CHAPTER 354A

TEACHERS RETIREMENT, ST. PAUL

354A.011 DEFINITIONS.
354A.021 TEACHERS RETIREMENT FUND ASSOCIATION IN ST. PAUL.
354A.05 MEMBERSHIP IN A TEACHERS RETIREMENT ASSOCIATION IN ST. PAUL.
354A.08 AUTHORIZED INVESTMENTS.
354A.09 PRO RATA DISTRIBUTION OF FUNDS.
354A.091 TEACHERS ON EXTENDED LEAVE.
354A.092 SABBATICAL LEAVE.
354A.093 BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.
354A.094 QUALIFIED PART-TIME TEACHERS; PARTICIPATION IN FUND.
354A.095 PARENTAL AND MATERNITY LEAVE.
354A.096 MEDICAL LEAVE.
354A.0961 SERVICE CREDIT PURCHASE FOR TEACHING SERVICE IN OTHER STATES.
354A.11 CERTAIN MONEY AND CREDITS OF TEACHERS EXEMPT.
354A.12 CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.
354A.21 PROPORTIONATE ANNUITY.
354A.23 ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATIONS; BASIC PROGRAMS.
354A.25 AUTHORITY TO ELECT A SURVIVOR ANNUITY FOR A SAME-SEX SPOUSE.
354A.29 ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION POSTRETIREMENT ADJUSTMENT.

COORDINATED PROGRAM

354A.30 ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION; COORDINATED PROGRAM.
354A.31 COORDINATED PROGRAM RETIREMENT BENEFITS.
354A.32 OPTIONAL RETIREMENT ANNUITIES.
354A.33 SOCIAL SECURITY LEVELING ADJUSTMENT OPTION.
354A.34 DISPOSITION OF UNPAID PERIOD CERTAIN FOR LIFE OR GUARANTEED REFUND OPTIONAL ANNUITIES.
354A.35 SURVIVOR BENEFITS.
354A.36 PERMANENT DISABILITY BENEFITS.
354A.37 REFUNDS; DEFERRED ANNUITY.
354A.38 EFFECT OF REFUND; REPAYMENT OF REFUND.
354A.40 COMPUTATION OF BENEFITS WITH PARTIAL SERVICE AS COORDINATED MEMBER.
354A.41 ADMINISTRATION OF COORDINATED PROGRAM.

354A.01 [Repealed, 1979 c 217 s 28]

354A.011 DEFINITIONS.

Subdivision 1. **Terms.** For purposes of this chapter, unless the language or context clearly indicates that a different meaning is intended, the following terms shall have the meanings ascribed to them.

Subd. 2. [Repealed, 1992 c 598 art 6 s 22]

Subd. 3. **Accumulated contributions.** "Accumulated contributions" means the total of member or employee contributions made by salary deductions and assessments or payments made in lieu of salary deductions, if authorized, which are credited by the teachers retirement fund association to the member's individual account.

Subd. 3a. **Actuarial equivalent.** "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the appropriate board of trustees based on the experience of that retirement fund association as recommended by the actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable investment return assumption specified in section 356.215, subdivision 8.

Subd. 4. **Allowable service.** "Allowable service" means any service rendered by a teacher during a period in which the teacher receives salary from which employee contribution salary deductions are made to and credited by the teachers retirement fund association, any service rendered by a person during any period where assessments or payments in lieu of salary deductions were made if authorized by any law or

provision of the association's articles of incorporation or bylaws then in effect or pursuant to section 354A.091, 354A.092, 354A.093, or 354A.094.

Subd. 5. **Annuity.** "Annuity" means the payments made by the teachers retirement fund association in the form of a retirement annuity or an optional annuity.

Subd. 6. **Approved actuary.** "Approved actuary" means an actuary who meets the definition in section 356.215, subdivision 1, paragraph (c).

Subd. 6a. **APRN.** "APRN" means an individual licensed as an advanced practice registered nurse by the Board of Nursing as defined in section 148.171, subdivision 3, who provides services to a member or an applicant that are within the scope of the APRN's professional licensure.

Subd. 7. **Association.** "Association" or "teachers retirement fund association" means the St. Paul Teachers Retirement Fund Association established pursuant to this chapter.

Subd. 7a. **Average salary.** "Average salary," for purposes of computing a normal coordinated program retirement annuity under section 354A.31, subdivision 4 or 4a, means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit but may not, in any event, include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

Subd. 8. **Basic member.** "Basic member" means any member of the teachers retirement fund association who is not covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare.

Subd. 9. **Benefit.** "Benefit" means the allowance paid or payable by the teachers retirement fund association to a surviving spouse, designated beneficiary, surviving child or estate or in periodic payments to a member or former member who is permanently and totally disabled.

Subd. 10. **Board.** "Board" means the board of trustees of the teachers retirement fund association.

Subd. 11. **Coordinated member.** "Coordinated member" means any member of the teachers retirement fund association who is covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to certain teachers.

Subd. 12. **Coordinated service.** "Coordinated service" means the allowable service credited by the respective teachers retirement fund association for which the member was covered by the coordinated program of the association.

Subd. 12a. **Dependent child.** "Dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent on the member for more than one-half of the child's support at the time of the member's death. It also means a child of the member conceived during the member's lifetime and born after the member's death.

Subd. 13. **Designated beneficiary.** "Designated beneficiary" means the person designated by a member or retiree of the teachers retirement fund association to receive the benefits to which a beneficiary is entitled under this chapter. A beneficiary designation is valid only if it is made on an appropriate form provided by the executive director and the properly completed form is received by the fund postmarked on or before the date of death of the retiree or member. If a retiree or member does not designate such a person or if the

person designated predeceases the retiree or member, beneficiary in such cases means the estate of the deceased retiree or member.

Subd. 14. **Disability.** "Disability" or "permanent and total disability" means the inability of a member to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long continued and indefinite duration which shall in no event be less than one year.

Subd. 14a. **District; school district.** "District" or "school district" means the employing school district or the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 14b. **Medical expert.** For purposes of section 354A.36, "medical expert" means a licensed physician, licensed physician assistant, licensed chiropractor, an APRN, or a licensed psychologist, in each case working within the scope of the individual's professional licensure.

Subd. 15. **Member.** "Member" for purposes of entitlement to annuities or benefits pursuant to sections 354A.31 to 354A.41 and any other applicable provisions of this chapter means every teacher who is engaged in teaching service and who under section 354A.05 contributes to the respective teachers retirement fund association and who has not retired. "Member" for purposes of determining who may participate in the organization and governance of the teachers retirement fund association, including the eligibility to elect members of and to serve as a member of the board of trustees, means every teacher who joins and contributes to the respective teachers retirement fund association and any other person designated as a member by the articles of incorporation or the bylaws of the respective teachers retirement fund association.

Subd. 15a. **Normal retirement age.** (a) "Normal retirement age" means age 65 for a person who first became a member of the coordinated program of the St. Paul Teachers Retirement Fund Association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989. Through June 30, 2025, for a person who first became a member of the coordinated program of the St. Paul Teachers Retirement Fund Association after June 30, 1989, normal retirement age means the higher of age 65 or retirement age, as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age 66. Beginning July 1, 2025, for all members of the coordinated program of the St. Paul Teachers Retirement Fund Association, normal retirement age means age 65.

(b) For a person who is a member of the basic program of the St. Paul Teachers Retirement Fund Association, normal retirement age means the age at which a teacher becomes eligible for a normal retirement annuity computed upon meeting the age and service requirements specified in the applicable provisions of the articles of incorporation or bylaws of the teachers retirement fund association.

Subd. 16. **Normal retirement annuity.** "Normal retirement annuity" means for a coordinated member the retirement annuity computed pursuant to section 354A.31, subdivision 4, and paid or payable to a member upon meeting the age and service requirements specified in section 354A.31, subdivision 5, and for a basic member the retirement annuity computed pursuant to and paid or payable to a member upon meeting the age and service requirements specified in the applicable provisions of the articles of incorporation or bylaws of the respective teachers retirement fund association.

Subd. 17. **Optional survivors annuity.** "Optional survivors annuity" means the payments made by the teachers retirement fund association to a survivor of a former member pursuant to an actuarial equivalent optional annuity form established by the applicable board of trustees under section 354A.32 and selected by the member at or before retirement.

Subd. 18. **Other than normal school operating funds.** "Other than normal school operating funds" means funds other than those generated as proceeds of property tax levies, state school maintenance cost aids distributed in accordance with statute, state aid to distressed school districts, proceeds from federal forest reserve lands, state transportation aids, receipts from tuition paid by persons or other school districts, any rental charges received, and any other moneys appropriated by the legislature.

Subd. 19. **Program.** "Program" means a separate component plan of the teachers retirement fund association providing a specific set of retirement annuities and disability and survivor benefits for a defined portion of the covered membership of the association.

Subd. 20. **Reduced retirement annuity.** "Reduced retirement annuity" means for a coordinated member the retirement annuity computed pursuant to section 354A.31, subdivision 4, reduced pursuant to section 354A.31, subdivision 6 or 7, and paid or payable to a member upon meeting the minimum age and service requirements specified in section 354A.31, subdivision 1, but prior to meeting the age and service requirements specified in section 354A.31, subdivision 5, and for a basic member the retirement annuity computed pursuant to and paid or payable to a member upon meeting the minimum age and service requirements specified in but prior to meeting the age and service requirements for a normal retirement annuity specified in the applicable provisions of the articles of incorporation or bylaws of the respective teachers retirement fund association.

Subd. 21. **Retirement.** (a) "Retirement" means the time after the date of cessation of active teaching service by a teacher who is then entitled to an accrued retirement annuity beginning as designated by the board of trustees and payable upon filing a valid application for an annuity with the board. The applicable provisions of law, articles of incorporation and bylaws in effect on the date of cessation of active teaching service thereafter determine the rights of the person.

(b) For members of the St. Paul Teachers Retirement Fund Association, a right to a retirement annuity requires a complete and continuous separation for 90 days from employment in any form with Independent School District No. 625, including service provided to the school district as an independent contractor or as an employee of an independent contractor.

Subd. 22. **Retirement annuity.** "Retirement annuity" means the payments made by the teachers retirement fund association to a retired teacher.

Subd. 23. **Sabbatical leave.** "Sabbatical leave" means an authorized leave of absence period during which the member is compensated at a rate of not less than one-third of the salary which the member received during the plan year immediately preceding the granting of the leave.

Subd. 24. **Salary; covered salary.** (a) Subject to the limitations of section 356.611, "salary" or "covered salary" means the entire compensation, upon which member contributions are required and made, that is paid to a teacher before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) Salary does not mean:

(1) lump-sum annual leave payments;

(2) lump-sum wellness and sick leave payments;

(3) employer-paid amounts used by an employee toward the cost of insurance coverage, employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or any payments in lieu of any employer-paid group insurance coverage, including the difference between

single and family rates that may be paid to a member with single coverage, and certain amounts determined by the executive secretary or director to be ineligible;

(4) any form of payment that is made in lieu of any other employer-paid fringe benefit or expense;

(5) any form of severance payments;

(6) workers' compensation payments;

(7) disability insurance payments, including self-insured disability payments;

(8) payments to school principals and all other administrators for services that are in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any other nonduty day;

(9) payments under section 356.24, subdivision 1, clause (4);

(10) payments made under section 122A.40, subdivision 12, except for payments for sick leave that are accumulated under the provisions of a uniform school district policy that applies equally to all similarly situated persons in the district; and

(11) payments from the family and medical benefit insurance account for Minnesota paid leave under chapter 268B.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

Subd. 25. **Service.** "Service" means all allowable service credited by the teachers retirement fund association, irrespective of whether the member at the time was covered by the basic program or by the coordinated program.

Subd. 26. **Spouse.** "Spouse" means the person who was legally married to the member immediately prior to the member's death.

Subd. 27. **Teacher.** (a) "Teacher" means any person who renders service for:

(1) Independent School District No. 625, St. Paul, as any of the following:

(i) a full-time employee in a position for which a valid license from the Professional Educator Licensing and Standards Board is required;

(ii) a part-time employee in a position for which a valid license from the Professional Educator Licensing and Standards Board is required; or

(iii) a part-time employee in a position for which a valid license from the Professional Educator Licensing and Standards Board is required who also renders other nonteaching services for the school district, unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service may not be covered by the association;

(2) the teachers retirement fund association located in the city of St. Paul as an employee; or

(3) the Minnesota State Colleges and Universities as an employee who has continuing coverage under this chapter through section 354B.211, subdivision 3, paragraph (c).

(b) The term does not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) an employee who is a full-time teacher covered by the Teachers Retirement Association under chapter 354;

(3) an employee who is exempt from licensure pursuant to section 122A.30; or

(4) a person who is receiving a retirement annuity from the teachers retirement fund association and is employed after retirement by the school district associated with the retirement fund association.

Subd. 28. **Teaching service.** "Teaching service" means any service as a teacher performed by any person included within the definition of teacher.

Subd. 29. **Vesting; vested.** "Vesting" or "vested" means having entitlement to a nonforfeitable annuity or benefit from the St. Paul Teachers Retirement Fund Association coordinated member program when the teacher has accrued credit for at least three years of allowable service.

History: *1979 c 217 s 1; 1980 c 609 art 5 s 22; 1981 c 224 s 131; 1981 c 269 s 1; 1981 c 298 s 11; 1983 c 286 s 9; 1987 c 258 s 12; 1987 c 259 s 46,47; 1989 c 246 s 2; 1989 c 319 art 13 s 71,72; 1990 c 570 art 12 s 45; 1991 c 269 art 2 s 11; 1992 c 598 art 6 s 1-10; 1993 c 336 art 1 s 1; art 6 s 16; 1994 c 508 art 1 s 5; 1994 c 542 s 1; 1995 c 141 art 4 s 4,5; 1Sp1995 c 3 art 16 s 13; 1997 c 233 art 3 s 1; 1998 c 397 art 11 s 3; 1Sp2001 c 10 art 3 s 19; art 6 s 10,21; 2002 c 392 art 6 s 2; art 11 s 52; 2003 c 130 s 12; 1Sp2003 c 12 art 6 s 5; 2004 c 267 art 2 s 5; 1Sp2005 c 8 art 1 s 19,20; art 3 s 5; 2006 c 277 art 3 s 11,12; 2010 c 359 art 12 s 20; 1Sp2011 c 8 art 2 s 1; 2013 c 111 art 13 s 2; 2014 c 296 art 1 s 7; art 6 s 11-13,49; 2015 c 68 art 13 s 40; 2018 c 211 art 4 s 1; art 19 s 4; 1Sp2019 c 8 art 5 s 5; 2022 c 65 art 5 s 13,14; 2023 c 64 art 14 s 5; 2024 c 102 art 11 s 1,14; 2026 c 106 art 3 s 8; art 8 s 14*

354A.02 [Repealed, 1979 c 217 s 28]

354A.021 TEACHERS RETIREMENT FUND ASSOCIATION IN ST. PAUL.

Subdivision 1. **Establishment.** There is established the teachers retirement fund association in the city of St. Paul. The association is known as the "St. Paul Teachers Retirement Fund Association." The association is a continuation of the teachers retirement fund association with the same corporate name established under the authorization contained in Laws 1909, chapter 343, section 1.

Subd. 2. **Organization; board duties.** (a) The teachers retirement fund association must be organized and governed pursuant to this chapter and chapter 317A, except that the association must be deemed to be a nonprofit corporation without coming within the definition in section 317A.011, subdivision 6. Any corporate action of any teachers retirement fund association taken prior to April 9, 1976, must be deemed to be valid if it conformed with Minnesota Statutes 1976, chapter 317 or 354A, or Revised Laws 1905, chapter 58, as amended through April 9, 1976.

(b) In addition to the other powers and duties of the board of trustees of the teachers retirement fund association, the board must approve early retirement and optional annuity factors, subject to review by the actuary retained by the Legislative Commission on Pensions and Retirement; must establish the schedule for implementation of the approved factors; and must notify the Legislative Commission on Pensions and Retirement of the implementation schedule.

Subd. 3. **Fund.** Within the teachers retirement fund association there must be created a special retirement fund, which must include all of the assets of the teachers retirement fund association other than assets of a

tax-sheltered annuity program and fund authorized pursuant to subdivision 5 which were acquired for the specific purpose of being credited to that fund. The special retirement fund must be credited with all employee and employer contributions, all interest and all other income authorized by law. Within the special retirement fund there may be established separate special retirement fund accounts for the purpose of providing convenience in the funding of and accounting for retirement annuities and any authorized ancillary benefits.

Subd. 4. **Fund disbursement restricted.** The assets of the special retirement fund shall be disbursed only for the purposes provided for in this chapter, the articles of incorporation or bylaws in effect as of March 31, 1975, and the articles of incorporation or bylaws adopted subsequent to March 31, 1975 in accordance with the provisions of section 354A.12. All appropriate expenses of and any authorized benefits provided by the teachers retirement fund association shall be paid from the special retirement fund. Amounts necessary to make payments from the special retirement fund of the teachers retirement fund association are hereby appropriated.

Subd. 5. [Repealed, 2014 c 296 art 6 s 48]

Subd. 6. **Trustees' fiduciary obligation.** The trustees of the teachers retirement fund association must administer the fund in accordance with the applicable portions of this chapter, of the articles of incorporation, of the bylaws, and of chapters 356 and 356A. The purpose of this subdivision is to establish the teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Subd. 7. **Actuarial consultant.** The board of trustees of the teachers retirement fund association may contract for the services of an approved actuary and fix the reasonable compensation for those services. Any approved actuary retained by the board must function as the actuarial advisor to the board and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained under section 356.214. Any supplemental actuarial valuations or experience studies must be filed with the executive director of the Legislative Commission on Pensions and Retirement.

Subd. 8. **Annual audit.** (a) The books and accounts of the association must be examined and audited annually. A full and detailed report of the examination and audit must be made and a copy provided to the board. The cost of any examination and audit must be paid by the association in accordance with section 6.56. For purposes of section 6.56, the association is considered a local governmental entity equivalent to a county, city, town, or school district.

(b) The examination and audit required under paragraph (a) must be conducted by the state auditor unless the state auditor has notified the association that the state auditor will not conduct the examination and audit for a particular year. For any year that the state auditor does not perform the examination and audit, the association must obtain the examination and audit by a CPA firm meeting the requirements of section 326A.05.

Subd. 9. **Updated articles of incorporation and bylaws; filing.** (a) On or before July 1, 2006, and within six months of the date of the approval of any amendment to the articles of incorporation or bylaws, the chief administrative officer of the teachers retirement fund association must prepare and publish an updated compilation of the articles of incorporation and the bylaws of the association.

(b) The chief administrative officer of the teachers retirement fund association must certify the accuracy and the completeness of the compilation.

(c) The compilation of the articles of incorporation and bylaws of the teachers retirement fund association must contain an index.

(d) The compilation must be made available to association members and other interested parties. The association may charge a fee for a copy that reflects the price of printing or otherwise producing the copy. The compilation must be filed, without charge, by the teachers retirement fund association with the Legislative Commission on Pensions and Retirement, the Legislative Reference Library, the state auditor, the commissioner of education, the chancellor of the Minnesota State Colleges and Universities system, and the superintendent of Independent School District No. 625, St. Paul. The compilation may be filed by email.

(e) The teachers retirement fund association may contract with the revisor of statutes for the preparation of the compilation.

(f) If the teachers retirement fund association makes an updated copy of its articles of incorporation and bylaws available on its website, the teachers retirement fund association is not obligated to file a hard copy of the documents under paragraph (d) for the applicable filing period.

History: *1979 c 217 s 2; 1983 c 286 s 10; 1987 c 259 s 48; 1987 c 284 art 7 s 1; 1987 c 372 art 11 s 1; 1989 c 304 s 135; 1989 c 319 art 8 s 18; 1990 c 488 s 43; 1992 c 598 art 6 s 11; 1993 c 336 art 1 s 2; 1993 c 375 art 8 s 14; 2004 c 223 s 5; 1Sp2005 c 8 art 7 s 1; art 10 s 61; 2006 c 277 art 3 s 13; 2013 c 111 art 8 s 5; 2014 c 296 art 6 s 14,48,49; 2024 c 102 art 11 s 2-7,14; 2026 c 106 art 3 s 9*

354A.022 [Expired, 2014 c 296 art 6 s 15]

354A.023 [Never effective, 1994 c 565 art 1 s 1,2]

354A.026 [Repealed, 1Sp2001 c 10 art 3 s 29]

354A.03 [Repealed, 1979 c 217 s 28]

354A.04 [Repealed, 1979 c 217 s 28]

354A.05 MEMBERSHIP IN A TEACHERS RETIREMENT ASSOCIATION IN ST. PAUL.

Teachers contributing to the teachers retirement fund association, as provided in this chapter and the articles of incorporation and the bylaws of the association, are entitled to the benefit of coverage by or entitlement to annuities or benefits from the association. All teachers of Independent School District No. 625, St. Paul, are members of the teachers retirement fund association and participate in the benefits provided by the special retirement fund.

History: *(1362) 1909 c 343 s 5; 1941 c 214 s 1; 1945 c 390 s 1; 1951 c 25 s 1; 1973 c 255 s 1; 1976 c 2 s 125; 1979 c 40 s 8; 1979 c 217 s 3; 1992 c 598 art 6 s 12; 2024 c 102 art 11 s 8*

354A.051 [Repealed, 2006 c 277 art 3 s 45]

354A.06 [Repealed, 1975 c 306 s 34]

354A.07 [Repealed, 1975 c 306 s 34]

354A.08 AUTHORIZED INVESTMENTS.

In addition to investments authorized under section 356A.06, subdivision 7, the teachers retirement fund association may receive, hold, and dispose of real estate or personal property acquired by it, whether the

acquisition was by purchase or any other lawful means, as provided in this chapter or in the association's articles of incorporation.

History: *(1364) 1909 c 343 s 7; 1979 c 217 s 4; 1983 c 291 s 3; 1992 c 598 art 6 s 13; 2006 c 271 art 8 s 2; 2012 c 286 art 10 s 6; 2024 c 102 art 11 s 14*

354A.09 PRO RATA DISTRIBUTION OF FUNDS.

In the event that the assets of the special retirement fund of the teachers retirement fund association are not sufficient to pay annuities and other retirement benefits in full as they come due in any particular year, the amount of special retirement fund assets available for payment shall be prorated among those annuitants and beneficiaries entitled to receive annuities and other retirement benefits.

History: *(1365) 1909 c 343 s 8; 1979 c 217 s 5; 2024 c 102 art 11 s 14*

354A.091 TEACHERS ON EXTENDED LEAVE.

Subdivision 1. **Retirement contributions.** Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of the association relating to the salary figure to be used for the determination of contributions or the accrual of service credit an elementary, secondary, or technical college teacher in Independent School District No. 625, St. Paul, who is granted an extended leave of absence pursuant to section 122A.46, or a teacher who is granted an extended leave of absence under section 136F.43, may pay employee contributions to the association and must be entitled to receive allowable service credit in the association for each year of leave, provided the member and the employing board make the required employer contributions, in any proportion they may agree upon, to the association during the period of leave which shall not exceed five years. The state must not make an employer contribution on behalf of the teacher. The employee and employer contributions must be based upon the rates of contribution prescribed by section 354A.12 as applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee and employer contributions authorized pursuant to this section must be made on or before June 30 of the fiscal year for which service credit is to be received. No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Subd. 1a. [Repealed, 2008 c 349 art 5 s 37]

Subd. 1b. [Repealed, 2008 c 349 art 5 s 37]

Subd. 2. **Membership retention.** A teacher on extended leave under either section 122A.46 or 136F.43 whose employee and employer contributions are made to the teachers retirement fund association pursuant to subdivision 1 must retain membership in the association for each year during which the contributions are made, under the same terms and conditions as if the teacher had continued to teach in the district.

Subd. 3. **Effect of nonpayment.** A teacher on extended leave under either section 122A.46 or 136F.43 who does not make employee contributions or whose employer contribution is not made to the teachers retirement fund association in any year must be deemed to have ceased to be an active member of the association and to have ceased to render teaching services beginning in that year for purposes of this chapter and the articles of incorporation and bylaws of the association, and may not pay employee or employer contributions into the fund in any subsequent year of the leave. Nonpayment of contributions into the fund must not affect the rights or obligations of the teacher or the employing school district under section 122A.46 or the Minnesota State Colleges and Universities system under section 136F.43.

Subd. 4. **Failure to resume service.** If a teacher who has made employee contributions to the teachers retirement fund association for the agreed maximum duration of an extended leave does not resume teaching service in the first school year after that maximum duration has elapsed, the teacher must be deemed to have ceased to be an active member of the association and to have ceased to render teaching services beginning in that first school year after that maximum duration has elapsed for purposes of this chapter and the articles of incorporation and bylaws of the association.

Subd. 5. **Applicability.** The provisions of this section must not apply to a teacher who is discharged pursuant to section 122A.41 while the teacher is on an extended leave of absence pursuant to section 122A.46. The provisions of this section also do not apply to a teacher who is discharged for cause while the teacher is on an extended leave of absence under section 136F.43.

Subd. 6. **Exclusive coverage.** A teacher who makes employee contributions to and receives allowable service credit in the teachers retirement fund association pursuant to this section may not make employee contributions or receive allowable service credit for the same period of time in any other Minnesota public employee pension plan, except a firefighter relief association governed by sections 424A.091 to 424A.096 or the statewide volunteer firefighter plan governed by chapter 353G. This subdivision must not be construed to prohibit a member who pays employee contributions and receives allowable service credit in the fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of this chapter or the bylaws of a retirement association, a teacher may not pay retirement contributions or receive allowable service credit in the fund for teaching service rendered for any part of any year for which the teacher pays retirement contributions or receives allowable service credit pursuant to section 354.094 or this section while on an extended leave of absence under either section 122A.46 or 136F.43.

History: *1977 c 447 art 9 s 6; 1978 c 764 s 120,121; 1979 c 217 s 6; 1979 c 334 art 8 s 20-22; 1981 c 224 s 132,133; 1981 c 358 art 8 s 14-17; 1983 c 314 art 10 s 12-14; 1986 c 444; 1987 c 258 s 12; 1989 c 246 s 2; 1989 c 293 s 79; 1989 c 329 art 9 s 23,24; 1998 c 397 art 11 s 3; 2000 c 461 art 12 s 6-10; 2013 c 111 art 5 s 80; 2024 c 102 art 2 s 31; art 11 s 9; 2026 c 106 art 15 s 26*

354A.092 SABBATICAL LEAVE.

Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association who is granted a sabbatical leave is entitled to receive allowable service credit in the association for periods of sabbatical leave. To obtain the service credit, the teacher on sabbatical leave shall make an employee contribution to the association. No teacher is entitled to receive more than three years of allowable service credit under this section for a period or periods of sabbatical leave during any ten consecutive years. If the teacher granted a sabbatical leave makes the employee contribution for a period of sabbatical leave under this section, the employing unit shall make an employer contribution on behalf of the teacher to the association for that period of sabbatical leave in the manner described in section 354A.12, subdivision 2a. The employee and employer contributions must be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period. Payment of the employee contribution authorized under this section must be made by the teacher on or before June 30 of the year next following the year in which the sabbatical leave terminated and must be made without interest. The required employer contributions must be paid by the employing unit within 30 days after notification by the association of the amount due. If the employee contributions for the sabbatical leave period are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period,

service credit must be prorated. The prorated service credit must be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable under this section.

History: *1979 c 217 s 7; 1981 c 224 s 134; 1981 c 269 s 2; 1Sp1985 c 12 art 11 s 10; 1996 c 305 art 1 s 87; 2006 c 277 art 3 s 14; 2014 c 296 art 6 s 16,49; 2015 c 68 art 13 s 41*

354A.093 BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.

Subdivision 1. **Eligibility.** Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association who is absent from employment by reason of service in the uniformed services as defined in United States Code, title 38, section 4303(13) and who returns to the employer providing active teaching service upon discharge from uniformed service within the time frames required under United States Code, title 38, section 4312(e), may receive allowable service credit in the association for all or a portion of the period of uniformed service, provided that the teacher did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

Subd. 2. **Contributions.** If the teacher makes the equivalent employee contribution for a period of service provided to the uniformed services under this section, the employing unit shall make an equivalent employer contribution on behalf of the teacher to the applicable association for the period being purchased in the manner described in section 354A.12, subdivision 2a. The equivalent employee and employer contributions must be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's average annual salary rate that the teacher would have received if the leave or break in service had not occurred, or if the determination of that average salary rate is not reasonably certain, on the basis of the teacher's average salary rate during the 12-month period immediately preceding the period, or, if the preceding period is less than 12 months, the annualized rate derived from the teacher's average salary rate during the period of teacher employment rendered immediately preceding the period of uniformed service, with the result multiplied by the number of full and fractional years constituting the period of service provided to the uniformed service which the teacher is authorized to purchase under this section.

Subd. 3. **Prorating.** If the payments made by a teacher under this section are less than the full amount determined under subdivision 2, the service credit must be prorated. The prorated service credit must be determined by the ratio between the amount of the actual equivalent employee payment which was made and the full equivalent employee payment required under this section.

Subd. 4. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the St. Paul Teachers Retirement Fund Association during the period which begins with the date the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than three years, the contributions required under this section to receive service credit may be made within three years from the discharge date.

Subd. 5. **Limits on service credit.** The amount of service credit obtainable under this section may not exceed five years, unless a longer purchase period is required under United States Code, title 38, section 4312.

Subd. 6. **Interest requirements.** The employer shall pay interest on all equivalent employee and employer contribution amounts payable under this section. Interest must be computed at the applicable annual rate or

rates specified in section 356.59, subdivision 5, compounded annually, from the end of each fiscal year of the leave or break in service to the end of the month in which payment is received.

History: *1979 c 217 s 8; 1981 c 269 s 3; 1Sp1985 c 12 art 11 s 11; 1996 c 305 art 1 s 88; 2004 c 267 art 3 s 7; 2006 c 277 art 3 s 15; 2014 c 296 art 6 s 17,49; 2015 c 68 art 2 s 14; 2018 c 211 art 6 s 30; art 12 s 1; 2023 c 47 art 8 s 2*

354A.094 QUALIFIED PART-TIME TEACHERS; PARTICIPATION IN FUND.

Subdivision 1. **Teachers, defined.** For purposes of this section, the term "teachers" has the meaning given in section 122A.15, subdivision 1, except that the term must not include superintendents.

Subd. 2. **Part-time teaching position, defined.** For purposes of this section, the term "part-time teaching position" means a teaching position within Independent School District No. 625, St. Paul, in which the teacher is employed for at least 50 full days or a fractional equivalent of 50 full days calculated using the appropriate minimum number of hours which would result in a full day of service credit by the association and for which the teacher is compensated in an amount not to exceed 80 percent of the compensation rate established by the board for a full-time teacher with identical education and experience within the district.

Subd. 3. **Qualified part-time teacher program participation requirements.** (a) A teacher in Independent School District No. 625, St. Paul, who is vested, or who has combined years of full-time teaching service in Minnesota public elementary schools, Minnesota secondary schools, and Minnesota State Colleges and Universities system at least equal to the number of years specified for vesting in the association, may, by agreement with the board of the district, be assigned to teaching service within the district in a part-time teaching position. The agreement must be executed before October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4. A copy of the executed agreement must be filed with the executive director of the teachers retirement fund association. If the copy of the executed agreement is filed with the association after October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4, the school district must pay a fine of $5 for each calendar day that elapsed since the October 1 due date. The association may not accept an executed agreement that is received by the association more than 15 months late. The association may not waive the fine required by this section.

(b) Notwithstanding paragraph (a), if the teacher is also a legislator:

(1) the agreement in paragraph (a) must be executed before March 1 of the school year for which the teacher requests to make retirement contributions under subdivision 4; and

(2) the fines specified in paragraph (a) apply if the employing unit does not file the executed agreement with the executive director of the teachers retirement fund association by March 1.

Subd. 4. **Retirement contributions.** Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of the association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position under this section must continue to make employee contributions to and to accrue allowable service credit in the association during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the association 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 teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for services rendered in the

part-time assignment. The employer contributions to the association on behalf of the teacher must be based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354A.12, subdivision 2a. The employee and employer contributions must be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part-time teaching service by a teacher pursuant to this section and section 354.66 must not continue for a period longer than ten years.

Subd. 4a. [Repealed, 1987 c 398 art 7 s 43]

Subd. 5. **Limits on outside coverage.** A teacher entitled to full membership, accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section must 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 pension plan, except a firefighter relief association governed by sections 424A.091 to 424A.096 or the statewide volunteer firefighter plan governed by chapter 353G.

Subd. 6. **Insurance.** The board of Independent School District No. 625, St. Paul, entering into an agreement authorized by this section must take all steps necessary to assure continuance of 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.

Subd. 7. **Qualification.** Only teachers who are in the bargaining unit as defined in section 179A.03, subdivision 7, during the year preceding the period of part time employment pursuant to this section shall qualify for full membership in, accrual of service credit from, and employee contributions to the teachers retirement fund association for part time teaching service pursuant to subdivision 4. Notwithstanding the provisions of section 179A.03, subdivision 14, paragraph (a), clauses (5) and (6), 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, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Subd. 8. **One district limit.** No teacher shall qualify for full membership in, accrual of service credit from and employee contributions to the Teachers Retirement Association or the teachers retirement fund association for part time teaching service pursuant to subdivision 4 or section 354.66, subdivision 4, in more than one district at the same time. No teacher shall qualify for full membership in, accrual of service credit from and employee contributions to the teachers retirement fund association during part time employment in Independent School District No. 625, St. Paul, pursuant to this section in any year if the teacher also takes a full time or part time teaching position in another Minnesota school district.

Subd. 9. [Repealed, 1987 c 398 art 7 s 43]

Subd. 10. **Nonqualified part-time positions.** Nothing in this section shall be construed to limit the authority of a school board to assign a teacher to a part time teaching position which does not qualify for employee contributions to the teachers retirement fund association pursuant to this section.

Subd. 11. **Substitute teaching; no coverage overlap.** Neither subdivision 5 nor subdivision 8 shall be construed to prohibit a teacher who qualifies for full membership in, accrual of service credit from and employee contributions to the teachers retirement fund association pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of this chapter or the bylaws of the association, a teacher may not pay retirement contributions or receive allowable service credit in the association for other teaching service rendered for any part of any year for which the teacher qualifies for full membership in, accrual of service credit from and employee contributions

to the Teachers Retirement Association or the teachers retirement fund association pursuant to section 354.66 or this section.

Subd. 12. **Information supplied by district.** Independent School District No. 625, St. Paul, must furnish to the teachers retirement fund association whatever information and reports deemed necessary by the board of trustees of the teachers retirement fund association to administer the provisions of this section.

History: *1979 c 217 s 9; 1980 c 509 s 136-139; 1981 c 224 s 135-138; 1981 c 358 art 8 s 18; 1982 c 578 art 3 s 6; 1983 c 314 art 10 s 15-17; 1984 c 462 s 27; 1Sp1985 c 12 art 6 s 20; art 11 s 12; 1987 c 258 s 12; 1989 c 246 s 2; 1989 c 329 art 9 s 25; 1991 c 199 art 1 s 72; 1994 c 521 s 3,4; 1995 c 262 art 1 s 6; 1996 c 305 art 1 s 89; 1998 c 390 art 3 s 3,4; 1998 c 397 art 11 s 3; 2004 c 267 art 4 s 2; 1Sp2011 c 8 art 2 s 2; 2013 c 111 art 5 s 80; 2024 c 102 art 2 s 31; art 11 s 10; 2026 c 106 art 15 s 26*

354A.095 PARENTAL AND MATERNITY LEAVE.

Basic or coordinated members of the St. Paul Teachers Retirement Fund Association who are on an authorized parental or maternity leave of absence are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary rate upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

History: *1989 c 319 art 2 s 21; 1990 c 570 art 12 s 46; 1994 c 542 s 2; 2006 c 277 art 3 s 16; 2018 c 211 art 19 s 5; 2026 c 106 art 8 s 15*

354A.096 MEDICAL LEAVE.

Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2a, as applied to the member's average full-time monthly salary rate on the date the leave of absence commenced plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 5, compounded annually, from the end of the fiscal year during which the leave terminates to the end of the month during which payment is made. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

History: *1990 c 570 art 7 s 2; 1992 c 598 art 6 s 14; 2006 c 277 art 3 s 17; 2009 c 169 art 4 s 33; 2014 c 296 art 6 s 18,49; 2015 c 68 art 3 s 11; 2018 c 211 art 6 s 31*

354A.0961 SERVICE CREDIT PURCHASE FOR TEACHING SERVICE IN OTHER STATES.

Subdivision 1. **Service credit purchase authorized.** (a) A teacher who has at least three years of allowable service credit with the St. Paul Teachers Retirement Fund Association is entitled to purchase up to five years of allowable and formula service credit for periods of service as an elementary or secondary public or charter school teacher in another state by making payment of the purchase payment amount under subdivision 4.

(b) Periods of service that may be purchased are:

(1) periods of service as a teacher in another state before becoming a member of the association; and

(2) periods of service as a teacher in another state during any period of employment after terminating teaching service as a member of the association and before returning to teaching service as a member of the association.

(c) A teacher is not permitted to purchase a period of service if the purchase would result in an entitlement to service credit for the same period of service in more than one pension or retirement plan.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include:

(1) documentation showing the teacher's period of employment as a teacher in another state;

(2) the period of employment for which service credit is being purchased;

(3) permission to allow the executive director to request and receive verification of such employment;

(4) documentation showing that the teacher has forfeited all rights to benefits for the period of employment as a teacher in another state; and

(5) any other relevant information requested by the executive director.

Subd. 3. **Grant of service credit.** The St. Paul Teachers Retirement Fund Association must grant allowable service credit to the teacher making the purchase for the period being purchased upon receipt of the purchase payment amount. Payment must be made by the earlier of the teacher's termination of teaching service or one year after the executive director's approval of the teacher's application to purchase service credit. Purchasing allowable service credit under this section does not change the date the teacher first became a member of the association for the purpose of computing an annuity under section 354A.31, subdivision 6.

Subd. 4. **Purchase payment amount.** The purchase payment amount is the amount determined under section 356.551 for the period or periods of service requested, except that, for purposes of calculating the purchase payment amount to purchase allowable service credit for service as a teacher in another state that occurred before becoming a member of the association or between periods of teaching service as a member of the association, section 356.551, subdivision 2, paragraph (c), shall not apply.

History: *2022 c 65 art 8 s 2*

354A.097 MS 2006 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6; 1Sp2005 c 8 art 2 s 3]

354A.098 MS 2002 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6]

354A.099 MS 2002 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6]

354A.10 [Repealed, 1979 c 217 s 28]

354A.101 MS 2002 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6]

354A.102 MS 2002 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6]

354A.103 MS 2002 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6]

354A.104 MS 2002 [Repealed, 1999 c 222 art 16 s 16; 2002 c 392 art 7 s 1; 1Sp2003 c 12 art 6 s 2; 2004 c 267 art 17 s 6]

354A.105 [Repealed, 2006 c 277 art 3 s 45]

354A.106 MS 2002 [Expired]

354A.107 [Repealed, 2004 c 267 art 9 s 25]

354A.108 [Repealed, 2014 c 296 art 6 s 48]

354A.109 MS 2002 [Repealed, 1Sp2003 c 12 art 6 s 7]

354A.1095 MS 2002 [Expired]

354A.11 CERTAIN MONEY AND CREDITS OF TEACHERS EXEMPT.

All money deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of a teacher or member of the teachers retirement fund association organized pursuant to this chapter, and all money, rights, and interests or annuities due or to become due to a teacher, member, or annuitant, or their beneficiaries, from any association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from a court and other legal process, except as provided in section 518.58, 518.581, or 518A.53, and shall not be subject to the estate tax provisions of this state.

History: *(1366-2) 1939 c 72 s 1; 1967 c 605 s 1; 1971 c 789 s 7; 1979 c 217 s 10; 1979 c 303 art 3 s 31; 1982 c 578 art 1 s 9; 1983 c 286 s 11; 1984 c 547 s 8; 1987 c 157 s 7; 1997 c 203 art 6 s 92; 2005 c 164 s 29; 1Sp2005 c 7 s 28; 2024 c 102 art 11 s 14*

354A.12 CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.

Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by each member is the percentage of total salary specified below for the applicable program:

Program	Percentage of Total Salary
basic program after June 30, 2025, through June 30, 2026	11.25
basic program after June 30, 2026	10.5

coordinated program after June 30, 2025, through June 30, 2026	8.75
coordinated program after June 30, 2026	8

(b) Contributions must be made by deduction from salary and must be remitted directly to the association at least once each month.

(c) When an employee contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

Subd. 1a. **Obligation for omitted salary deductions.** If the full required contributions are not deducted from the salary of a teacher, payment of the shortage in such deductions is the sole obligation of the employing unit during the three-year period following the end of the fiscal year in which the shortage occurred. The shortage is payable by the employing unit upon notification of the shortage by the executive director of the applicable retirement fund association. The employing unit shall also pay any employer contributions related to the shortage. The amount of the shortage in employee contributions and associated employer contributions is payable with interest at the applicable annual rate or rates specified in section 356.59, subdivision 5, from the date due until the date payment is received in the office of the association, compounded annually, with a minimum interest charge of $10. If the shortage payment and interest is not paid by the employing unit within 60 days of notification, the executive director shall certify the amount of the shortage payment and interest to the commissioner of management and budget, who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit.

Subd. 2. **Retirement contribution levy disallowed.** Except as provided in section 423A.02, subdivision 3, with respect to Independent School District No. 625, notwithstanding any law to the contrary, levies for the St. Paul Teachers Retirement Fund Association, including levies for any employer Social Security taxes for teachers covered by the St. Paul Teachers Retirement Fund Association, are disallowed.

Subd. 2a. **Employer regular and additional contributions.** (a) The employing units shall make the following employer contributions to the teachers retirement fund association:

(1) for each coordinated member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make a regular employer contribution to the retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

after June 30, 2022	8.8 percent
after June 30, 2023	9 percent
after June 30, 2025	9.75 percent

(2) for each basic member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make a regular employer contribution to the respective retirement fund in an amount according to the schedule below:

after June 30, 2022	12.3 percent of salary
after June 30, 2023	12.5 percent of salary
after June 30, 2025	13.25 percent of salary

(3) for each basic member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to 3.64 percent of the salary of the basic member;

(4) for each coordinated member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to 3.84 percent of the coordinated member's salary.

(b) The regular and additional employer contributions must be remitted directly to the St. Paul Teachers Retirement Fund Association at least once each month. Delinquent amounts are payable with interest under the procedure in subdivision 1a.

(c) Payments of regular and additional employer contributions for school district or technical college employees who are paid from normal operating funds must be made from the appropriate fund of the district or technical college.

(d) When an employer contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

Subd. 2b. [Repealed, 1997 c 233 art 3 s 12]

Subd. 2c. MS 2016 [Repealed, 2018 c 211 art 19 s 9]

Subd. 2d. **St. Paul Teachers Retirement Fund Association; employer contributions for reemployed annuitants.** Independent School District No. 625 shall make the regular employer contribution and additional employer contribution specified in subdivision 2a, plus a supplemental contribution equal to 2.5 percent of salary, on behalf of any retired member of the St. Paul Teachers Retirement Fund Association who is reemployed by Independent School District No. 625, including providing service to the school district as an independent contractor or as an employee of an independent contractor.

Subd. 3. [Repealed, 1Sp1985 c 12 art 11 s 22]

Subd. 3a. **Direct state aid to St. Paul Teachers Retirement Fund Association.** (a) The state must pay $2,827,000 to the St. Paul Teachers Retirement Fund Association.

(b) In addition to other amounts specified in this subdivision, the state must pay $7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

(c) In addition to the other amounts specified in this subdivision, the state must pay $5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

(d) In addition to the other amounts specified in this subdivision, the state must pay $3,400,000 as state aid to the St. Paul Teachers Retirement Fund Association.

(e) The aid under this subdivision is payable October 1 annually. The commissioner of management and budget must pay the aid specified in this subdivision. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

Subd. 3b. [Repealed, 2012 c 286 art 8 s 10]

Subd. 3c. **Termination of supplemental contributions and direct matching and state aid.** The supplemental contributions payable to the St. Paul Teachers Retirement Fund Association by Independent

School District No. 625 under section 423A.02, subdivision 3, and the aid under subdivision 3a, paragraphs (a) to (d), continue until the earlier of:

(1) the first day of the fiscal year following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liability as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or

(2) July 1, 2048.

Subd. 3d. [Repealed, 2007 c 134 art 7 s 3]

Subd. 4. **Limitation on certain articles of incorporation or bylaw amendments.** No amendment to the bylaws or articles of incorporation of the teachers retirement fund association in a city of the first class affecting benefits, contributions or actuarial assumptions shall be made without approval by the legislature. Approval shall be deemed granted and the amendment shall become effective only upon enactment of special or general legislation detailing the substance of the amendment and upon submission of the text of the proposed amendment to the articles of incorporation or bylaws by the teachers retirement fund association involved to the Legislative Commission on Pensions and Retirement prior to the effective date of the amendment. Notwithstanding any provision of the articles of incorporation or bylaws to the contrary, amendments may be adopted at an annual meeting or at a special meeting called for that purpose, without further local approval.

Subd. 5. **Reporting and remittance requirements.** (a) The employing unit must provide to the teachers retirement fund association the following member data regarding all new or returning employees before the employee's first payroll date in a format approved by the executive secretary or director. Data changes and the dates of those changes must be reported to the association on an ongoing basis for the payroll cycle in which they occur. Data on the member includes:

(1) legal name, address, date of birth, association member number, employer-assigned employee number, and Social Security number;

(2) association status, including, but not limited to, basic, coordinated, exempt annuitant, exempt technical college teacher, or exempt independent contractor or consultant;

(3) employment status, including, but not limited to, full time, part time, intermittent, substitute, or part-time mobility;

(4) employment position, including, but not limited to, teacher, superintendent, principal, administrator, or other;

(5) employment activity, including, but not limited to, hire, termination, resumption of employment, disability, or death;

(6) leaves of absence; and

(7) other information as may be required by the association.

(b) The employing unit must provide the following data to the association for each payroll cycle in a format approved by the executive secretary or director:

(1) an association member number;

(2) employer-assigned employee number;

(3) Social Security number;

(4) amount of each salary deduction;

(5) amount of salary as defined in section 354A.011, subdivision 24, from which each deduction was made;

(6) reason for payment;

(7) service credit;

(8) the beginning and ending dates of the payroll period covered and the date of actual payment;

(9) fiscal year of salary earnings;

(10) total remittance amount including employee, employer, and employer additional contributions; and

(11) other information as may be required by the association.

(c) On or before August 1 each year, the employing unit must report to the association giving an itemized summary for the preceding 12 months of the total amount that was withheld from the salaries of teachers for deductions and all other information required by the association.

(d) If the employing unit does not comply with the reporting requirements under this section, the employing unit must pay a fine of $5 per calendar day until the association receives the required member data.

(e) The employing unit must remit all amounts that are due to the association and must furnish for each pay period an itemized statement indicating the total amount that is due and is transmitted with any other information required by the association. All amounts due and other employer obligations that are not remitted within 30 days of notification by the association must be certified by the director or secretary to the commissioner of management and budget, who must deduct the amount from any state aid or appropriation amount applicable to the employing unit and must transmit the deducted amount to the association.

Subd. 6. **Adjustment for erroneous receipts.** (a) Adjustments to correct employer contributions and employee deductions taken in error from amounts which are not salary under section 354A.011, subdivision 24, must be made as specified in this section.

(b) Upon discovery of the receipt of erroneous employee deductions and employer contributions under paragraph (a), the executive director must require the employer to discontinue the erroneous employee deductions and erroneous employer contributions reported on behalf of an active member. Upon discontinuation, the executive director must provide for a refund or credit to the employer in the amount of the invalid employee deductions with interest on the employee deductions at the rate specified in section 354A.37, subdivision 3, from the received date of each invalid salary transaction to the first day of the month in which the credit or refund is made. The employer must pay the refunded employee deductions plus interest to the active member.

(c) If the individual is a former member who is not receiving a retirement annuity or benefit and has not received a refund under section 354A.37, subdivision 3, related to the applicable service, the executive director must return the erroneous employee deductions to the former member through a refund with interest

at the rate specified in section 354A.37, subdivision 3, from the received date of each invalid salary transaction to the first day of the month in which the credit or refund is made.

(d) The executive director must return the invalid employer contributions reported on behalf of a member or former member to the employer by providing a credit against future contributions payable by the employer.

Subd. 6a. **Erroneous salary deductions or direct payments.** If erroneous employee deductions and employer contributions reflect a plan coverage error involving any plan covered by this chapter and any plan specified in section 356.637, that section applies.

Subd. 7. **Recovery of benefit overpayments.** (a) If the executive director discovers, within the time period specified in subdivision 8 following the payment of a refund or the accrual date of any retirement annuity, survivor benefit, or disability benefit, that benefit overpayment has occurred due to using invalid service or salary, or due to any erroneous calculation procedure, the executive director must recalculate the annuity or benefit payable and recover any overpayment. The executive director shall recover the overpayment by requiring direct repayment or by suspending or reducing the payment of a retirement annuity or other benefit payable under this chapter to the applicable person or the person's estate, whichever applies, until all outstanding amounts have been recovered. If a benefit overpayment or improper payment of benefits occurred caused by a failure of the person to satisfy length of separation requirements for retirement under section 354A.011, subdivision 21, the executive director shall recover the improper payments by requiring direct repayment. The repayment must include interest at the applicable annual rate or rates specified in section 356.59, subdivision 5, from the first of the month in which a monthly benefit amount was paid to the first of the month in which the amount is repaid, with annual compounding.

(b) In the event the executive director determines that an overpaid annuity or benefit that is the result of invalid salary included in the average salary used to calculate the payment amount must be recovered, the executive director must determine the amount of the employee deductions taken in error on the invalid salary, with interest as determined under section 354A.37, subdivision 3, and must subtract that amount from the total annuity or benefit overpayment, and the remaining balance of the overpaid annuity or benefit, if any, must be recovered.

(c) If the invalid employee deductions plus interest exceed the amount of the overpaid benefits, the balance must be refunded to the person to whom the benefit or annuity is being paid.

(d) Any invalid employer contributions reported on the invalid salary must be credited against future contributions payable by the employer.

(e) If a member or former member, who is receiving a retirement annuity or disability benefit for which an overpayment is being recovered, dies before recovery of the overpayment is completed and an optional annuity or refund is payable, the remaining balance of the overpaid annuity or benefit must continue to be recovered from the payment to the optional annuity beneficiary or refund recipient.

(f) The board of trustees shall adopt policies directing the period of time and manner for the collection of any overpaid retirement or optional annuity, and survivor or disability benefit, or a refund that the executive director determines must be recovered as provided under this section.

Subd. 8. **Additional procedures.** (a) If paragraph (b) does not apply, the period of adjustment under subdivisions 6 and 7 is limited to the fiscal year in which the error is discovered by the executive director and the immediate two preceding fiscal years.

(b) If there is evidence of fraud or other misconduct on the part of the employee or the employer, the board of trustees may authorize adjustments to the account of a member or former member to correct

erroneous employee deductions and employer contributions on invalid salary and the recovery of any overpayments for a period longer than specified under paragraph (a).

(c) Notwithstanding other provisions of this section, the executive director may apply the Revenue Procedures defined in the Internal Revenue Service Employee Plans Compliance Resolution System and not issue a refund of erroneous employee deductions and employer contributions or not recover a small overpayment of benefits if the cost to correct the error would exceed the amount of the refund or overpayment.

(d) Notwithstanding other provisions of this section, interest of $10 or less shall not be payable to a member or former member.

Subd. 9. **Employer responsibility for fees, penalties.** Any fees or penalties assessed by the Internal Revenue Service for any failure by an employer to follow the statutory requirements for reporting eligible members and salary must be paid by the employer.

History: *1975 c 306 s 30; 1976 c 238 s 1; 1976 c 239 s 107; 1978 c 781 s 8; 1979 c 293 s 3; 1980 c 614 s 143; 1981 c 269 s 4; 1982 c 578 art 3 s 7; 1Sp1985 c 12 art 11 s 13; 1Sp1986 c 1 art 9 s 24; 1987 c 258 s 12; 1989 c 246 s 2; 1991 c 317 s 3; 1992 c 598 art 5 s 1; 1993 c 336 art 1 s 3-7; 1993 c 357 s 1-6; 1994 c 420 s 1; 1995 c 141 art 3 s 12; 1995 c 262 art 2 s 2; 1Sp1995 c 3 art 16 s 13; 1996 c 438 art 4 s 5,6; 1997 c 233 art 3 s 2-6; 1Sp2001 c 10 art 3 s 22; 2002 c 392 art 6 s 3; art 11 s 52; 2003 c 130 s 12; 2006 c 271 art 3 s 47; 2006 c 277 art 3 s 18-24; 2007 c 134 art 1 s 6,7,8; 2008 c 277 art 1 s 77,78,98; 2008 c 349 art 8 s 1,2,4; 2009 c 101 art 2 s 109; 2009 c 169 art 4 s 34-38; 2010 c 359 art 1 s 57-59; art 2 s 14; 2012 c 286 art 8 s 6; 2013 c 111 art 13 s 3-9; 2014 c 296 art 6 s 19-22,49; art 7 s 1,2; 2015 c 68 art 13 s 42; 2018 c 211 art 6 s 32,33; art 7 s 13,14; art 8 s 4,5; 2021 c 22 art 5 s 1; 2023 c 45 art 5 s 1; 2023 c 64 art 14 s 6,7; 2024 c 102 art 1 s 3; art 8 s 14; art 9 s 4,5; art 11 s 11,14; 2026 c 106 art 3 s 10-12*

354A.13 [Repealed, 1979 c 217 s 28]

354A.21 PROPORTIONATE ANNUITY.

A teacher who terminates employment at any time during the academic year at the end of which the teacher is required to terminate employment pursuant to this section shall be entitled upon application to a proportionate retirement annuity pursuant to section 356.32. Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher but upon having earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute teacher, any person over the age of 70 years shall terminate employment for the remainder of that academic year. No person employed as a substitute teacher after reaching the normal retirement age and who has retired under this chapter shall resume membership in the teachers retirement fund association by virtue of the employment as a substitute teacher.

History: *1975 c 306 s 32; 1976 c 329 s 31; 1979 c 217 s 12; 1980 c 342 s 14; 1Sp1981 c 4 art 2 s 35; 1987 c 284 art 2 s 6; 1989 c 319 art 13 s 73*

354A.22 [Repealed, 1980 c 509 s 140]

354A.23 ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATIONS; BASIC PROGRAMS.

Subdivision 1. [Repealed, 2006 c 277 art 3 s 45]

Subd. 2. **St. Paul Teachers Retirement Fund Association basic program.** There is established within the St. Paul Teachers Retirement Fund Association a basic program which shall be a continuation of the retirement program in existence prior to July 1, 1978 to provide retirement coverage for teachers who are not covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to certain teachers covered by the teachers retirement fund association. The provisions governing the basic program shall be the applicable portions of this chapter, the articles of incorporation and bylaws in effect as of March 31, 1976, the amendments to the articles of incorporation and bylaws adopted subsequent to legislative approval contained in Laws 1976, chapter 238, section 14, and Laws 1977, chapter 429, section 60, the provisions of Laws 1977, chapter 429, section 61, and any applicable amendments to the articles of incorporation or bylaws adopted subsequent to July 1, 1979 in accordance with the provisions of section 354A.12, subdivision 4.

Subd. 3. **Eligibility for refunds and interest.** Notwithstanding anything to the contrary in the articles and bylaws of the basic programs enumerated in chapter 354A, eligibility for payment and the payment of interest on refunds and interest on repayment of refunds shall be determined in the same manner as for the coordinated programs covered by this chapter.

History: *1979 c 217 s 13; 1984 c 564 s 39; 1993 c 336 art 1 s 8*

354A.24 [Repealed, 2014 c 296 art 6 s 48]

354A.25 AUTHORITY TO ELECT A SURVIVOR ANNUITY FOR A SAME-SEX SPOUSE.

Subdivision 1. **Authorization.** Notwithstanding any law or bylaws to the contrary, an eligible person, as defined in subdivision 2, is authorized to file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity and designate a beneficiary who is the same sex as the eligible person if the eligible person had not previously been allowed to designate a same-sex spouse because the law or bylaws did not permit the designation of a same-sex spouse.

Subd. 2. **Definitions.** For the purposes of this section, the following definitions apply, unless the context clearly indicates another meaning is intended.

(a) "Eligible person" means a person who:

(1) was formerly a basic member as defined under section 354A.011, subdivision 8, or a coordinated member, as defined under section 354A.011, subdivision 11, of the St. Paul Teachers Retirement Fund Association;

(2) retired before August 1, 2013, and is receiving a retirement annuity;

(3) was unmarried at the time of retirement due to the lack of full recognition of same-sex marriages under state law; and

(4) had a same-sex spouse at the time of retirement who has continued to be the eligible person's same-sex spouse until the time of the filing of the amended benefit election under subdivision 3.

(b) "Same-sex spouse" means a spouse of the same sex as the eligible person who otherwise satisfies the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association. Before August 1, 2013, a same-sex spouse is an individual in a relationship with the eligible person that would have caused the individual to satisfy the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers

Retirement Fund Association had the individual and eligible person been permitted to marry under state law.

Subd. 3. **Right to elect a joint and survivor annuity for a same-sex spouse.** (a) An eligible person may file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity that will pay an annuity for the life of the eligible person and a survivor annuity for the life of the eligible person's same-sex spouse.

(b) To file an amended benefit election, the eligible person must file an election in the form requested by the executive director of the St. Paul Teachers Retirement Fund Association and must designate the same-sex spouse as the primary designated beneficiary.

Subd. 4. **Eligible persons who are members of the coordinated plan.** If the eligible person is a member of the coordinated plan of the St. Paul Teachers Retirement Fund Association, the executive director will recalculate the eligible person's benefit based on the amended benefit election and notify the eligible person of the amount that was overpaid plus interest since the commencement of the retirement annuity. The overpayment plus interest must be recovered in accordance with section 354A.12, subdivision 7, by reducing future monthly pension payments.

History: *2023 c 47 art 6 s 1*

354A.27 Subdivision 1. [Repealed, 2010 c 359 art 1 s 89]

Subd. 2. [Repealed, 1995 c 262 art 2 s 14]

Subd. 3. [Repealed, 1995 c 262 art 2 s 14]

Subd. 4. [Repealed, 1995 c 262 art 2 s 14]

Subd. 5. [Repealed, 2014 c 296 art 6 s 48]

Subd. 6. [Repealed, 2013 c 111 art 13 s 24]

Subd. 6a. [Repealed, 2014 c 296 art 6 s 48]

Subd. 7. [Repealed, 2014 c 296 art 6 s 48]

354A.28 [Repealed, 2006 c 271 art 8 s 3; 2006 c 277 art 3 s 45; 2007 c 13 art 2 s 24]

354A.29 ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION POSTRETIREMENT ADJUSTMENT.

Subdivision 1. **Articles of incorporation and bylaws.** Permission is granted for the St. Paul Teachers Retirement Fund Association under section 354A.12, subdivision 4, to amend its articles of incorporation and bylaws to provide postretirement adjustments under this section.

Subd. 2. [Repealed, 2009 c 169 art 7 s 3]

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

Subd. 4. [Repealed, 2009 c 169 art 7 s 3]

Subd. 5. [Repealed, 2009 c 169 art 7 s 3]

Subd. 6. [Repealed, 2007 c 134 art 7 s 3]

Subd. 7. **Postretirement adjustments.** (a) Except as set forth in paragraph (c), each person who has been receiving an annuity or benefit under the articles of incorporation, the bylaws, or this chapter, whose effective date of benefit commencement occurred on or before July 1 of the calendar year immediately before the adjustment, is eligible to receive an annual postretirement adjustment, effective as of each January 1, as follows:

(1) there shall be no postretirement adjustment on January 1, 2019, and January 1, 2020; and

(2) the postretirement adjustment shall be one percent on January 1, 2021, and each January 1 thereafter.

(b) A postretirement adjustment is to be applied as a permanent increase to the regular payment of each eligible member on January 1. For any eligible member whose effective date of benefit commencement occurred after January 1 of the immediately preceding calendar year, the amount of the postretirement adjustment must be reduced by 50 percent.

(c) Each person who retires on or after July 1, 2024, is entitled to an annual postretirement adjustment, effective as of each January 1, beginning with the year following the year in which the member attains normal retirement age.

(d) Paragraph (c) does not apply to members who retire under section 354A.31, subdivision 6, paragraph (c), or who retire when the member is at least age 62 and has at least 30 years of service under section 354A.31, subdivision 7.

Subd. 8. MS 2016 [Repealed, 2018 c 211 art 4 s 6]

Subd. 9. MS 2016 [Repealed, 2018 c 211 art 4 s 6]

History: *1997 c 233 art 3 s 7; 2006 c 271 art 3 s 47; 2009 c 169 art 7 s 1,4; 1Sp2011 c 8 art 2 s 3-5; 2014 c 296 art 11 s 2; 2015 c 68 art 4 s 1-3; 2018 c 211 art 4 s 2; 2026 c 106 art 16 s 2*

COORDINATED PROGRAM

354A.30 ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION; COORDINATED PROGRAM.

There is established a coordinated program within the St. Paul Teachers Retirement Fund Association to provide retirement coverage for teachers who are covered by an agreement or modification made between the state and the secretary of health, education and welfare making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to certain teachers covered by the teachers retirement fund association. The provisions governing the coordinated program shall be sections 354A.31 to 354A.41 and any other applicable provisions of this chapter.

History: *1979 c 217 s 15; 2006 c 277 art 3 s 25*

354A.31 COORDINATED PROGRAM RETIREMENT BENEFITS.

Subdivision 1. **Age and service requirements.** Any coordinated member or former coordinated member of the St. Paul Teachers Retirement Fund Association who has ceased to render teaching service for Independent School District No. 625, who is vested and who has either attained the age of at least 55 years or received credit for not less than 30 years of allowable service regardless of age, is entitled upon written application to a retirement annuity.

Subd. 1a. **Application for annuity.** Application for a retirement annuity may be made by a member or by a person authorized to act on behalf of the member. Every application for retirement must be made in writing on a form prescribed by the executive secretary or director and must be substantiated by written proof of the member's age and identity. The notarized signature of a member's spouse on a retirement annuity application acknowledging the member's annuity selection meets the notice requirement to the spouse under section 356.46, subdivision 3. An application for a retirement annuity is not complete until all necessary supporting documents are received by the executive secretary or director.

Subd. 2. **Time and manner of payments.** A coordinated member or former coordinated member may make application to the board of the teachers retirement fund association for a retirement annuity any time after the member has satisfied the age and service requirements specified in subdivision 1, but no application for retirement may be accepted by the board more than 60 days prior to the termination of teaching service. The retirement annuity shall begin to accrue after the occurrence of a retirement precondition event, which for purposes of this subdivision is the later of the termination of teaching service for the school district in which the teachers retirement fund association exists, the filing of an application for a retirement annuity with the board, or receipt of the final salary payment. Accrual shall commence on the sixteenth day of the month if the retirement precondition event occurs on or before the fifteenth day of that month or on the first day of the month next following if the retirement precondition event occurs on or after the sixteenth day of the month.

Subd. 2a. **Applications after retirement.** If an application for retirement is filed with the board during the 90-day period immediately following the termination of teaching service, the annuity may begin to accrue as if the application for retirement had been filed with the board on the date teaching service terminated. In no event may an annuity begin to accrue more than one month before the date of final salary receipt.

Subd. 3. **Resumption of teaching after commencement of a retirement annuity.** (a) Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 or any person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that all or a portion of the annuity payments must be deferred during the calendar year immediately following the calendar year in which the person's salary from the teaching service is in an amount greater than $46,000. The amount of the annuity deferral is one-third the salary amount in excess of $46,000 and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned.

(b) If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment salary exempt from triggering a deferral as specified in this subdivision must be prorated for that calendar year.

(c) After a person has reached the Social Security normal retirement age, no deferral requirement is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

(d) The amount of the retirement annuity deferral must be handled or disposed of as provided in section 356.47.

(e) Notwithstanding other paragraphs of this subdivision, for any retired St. Paul Teachers Retirement Fund Association basic or coordinated program member whose effective date of retirement is after June 30,

2013, amounts specified as deferred under this subdivision must instead be forfeited to the St. Paul Teachers Retirement Fund Association fund.

(f) For the purpose of this subdivision, salary from teaching service includes: (i) all income for services performed as a consultant or independent contractor; or income resulting from working with the school district in any capacity; and (ii) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

(g) On or before February 15 of each year, each applicable employing unit shall report to the teachers retirement fund association the amount of postretirement salary as defined in this subdivision, earned as a teacher, consultant, or independent contractor during the previous calendar year by each retiree of the teachers retirement fund association for teaching service performed after retirement. The report must be in a format approved by the executive secretary or director.

Subd. 3a. **No annuity reduction.** (a) The annuity reduction provisions of subdivision 3 do not apply to a person who:

(1) retires from the technical college system with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement as a technical college faculty member;

(3) was not a recipient of an early retirement incentive under section 136F.481;

(4) begins drawing an annuity from the teachers retirement fund association; and

(5) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the technical college system under an agreement in which the person may not earn a salary of more than $62,000 in a calendar year through the technical college system.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to a one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not earn further service credit in the teachers retirement fund association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Subd. 4. **Computation of normal coordinated retirement annuity; St. Paul fund.** (a) This subdivision applies to the coordinated program of the St. Paul Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage.

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph

(d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) will apply. For service rendered before July 1, 2015, the retirement annuity formula percentage for purposes of this paragraph is 1.2 percent per year for each year of coordinated service for the first ten years and 1.7 percent for each year of coordinated service thereafter. For service rendered after June 30, 2015, the retirement annuity formula percentage for purposes of this paragraph is 1.4 percent per year for each year of coordinated service for the first ten years and 1.9 percent for each year of coordinated service thereafter.

(d) This paragraph applies to a person who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (c), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is 1.7 percent for each year of coordinated service rendered before July 1, 2015, and 1.9 percent for each year of coordinated service thereafter.

Subd. 4a. [Repealed, 2014 c 296 art 6 s 48]

Subd. 5. **Unreduced normal retirement annuity.** Upon retirement at normal retirement age, a vested coordinated member is entitled to a normal retirement annuity calculated under subdivision 4.

Subd. 5a. **Unreduced early retirement.** If a member retires on or after July 1, 2023, when the member is at least age 62 and has at least 30 years of service, the member is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4.

Subd. 6. **Reduced retirement annuity.** (a) This subdivision applies only to a person who first became a coordinated member or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (d), in conjunction with subdivision 7.

(b) Upon retirement at an age before normal retirement age or prior to age 62 with at least 30 years of service credit, a vested coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), reduced by one-quarter of one percent for each month that the coordinated member is under normal retirement age if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit.

(c) Any coordinated member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), without any reduction by reason of early retirement.

Subd. 7. **Reduction for early retirement.** (a) This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), in conjunction with subdivision 6. An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity reduced as described in paragraph (b) if the person retires on or after July 1, 2019, or in paragraph (c) if the person retires before July 1, 2019, as applicable.

(b) (1) Unless the member is eligible for an unreduced early retirement annuity under subdivision 5a, a coordinated member who retires before the normal retirement age and on or after July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), reduced as described in clause (2).

(2) If the member retires when the member is younger than age 62 or with fewer than 30 years of service, the annuity must be reduced by an early reduction factor for each year that the member's age of retirement precedes normal retirement age. The early reduction factors are four percent per year for members whose age at retirement is at least 55 but not yet 59 and seven percent per year for members whose age at retirement is at least 59 but not yet normal retirement age. The resulting annuity must be further adjusted to take into account augmentation as if the employee had deferred receipt of the annuity until normal retirement age and the annuity were augmented at the applicable annual rate, compounded annually, from the day the annuity begins to accrue until normal retirement age. The applicable annual rate is the rate in effect on the employee's effective date of retirement and shall be considered as fixed for the employee. The applicable annual rates are the following:

(i) until June 30, 2019, 2.5 percent;

(ii) a rate that changes each month, beginning July 1, 2019, through June 30, 2024, which is determined by reducing the rate in item (i) to zero in equal monthly increments over the five-year period; and

(iii) after June 30, 2024, zero percent.

After June 30, 2024, the reduced annuity commencing before normal retirement age under this clause shall not take into account any augmentation.

(c) Unless the member is eligible for an unreduced early retirement annuity under subdivision 5a, a coordinated member who retires before the normal retirement age and before July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early retirement factor specified below:

	Under age 62 or less than 30 years of service		Age 62 or older with 30 years of service	
Normal retirement age:	65	66	65	66
Age at retirement				
55	0.5376	0.4592		
56	0.5745	0.4992		
57	0.6092	0.5370		
58	0.6419	0.5726		
59	0.6726	0.6062		
60	0.7354	0.6726		
61	0.7947	0.7354		

62	0.8507	0.7947	0.8831	0.8389
63	0.9035	0.8507	0.9246	0.8831
64	0.9533	0.9035	0.9635	0.9246
65	1.0000	0.9533	1.0000	0.9635
66		1.0000		1.0000

For normal retirement ages between ages 65 and 66, the early retirement factors must be determined by linear interpolation between the early retirement factors applicable for normal retirement ages 65 and 66.

Subd. 8. **Determining applicable law.** An employee who returns to covered service following a termination and who is not receiving a retirement annuity under this section must have earned at least 85 days of credited service following the return to covered service to be eligible for improved benefits resulting from any law change enacted subsequent to that termination.

History: *1979 c 217 s 16; 1981 c 224 s 139; 1987 c 372 art 9 s 29-31; 1989 c 319 art 2 s 22; art 13 s 74-78; 1990 c 570 art 12 s 47-49; 1992 c 598 art 6 s 15; 1993 c 336 art 1 s 9; art 2 s 1; 1994 c 542 s 3; 1995 c 141 art 3 s 13; 1995 c 262 art 1 s 7; art 2 s 6,7; 1997 c 233 art 3 s 8,9; 2000 c 461 art 2 s 8,9; 1Sp2001 c 10 art 3 s 23; 2002 c 392 art 11 s 52; 2003 c 2 art 1 s 39,40; 1Sp2005 c 8 art 1 s 21,22; art 10 s 63; 2006 c 277 art 2 s 8; art 3 s 26; 2008 c 349 art 3 s 10; 2010 c 359 art 1 s 63; 1Sp2011 c 8 art 2 s 6-8; 2013 c 111 art 4 s 15,16; art 13 s 12-15; 2014 c 275 art 1 s 140; art 2 s 12,13; 2014 c 296 art 6 s 23,48,49; art 8 s 5; 2015 c 68 art 13 s 43; 2018 c 211 art 4 s 3; art 12 s 2,3; art 19 s 6; 2021 c 22 art 5 s 2; 2023 c 45 art 5 s 2,3; 2024 c 102 art 11 s 12*

354A.32 OPTIONAL RETIREMENT ANNUITIES.

Subdivision 1. **Optional forms generally.** The board of the St. Paul Teachers Retirement Fund Association shall establish for the coordinated program an optional retirement annuity which must take the form of a joint and survivor annuity. The board may also, in its discretion, establish an optional annuity which may take the form of an annuity payable for a period certain and for life thereafter. The board shall also establish an optional retirement annuity that guarantees payment of the balance of the annuity recipient's accumulated deductions to a designated beneficiary upon the death of the annuity recipient. Except as provided in subdivision 1a, the optional annuity forms must be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the actuary retained under section 356.214. The recommendation must be a part of the permanent records of the board.

Subd. 1a. **Bounce-back annuity.** (a) If a former coordinated member or disabilitant has selected a joint and survivor annuity option under subdivision 1 after June 30, 1989, the former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) The annuity adjustment specified in paragraph (a) also applies to joint and survivor annuity options elected before July 1, 1989. The annuity adjustment under this paragraph occurs on July 1, 1989, or on the first day of the first month following the death of the designated optional annuity beneficiary, whichever is later. This paragraph may not be interpreted as authorizing retroactive payments.

(c) Unless otherwise specified in this subdivision, the restoration of the normal single life annuity under this subdivision takes effect on the first of the month following the date of death of the designated optional annuity beneficiary or on the first of the month following one year before the date on which a certified copy of the death record of the designated optional annuity beneficiary is received in the office of the teachers retirement fund association, whichever date is later.

Subd. 2. [Repealed, 1989 c 319 art 13 s 98]

History: *1979 c 217 s 17; 1981 c 269 s 6; 1983 c 286 s 12; 1987 c 259 s 49; 1989 c 319 art 13 s 79,80; 1990 c 570 art 12 s 50,51; 1Sp2001 c 9 art 15 s 32; 2006 c 271 art 3 s 38,47; 2006 c 277 art 3 s 27; 2014 c 296 art 6 s 24,49; 2024 c 102 art 11 s 13*

354A.33 SOCIAL SECURITY LEVELING ADJUSTMENT OPTION.

Any coordinated member who retires prior to the time the member becomes eligible for Social Security old age retirement benefits shall be entitled to elect to receive a Social Security leveling adjustment optional annuity from the teachers retirement fund association. The Social Security leveling adjustment optional annuity shall be established by the board of the teachers retirement fund association. It shall take the form of an annuity payable for the period prior to the member's becoming eligible for Social Security old age retirement benefits in an amount greater than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement but equal insofar as possible to the Social Security old age retirement benefit and the adjusted retirement annuity amounts payable immediately subsequent to becoming eligible for Social Security old age retirement benefits in an amount less than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement. The optional form shall be the actuarial equivalent to the normal forms provided in section 354A.31. In establishing the optional form, the board shall obtain the written recommendation of the actuary retained under section 356.214 and the recommendation shall be a part of the permanent records of the board.

History: *1979 c 217 s 18; 1987 c 259 s 50; 2006 c 271 art 3 s 47*

354A.34 DISPOSITION OF UNPAID PERIOD CERTAIN FOR LIFE OR GUARANTEED REFUND OPTIONAL ANNUITIES.

If a retiree from a coordinated program who has elected a period certain and for life thereafter or a guaranteed refund optional annuity form dies without having a designated beneficiary who has survived the retiree, any remaining unpaid guaranteed annuity payments shall be computed at the rate of interest specified in section 356.215, subdivision 8, and paid in one lump sum to the estate of the retiree. If a retiree from a coordinated program who has elected a period certain and for life or a guaranteed refund optional annuity form dies with a designated beneficiary who has survived the retiree but the designated beneficiary dies without there existing another designated beneficiary, any remaining unpaid guaranteed annuity payments shall be computed with interest at the applicable annual rate or rates specified in section 356.59, subdivision 5, and paid in one lump sum to the estate of the designated beneficiary.

History: *1979 c 217 s 19; 1Sp1985 c 7 s 35; 2002 c 392 art 11 s 52; 2018 c 211 art 6 s 34*

354A.35 SURVIVOR BENEFITS.

Subdivision 1. **Death before retirement; refund.** If a coordinated member or former coordinated member dies before retirement or before the receipt of any retirement annuity or other benefit payment which is or may be payable and a surviving spouse optional annuity is not payable under subdivision 2, a refund must be paid to the person's surviving spouse, or if there is none, to the person's designated beneficiary,

or if there is none, to the legal representative of the person's estate. For a coordinated member or former coordinated member of the St. Paul Teachers Retirement Fund Association, the refund must be in an amount equal to the person's accumulated employee contributions plus interest at the rate of six percent per annum compounded annually.

Subd. 2. **Death while eligible to retire; surviving spouse optional annuity.** (a) The surviving spouse of a vested coordinated member who dies prior to retirement may elect to receive, instead of a refund with interest under subdivision 1, an annuity equal to the 100 percent joint and survivor annuity the member could have qualified for had the member terminated service on the date of death. The surviving spouse eligible for a surviving spouse benefit under this paragraph may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. A surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for an annuity at any time after the member's death. The member's surviving spouse shall be paid a joint and survivor annuity under section 354A.32 and computed under section 354A.31.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6, paragraph (b), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If a vested member of the St. Paul Teachers Retirement Fund Association was under age 55 on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the actuarial equivalent reduction from age 55 to the date payment begins. The actuarial equivalent reduction is calculated so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(d) Sections 354A.37, subdivision 2, and 356.311 apply to a deferred annuity or surviving spouse benefit payable under this section. The benefits are payable for the life of the surviving spouse, or upon expiration of the term certain benefit payment under subdivision 2b.

Subd. 2a. [Repealed, 2015 c 68 art 13 s 65]

Subd. 2b. **Survivor coverage term certain.** In lieu of the 100 percent optional annuity under subdivision 2, or a refund under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a surviving spouse 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. 2c. **Dependent child survivor coverage.** If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 354A.011, subdivision 12a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the

date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the member and age of the dependent child at the date of death. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Subd. 3. **Death after retirement.** If a retiree from a coordinated program dies after retirement, the retiree or the retiree's designated beneficiary shall be entitled to the annuity payment due for the full month during which death occurs unless an optional annuity was elected by the retiree pursuant to subdivision 2 or section 354A.32. If a joint and survivor optional annuity covering the spouse of the retiree was elected by the retiree from a coordinated program, the retiree's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. If an optional annuity other than a joint and survivor optional annuity covering the spouse of the retiree was elected by the retiree from a coordinated program, the optional annuity shall be paid according to its terms.

Subd. 4. **Payment of minimal refund and benefit amounts.** If a coordinated member or former coordinated member dies without having designated a beneficiary or if the designated beneficiary dies without there existing any other designated beneficiary and prior to making application for the refund credited to the deceased coordinated member or coordinated former member, and if the amount of the refund does not exceed $1,500, the board in its discretion may, in absence of probate proceedings, make payment 90 days after the date of death of the coordinated member or former coordinated member to the surviving spouse of the deceased coordinated member or former coordinated member, or if none, to the next of kin as determined under the laws of descent of the state. A payment under this subdivision shall be a bar to recovery by any other person or persons. Any retirement annuity in any amount which has accrued at the time of the death of a coordinated retiree may be paid by the board in its discretion using the procedure set forth in this subdivision.

Subd. 5. **Payment to designated beneficiary.** Any coordinated member and the spouse of the coordinated member may make a joint specification in writing on a form prescribed by the executive secretary that the benefits provided in subdivision 1 or 2, shall be paid only to a designated beneficiary. For purposes of this subdivision, a designated beneficiary may only be either a former spouse or a child, either natural or adopted, of the member.

History: *1979 c 217 s 20; 1981 c 156 s 5; 1981 c 224 s 140,141; 1982 c 578 art 3 s 8; 1983 c 286 s 13; 1Sp1985 c 7 s 25; 1986 c 458 s 19; 1987 c 372 art 9 s 32; 1989 c 319 art 13 s 81,82; 1993 c 336 art 5 s 1; art 6 s 17-19; 1Sp2001 c 10 art 3 s 24; 2010 c 359 art 1 s 64; 1Sp2011 c 8 art 2 s 9; 2013 c 111 art 13 s 16; 2014 c 296 art 6 s 25,49; 2018 c 211 art 19 s 7; 2019 c 50 art 1 s 115*

354A.36 PERMANENT DISABILITY BENEFITS.

Subdivision 1. **Minimum age, service, and salary requirements.** Any coordinated member who is vested, who has an average salary of at least $75 per month, and who has become totally and permanently disabled shall be entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least two years of the required allowable service shall be required to have been rendered subsequent to the last interruption in service.

Subd. 2. **Time and manner of payments.** The disability benefit shall begin to accrue from the later of either 90 days following the commencement of the permanent disability or the first day of the month following the date on which the written application for the disability benefit has been filed with the board, but payment shall not begin to accrue until any salary which is received by the disabled coordinated member for either annual or sick leave during the period of disability ceases.

Subd. 3. **Computation of disability benefit.** The coordinated permanent disability benefit is an amount equal to the normal coordinated retirement annuity computed under section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit prior to the attainment of normal retirement age or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6.

Subd. 3a. **Optional annuity election.** A disabled coordinated member may elect to receive the normal disability benefit or an optional annuity as provided in section 354A.32. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Subd. 4. **Determination of disability.** (a) The board of the teachers retirement fund association shall make the final determination of the existence of a permanent and total disability. The board shall have the coordinated member examined by at least two medical experts. After making a required examination, each medical expert shall make a written report to the board concerning the coordinated member, which shall include an opinion of the medical expert as to whether or not the member is permanently and totally disabled within the meaning of section 354A.011, subdivision 14. The board shall also obtain a written statement from the employer as to whether or not the coordinated member was terminated or separated from active employment due to a disability which is deemed by the employer to reasonably prevent further service by the member to the employer and which caused the coordinated member not to be entitled to further compensation from the employer for services rendered by the member. If, after consideration of the reports of the medical experts and any medical adviser retained by the board under subdivision 4a, the employer statement, and any evidence presented by the member or any other interested parties, the board determines that the coordinated member is totally and permanently disabled within the meaning of section 354A.011, subdivision 14, the board shall grant the coordinated member a disability benefit. A member who is placed on a leave of absence without compensation as a result of the disability is not barred from receiving a disability benefit under this section.

(b) The executive director shall reject an application for disability benefits under section 354A.36 if the member is applying only because an employer-sponsored provider of private disability insurance benefits requires the application and the member would not have applied for disability benefits in the absence of the requirement. The member shall submit a copy of the disability insurance policy that requires an application for disability benefits from the plan if the member wishes to assert that the application is only being submitted because of the disability insurance policy requirement.

Subd. 4a. **Medical adviser; duties.** The executive director may contract with an independent medical expert or an accredited organization specializing in disability determinations to serve as a medical adviser to the board. The medical adviser shall review all expert reports based on any examinations performed in order to determine whether a coordinated member is totally and permanently disabled as defined in section 354A.011, subdivision 14. The medical adviser shall also investigate all health and medical statements and certificates by or on behalf of a member in connection with a disability benefit and shall report in writing to the board, setting forth any conclusions and recommendations on all matters referred to the medical adviser. The board shall have sole discretion to select the appropriate licensed medical professional or organization to serve as the medical adviser.

Subd. 5. **Offset against benefits paid under other laws.** The coordinated disability benefit shall be reduced by any amounts received or receivable by a coordinated member from the school district under applicable workers' compensation laws.

Subd. 6. **Requirement for regular physical examinations.** At least once each year during the first five years following the granting of a disability benefit to a coordinated member and at least once in every three-year period thereafter, the board may require the disability benefit recipient to undergo an expert examination. The examination must be made by a medical expert engaged by the board, in its sole discretion. The medical expert conducting the examination shall make a written report to the board concerning the disability benefit recipient and the recipient's disability, including a statement of the medical expert's opinion as to whether or not the member remains permanently and totally disabled within the meaning of section 354A.011, subdivision 14. If the board determines from consideration of the medical expert's report that the disability benefit recipient is no longer permanently and totally disabled or that the benefit recipient is engaged or able to engage in a gainful occupation, unless the disability benefit recipient is partially employed under subdivision 7, then further disability benefit payments from the fund must be discontinued within 60 days of the determination by the board. The discontinuation of disability benefits must occur immediately if the disability recipient is reinstated to the district payroll following sick leave.

Subd. 7. **Partial reemployment of disability benefit recipient.** If a disability benefit recipient resumes gainful employment but the compensation from the employment is less than the recipient's salary at the date of disability or the salary paid currently to positions similar to the position which the recipient held at the date of disability, the recipient shall be entitled to a disability benefit from the board in an amount which when added to the compensation for the partial reemployment does not exceed the lower of the recipient's salary at the date of disability or the salary paid currently to positions similar to the position which the recipient held at the date of disability, and does not in any event exceed the disability benefit originally computed pursuant to subdivision 3.

Subd. 8. **Examination refusal.** If a disability benefit recipient refuses to submit to a medical examination as provided in subdivision 6, then further disability benefit payments from the fund shall be discontinued and all rights of the recipient to a disability benefit shall be revoked by the board.

Subd. 9. **Return to teaching service.** Any disability benefit recipient who resumes active teaching service in the district in which the teachers retirement fund association is located shall also resume making employee contributions to the fund pursuant to section 354A.12, subdivision 1.

Subd. 10. **Retirement status upon attaining normal retirement age.** No person shall be entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining normal retirement age, the disability benefit shall terminate and the former disability benefit recipient shall be deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity pursuant to subdivision 3a, the recipient shall receive an annuity in accordance with the terms of the optional annuity previously elected, or if the recipient had not elected an optional annuity pursuant to subdivision 3a, the recipient shall be entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to section 354A.31 or the disability benefit paid to the recipient immediately prior to the recipient's attaining normal retirement age or elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity shall be made prior to the person attaining normal retirement age. If an optional annuity is elected, the election shall be effective on the date on which the person attains the normal retirement age and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains normal retirement age.

History: *1979 c 217 s 21; 1981 c 68 s 27,28; 1987 c 372 art 9 s 33; 1989 c 319 art 13 s 83-85; 1992 c 598 art 6 s 16; 2004 c 267 art 8 s 31,32; 2009 c 169 art 4 s 39; 1Sp2011 c 8 art 2 s 10; 2018 c 211 art 12 s 4; 2022 c 65 art 5 s 15-17*

354A.37 REFUNDS; DEFERRED ANNUITY.

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

Subd. 2. **Eligibility for deferred retirement annuity.** (a) Any coordinated member who ceases to render teaching services for the school district in which the teachers retirement fund association is located, with sufficient allowable service credit to meet the minimum service requirements specified in section 354A.31, subdivision 1, shall be entitled to a deferred annuity in lieu of a refund under subdivision 1.

(b) The deferred annuity must be augmented from the first day of the month following the termination of active service to the effective date of retirement. There is no augmentation if this period is less than three months.

(c) The deferred annuity commences upon application after the person on deferred status attains at least the minimum age specified in section 354A.31, subdivision 1.

(d) For a person who became a covered employee before July 1, 2006, the annuity must be augmented at the following rate or rates, compounded annually:

(1) three percent until January 1 of the year following the year in which the former member attains age 55 or June 30, 2012, whichever is earlier;

(2) five percent from the January 1 next following the attainment of age 55 or until June 30, 2012;

(3) two percent from July 1, 2012, until June 30, 2019; and

(4) after June 30, 2019, the deferred annuity must not be augmented.

(e) For a person who became a covered employee after June 30, 2006, the annuity must be augmented at the following rate or rates, compounded annually:

(1) 2.5 percent until June 30, 2012;

(2) two percent from July 1, 2012, until June 30, 2019; and

(3) after June 30, 2019, the deferred annuity must not be augmented.

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

Subd. 3. **Computation of refund amount.** A former coordinated member who qualifies for a refund under subdivision 1 is entitled to receive a refund equal to the amount of the former coordinated member's accumulated employee contributions with interest at the following rates for the applicable period:

(1) six percent per annum compounded annually to July 1, 2011;

(2) four percent per annum compounded annually to July 1, 2018; and

(3) three percent per annum compounded annually thereafter.

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

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

History: *1979 c 217 s 22; 1984 c 564 s 40,41; 1989 c 319 art 13 s 86-88; 2006 c 277 art 2 s 9; 2010 c 359 art 1 s 65-67; 1Sp2011 c 8 art 2 s 11; 2014 c 296 art 6 s 26,27,49; 2017 c 40 art 1 s 111; 2018 c 211 art 4 s 4,5*

354A.38 EFFECT OF REFUND; REPAYMENT OF REFUND.

Subdivision 1. **Effect of refund; termination of service credit.** If a coordinated member or former coordinated member applies for and is issued a refund pursuant to section 354A.37, all allowable service which was credited to the member or former member shall be terminated.

Subd. 2. **Repayment of refund.** A coordinated member with at least two years of allowable service credited subsequent to the member's last application for and payment of a refund pursuant to section 354A.37 shall be entitled to repay the refund. The amount of the refund repayment shall be calculated pursuant to subdivision 3. If the member has taken more than one refund, all refunds must be repaid pro rata.

Subd. 3. **Computation of refund repayment amount.** If the coordinated member elects to repay a refund under subdivision 2, the repayment to the fund must be in an amount equal to refunds the member has been issued plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 5, compounded annually, from the date that the refund was issued to the date that the refund is repaid.

History: *1979 c 217 s 23; 1980 c 509 s 141; 1992 c 598 art 6 s 17; 2015 c 68 art 2 s 15; 2018 c 211 art 12 s 5*

354A.39 MS 2016 [Repealed, 2018 c 211 art 4 s 6]

354A.40 COMPUTATION OF BENEFITS WITH PARTIAL SERVICE AS COORDINATED MEMBER.

Subdivision 1. **Retirement annuity.** Any coordinated member of the St. Paul Teachers Retirement Fund Association who has credited service prior to July 1, 1978 shall be entitled to receive a retirement annuity when otherwise qualified, the calculation of which shall utilize the applicable retirement annuity formula specified in articles of incorporation and bylaws of the teachers retirement fund association governing the basic program for that portion of credited service which was served prior to July 1, 1978, and the retirement annuity formula specified in section 354A.31 for the remainder of the member's credited service, both applied to the member's average salary as specified in section 354A.31, subdivision 4. The formula percentages to be used in calculating the coordinated portion of the retirement annuity or coordinated service under this section shall recognize the coordinated service as a continuation of any service prior to July 1, 1978.

Subd. 2. [Repealed, 1992 c 598 art 6 s 22]

Subd. 3. [Repealed, 1992 c 598 art 6 s 22]

History: *1979 c 217 s 25; 2006 c 277 art 3 s 29*

354A.41 ADMINISTRATION OF COORDINATED PROGRAM.

Subdivision 1. **Administrative provisions.** The provisions of the articles of incorporation and bylaws of the St. Paul Teachers Retirement Fund Association relating to the administration of the fund shall govern the administration of the coordinated and basic programs where the administrative provisions are not inconsistent with sections 354A.31 to 354A.41, including but not limited to provisions relating to the composition and function of the board of trustees, the investment of assets of the St. Paul Teachers Retirement Fund Association, and the definition of the plan year. The administrative provisions in the articles of incorporation and the bylaws of the Minneapolis Teachers Retirement Fund Association pertaining to the granting of pension benefits of the basic and coordinated programs are no longer in effect after June 30, 2006, and the administrative provisions of the Duluth Teachers Retirement Fund Association pertaining to retirement benefits of the old law coordinated program are no longer in effect after June 30, 2015.

Subd. 2. **Actuarial valuations.** In any actuarial valuation of the St. Paul Teachers Retirement Fund Association under section 356.215 prepared by the actuary retained under section 356.214 or supplemental actuarial valuation prepared by an approved actuary retained by the St. Paul Teachers Retirement Fund Association, there must be included a finding of the condition of the fund showing separately the basic and coordinated programs. The finding must include the level normal cost and the applicable employee and employer contribution rates for each program.

History: *1979 c 217 s 26; 1981 c 269 s 8; 1Sp1985 c 7 s 35; 1987 c 259 s 51; 2006 c 271 art 3 s 47; 2006 c 277 art 3 s 30; 2014 c 296 art 6 s 29,49*

354A.42 [Repealed, 2015 c 68 art 4 s 11]