 CORRECTIONAL SERVICE PLAN CONTRIBUTIONS.

Subdivision 1. **Member contributions.** A member of the plan shall make an employee contribution in an amount equal to 6.83 percent of salary.

Subd. 2. **Employer contributions.** The employer shall contribute for a member of the plan an amount equal to 10.25 percent of salary.

Subd. 3. **Contribution deductions.** The head of each department of each governmental subdivision that employs members of the local government correctional service retirement plan must deduct employee contributions in the manner and subject to the terms provided in section 353.27, subdivision 4.

History: *1999 c 222 art 2 s 9; 2000 c 461 art 10 s 2; 1Sp2001 c 10 art 3 s 28; 2002 c 392 art 4 s 3-6; 2024 c 102 art 4 s 14*

353E.04 CORRECTIONAL SERVICE PLAN RETIREMENT ANNUITY.

Subdivision 1. **Eligibility requirements.** After termination of public employment, a member who has attained the age of at least 55 years and who is vested under section 353.01, subdivision 47, in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. Instead

of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Subd. 2. **Average salary base.** In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a member upon which employee contributions were paid for any five successive years of allowable service. Average salary must be based on all allowable service if this service is less than five years.

Subd. 3. **Annuity amount.** (a) The average salary as defined in subdivision 2, multiplied by 1.9 percent for each year of allowable service before July 1, 2025, and 2.2 percent for each year of allowable service beginning on or after July 1, 2025, determines the amount of the normal retirement annuity.

(b) If a person has earned allowable service in the general employees retirement plan of the Public Employees Retirement Association or the public employees police and fire retirement plan before participation under this chapter, the retirement annuity representing such service must be computed in accordance with the formula specified in sections 353.29 and 353.30 or 353.651, whichever applies.

Subd. 4. **Early retirement.** A member who has attained the age of at least 50 years and who is vested under section 353.01, subdivision 47, in the local government correctional service plan is entitled, upon application, to a reduced retirement annuity equal to the annuity calculated under subdivision 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue until age 55.

Subd. 5. **Accrual and duration.** The retirement annuity under this section begins to accrue as provided in section 353.29, subdivision 7. The retirement annuity is payable for the life of the recipient, or in accordance with the terms of any optional annuity form selected by the retiring member.

Subd. 6. **Multiple service limitation.** A former employee who has both public employees retirement plan and public employees local government correctional retirement plan credited service must, if qualified, receive a retirement annuity from each retirement plan that takes into account both periods of service and both covered salary amounts, but no period of service may be used more than once in calculating the annuity.

Subd. 7. **Postretirement adjustment eligibility.** An annuity under this section is eligible for postretirement adjustments under section 356.415.

History: *1999 c 222 art 2 s 10; 2002 c 392 art 11 s 52; 2009 c 169 art 1 s 57; 2010 c 359 art 1 s 43,44; 2013 c 111 art 4 s 12; 2023 c 47 art 2 s 13; 2024 c 102 art 4 s 15*

353E.05 AUGMENTATION IN CERTAIN CASES.

Unless prior service has been transferred or unless a combined service annuity under section 356.30 has been elected, an employee who becomes a member after being a member of the Public Employees Retirement Association or the public employees police and fire fund is covered under section 353.34, subdivision 3, with respect to that prior service. An employee who becomes a member of the Public Employees Retirement Association or the public employees police and fire plan after being a member is also covered under section 353.34, subdivision 3, with respect to that prior service, unless calculated under section 356.30.

History: *1999 c 222 art 2 s 11; 1Sp2019 c 8 art 8 s 9; 2023 c 47 art 2 s 13*

353E.06 DISABILITY BENEFITS.

Subdivision 1. **Duty disability qualification requirements.** A member who is determined to qualify for a duty disability as defined in section 353E.001, subdivision 1, is entitled to a disability benefit. The

disability benefit must be based on covered service under this chapter only and is an amount equal to 47.5 percent of the average salary defined in section 353E.04, subdivision 2, plus, for each year of covered service under this chapter in excess of 25 years:

(1) 1.9 percent for each year of allowable service beginning before July 1, 2025; and

(2) 2.2 percent for each year of allowable service beginning after June 30, 2025.

Subd. 2. **Regular disability qualification requirements.** A member who has at least one year of covered service under this chapter and who is determined to qualify for a regular disability benefit as defined in section 353E.001, subdivision 4, is entitled to a disability benefit based on covered service under this chapter. The disability benefit must be computed in the same manner as an annuity under section 353E.04, subdivision 3, and as though the employee had at least ten years of covered correctional service.

Subd. 3. **Optional annuity.** A disabled member may elect the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity must be made before the commencement of payment of the disability benefit and is effective on the date on which the disability benefit begins to accrue as provided in section 353.33, subdivision 2. Upon becoming effective, the optional annuity begins to accrue on the same date as provided for the disability benefit.

Subd. 4. **Disability benefit application; accrual of benefits.** (a) Procedures for the application process and determining eligibility for disability benefits are defined in section 353.031.

(b) The disability benefit begins to accrue when the applicant is no longer receiving any form of compensation, whether salary or paid leave; 90 days preceding the filing of the application, or, if annual or sick leave, or any other employer-paid salary continuation plan is paid for more than the 90-day period, from the date salary ceased, whichever is latest. No member is entitled to receive a disability benefit payment when there remains to the member's credit any unused annual leave, sick leave, or any other employer-paid salary continuation benefits or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary.

(c) No payment may accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies before negotiating the check for the month in which death occurs, payment must be made to the optional annuitant or beneficiary.

Subd. 5. **Disability benefit termination.** (a) The disability benefit paid to a disabled member terminates at the end of the month in which the employee reaches age 55, or the first of the month after the expiration of the 60-month period from the effective date of the disability benefit, whichever is later.

(b) If the disabled member is still disabled when the employee has been collecting the disability benefit for 60 months or has reached age 55, whichever is later, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected.

(c) If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a single life retirement annuity computed in the manner provided in section 353E.04, subdivision 3, or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made within 90 days before termination of the disability benefit under paragraph (a).

(d) When an individual's disability benefit terminates under this subdivision and is recalculated as a retirement annuity, the annuity must include all prior adjustments provided under Minnesota Statutes 2008, section 11A.18, through January 1, 2009, and thereafter as provided in section 356.415.

Subd. 6. **Limitation on disability benefit payments.** (a) If a member receiving disability benefits resumes a gainful occupation with earnings, the amount of the member's disability benefit must be reduced as described in paragraph (b) if the total of the disability benefit and earnings exceeds the greater of:

(1) the base monthly salary rate the member had been receiving at the date of disability; or

(2) the base monthly salary rate currently paid by the employing governmental subdivision for similar positions.

(b) If paragraph (a) applies, the member's disability benefit must be reduced until the disability benefit plus the monthly earnings from employment do not exceed the greater of the salaries described in paragraph (a), clause (1) or (2).

Subd. 7. **Combined service disability benefit.** If the employee is entitled to receive a disability benefit as provided in subdivision 1 or 2 and has credit for less covered correctional service than the length of service upon which the correctional disability benefit is based, and also has credit for public employees retirement plan service, the employee is entitled to a disability benefit or deferred retirement annuity based on the regular plan service only for the service that, when combined with the correctional service, exceeds the number of years on which the correctional disability benefit is based. The disabled employee who also has credit for regular plan service must in all respects qualify under section 353.33 to be entitled to receive a disability benefit based on the public employees retirement plan service, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on public employees retirement plan service must be augmented as provided in section 353.71 while the employee is receiving a disability benefit under this section.

Subd. 8. **Continuing benefit eligibility.** Continuing eligibility for a disability benefit is subject to section 353.031, subdivision 8.

Subd. 9. **Postretirement adjustment eligibility.** A disability benefit under this section is eligible for postretirement adjustments under section 356.415.

History: *1999 c 222 art 2 s 12; 2002 c 392 art 11 s 52; 2007 c 134 art 4 s 32-35; 2009 c 169 art 1 s 58; 2013 c 111 art 4 s 13; 2015 c 68 art 12 s 25,26; 2023 c 47 art 2 s 13; 2024 c 102 art 4 s 16; 2025 c 37 art 2 s 8*

353E.07 SURVIVOR BENEFITS.

Subdivision 1. **Member at least age 50.** If a member or former member of the local government correctional service retirement plan who has attained the age of at least 50 years and who is vested under section 353.01, subdivision 47, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, a surviving spouse annuity equal to the 100 percent joint and survivor annuity for which the member could have qualified had the member terminated service on the date of death.

Subd. 2. **Member under age 50.** If the member was under age 50, dies, and was vested under section 353.01, subdivision 47, on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the employee and the surviving

spouse at the time of death. The annuity is payable using the early retirement reduction under section 353E.04, subdivision 4, to age 50 and one-half the early retirement reduction from age 50 to the age payment begins. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision.

Subd. 3. **Election; accrual.** A surviving spouse election under subdivisions 1 and 2 may be made at any time after the date of death of a member. The surviving spouse benefit begins to accrue as of the first of the next month following the date on which the application for the benefit was filed.

Subd. 4. **Surviving spouse coverage; term certain.** In lieu of the 100 percent optional annuity under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of ten, 15, or 20 years. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1 and must be based on tables approved by the actuary retained under section 356.214. The optional annuity ceases upon the expiration of the term certain period. If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Subd. 5. **Dependent child survivor coverage.** If a deceased member has no surviving spouse eligible for benefits under subdivisions 1, 2, and 4, the member's dependent child as defined in section 353.01, subdivision 15, is eligible for a survivor benefit. Benefits to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent joint and survivor optional annuity using the age of the member and the age of the dependent child at the date of the member's death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child must receive a proportionate share of the actuarial value of the 100 percent joint and survivor optional annuity, with the amount of the benefit payable to each child to be determined based on the portion of the total eligibility period that each child is eligible. The process for calculating the survivor benefit must be approved by the actuary retained under section 356.214.

Subd. 6. **Payment to designated beneficiary.** An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse or dependent children must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member.

Subd. 7. **Election that section does not apply.** A member may specify in writing, with the signed consent of the spouse, that this section does not apply and that payment must be made only to the designated beneficiary, as otherwise provided by this chapter.

Subd. 8. **Postretirement adjustment eligibility.** A survivor benefit under this section is eligible for postretirement adjustments under section 356.415.

History: *1999 c 222 art 2 s 13; 2006 c 271 art 3 s 47; 2008 c 349 art 4 s 6; 2009 c 169 art 1 s 59; 2010 c 359 art 1 s 45,46; 2023 c 47 art 2 s 10-12*

353E.08 SCOPE AND APPLICATION.

The general provisions of chapter 353 apply to the local government correctional service retirement plan except where otherwise specifically provided in sections 353E.01 to 353E.07.

History: *1999 c 222 art 2 s 14*