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356.001 PURPOSE OF PUBLIC PLANS.

Subdivision 1. **Exclusive benefit of members and beneficiaries.** (a) The public plans and funds specified in subdivision 4 are established to provide for the retirement of their members and to provide funds for the beneficiaries of members in the event of death of a member.

(b) The public plans and funds are established and must be maintained for the exclusive benefit of the members and the beneficiaries of the members. Except as provided in subdivisions 2 and 3, no part of the moneys of the plans and funds may revert to the plan or fund or be used for or diverted to purposes other than the exclusive benefit of the members or their beneficiaries.

Subd. 2. **Allowable expenses.** The necessary, reasonable, and direct expenses of maintaining, protecting, and administering the public plan or fund, as authorized in the laws governing the plan or fund, must be considered as expenditures for the exclusive benefit of the members or their beneficiaries.

Subd. 3. **Effect of amendments or termination.** (a) If a public plan or fund defined in subdivision 4 is terminated or the plan or fund provisions are amended, no part of the moneys held in the plan or fund may be used for or diverted to any purpose other than the exclusive benefit of the members or their beneficiaries, except as provided in this subdivision.

(b) If a plan or fund is terminated, all affected members have a nonforfeitable interest in their benefits that were accrued and funded to date. The value of the accrued benefits to be credited to the account of each affected member must be calculated as of the date of termination and the funding ratio of the plan or fund must be applied to the accrued benefit of each affected member.

(c) The board of trustees of the plan or fund shall, as soon as administratively feasible following the termination, pay each eligible member or beneficiary on behalf of a member the amount in the member's account in a lump sum. In the case of a member whose whereabouts is unknown, the board shall notify the member at the last known address by certified mail with return receipt requested advising the member of the member's right to a pending distribution. If the member cannot be located in this manner, the board shall establish a custodial account for the member's benefit in a federally insured bank, savings association, or credit union, or a credit union insured by an approved credit union share guaranty corporation, in which the member's account balance must be deposited. If the board receives proof of death of a member that is satisfactory to the board, the account balance must be paid to the beneficiary of the member.

Subd. 4. **Covered plans and funds.** This section applies to all public pension and retirement plans and funds established under the laws of the state of Minnesota that receive contributions from moneys derived from taxation.

Subd. 5. **Construction.** Nothing contained in this section may be construed to authorize, or otherwise imply, a legislative policy or intent favoring the termination of any plan or fund to which this section applies.

History: *1983 c 286 s 23; 1995 c 202 art 1 s 25; 2002 c 392 art 11 s 1; 2026 c 56 s 29*

356.01 MS 1941 [Obsolete]

356.02 MS 1941 [Obsolete]

356.03 MS 1941 [Obsolete]

356.04 MS 1941 [Obsolete]

356.05 MS 1941 [Obsolete]

356.06 MS 1941 [Obsolete]

356.07 MS 1941 [Obsolete]

356.08 MS 1941 [Obsolete]

356.09 MS 1941 [Obsolete]

356.10 MS 1941 [Obsolete]

356.11 MS 1941 [Obsolete]

356.12 MS 1941 [Obsolete]

356.13 MS 1941 [Obsolete]

356.14 MS 1941 [Obsolete]

356.15 [Renumbered 9.28]

356.16 MS 1941 [Obsolete]

356.17 [Renumbered 3.30]

356.18 [Repealed, 1994 c 528 art 3 s 34]

356.19 [Repealed, 2002 c 392 art 11 s 53]

356.195 SERVICE CREDIT PURCHASE PROCEDURES FOR STRIKE PERIODS.

Subdivision 1. **Covered plans.** This section applies to all defined benefit plans specified in section 356.30, subdivision 3, except clause (9).

Subd. 2. **Purchase procedure for strike periods.** (a) An employee covered by a plan specified in subdivision 1 may purchase allowable service credit in the applicable plan for any period of time during which the employee was on a public employee strike without pay, not to exceed a period of one year, if the employee makes a payment in lieu of salary deductions as specified in paragraph (b) or (c), whichever applies. The employing unit, at its option, may pay the employer portion of the amount specified in paragraph (b) on behalf of its employees.

(b) If payment is received by the applicable pension plan executive director within one year from the end of the strike, the payment amount is equal to the applicable employee and employer contribution rates

specified in law for the applicable plan during the strike period, applied to the employee's rate of salary in effect at the conclusion of the strike for the period of the strike without pay, plus compound interest at the applicable monthly rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, from the last day of the strike period until the date payment is received.

(c) If payment is received by the applicable pension fund director after one year and before five years from the end of the strike, the payment amount is the amount determined under section 356.551.

(d) Payments may not be made more than five years after the end of the strike.

History: *1Sp2005 c 8 art 2 s 1; 2007 c 134 art 2 s 42; 2014 c 275 art 2 s 25; 2015 c 68 art 3 s 13; 2018 c 211 art 6 s 35*

PUBLIC PENSION PLAN ACTUARIAL, FINANCIAL, AND INVESTMENT REPORTING

356.20 PUBLIC PENSION FUND FINANCIAL REPORTING REQUIREMENT.

Subdivision 1. **Report required.** (a) The governing or managing board or the chief administrative officer of each public pension and retirement plan enumerated in subdivision 2 shall annually prepare and file a financial report following the close of each fiscal year.

(b) This requirement also applies to any plan or fund which may be a successor to any organization so enumerated or to any newly formed retirement plan, fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations.

(c) The report must be prepared under the supervision and at the direction of the management of each plan and must be signed by the presiding officer of the managing board of the plan and the chief administrative official of the plan.

Subd. 2. **Covered public pension plans and funds.** This section applies to the following public pension plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System;

(2) the general employees retirement plan of the Public Employees Retirement Association;

(3) the Teachers Retirement Association;

(4) the State Patrol retirement plan;

(5) the St. Paul Teachers Retirement Fund Association;

(6) the University of Minnesota faculty retirement plan;

(7) the University of Minnesota faculty supplemental retirement plan;

(8) the judges retirement fund;

(9) the Bloomington Fire Department Relief Association;

(10) a firefighter relief association governed by section 424A.091;

(11) the public employees police and fire plan of the Public Employees Retirement Association;

(12) the correctional state employees retirement plan of the Minnesota State Retirement System;

(13) the local government correctional service retirement plan of the Public Employees Retirement Association;

(14) the statewide volunteer firefighter plan; and

(15) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association.

Subd. 3. **Filing requirement.** The financial report is a public record. A copy of the report or a synopsis of the report containing the information required by this section must be made available annually to each member of the fund and to the governing body of each governmental subdivision of the state which makes employers contributions thereto or in whose behalf taxes are levied for the employers' contribution. A signed copy of the report must be delivered to the executive director of the Legislative Commission on Pensions and Retirement and to the Legislative Reference Library not later than six months after the close of each fiscal year or one month following the completion and delivery to the retirement fund of the actuarial valuation report of the fund by the actuary retained under section 356.214, if applicable, whichever is later.

Subd. 4. **Contents of financial report.** (a) The financial report required by this section must contain financial statements and disclosures that indicate the financial operations and position of the retirement plan and fund. The report must conform with generally accepted governmental accounting principles, applied on a consistent basis. The report must be audited.

(b) The report must include a statement that the actuarial valuation calculations prepared by the actuary retained under section 356.214 or by the actuary retained by the retirement fund or plan, whichever applies, comply with applicable actuarial requirements enumerated in section 356.215, and specified in the most recent standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement. The actuarial value of assets, the actuarial accrued liabilities, and the unfunded actuarial accrued liability of the fund or plan must be disclosed. The report must contain a certification by the actuary retained under section 356.214 or the actuary retained by the fund or plan, whichever applies, specifying that normal cost and the actuarial accrued liabilities for all benefits are computed in accordance with the entry age actuarial cost method and in accordance with the most recent applicable standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

(c) The report must contain an itemized exhibit describing the administrative expenses of the plan, including, but not limited to, the following items, classified on a consistent basis from year to year, and with any further meaningful detail:

(1) personnel expenses;

(2) communication-related expenses;

(3) office building and maintenance expenses;

(4) professional services fees; and

(5) other expenses.

(d) The report must contain an itemized exhibit describing the investment expenses of the plan, including, but not limited to, the following items, classified on a consistent basis from year to year, and with any further meaningful detail:

(1) internal investment-related expenses; and

(2) external investment-related expenses.

(e) Any additional statements or exhibits or more detailed or subdivided itemization of a disclosure item that will enable the management of the plan to portray a true interpretation of the plan's financial condition must be included in the additional statements or exhibits.

Subd. 4a. **Financial report for police or firefighter relief association.** For any police or firefighter relief association referred to in subdivision 2, clause (10) or (11), a financial report that is duly filed and that meets the requirements of section 424A.014 is deemed to have met the requirements of subdivision 4.

Subd. 5. [Repealed, 1984 c 383 s 5]

History: *1965 c 359 s 1; 1969 c 249 s 1; 1971 c 7 s 1-3; 1971 c 197 s 4; 1971 c 281 s 1,2; 1975 c 192 s 1,2; 1978 c 563 s 6-8; 1979 c 50 s 49; 1981 c 37 s 2; 1981 c 224 s 168; 1981 c 298 s 11; 1984 c 564 s 42; 1Sp1985 c 7 s 26; 1986 c 359 s 26; 1987 c 259 s 52-54; 1987 c 372 art 1 s 19; 1991 c 269 art 3 s 2; 1995 c 141 art 3 s 20; 1997 c 233 art 1 s 56; 1999 c 222 art 2 s 16; 2002 c 392 art 11 s 2-6; 1Sp2005 c 8 art 3 s 6; 2006 c 271 art 3 s 47; 2006 c 277 art 3 s 31; 2008 c 349 art 10 s 2-6; 2009 c 169 art 9 s 26; 2010 c 359 art 12 s 23; 2013 c 111 art 2 s 24; art 5 s 60,80; 2014 c 296 art 6 s 32,49; 1Sp2019 c 6 art 22 s 9; 2020 c 108 art 7 s 9; 2022 c 65 art 9 s 10; 2024 c 102 art 2 s 31; 2026 c 106 art 5 s 36; art 15 s 26*

356.21 [Repealed, 1975 c 192 s 7]

356.211 [Repealed, 1975 c 192 s 7]

356.212 [Repealed, 1975 c 192 s 7]

356.214 ACTUARIAL VALUATION PREPARATION.

Subdivision 1. **Actuary retention.** (a) The governing board or managing or administrative official of each public pension plan and retirement fund or plan enumerated in paragraph (b) shall contract with an established actuarial consulting firm to conduct annual actuarial valuations and related services. The principal from the actuarial consulting firm on the contract must be an approved actuary under section 356.215, subdivision 1, paragraph (c).

(b) Actuarial services must include the preparation of actuarial valuations and related actuarial work for the following retirement plans:

(1) the teachers retirement plan, Teachers Retirement Association;

(2) the general state employees retirement plan, Minnesota State Retirement System;

(3) the correctional employees retirement plan, Minnesota State Retirement System;

(4) the State Patrol retirement plan, Minnesota State Retirement System;

(5) the judges retirement plan, Minnesota State Retirement System;

(6) the general employees retirement plan, Public Employees Retirement Association;

(7) the public employees police and fire plan, Public Employees Retirement Association;

(8) the St. Paul teachers retirement plan, St. Paul Teachers Retirement Fund Association;

(9) the legislators retirement plan, Minnesota State Retirement System;

(10) the local government correctional service retirement plan, Public Employees Retirement Association; and

(11) the local government probation and telecommunicator retirement plan, Public Employees Retirement Association.

(c) The actuarial valuation for the legislators retirement plan must include a separate calculation of total plan actuarial accrued liabilities due to constitutional officer coverage under section 3A.17.

(d) The contracts must require completion of the annual actuarial valuation calculations on a fiscal year basis, with the contents of the actuarial valuation calculations as specified in section 356.215, and in conformity with the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

The contracts must require completion of annual experience data collection and processing and a quadrennial published experience study for the plans listed in paragraph (b), clauses (1), (2), and (6), as provided for in the standards for actuarial work adopted by the commission. The experience data collection, processing, and analysis must evaluate the following:

(1) individual salary progression;

(2) the rate of return on investments based on the current asset value;

(3) payroll growth;

(4) mortality;

(5) retirement age;

(6) withdrawal; and

(7) disablement.

(e) The actuary shall annually prepare a report to the governing or managing board or administrative official and the legislature, summarizing the results of the actuarial valuation calculations. The actuary shall include with the report any recommendations concerning the appropriateness of the support rates to achieve proper funding of the retirement plans by the required funding dates. The actuary shall, as part of the quadrennial experience study, include recommendations on the appropriateness of the actuarial valuation assumptions required for evaluation in the study.

(f) If the actuarial gain and loss analysis in the actuarial valuation calculations indicates a persistent pattern of sizable gains or losses, the governing or managing board or administrative official shall direct the actuary to prepare a special experience study for a plan listed in paragraph (b), clause (3), (4), (5), (7), (8), (9), or (10), in the manner provided for in the standards for actuarial work adopted by the commission.

Subd. 2. [Repealed, 2008 c 349 art 10 s 18]

Subd. 3. **Reporting to commission.** A copy of the actuarial valuations and experience studies prepared by the actuary retained under a contract provided for in this section must be filed with the executive director of the Legislative Commission on Pensions and Retirement.

Subd. 4. **Commission to contract with auditing actuary.** (a) The Legislative Commission on Pensions and Retirement may contract with an established actuarial consulting firm to audit or review the actuarial valuations, experience studies, and actuarial cost analyses prepared by the actuary retained by the governing or managing boards, or administrative officials of each of the plans or funds listed in subdivision 1, paragraph (b). The principal representative from the actuarial consulting firm so engaged must be an approved actuary under section 356.215, subdivision 1, paragraph (c).

(b) Any actuarial consulting firm retained under paragraph (a) will, according to a schedule determined under an agreement with the Legislative Commission on Pensions and Retirement, audit the valuation reports submitted by the actuary retained by each governing or managing board or administrative official, and provide an assessment of the reasonableness, reliability, and areas of concern or potential improvement in the specific reports reviewed, the procedures utilized by any particular reporting actuary, or general modifications to standards, procedures, or assumptions that the commission may wish to consider. Actuarial firms retained by the retirement funds must cooperate fully and make available any data or other materials necessary for the commission-retained actuary to conduct an adequate review and to render advice to the commission.

History: *2004 c 223 s 6; 2006 c 277 art 3 s 32; 2008 c 349 art 10 s 7-9; 2010 c 359 art 12 s 24; 2013 c 111 art 2 s 25; 2014 c 296 art 6 s 33,49; 2015 c 68 art 14 s 17; 2026 c 106 art 5 s 37*

356.215 ACTUARIAL VALUATIONS AND EXPERIENCE STUDIES.

Subdivision 1. **Definitions.** (a) For the purposes of sections 3.85 and 356.20 to 356.23, each of the terms in the following paragraphs has the meaning given.

(b) "Actuarial valuation" means a set of calculations prepared by an actuary retained under section 356.214 if so required under section 3.85, or otherwise, by an approved actuary, to determine the normal cost and the accrued actuarial liabilities of a benefit plan, according to the entry age actuarial cost method and based upon stated assumptions including, but not limited to rates of interest, mortality, salary increase, disability, withdrawal, and retirement and to determine the payment necessary to amortize over a stated period any unfunded accrued actuarial liability disclosed as a result of the actuarial valuation of the benefit plan.

(c) "Approved actuary" means:

(1) a person who is regularly engaged in the business of providing actuarial services and who is a fellow in the Society of Actuaries; or

(2) a firm that retains a person described in clause (1) on its staff.

(d) "Entry age actuarial cost method" means an actuarial cost method under which the actuarial present value of the projected benefits of each individual currently covered by the benefit plan and included in the actuarial valuation is allocated on a level basis over the service of the individual, if the benefit plan is governed by section 424A.093, or over the earnings of the individual, if the benefit plan is governed by any other law, between the entry age and the assumed exit age, with the portion of the actuarial present value which is allocated to the valuation year to be the normal cost and the portion of the actuarial present value not provided for at the valuation date by the actuarial present value of future normal costs to be the actuarial accrued liability, with aggregation in the calculation process to be the sum of the calculated result for each

covered individual and with recognition given to any different benefit formulas which may apply to various periods of service.

(e) "Experience study" means a report providing experience data and an actuarial analysis of the adequacy of the actuarial assumptions on which actuarial valuations are based.

(f) "Actuarial value of assets" means the market value of all assets as of the preceding June 30, reduced by:

(1) 20 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred three years earlier and the June 30 that occurred four years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred four years earlier;

(2) 40 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred two years earlier and the June 30 that occurred three years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred three years earlier;

(3) 60 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred one year earlier and the June 30 that occurred two years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred two years earlier; and

(4) 80 percent of the difference between the actual net change in the market value of total assets between the most recent June 30 and the June 30 that occurred one year earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred one year earlier.

(g) "Unfunded actuarial accrued liability" means the total current and expected future benefit obligations, reduced by the sum of the actuarial value of assets and the present value of future normal costs.

(h) "Standards for actuarial work" means the document required under section 3.85, subdivision 10, to be adopted by the Legislative Commission on Pensions and Retirement as so adopted and amended from time to time.

Subd. 2. **Requirements.** (a) It is the policy of the legislature that it is necessary and appropriate to determine annually the financial status of tax-supported retirement and pension plans for public employees. To achieve this goal, the actuary retained under section 356.214 shall prepare annual actuarial valuations, as of the beginning of each fiscal year, of the retirement plans enumerated in section 356.214, subdivision 1, paragraph (b), and quadrennial experience studies of the retirement plans enumerated in section 356.214, subdivision 1, paragraph (b), clauses (1), (2), and (6).

(b) The governing board or executive director of each public pension and retirement plan enumerated in section 356.20, subdivision 2, clauses (7), (9), and (10), shall have prepared by an approved actuary annual actuarial valuations of their respective funds as provided in this section. This requirement also applies to any plan that is the successor to any organization enumerated in section 356.20, subdivision 2, or to the governing board or chief administrative officer of any newly formed retirement fund, plan, or association

operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, and any local police or fire relief association to which section 356.216 applies.

Subd. 2a. [Repealed, 2008 c 349 art 10 s 18]

Subd. 3. **Reports.** (a) The governing board or executive director of each public pension plan required to prepare an annual valuation under subdivision 2 must deliver the annual valuation to the executive director of the Legislative Commission on Pensions and Retirement, the commissioner of management and budget, and the Legislative Reference Library no later than the last day of the sixth month occurring after the end of the previous fiscal year. The annual valuation may be delivered by email.

(b) The governing board or executive director of each public pension plan required to prepare a quadrennial experience study under subdivision 2 must deliver the quadrennial experience study to the executive director of the Legislative Commission on Pensions and Retirement, the commissioner of management and budget, and the Legislative Reference Library, no later than the last day of the 12th month occurring after the end of the last fiscal year of the four-year period covered by the experience study. The quadrennial experience study may be delivered by email.

Subd. 4. **Actuarial valuation; contents.** (a) The actuarial valuation must be made in conformity with the requirements of the definition contained in subdivision 1 and the standards for actuarial work.

(b) The actuarial valuation must measure all aspects of the benefit plan of the fund in accordance with changes in benefit plans, if any, and salaries reasonably anticipated to be in force during the ensuing fiscal year. The actuarial valuation must be prepared in accordance with the entry age actuarial cost method. The actuarial valuation required under this section must include the information required in subdivisions 5 to 15.

Subd. 4a. [Renumbered subd 5]

Subd. 4b. [Renumbered subd 6]

Subd. 4c. [Renumbered subd 7]

Subd. 4d. [Renumbered subd 8]

Subd. 4e. [Renumbered subd 9]

Subd. 4f. [Renumbered subd 10]

Subd. 4g. [Renumbered subd 11]

Subd. 4h. [Renumbered subd 12]

Subd. 4i. [Renumbered subd 13]

Subd. 4j. [Renumbered subd 14]

Subd. 4k. [Renumbered subd 15]

Subd. 5. MS 2000 [Renumbered subd 16]

Subd. 5. **Normal cost.** For a fund providing benefits in whole or in part under a defined benefit plan, the actuarial valuation must indicate the level normal cost of the benefits provided under the laws governing the fund as of the date of the valuation, calculated in accordance with the entry age actuarial cost method.

The normal cost must be expressed as a level percentage of the present value of future payrolls of the active participants of the fund as of the date of the valuation.

Subd. 6. MS 2000 [Renumbered subd 17]

Subd. 6. **Accrued liability.** For a fund providing benefits under a defined benefit plan, the actuarial valuation must contain an exhibit indicating the actuarial accrued liabilities of the fund. This figure is the present value of future benefits reduced by the present value of future normal costs, calculated in accordance with the entry age actuarial cost method.

Subd. 7. MS 2000 [Renumbered subd 18]

Subd. 7. **Defined contribution plan accumulations.** For each fund providing benefits under a money purchase or defined contribution plan, the actuarial valuation must contain an exhibit indicating the member contributions accumulated at interest, as apportioned to members accounts, to the date of the valuation. These accumulations must be separately tabulated in a manner which properly reflects any differences in money purchase or defined contribution annuity rates which may apply.

Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable following investment return assumption:

plan	investment return assumption
general state employees retirement plan	7%
correctional state employees retirement plan	7
State Patrol retirement plan	7
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0
judges retirement plan	7
general public employees retirement plan	7
public employees police and fire retirement plan	7
local government correctional service retirement plan	7
local government probation and telecommunicator retirement plan	7
teachers retirement plan	7
St. Paul teachers retirement plan	7
Bloomington Fire Department Relief Association	6
monthly benefit firefighter relief associations	5
monthly benefit retirement plans in the statewide volunteer firefighter plan	6

(b) The actuarial valuation for each of the covered retirement plans listed in section 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take into account the postretirement adjustment rate or rates applicable to the plan as specified in section 354A.29, subdivision 7, or 356.415, whichever applies.

(c) The actuarial valuation must use the applicable salary increase and payroll growth assumptions found in the appendix to the standards for actuarial work. The appendix must be updated whenever new assumptions have been approved or deemed approved under subdivision 18.

(d) The assumptions set forth in the appendix to the standards for actuarial work continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

Subd. 9. **Other assumptions.** (a) Each plan's actuarial valuation must use assumptions concerning base mortality rates, disability, retirement, withdrawal, retirement age, and any other relevant demographic or economic factor. These assumptions must be set at levels consistent with those determined in the most recent quadrennial experience study completed under subdivision 16, if required, or as recommended by the plan's approved actuary, if a quadrennial experience study is not required.

(b) The actuarial valuation may use an assumption concerning future mortality improvement. This assumption may be set at levels consistent with those determined in the most recent mortality improvement scale published by the Society of Actuaries or as otherwise recommended by the plan's approved actuary.

(c) The actuarial valuation must contain an exhibit indicating the actuarial assumptions used in preparing the valuation report.

Subd. 10. **Public sector accounting disclosure information.** The actuarial valuation must contain those actuarial calculations that are necessary to allow the retirement plan administration or participating employing units to prepare the pension-related portions of annual financial reporting that meet generally accepted accounting principles for the public sector.

Subd. 11. **Amortization contributions.** (a) The actuarial valuation of each pension plan listed in subdivision 8, paragraph (a), other than the legislators retirement plan, the Bloomington Fire Department Relief Association, and the monthly benefit firefighter relief associations, must contain an exhibit indicating the additional annual contribution sufficient to amortize on a level percent of payroll basis the unfunded actuarial accrued liability resulting from any of the following changes, over the period specified for that change, except that the pension plan's unfunded actuarial accrued liability as of July 1, 2024, must be amortized over a period that ends June 30, 2048:

(1) experience gain or loss: 15 years;

(2) assumption or method change: 20 years;

(3) benefit change for active members: 15 years;

(4) long-term benefit change for inactive members: 15 years;

(5) short-term benefit change for inactive members: the number of years during which the benefit change will be in effect; and

(6) an annual contribution that is more or less than the actuarially determined contribution: 15 years.

(b) The amortization periods specified in paragraph (a) apply:

(1) unless the standards for actuarial work state otherwise;

(2) except that, for the legislators retirement plan, the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability must be calculated on a level dollar basis with an amortization period of one year; and

(3) except that, for the State Patrol retirement plan, the public employees police and fire retirement plan, and the Teachers Retirement Association, the unfunded actuarial accrued liability resulting from benefit increases enacted in 2025 must be amortized over a period that ends June 30, 2048.

Subd. 12. **Actuarial gains and losses.** The actuarial valuation must contain an exhibit consisting of an analysis by the actuary explaining the net increase or decrease in the unfunded actuarial accrued liability since the last valuation. The explanation must subdivide the net increase or decrease in the unfunded actuarial accrued liability into at least the following parts:

(1) increases or decreases in the unfunded actuarial accrued liability because of changes in benefits;

(2) increases and decreases in the unfunded actuarial accrued liability because of changes in actuarial assumptions;

(3) increases or decreases in the unfunded actuarial accrued liability attributable to actuarial gains or losses resulting from any experience deviations from the assumptions on which the valuation is based, as follows:

(i) actual investment earnings;

(ii) actual postretirement mortality rates;

(iii) actual salary increase rates; and

(iv) the remainder of the increase or decrease not attributable to any separate source;

(4) increases or decreases in unfunded actuarial accrued liability because of other reasons, including the effect of any amortization contribution paid or additional amortization contribution previously calculated but unpaid; and

(5) increases or decreases in unfunded actuarial accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

Subd. 13. **Membership tabulation.** (a) The actuarial valuation must contain a tabulation of active membership and annuitants in the fund. If the membership of a fund is under more than one general benefit program, a separate tabulation must be made for each general benefit program.

(b) The tabulations must be prepared by the administration of the pension fund and must contain the following information:

(1) Active members	Number
As of last valuation date	
New entrants	
Total	
Separations from active service	
Refund of contributions	
Separation with deferred annuity	
Separation with neither refund nor deferred annuity	
Disability	
Death	
Retirement with service annuity	
Total separations	
As of current valuation date	

(2) Annuitants	Number
As of last valuation date	
New entrants	
Total	
Terminations	
Deaths	
Other	
Total Terminations	
As of current valuation date	

(c) The tabulation required under paragraph (b), clause (2), must be made separately for each of the following classes of benefit recipients:

(1) service retirement annuitants;

(2) disability benefit recipients;

(3) survivor benefit recipients; and

(4) deferred annuitants.

Subd. 14. **Administrative expenses.** (a) The actuarial valuation must indicate the administrative expenses of the fund, expressed both in dollars and as a percentage of covered payroll.

(b) Administrative expenses are the costs incurred by the retirement plans in the course of operating the plan, excluding investment expenses. Investment expenses include all expenses incurred for the retention of professional external investment managers and professional investment consultants, custodian bank fees, investment transaction costs, and the costs incurred by the retirement plans to manage investment portfolios or assets internally. Investment expenses must be deducted from the investment return used in the actuarial valuation, and must not be included in administrative expenses when calculating the allowance for expenses.

Subd. 15. **Benefit plan summary.** The actuarial valuation must contain a summary of the principal provisions of the benefit plan upon which the valuation is based.

Subd. 16. **Quadrennial experience study; contents.** A quadrennial experience study, if required, must contain an analysis by the approved actuary of the experience of the fund and a comparison of the experience with the actuarial assumptions on which the most recent actuarial valuation of the retirement fund was based.

Subd. 17. **Actuarial services by approved actuaries.** (a) The actuarial valuation or quadrennial experience study must be made and any actuarial consulting services for a retirement fund or plan must be provided by an approved actuary. The actuarial valuation or quadrennial experience study must include a signed written declaration that it has been prepared according to sections 356.20 to 356.23 and according to the standards for actuarial work.

(b) Actuarial valuations or experience studies prepared by an approved actuary retained by a retirement fund or plan must be submitted to the Legislative Commission on Pensions and Retirement within ten days of the submission of the document to the retirement fund or plan.

Subd. 18. **Establishment of actuarial assumptions.** (a) The actuarial assumptions used for the preparation of actuarial valuations under this section that are other than the interest rate may be changed only with the approval of the Legislative Commission on Pensions and Retirement or after a period of one year has elapsed since the date on which the proposed assumption change or changes were received by the Legislative Commission on Pensions and Retirement without commission action.

(b) A change in the applicable actuarial assumptions may be proposed by the governing board of the applicable pension fund or relief association, by an actuary retained under section 356.214 or by the actuary retained by a local relief association governed by sections 424A.091 to 424A.096 or by Laws 2013, chapter 111, article 5, sections 31 to 42, if one is retained.

History: *1975 c 192 s 3; 1978 c 563 s 9,10; 1979 c 184 s 1; 1981 c 224 s 169; 1984 c 564 s 43; 1Sp1985 c 7 s 27; 1986 c 359 s 26; 1986 c 458 s 20; 1987 c 259 s 55; 1989 c 319 art 13 s 90,91; 1991 c 199 art 2 s 24; 1991 c 269 art 3 s 3-19; 1991 c 345 art 4 s 3,4; 1993 c 336 art 4 s 1; 1993 c 352 s 7; 1995 c 141 art 3 s 14,15; 1997 c 233 art 1 s 57-59; 1997 c 241 art 4 s 1; 1998 c 390 art 8 s 2; 1999 c 222 art 4 s 14; 2000 c 461 art 1 s 3-6; 1Sp2001 c 10 art 11 s 18; 2002 c 392 art 9 s 1; art 11 s 7,53; 2004 c 223 s 7,8; 1Sp2005 c 8 art 11 s 2; 2006 c 271 art 3 sec 47; 2006 c 277 art 3 s 33,34; 2008 c 204 s 41; 2008 c 349 art 10 s 10-15; 2009 c 86 art 1 s 90; 2009 c 101 art 2 s 109; 2009 c 169 art 1 s 70,71; 2010 c 359 art 1 s 68,69; art 9 s 1; art 11 s 19,20; 1Sp2011 c 8 art 3 s 1; art 6 s 19; art 7 s 19; art 8 s 6,14; 2012 c 286 art 1 s 1-3; art 8 s 7; art 11 s 6; 2013 c 111 art 2 s 26,27; art 5 s 61,80; art 13 s 17; 2014 c 275 art 2 s 25; 2014 c 296 art 6 s 34,49; art 7 s 3; art 10 s 1,2; 2015 c 68 art 1 s 1; art 8 s 30; art 13 s 44,45; art 14 s 18; 2017 c 40 art 1 s 113; 2018 c 211 art 5 s 1-3; 1Sp2019 c 8 art 8 s 18,23; 2023 c 45 art 1 s 1; 2023 c 64 art 14 s 8; 2024 c 102 art 8 s 1; art 12 s 3,4; 2025 c 37 art 10 s 2-6; 2026 c 106 art 5 s 38; art 15 s 13,14*

356.216 CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL MONTHLY VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS.

The provisions of section 356.215 that govern the contents of actuarial valuations apply to the Bloomington Fire Department Relief Association and to any monthly firefighter relief association required to make an actuarial report under this section, except as follows:

(1) in lieu of the amortization date specified in section 356.215, subdivision 11, the appropriate amortization target date specified in clause (2) or section 424A.093, subdivision 4, paragraph (c), must be used in calculating any required amortization contribution;

(2) for the Bloomington Fire Department Relief Association, any unfunded actuarial accrued liability must be amortized on a level dollar basis by December 31 of the year occurring 20 years after the year in which the unfunded actuarial accrued liability initially occurred, and, if subsequent actuarial valuations for the Bloomington Fire Department Relief Association indicate a net actuarial experience loss incurred during the year which ended as of the day before the most recent actuarial valuation date, any unfunded actuarial accrued liability due to that loss is to be amortized on a level dollar basis by December 31 of the year occurring 20 years after the year in which the net actuarial experience loss occurred;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 13, the prospective annual service pensions under the benefit plan for active members must be reported;

(4) actuarial valuations required under Laws 2013, chapter 111, article 5, section 39, must be made annually and actuarial valuations required under section 424A.093, subdivision 2, must be made every four years or as frequently as required by generally accepted accounting principles in the government sector, whichever frequency requirement is shorter;

(5) the actuarial balance sheet showing accrued assets valued at market value, actuarial accrued liabilities, and the unfunded actuarial accrued liability must include the following required reserves:

(i) for active members:

(A) retirement benefits or service pensions;

(B) disability benefits; and

(C) survivors' benefits;

(ii) for deferred annuitants' benefits;

(iii) for former members without vested rights;

(iv) for annuitants:

(A) retirement annuities or service pensions;

(B) disability annuities; and

(C) survivor benefits.

In addition to those required reserves, separate items must be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above; and

(6) actuarial valuations are due to be filed with the state auditor by the first day of the seventh month after the end of the fiscal year which the actuarial valuation covers.

History: *1978 c 563 s 11; 1981 c 224 s 170; 1983 c 71 s 2; 1Sp1985 c 7 s 28; 1986 c 359 s 14; 1Sp1986 c 3 art 1 s 46; 1987 c 259 s 56; 1989 c 319 art 19 s 4; 1991 c 199 art 1 s 91; 2002 c 392 art 1 s 8; art 11 s 8; 1Sp2005 c 8 art 11 s 3; 2010 c 359 art 15 s 3; 1Sp2011 c 8 art 6 s 19; art 7 s 19; art 8 s 7,14; 2013 c 111 art 5 s 62,80; 2024 c 102 art 2 s 31; 2026 c 106 art 15 s 15*

356.2165 [Repealed, 2009 c 169 art 11 s 7]

356.217 [Repealed, 2004 c 223 s 11]

356.218 [Repealed, 1997 c 241 art 10 s 7]

356.219 DISCLOSURE OF PUBLIC PENSION PLAN INVESTMENT PORTFOLIO AND PERFORMANCE INFORMATION.

Subdivision 1. **Report required.** (a) The Bloomington Fire Department Relief Association, firefighter relief associations governed by sections 424A.091 to 424A.095, the St. Paul Teachers Retirement Fund Association, and any Minnesota public pension plan that is not fully invested through the State Board of Investment, must report the information specified in subdivision 3 to the state auditor. The state auditor may prescribe a form or forms for the purposes of the reporting requirements contained in this section.

(b) For purposes of this section, a pension plan is fully invested through the State Board of Investment during a given calendar year if all assets of the pension plan beyond sufficient cash equivalent investments to cover six months of expected expenses are invested under section 11A.17.

(c) A public pension plan to which subdivision 3, paragraph (b) or (c), applies is not required to file the report required by this subdivision for a given calendar year if the pension plan's most recent annual financial audit was conducted by the state auditor. The St. Paul Teachers Retirement Fund Association is not required to file the report required by this subdivision for a given calendar year if the St. Paul Teachers Retirement Fund Association:

(1) is audited by the state auditor under section 354A.021, subdivision 8, for the most recent annual audit; or

(2) submits to the state auditor an annual financial audit for the most recent annual audit that was conducted in accordance with auditing standards generally accepted in the United States of America.

(d) This section does not apply to the following plans:

(1) the Minnesota unclassified employees retirement program under chapter 352D;

(2) the public employees defined contribution plan under chapter 353D;

(3) the individual retirement account plans under chapters 354B and 354D;

(4) the higher education supplemental retirement plan under chapter 354C;

(5) any alternative retirement benefit plan established under section 383B.914;

(6) the University of Minnesota faculty retirement plan and supplemental plan; and

(7) any other statewide plan required to be invested by the State Board of Investment under section 11A.23.

Subd. 2. **Asset class definition.** (a) For purposes of this section, "asset class" means any of the following asset groupings as authorized in applicable law, bylaws, or articles of incorporation:

(1) cash and any cash equivalent investments with maturities of one year or less when issued;

(2) debt securities with maturities greater than one year when issued, including but not limited to mortgage participation certificates and pools, asset backed securities, guaranteed investment contracts, and authorized government and corporate obligations of corporations organized under laws of the United States or any state, or the Dominion of Canada or its provinces;

(3) stocks or convertible issues of any corporation organized under laws of the United States or any state, or the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange;

(4) international stocks or convertible issues;

(5) international debt securities; and

(6) real estate and venture capital.

(b) If the pension plan is investing in open-end investment companies registered under the federal Investment Company Act of 1940, or in the Minnesota supplemental investment fund under section 11A.17, this investment must be included under an asset class indicated in paragraph (a), clauses (1) through (6), as appropriate. If the investment vehicle includes underlying securities from more than one asset class as indicated by paragraph (a), clauses (1) through (6), the investment may be treated as a separate asset class.

Subd. 3. **Content of reports.** (a) The report required by subdivision 1 must include a written statement of the investment policy. Following that initial report, subsequent reports must include investment policy changes and the effective date of each policy change rather than a complete statement of investment policy, unless the state auditor requests submission of a complete current statement. The report must also include the information required by the following paragraphs, as applicable.

(b) For public pension plans not fully invested through the State Board of Investment with assets having a market value of $50,000,000 or more as of the beginning of the calendar year, or that had a market value of $50,000,000 or more in a prior calendar year, the report required by subdivision 1 must include the following:

(1) the market value of the total portfolio and the market value of each investment account, investment portfolio, or asset class included in the pension fund for each month;

(2) the amount and date of each injection and withdrawal to the total portfolio and to each investment account, investment portfolio, or asset class;

(3) a calculation of the total time-weighted rate of return available from index-matching investments, assuming the asset class performance targets and target asset mix indicated in the written statement of investment policy;

(4) a description of indices used in the analyses and an explanation of why those indices are appropriate;

(5) computed time-weighted rates of return; and

(6) any other information required by the state auditor.

(c) For public pension plans fully invested through the State Board of Investment with assets having a market value of $50,000,000 or more as of the beginning of the calendar year, or that had a market value of $50,000,000 or more in a prior calendar year, the report required by subdivision 1 must be in the form required by the state auditor and include the information needed by the state auditor to supplement the reporting available from the State Board of Investment.

(d) If a public pension plan has assets with a total market value of less than $50,000,000 as of the beginning of the calendar year and was never required to file under paragraph (b) or (c), the report required by subdivision 1 must include the following:

(1) unless paragraph (f) applies, the amount and date of each total portfolio injection and withdrawal; and

(2) the market value of the total portfolio as of the beginning of the calendar year and for each quarter.

(e) For public pension plans reporting under paragraph (d), the public pension plan must retain supporting information specifying the date and amount of each injection and withdrawal to each investment account and investment portfolio. The public pension plan must also retain the market value of each investment account and investment portfolio at the beginning of the calendar year and for each quarter. Information that is required to be collected and retained for any given year or years under this paragraph must be submitted to the state auditor if the state auditor requests in writing that the information be submitted by the public pension plan. If the state auditor requests information under this subdivision, and the pension plan fails to comply, the pension plan is subject to penalties under subdivision 5, unless penalties are waived by the state auditor under that subdivision.

(f) A public pension plan reporting under paragraph (d) that is fully invested through the State Board of Investment for the given calendar year is required to report the market value of the total portfolio as of the beginning of the calendar year and for each quarter, but need not report the amount and date of each total portfolio injection and withdrawal.

Subd. 4. [Repealed, 2012 c 286 art 10 s 13]

Subd. 5. **Penalty for noncompliance.** Failure to comply with the reporting requirements of this section must result in a withholding of all state aid or state appropriation to which the pension plan may otherwise be directly or indirectly entitled until the pension plan has complied with the reporting requirements. The state auditor shall instruct the commissioners of revenue and management and budget to withhold any state aid or state appropriation from any pension plan that fails to comply with the reporting requirements contained in this section, until the pension plan has complied with the reporting requirements. The state auditor may waive the withholding of state aid or state appropriations if the state auditor determines in writing that compliance would create an excessive hardship for the pension plan.

Subd. 6. **Investment disclosure report.** (a) The state auditor shall prepare an annual report to the legislature on the investment performance of the public pension plans subject to this section. The content of the report is specified in paragraphs (b) to (d).

(b) For each public pension plan reporting under subdivision 3, paragraph (b), the state auditor shall compute and report total portfolio and asset class time-weighted rates of return, net of all investment-related costs and fees. The report by the state auditor must also include the information submitted by the pension plans under subdivision 3 or a summary of that information.

(c) For each public pension plan reporting under subdivision 3, paragraph (d), the state auditor shall compute and report total portfolio time-weighted rates of return, net of all costs and fees.

(d) The report by the state auditor may also include a presentation of multiyear performance and any other information or analysis deemed appropriate by the state auditor.

Subd. 7. **Expense of report.** All administrative expenses incurred relating to the investment report by the state auditor described in subdivision 6 must be borne by the state auditor and may not be charged back to the entities described in subdivisions 1 or 4.

Subd. 8. **Timing of reports.** (a) For the Bloomington Fire Department Relief Association and the firefighter relief associations, the information required under this section must be submitted by the due date for reports required under section 424A.014, subdivision 1 or 2, as applicable.

(b) For the St. Paul Teachers Retirement Fund Association, the information required under this section must be submitted to the state auditor by June 1 of each year.

(c) Any public pension plan required to submit information under this section that is not identified in paragraph (a) or (b) must submit the information to the state auditor by June 1 of each year.

Subd. 9. **Data availability.** Any information received by the state auditor under this section, if the data are public, must be made available to individuals or organizations which request that information. The state auditor is authorized to charge fees sufficient to cover the cost of providing the requested information in usable formats.

Subd. 10. **Pension performance reporting.** In addition to report presentations that the state auditor is required to provide elsewhere in this section, the state auditor shall provide an analysis comparing the one-year and the five-year rate of return for each pension fund and the benchmark rate of return for each fund. The state auditor shall select the benchmark rate of return based on the best practice in the industry.

History: *1994 c 565 art 2 s 1; 1995 c 262 art 9 s 1; 1996 c 438 art 10 s 1; 1997 c 241 art 10 s 4; 2002 c 392 art 1 s 8; art 11 s 10; 2006 c 271 art 8 s 4,5; 2006 c 277 art 6 s 1,2; 2009 c 101 art 2 s 109; 2009 c 169 art 10 s 6; 2012 c 286 art 10 s 7,8; 2013 c 111 art 5 s 63-65,80; 2014 c 296 art 6 s 35,49; 1Sp2019 c 6 art 22 s 10; 1Sp2019 c 8 art 6 s 1; 2020 c 108 art 4 s 1-5; 2026 c 106 art 3 s 13; art 15 s 26*

356.22 INTERPRETATION.

Subdivision 1. **Provision of additional valuations.** No provision in sections 356.20 to 356.23 may be construed in any way to limit any of the enumerated pension and retirement funds from furnishing additional actuarial valuations or experience studies, or additional data and actuarial calculations, as may be requested by the legislature or any standing committee or by the Legislative Commission on Pensions and Retirement.

Subd. 2. **Accelerated amortization.** No provision in sections 356.20 to 356.23 may be construed to preclude any public pension and retirement fund enumerated in section 356.20, subdivision 2, from requesting, or the legislature from providing for, the amortization of any unfunded actuarial accrued liability in a shorter period of time than by the established date for full funding as determined under section 356.215, subdivision 11.

Subd. 3. **Additional required valuations.** The legislature or any committee or commission which has assigned to it the subject of public pensions or public retirement plans may require actuarial valuations and experience studies in conformity with the provisions of sections 356.20 to 356.23 from any public pension and retirement plan or fund, whether enumerated in sections 356.20 to 356.23 or otherwise.

History: *1965 c 359 s 3; 1975 c 192 s 4,5; 1979 c 184 s 2; 1981 c 224 s 171; 1Sp1985 c 7 s 35; 1987 c 259 s 57; 2002 c 392 art 11 s 11*

356.23 SUPPLEMENTAL VALUATIONS; ALTERNATIVE REPORTS AND VALUATIONS.

Subdivision 1. **Supplemental actuarial valuations.** Any supplemental actuarial valuations prepared on behalf of any governing or managing board of any pension and retirement fund enumerated in section 356.20, subdivision 2, by an approved actuary, must be prepared in accordance with the applicable provisions of sections 356.20 to 356.23 and with the standards adopted by the Legislative Commission on Pensions and Retirement. Any pension and retirement fund which prepares an alternative actuarial valuation under subdivision 2 also must have a supplemental actuarial valuation prepared.

Subd. 2. **Alternative reports and valuations.** In addition to the financial reports and actuarial valuations required by sections 356.20 to 356.23, the governing or managing board of any fund concerned may submit alternative reports and actuarial valuations for distribution to the legislature, any of its committees, or the Legislative Commission on Pensions and Retirement on a different basis or on different assumptions than are specified in sections 356.20 to 356.23. The assumptions and basis of any alternative reports and valuations must be clearly stated in the document.

History: *1965 c 359 s 4; 1971 c 7 s 7; 1975 c 192 s 6; 1984 c 655 art 1 s 59; 1987 c 259 s 58; 2002 c 392 art 11 s 12*

LIMITATIONS ON SUPPLEMENTAL AND LOCAL RETIREMENT PLANS

356.24 SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) to a deferred compensation plan defined in subdivision 3;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of $4,300 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy, collective bargaining agreement, participation plan, or resolution of the

governing body of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $10,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $10,000 per year per employee;

(11) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(12) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(13) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5;

(14) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment; or

(15) to a supplemental plan organized and operated under the Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay.

Subd. 1a. [Repealed, 2000 c 461 art 13 s 4]

Subd. 1b. **Vendor restrictions.** A personnel policy for unrepresented employees, a collective bargaining agreement for represented employees, or a school board for school district employees may establish limits on the number of vendors of plans covered by the exceptions set forth in subdivision 1 that it will utilize and conditions under which those vendors may contact employees both during working hours and after working hours.

Subd. 1c. **State Board of Investment review.** (a) Any insurance company, mutual fund company, or similar company providing investments eligible under section 403(b) of the Internal Revenue Code and eligible to receive employer contributions under this section may request the State Board of Investment, in conjunction with the Department of Commerce, to review the financial standing of the company, the competitiveness of its investment options and returns, and the level of all charges and fees impacting those returns.

(b) The State Board of Investment may establish a fee for each review. The State Board of Investment must maintain and have available a list of all reviewed companies.

(c) In reviewing companies under this section, the State Board of Investment must not be considered to be acting as a fiduciary or to be engaged in a fiduciary activity under chapter 356A or common law.

Subd. 2. MS 2018 [Repealed, 2020 c 108 art 2 s 3]

Subd. 3. **Deferred compensation plan.** (a) As used in this section:

(1) "deferred compensation plan" means a plan that satisfies the requirements of this subdivision;

(2) "plan administrator" means the individual or entity defined as the plan administrator in the plan document for the Minnesota deferred compensation plan under section 352.965 or a deferred compensation plan under section 457(b) of the Internal Revenue Code; and

(3) "vendor" means the provider of an annuity contract, custodial account, or retirement income account under a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code.

(b) The plan is:

(1) the Minnesota deferred compensation plan under section 352.965;

(2) a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code; or

(3) a deferred compensation plan under section 457(b) of the Internal Revenue Code.

(c) For each investment fund available to participants under the plan, other than in a self-directed brokerage account or fixed annuity contract, the plan administrator or vendor discloses at least annually to participants a statement that sets forth (1) all fees, including administrative, maintenance, and investment fees, that impact the rate of return on each investment fund available under the plan, and (2) the rates of return for the prior one-, five-, and ten-year periods or for the life of the fund, if shorter, in an easily understandable document.

(d) Enrollment in the plan is provided for in:

(1) a personnel policy of the public employer;

(2) a collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit; or

(3) an individual employment contract (i) between a city and a city manager or other management employee, or (ii) between a school district and a superintendent or other management employee.

(e) The plan covers employees of a school district, state agency, or other governmental subdivision. The plan may cover city managers covered by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph (a) or (b), but must not cover employees of the Board of Trustees of Minnesota State Colleges and Universities who are covered by the Higher Education Supplemental Retirement Plan under chapter 354C.

(f) If the public employer makes matching contributions to the plan, the matching contributions must match, on a dollar for dollar basis, employee elective deferral contributions not to exceed the lesser of (1) the maximum authorized under the policy described in paragraph (d) that provides for enrollment in the plan or program, or (2) one-half of the annual limit on elective deferrals under section 402(g) of the Internal

Revenue Code. In lieu of or in addition to matching an employee's elective deferral contributions, the public employer may make employer matching contributions on behalf of an employee on account of qualified student loan payments, as defined in the Secure 2.0 Act of 2022, Public Law 117-328 (December 29, 2022), Division T, section 110, paragraph (b), and any regulations adopted thereunder. The employer matching contributions on account of an employee's qualified student loan payments plus any employer matching contributions that match an employee's elective deferral contributions must not exceed, for the year, the lesser of (1) the maximum authorized under the policy described in paragraph (d) that provides for enrollment in the plan or program, (2) one-half of the annual limit on elective deferrals under section 402(g) of the Internal Revenue Code, or (3) the employee's compensation for the year.

(g) Contributions to the plan may include contributions deducted from an employee's sick leave, accumulated vacation leave, or accumulated severance pay, whether characterized as employee contributions or nonelective employer contributions, up to applicable limits under the Internal Revenue Code. Such contributions are not subject to the match requirement and limit in paragraph (f).

History: *1971 c 222 s 1; 1980 c 600 s 7; 1981 c 224 s 172; 1988 c 605 s 9; 1988 c 709 art 11 s 6; 1989 c 319 art 12 s 3; 1992 c 464 art 1 s 42; 1992 c 487 s 4; 1993 c 192 s 90; 1993 c 239 art 3 s 1; 1993 c 300 s 12; 1995 c 141 art 3 s 16; art 4 s 7; 1995 c 212 art 4 s 64; 1999 c 222 art 18 s 1; 2000 c 461 art 12 s 15; art 13 s 1-3; 1Sp2001 c 1 art 2 s 24; 1Sp2001 c 10 art 7 s 2; 2002 c 392 art 10 s 1; art 11 s 13-16; 1Sp2003 c 12 art 7 s 1; 2006 c 271 art 3 s 40; art 7 s 1; 2008 c 349 art 11 s 6; 2010 c 359 art 2 s 15; art 15 s 4; 2014 c 296 art 1 s 8; 2018 c 211 art 17 s 1; 2020 c 108 art 5 s 13,14; 2022 c 65 art 9 s 11; 2023 c 47 art 9 s 1; 2024 c 102 art 7 s 1,2; 2025 c 37 art 6 s 1; 2026 c 106 art 10 s 1; art 16 s 3*

356.245 LOCAL ELECTED OFFICIALS.

An elected official who is covered by section 353.01, subdivision 2a, or 353D.01, subdivision 2, whichever applies, is eligible to participate in a deferred compensation plan under section 356.24. The applicable local governmental unit may make the matching employer contributions authorized by that section on the part of a participating elected official.

History: *1988 c 709 art 9 s 3; 2002 c 392 art 11 s 17; 2015 c 68 art 13 s 46*

356.25 LOCAL GOVERNMENTAL PENSION FUND PROHIBITIONS; EXCLUSIONS.

Notwithstanding any other provision of law or charter to the contrary, no city, county, public agency or instrumentality, or other political subdivision is required or permitted to establish for any of its employees a local pension plan or fund financed in whole or in part from public funds, other than:

(1) a supplemental pension or deferred compensation plan authorized under section 356.24; or

(2) a firefighter relief association that is established under chapter 424A and is governed by sections 424A.091 to 424A.096.

History: *1975 c 405 s 1; 1977 c 429 s 63; 1981 c 224 s 173; 1984 c 655 art 1 s 60; 2002 c 392 art 10 s 2; art 11 s 18; 2013 c 111 art 5 s 80; 2024 c 102 art 2 s 31; 2026 c 106 art 15 s 26*

356.26 [Repealed, 1976 c 129 s 1]

356.27 CITY OF ST. PAUL AND INDEPENDENT SCHOOL DISTRICT NO. 625, ST. PAUL; CONTRIBUTIONS TO MULTIEMPLOYER PLANS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Building and construction trades" means categories of employees who perform building construction, maintenance, or inspection services, including:

(1) bricklayers;

(2) carpenters;

(3) cement masons;

(4) electricians;

(5) elevator constructors;

(6) glaziers;

(7) laborers;

(8) operating engineers;

(9) painters;

(10) pipefitters;

(11) plasterers;

(12) plumbers;

(13) roofers;

(14) sheet metal workers; and

(15) sprinkler fitters.

Building and construction trades does not include machinists or teamsters.

(c) "Employers" means the city of St. Paul and Independent School District No. 625, St. Paul.

(d) "Grandfathered trades employees" means trades employees on whose behalf an employer made contributions on or before June 30, 2020, to PERA and to one or more multiemployer plans other than as provided in section 356.24, subdivision 1, clause (8), (9), or (10).

(e) "Multiemployer plan" means a plan or fund subject to the federal Employee Retirement Income Security Act of 1974, as amended, to which more than one employer is required to contribute and that is maintained pursuant to one or more collective bargaining agreements between one or more labor organizations and more than one employer. For purposes of this section, a multiemployer plan may be: (1) either a defined benefit pension plan or a defined contribution retirement plan; and (2) either a plan that covers employees in one or more local units in the state of Minnesota or a plan that covers union employees nationwide.

(f) "PERA" means the Public Employees Retirement Association general plan established under chapter 353.

(g) "Trades employees" means employees principally employed in one of the building and construction trades.

Subd. 2. **Negotiating over contributions to multiemployer plans authorized.** The employers are authorized to negotiate, with labor organizations representing trades employees, collective bargaining

agreements that provide for contributions to multiemployer plans on the basis of hours worked or paid. Any provision must identify each multiemployer plan to which contributions are to be made and, beginning with any such collective bargaining agreement or renewal thereof entered into after June 30, 2020, must include the employer identification number and plan number unique to the plan.

Subd. 3. **Participation in PERA.** (a) In connection with services performed for an employer under a collective bargaining agreement authorized by subdivision 2, a trades employee first hired by the employer on or after July 1, 2020, shall not participate in PERA, except for a trades employee whose employer makes contributions on behalf of the trades employee to PERA and to one or more multiemployer plans as provided in section 356.24, subdivision 1, clause (8), (9), or (10).

(b) Grandfathered trades employees shall continue to participate in PERA according to chapter 353 and in one or more multiemployer plans pursuant to a collective bargaining agreement authorized by subdivision 2. Participation shall not be subject to section 356.24.

Subd. 4. **Employer's reporting obligation.** (a) If an employer negotiates a collective bargaining agreement authorized by subdivision 2 that covers grandfathered trades employees, the employer shall annually submit a report that satisfies the requirements of paragraph (b) to the executive director of the Legislative Commission on Pensions and Retirement annually, no later than 60 days after the end of the employer's fiscal year.

(b) The report shall provide for each labor organization the number of grandfathered trades employees for whom the employer made contributions during the prior fiscal year.

(c) After receiving a report from an employer, the executive director of the Legislative Commission on Pensions and Retirement may request additional information that the employer shall promptly provide.

(d) The reporting obligation expires upon submission of a report for the last fiscal year in which the employer makes a contribution to PERA with respect to a grandfathered trades employee.

History: *2020 c 108 art 2 s 2*

PUBLIC RETIREMENT PLAN PORTABILITY

356.30 COMBINED SERVICE ANNUITY.

Subdivision 1. **Eligibility; computation of annuity.** (a) Notwithstanding any provisions of the laws governing the covered retirement plans listed in subdivision 3 and except as provided in subdivision 1a, a person may elect to receive, upon retirement, a retirement annuity from each covered retirement plan, subject to the provisions of paragraph (b), if the person has:

(1) allowable service in any two or more of the covered plans;

(2) at least one-half year of allowable service in each covered plan, based on the allowable service in each plan;

(3) total allowable service that equals or exceeds the longest service credit vesting requirement of the applicable retirement plan; and

(4) not begun to receive an annuity from any covered plan or made application for benefits from each applicable plan and the retirement annuity effective dates of each plan are within a one-year period.

(b) If all requirements in paragraph (a) have been satisfied, the retirement annuity from each plan must be based upon the allowable service, accrual rates, and average salary in the applicable plan except as further specified or modified in the following clauses:

(1) the laws governing annuities must be the law in effect on the date of termination from the last period of public service under a covered retirement plan with which the person earned a minimum of one-half year of allowable service credit during that employment;

(2) the average salary used to calculate the annuity for each formula plan must be based on the employee's highest five successive years of covered salary during the entire service in covered plans;

(3) the accrual rates under each plan must be the percentages prescribed by each plan's formula in effect for the respective years of allowable service from one plan to the next, recognizing all previous allowable service with the other covered plans;

(4) the allowable service in all the covered plans must be combined in determining eligibility for and the application of each plan's provisions with respect to reduction in the annuity amount for retirement prior to normal retirement age; and

(5) the annuity amount payable for any allowable service under a nonformula plan that is a covered plan must not be affected, but such service and covered salary must be used in the above calculation.

(c) If a person eligible for an annuity under paragraph (a) from each covered plan terminates all public service, the deferred annuity must be augmented from the date of termination until the earlier of:

(1) the effective date of retirement; or

(2) December 31, 2018, for the Minnesota State Retirement System and the Public Employees Retirement Association or June 30, 2019, for the Teachers Retirement Association and the St. Paul Teachers Retirement Association.

A deferred annuity must not be augmented after the applicable dates under clause (2). The appropriate rate of augmentation is the rate in effect on the date on which the person entered into public employment and subsequently adjusted according to the laws governing each covered plan, as applicable.

(d) This section does not apply to any person whose final termination from the last public service under a covered plan was before May 1, 1975.

(e) For the purpose of computing annuities under this section:

(1) the judges retirement fund accrual rate must not exceed 3.2 percent per year of service for any year of service or fraction thereof;

(2) the public employees police and fire plan and the State Patrol retirement plan accrual rate must not exceed 3.0 percent per year of service for any year of service or fraction thereof;

(3) the legislators retirement plan accrual rate must not exceed 2.5 percent, but this limit does not apply to the adjustment provided under section 3A.02, subdivision 1, paragraph (c); and

(4) any other covered plan's accrual rate must not exceed 2.7 percent per year of service for any year of service or fraction thereof.

(f) Any period of time for which a person has credit in more than one of the covered plans must be used only once for the purpose of determining total allowable service.

(g) If the period of duplicated service credit is more than one-half year, or the person has credit for more than one-half year, with each of the plans, each plan must apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all plans for the period.

(h) If the period of duplicated service credit is less than one-half year, or when added to other service credit with that plan is less than one-half year, the service credit must be ignored and a refund of contributions made to the person in accord with that plan's refund provisions.

Subd. 1a. **Exceptions for certain covered plans.** (a) A person meets the requirement of subdivision 1, paragraph (a), clause (1), and does not need to meet the requirements of subdivision 1, paragraph (a), clauses (2) and (4), to calculate a retirement annuity pursuant to this section if the person is eligible to receive retirement annuities from:

(1) both of the covered plans specified in subdivision 3, clauses (1) and (2);

(2) both of the covered plans specified in subdivision 3, clauses (1) and (13); or

(3) the covered plan specified in subdivision 3, clause (12), for allowable service earned under the general employees retirement plan and the local government probation and telecommunicator retirement plan if the person was transferred from the general employees retirement plan to the local government probation and telecommunicator retirement plan on January 1, 2027.

(b) This paragraph applies to a person who is eligible to receive retirement annuities from the covered plans specified in subdivision 3, clauses (1) and (2), and any other covered plan and who elects to calculate the retirement annuities as follows:

(1) for the retirement annuities from the covered plans specified in subdivision 3, clauses (1) and (2), the person does not need to meet the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and may begin to receive one of the annuities and defer receiving the other annuity; and

(2) for the retirement annuity from another covered plan, the person is entitled to have the retirement annuity from the other covered plan calculated under this section if the person meets the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and the person has not begun to receive an annuity from the other covered plan or made application for benefits from the other covered plan, and the retirement annuity effective dates of either of the covered plans specified in subdivision 3, clauses (1) and (2), and the other covered plan are within a one-year period.

(c) This paragraph applies to a person who is eligible to receive retirement annuities from the covered plans specified in subdivision 3, clauses (1) and (13), and any other covered plan and who elects to calculate the retirement annuities as follows:

(1) for the retirement annuities from the covered plans specified in subdivision 3, clauses (1) and (13), the person does not need to meet the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and may begin to receive one of the annuities and defer receiving the other annuity; and

(2) for the retirement annuity from another covered plan, the person is entitled to have the retirement annuity from the other covered plan calculated under this section if the person meets the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and the person has not begun to receive an annuity from the other covered plan or made application for benefits from the other covered plan, and the retirement annuity effective dates of either of the covered plans specified in subdivision 3, clauses (1) and (13), and the other covered plan are within a one-year period.

(d) This paragraph applies to a person who is eligible to receive retirement annuities from the covered plan specified in subdivision 3, clause (12), for allowable service earned under the general employees retirement plan, the local government probation and telecommunicator retirement plan, and any other covered plan, and who elects to calculate the retirement annuities as follows:

(1) for the retirement annuities from the covered plan specified in subdivision 3, clause (12), the person does not need to meet the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and may begin to receive a retirement annuity for either the allowable service under the general employees retirement plan or the local government probation and telecommunicator retirement plan and defer receiving the other annuity; and

(2) for the retirement annuity from another covered plan, the person is entitled to have the retirement annuity from the other covered plan calculated under this section if the person meets the requirements of subdivision 1, paragraph (a), clauses (2) and (4), and the person has not begun to receive an annuity from the other covered plan or made application for benefits from the other covered plan, and the retirement annuity effective dates of the covered plan specified in subdivision 3, clause (12), and the other covered plan are within a one-year period.

(e) Subdivision 1, paragraph (b), clause (1), does not apply if a person is eligible to receive retirement annuities from the covered plans as specified in paragraph (a). Instead, an annuity from a covered plan specified in paragraph (a) must be calculated under the law in effect on the date of termination of public service covered by the covered plan from which the annuity is received.

Subd. 2. **Repayment of refunds.** A person who has service credit in one of the retirement plans enumerated in subdivision 3 and who is employed or was formerly employed in a position covered by one of these covered plans but also has received a refund from any other of these covered plans, may repay the refund to the respective plan under terms and conditions that are consistent with the laws governing the other plan, except that the person need not be a currently contributing member of the plan to which the refund is repaid at the time the repayment is made. Unless otherwise provided by statute, the repayment of a refund under this subdivision may only be made within six months following termination of employment from a position covered by one of the covered plans enumerated in subdivision 3 or before the date of retirement from the plan to which the refund is repaid, whichever is earlier.

Subd. 2a. **Purchases of prior service.** If a purchase of prior service is made under the provisions of Laws 1988, chapter 709, article 3, or any similar special or general law provision which allows a purchase of service credit in any of the retirement plans enumerated in subdivision 3, the amount of required reserves calculated as prescribed in Laws 1988, chapter 709, article 3, must be paid to each plan based on the amount of benefit increase payable from that plan as a result of the purchase of prior service.

Subd. 3. **Covered plans.** This section applies to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the unclassified employees retirement program, established under chapter 352D;

(4) the State Patrol retirement plan, established under chapter 352B;

(5) the legislators retirement plan, established under chapter 3A, including constitutional officers as specified in that chapter;

(6) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353;

(7) the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353;

(8) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(9) the Teachers Retirement Association, established under chapter 354;

(10) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;

(11) the judges retirement fund, established by chapter 490;

(12) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H; and

(13) the special coverage subplans, established under section 352.85, 352.86, 352.87, or 352.88.

History: *1975 c 232 s 1; 1981 c 37 s 2; 1981 c 298 s 11; 1983 c 286 s 14; 1986 c 444; 1987 c 372 art 1 s 20; art 9 s 35; 1989 c 319 art 2 s 23; art 5 s 4; art 13 s 92; 1991 c 340 s 31; 1992 c 432 art 2 s 45; 1994 c 528 art 2 s 14; 1995 c 141 art 3 s 20; 1995 c 262 art 1 s 13; art 3 s 6; 1997 c 233 art 1 s 61,62; 1999 c 222 art 2 s 17; 2000 c 461 art 3 s 44; art 18 s 3; 2002 c 392 art 11 s 19; 2006 c 271 art 11 s 48; 2006 c 277 art 2 s 10; art 3 s 35; 2008 c 277 art 1 s 79; 2010 c 359 art 1 s 70; art 12 s 25; 2013 c 111 art 2 s 28; art 4 s 17; 2014 c 296 art 6 s 36,49; 2015 c 68 art 14 s 19; 2018 c 211 art 5 s 4; 2026 c 106 art 8 s 16-18*

356.301 [Repealed, 1987 c 284 art 8 s 3]

356.302 DISABILITY BENEFIT WITH COMBINED SERVICE.

Subdivision 1. **Definitions.** (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a disability benefit by the covered retirement plan and that is drawn from any period of credited service and successive years of covered salary in a covered retirement plan.

(c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 7.

(d) "Duty-related" means a disabling illness or injury that occurred while the person was actively engaged in employment duties or that arose out of the person's active employment duties.

(e) "General employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (1) to (5), (10), and (11).

(f) "Occupationally disabled" means the condition of having a medically determinable physical or mental impairment that makes a person unable to satisfactorily perform the minimum requirements of the person's employment position or a substantially similar employment position.

(g) "Public safety employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (6) to (9).

(h) "Totally and permanently disabled" means the condition of having a medically determinable physical or mental impairment that makes a person unable to engage in any substantial gainful activity and that is expected to continue or has continued for a period of at least one year or that is expected to result directly in the person's death.

Subd. 2. **Entitlement.** Notwithstanding any provision of law to the contrary governing any covered retirement plan, a member of a covered retirement plan may receive a combined service disability benefit from each covered retirement plan in which the person has credit for at least one-half year of allowable service if that person meets the applicable qualifying conditions. Subdivision 3 applies to a member of a general employee retirement plan. Subdivision 4 applies to a member of a public safety employee retirement plan. Subdivision 5 applies to a member of a covered retirement plan with both general employee and public safety employee retirement plan service.

Subd. 3. **General employee plan eligibility requirements.** A disabled member of a covered retirement plan who has credit for allowable service in a combination of general employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than the normal retirement age on the date of the application for the disability benefit;

(2) has become totally and permanently disabled;

(3) has credit for allowable service in any combination of general employee retirement plans totaling at least the number of years required by the applicable retirement plan with the longest service credit requirement for disability benefit receipt;

(4) has credit for at least one-half year of allowable service with the current general employee retirement plan before the commencement of the disability;

(5) has at least three continuous years of allowable service credit by the general employee retirement plan or has at least a total of three years of allowable service credit by a combination of general employee retirement plans in a 72-month period during which no interruption of allowable service credit from a termination of employment exceeded 29 days; and

(6) was not receiving a retirement annuity or disability benefit from any covered general employee retirement plan at the time of the commencement of the disability.

Subd. 4. **Public safety plan eligibility requirements.** A disabled member of a covered retirement plan who has credit for allowable service in a combination of public safety employee retirement plans is entitled to a combined service disability benefit if the member:

(1) has become occupationally disabled;

(2) has credit for allowable service in any combination of public safety employee retirement plans totaling at least the minimum period of service credit required by the applicable retirement plan with the longest service credit eligibility requirement for the receipt of a duty-related disability benefit if the disability is duty-related or totaling at least the minimum period of service credit required by the applicable retirement plan with the longest service credit eligibility requirement for a disability benefit that is not duty-related if the disability is not duty-related;

(3) has credit for at least one-half year of allowable service with the current public safety employee retirement plan before the commencement of the disability; and

(4) was not receiving a retirement annuity or disability benefit from any covered public safety employee retirement plan at the time of the commencement of the disability.

Subd. 5. **General and public safety plan eligibility requirements.** A disabled member of a covered retirement plan who has credit for allowable service in a combination of both a public safety employee retirement plan and general employee retirement plan must meet the qualifying requirements in subdivisions 3 and 4 to receive a combined service disability benefit from the applicable general employee and public safety employee retirement plans, except that the person need only be a member of a covered retirement plan at the time of the commencement of the disability, that the person must have allowable service credit for the applicable retirement plan with the longest service credit eligibility requirement for the receipt of a disability benefit, and that the minimum allowable service requirements of subdivisions 3, clauses (3) and (5), and 4, clauses (3) and (4), may be met in any combination of covered retirement plans.

Subd. 6. **Combined service disability benefit computation.** (a) The combined service disability benefit from each covered retirement plan must be based on the allowable service in each retirement plan, except as specified in paragraphs (b) to (f).

(b) The disability benefit must be governed by the law in effect for each covered retirement plan on the date of the commencement of the member's most recent qualifying disability as a member of a covered retirement plan.

(c) All plans must base the disability benefit on the same average salary figure to the extent practicable.

(d) If the method of the covered retirement plan used to compute a disability benefit varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a disability benefit does not vary based on the length of allowable service credit, the portion of the specified benefit amount from the plan must bear the same proportion to the total specified benefit amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the disability benefit amount for allowable service under the plan is not affected, but the service and the covered salary under the plan must be used as applicable in calculations by other covered retirement plans.

(f) A period for which a person has allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service disability benefit, with any period of duplicated service credit handled as provided in section 356.30, subdivision 1, paragraphs (g) and (h).

(g) If a person is entitled to a minimum benefit payable from one of the public pension plans enumerated in section 356.30, subdivision 3, the person may receive additional credit for only those years of service in another covered pension plan that, when added to the years of service in the pension plan that is paying the minimum benefit, exceed the years of service on which the minimum benefit is based.

(h) A partially employed recipient of a disability benefit must have any current reemployment income plus the total disability payments from all plans enumerated in subdivision 7 added together, and then compared to their final salary rate as a public employee. If current income plus the total disability payments exceed the final salary of the person at the time of retirement, then disability benefit payments from all the

plans must be reduced on a prorated basis relative to the years of service in each fund so that earnings plus benefit payments do not exceed the final salary rate.

Subd. 7. **Covered retirement plans.** This section applies to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(2) the unclassified state employees retirement program of the Minnesota State Retirement System, established by chapter 352D;

(3) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;

(4) the Teachers Retirement Association, established by chapter 354;

(5) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

(6) the state correctional employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(7) the State Patrol retirement plan, established by chapter 352B;

(8) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the judges retirement plan, established by chapter 490; and

(11) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established by chapter 353H.

History: *1987 c 284 art 8 s 1; 1988 c 709 art 5 s 39,40; 1989 c 319 art 5 s 5; 1990 c 570 art 12 s 56,57; 1992 c 432 art 2 s 46; 1993 c 307 art 2 s 18; art 4 s 51; 1995 c 141 art 3 s 20; 1999 c 222 art 2 s 18; 2000 c 461 art 3 s 46; 2002 c 392 art 11 s 20; 2004 c 267 art 8 s 33; 2006 c 271 art 11 s 48; 2006 c 277 art 3 s 36; 2010 c 359 art 1 s 71-73; art 12 s 26,27; 2014 c 296 art 6 s 37,49; 2015 c 68 art 14 s 20; 2026 c 106 art 5 s 39,40*

356.303 SURVIVOR BENEFIT WITH COMBINED SERVICE.

Subdivision 1. **Definitions.** (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a survivor annuity or a survivor benefit, whichever applies, by the covered retirement plan and that is drawn from any period of credited service and covered salary in a covered retirement plan.

(c) "Covered retirement plan" or "plan" means a retirement plan enumerated in subdivision 4.

(d) "Deceased member" means a person who on the date of death was an active member of a covered retirement plan and who has reached the minimum age, if any, that is required by the covered retirement plan as part of qualifying for a survivor annuity or survivor benefit.

(e) "Surviving child" means a child of a deceased member (1) who is unmarried; (2) who has not reached age 18, or, if a full-time student, who has not reached a higher age as specified by the applicable covered retirement plan; and (3) if specified by that plan, who was actually dependent on the deceased member for a specified proportion of support before the deceased member's death. "Surviving child" includes a natural child, an adopted child, or a child of a deceased member who is conceived during the member's lifetime and who is born after the member's death.

(f) "Surviving spouse" means the legally married spouse of the deceased member who was residing with the deceased member on the date of death and who, if specified by the applicable covered retirement plan, had been married to the deceased member for a specified period of time before the death of the deceased member.

(g) "Survivor annuity" means the entitlement to a future amount payable to a survivor as the remainder interest of an optional annuity form implied by law as having been chosen by a deceased member before the date of death and effective on the date of death or provided automatically.

(h) "Survivor benefit" means an entitlement to a future amount payable to a survivor that is not included in the definition of a survivor annuity.

Subd. 2. **Entitlement; eligibility.** Notwithstanding any provision of law to the contrary governing a covered retirement plan, a person who is the survivor of a deceased member of a covered retirement plan may receive a combined service survivor benefit from each covered retirement plan in which the deceased member had credit for at least one-half year of allowable service if the deceased member:

(1) had credit for sufficient allowable service in any combination of covered retirement plans to meet the minimum allowable service credit requirement of the applicable covered retirement fund with the longest allowable service credit requirement for qualification for a survivor benefit or annuity;

(2) had credit for at least one-half year of allowable service with the most recent covered retirement plan before the date of death and was an active member of that covered retirement plan on the date of death; and

(3) was not receiving a retirement annuity from any covered retirement plan on the date of death.

Subd. 3. **Combined service survivor benefit computation.** (a) The combined service survivor annuity or survivor benefit from each covered retirement plan must be based on the allowable service in each covered retirement plan, except as provided by paragraphs (b) to (f).

(b) The survivor annuity or survivor benefit must be governed by the law in effect for each covered retirement plan on the date of the death of the deceased member.

(c) All plans must base the survivor annuity or survivor benefit on the same average salary figure if the annuity or benefit is salary related.

(d) If the method of the covered retirement plan used to compute a survivor benefit or annuity varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a survivor benefit or annuity does not vary based on the length of allowable service credit, the portion of the specified benefit or annuity amount from the covered retirement plan must bear the same proportion to

the total specified benefit or annuity amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the survivor benefit amount for allowable service under the plan is not affected, but the service and covered salary under the plan must be used in calculations by other covered retirement plans.

(f) A period for which a deceased member had allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service survivor annuity or survivor benefit. A period of duplicated service credit must be handled as provided in section 356.30, subdivision 1, paragraphs (g) and (h).

(g) If a person is entitled to a minimum benefit payable from a public pension plan named in section 356.30, subdivision 3, the person may receive additional credit for only those years of service in another covered pension plan that, when added to the years of service in the pension plan that is paying the minimum benefit, exceed the years of service on which the minimum benefit is based.

Subd. 4. **Covered retirement plans.** This section applies to the following retirement plans:

(1) the legislators retirement plan, established by chapter 3A;

(2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(4) the State Patrol retirement plan, established by chapter 352B;

(5) the elective state officers retirement plan, established by chapter 352C;

(6) the unclassified state employees retirement program, established by chapter 352D;

(7) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;

(8) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the Teachers Retirement Association, established by chapter 354;

(11) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

(12) the judges retirement fund, established by chapter 490; and

(13) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established by chapter 353H.

History: *1987 c 284 art 8 s 2; 1989 c 319 art 5 s 6; 1992 c 432 art 2 s 47; 1995 c 141 art 3 s 20; 1999 c 222 art 2 s 19; 2000 c 461 art 3 s 46; 2002 c 392 art 11 s 21; 2006 c 271 art 11 s 48; 2006 c 277 art 3 s 37; 2010 c 359 art 1 s 74; art 12 s 28; 2014 c 296 art 6 s 38,49; 2015 c 68 art 14 s 21; 2024 c 101 art 3 s 2; 2026 c 106 art 5 s 41*

356.305 [Repealed, 2002 c 392 art 11 s 53]

356.306 [Repealed, 2002 c 392 art 11 s 53]

356.31 [Repealed, 2002 c 392 art 11 s 53]

356.311 COVERAGE BY MORE THAN ONE PLAN.

(a) Any person who has been a member of two or more of the retirement plans listed in paragraph (b) is entitled, when qualified, to an annuity from each fund if:

(1) the person's combined service in any two or more retirement plans equals or exceeds the vesting requirement of the fund with the longest vesting requirement; and

(2) the person has not taken a refund from any of the retirement plans.

(b) This section applies to any defined benefit plan administered by the Minnesota State Retirement System, including the State Patrol Retirement Plan; the Public Employees Retirement Association, including the public employees police and fire plan; the Teachers Retirement Association; and the St. Paul Teachers Retirement Fund Association, except as noted in paragraph (c).

(c) This section does not apply to plans providing benefits for police officers or firefighters under sections 424A.091 to 424A.096 or the Bloomington Fire Department Relief Association.

(d) No portion of the service upon which the retirement annuity from one retirement plan is based shall be again used in the computation of a retirement annuity from another plan. The annuity from each plan must be determined under the laws applicable to that plan except that the requirement that a person meet the vesting requirement in any particular plan shall not apply, provided the combined service in any two or more plans equals or exceeds the vesting requirement of the plan with the longest vesting requirement.

(e) Any deferred annuity payable under this section shall be subject to augmentation under the laws applicable to the deferred annuity.

(f) Any person to whom an annuity is not payable under this section because the person took a refund from one of the funds shall be entitled to repay the refund in accordance with the laws governing the refund. Upon repayment, the person is entitled to annuities under this section, if the person would otherwise be entitled.

History: *2018 c 211 art 5 s 5*

RETIREMENT ANNUITIES

356.315 RETIREMENT BENEFIT FORMULA PERCENTAGES.

Subdivision 1. [Repealed, 2013 c 111 art 4 s 21]

Subd. 1a. [Repealed, 2013 c 111 art 4 s 21]

Subd. 2. [Repealed, 2013 c 111 art 4 s 21]

Subd. 2a. [Repealed, 2013 c 111 art 4 s 21]

Subd. 2b. [Repealed, 2013 c 111 art 4 s 21]

Subd. 3. [Repealed, 2013 c 111 art 4 s 21]

Subd. 4. [Repealed, 2013 c 111 art 4 s 21]

Subd. 5. [Repealed, 2013 c 111 art 4 s 21]

Subd. 5a. [Repealed, 2013 c 111 art 4 s 21]

Subd. 6. [Repealed, 2013 c 111 art 4 s 21]

Subd. 7. [Repealed, 2013 c 111 art 4 s 21]

Subd. 8. [Repealed, 2013 c 111 art 4 s 21]

Subd. 8a. [Repealed, 2014 c 275 art 2 s 26]

Subd. 9. **Future benefit accrual rate increases.** After January 2, 1998, benefit accrual rate increases under section 352.115, subdivision 3; 352.87, subdivision 3; 352.88, subdivision 4; 352.93, subdivision 3; 352.95, subdivision 1; 352B.08, subdivision 2; 352B.10, subdivision 1; 353.29, subdivision 3; 353.651, subdivision 3; 353.656, subdivision 1, 1a, or 3a; 353E.04, subdivision 3; 353E.06, subdivision 1; 353H.05, subdivision 1; 354.44, subdivision 6; 354A.31, subdivision 4 or 4a; 356.30, subdivision 1; 490.121, subdivision 22; or 490.124, subdivision 1, must apply only to allowable service or formula service rendered after the effective date of the benefit accrual rate increase.

History: *2002 c 392 art 11 s 22; 2006 c 277 art 3 s 38,39; 2010 c 359 art 1 s 75; 2013 c 111 art 4 s 18; art 14 s 1; 2026 c 106 art 4 s 5; art 5 s 42*

356.32 PROPORTIONATE ANNUITY AT AGE 65.

Subdivision 1. **Proportionate retirement annuity.** (a) Notwithstanding any provision to the contrary of the laws governing any of the retirement funds enumerated in subdivision 2, any person who is an active member of any applicable fund, who has credit for at least one year of allowable service in one or more of the covered plans, and who terminates active service under a mandatory retirement law or policy or at the normal retirement age but not less than age 65, is entitled upon making written application on the form prescribed by the chief administrative officer of the plan to a proportionate retirement annuity from each covered plan in which the person has at least six months of allowable service credit.

(b) The proportionate annuity must be calculated under the applicable laws governing annuities based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years.

(c) Nothing in this section prevents the imposition of the appropriate early retirement reduction of an annuity which commences before the normal retirement age.

Subd. 2. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the State Patrol retirement plan, established under chapter 352B;

(4) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353;

(5) the public employees police and fire plan of the Public Employees Retirement Association, established under chapter 353;

(6) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(7) the Teachers Retirement Association, established under chapter 354;

(8) the St. Paul Teachers Retirement Fund Association, established under chapter 354A; and

(9) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H.

History: *1975 c 183 s 2; 1976 c 130 s 1; 1978 c 649 s 3; 1978 c 796 s 44; 1979 c 40 s 10; 1979 c 217 s 27; 1980 c 342 s 15; 1981 c 37 s 2; 1981 c 224 s 174; 1981 c 298 s 11; 1987 c 372 art 1 s 21; 1989 c 319 art 13 s 93; 1995 c 141 art 3 s 20; 1997 c 233 art 1 s 63; 2002 c 392 art 11 s 23; 2009 c 169 art 11 s 2; 2010 c 359 art 12 s 29; 2014 c 296 art 6 s 39,49; 2015 c 68 art 12 s 38; art 14 s 22; 2018 c 211 art 13 s 1; 2026 c 106 art 5 s 43*

356.325 [Repealed, 2002 c 392 art 11 s 53]

356.34 [Repealed, 1978 c 781 s 13]

356.35 [Repealed, 2002 c 392 art 11 s 53]

356.351 MS 2008 [Expired, 2007 c 134 art 11 s 11]

356.36 [Repealed, 2002 c 392 art 11 s 53]

356.37 [Repealed, 2002 c 392 art 11 s 53]

356.371 [Repealed, 2002 c 392 art 11 s 53]

356.372 [Repealed, 2002 c 392 art 11 s 53]

356.38 [Repealed, 2002 c 392 art 11 s 53]

356.39 [Repealed, 2002 c 392 art 11 s 53]

356.40 DATE FOR PAYMENT OF ANNUITIES AND BENEFITS.

(a) Notwithstanding any law to the contrary, all annuities and benefits payable by a covered retirement fund, as defined in section 356.30, subdivision 3, must be paid in advance for each month during the first week of that month.

(b) In no event, however, may this section authorize the payment of both a retirement annuity and a surviving spouse's benefit in one month where the law governing the applicable retirement fund provides for the payment of the retired member's retirement annuity to the surviving spouse for the month in which the retired member dies.

History: *1977 c 388 s 3; 2002 c 392 art 11 s 24; 2015 c 68 art 13 s 47*

356.401 EXEMPTION FROM PROCESS.

Subdivision 1. **Exemption; exceptions.** None of the money, annuities, or other benefits provided for in the governing law of a covered retirement plan is assignable either in law or in equity or subject to state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 2 or section 518.58, 518.581, or 518A.53.

Subd. 2. **Automatic deposits.** (a) The chief administrative officer of a covered retirement plan may remit, through an automatic deposit system, annuity, benefit, or refund payments only to a financial institution associated with the National Automated Clearinghouse Association or a comparable successor organization that is trustee for a person who is eligible to receive the annuity, benefit, or refund.

(b) Upon the request of a retiree, disabilitant, survivor, or former member, the chief administrative officer of a covered retirement plan may remit the annuity, benefit, or refund payment to the applicable financial institution for deposit in the person's individual account or the person's joint account. If an overpayment of benefits is paid after the death of the annuitant or benefit recipient, the chief administrative officer of the pension plan is authorized to issue an administrative subpoena consistent with the requirements of section 13A.02, requiring the applicable financial institution to disclose the names of all joint and co-owners of the account and a description of all deposits to, and withdrawals from, the account which take place on or after the death of the annuitant or benefit recipient. An overpayment to a joint account after the death of the annuitant or benefit recipient must be repaid to the fund of the applicable covered retirement plan by the joint tenant if the overpayment is not repaid to that fund by the financial institution associated with the National Automated Clearinghouse Association or its successor. The governing board of the covered retirement plan may prescribe the conditions under which these payments may be made.

Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

(1) the legislators retirement plan, established by chapter 3A, including constitutional officers as specified in that chapter;

(2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(4) the State Patrol retirement plan, established by chapter 352B;

(5) the unclassified state employees retirement program, established by chapter 352D;

(6) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;

(7) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

(8) the public employees defined contribution plan, established by chapter 353D;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the statewide volunteer firefighter plan, established by chapter 353G;

(11) the Teachers Retirement Association, established by chapter 354;

(12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

(13) the individual retirement account plan, established by chapter 354B;

(14) the higher education supplemental retirement plan, established by chapter 354C;

(15) the judges retirement fund, established by chapter 490; and

(16) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established by chapter 353H.

History: *2005 c 164 s 29; 1Sp2005 c 7 s 28; 1Sp2005 c 8 art 10 s 64; 2006 c 271 art 11 s 48; 2009 c 169 art 4 s 40; art 9 s 27; 2010 c 359 art 12 s 30; 1Sp2011 c 8 art 6 s 19; art 7 s 19; art 8 s 8,14; 2013 c 111 art 2 s 29; 2014 c 296 art 6 s 40,49; 2015 c 68 art 14 s 23; 2020 c 108 art 7 s 9; 2026 c 106 art 5 s 44; art 15 s 16*

356.403 NORMAL RETIREMENT AGE; SAVINGS CLAUSE.

The intent of the legislature in sections 352.01, subdivision 25; 353.01, subdivision 37; 354.05, subdivision 38; and 354A.011, subdivision 15a, is to create a normal retirement age for persons first covered by those sections after May 16, 1989, that is the same as the retirement age in the federal Social Security law, including future amendments to that law. If a court determines that the legislature may not incorporate by reference the future changes in federal Social Security law, the legislature reserves the right to amend the appropriate sections to make the normal retirement age conform to the retirement age in the federal Social Security law. No person first covered by any of those sections after May 16, 1989, has a right to a normal retirement age that is less than the retirement age in the federal Social Security law.

History: *2002 c 392 art 11 s 25*

356.405 [Repealed, 2015 c 68 art 13 s 65]

SURVIVOR BENEFITS

356.406 LOSS OF ENTITLEMENT TO BENEFITS FOR SURVIVOR CAUSING DEATH OF PENSION PLAN MEMBER.

Subdivision 1. **Definitions.** (a) Each of the words or terms defined in this subdivision has the meaning indicated.

(b) "Public pension plan" means any retirement plan or fund enumerated in section 356.20, subdivision 2, or 356.30, subdivision 3, the Bloomington Fire Department Relief Association, any relief association governed by sections 424A.091 to 424A.095, any retirement plan governed by chapter 354B or 354C, the Hennepin County supplemental retirement plan governed by sections 383B.46 to 383B.52, or any housing and redevelopment authority retirement plan.

(c) "Public pension plan member" means a person who is a participant covered by a public pension plan; a former participant of a public pension plan who has sufficient service to be entitled to receive a future retirement annuity or service pension; a recipient of a retirement annuity, service pension, or disability benefit from a public pension plan; or a former participant of a public pension plan who has member or employee contributions to the person's credit in the public pension plan.

(d) "Survivor" means the surviving spouse, a former spouse, a surviving child, a joint annuitant, a designated recipient of a second or remainder portion of an optional annuity form, a beneficiary, or the estate of a deceased public pension plan member, as those terms are commonly understood or defined in the benefit plan document of the public pension plan.

(e) "Survivor benefit" means a surviving spouse benefit, surviving child benefit, second or remainder portion of an optional annuity form, a death benefit, a funeral benefit, or a refund of member or employee contributions payable on account of the death of a public pension plan member as provided for in the benefit plan document of the public pension plan.

Subd. 2. **Suspension of survivor benefits upon felony charge.** During the pendency of a charge of a survivor of a felony that caused the death of a public pension plan member, of criminal liability for a death by wrongful act felony, or of conspiracy to commit a death by wrongful act felony, the entitlement of that survivor to receive a survivor benefit is suspended.

Subd. 3. **Forfeiture of survivor benefits upon felony conviction.** On final conviction of a survivor of a felony that caused the death of a public pension plan member, of criminal liability for a death by wrongful act felony, or of conspiracy to commit a death by wrongful act felony, the entitlement of that survivor to receive a survivor benefit is forfeited, including entitlement for any previously suspended survivor benefits under subdivision 2.

Subd. 4. **Suspension or forfeiture actions separate.** The charge of one survivor under subdivision 2 or the conviction of one survivor under subdivision 3 does not affect the entitlement of another survivor to a survivor benefit.

Subd. 5. **Recovery of certain benefits.** If monthly benefits or a refund of the balance of a participant or former participant's account have already been paid to an individual who is later charged or convicted as described under this section, the executive director or chief administrative officer of the public pension plan shall attempt to recover the amounts paid. Payment may be made to the next beneficiary or survivor only in an amount equal to the amount recovered and in the amount of any future payments that would legally accrue to another survivor under the applicable laws of the retirement plan.

Subd. 6. **Disposition of forfeited survivor benefits.** If the benefit plan document governing the public pension plan does not provide for the disposition of forfeited benefits, survivor benefits forfeited under this section must be deposited in the general fund of the state.

History: *2002 c 392 art 11 s 27; 2013 c 111 art 5 s 66,80*

356.407 RESTORATION OF SURVIVOR BENEFITS.

Subdivision 1. **Restoration upon termination of remarriage.** Notwithstanding any provision to the contrary of the laws governing any of the retirement plans enumerated in subdivision 2, any person who was receiving a surviving spouse's benefit from any of those plans and whose benefit terminated solely because of remarriage is, if the remarriage terminates for any reason, again entitled upon reapplication to a surviving spouse's benefit; provided, however, that the person is not entitled to retroactive payments for the period of remarriage. The benefit resumes at the level which the person would have been receiving if there had been no remarriage.

Subd. 2. **Covered funds.** The provisions of this section apply to the following retirement funds:

(1) the general employees retirement plan of the Public Employees Retirement Association established under chapter 353;

(2) the public employees police and fire plan of the Public Employees Retirement Association established under chapter 353;

(3) the State Patrol retirement plan established under chapter 352B;

(4) the legislators retirement plan established under chapter 3A;

(5) the elective state officers retirement plan established under chapter 352C; and

(6) the Teachers Retirement Association established under chapter 354.

History: *2002 c 392 art 11 s 28; 2010 c 359 art 12 s 31; 2015 c 68 art 13 s 48; art 14 s 24*

356.408 TERMINATION OF SURVIVOR DESIGNATION.

Subdivision 1. **Authorization to terminate optional annuity form.** A public pension plan retired member receiving a joint and survivor retirement annuity or a person receiving a joint and survivor disability benefit from a plan listed in section 356.30, subdivision 3, and the designated survivor of that person may mutually agree to terminate the survivor designation by filing a termination statement on a form and in the manner specified by the chief administrative officer of the applicable public pension plan. Upon filing a valid termination statement accepted by the chief administrative officer, the rights of the designated survivor to receive a benefit upon death of the plan retired or disabled annuitant are terminated, and the retired or disabled annuitant must receive a normal single-life annuity.

Subd. 2. **Revised annuity form.** The replacement single life annuity must be actuarially equivalent to the joint and survivor annuity as of the first day of the month following acceptance of the valid termination statement by the chief administrative officer and payment of this revised prospective annuity begins on that same date.

Subd. 3. **Application.** This section does not apply if the designated survivor is the spouse or former spouse of the plan member.

Subd. 4. **Termination statement form requirements.** The annuity form termination statements must be in written form and must be notarized. Before accepting any signed form or forms, the chief administrative officer of the applicable pension plan must offer counseling to the retired or disabled annuitant and the designated survivor regarding the implications of the annuity form waiver. The forms must indicate that this counseling has been offered and either has been completed or has been waived by the retired or disabled annuitant and the designated survivor.

Subd. 5. **Prohibition against further annuity form revisions.** No retired or disabled annuitant who waives the annuity form under this section may further revise the annuity form at any later date.

History: *2013 c 111 art 7 s 7*

POSTRETIREMENT INCREASES

356.41 [Repealed, 2009 c 169 art 1 s 77]

356.415 POSTRETIREMENT ADJUSTMENTS; STATEWIDE RETIREMENT PLANS.

Subdivision 1. **Minnesota State Retirement System general state employees retirement plan, legislators retirement plan, and unclassified state employees retirement program.** (a) Recipients of a retirement annuity, disability benefit, or survivor benefit from the general state employees retirement plan,

the legislators retirement plan, or the unclassified state employees retirement program are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) effective January 1, 2026, and thereafter, a postretirement increase of 1.75 percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(2) effective January 1, 2026, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Minnesota State Retirement System requesting that the increase not be made.

Subd. 1a. **Minnesota State Retirement System correctional state employees retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the correctional state employees retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) a postretirement increase of 1.5 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of each annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

Subd. 1b. **Public Employees Retirement Association; general employees retirement plan.** (a) Annuities, disability benefits, and survivor benefits being paid from the general employees retirement plan of the Public Employees Retirement Association shall be increased effective each January 1 by the percentage of increase determined under this subdivision. The increase to the annuity or benefit shall be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b), after taking into account any reduction to the percentage of increase required under paragraph (d).

(b) The percentage of increase shall be one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than one percent. If the cost-of-living adjustment announced by the federal Social Security Administration is greater than one percent, the percentage of increase must be the same as the cost-of-living adjustment announced by the federal Social Security Administration, but in no event may the percentage of increase exceed the applicable maximum percentage in effect on January 1 under paragraph (c).

(c) The applicable maximum percentage in effect on January 1 is 1.75 percent, unless either of the following is true, in which case the applicable maximum percentage is 1.5 percent:

(1) the market value of assets equals or is less than 85 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial valuations; or

(2) the market value of assets equals or is less than 80 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent annual actuarial valuation.

(d)(1) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least one month, but less than 12 full months, as of the June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit was received as of June 30 of the preceding calendar year and the denominator of which is 12.

(e) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

Subd. 1c. **Public employees police and fire retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the public employees police and fire retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) for each annuitant or benefit recipient who has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, a postretirement increase of one percent must be applied each year to the amount of the monthly annuity or benefit of the annuitant or benefit recipient; or

(2) for each annuitant or benefit recipient who has been receiving the annuity or benefit for at least one full month, but less than 12 months as of the June 30 of the calendar year immediately before the effective date of the increase, a postretirement increase of 1/12 of one percent for each full month that the person has been receiving an annuity or benefit during the fiscal year in which the annuity or benefit was effective must be applied each year to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

Subd. 1d. **Teachers Retirement Association.** (a) Except as set forth in paragraph (d), recipients of a retirement annuity, disability benefit, or survivor benefit from the Teachers Retirement Association are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) a postretirement increase must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment, at the following rates:

from January 1, 2024, through December 31, 2024	1.1 percent
from January 1, 2025, through December 31, 2025	1.2 percent
from January 1, 2026, through December 31, 2026	1.3 percent
from January 1, 2027, through December 31, 2027	1.4 percent
from January 1, 2028, and thereafter	1.5 percent

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months, as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of the applicable percentage for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient. The applicable percentages are the following:

from January 1, 2024, through December 31, 2024	1.1 percent
from January 1, 2025, through December 31, 2025	1.2 percent
from January 1, 2026, through December 31, 2026	1.3 percent
from January 1, 2027, through December 31, 2027	1.4 percent
from January 1, 2028, and thereafter	1.5 percent

(b) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Teachers Retirement Association requesting that the increase not be made.

(c) The retirement annuity payable to a person who retires before becoming eligible for Social Security benefits and who has elected the optional payment as provided in section 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period-certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62, 65, or normal retirement age, as selected by the member at retirement, for an annuity amount payable under section 354.35. A postretirement adjustment granted on the period-certain retirement annuity must terminate when the period-certain retirement annuity terminates.

(d) Members who retire on or after July 1, 2024, are entitled to an annual postretirement adjustment of the member's retirement annuity, effective as of each January 1, beginning with the year following the year in which the member attains normal retirement age, as follows:

(1) if a member has been receiving an annuity for at least 12 full months as of the June 30 of the calendar year immediately before the date of the adjustment, a postretirement increase equal to the percentage specified in paragraph (a), clause (1), must be applied, effective on January 1, to the amount of the member's monthly annuity;

(2) if a member has been receiving an annuity for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the date of adjustment, a postretirement increase of 1/12 of the applicable percentage specified in paragraph (a), clause (2), for each month that the member has been receiving an annuity must be applied, effective on January 1, to the amount of the member's monthly annuity; or

(3) if a member has been receiving an annuity for fewer than seven months as of the January 1 of the year following the year in which the member attains normal retirement age, a postretirement adjustment shall be applied effective as of the next January 1. The amount of the adjustment shall be determined under clause (2).

Subd. 1e. **State Patrol retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) a postretirement increase of 1.25 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.25 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of each annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Minnesota State Retirement System requesting that the increase not be made.

Subd. 1f. **Minnesota State Retirement System judges retirement plan.** (a) Recipients of a retirement annuity, disability benefit, or survivor benefit from the judges retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) through December 31, 2021, a postretirement increase of 1.75 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment;

(2) through December 31, 2021, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit;

(3) effective January 1, 2022, and thereafter, a postretirement increase of 1.5 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(4) effective January 1, 2022, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

Subd. 1g. **Public Employees Retirement Association; local government correctional retirement plan.** (a) Annuities, disability benefits, and survivor benefits being paid from the local government correctional retirement plan of the Public Employees Retirement Association shall be increased effective each January 1 by the percentage of increase determined under this subdivision. The increase to the annuity or benefit shall be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b), after taking into account any reduction to the percentage of increase required under paragraph (d).

(b) As of each January 1, The percentage of increase must be one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than one percent. If the cost-of-living adjustment announced by the federal Social Security Administration is greater than one percent, the percentage of increase must be the same as the cost-of-living adjustment announced by the federal Social Security Administration, but in no event may the percentage of increase exceed the applicable maximum percentage in effect on January 1 under paragraph (c).

(c) The applicable maximum percentage in effect on January 1 is three percent, unless either of the following is true, in which case the applicable maximum percentage is 1.5 percent:

(1) the market value of assets equals or is less than 85 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial valuations; or

(2) the market value of assets equals or is less than 80 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent annual actuarial valuation.

(d)(1) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least one month, but less than 12 full months, as of the June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit was received as of June 30 of the preceding calendar year and the denominator of which is 12.

(e) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

Subd. 1h. **Public Employees Retirement Association; local government probation and telecommunicator plan.** (a) Annuities, disability benefits, and survivor benefits paid from the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association must be increased, effective as of January 1, each year by the percentage of increase determined under this subdivision. The increase to the annuity or benefit must be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b) after taking into account any reduction to the percentage or increase required under paragraph (d).

(b) Effective January 1, 2027, and each January 1 thereafter, the percentage of increase is one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than one percent. If the cost-of-living adjustment announced by the federal Social Security Administration

is greater than one percent, the percentage of increase must be the same as the cost-of-living adjustment announced. The percentage of increase must not exceed the applicable maximum percentage under paragraph (c).

(c) On January 1 each year, the applicable maximum percentage is 1.75 percent. The applicable maximum percentage is 1.5 percent if:

(1) the market value of assets is equal to or less than 85 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial valuations; or

(2) the market value of assets is equal to or less than 80 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent annual actuarial valuation.

(d)(1) If the recipient of an annuity, disability benefit, or survivor benefit has been receiving the annuity or benefit for at least 12 months as of June 30 of the calendar year immediately preceding the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor benefit has been receiving the annuity or benefit for at least one month, but less than 12 months, as of June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a ratio of the number of months the annuity or benefit was received as of June 30 of the preceding calendar year to 12.

(e) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

Subd. 2. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

(1) the legislators retirement plan, established under chapter 3A, including constitutional officers as specified in that chapter;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(4) the State Patrol retirement plan, established under chapter 352B;

(5) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353;

(6) the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353;

(7) the local government correctional employees retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(8) the teachers retirement plan, established under chapter 354;

(9) the judges retirement plan, established under chapter 490; and

(10) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H.

Subd. 3. [Repealed, 2014 c 296 art 10 s 3]

History: *2009 c 169 art 1 s 73; 2010 c 359 art 1 s 76-82; art 12 s 32; 2012 c 286 art 8 s 8; 2013 c 111 art 2 s 30,31; art 3 s 28,29; art 9 s 10; art 11 s 13,14; art 14 s 2,3; 2014 c 296 art 11 s 3-6; art 13 s 19; 2015 c 68 art 4 s 4-10; art 12 s 39; art 13 s 49-53; art 14 s 25; 2018 c 211 art 5 s 6-13; 2021 c 22 art 1 s 2; 2023 c 45 art 2 s 1-3; 2025 c 37 art 1 s 4; art 2 s 9; art 11 s 1,2; art 13 s 4; 2026 c 106 art 2 s 4,5; art 5 s 45,46*

356.42 POSTRETIREMENT ADJUSTMENT; LUMP-SUM PAYMENTS.

Subdivision 1. **Entitlement.** A person who is receiving a retirement annuity, a disability benefit, or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 3, clauses (1) to (8), is entitled to receive a postretirement adjustment from the applicable retirement fund in the amount specified in subdivision 2, if the annuity or benefit was computed under:

(1) the laws in effect before June 1, 1973, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (4);

(2) the laws in effect before July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 3, clause (1), (2), (3), or (5);

(3) the Metropolitan Transit Commission transit operating division employees retirement fund plan document in effect on or before December 31, 1977, if the person is receiving a retirement annuity, a disability benefit, or a surviving spouse's annuity or benefit from the retirement fund specified in subdivision 3, clause (5);

(4) the laws in effect before May 1, 1974, and before any adjustment under Laws 1987, chapter 372, article 3, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (6);

(5) the laws in effect before January 1, 1970, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (7); or

(6) the laws in effect before June 30, 1971, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (8).

Subd. 2. **Amount of postretirement adjustment; payment.** (a) For any person receiving an annuity or benefit on November 30, 1989, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment is a lump-sum payment calculated under paragraph (b) or (c).

(b) For coordinated plan annuity or benefit recipients, the postretirement adjustment in 1989 is $25 for each full year of allowable service credited to the person by the respective retirement fund. In 1990 and each following year, the postretirement adjustment is the amount payable in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(c) For basic plan annuity or benefit recipients, the postretirement adjustment in 1989 is the greater of:

(1) $25 for each full year of allowable service credited to the person by the respective retirement fund; or

(2) the difference between:

(i) the product of $400 times the number of full years of allowable service credited to the person by the respective retirement fund; and

(ii) the sum of the benefits payable to the person from any Minnesota public employee pension plan, and cash benefits payable to the person from the Social Security Administration.

In 1990 and each following year, each eligible basic plan annuity or benefit recipient shall receive the amount received in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(d) The postretirement adjustment provided for in this section must be paid on December 1 to those persons receiving an annuity or benefit on the preceding November 30. This section does not authorize the payment of a postretirement adjustment to an estate if the annuity or benefit recipient dies before the November 30 eligibility date. The postretirement adjustment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the postretirement adjustment not be paid or returns the amount of adjustment to the retirement fund. Written notice of the waiver of the postretirement adjustment is irrevocable for the year during which it was made.

Subd. 3. **Covered retirement plans.** The postretirement adjustment provided in this section applies to the following retirement funds:

(1) the general employees retirement plans of the Public Employees Retirement Association;

(2) the public employees police and fire plan of the Public Employees Retirement Association;

(3) the teachers retirement association;

(4) the State Patrol retirement plan;

(5) the state employees retirement plan of the Minnesota State Retirement System; and

(6) the St. Paul Teachers Retirement Fund Association established under chapter 354A.

History: *2002 c 392 art 11 s 30; 2006 c 277 art 3 s 40; 2014 c 296 art 6 s 41,49*

356.43 [Repealed, 2010 c 359 art 11 s 27]

356.431 CONVERSION OF LUMP-SUM POSTRETIREMENT AND SUPPLEMENTAL PAYMENT TO AN INCREASED MONTHLY ANNUITY.

Subdivision 1. **Lump-sum postretirement payment conversion.** For benefits paid to eligible persons under Minnesota Statutes 2014, section 356.42, the amount of the most recent lump-sum benefit payable to an eligible recipient under Minnesota Statutes 2014, section 356.42 must be divided by 12. The result must be added to the monthly annuity or benefit otherwise payable to an eligible recipient, must become a permanent part of the benefit recipient's pension, and must be included in any pension benefit subject to future postretirement adjustments.

Subd. 2. [Repealed, 2009 c 169 art 1 s 77]

History: *2002 c 392 art 11 s 32; 2005 c 10 art 5 s 3; 2010 c 359 art 12 s 33; 2015 c 68 art 13 s 54*

REFUNDS

356.44 MS 2018 [Repealed, 2020 c 108 art 5 s 18]

356.441 PAYMENT ACCEPTANCE ALLOWED.

Subdivision 1. **Payment authorization.** The repayment of a refund and interest on that refund or the payment of equivalent contributions and interest for an eligible leave of absence, as permitted under laws governing any public pension plan in Minnesota, may be made:

(1) with funds distributed or transferred from a plan qualified under the federal Internal Revenue Code of 1986, section 401, subsection (a) or (k); 403; 408; or 457, subsection (b), as amended from time to time; or

(2) with funds distributed from an individual retirement account or individual retirement annuity, if done solely in a manner that is eligible for treatment as a nontaxable rollover or transfer under the applicable federal law.

Subd. 2. **Separate accounting requirement.** Nontaxable rollovers or transfer amounts under subdivision 1 received by a public pension fund must be separately accounted for as member contributions not previously taxed. Before accepting any rollovers or transfers to which this section applies, the executive director shall require the member to provide written documentation to demonstrate that the amounts to be rolled over or transferred are eligible for a tax-free rollover or transfer and qualify for that treatment under the federal Internal Revenue Code of 1986, as amended.

History: *2002 c 392 art 11 s 34; 2004 c 267 art 9 s 22*

356.45 [Repealed, 2002 c 392 art 11 s 53]

356.451 [Repealed, 2002 c 392 art 11 s 53]

356.452 [Repealed, 2002 c 392 art 11 s 53]

356.453 [Repealed, 2002 c 392 art 11 s 53]

356.454 [Repealed, 2002 c 392 art 11 s 53]

356.455 [Repealed, 2002 c 392 art 11 s 53]

OPTIONAL ANNUITY FORMS

356.46 APPLICATION FOR RETIREMENT ANNUITY; PROCEDURE FOR ELECTING ANNUITY FORM; MANDATORY JOINT AND SURVIVOR OPTIONAL ANNUITY FORM.

Subdivision 1. **Definitions.** As used in this section, each of the following terms shall have the meaning given.

(a) "Annuity form" means the payment procedure and duration of a retirement annuity or disability benefit available to a member of a public pension plan, based on the period over which a retirement annuity

or disability benefit is payable, determined by the number of persons to whom the retirement annuity or disability benefit is payable, and the amount of the retirement annuity or disability benefit which is payable to each person.

(b) "Joint and survivor optional annuity" means an optional annuity form which provides a retirement annuity or disability benefit to a retired member or disabilitant and the spouse of the member or disabilitant on a joint basis during the lifetime of the retired member or disabilitant and all or a portion of the original retirement annuity or disability benefit amount to the surviving spouse in the event of the death of the retired member or disabilitant.

(c) "Optional annuity form" means an annuity form which is elected by a member and is not provided automatically as the standard annuity form of the public pension plan.

(d) "Public pension plan" means a public pension plan as defined under section 356.63, paragraph (b).

(e) "Retirement annuity" means a series of monthly payments to which a former or retired member of a public pension plan is entitled due to attaining a specified age and acquiring credit for a specified period of service, which includes a retirement annuity, retirement allowance, or service pension.

(f) "Disability benefit" means a series of monthly payments to which a former or disabled member of a public pension plan is entitled due to a physical or mental inability to engage in specified employment.

Subd. 2. **Provision of information on annuity forms.** (a) Every public pension plan which provides for an annuity form other than a single life annuity as an option which can be elected by an active, disabled, or retiring member shall provide as a part of, or accompanying the annuity application form, a written statement summarizing the annuity forms which are available, a general indication of the consequences of selecting one annuity form over another, a calculation of the actuarial reduction in the amount of the retirement annuity which would be required for each optional annuity form, and the procedure to be followed to obtain more information from the public pension plan administration concerning all annuity forms provided by the plan. If the public pension plan offers joint and survivor optional annuity forms, the annuity application and accompanying information must include a statement informing the member and the member's spouse that, notwithstanding any law to the contrary, unless the spouse waives any rights to an optional annuity by a notarized statement on the annuity application or other form provided by the pension plan administration, the public pension plan administration shall assume that the member selected the 50 percent joint and survivor optional annuity form.

(b) In lieu of the notarized statement requirement referred to in paragraph (a), the pension plan administration may accept a statement which has been verified, including electronic verification, by administrators of the pension plan.

Subd. 3. **Requirement of notice to member's spouse.** (a) Every public pension plan administration that provides for a joint and survivor optional retirement or disability annuity potentially applicable to the surviving spouse of a member shall send a copy of the written statement required by subdivision 2 to the spouse of the member before the member's selection of the form of retirement or disability benefit.

(b) Following the selection of a retirement or disability annuity by the member, a copy of the completed annuity application and annuity beneficiary form, if applicable, must be sent by the executive director of the public pension plan to the spouse of the retiring or disabled member. A signed acknowledgment must be required from the spouse confirming receipt of a copy of the completed annuity application and annuity beneficiary form, unless the spouse's signature acknowledging the annuity form selected is on the annuity application or other form as designated by the plan. If the public pension plan administration has not received

from the spouse within 30 days a signed acknowledgment, because the annuity application or other form as designated by the public pension plan administration did not include the spouse's signature, the executive director of the public pension plan must notify the member and the member's spouse that the 50 percent joint and survivor annuity form, or a higher joint and survivor form if selected, shall be paid if the spouse does not acknowledge the annuity form selected by the member by responding to the second notice sent to the spouse within 30 days. The second notice must be sent by certified mail with restricted delivery.

(c) If a public pension plan administration receives notice that the provisions of this section have not been complied with, or if a member selects a benefit form without the valid consent of the member's spouse, the executive director of the public pension plan shall suspend the payment of monthly benefits and shall take all actions necessary to comply with this subdivision.

(d) For the Teachers Retirement Association, the statement to the spouse that is required under paragraph (a) must be sent before or upon the member's election of an annuity.

Subd. 4. **Plan exclusions.** This section does not apply to:

(1) any firefighter relief association to which sections 424A.091 to 424A.096 apply; and

(2) any plan under which the applicable surviving spouse would receive automatic surviving spouse coverage if a joint and survivor annuity were not elected.

Subd. 5. **Disabilitant survivor treatment.** This section should not be interpreted as prohibiting payment of a survivor annuity to the spouse of a deceased disabilitant, in lieu of any other annuity, if laws specific to the plan provide for a higher surviving spouse annuity.

Subd. 6. **Limitations due to marriage dissolution.** The requirement to pay a 50 percent joint and survivor annuity is void if there is a court order to the contrary.

Subd. 7. **Liability waiver.** The pension fund and plan, its employees, and any agent working on behalf of the plan administration are not liable for harm caused by any act of fraud committed by the retiring member or current or previous spouse, or any information withheld from, or incorrect information supplied to the plan administration.

History: *2002 c 392 art 11 s 35; 2003 c 2 art 1 s 41; 2007 c 134 art 2 s 44; 2008 c 349 art 4 s 7; 2013 c 111 art 5 s 80; 2024 c 102 art 2 s 31; 2026 c 106 art 15 s 26*

356.461 VARIOUS RETIREMENT SYSTEMS; JOINT AND SURVIVOR ANNUITY COMPUTATION.

Subdivision 1. **Joint and survivor annuity computation.** (a) Notwithstanding any provision of section 356.215, subdivision 8, or 356.415 to the contrary, for purposes of computing joint and survivor annuities under each covered retirement plan in subdivision 2, the applicable investment return assumption is 6.5 percent unless a different percentage has been approved or deemed approved under paragraph (b) for the covered retirement plan.

(b) A change in the investment return assumption for computing joint and survivor annuities may be proposed by the governing board of a covered retirement plan. The assumption may be changed only with the approval of the Legislative Commission on Pensions and Retirement or after a period of one year has elapsed since the date on which the proposed assumption change was received by the Legislative Commission on Pensions and Retirement without commission action.

(c) The executive director of the Legislative Commission on Pensions and Retirement must update the appendix to the standards for actuarial work whenever a change in the assumption is approved or deemed approved.

Subd. 2. **Covered plans.** This section applies to the following retirement plans:

(1) the legislators retirement plan, established under chapter 3A, including constitutional officers as specified in that chapter;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(4) the State Patrol retirement plan, established under chapter 352B;

(5) the unclassified state employees retirement program of the Minnesota State Retirement System, established under chapter 352D;

(6) the judges retirement plan, established under chapter 490;

(7) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353;

(8) the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(10) the Teachers Retirement Association, established under chapter 354; and

(11) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H.

History: *2014 c 296 art 4 s 8; 2015 c 68 art 14 s 26; 1Sp2019 c 8 art 8 s 23; 2026 c 106 art 5 s 47; art 8 s 19*

356.465 SUPPLEMENTAL NEEDS TRUST AS OPTIONAL ANNUITY FORM RECIPIENT.

Subdivision 1. **Inclusion as recipient.** A retiring member may designate a qualified supplemental needs trust under subdivision 2 as the remainder recipient on an optional retirement annuity form for a period not to exceed the lifetime of the beneficiary of the supplemental needs trust.

Subd. 2. **Definition of qualified supplemental needs trust.** A qualified supplemental needs trust is a trust that:

(1) was established on or after July 1, 1992;

(2) was established solely for the benefit of one person who has a disability under federal Social Security Administration Supplemental Security Income or retirement, survivors, and disability insurance disability determination standards and who was determined as such before the creation of the trust;

(3) is funded, in whole or in part, by the primary recipient of the optional annuity form and, unless the trust is a Zebley trust, is not funded by the beneficiary, the beneficiary's spouse, or a person who is required to pay a sum to or for the trust beneficiary under the terms of litigation or a litigation settlement;

(4) is established to cover reasonable living expenses and other basic needs of the disabilitant, in whole or in part, in instances when public assistance does not provide sufficiently for these needs;

(5) is not permitted to make disbursement to replace or reduce public assistance otherwise available;

(6) is irrevocable;

(7) terminates upon the death of the disabled person for whose benefit it was established; and

(8) is determined by the executive director to be a trust that contains excluded assets for purposes of the qualification for public entitlement benefits under the applicable federal and state laws and regulations.

Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the State Patrol retirement plan, established under chapter 352B;

(4) the legislators retirement plan, established under chapter 3A;

(5) the judges retirement plan, established under chapter 490;

(6) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353;

(7) the public employees police and fire plan of the Public Employees Retirement Association, established under chapter 353;

(8) the teachers retirement plan, established under chapter 354;

(9) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;

(10) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E; and

(11) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H.

Subd. 4. **Expanded eligibility.** (a) Notwithstanding subdivision 1, for a retirement plan specified in paragraph (b), a designation under subdivision 1 may be made by an active, disabled, deferred, or retiring member.

(b) The applicable plan is the Teachers Retirement Association established under chapter 354.

History: *2002 c 392 art 11 s 36; 2006 c 277 art 3 s 41; 2009 c 169 art 4 s 41,42; 2010 c 359 art 12 s 34; 1Sp2011 c 8 art 6 s 19; art 7 s 19; art 8 s 9,14; 2014 c 296 art 6 s 42,49; 2015 c 68 art 14 s 27; 2026 c 106 art 5 s 48*

REEMPLOYED ANNUITANT EARNINGS DISPOSITION

356.47 DISPOSITION OF AMOUNT IN EXCESS OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.

Subdivision 1. **Application.** (a) This section applies to the balance of annual retirement annuities on the amount of retirement annuity reductions after reemployed annuitant earnings limitations for retirement plans governed by section 352.115, subdivision 10; 353.37; or 354.44, subdivision 5.

(b) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the St. Paul Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

Subd. 2. **Record keeping; reporting.** The chief administrative officer of each retirement plan shall keep records for each reemployed annuitant of the amount of the annuity reduction. This amount must be reported to each member at least once each year.

Subd. 3. **Payment.** (a) Beginning one year after the reemployment withholding period ends relating to the reemployment that gave rise to the limitation, and the filing of a written application, the retired member is entitled to the payment, in a lump sum, of the value of the person's amount under subdivision 2, plus annual compound interest. For the general state employees retirement plan, the correctional state employees retirement plan, the general employees retirement plan of the Public Employees Retirement Association, the public employees police and fire retirement plan, the local government correctional employees retirement plan, the local government probation and telecommunicator retirement plan, and the teachers retirement plan, the annual interest rate is six percent from the date on which the amount was deducted from the retirement annuity to the date of payment or until January 1, 2011, whichever is earlier, and no interest after January 1, 2011. For the St. Paul Teachers Retirement Fund Association, the annual interest is the rate of six percent from the date that the amount was deducted from the retirement annuity to the date of payment or June 30, 2011, whichever is earlier, and with no interest accrual after June 30, 2011.

(b) The written application must be on a form prescribed by the chief administrative officer of the applicable retirement plan.

(c) If the retired member dies before the payment provided for in paragraph (a) is made, the amount is payable, upon written application, to the deceased person's surviving spouse, or if none, to the deceased person's designated beneficiary, or if none, to the deceased person's estate.

(d) If the amount under subdivision 2 is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph (e), the applicable retirement plan shall provide notice and an election:

(1) to the member regarding the member's right to elect a direct rollover under section 356.633, subdivisions 1 and 2, in lieu of a direct payment; or

(2) if paragraph (c) applies and the amount is to be paid to a person who is a distributee as defined in section 356.633, subdivision 1, paragraph (c), to the distributee regarding the distributee's right to elect a direct rollover under section 356.633, subdivisions 1 and 2, in lieu of a direct payment.

History: *2002 c 392 art 11 s 37; 1Sp2005 c 8 art 3 s 7; 2008 c 349 art 5 s 31; 2010 c 359 art 1 s 83; 1Sp2011 c 8 art 2 s 20; 2013 c 111 art 13 s 18; 2014 c 275 art 2 s 14; 2014 c 296 art 6 s 43,49; 2018 c 211 art 13 s 2; art 19 s 8; 2024 c 102 art 8 s 15; 2026 c 88 art 1 s 193; 2026 c 106 art 5 s 49*

MARRIAGE DISSOLUTION RETIREMENT COVERAGE INFORMATION

356.48 REVOCATION OF OPTIONAL ANNUITY DUE TO MARRIAGE DISSOLUTION OR ANNULMENT.

Subdivision 1. **Covered plans.** This section applies to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the State Patrol retirement plan, established under chapter 352B;

(4) the unclassified state employees retirement program of the Minnesota State Retirement System, established under chapter 352D;

(5) the general employee retirement plan of the Public Employees Retirement Association, established under chapter 353;

(6) the public employees police and fire retirement plan, established under chapter 353;

(7) the local government correctional employees retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(8) the Teachers Retirement Association, established under chapter 354;

(9) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;

(10) the uniform judicial retirement plan, established under chapter 490; and

(11) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H.

Subd. 2. **Treatment.** (a) The treatment specified in this section applies if, after the accrual date of an annuity or benefit from an applicable plan or plans, a marriage dissolution decree or annulment decree is rendered that specifies that the designation of an optional annuity must be revoked and if the other requirements specified in this section are satisfied.

(b) Notwithstanding any law to the contrary, if the applicable pension plan or plans have provisions of law that revise the monthly benefit amount payable to the primary annuitant upon the death of the individual named as the optional joint annuitant, the monthly benefit amount must be recomputed as though the individual that had been named as the optional joint annuitant died on the date a certified copy of the marriage

dissolution or annulment decree is received by the chief administrative officer. Payment of any benefit adjustment under this section is prospective only.

Subd. 3. **Restrictions.** (a) This section does not apply if the marriage dissolution decree or annulment decree is not consistent with the requirements under section 518.58.

(b) The pension plan benefit recipient must not designate, and the court may not require that the member designate, a subsequent optional annuity beneficiary.

(c) This section does not apply if more than one surviving individual was named as an optional joint annuitant.

Subd. 4. **Submission of documentation.** To receive the treatment provided in this section, an eligible retiree or disabilitant must provide, to the chief administrative officer of the applicable pension plan, a certified copy of the marriage dissolution or annulment decree. The retiree or disabilitant and the joint annuitant must also submit a form, prescribed by the chief administrative officer of the applicable pension plan and signed by both individuals, requesting the annuity bounce back as provided in subdivision 2. The individuals must also provide any other documentation the chief administrative officer may request.

History: *2010 c 359 art 10 s 1; 2013 c 111 art 7 s 8; 2026 c 106 art 5 s 50*

356.49 PROVISION OF INFORMATION IN EVENT OF MARRIAGE DISSOLUTION.

Subdivision 1. **Information for pending marriage dissolution.** (a) Upon receipt of a written request by a person with access to the data under subdivision 3 who cites this statute, a public or private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon the request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, or as of the end of the previous fiscal year for the plan, and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

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

Subd. 3. **Access to data.** Notwithstanding any provision of chapter 13 to the contrary, an administrator may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section, but only if the administrator has received a copy of the legal petition showing that an action for marriage dissolution has commenced and a copy of the affidavit of service showing that the petition has been served on the responding party to the action.

History: *2002 c 392 art 11 s 38*

SERVICE AND SALARY CREDIT

356.50 SERVICE AND SALARY CREDIT FROM BACK PAY AWARDS IN THE EVENT OF WRONGFUL DISCHARGE; ANNUITY AND DISABILITY TREATMENT.

Subdivision 1. **Application.** (a) A person who is wrongfully discharged from public employment that gave rise to coverage by a public employee pension plan enumerated in section 356.30, subdivision 3, is entitled to obtain allowable service credit from the applicable public employee pension plan for the applicable period caused by the wrongful discharge.

(b) A person is wrongfully discharged for purposes of this section if:

(1) the person has been determined by a court of competent jurisdiction, by an arbitrator in binding arbitration, by the commissioner of veterans affairs, or by a board, commission, or panel acting under section 197.46, whichever applies, to have been wrongfully discharged from public employment;

(2) the person received an award of back pay with respect to that discharge; and

(3) the award does not include any amount for any lost or interrupted public pension plan coverage.

Subd. 2. **Service credit procedure.** (a) To obtain the public pension plan allowable service credit, the eligible person under subdivision 1 shall pay the required member contribution amount. The required member contribution amount is the member contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the unpaid gross salary amounts of the back pay award including unemployment insurance, workers' compensation, or wages from other sources which reduced the back award. No contributions may be made under this clause for compensation covered by a public pension plan listed in section 356.30, subdivision 3, for employment during the removal period. The person shall pay the required member contribution amount within 60 days of the date of receipt of the back pay award or within 60 days of a billing from the retirement fund, whichever is later.

(b) The public employer who wrongfully discharged the public employee must pay an employer contribution on the back pay award. The employer contribution must be based on the employer contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the salary amount on which the member contribution amount was determined under paragraph (a). The employer must pay compound interest on both the required member and employer contribution amounts at the applicable monthly rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, between the date the contribution amount would have been paid to the date of actual payment. The employer payment must be made within 30 days of the payment under paragraph (a).

Subd. 3. **Employer reporting.** The employer must report to the executive director of the applicable pension plan that a person has been determined to be wrongfully discharged and the employer must provide a copy of the written order or decision.

Subd. 4. **Annuity repayment.** Notwithstanding subdivisions 1 and 2, if after being discharged, the person commences receipt of an annuity from the applicable plan, and it is later determined that the person was wrongfully discharged, the person shall repay the annuity received in a lump sum within 60 days of receipt of the back pay award.

Subd. 5. **Disability treatment.** If a person is wrongfully discharged and before reinstatement takes a refund of employee contributions under the applicable plan's refund provision and fails to repay that refund, then not withstanding other law to the contrary, if the person applies for a disability benefit and is approved for that benefit, the disability benefit amount must be computed solely on the years of covered service

provided after reinstatement, on the individual's salary for benefit computation purposes, and on the applicable plan accrual rates, rather than receiving a minimum disability benefit amount, if applicable, specified in plan law.

History: *1992 c 443 s 1; 1994 c 488 s 8; 2002 c 392 art 11 s 39; 2004 c 206 s 52; 2006 c 271 art 3 s 41; 2010 c 359 art 2 s 16; 2015 c 68 art 3 s 14; 2018 c 211 art 6 s 37*

356.55 MS 2002 [Repealed, 1998 c 390 art 4 s 1; 1Sp2001 c 10 art 6 s 16; 2002 c 392 art 11 s 40; 1Sp2003 c 12 art 6 s 1]

356.551 POST-JULY 1, 2004, PRIOR SERVICE CREDIT PURCHASE PAYMENT AMOUNT DETERMINATION PROCEDURE.

Subdivision 1. **Application.** (a) Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies a different purchase payment amount determination procedure, this section governs the determination of the prior service credit purchase payment amount of any prior service credit purchase.

(b) The purchase payment amount determination procedure must recognize any service credit accrued to the purchaser in a pension plan enumerated in section 356.30, subdivision 3.

(c) Any service credit in a Minnesota defined benefit public employee pension plan available to be reinstated by the purchaser through the repayment of a refund of member or employee contributions previously received must be repaid in full before any purchase of prior service credit payment is made under this section.

Subd. 2. **Determination.** (a) Unless the minimum purchase amount set forth in paragraph (c) applies, the prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed by the actuary retained under section 356.214, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section.

(b) Calculation of this amount must be made using the investment return assumption applicable to the public pension plan specified in section 356.215, subdivision 8, and the mortality table adopted for the public pension plan.

(1) Unless clause (2) applies, the calculation must assume continuous future service in the public pension plan until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(2) This clause applies when the calculation is being done for purposes of section 352.272; 352B.087; 353.0141, subdivision 3; 354.544; 354A.0961; or 490.1211, subdivision 2. The calculation must include continuous future service in the public pension plan until, and retirement at, any age at or after which the minimum requirements of the fund for early retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must be determined using the retirement age that provides the most valuable benefit to the member. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(c) The prior service credit purchase amount may not be less than the amount determined by applying, for each year or fraction of a year being purchased, the sum of the employee contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, applicable during that period, to the person's annual salary during that period, or fractional portion of a year's salary, if applicable, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the end of the year in which contributions would otherwise have been made to the date on which the payment is received.

(d) Unless otherwise provided by statutes governing a specific plan, payment must be made in one lump sum within one year of the prior service credit authorization or prior to the member's effective date of retirement, whichever is earlier. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

Subd. 3. **Documentation.** The prospective prior service credit purchaser must provide any relevant documentation required by the chief administrative officer of the applicable public pension plan to determine eligibility for the prior service credit under this section.

Subd. 4. **Payment precondition for credit grant.** Service credit for the purchase period must be granted by the public pension plan to the purchaser upon receipt of the full purchase payment amount specified in subdivision 2.

History: *1998 c 390 art 4 s 2; 2002 c 392 art 11 s 41; 1Sp2005 c 8 art 10 s 65; 2008 c 349 art 5 s 32; 2015 c 68 art 3 s 15; 2018 c 211 art 6 s 38; 1Sp2019 c 8 art 6 s 2; 2022 c 65 art 1 s 6; art 8 s 3; 2023 c 47 art 1 s 2*

356.555 MS 2002 [Expired]

356.58 [Repealed, 2003 c 2 art 1 s 45]

356.59 INTEREST RATES.

Subdivision 1. **Applicable interest rates.** Whenever the payment of interest is required with respect to any payment, including refunds, remittances, shortages, contributions, or repayments, the rate of interest is the rate or rates specified in subdivisions 2 to 5 for each public retirement plan.

Subd. 2. **Minnesota State Retirement System.** The interest rates for all retirement plans administered by the Minnesota State Retirement System are as follows:

	Annual	Monthly
before July 1, 2015	8.5 percent	0.71 percent
from July 1, 2015, to June 30, 2018	8.0 percent	0.667 percent
from July 1, 2018, to June 30, 2023	7.5 percent	0.625 percent
after June 30, 2023	7.0 percent	0.583 percent

Subd. 3. **Public Employees Retirement Association.** The interest rates for all retirement plans administered by the Public Employees Retirement Association are as follows:

before July 1, 2015	8.5 percent
from July 1, 2015, to June 30, 2018	8.0 percent
from July 1, 2018, to June 30, 2023	7.5 percent
after June 30, 2023	7.0 percent

Subd. 4. **Teachers Retirement Association.** The interest rates for the retirement plan administered by the Teachers Retirement Association are as follows:

	Annual	Monthly
before July 1, 2018	8.5 percent	0.71 percent
from July 1, 2018, to June 30, 2023	7.5 percent	0.625 percent
after June 30, 2023	7.0 percent	0.583 percent

Subd. 5. **St. Paul Teachers Retirement Fund Association.** The interest rates for the retirement plan administered by the St. Paul Teachers Retirement Fund Association are as follows:

	Annual	Monthly
before July 1, 2015	8.5 percent	0.71 percent
from July 1, 2015, to June 30, 2018	8.0 percent	0.667 percent
from July 1, 2018, to June 30, 2023	7.5 percent	0.625 percent
after June 30, 2023	7.0 percent	0.583 percent

History: *2018 c 211 art 6 s 39; 2023 c 45 art 1 s 2*

356.60 [Repealed, 1982 c 578 art 1 s 19]

356.61 [Repealed, 2000 c 461 art 14 s 1]

INTERNAL REVENUE CODE COMPLIANCE

356.611 LIMITATION ON PUBLIC EMPLOYEE SALARIES FOR PENSION PURPOSES.

Subdivision 1. [Repealed, 2005 c 169 s 2]

Subd. 2. **Federal compensation limits.** (a) For members or participants of a covered retirement plan listed in subdivision 6, compensation in excess of the limitation specified in section 401(a)(17) of the Internal Revenue Code, as adjusted, for changes in the cost of living under section 401(a)(17)(B) of the Internal Revenue Code, must not be included for contribution and benefit computation purposes.

(b) Notwithstanding paragraph (a), for members or participants specified in paragraph (a) who first contributed to a plan specified in that paragraph before July 1, 1995, the annual compensation limit specified in section 401(a)(17) of the Internal Revenue Code on June 30, 1993, applies if that provides a greater allowable annual compensation.

(c) To the extent required by sections 3401(h) and 414(u)(12) of the Internal Revenue Code, an individual receiving a differential wage payment as defined in section 3401(h)(2) of the Internal Revenue Code from an employer shall be treated as employed by that employer, and the differential wage payment will be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the Internal Revenue Code.

Subd. 3. MS 2016 [Repealed, 2018 c 211 art 13 s 21]

Subd. 3a. MS 2016 [Repealed, 2018 c 211 art 13 s 21]

Subd. 4. MS 2016 [Repealed, 2018 c 211 art 13 s 21]

Subd. 5. MS 2016 [Repealed, 2018 c 211 art 13 s 21]

Subd. 6. **Covered retirement plan.** As used in this section, "covered retirement plan" means any of the following plans:

(1) the legislator's retirement plan, established by chapter 3A, including constitutional officers as specified in that chapter;

(2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(4) the State Patrol retirement plan, established by chapter 352B;

(5) the unclassified state employees retirement plan, established by chapter 352D;

(6) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;

(7) the public employees police and fire retirement plan of the Public Employees Retirement Association, established by chapter 353;

(8) the public employees defined contribution plan, established by chapter 353D;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the statewide volunteer firefighter plan, established by chapter 353G;

(11) the Teachers Retirement Association, established by chapter 354;

(12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

(13) the higher education individual retirement account plan, established by chapter 354B;

(14) the higher education supplemental retirement plan, established by chapter 354C;

(15) a retirement plan of a firefighter relief association subject to chapter 424A;

(16) the judges retirement plan, established by chapter 490;

(17) the Bloomington Fire Department Relief Association governed by Laws 2013, chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws 1965, chapter 446, as amended; or

(18) the local government probation and telecommunicator retirement plan of the Public Employees Retirement Association, established under chapter 353H.

History: *1994 c 528 art 4 s 11; 1995 c 262 art 1 s 15; 2002 c 392 art 11 s 43; 2004 c 267 art 2 s 6-8; art 10 s 1; 1Sp2005 c 8 art 1 s 23; 2007 c 13 art 2 s 17; 2008 c 349 art 5 s 33,34,37; 2009 c 169 art 4 s 43,44; 2012 c 286 art 9 s 1-5; 2024 c 102 art 8 s 2,3; 2026 c 106 art 5 s 51; art 15 s 17*

356.612 LIMITATION ON BENEFITS AND CONTRIBUTIONS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Annual addition" means the sum for the limitation year of all pretax and after-tax contributions made by the member or the member's employer and credited to an account in the name of the member in any defined contribution plan maintained by the employer.

(c) "Annuity starting date" means the first day of the first period for which an amount is payable as an annuity or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the member to the benefit.

(d) "Compensation" means the compensation actually paid or made available to a member or participant for any limitation year, including all items of remuneration described in Code of Federal Regulations, title 26, section 1.415 (c)-2(b), and excluding all items of remuneration described in Code of Federal Regulations, title 26, section 1.415 (c)-2(c). Compensation for pension plan purposes for any limitation year shall not exceed the applicable federal compensation limit described in section 356.611, subdivision 2.

(e) "Limitation year" means the calendar year or fiscal year, whichever is applicable to the particular pension plan.

(f) "Maximum permissible benefit" means an annual benefit of $160,000, automatically adjusted under section 415(d) of the Internal Revenue Code for each limitation year ending after December 31, 2001, payable in the form of a single life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a member's benefits shall not reflect the adjusted

limit prior to January 1 of that calendar year. The maximum permissible benefit amount shall be further adjusted as follows:

(1) if the member has less than ten years of participation, the maximum permissible benefit shall be multiplied by a fraction, the numerator of which is the number of years, or part thereof, but not less than one year, of participation in the plan, and the denominator of which is ten;

(2) for a member who is not a qualified participant, if the annual benefit begins before the member has attained 62 years of age, the determination as to whether the maximum permissible benefit limit has been satisfied shall be made, in accordance with regulations prescribed by the United States secretary of the treasury, by reducing the limit so that the limit, as so reduced, equals an annual benefit, beginning when the annual benefit actually begins, which is equivalent to a $160,000, as adjusted, annual benefit beginning at 62 years of age; and

(3) if the annual benefit begins after the member has attained 65 years of age, the determination as to whether the maximum permissible benefit limit has been satisfied shall be made, in accordance with regulations prescribed by the United States secretary of the treasury, by increasing the limit so that the limit, as so increased, equals an annual benefit, beginning when the annual benefit actually begins, which is equivalent to a $160,000, as adjusted, annual benefit beginning at 65 years of age.

(g) "Qualified participant" means a member of a defined benefit plan listed in section 356.611, subdivision 6, with respect to whom the period of service taken into account in determining the amount of the benefit under such defined benefit plan includes at least 15 years of service of the member:

(1) as a full-time employee of any police department or fire department which is organized and operated by the state, Indian Tribal government, or any political subdivision maintaining such defined benefit plan to provide police protection, firefighting services, or medical services for any area within the jurisdiction of the state, Indian Tribal government, or political subdivision; or

(2) as a member of the Armed Forces of the United States.

Subd. 2. **Annual benefit limitations; defined benefit plans.** (a) For a defined benefit plan listed in section 356.611, subdivision 6, the annual benefit payable to a member shall not exceed the maximum permissible benefit. If the benefit the member would otherwise receive for a limitation year would result in the payment of an annual benefit in excess of the maximum permissible benefit, the benefit shall be reduced to the extent necessary so the benefit does not exceed the maximum permissible benefit.

(b) For purposes of applying the limitation in paragraph (a), an annual benefit that is payable in any form other than a single life annuity shall be adjusted to an actuarially equivalent single life annuity that equals, if the annuity starting date is in a plan year beginning after 2005, the annual amount of the single life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, using whichever of the following produces the greatest annual amount:

(1) the interest rate and the mortality table or other tabular factor specified in the plan for adjusting benefits in the same form;

(2) a 5.5 percent interest rate assumption and the applicable mortality table; or

(3) the applicable interest rate under section 417(e)(3) of the Internal Revenue Code and the applicable mortality table, divided by 1.05.

(c) If a member participated in more than one pension plan in which the employer participates, the benefits under each plan must be reduced proportionately to satisfy the limitation in paragraph (a).

Subd. 3. **Annual addition limitation; defined contribution plans.** For any limitation year, the annual additions by or on behalf of a member to a defined contribution plan listed in section 356.611, subdivision 6, shall not exceed the lesser of:

(1) 100 percent of the member's compensation for the limitation year; or

(2) the dollar limit in effect for the limitation year under section 415(c)(1)(A) of the Internal Revenue Code, as adjusted by the United States secretary of the treasury under section 415(d)(1)(C) of the Internal Revenue Code.

Subd. 4. **Incorporation by reference.** Any requirements of sections 415(b) and (c) of the Internal Revenue Code and related regulations and agency guidance not addressed by this section shall be considered incorporated by reference, including provisions applicable to a qualified participant and to survivor and disability benefits. This section shall be interpreted in a manner that is consistent with the requirements of sections 415(b) and (c) of the Internal Revenue Code and the related regulations.

History: *2024 c 102 art 8 s 4*

356.614 LIMITATION ON USE OF FORFEITURES.

This section applies to any defined benefit plan listed in section 356.611, subdivision 6. Unless otherwise permitted by section 401(a)(8) of the Internal Revenue Code, forfeitures must not be applied to increase the benefits any participant would otherwise receive under the plan at any time prior to the termination of the plan or the complete discontinuance of employer contributions.

History: *2024 c 102 art 8 s 5*

356.615 [Repealed, 2002 c 392 art 11 s 53]

356.62 PAYMENT OF EMPLOYEE CONTRIBUTION.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Employee" means any person covered by a public pension or retirement plan.

(c) "Employee contributions" means any sums deducted from the employee's salary or wages or otherwise paid in lieu thereof, regardless of whether they are denominated contributions by the public pension or retirement plan.

(d) "Public pension or retirement plan" means a covered retirement plan listed in section 356.611, subdivision 6, or any other public retirement plan to which section 414(h)(2) of the Internal Revenue Code applies.

Subd. 2. **Pick up of employee contributions.** (a) For purposes of any public pension or retirement plan, each employer shall pick up the employee contributions required under law or under the pension plan document for all salaries. The employer shall pick up these employee contributions by a reduction in the cash salary of the employee.

(b) Employee contributions that are picked up must be treated for all purposes of the public pension or retirement plan in the same manner and to the same extent as employee contributions that were made before

the date on which the employee contributions pick up began. The amount of the employee contributions that are picked up must be included in the salary upon which retirement coverage is credited and upon which retirement and survivor's benefits are determined.

(c) The employing unit shall supply each employee and the commissioner of revenue with an information return indicating the amount of the employer's picked-up contributions for the calendar year that were not subject to withholding. This return must be provided to the employee not later than January 31 of the succeeding calendar year. The commissioner of revenue shall prescribe the form of the return and the provisions of section 289A.12 must apply to the extent not inconsistent with the provisions of this section.

History: *3Sp1982 c 1 art 2 s 7; 1983 c 148 s 6; 1983 c 216 art 1 s 85; 1990 c 480 art 1 s 46; 1993 c 375 art 8 s 14; 2001 c 7 s 66; 2002 c 379 art 1 s 78; 2002 c 392 art 11 s 44; 2003 c 2 art 1 s 42; 2015 c 68 art 13 s 55; 2024 c 102 art 8 s 6*

356.63 LIMITATION ON USE OF PUBLIC PENSION PLAN ASSETS.

(a) Money held by or credited to a public pension plan as assets, including employer and employee contributions, state aid, appropriations from the state or a governmental subdivision, and accrued earnings on investments, constitutes a dedicated fund. The dedicated fund may be used exclusively to pay retirement annuities, service pensions, disability benefits, survivor benefits, refunds of contributions, or other benefits provided under the benefit plan document or documents governing the public pension plan, and to pay reasonable administrative expenses approved by the governing board of the public pension plan or by another appropriate authority. No assets of a public pension plan may be loaned or transferred to the state or a governmental subdivision or be used to amortize an unfunded actuarial accrued liability in another public pension plan or fund, whether or not the plan providing the assets consolidates or has consolidated with the plan receiving the assets. Nothing in this section prohibits a public pension plan or the State Board of Investment from investing the assets of a plan as authorized by law, including the investment of the assets of public pension plans by the State Board of Investment in a commingled investment fund.

(b) A public pension plan for purposes of this section means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, or a retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose revenues are derived from taxation, fees, assessments, or other public sources.

History: *2002 c 392 art 11 s 45*

356.631 [Renumbered 356.648]

356.633 DIRECT ROLLOVERS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Covered retirement plan" means a pension or retirement plan listed in section 356.611, subdivision 6, and the Minnesota deferred compensation plan established under section 352.965.

(c) "Distributee" means:

(1) a member of or participant in a covered retirement plan;

(2) the surviving spouse of a member of or participant in a covered retirement plan;

(3) the former spouse of a member of or participant in a covered retirement plan who is the alternate payee under a qualified domestic relations order as defined in section 414(p) of the Internal Revenue Code, or who is a recipient of a court-ordered equitable distribution of marital property, as provided in section 518.58; or

(4) a nonspousal beneficiary of a member of or participant in a covered retirement plan who qualifies for a distribution under the plan and is a designated beneficiary as defined in section 401(a)(9)(E) of the Internal Revenue Code.

(d) "Eligible retirement plan" means:

(1) an individual retirement account under section 408(a) or 408A of the Internal Revenue Code;

(2) an individual retirement annuity plan under section 408(b) of the Internal Revenue Code;

(3) an annuity plan under section 403(a) of the Internal Revenue Code;

(4) a qualified trust plan under section 401(a) of the Internal Revenue Code that accepts eligible rollover distributions;

(5) an annuity contract under section 403(b) of the Internal Revenue Code;

(6) an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code, including the Minnesota deferred compensation plan, that is maintained by a state or local government, accepts eligible rollover distributions, and agrees to separately account for the amounts transferred into the plan;

(7) if the distributee is a surviving spouse or nonspousal beneficiary, an individual account or annuity treated as an inherited individual retirement account under section 402(c)(11) of the Internal Revenue Code; or

(8) a savings incentive match plan for employees of small employers (SIMPLE) individual retirement account under section 408(p) of the Internal Revenue Code, provided that the rollover distribution is made after the two-year period beginning on the date the distributee first participated in any qualified salary reduction arrangement maintained by the distributee's employer under section 408(p)(2) of the Internal Revenue Code, as described in section 72(t)(6) of the Internal Revenue Code.

(e) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee. An eligible rollover distribution does not include:

(1) a distribution that is one of a series of substantially equal periodic payments, receivable annually or more frequently, that is made for the life or life expectancy of the distributee, the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more;

(2) a distribution that is required under section 401(a)(9) of the Internal Revenue Code;

(3) a distribution that is less than $200; or

(4) any other exception required by law or the Internal Revenue Code.

Subd. 2. **Right to elect direct rollover.** Except as provided in subdivision 3 for after-tax contributions, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have all or any portion of an eligible rollover distribution from a covered retirement plan paid directly to an eligible retirement plan as specified by the distributee.

Subd. 3. **Distributions of after-tax contributions.** For distributions of after-tax contributions which are not includable in gross income, the after-tax portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code, to a Roth individual retirement account described in section 408A of the Internal Revenue Code, to a qualified plan described in either section 401(a) of the Internal Revenue Code, or to an annuity contract described in section 403(b) of the Internal Revenue Code, that agrees to separately account for the amounts transferred, including separately accounting for the portion of the distribution which is includable in gross income and the portion of the distribution which is not includable.

Subd. 4. **Notice.** A covered retirement plan must provide the distributee of an eligible rollover distribution from the covered retirement plan with the notice required by section 402(f) of the Internal Revenue Code within the time period prior to making the eligible rollover distribution, as required by regulations issued pursuant to section 402(f) of the Internal Revenue Code.

History: *2024 c 102 art 8 s 7; 2025 c 37 art 23 s 4-6*

356.635 INTERNAL REVENUE CODE COMPLIANCE.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Beneficiary" means the person designated as the beneficiary under the terms of the applicable covered retirement plan.

(c) "Covered retirement plan" means a pension or retirement plan listed in section 356.611, subdivision 6.

(d) "Designated beneficiary" means an individual beneficiary within the meaning of section 401(a)(9)(E)(i) of the Internal Revenue Code.

(e) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subdivision 2a, paragraph (b). The required minimum distribution for the participant's first distribution calendar year shall be made on or before the participant's required beginning date.

(f) "Eligible designated beneficiary" means a designated beneficiary who meets the additional criteria under section 401(a)(9)(E)(ii) of the Internal Revenue Code.

(g) "Participant's account balance" means the account balance as of the last valuation date in the valuation calendar year increased by the amount of any contributions made and allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(h) "Required beginning date" means April 1 of the calendar year following the later of:

(1) the calendar year in which the member or the participant attains the age specified in section 401(a)(9)(C)(i)(I) of the Internal Revenue Code; or

(2) the calendar year in which the member or participant terminates employment.

(i) "Valuation calendar year" means the calendar year immediately preceding the distribution calendar year.

Subd. 1a. **Required beginning date.** (a) Notwithstanding any state law to the contrary, the retirement benefit of a member or participant must begin to be distributed or, if a lump sum, be distributed no later than the member's or participant's required beginning date.

(b) A pension or retirement plan is not required to obtain the consent of a member or participant to a distribution if the distribution is required to satisfy the requirements of paragraph (a). If the plan is unable to obtain the consent of a member or participant to a distribution that is required to satisfy the requirements of paragraph (a), the plan must make the required distribution to the member or participant. If the plan is a defined benefit plan that permits the distribution to be in the form of an annuity, the required distribution must be:

(1) in the form of a single life annuity if the plan administrator's records do not indicate that the member is married; or

(2) in the form of a 50 percent joint and survivor annuity naming the member's spouse as survivor if the plan administrator's records indicate that the member is married.

Subd. 2. **Required minimum distributions.** Notwithstanding any state law to the contrary:

(1) distributions from a covered retirement plan must be determined and made in accordance with a reasonable, good faith interpretation of the requirements of section 401(a)(9) of the Internal Revenue Code as applicable to governmental plans, as defined under section 414(d) of the Internal Revenue Code, and the treasury regulations adopted under section 401(a)(9), including, but not limited to, the incidental death benefit provisions of section 401(a)(9)(G) of the Internal Revenue Code; and

(2) the entire interest of a member or participant under a covered retirement plan must begin to be distributed or, if a lump sum, be distributed no later than the member's or participant's required beginning date.

Subd. 2a. **Required distributions from defined contribution plans.** (a) This section applies to any covered retirement plan that is a defined contribution plan, including but not limited to the following:

(1) the unclassified state employees retirement plan, established by chapter 352D;

(2) the public employees defined contribution plan, established by chapter 353D;

(3) the defined contribution plan that is part of the statewide volunteer firefighter plan, established by chapter 353G;

(4) the higher education individuals retirement account plan, established by chapter 354B;

(5) the higher education supplemental retirement plan, established by chapter 354C; and

(6) a defined contribution relief association, as defined under section 424A.001, subdivision 1c.

(b) If the participant dies before the required minimum distribution begins, the participant's account must be distributed in a lump sum no later than as follows:

(1) if the participant's account balance is payable to an eligible designated beneficiary, the distribution must be made by December 31 of the calendar year immediately following the calendar year in which the participant died. If the eligible designated beneficiary is the surviving spouse, the surviving spouse may elect to delay payment until December 31 of the calendar year in which the participant would have attained the participant's required beginning date. A surviving spouse who is the member's sole designated beneficiary may elect to be treated as if the surviving spouse were the member as provided under section 401(a)(9)(B)(iv) of the Internal Revenue Code;

(2) if the participant's account balance is payable to a beneficiary that is not a designated beneficiary, the participant's account must be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death; or

(3) if the participant's account balance is payable to a designated beneficiary who is not an eligible designated beneficiary, the participant's account must be distributed by December 31 of the calendar year containing the tenth anniversary of the participant's death.

(c) Upon the death of the participant after distribution of the participant's account balance begins, any remaining portion of the participant's account balance shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the participant's death, provided that the portion of the participant's account balance payable to a designated beneficiary who is not an eligible designated beneficiary must be distributed in its entirety by December 31 of the calendar year containing the tenth anniversary of the participant's death.

(d) Upon the death of an eligible designated beneficiary, or the attainment of the age of majority of an eligible designated beneficiary who is a minor child of the participant, before distribution of the participant's entire account balance under paragraph (b) or (c), the remainder of the participant's account balance shall be distributed by December 31 of the calendar year containing the tenth anniversary of the eligible designated beneficiary's death, or by December 31 of the calendar year in which the child attains the age of majority plus ten years, as applicable.

Subd. 3. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 4. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 5. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 6. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 7. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 8. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 9. MS 2024 [Repealed, 2025 c 37 art 23 s 12]

Subd. 9a. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 10. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 11. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 12. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

Subd. 13. MS 2022 [Repealed, 2024 c 102 art 8 s 16]

History: *2004 c 267 art 10 s 2; 2009 c 169 art 4 s 45,46; 2012 c 286 art 9 s 6,7; 2013 c 111 art 3 s 30; 2014 c 296 art 13 s 20; 2015 c 68 art 12 s 40,41; 2018 c 211 art 13 s 3-7; 2021 c 22 art 10 s 2; 2024 c 102 art 8 s 8-11; 2026 c 106 art 15 s 18*

356.636 CORRECTION OF ERRORS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Pension fund" means the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the St. Paul Teachers Retirement Fund Association.

(c) "Tax qualification" means compliance with all applicable requirements of section 401(a) or 457(b) of the Internal Revenue Code.

Subd. 2. **Correction of errors.** (a) The executive director of a pension fund may correct an error made by a pension fund or an error in a plan document that is not a statute if the executive director determines that correction is necessary or appropriate to preserve and protect the tax qualification of any pension or retirement plan listed in section 356.611, subdivision 6, that is administered by the pension fund. The method of correction must comply with the Internal Revenue Service Employee Plans Compliance Resolution System (EPCRS) or any successor thereto, if the EPCRS addresses the error and correction.

(b) To the extent deemed necessary by the executive director to implement correction, the executive director may:

(1) make distributions;

(2) transfer assets;

(3) recover an overpayment by reducing future benefit payments or designating appropriate revenue or source of funding that will restore to the plan the amount of the overpayment; or

(4) take any other action that will restore the plan and any affected member or participant to the position the plan, member, or participant would have been in had the error not occurred.

(c) An executive director may correct an error under paragraph (a) or (b) without regard to any statute that imposes a time limitation on making such correction.

Subd. 3. **Annual report.** (a) The executive director of each pension fund must submit a report annually to the chair and executive director of the Legislative Commission on Pensions and Retirement no later than each February 1. The report must describe each error or plan document error corrected under subdivision 2 during the preceding calendar year, other than:

(1) an error corrected in the ordinary course of business; and

(2) correction authorized by current law, including but not limited to correction authorized under sections 352.04, 353.27, 354.42, 356.401, and 356.637.

(b) The report must describe the error, the pension or retirement plan affected by the error, the method of correction, and the cost, if any, to the pension or retirement plan, employee, or employer of the error and correction.

(c) An error is corrected in the ordinary course of business if it is a correction or cancellation of an overpayment or an adjustment of an ongoing annuity amount.

History: *2024 c 102 art 8 s 12; 2025 c 37 art 10 s 7,8*

356.637 CORRECTION OF ERRONEOUS DEFINED BENEFIT PLAN COVERAGE.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in paragraphs (b) to (e) have the meanings given them.

(b) "Chief administrative officer" means the person selected or elected by the governing board of a covered pension plan with primary responsibility to administer the covered pension plan, or that person's designee or representative.

(c) "Covered pension plan" means a plan enumerated in section 356.30, subdivision 3, except clauses (3) and (5).

(d) "Governing board" means the governing board of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association.

(e) "Member" means an active plan member in a covered pension plan.

Subd. 2. **Treatment of terminated employee coverage error.** Any person who terminated the erroneously covered service before a chief administrative officer determined the covered pension plan coverage was in error retains the coverage with the plan that originally credited the service.

Subd. 3. **Active employee correction of prospective service coverage.** Upon determination by a chief administrative officer that a member is covered by the wrong pension plan, the employer must stop remitting the erroneous employee deductions and employer contributions and report the employee to the correct covered pension plan for all subsequent service.

Subd. 4. **Active employee treatment of past service.** Any plan member, with past service credited in an erroneous plan, retains the coverage for that past service with the plan that originally credited that service if the reporting error began earlier than two fiscal years prior to the current fiscal year in which the error was determined by the chief administrative officer. If the reporting error began within two fiscal years prior to the current fiscal year, the pension plan coverage for that past service must be corrected as provided in subdivision 5.

Subd. 5. **Past service transfer procedure.** (a) For cases under subdivision 4 requiring correction of prior service coverage, on behalf of the applicable member the chief administrative officer of the covered pension plan fund that has received erroneous employee deductions and employer contributions must transfer to the appropriate covered retirement plan fund an amount which is the lesser of all contributions made by or on behalf of the member for the period of erroneous membership, or the specific amount requested by the chief administrative officer of the other covered pension plan which represents the employee deductions and employer contributions that would have been made had the member been properly reported.

(b) If excess employee deductions remain in the member's account after the transfer of funds, the remaining erroneous amount must be refunded to the person with interest at the rate provided under the general refund law of the applicable covered pension plan. The chief administrative officer must also return any remaining excess employer contributions by providing to the employer a credit against future contributions payable by that employer.

(c) If the contributions transferred to the correct covered pension plan fund are less than the amounts required for the period being corrected, the chief administrative officer of the correct covered pension plan fund must collect the remaining employee deductions and employer contributions from the employer under laws for recovering deficient contributions applicable to the correct covered pension plan, except that no interest is chargeable if the additional amounts due under this paragraph are received by the chief administrative officer within 30 days of notifying the employer of the amount due.

(d) A potential transfer under this section that would cause a plan to fail to be a qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be made. Within 30 days after being notified by a chief administrative officer of an unmade potential transfer under this section, the employer of the member must transmit an amount representing the applicable salary deductions and employer contributions, without interest, to the fund of the appropriate covered pension plan. The chief administrative officer of the covered pension plan which erroneously provided coverage must provide to the employer a credit for the amount of the erroneous salary deductions and employer contributions against future contributions from that employer.

(e) Upon transfer of the required assets, or payment from the employer under paragraph (d), whichever is applicable, allowable service and salary credit for the period being transferred is forfeited in the erroneous plan and is granted in the correct plan.

History: *2010 c 359 art 2 s 17; 2014 c 275 art 2 s 15; 2014 c 296 art 6 s 44,49; 2024 c 102 art 8 s 14*

356.638 MILITARY SERVICE.

A covered retirement plan as defined in section 356.633, subdivision 1, paragraph (b), must require contributions and provide benefits, including death and disability benefits under section 401(a)(37) of the Internal Revenue Code, and service credit with respect to qualified military service according to section 414(u) of the Internal Revenue Code. If a member dies while the member is performing qualified military service as defined in United States Code, title 38, chapter 43, to the extent required by section 401(a)(37) of the Internal Revenue Code, survivors of the member are entitled to any additional benefits that the covered retirement plan would have provided if the member had resumed employment and then died, including but not limited to accelerated vesting or survivor benefits that are contingent on the member's death while employed. A deceased member's period of qualified military service must be counted for vesting purposes.

History: *2025 c 37 art 23 s 7*

INVESTMENT LIMITATIONS

356.64 REAL ESTATE INVESTMENTS.

(a) Notwithstanding any law to the contrary, any public pension plan whose assets are not invested by the State Board of Investment may invest its funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust if the investment is consistent with section 356A.04.

(b) An investment otherwise authorized by this section must also comply with the requirements and limitations of section 11A.24, subdivision 6.

History: *2002 c 392 art 11 s 46; 2010 c 359 art 12 s 35*

356.645 INVESTMENT OF DEFINED CONTRIBUTION PLANS AND FIREFIGHTER RELIEF ASSOCIATIONS.

The State Board of Investment shall determine the investments to be made available to plan participants in plans defined in sections 352.965, 352.98, and 383B.46 and chapters 352D and 353D and to firefighter relief associations under chapter 424A. Investments made available to plan participants and relief associations must include at least one or more of the following:

(1) shares in the Minnesota supplemental investment fund established in section 11A.17;

(2) savings accounts in financial institutions insured federally or by an approved credit union share guaranty corporation;

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

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

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

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

History: *2014 c 296 art 13 s 21; 2018 c 211 art 15 s 8; 2022 c 65 art 9 s 12; 2026 c 56 s 30; 2026 c 106 art 15 s 26*

356.646 PLAN PARTICIPANT INVESTMENT RESPONSIBILITY.

Subdivision 1. **Member investment responsibility.** The state, State Board of Investment and its executive director and staff, plan administrators and their staff, and participating public employers are not liable and are not responsible for any investment losses due to choices made by participants or due to qualified default investment alternatives.

Subd. 2. **Application.** This section applies to the:

(1) Minnesota state deferred compensation plan, established under section 352.965;

(2) health care savings plan, established under section 352.98;

(3) unclassified employees retirement program, established under chapter 352D;

(4) public employees defined contribution plan, established under chapter 353D;

(5) individual retirement account plan, established under chapter 354B;

(6) higher education supplemental retirement plan, established under chapter 354C; and

(7) Arts Board and Humanities Commission individual retirement account plan, established under chapter 354D.

History: *2014 c 296 art 13 s 22*

356.648 ADDITIONAL SOURCES OF FUNDING.

Notwithstanding any other provision of law to the contrary, in addition to all sources of funding described in Minnesota Statutes, section 356.63, any public retirement plan described in Minnesota Statutes, section 356.63, paragraph (b), is authorized to accept, at its discretion, for deposit in its fund the following:

(1) gifts;

(2) donations;

(3) bequests; and

(4) life insurance death benefits.

History: *2018 c 211 art 17 s 2; 2024 c 102 art 8 s 14*

ABANDONED PENSION FUND AMOUNTS

356.65 DISPOSITION OF ABANDONED PUBLIC PENSION FUND AMOUNTS.

Subdivision 1. **Definitions.** For purposes of this section, unless the context clearly indicates otherwise, each of the following terms has the meaning given to it:

(a) "Public pension fund" means any public pension plan as defined in section 356.63, paragraph (b), and any firefighter relief association established under chapter 424A and governed under sections 424A.091 to 424A.096.

(b) "Unclaimed public pension fund amounts" means any amounts representing accumulated member contributions, any outstanding unpaid annuity, service pension or other retirement benefit payments, including those made on warrants issued by the commissioner of management and budget, which have been issued and delivered for more than six months prior to the date of the end of the fiscal year applicable to the public pension fund, and any applicable interest to the credit of:

(1) an inactive or former member of a public pension fund who is not entitled to a defined retirement annuity and who has not applied for a refund of those amounts within five years after the last member contribution was made; or

(2) a deceased inactive or former member of a public pension fund if no survivor is entitled to a survivor benefit and no survivor, designated beneficiary or legal representative of the estate has applied for a refund of those amounts within five years after the date of death of the inactive or former member.

Subd. 2. **Disposition of abandoned amounts.** Any unclaimed public pension fund amounts existing in any public pension fund are presumed to be abandoned, but are not subject to the provisions of sections 345.31 to 345.60. Unless the benefit plan of the public pension fund specifically provides for a different disposition of unclaimed or abandoned funds or amounts, any unclaimed public pension fund amounts cancel and must be credited to the public pension fund. If the unclaimed public pension fund amount exceeds $25 and the inactive or former member again becomes a member of the applicable public pension plan or applies for a retirement annuity under section 356.30 or 356.311, whichever applies, the canceled amount must be restored to the credit of the person.

History: *1981 c 224 s 178; 1983 c 286 s 17; 1992 c 513 art 4 s 41; 2001 c 7 s 67; 2002 c 392 art 11 s 47,48; 2008 c 277 art 1 s 80; 2009 c 101 art 2 s 109; 2010 c 359 art 12 s 36; 2013 c 111 art 5 s 80; 2019 c 50 art 1 s 117; 2024 c 102 art 2 s 31; 2026 c 106 art 15 s 19*

356.70 [Repealed, 1997 c 233 art 1 s 78]

356.71 [Repealed, 2002 c 392 art 11 s 53]

356.80 [Repealed, 2002 c 392 art 11 s 53]

356.81 [Repealed, 2002 c 392 art 11 s 53]

356.82 SAVINGS CLAUSE.

The intent of the legislature in sections 352.01, subdivision 25; 353.01, subdivision 37; 354.05, subdivision 38; and 354A.011, subdivision 15a is to create a normal retirement age for persons first covered by those sections after the effective date of those sections that is the same as the retirement age in the federal Social Security law, including future amendments to that law. If a court determines that the legislature may not incorporate by reference the future changes in federal Social Security law, the legislature reserves the right to amend the appropriate sections to make the normal retirement conform to the retirement age in the federal Social Security law. No person first covered by any of those sections after the effective date of those sections has a right to a normal retirement age that is less than the retirement age in the federal Social Security law.

History: *1989 c 319 art 13 s 95; 1992 c 464 art 1 s 43*

356.85 [Repealed, 1993 c 280 s 1]

356.86 [Repealed, 2002 c 392 art 11 s 53]

356.865 [Repealed, 2002 c 392 art 11 s 53]

356.866 [Repealed, 2002 c 392 art 11 s 53]

OPTIONAL WITHHOLDING

356.87 HEALTH INSURANCE WITHHOLDING.

Subdivision 1. **Public employees insurance program withholding.** (a) Upon authorization of a person entitled to receive a retirement annuity, disability benefit or survivor benefit, the executive director of a public pension fund enumerated in section 356.20, subdivision 2, shall withhold health insurance premium amounts from the retirement annuity, disability benefit or survivor benefit, and shall pay the premium amounts to the public employees insurance program.

(b) The public employees insurance program shall reimburse a public pension fund for the administrative expense of withholding the premium amounts and shall assume liability for the failure of a public pension fund to properly withhold the premium amounts.

Subd. 2. **Public safety retiree insurance withholding.** (a) For purposes of this subdivision, "governing board" means the governing board or body that has been assigned the chief policy-making powers and management duties of the applicable pension plan.

(b) For a pension plan covered under section 356.20, subdivision 2, that provides monthly annuity payments, the governing board may direct the plan's chief administrative officer to withhold health, accident, and long-term care insurance premiums from the retirement annuity or disability benefit and to transmit the amount to an approved insurance provider specified by the eligible person. A governing board which agrees to participate may revise or revoke that decision at a later date if the board provides reasonable notice to the applicable parties.

(c) An eligible person is a person who:

(1) is a retiree or disabilitant from a participating plan;

(2) was a public safety officer as defined in United States Code, title 42, section 3796b;

(3) terminated service as a public safety officer due to disability or attainment of normal retirement age and commences receipt of an annuity without any period of deferral; and

(4) satisfies any other requirements to have all or a portion of the health, accident, or long-term care insurance premiums excluded from income for taxation purposes, as specified in section 845 of Public Law 109-280, the Pension Protection Act of 2006.

(d) An approved insurance provider is:

(1) any regulated, licensed insurance company;

(2) a fraternal or any other organization sponsoring a regulated, licensed insurance program; or

(3) an employer-sponsored insurance program, whether directly through the employer or a third-party administrator.

(e) An eligible person may elect to have the applicable plan administrator withhold and transmit the insurance amounts described in paragraph (b). The eligible person must make this election on a form prescribed by the chief administrative officer of the applicable plan.

(f) A pension fund and the plan fiduciaries which authorize or administer withholding of insurance premiums under this subdivision is not liable for failure to properly withhold or transmit the premium amounts.

History: *1990 c 589 art 2 s 2; 1991 c 340 s 32; 1991 c 341 s 47; 1994 c 465 art 3 s 55; 1995 c 248 art 10 s 17; 2002 c 392 art 11 s 49; 2007 c 134 art 11 s 8*

356.88 [Repealed, 2002 c 392 art 11 s 53]

356.89 [Repealed, 2002 c 392 art 11 s 53]

356.90 [Repealed, 2007 c 134 art 2 s 50]

356.91 VOLUNTARY MEMBERSHIP DUES DEDUCTION.

(a) Upon written authorization of a person receiving an annuity from a public pension fund administered by the Minnesota State Retirement System, the Public Employees Retirement Association, or the Teachers Retirement Association, the executive director of the public pension fund shall deduct from the retirement annuity an amount requested by the annuitant to be paid as membership dues or other payments to any labor organization that is an exclusive bargaining agent representing public employees or an organization representing retired public employees of which the annuitant is a member and shall, on a monthly basis, pay the amount to the organization so designated by the annuitant.

(b) A pension fund and the plan fiduciaries which authorize or administer deductions of dues payments under paragraph (a) are not liable for failure to properly deduct or transmit the dues amounts, provided that the fund and the fiduciaries have acted in good faith.

(c) Any labor organization that is an exclusive bargaining agent representing public employees or an organization representing retired public employees may conduct blind mailings to the annuitants of a

retirement system specified in paragraph (a) by requesting that the retirement system mail voluntary membership information and dues deduction cards to annuitants. Such mailings shall not be for the purpose of supporting or opposing any candidate, political party, or ballot measure. The organization requesting the blind mailing shall pay all costs associated with these mailings, including but not limited to copying, labeling, mailing, postage, and record keeping. In lieu of administering a blind mailing in-house, a retirement system may transmit annuitant data necessary for conducting a blind mailing to a mail center pursuant to a secure data share agreement with the mail center which provides that neither the organization nor any other entity shall have direct access to the data transmitted by the retirement system. The retirement system shall have no obligation to approve or disapprove, or otherwise be responsible for, the content of the mailings. No organization shall conduct more than two blind mailings per calendar year.

History: *2008 c 349 art 15 s 1; 2010 c 359 art 12 s 37; 2013 c 111 art 15 s 1; 2014 c 296 art 13 s 23*

356.95 MS 2008 [Expired, 2007 c 134 art 2 s 45]

PENSION PLAN APPEAL PROCEDURES

356.96 PENSION PLAN APPEAL PROCEDURES.

Subdivision 1. **Definitions.** (a) Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the terms in this subdivision have the meanings given them.

(b) "Executive director" means the executive director of a covered pension plan or the executive director's designee or representative.

(c) "Covered pension plan" means a plan enumerated in section 356.20, subdivision 2, clauses (1) to (4), (8), and (11) to (14), but does not mean the deferred compensation plan administered under sections 352.965 and 352.97 or to the postretirement health care savings plan administered under section 352.98.

(d) "Governing board" means the Board of Trustees of the Public Employees Retirement Association, the Board of Trustees of the Teachers Retirement Association, or the Board of Directors of the Minnesota State Retirement System.

(e) "Person" means an active, retired, deferred, or nonvested inactive participant in a covered pension plan or a beneficiary of a participant, or an individual who has applied to be a participant or who is or may be a survivor of a participant, or the representative of a state agency or other governmental unit that employs active participants in a covered pension plan.

(f) "Petitioner" means a person who has filed a petition for review of an executive director's determination under this section.

Subd. 2. **Right to appeal to executive director; determination.** A person may appeal a decision by the staff of a covered pension plan regarding the person's eligibility, benefits, or other rights under the plan to the executive director of the plan. The appeal must be in writing and be delivered to the executive director no later than 60 days after the date of the written notice of the staff decision. The executive director may overturn, modify, or affirm the staff's decision. The executive director's determination is subject to review under this section.

Subd. 3. **Notice of determination.** The executive director shall issue a written notice of determination to the person who files an appeal under subdivision 2. The notice of determination must be delivered by certified mail to the address to which the most recent benefit payment was sent or, if that address is that of

a financial institution, to the last known address of the person. The notice of determination shall include the following:

(1) a statement of the reasons for the determination;

(2) a statement that the person may petition the governing board of the covered pension plan for a review of the determination and that a person's petition for review must be filed in the administrative office of the covered pension plan no later than 60 days after the date of the written notice of determination;

(3) a statement indicating that a failure to petition for review within 60 days precludes the person from any further administrative or judicial review of the executive director's determination;

(4) a statement indicating that all relevant materials, documents, affidavits, and other records that the person wishes to be reviewed in support of the petition and a list of any witnesses who will testify before the governing board, along with a summary of the witness' testimony, must be filed with the administrative office of the covered pension plan at least 15 days before the date of the hearing under subdivision 10 or as directed by the administrative law judge who conducts a fact-finding conference under subdivision 7, paragraph (b), or a contested case hearing under subdivision 12, paragraph (b);

(5) a summary of this section, including all filing requirements and deadlines; and

(6) the statement required under subdivision 4, paragraph (a), if applicable.

Subd. 4. **Termination of benefits.** (a) If the executive director's determination will terminate a benefit that is being paid to a person, the notice of determination must also state that the person has the opportunity to explain, in writing, in person, by telephone, or by email, the reasons that the benefit should not be terminated.

(b) If the notice of determination is returned as undeliverable and the person cannot be reached by any other reasonable means of communication and the executive director determines that a failure to terminate the benefit will result in unauthorized payment by a covered pension plan, the executive director may terminate the benefit immediately.

Subd. 5. **Petition for review.** (a) Upon receipt of the notice of determination required in subdivision 3, a person may petition the governing board of the covered pension plan for a review of the executive director's determination.

(b) The petitioner must file the petition for review with the administrative office of the covered pension plan no later than 60 days after the date of the notice of determination required by subdivision 3. Filing of the petition is effective upon mailing or personal delivery. The petition must include the petitioner's statement of the reason or reasons that the determination of the executive director should be reversed or modified.

Subd. 6. **Failure to petition.** If a timely petition for review under subdivision 5 is not filed with the administrative office of the covered pension plan, the executive director's determination is final and is not subject to further administrative or judicial review.

Subd. 7. **Notice of hearing; fact-finding; filing and timing requirements.** (a) After receiving a petition, the executive director must schedule a hearing to review the petition before the governing board of the covered pension plan or the executive director may defer the scheduling of a hearing until after a fact-finding conference under paragraph (b).

(b) The executive director may direct the petitioner to participate in a fact-finding conference conducted by an administrative law judge assigned by the Court of Administrative Hearings. The fact-finding conference

is an informal proceeding not subject to Minnesota Rules, chapter 1400, except that Minnesota Rules, part 1400.7300, shall govern the admissibility of evidence and Minnesota Rules, part 1400.8603, shall govern how the fact-finding conference is conducted. The administrative law judge must issue a report and a recommendation to the governing board.

(c) If the petitioner's claim relates to disability benefits, the executive director may direct the petitioner to participate in a vocational assessment conducted by a qualified rehabilitation counselor under contract with the covered pension plan. The counselor must issue a report regarding the assessment to the governing board.

(d) Not less than 30 calendar days before the date scheduled for the hearing before the governing board, the executive director must notify the petitioner of the time and place of the meeting at which the governing board is scheduled to conduct the hearing. If there has been no fact-finding conference under paragraph (b), not less than 15 days before the date scheduled for the hearing, the petitioner and the executive director must provide to the governing board and the other party copies of all documentary evidence that will be presented and a list of witnesses who will testify, along with a summary of their testimony.

(e) The petitioner may request a postponement of the date scheduled for the hearing before the governing board within a reasonable time, but no later than ten calendar days before the scheduled hearing date. A petitioner shall be granted only one postponement unless the applicable covered pension plan agrees to additional postponements.

Subd. 8. **Record for review.** (a) All evidence, including all records, documents, and affidavits in the possession of the covered pension plan of which the covered pension plan desires to avail itself and be considered by the governing board, and all evidence which the petitioner wishes to present to the governing board, including any evidence which would otherwise be classified by law as "private," must be made part of the hearing record.

(b) The executive director must provide a copy of the record to each member of the governing board at least five days before the scheduled hearing date.

(c) If a fact-finding conference under subdivision 7, paragraph (b), is not conducted, the record is limited to those materials provided to the petitioner in accordance with subdivision 7, paragraph (d), those filed by the petitioner with the covered pension plan in a timely manner in accordance with subdivision 7, paragraph (e), any vocational assessment report under subdivision 7, paragraph (c), and any testimony at the hearing before the governing board. Any additional evidence may be placed in the record pursuant to subdivision 10, paragraph (b).

(d) If a fact-finding conference under subdivision 7, paragraph (b), or a contested case hearing under subdivision 12, paragraph (b), is conducted, the record before the governing board must be limited to the following:

(1) the record from the Court of Administrative Hearings;

(2) seven-page submissions by the petitioner and a representative of the covered pension plan commenting on the administrative law judge's recommendation; and

(3) any vocational assessment report under subdivision 7, paragraph (c).

Subd. 9. **Amended determination.** At any time before the hearing before the governing board, for good cause shown and made part of the records of the plan, the executive director may reverse, alter, amend, or modify the prior decision which is subject to review under this section by issuing an amended determination

to the petitioner. Upon doing so, the executive director may cancel the governing board's scheduled review of the person's petition and notify the petitioner.

Subd. 10. **Board hearing.** (a) The governing board shall hold a timely hearing on a petition for review as part of a regularly scheduled board meeting, or as part of a special meeting if so scheduled. All governing board members who participate in the decision-making process must be familiar with the record. The governing board shall make its decision on a petition solely on the record as submitted and on the proceedings of the hearing.

(b) At the hearing, the petitioner, the petitioner's representative, if any, the executive director, and a representative of the covered pension plan who does not also serve as the governing board's legal advisor during the board's decision-making process may state and discuss with the governing board their positions with respect to the petition. If no fact-finding conference under subdivision 7, paragraph (b), or contested case hearing under subdivision 12, paragraph (b), was conducted, additional evidence may be received in the form of testimony from previously disclosed witnesses. The governing board may allow further documentation to be placed in the record at the board meeting only with the agreement of both the executive director and the petitioner. The executive director may not otherwise participate in the board's decision-making process.

(c) If a petitioner who received timely notice of a scheduled hearing fails to appear, the governing board may nevertheless hear the petition and issue a decision.

(d) The governing board's decision shall be made upon a motion by a board member and approval by a majority of the governing board. The governing board must issue its decision as a written order containing findings of fact, conclusions of law, and the board's decision no later than 30 days after the hearing. If the decision is contrary to the petitioner's desired outcome, the notice must inform the petitioner of the appeal rights set forth in subdivision 13.

Subd. 11. **Disability medical issues.** If the petitioner seeks to reverse or modify a determination by the executive director that there was insufficient medical data to support an application for disability benefits, the governing board may reverse that determination only if there is medical evidence supporting the application. The governing board has the discretion to resubmit a disability benefit application at any time to a medical advisor for reconsideration, and the resubmission may include an instruction that further medical examinations be obtained.

Subd. 12. **Referral for administrative hearing.** (a) A fact-finding conference under subdivision 7, paragraph (b), must be conducted exclusively under the procedures set forth in this section and not as a contested case under chapter 14.

(b) A governing board, in its sole discretion, may refer a petition brought under this section to the Court of Administrative Hearings for a contested case hearing under sections 14.57 to 14.69.

Subd. 13. **Appeal of the governing board's decision; judicial review.** No later than 60 days after the date of the mailing of the notice of the governing board's decision, the petitioner may appeal the decision by filing a writ of certiorari with the court of appeals under section 606.01 and Rule 115 of the Minnesota Rules of Civil Appellate Procedure. Failure by a person to appeal to the court of appeals within the 60-day period precludes the person from later raising, in any subsequent administrative hearing or court proceeding, those substantive and procedural issues that reasonably should have been raised upon a timely appeal.

Subd. 14. MS 2016 [Repealed, 2018 c 211 art 13 s 21]

Subd. 15. MS 2016 [Repealed, 2018 c 211 art 13 s 21]

History: *2007 c 134 art 6 s 2; 2008 c 349 art 10 s 16; art 11 s 7; 2009 c 169 art 4 s 47; art 9 s 28; 2010 c 359 art 5 s 20-24; art 12 s 38; 2014 c 275 art 2 s 25; 2018 c 211 art 13 s 8-20; 2025 c 39 art 2 s 68*

PLAN ADMINISTRATION

356.97 INFORMATION SERVICES AND TECHNOLOGY.

The executive directors subject to the standard of fiduciary conduct under chapter 356A and the boards to which they report are exempt from the requirements of chapter 16E. An executive director or a board may use services provided by the Department of Information Technology Services.

History: *1Sp2019 c 8 art 6 s 3; 2021 c 31 art 2 s 16*

356.98 ALLOCATION OF RECEIVABLES.

If an employing unit is dissolved or closed and amounts are owed to more than one Minnesota public pension plan, any amounts available to cover payments to the plans must be applied first to the employee contributions owed to the applicable plans, and next to the unpaid employer contributions, including any applicable employer additional contributions, and finally to the interest due on the employee and employer amounts. If, at any stage in this allocation process, the available amount is insufficient to fully cover the amount required, the remaining available payment amount must be prorated among the applicable plans based on each plan's share of combined covered payroll.

History: *2007 c 134 art 2 s 46*

356.99 [Renumbered 356.637]