CHAPTER 352D

STATE UNCLASSIFIED EMPLOYEES RETIREMENT

352D.01 ESTABLISHMENT.
352D.015 DEFINITIONS.
352D.02 COVERAGE.
352D.03 TRANSFER OF ASSETS.
352D.04 INVESTMENT OPTIONS.
352D.05 WITHDRAWAL OPTIONS.
352D.06 ANNUITIES.
352D.065 DISABILITY BENEFITS.
352D.075 DEATH BENEFITS.
352D.085 COMBINED SERVICE.
352D.09 ADMINISTRATION.
352D.11 PURCHASE OF PRIOR SERVICE CREDIT.
352D.12 TRANSFER OF PRIOR SERVICE CONTRIBUTIONS.

352D.01 ESTABLISHMENT.

There is hereby established within the Minnesota State Retirement System a retirement program for certain public employees to be known as the Minnesota unclassified employees retirement program. The program must be administered by the Minnesota State Retirement System.

History: *1971 c 604 s 1; 1973 c 624 s 1; 1986 c 458 s 5; 1Sp2005 c 8 art 10 s 30*

352D.015 DEFINITIONS.

Subdivision 1. **General.** As used in this chapter, unless the context or subject matter indicates otherwise, the following terms shall have the meanings given.

Subd. 2. **Unclassified program.** "Unclassified program" means the program established by this chapter.

Subd. 3. **Supplemental investment fund.** "Supplemental investment fund" means the fund established and governed by section 11A.17.

Subd. 4. **General fund.** "General fund" means the general state employees retirement fund under chapter 352.

Subd. 4a. **General employees retirement plan.** "General employees retirement plan" means the general state employees retirement plan under chapter 352.

Subd. 5. **Covered employment.** "Covered employment" means employment covered by this chapter or by chapter 352.

Subd. 6. **Employee shares.** "Employee shares" means shares in the supplemental fund purchased with the employee's contributions.

Subd. 7. **Employer shares.** "Employer shares" means shares in the supplemental fund purchased with the employer's contributions.

Subd. 8. **Total shares.** "Total shares" means all the employee shares and employer shares credited to a participant. Where applicable, the term "contributions" shall mean "shares."

Subd. 9. **Value.** "Value" means the market value of the account at the end of the United States investment market day.

Subd. 10. [Repealed, 1975 c 368 s 51]

History: *1973 c 624 s 2; 1975 c 368 s 41; 1980 c 607 art 14 s 46; 1983 c 128 s 32; 1986 c 458 s 6; 1987 c 284 art 4 s 4; 1993 c 307 art 1 s 34; 1Sp2005 c 8 art 10 s 31,32; 2010 c 359 art 4 s 2-4*

352D.02 COVERAGE.

Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), (6) to (14), and (16) to (18), if they are in the unclassified service of the state or Metropolitan Council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter.

(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified program under this chapter unless the person was eligible to elect different coverage under section 3A.07 and elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;

(2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;

(3) an employee of the State Board of Investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) an unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;

(9) the commissioner, deputy commissioner, and not to exceed nine positions of the Minnesota Office of Higher Education in the unclassified service, as designated by the Minnesota Office of Higher Education before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota, the state court administrator and judicial district administrators;

(11) the chief executive officers of correctional facilities operated by the Department of Corrections and of hospitals and nursing homes operated by Direct Care and Treatment;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Agricultural Utilization Research Institute;

(14) an employee of the State Lottery who is covered by the managerial plan established under section 43A.18, subdivision 3;

(15) a judge who has exceeded the service credit limit in section 490.121, subdivision 22;

(16) an employee of Enterprise Minnesota, Inc.;

(17) a person employed by the Minnesota State Colleges and Universities as faculty or in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, who was employed by the former state university or the former community college system before May 1, 1995, and elected unclassified program coverage prior to May 1, 1995; and

(18) a person employed by the Minnesota State Colleges and Universities who was employed in state service before July 1, 1995, who subsequently is employed in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, and who elects coverage by the unclassified program.

Subd. 1a. [Repealed, 1995 c 141 art 4 s 31]

Subd. 1b. [Repealed, 1991 c 238 art 1 s 26]

Subd. 1c. **Transfer of contributions.** An employee covered by the general employees retirement plan who is subsequently employed as a full-time unclassified employee of the legislature or any commission or agency of the legislature without a limit on the duration of the employment may elect to transfer accumulated employee and matching employer contributions as provided in section 352D.03.

Subd. 1d. **Election of program participation.** An employee who is a participant in the unclassified program by virtue of employment in a position listed in subdivision 1 may elect to remain in the unclassified program upon subsequent employment in an unlimited, full-time unclassified position that is not listed in subdivision 1. To elect participation in the unclassified program, the employee must give notice to the executive director of the Minnesota State Retirement System within one year of the commencement of employment in an unclassified position that is not listed in subdivision 1. Upon receipt of the notice, the executive director shall transfer to the employee's account in the unclassified program an amount equal to the employer and employee contributions with six percent interest to the regular plan on the employee's behalf from the commencement of employment in the position not listed in subdivision 1 to the receipt of the notice by the executive director.

Subd. 2. **Coverage upon employment change.** A person becoming a participant in the unclassified program prior to July 1, 2010, by virtue of employment in a position specified in subdivision 1, clause (4), and remaining in the unclassified service shall remain a participant in the program even though the position the person occupies is deleted from any of the sections referenced in subdivision 1, clause (4), by subsequent amendment, except that a person is not eligible to elect the unclassified program after separation from unclassified service if on the return of the person to service, that position is not specified in subdivision 1,

clause (4). Any person employed in a position specified in subdivision 1 shall cease to participate in the unclassified program in the event that the position is placed in the classified service.

Subd. 3. **Transfer to general employees retirement plan.** (a) A person in the unclassified program and referred to in subdivision 1, paragraph (c), clauses (2) to (4), (6) to (14), and (16) to (18), may elect to terminate participation in the unclassified program and be covered by the general state employees retirement plan if the person files an election to transfer to the general state employees retirement plan with the executive director of the Minnesota State Retirement System as provided in paragraph (b) and the person's current employment or appointment:

(1) began before July 1, 2010, and the person has at least ten years of covered employment; or

(2) began after June 30, 2010, and the person has no more than seven years of allowable service in the unclassified program.

(b) An election to transfer must be in writing, on a form provided by the executive director, and delivered to the executive director:

(1) for persons described in paragraph (a), clause (1), no later than one month following the termination of covered employment; or

(2) for persons described in paragraph (a), clause (2), by the earlier of (i) the end of the month following the termination of employment in a position covered by the unclassified program, and (ii) the last day of the seventh year of allowable service in the unclassified program.

For purposes of this chapter, an employee who does not file an election to transfer with the executive director is deemed to have exercised the option to participate in the unclassified program.

(c) If the transfer election is made, the executive director shall redeem the employee's total shares and credit to the employee's account in the general employees retirement plan the amount of contributions that would have been credited had the employee been covered by the general employees retirement plan during the employee's entire covered employment. The balance of money redeemed and not credited to the employee's account must be transferred to the general employees retirement plan, except that the executive director must determine:

(1) the employee contributions paid to the unclassified program; and

(2) the employee contributions that would have been paid to the general employees retirement plan for the comparable period, if the individual had been covered by that plan.

If clause (1) is greater than clause (2), the difference must be refunded to the employee as provided in section 352.22. If clause (2) is greater than clause (1), the difference must be paid by the employee within six months of electing general employees retirement plan coverage or before the effective date of the annuity, whichever is sooner.

(d) An election under this subdivision to transfer coverage to the general employees retirement plan is irrevocable during any period of covered employment.

(e) A person referenced in subdivision 1, paragraph (c), clause (1), (5), or (15), who is credited with employee shares in the unclassified program is not permitted to terminate participation in the unclassified program and be covered by the general employees retirement plan.

Subd. 4. **Start of coverage.** When any person elects participation in the unclassified program all contributions from the time first eligible to make such an election shall be covered by the program.

Subd. 5. [Repealed, 2004 c 267 art 1 s 9]

Subd. 6. **Omitted salary deductions.** The provisions of section 352.04, subdivision 8, apply to this section.

History: *1971 c 604 s 2; 1973 c 624 s 3; 1975 c 368 s 42,43; 1976 c 329 s 11; 1977 c 429 s 17; 1979 c 50 s 43; 1980 c 607 art 14 s 37; 1981 c 224 s 68,69; 1982 c 399 s 1; 1982 c 560 s 56,57; 1983 c 128 s 33; 1983 c 247 s 138; 1984 c 574 s 8; 1984 c 619 s 14; 1984 c 654 art 2 s 124; art 5 s 58; 1Sp1985 c 10 s 88; 1986 c 444; 1986 c 458 s 7; 1990 c 570 art 4 s 1; 1991 c 233 s 109; 1991 c 317 s 1; 1992 c 446 s 3,4; 1993 c 239 art 1 s 1,2; 1993 c 307 art 3 s 6,7; 1994 c 628 art 1 s 3; art 3 s 30; 1995 c 141 art 4 s 2; 1995 c 212 art 3 s 59; 1997 c 233 art 2 s 3,4; 2Sp1997 c 3 s 18; 2000 c 260 s 56; 2000 c 457 s 7,8; 2000 c 461 art 3 s 3; art 18 s 1; 2002 c 379 art 1 s 77; 2003 c 112 art 2 s 50; 2005 c 107 art 2 s 60; 2006 c 271 art 10 s 32; 2007 c 54 art 5 s 7; 2007 c 134 art 2 s 10,11; 2008 c 290 s 2; 2010 c 359 art 4 s 5-7; 2012 c 286 art 5 s 1; 2013 c 99 art 2 s 29; 2015 c 68 art 11 s 2; 2018 c 211 art 9 s 11,12; 2019 c 50 art 1 s 107; 2024 c 125 art 5 s 42; 2024 c 127 art 50 s 42*

352D.03 TRANSFER OF ASSETS.

Unless an eligible employee enumerated in section 352D.02, subdivision 1, has elected coverage under the individual retirement account plan under chapter 354B, for an employee exercising an option under section 352D.02, an amount equal to the employee and employer contributions for the employment period plus six percent interest, compounded annually, must be used for the purchase of shares on behalf of each employee in the accounts of the supplemental retirement fund established by section 11A.17.

History: *1971 c 604 s 3; 1973 c 35 s 54; 1973 c 624 s 4; 1974 c 152 s 12; 1980 c 607 art 14 s 46; 1992 c 446 s 5; 1Sp2005 c 8 art 10 s 33; 2010 c 359 art 4 s 8*

352D.04 INVESTMENT OPTIONS.

Subdivision 1. [Repealed, 2014 c 296 art 13 s 28]

Subd. 1a. **State Board of Investment selection of investment products.** As specified in section 356.645, the State Board of Investment shall select investment products to be available to participants in the retirement program provided by this chapter.

Subd. 1b. **Participant selection of investments.** (a) A program participant may elect to participate in one or more of the investment products made available under the program by specifying the percentage of the participant's contributions under subdivision 2 to be used to purchase shares in the applicable products.

(b) Before making an allocation election, or if the participant fails to specify an allocation, the executive director shall, on behalf of that participant, purchase shares in a default investment alternative. The investment alternative must be specified by the Minnesota State Retirement System Board from the available investment options authorized under subdivision 1a.

(c) A participant may revise the investment allocation for subsequent purchase of shares, and a participant or former participant may also change the investment options selected for all or a portion of shares previously purchased.

(d) Any investment allocation selection authorized under this subdivision, whether relating to subsequent purchases of new shares or reallocating the existing portfolio, must be conducted at times and under procedures

prescribed by the executive director. Any allocation or allocation revisions are effective at the end of the most recent United States investment market day, unless subject to trading restrictions imposed on certain investment options.

Subd. 2. **Contribution rates.** (a) The money used to purchase shares under this section is the employee and employer contributions provided in this subdivision.

(b) The employee contribution is an amount equal to the percent of salary specified in section 352.04, subdivision 2.

(c) The employer contribution is an amount equal to the following percentage of salary:

from July 1, 2018, through June 30, 2019	6 percent
after June 30, 2019	6.25 percent

(d) For members of the legislature, the contributions under this subdivision also must be made on per diem payments received during a regular or special legislative session, but may not be made on per diem payments received outside of a regular or special legislative session, on the additional compensation attributable to a leadership position under section 3.099, subdivision 3, living expense payments under section 3.101, or special session living expense payments under section 3.103.

(e) For a judge who is a member of the unclassified plan under section 352D.02, subdivision 1, paragraph (c), clause (15), the employee contribution rate is eight percent of salary, and there is no employer contribution.

(f) These contributions must be made in the manner provided in section 352.04, subdivisions 4, 5, and 6.

History: *1971 c 604 s 4; 1973 c 624 s 5; 1974 c 152 s 13; 1980 c 607 art 14 s 38; 1981 c 224 s 70; 3Sp1981 c 2 art 1 s 68; 1983 c 128 s 34; 1986 c 356 s 9; 1986 c 444; 1988 c 453 s 10; 1989 c 319 art 1 s 13; 1992 c 539 s 11; 1993 c 307 art 1 s 35; 1994 c 528 art 1 s 12; 1994 c 604 art 1 s 12; 1997 c 233 art 2 s 5,6; 2000 c 461 art 18 s 2; 2006 c 271 art 1 s 8,9; 2010 c 359 art 4 s 9,10; 2013 c 111 art 2 s 23; 2014 c 296 art 13 s 9,10; 2018 c 211 art 7 s 8; 2019 c 50 art 1 s 108; 1Sp2019 c 8 art 8 s 6*

352D.05 WITHDRAWAL OPTIONS.

Subdivision 1. **Pretermination of employment.** No withdrawal of shares shall be permitted prior to termination of covered employment.

Subd. 2. [Repealed, 1975 c 368 s 51]

Subd. 3. **Full or partial withdrawal.** After termination of covered employment or at any time thereafter, a participant is entitled, upon application, to withdraw the cash value of the participant's total shares or leave such shares on deposit with the supplemental retirement fund. The account is valued at the end of the most recent United States investment market day following receipt of the application for withdrawal. The application for withdrawal must be an original application, not an electronic or facsimile copy, and must be received in an office of the system or by a person authorized by the executive director. Shares not withdrawn remain on deposit with the supplemental retirement fund until the former participant becomes at least 55 years old, and applies for an annuity under section 352D.06, subdivision 1.

Subd. 4. **Repayment of refund.** (a) A participant in the unclassified program may repay regular refunds taken under section 352.22, as provided in section 352.23.

(b) A participant in the unclassified program or an employee covered by the general employees retirement plan who has withdrawn the value of the total shares may repay the refund taken and thereupon restore the service credit, rights and benefits forfeited by paying into the fund the amount refunded plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually, from the date that the refund was taken until the date that the refund is repaid. If the participant had withdrawn only the employee shares as permitted under prior laws, repayment must be pro rata.

(c) Repayment must be made as provided in section 352.23, paragraph (d).

Subd. 5. [Repealed, 1993 c 307 art 7 s 1]

History: *1971 c 604 s 5; 1973 c 624 s 6; 1975 c 368 s 44; 1976 c 81 s 1; 1978 c 562 s 10; 1980 c 607 art 14 s 39,40; 1986 c 444; 1990 c 570 art 12 s 18; 1992 c 598 art 1 s 10; 1993 c 307 art 1 s 36,37; art 2 s 17; 2000 c 461 art 3 s 4; 1Sp2005 c 8 art 10 s 34; 2010 c 359 art 4 s 11,12; 2012 c 187 art 1 s 60; 2015 c 68 art 2 s 7; 2018 c 211 art 6 s 13; art 9 s 13; 1Sp2019 c 8 art 1 s 11*

352D.06 ANNUITIES.

Subdivision 1. **Annuity; reserves.** (a) When a participant attains at least age 55, terminates from covered service, and applies for a retirement annuity, the cash value of the participant's shares must be transferred to the general state employees retirement fund and be used to provide an annuity for the participant based upon the participant's age when the benefit begins to accrue.

(b) Except for participants described in paragraph (c) or (d), the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on the accrual date.

(c) For any participant who terminates employment on or after July 1, 2020, and before July 1, 2021, if the participant was at least age 63 or had at least 26 years of covered service as of June 30, 2020, the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on June 30, 2016.

(d) For any participant who (1) terminates employment on or after June 1, 2021, and before July 1, 2022, (2) is an employee of the house of representatives, the senate, or the Legislative Coordinating Commission at the time the employee terminates employment, and (3) on June 30, 2020, was at least age 63 or had at least 26 years of covered service, the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on June 30, 2016.

Subd. 1a. **Postretirement adjustments.** The annuity under subdivision 1 is eligible for postretirement adjustments under section 356.415.

Subd. 2. **Partial value annuity.** A participant has the option in an application for an annuity to apply for and receive a partial value of the total shares and thereafter receive an annuity, as provided in subdivision 1, based on the remaining value of the total shares.

Subd. 3. **Accrual date.** An annuity under this section accrues the day following receipt of the application or the day following termination, whichever is later. The benefit must be based on the value of the account

the day following receipt of the application or the date of termination, whichever is later, plus any contributions and interest received after that date.

History: *1971 c 604 s 6; 1973 c 624 s 7; 1975 c 368 s 45,46; 1980 c 607 art 14 s 45 subd 2; 1986 c 444; 1986 c 458 s 8; 1989 c 319 art 1 s 14; 2000 c 461 art 3 s 5; 2007 c 134 art 2 s 12; 2009 c 169 art 1 s 28; 2010 c 359 art 4 s 13; 1Sp2017 c 4 art 2 s 43; 2020 c 108 art 17 s 1; 2021 c 22 art 1 s 1*

352D.065 DISABILITY BENEFITS.

Subdivision 1. [Repealed, 1975 c 368 s 51]

Subd. 2. **Disability benefit amount.** A participant who becomes totally and permanently disabled has the option, even if on leave of absence without pay, to receive:

(1) the value of the participant's total shares;

(2) the value of a portion of the total shares and an annuity based on the remainder of the total shares; or

(3) an annuity based on the value of the participant's total shares.

Subd. 3. **Annuity payment.** The annuity payable under this section begins to accrue the day following receipt of the application or the day after termination, whichever is later, plus any contributions and interest received after that date, and must be based on the participant's age when the annuity begins to accrue. The shares must be valued as of the end of the day on which the benefit accrues.

Subd. 3a. **Postretirement adjustment eligibility.** A disability benefit under this section is eligible for postretirement adjustments under section 356.415.

Subd. 4. **No workers' compensation reduction.** The benefits payable under this section shall not be reduced by amounts received or receivable under applicable workers' compensation laws.

Subd. 5. **Return to service.** A participant who returns to covered service after receiving benefits under this section shall not be required or allowed to repay such benefits.

History: *1973 c 624 s 8; 1975 c 359 s 23; 1975 c 368 s 47,48; 1986 c 444; 1986 c 458 s 9; 2004 c 267 art 8 s 14; 2009 c 169 art 1 s 29; 2010 c 359 art 4 s 14*

352D.07 [Repealed, 1973 c 624 s 13]

352D.075 DEATH BENEFITS.

Subdivision 1. [Repealed, 1975 c 368 s 51]

Subd. 2. **Surviving spouse benefit.** (a) Notwithstanding any designation of a beneficiary to the contrary, if a participant or a former participant dies before an annuity or a disability benefit becomes payable, the surviving spouse is entitled to receive:

(1) a lump-sum payment of the value of the participant's total shares;

(2) a lump-sum payment of a portion of the value of the total shares and, at any time after the participant's death, an annuity based on the remaining value of the total shares. If the spouse dies before receiving any annuity payments, the remaining value of the shares is payable to the spouse's children in equal shares, and if no children survive, then to the parents of the spouse in equal shares, and if no children or parents survive, then to the estate of the spouse; or

(3) at any time after the participant's death, an annuity based on the value of the total shares. If the spouse dies before receiving any annuity payments, the value of the shares is payable to the spouse's children in equal shares, and if no children survive, then to the parents of the spouse in equal shares, and if no such children or parents survive, then to the estate of the spouse; and if the spouse dies after receiving annuity payments but before receiving payments equal to the value of the employee shares, the value of the employee shares remaining is payable to the spouse's children in equal shares, and if no children survive, then to the parents of the spouse in equal shares, and if no children or parents survive, then to the estate of the spouse.

(b) A participant or a former participant and the person's spouse may make a joint specification, in writing, on a form prescribed by the executive director, that the benefits provided in this section must be paid only to the designated beneficiary.

Subd. 2a. **Surviving spouse coverage term certain.** In lieu of the annuity under subdivision 2, clause (2) or (3), or in lieu of a distribution under subdivision 2, clause (1), the surviving spouse of a deceased participant may elect to receive survivor coverage in the form of a term certain annuity of ten, 15, or 20 years, based on the value of the remaining shares. The monthly term certain annuity must be calculated under section 352D.06, subdivision 1.

Subd. 2b. **Postretirement adjustment eligibility.** A survivor benefit under this section is eligible for postretirement adjustments under section 356.415.

Subd. 3. **Refund to beneficiary.** If a participant dies and has no surviving spouse, the value of the total shares is payable to a designated beneficiary, but if the beneficiary dies before receiving payment, or if no beneficiary has been named, the value of the shares is payable to the children of the participant in equal shares, or if no children survive, then in equal shares to the parents of the participant, or if no parents survive, then to the estate of the participant.

History: *1973 c 624 s 9; 1975 c 368 s 49,50; 1986 c 444; 1989 c 319 art 1 s 15; 2004 c 267 art 9 s 12-14; 2008 c 349 art 5 s 13; 2009 c 169 art 1 s 30*

352D.08 [Repealed, 1973 c 624 s 13]

352D.085 COMBINED SERVICE.

Subdivision 1. **Combined service.** Except as provided in section 356.30, 356.302, or 356.303, service under the unclassified program during which the employee contributed to the program under section 352D.04, subdivision 2, may be used for the limited purpose of qualifying for benefits under sections 352.115, 352.113, 354.44, 354.45, 354.48, and 356.311. The service may not be used to qualify for a disability benefit under section 352.113 or 354.48 if a participant was under the unclassified program at the time of the disability. Also, the years of service and salary paid while the participant was in the unclassified program may not be used in determining the amount of benefits.

Subd. 2. [Repealed, 1975 c 368 s 51]

History: *1973 c 624 s 10; 1986 c 444; 1986 c 458 s 10; 1Sp2005 c 8 art 10 s 35; 2018 c 211 art 1 s 8*

352D.09 ADMINISTRATION.

Subdivision 1. **Administrative agency and standards.** The unclassified employees retirement plan and the provisions of this chapter must be administered by the Minnesota State Retirement System. The provisions of chapter 352 govern in all instances where not inconsistent with the provisions of this chapter. Fiduciary

activities of the unclassified employees retirement plan must be undertaken in a manner consistent with chapter 356A.

Subd. 2. **Redemption; purchases.** Whenever redemption or purchases from the supplemental retirement fund are required to be made, the executive director shall make them.

Subd. 3. **Prospectus.** (a) The executive director shall annually make available by electronic means to each participant the prospectus prepared by the supplemental fund, by July 1 or when received from such fund, whichever is later.

(b) Any participant may contact the Minnesota State Retirement System and request a copy of the prospectus.

Subd. 4. **Applications.** Whenever benefits or withdrawals are authorized or required to be paid, payment shall be made only after receipt of an application signed by the person or representative authorized to receive the benefit or withdrawal; such application shall be made only on forms authorized by the executive director.

Subd. 5. **Unclaimed benefits.** If the beneficiary, surviving spouse or estate has not made application for benefits within ten years after the date of the death of a participant, the value of the shares is appropriated to the general state employees retirement fund and the provisions of section 352.12, subdivision 12, govern. If a former participant fails to make a claim for benefits within five years after the termination of covered service or by age 70, whichever is later, the value of the shares is appropriated to the general state employees retirement fund and the provisions of section 352.22, subdivision 8, apply.

Subd. 5a. **Small balance accounts.** If a former participant who contributed less than $500 in employee contributions cannot be contacted by the system for five or more years, the value of the shares shall be appropriated to the general employees retirement fund, but upon subsequent contact by the former employee the account shall be reinstated to the amount that would have been payable had the money been left in the unclassified plan.

Subd. 6. [Repealed, 1994 c 528 art 1 s 15]

Subd. 7. **Administrative fees.** The board of directors shall establish a budget and charge participants a reasonable fee to pay the administrative expenses of the unclassified program. Fees may not be charged on contributions and investment returns attributable to contributions made before July 1, 1992.

Subd. 8. [Repealed, 1998 c 390 art 2 s 21]

History: *1971 c 604 s 9; 1973 c 624 s 11; 1981 c 224 s 71; 3Sp1981 c 2 art 1 s 69; 1989 c 319 art 8 s 15; 1992 c 539 s 12; 1993 c 307 art 1 s 38-40; 1994 c 604 art 1 s 13; 1998 c 390 art 2 s 7; 2000 c 461 art 3 s 6; 1Sp2005 c 8 art 10 s 36; 2010 c 359 art 4 s 15,16*

352D.10 [Repealed, 1981 c 224 s 276]

352D.11 PURCHASE OF PRIOR SERVICE CREDIT.

Subdivision 1. **Eligibility.** A qualified legislative employee may purchase prior service credit from the Minnesota State Retirement System for service for which the employee did not receive service credit from the state retirement system. An employee is qualified to purchase prior service credit only if:

(1) the employee is a permanent employee of the senate, the house of representatives, or of a joint legislative agency or legislative commission, or a former permanent employee of the senate, the house of

representatives, or of a joint legislative agency or legislative commission who has not withdrawn the value of shares in the unclassified program; and

(2) before permanent employment the employee served as a temporary, intermittent, or contract employee of the senate, the house of representatives, a joint legislative staff agency, or a legislative commission.

Subd. 2. **Payments by employee.** An employee entitled to purchase service credit may make the purchase by paying to the state retirement system an amount equal to the current employee contribution rate in effect for the state retirement system applied to the current or final salary rate multiplied by the months and days of prior temporary, intermittent, or contract legislative service. Payment shall be made in one lump sum unless the executive director of the state retirement system agrees to accept payment in installments over a period of not more than three years from the date of the agreement. Installment payments shall be charged interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually.

Subd. 3. **Certification.** Proof of all legislative employment and the duration of all legislative employment shall be established for current or former employees by certification of the appropriate employer:

(1) by the Committee on Rules and Administration of the senate;

(2) by the Committee on Rules and Legislative Administration of the house of representatives; or

(3) by the agency director or commission chair for service as an employee of a joint legislative staff agency or legislative commission.

Certification to the executive director of the state retirement system shall include the exact period or periods of employment for which the employee or qualified former employee is entitled to obtain service credit. Service credit shall be computed and granted upon receiving payment based on the relationship that the temporary, intermittent, or contract service bears to full-time employment.

Subd. 4. **Employer contributions.** Employee payments to the state retirement system authorized by this section shall be matched by the current employer of the qualified employee from the appropriation made to the respective legislative expense funds or the appropriation available to the agency or commission. If the qualified employee is a participant in the unclassified program at the time of payment, payments by the employee and employer shall be used to purchase shares in the Minnesota supplemental retirement fund.

History: *1983 c 360 s 1; 1986 c 444; 1992 c 598 art 1 s 11; 2015 c 68 art 3 s 7; 2018 c 211 art 6 s 14*

352D.12 TRANSFER OF PRIOR SERVICE CONTRIBUTIONS.

(a) An employee who is a participant in the unclassified program and who has prior service credit in a covered plan under chapter 352, 353, 354, 354A, or 422A may, within the time limits specified in this section, elect to transfer to the unclassified program prior service contributions to one or more of those plans.

(b) For participants with prior service credit in a plan governed by chapter 352, 353, 354, 354A, or 422A, "prior service contributions" means the accumulated employee and equal employer contributions with interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually, based on fiscal year balances.

(c) If a participant has taken a refund from a retirement plan listed in this section, the participant may repay the refund to that plan, notwithstanding any restrictions on repayment to that plan, with interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually, and have the accumulated employee and equal employer contributions transferred to the unclassified program with interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter compounded annually

based on fiscal year balances. If a person repays a refund and subsequently elects to have the money transferred to the unclassified program, the repayment amount, including interest, is added to the fiscal year balance in the year which the repayment was made.

(d) A participant electing to transfer prior service contributions credited to a retirement plan governed by chapter 352, 353, 354, 354A, or 422A as provided under this section must complete a written application for the transfer and repay any refund within one year of the commencement of the employee's participation in the unclassified program.

History: *1Sp1985 c 7 s 9; 1992 c 432 art 2 s 1; 1992 c 598 art 1 s 12; 1998 c 366 s 74; 1998 c 390 art 6 s 1; 1Sp2005 c 8 art 10 s 37; 2015 c 68 art 2 s 8; 2018 c 211 art 6 s 15*