CHAPTER 354

TEACHERS RETIREMENT

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354.01 [Renumbered 83A.01]

354.02 [Renumbered 83A.02]

354.03 [Renumbered 83A.03]

354.04 [Renumbered 83A.04]

354.045 CITATION.

This chapter may be cited as the "Teachers Retirement Act."

History: *1969 c 485 s 39; 1974 c 289 s 1*

354.05 DEFINITIONS.

Subdivision 1. **Terms.** Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of this chapter, shall be given the meanings subjoined to them.

Subd. 2. **Teacher.** (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in:

(i) a public school of the state other than in Independent School District No. 625;

(ii) a charter school; or

(iii) the Perpich Center for Arts Education, except that any employee of the Perpich Center for Arts Education who was covered by the Minnesota State Retirement System general state employees retirement plan as of July 1, 2018, shall continue to be covered by that plan and not by the Teachers Retirement Association;

(2) a person who is engaged in educational administration in connection with the state public school system, whether the position be a public office or as employment;

(3) a person who renders service as a charter school director or chief administrative officer; provided, however, that if the charter school director or chief administrative officer is covered by the Public Employees Retirement Association general employees retirement plan on July 1, 2018, the charter school director or chief administrative officer shall continue to be covered by that plan and not by the Teachers Retirement Association;

(4) an employee of the Teachers Retirement Association;

(5) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit where the teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit or, if less than 50 percent of the combined employment salary, the executive director determines all of the combined service is covered by the association; or

(6) a person who is not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and Universities system in an unclassified position as:

(i) a president, vice-president, or dean;

(ii) a manager or a professional in an academic or an academic support program other than specified in item (i);

(iii) an administrative or a service support faculty position; or

(iv) a teacher or a research assistant.

(b) "Teacher" does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) annuitants of the teachers retirement plan who are employed after retirement by an employing unit that participates in the teachers retirement plan during the course of that reemployment;

(3) a person who is employed by the University of Minnesota;

(4) a member or an officer of any general governing or managing board or body of an employing unit that participates in the teachers retirement plan; or

(5) a person employed by Independent School District No. 625 as a teacher as defined in section 354A.011, subdivision 27.

Subd. 2a. **Exceptions.** (a) Notwithstanding subdivision 2, a person specified in paragraph (b) is not a member of the association except for purposes of Social Security coverage unless the person is covered by section 354B.211, and elects coverage by the Teachers Retirement Association.

(b) A teacher is excluded from association membership other than Social Security coverage under paragraph (a) if the person is covered by the individual retirement account plan established under chapter 354B.

Subd. 3. **Teaching.** The word "teaching" includes the service performed by any person coming within the definition of "teacher" as set forth in subdivision 2.

Subd. 4. **Fund.** The term "fund" means the teachers retirement fund referred to in this chapter.

Subd. 5. **Member of the association.** "Member of the association" means every teacher who contributes to the teachers retirement fund as provided in this chapter who has not retired, or a teacher who exercises an option to elect coverage under another public pension plan enumerated in section 356.30, subdivision 3. Any former member of the association who is retired and subsequently resumes teaching service is a member of the association only for purposes of Social Security coverage.

Subd. 6. **Board.** The term "board" means the board of trustees of the Teachers Retirement Association.

Subd. 7. **Actuarial equivalent.** (a) "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the association as recommended by the actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable investment return assumption specified in section 356.215, subdivision 8.

(b) For purposes of computing a joint and survivor annuity, the investment return assumption specified in section 356.461 must be used rather than the investment return specified in section 356.215, subdivision 8.

Subd. 8. **Dependent child.** "Dependent child" means a biological or adopted child of a deceased member who has not reached the age of 18, or who is under age 22 and is a full-time student throughout the normal school year, unmarried and dependent for more than one-half of support upon the member. It also means a child of the member conceived during the member's lifetime and born after the member's death.

Subd. 8a. **Dependent child; alternative definition.** For the purpose of survivor benefit eligibility under section 354.46, subdivision 2b, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived while living and born after death.

Subd. 9. **Association.** "Association" means the combined membership of all teachers who qualify and participate in the retirement program provided for in this chapter.

Subd. 10. **Approved actuary.** "Approved actuary" means an actuary who meets the definition in section 356.215, subdivision 1, paragraph (c).

Subd. 11. **Accumulated deductions.** "Accumulated deductions" means the total of the sums deducted from the salary of a member and the total amount of assessments paid by a member in lieu of such deductions,

credited to the member's individual fund, less amounts paid to the member or any person in the member's behalf in the form of refundments, annuity payments or benefit payments and less any other amounts deducted pursuant to law.

Subd. 12. **Payments in lieu of deductions.** "Payments in lieu of deductions" means the assessments or payments made by any member to receive credit for service rendered when no salary deductions were made.

Subd. 13. **Allowable service.** "Allowable service" means:

(1) any service rendered by a teacher for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund;

(2) any service rendered by a person for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund as provided in Minnesota Statutes 1980, section 354.09, subdivision 4, and section 354.53;

(3) any service rendered by a teacher for which the teacher elected to obtain credit for service by making payments to the fund under Minnesota Statutes 1980, section 354.09, subdivisions 1 and 4, sections 354.50, 354.51, Minnesota Statutes 1957, section 135.41, subdivision 4, Minnesota Statutes 1971, section 354.09, subdivision 2, or Minnesota Statutes, 1973 Supplement, section 354.09, subdivision 3;

(4) both service during years of actual membership in the course of which contributions were currently made and service in years during which the teacher was not a member but for which the teacher later elected to obtain credit by making payments to the fund as permitted by any law then in effect;

(5) any service rendered where contributions were made and no credit was established because of the limitations contained in Minnesota Statutes 1957, section 135.09, subdivision 2, as determined by the ratio between the amounts of money credited to the teacher's account in a fiscal year and the maximum retirement contribution allowable for that year;

(6) a period of time during which a teacher was on strike without pay, not to exceed a period of one year, if payment in lieu of salary deductions is made under section 354.72;

(7) a period of service before July 1, 2006, that was properly credited as allowable service by the Minneapolis Teachers Retirement Fund Association, and that was rendered by a teacher as an employee of Special School District No. 1, Minneapolis, or by an employee of the Minneapolis Teachers Retirement Fund Association who was a member of the Minneapolis Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Minneapolis Teachers Retirement Fund Association calculated in whole or in part on that service before July 1, 2006, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4. Service as an employee of Special School District No. 1, Minneapolis, on or after July 1, 2006, is "allowable service" only as provided by this chapter; or

(8) a period of service before July 1, 2015, that was properly credited as allowable service by the Duluth Teachers Retirement Fund Association, and that was rendered by a teacher as an employee of Independent School District No. 709, Duluth, or by an employee of the Duluth Teachers Retirement Fund Association who was a member of the Duluth Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Duluth Teachers Retirement Fund Association calculated in whole or in part on that service before July 1, 2015, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4. Service as an employee of Independent School District No. 709, Duluth, on or after July 1, 2015, is "allowable service" only as provided by this chapter.

Subd. 13a. **Average salary.** (a) "Average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made for the highest five successive years of formula service credit.

(b) "Average salary" may not include any more than the equivalent of 60 monthly salary payments.

(c) "Average salary" must be based upon all years of formula service credit if this service credit is less than five years.

Subd. 14. **Total and permanent disability.** "Total and permanent disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long continued and indefinite duration. An "indefinite duration" is a period of at least one year.

Subd. 14a. **Surviving spouse.** "Surviving spouse" means the spouse of a deceased member or a disabilitant who was legally married to the member at the time of death.

Subd. 15. [Repealed, 1994 c 528 art 3 s 34]

Subd. 16. **Retirement annuity.** "Retirement annuity" means the payments made by the association to a former member after retirement.

Subd. 17. **Optional survivors annuity.** "Optional survivors annuity" means the payments made by the association to a survivor of a former member pursuant to an optional annuity form selected by such member at or before retirement which varies in amount depending primarily upon both employee and employer contributions made by and in behalf of the particular member.

Subd. 17a. **Former spouse.** "Former spouse" means a person who is no longer a spouse of a member due to dissolution of the marriage, legal separation, or annulment.

Subd. 18. [Repealed, 1974 c 289 s 59]

Subd. 19. **Annuity.** "Annuity" means a retirement annuity, optional survivors annuity, or spouses annuity.

Subd. 20. **Benefit.** "Benefit" means an allowance paid or payable by the association to a surviving dependent spouse or a dependent child which is a fixed amount and also includes an allowance paid or payable by the association to a member or former member who is permanently and totally disabled.

Subd. 21. **Retirement.** "Retirement" means the withdrawal of a member from active teaching service who is paid a retirement annuity thereafter and commences with the date designated by the retirement board when the retirement annuity first accrues to the former member after withdrawal from active teaching service and application for an annuity under section 354.44, subdivisions 3 and 4. The effective date of retirement must occur for an annuity plan selection to take effect. This date determines any rights specified in this chapter which occur either before or after retirement.

Subd. 22. **Designated beneficiary.** "Designated beneficiary" means the person, trust, or organization designated by a retiree or member to receive the benefits to which a beneficiary is entitled under this chapter. A beneficiary designation is valid only if it is made on an appropriate form provided by the executive director that is signed by the member. The properly completed form must be received by the association on or before the date of death of the retiree or member. If a retiree or a member does not designate a person, trust, or organization, or if the person who was designated predeceases the retiree or the member, or if the trust or organization ceases to exist before the death of the retiree or the member, the designated beneficiary is the estate of the deceased retiree or member.

Subd. 23. [Repealed, 1990 c 570 art 12 s 64]

Subd. 24. [Repealed, 1990 c 570 art 12 s 64]

Subd. 25. **Formula service credit.** "Formula service credit" means any allowable service credit as defined in subdivision 13 except:

(1) any service rendered for which contributions were not made in full as determined by the ratio between the amounts of money credited to the teacher's account in a fiscal year and the retirement contribution payable for the fiscal year under sections 354.092, 354.42, and 354.51; and

(2) no period of service may be counted more than once for purposes of this subdivision.

Subd. 26. [Repealed, 2009 c 169 art 1 s 77]

Subd. 27. **Normal school operating funds.** The term "normal school operating funds" as used in this chapter shall be defined as and limited to the proceeds of property tax levies, state school maintenance cost aids distributed in accordance with statutes governing such funds, state aid to distressed school districts, proceeds from federal forest reserve lands, state transportation aids, and receipts from tuition paid by persons or other school districts and rental charges received. The term also includes money appropriated by the legislature for the operation of any state agency, department, state board, or institution.

Subd. 28. **Satisfactory certification.** The term "satisfactory certification" means a certification executed by a responsible officer of an employing authority in such form and content that false or misleading information would constitute perjury.

Subd. 29. [Repealed, 1994 c 528 art 3 s 34]

Subd. 30. **Coordinated member.** "Coordinated member" means any teacher covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare, making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to such member.

Subd. 31. **Basic member.** "Basic member" means any teacher not covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare.

Subd. 32. **Formula program.** "Formula program" means a retirement program which provides benefits based on certain percentages multiplied by the years of service and average salary of a member as described in section 354.44.

Subd. 33. [Repealed, 1990 c 570 art 12 s 64]

Subd. 34. [Repealed, 1990 c 570 art 12 s 64]

Subd. 35. **Salary.** (a) Subject to the limitations of section 356.611, "salary" means the periodic compensation, upon which member contributions are required before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) Salary does not mean:

(1) lump-sum annual leave payments;

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

(3) employer-paid amounts used by an employee toward the cost of insurance coverage, employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses,

or any payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage and certain amounts determined by the executive director to be ineligible;

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

(5) any form of severance payments;

(6) workers' compensation payments;

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

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

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

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

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

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

Subd. 35a. **Severance payments.** Severance payments include, but are not limited to:

(1) payments to an employee to terminate employment;

(2) payments, or that portion of payments, that are not clearly for the performance of services by the employee to the employer;

(3) payments to an administrator or former administrator serving as an advisor to a successor or as a consultant to the employer under an agreement to terminate employment within two years or less of the execution of the agreement for compensation that is significantly different than the most recent contract salary;

(4) payments under a procedure that allows the employee to designate the time of payment if the payments are made during the period of formula service credit used to compute a benefit or annuity under section 354.44, subdivision 6 or 7; 354.46, subdivision 1 or 2; or 354.48, subdivision 3; and

(5) lump-sum payments during the time period that contains the highest five successive years of salary for additional services performed without pay during other years of salary.

Subd. 36. **Retiree of association.** "Retiree of association" means any former member who has retired as provided in this chapter.

Subd. 37. **Termination of teaching service.** "Termination of teaching service" means the withdrawal of a member from active teaching service by resignation or the termination of the member's teaching contract by the employer. A member is not considered to have terminated teaching service, if before the age of 59-1/2,

and before the effective date of the termination or retirement, the member has entered into a contract to resume teaching service with an employing unit covered by the provisions of this chapter. A contract to return to work after retirement for an active member who has attained age 59-1/2 must comply with the provisions of section 354.444.

Subd. 38. **Normal retirement age.** "Normal retirement age" means age 65 for a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989. Through June 30, 2024, for a person who first becomes a member of the association after June 30, 1989, normal retirement age means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age 66. Beginning July 1, 2024, normal retirement age for all members means age 65.

Subd. 39. **Administrator's normal work year.** Normal work year for school principals and all other administrators means 12 consecutive full months of continuous employment from July 1 to June 30.

Subd. 40. **Timely receipt.** An application, payment, return, claim, or other document that is not personally delivered to the association on or before the applicable due date is considered to be a timely receipt if received on or before the due date or if delivered or filed under section 645.151.

Subd. 41. **Annual base salary.** (a) "Annual base salary" means:

(1) for an independent school district or educational cooperative, the lowest full-time Bachelor of Arts (BA) base contract salary for the previous fiscal year for that employing unit;

(2) for a charter school, the lowest starting annual salary for a full-time teacher employed during the previous fiscal year for that employing unit; and

(3) for a state agency or professional organization, the lowest starting annual salary for a full-time Teachers Retirement Association covered position for the previous fiscal year for that employing unit.

(b) If there is no previous fiscal year data because an employer unit is new and paragraph (c) does not apply, the annual base salary for the first year of operation will be as provided in paragraph (a), except that the base contract salary for the current fiscal year, rather than the previous fiscal year, must be used.

(c) For a new employer unit created as a result of a merger or consolidation, the annual base salary must be the lowest annual base salary as specified in paragraph (a) for any of the employer units involved in the merger or consolidation.

Subd. 42. **Fiscal year.** The fiscal year of the association begins on July 1 of each calendar year and ends on June 30 of the following calendar year.

Subd. 43. **APRN.** "APRN" means an individual licensed as an advanced practice registered nurse by the Board of Nursing as defined in section 148.171, subdivision 3, who provides services to a member or an applicant that are within the scope of the APRN's professional licensure.

Subd. 44. **Medical provider.** "Medical provider" means an individual licensed as a physician, chiropractor, physician assistant, APRN, or, with respect to a mental impairment, a psychologist.

History: *(2950-1) 1931 c 406 s 1; 1957 c 576 s 1,2; Ex1957 c 16 s 1,2; Ex1959 c 50 s 1-4; 1961 c 597 s 1; Ex1961 c 17 s 1; 1963 c 845 s 1; 1965 c 821 s 1; Ex1967 c 6 s 5; 1969 c 485 s 1,2; 1971 c 40 s 1-3; 1971 c 535 s 1; Ex1971 c 48 s 7; 1973 c 270 s 2; 1973 c 728 s 3; 1974 c 289 s 2-8; 1975 c 306 s 1-4; 1975 c 321 s 2; 1977 c 67 s 1; 1977 c 97 s 1; 1977 c 429 s 35; 1978 c 556 s 1; 1978 c 720 s 8; 1980 c 342 s 8; 1980 c 607 art 14 s 46; 1980 c 609 art 5 s 21; 1981 c 224 s 98-102; 1983 c 148 s 1,2; 1986 c 444; 1986 c*

458 s 14,15; 1987 c 258 s 12; 1987 c 259 s 30; 1987 c 284 art 6 s 1,2; 1987 c 384 art 1 s 34; 1988 c 709 art 11 s 1; 1989 c 246 s 2; 1989 c 319 art 2 s 4,5; art 13 s 53; art 18 s 1,2; 1990 c 426 art 1 s 5; 1990 c 570 art 12 s 23; 1991 c 269 art 2 s 9; 1991 c 340 s 3-8; 1993 c 336 art 6 s 10,11; 1994 c 465 art 3 s 35; 1994 c 508 art 1 s 3; 1994 c 528 art 3 s 1-7; 1995 c 141 art 3 s 6-8,20; art 4 s 3; 1996 c 305 art 1 s 79; 1997 c 233 art 1 s 47; 1998 c 397 art 11 s 3; 1999 c 222 art 9 s 4; 2000 c 461 art 3 s 27,28; 1Sp2001 c 10 art 3 s 17; art 6 s 4,21; 2002 c 392 art 2 s 3,4; art 6 s 1; art 11 s 52; 1Sp2003 c 12 art 6 s 5; 2004 c 267 art 1 s 5; art 2 s 4; art 9 s 17; 1Sp2005 c 8 art 1 s 16,17; art 3 s 3; 2006 c 212 art 3 s 36; 2006 c 277 art 3 s 4,5; 2007 c 134 art 2 s 31; 2008 c 349 art 3 s 7; art 5 s 35; 2009 c 169 art 4 s 21; 2010 c 359 art 7 s 1; 2014 c 296 art 1 s 6; art 4 s 7; art 6 s 4,5,49; 2015 c 68 art 13 s 26-28; 2018 c 211 art 11 s 1,2; 1Sp2019 c 8 art 5 s 3; art 8 s 23; 2020 c 108 art 8 s 1,2; 2022 c 65 art 5 s 9; 2023 c 64 art 14 s 2; 2024 c 102 art 1 s 1; 2026 c 106 art 3 s 1,2; art 8 s 10

354.06 BOARD OF TRUSTEES; MEMBERSHIP; DUTIES.

Subdivision 1. **Board.** The management of the association is vested in a board of eight trustees known as the board of trustees of the Teachers Retirement Association. It is composed of the following persons: the commissioner of education, the commissioner of management and budget, a representative of the Minnesota School Boards Association, four members of the association elected by the members of the association, and one retiree elected by the retirees of the association. The five elected members of the board of trustees must be chosen by ballot in a manner fixed by the board of trustees of the association. In every odd-numbered year there shall be elected two members of the association to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every other odd-numbered year one retiree of the association must be elected to the board of trustees for a term of four years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the association. Each election must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the association at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree may be appointed by the board, or elected by the members of the association as a trustee, if the person is not a member or retiree of the association in good standing at the time of the appointment or election.

Subd. 1a. **Fiduciary duty.** It is the duty of the board of trustees and the executive director to undertake their activities consistent with chapter 356A.

Subd. 2. **President; executive director.** The board must annually elect one of its members as president. It must elect an executive director. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The board must review the performance of the executive director on an annual basis and may grant salary adjustments as a result of the review. The executive director must serve at the pleasure of the board and be the executive officer of the board, with the duties prescribed in subdivision 2a and any additional duties that the board may prescribe. The board must employ all other clerks and employees necessary to properly administer the association. The board must appoint an executive director on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director must have had at least five years of experience in either an executive-level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.

Subd. 2a. **Duties of executive director.** The management of the association is vested in the executive director who shall be the executive and administrative head of the association. The executive director shall

act as advisor to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

(1) attend all meetings of the board;

(2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;

(3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;

(4) designate, as necessary, a deputy executive director and an assistant executive director in the unclassified service, as defined in section 43A.08, whose salaries shall be set in accordance with section 43A.18, subdivision 3, and two assistant executive directors in the classified service, as defined in section 43A.07, with the approval of the board, and appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of this chapter;

(5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the director's control and under such conditions as the director may prescribe;

(6) with the approval of the board, contract and set the compensation for the services of an approved actuary, professional management services, and any other consulting services. These contracts are not subject to the competitive bidding procedure prescribed by chapter 16C. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained under section 356.214. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the Legislative Commission on Pensions and Retirement. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the Legislative Reference Library as provided by section 3.195, and to the executive director of the commission at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the executive director;

(7) with the approval of the board, provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased members or deceased former members, under this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, under this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) certify funds available for investment to the State Board of Investment;

(13) with the advice and approval of the board, request the State Board of Investment to sell securities on determining that funds are needed for the purposes of the association;

(14) prepare and submit biennial and annual budgets to the board and with the approval of the board submit those budgets to the Department of Management and Budget; and

(15) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business. The executive director may:

(i) reduce all or part of the accrued interest and fines payable by an employing unit for reporting requirements under this chapter, based on an evaluation of any extenuating circumstances of the employing unit;

(ii) assign association employees to conduct field audits of an employing unit to ensure compliance with the provisions of this chapter; and

(iii) recover overpayments, if not repaid to the association, by suspending or reducing the payment of a retirement annuity, refund, disability benefit, survivor benefit, or optional annuity under this chapter until the overpayment, plus interest, has been recovered.

Subd. 3. **Commissioner of management and budget.** The commissioner of management and budget shall be ex officio treasurer of the association and the commissioner's general bond to the state shall cover any liabilities for acts as treasurer of the association. The commissioner shall receive all moneys payable to the association and pay out the same only upon forms signed by the executive director.

Subd. 4. **Board; expenses.** All members of the board shall serve without compensation. A member shall receive necessary expenses to attend meetings of the board and its committees, and association functions and presentations authorized by the board. The necessary expenses must be paid out of the fund. Members of the board shall suffer no loss of compensation from their employing units by reason of service on or for the association, the board, or any committee authorized by the board. Necessary expenses may include the salary of any substitute teacher which the employing unit is required to hire in the absence of the board member. The board may reimburse the employing unit for the cost of the substitute teacher.

Subd. 5. **Meetings.** The board shall meet regularly at its office at such times as it shall determine. Special meetings may be held at any time at the call of the president of the board or of any three members thereof.

Subd. 6. [Repealed, 2009 c 169 art 4 s 51]

Subd. 7. **Office.** A suitable office shall be provided by the state through the proper officer for the use of the board and its executive director.

History: *(2950-3) 1931 c 406 s 3; 1955 c 361 s 1; Ex1959 c 50 s 5; Ex1961 c 17 s 2,3; 1963 c 585 s 1; 1969 c 485 s 3,4; 1974 c 289 s 9,10; 1975 c 306 s 5; 1977 c 67 s 2,3,13; 1977 c 429 s 36; 1980 c 342 s 9; 1981 c 160 s 1,2; 1981 c 224 s 103; 1982 c 578 art 1 s 5; 1983 c 289 s 114 subd 1; 1983 c 299 s 29; 1984 c 655 art 1 s 92; 1986 c 444; 1987 c 259 s 31; 1987 c 284 art 6 s 3; 1989 c 319 art 8 s 17; 1994 c 528 art 3 s 8,9; 1994 c 632 art 3 s 57; 1995 c 141 art 3 s 9,20; 1Sp1995 c 3 art 16 s 13; 2Sp1997 c 3 s 18; 1998 c 386 art 2 s 88; 1999 c 99 s 18; 1999 c 222 art 9 s 5; 2003 c 112 art 2 s 41; 2003 c 130 s 12; 2004 c 223 s 4; 2009 c 101 art 2 s 109; 2016 c 173 s 3; 2018 c 211 art 11 s 3,4; 2023 c 47 art 5 s 1; 2024 c 102 art 10 s 2*

354.07 POWERS OF THE BOARD.

Subdivision 1. **General powers of board.** The board has the power to frame bylaws for its own government and for the management of the association not inconsistent with the laws of the state and to

modify them at its pleasure; to adopt, alter, and enforce reasonable rules not inconsistent with the laws of the state for the administration and management of the association, for the payment and collection of payments from members, and for the payment of withdrawals and benefits; to pass upon and allow or disallow applications for membership in the association and for credit for teaching service; to pass upon and allow or disallow claims for withdrawals, pensions, or benefits payable by the fund; to adopt an appropriate mortality table based on experience of the association as recommended by the actuary retained under section 356.214 and using the applicable investment return assumption specified in section 356.215, subdivision 8; to approve early retirement and optional annuity factors, subject to review by the actuary retained by the Legislative Commission on Pensions and Retirement; to establish the schedule for implementation of the approved factors; to notify the Legislative Commission on Pensions and Retirement of the implementation schedule; and to provide for the payment out of the fund of necessary expenses for the administration by the association and of claims for withdrawals, pensions, or benefits allowed.

Subd. 2. **Investigatory powers.** In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a medical provider of the board's choice, at the expense of the claimant, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine the validity and merit of the same.

Subd. 3. **Attorney general; venue.** The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued or petitioned under section 356.96 in the name of the board of trustees of the Teachers Retirement Association. In all actions brought by or against it the board shall be represented by the attorney general. Except as provided in section 356.96, subdivision 13, venue of all actions is in the Ramsey County District Court.

Subd. 4. **Certification of funds to State Board of Investment.** It is the duty of the board from time to time to certify to the State Board of Investment for investment as much of the funds in its hands as shall not be needed for current purposes. The State Board of Investment shall thereupon invest and reinvest an amount equal to the sum so certified in such securities as are now or may hereafter be duly authorized legal investments for state employees retirement fund and all such securities so transferred or purchased must be deposited with the commissioner of management and budget. All interest from these investments must be credited to the teachers retirement fund and used for current purposes or investments, except as hereinafter provided. The State Board of Investment has authority to sell, convey, and exchange such securities and invest and reinvest the funds when it deems it desirable to do so, and must sell securities upon request of the officers of the association when such officers determine funds are needed for its purposes. All of the provisions regarding accounting procedures and restrictions and conditions for the purchase and sale of securities under chapter 11A must apply to the accounting, purchase and sale of securities for the Teachers' Retirement Association.

Subd. 5. **Records; accounts; interest.** (a) The board shall keep a record of the receipts and disbursements of the fund and a separate account for each member of the association. The board shall also keep separate accounts for annuity payments, for employer contributions and all other necessary accounts and reserves.

(b) It shall determine annually the annual interest earnings of the fund which shall include realized capital gains and losses.

(c) The annual interest earnings must be apportioned and credited to the separate members' accounts except those covered under the provisions of section 354.44, subdivision 6. The rate to be used in this distribution, computed to the last full quarter percent, must be determined by dividing the interest earnings by the total invested assets of the fund. The excess of the annual interest earnings in the excess earnings

reserve which was not credited to the various accounts must be credited to the gross interest earnings for the next succeeding year.

Subd. 6. [Repealed, 1969 c 485 s 40]

Subd. 7. **Electronic data processing.** Notwithstanding chapter 16B or 16C or any law to the contrary, the board may use the services of the Department of Administration, Information Services Division, for electronic data processing and related services or may contract for all or a portion of such services.

Subd. 8. [Repealed, 1984 c 564 s 51]

Subd. 9. **Information distribution.** All school districts, the Minnesota State Colleges and Universities, and other employers of members of the association are obligated to distribute to their employees ballots for the election of members to the board of trustees, pamphlets, brochures, documents or any other material containing association information which are prepared by the executive director or the board and are delivered to the employers for distribution.

History: *(2950-4) 1931 c 406 s 4; 1949 c 708 s 1; 1951 c 481 s 1; 1953 c 750 s 1; 1961 c 380 s 3; Ex1961 c 17 s 4; 1965 c 305 s 2; 1969 c 485 s 5; 1971 c 40 s 4; 1973 c 270 s 3; 1973 c 728 s 4; 1974 c 289 s 11; 1975 c 306 s 6,7; 1977 c 67 s 4; 1980 c 607 art 14 s 45 subd 2; 1981 c 224 s 104; 1985 c 248 s 70; 1Sp1985 c 7 s 35; 1987 c 259 s 32; 1987 c 284 art 6 s 4; 1989 c 319 art 2 s 6; 1990 c 570 art 12 s 24; 1995 c 141 art 3 s 20; 1995 c 186 s 71; 1998 c 386 art 2 s 89; 2002 c 392 art 11 s 52; 2003 c 112 art 2 s 50; 2004 c 267 art 6 s 1; 2006 c 271 art 3 s 47; 2008 c 277 art 1 s 76; 2009 c 101 art 2 s 109; 2009 c 169 art 1 s 60; 2010 c 359 art 7 s 2; 2013 c 111 art 8 s 4; 2015 c 68 art 13 s 29; 1Sp2019 c 8 art 8 s 23; 2026 c 106 art 3 s 3*

354.071 [Repealed, 2007 c 134 art 6 s 3]

354.08 [Repealed, 1974 c 289 s 59]

354.09 Subdivision 1. [Repealed, 1981 c 224 s 276]

Subd. 2. [Repealed, 1974 c 289 s 59]

Subd. 3. [Repealed, 1974 c 289 s 59]

Subd. 4. [Repealed, 1981 c 224 s 276]

Subd. 5. [Repealed, 1973 c 728 s 32]

354.091 SERVICE CREDIT.

Subdivision 1. **Definition; monthly base salary.** For purposes of this section, "monthly base salary" means the annual base salary, as defined in section 354.05, subdivision 41, divided by 12.

Subd. 2. **Service credit annual limit.** No teacher may receive credit for more than one year of teaching service for any fiscal year.

Subd. 3. **Service credit calculation.** (a) Except as specified in subdivisions 4 and 5, service credit must be calculated monthly by dividing the teacher's monthly salary by the monthly base salary for the teacher's employing unit and multiplying the result by 11.1 percent.

(b) For purposes of computing service credit, salary must be allocated to each calendar month based on the pay period begin and end dates. If the pay period covers more than one calendar month, the salary must be allocated based on the number of days in each calendar month.

(c) A teacher may not receive more than 11.1 percent of a year's service credit in a calendar month.

(d) Annual service credit must be calculated by adding the allowable monthly service credit for all 12 months of the fiscal year, with the result rounded to two decimal places, subject to the annual limit specified in subdivision 2.

Subd. 4. **Service credit determination for Minnesota State Colleges and Universities system teachers.** For all services rendered on or after July 1, 2003, service credit for all members employed by the Minnesota State Colleges and Universities system must be determined:

(1) for full-time employees, by the definition of full-time employment contained in the collective bargaining agreement for those units listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary plan for those positions designated in section 179A.10, subdivision 1; and

(2) for part-time employees, by the appropriate proration of full-time equivalency based on the provisions contained in the collective bargaining agreement for those units listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary plan for those positions designated in section 179A.10, subdivision 1, and the applicable procedures of the Minnesota State Colleges and Universities system.

Subd. 5. **Service credit procedure, nontraditional schedules.** For employer units that have nontraditional work schedules or pay schedules, the procedure for determining service credit must be specified by the executive director with the approval of the board of trustees.

History: *1974 c 289 s 13; 1981 c 160 s 3; 1982 c 578 art 1 s 6; 1989 c 319 art 2 s 8; 1994 c 528 art 3 s 11; 2000 c 461 art 3 s 29; 2004 c 267 art 3 s 4; 1Sp2005 c 8 art 10 s 52; 2010 c 359 art 7 s 3*

354.092 SABBATICAL LEAVE.

Subdivision 1. **Definition.** A sabbatical leave for the purpose of this section means a sabbatical leave as defined in section 122A.49 or the applicable personnel policy of the Minnesota State Colleges and Universities.

Subd. 2. **Pay rate; certification.** A sabbatical leave must be compensated by a minimum of one-third of the salary that the member received for a comparable period during the prior fiscal year. Upon granting a sabbatical leave, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director.

Subd. 3. **Employer and employee contributions.** Employer contributions and deductions for employee contributions at the applicable rate specified in section 354.42 must be made by the employing unit based on the full normal base contract salary that would have been paid to the member if the member were not on sabbatical leave. The employer must meet the reporting and remittance requirements under section 354.52.

Subd. 4. **Service credit.** A member may not receive more than three years of allowable service credit in any ten consecutive years under this section. Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit under

this section if the member does not retain the right to full reinstatement both during and at the end of the sabbatical leave.

History: *1974 c 289 s 54; 1975 c 306 s 8; 1981 c 160 s 4; 1Sp1985 c 12 art 11 s 4; 1986 c 444; 1989 c 319 art 2 s 9; 1991 c 340 s 10; 1997 c 241 art 3 s 4-6; 1998 c 397 art 11 s 3; 2000 c 461 art 3 s 30; 2015 c 68 art 13 s 30*

354.093 PARENTAL LEAVE.

Upon granting a parental leave for the birth or adoption of a child, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. A member of the association granted parental leave of absence by the employing unit is entitled to service credit not to exceed one year for the period of leave upon payment under section 354.72. Notwithstanding the provisions of any agreements to the contrary, the contributions specified in this section may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement at the end of the leave.

History: *1976 c 329 s 29; 1991 c 340 s 11; 1995 c 141 art 3 s 20; 2000 c 461 art 3 s 31; 2007 c 134 art 2 s 32*

354.094 EXTENDED LEAVES OF ABSENCE.

Subdivision 1. **Service credit contributions.** (a) Upon granting any extended leave of absence under section 122A.46 or 136F.43, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. A member granted an extended leave of absence under section 122A.46 or 136F.43 shall receive allowable and formula service credit toward annuities and other benefits under this chapter, for each year of the leave, provided that payment is made as specified in paragraph (b). The employer may enter into an agreement with the exclusive bargaining representative of the teachers in the district under which, for an individual teacher, all or a portion of the employee's contribution is paid by the employer. Any such agreement must include a sunset of eligibility to qualify for the payment and must not be a part of the collective bargaining agreement. The leave period must not exceed five years. A member may not receive more than five years of allowable or formula service credit under this section.

(b) Employee contribution payments without interest for the years for which a member is receiving service credit while on extended leave must be made on or before June 30 of each fiscal year for which service credit is to be received, or in instances of late reporting by the employer, within 30 days after the association gives notification to the member of the amount due. Payment is authorized after June 30 as specified in section 354.72.

(c) Notwithstanding the provisions of any agreements to the contrary, payments may not be made to receive allowable and formula service credit if the member does not have full reinstatement rights as provided in section 122A.46 or 136F.43, both during and at the end of the extended leave.

(d) Any school district paying the employee's retirement contributions or payments under this section shall forward to the Teachers Retirement Association a copy of the agreement executed by the school district and the employee.

Subd. 1a. [Repealed, 1991 c 130 s 38; 1991 c 340 s 34]

Subd. 1b. [Repealed, 1991 c 130 s 38; 1991 c 340 s 34]

Subd. 2. **Membership; retention.** Notwithstanding section 354.49, subdivision 4, clause (3), a member on extended leave under subdivision 1 shall retain membership in the association if payment under subdivision 1, paragraph (b), or section 354.72, is made, under the same terms and conditions as if the member had continued to teach in the district or the Minnesota State Colleges and Universities system.

Subd. 3. **Effect of nonpayment.** A member on extended leave of absence under section 122A.46 or 136F.43 who fails to make payments under subdivision 1, paragraph (b), or section 354.72, for any given year of the leave shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and may not make payment to the fund for any subsequent year of the leave until full payment is made for all prior years of the leave. Failure to make payment does not affect the rights or obligations of the member or the member's employer under section 122A.46 or 136F.43.

Subd. 4. **Member who does not resume teaching.** A member who makes the payments specified in subdivision 1, paragraph (b), or section 354.72, to the fund for the agreed maximum duration of an extended leave and who does not resume teaching in the first school year after that maximum duration has elapsed is deemed to cease to render teaching services beginning in that year for purposes of this chapter.

Subd. 5. **Discharge; layoff.** The provisions of this section do not apply to a member who is discharged or placed on unrequested leave of absence or retrenchment or layoff or whose contract is terminated while the member is on an extended leave of absence under section 122A.46 or 136F.43.

Subd. 6. **Limits on other service credit.** A member who makes the payments required under subdivision 1, paragraph (b), or section 354.72, and receives allowable and formula service credit in the association under this section may not pay employee contributions or receive allowable or formula service credit for the same fiscal year in any other Minnesota public employee pension plan, except a firefighter relief association governed by sections 424A.091 to 424A.096. This subdivision must not be construed to prohibit a member who receives allowable and formula service credit in the association under this section for a given year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of sections 354.091 and 354.42, a teacher may not pay retirement contributions or receive allowable or formula service credit in the association for teaching service rendered for any part of any year for which the teacher pays retirement contributions or receives allowable or formula service credit under this section or section 354A.091 while on an extended leave of absence under section 122A.46.

History: *1977 c 447 art 9 s 3; 1978 c 764 s 116,117; 1979 c 334 art 8 s 14,15; 1980 c 454 s 2-5; 1980 c 618 s 4; 1981 c 358 art 8 s 9-12; 1983 c 314 art 10 s 6-8; 1Sp1985 c 12 art 11 s 5; 1986 c 444; 1987 c 284 art 6 s 5; 1989 c 293 s 77,78; 1989 c 329 art 9 s 20,21; 1991 c 130 s 34; 1991 c 340 s 12; 1992 c 598 art 3 s 1; 1995 c 141 art 3 s 20; 1996 c 305 art 1 s 80; 1998 c 397 art 11 s 3; 2000 c 461 art 3 s 32; 1Sp2001 c 1 art 2 s 22; 1Sp2003 c 12 art 3 s 2; 1Sp2005 c 8 art 3 s 4; 2007 c 134 art 2 s 33; 2013 c 111 art 5 s 80; 2024 c 102 art 2 s 31; 2026 c 106 art 15 s 26*

354.095 MEDICAL LEAVE.

(a) Upon granting a medical leave, an employing unit must certify the leave to the association on a form specified by the executive director. A member of the association who is on an authorized medical leave of absence is entitled to receive allowable service credit, not to exceed five years, for the period of leave, upon making the prescribed payment to the fund under section 354.72. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354.48 and receive allowable service credit under this section for the same period of time.

(b) The executive director shall reject an application for disability benefits under section 354.48 if the member is applying only because an employer-sponsored provider of private disability insurance benefits requires the application and the member would not have applied for disability benefits in the absence of the requirement. The member shall submit a copy of the disability insurance policy that requires an application for disability benefits from the plan if the member wishes to assert that the application is only being submitted because of the disability insurance policy requirement.

(c) Notwithstanding the provisions of any agreement to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement both during and at the end of the medical leave.

History: *1990 c 570 art 7 s 1; 1991 c 340 s 13; 1995 c 141 art 3 s 20; 2007 c 134 art 2 s 34; 2018 c 211 art 11 s 5*

354.096 FAMILY LEAVE.

Subdivision 1. **Certification.** Upon granting a family leave to a member, an employing unit must certify the leave to the association on a form specified by the executive director.

Subd. 2. **Payment.** Notwithstanding any laws to the contrary, a member who is granted a family leave under United States Code, title 42, section 12631, may receive allowable service credit for the leave by making payment under section 354.72.

Subd. 3. **Subsequent eligibility.** The member shall return to public service after the leave period under United States Code, title 42, section 12631, to receive allowable service for a subsequent authorized family leave.

History: *1994 c 528 art 3 s 12; 2004 c 267 art 3 s 5; 2007 c 134 art 2 s 35; 2008 c 349 art 5 s 28*

354.10 FUNDS NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES.

Subdivision 1. **Exemption; exceptions.** (a) The provisions of section 356.401 apply to the teachers retirement plan.

(b) The right of a teacher to take advantage of the benefits provided by this chapter, is a personal right only and is not assignable. All money to the credit of a teacher's account in the fund or any money payable to the teacher from the fund belongs to the state of Minnesota until actually paid to the teacher or a beneficiary under this chapter.

(c) The association may acknowledge a properly completed power of attorney form.

Subd. 2. [Repealed, 1Sp2005 c 8 art 10 s 81]

Subd. 3. **Payment to public bodies.** If, in the judgment of the executive director, conditions so warrant, payment of an annuity, a retirement benefit, or a refund may be made to a public body in behalf of an annuitant, disabilitant, or survivor upon such terms as the executive director may prescribe.

Subd. 4. **Changes in designated beneficiaries.** (a) A beneficiary designated by a retiree or member under section 354.05, subdivision 22, may be changed or revoked by the retiree or member on a form provided by the executive director.

(b) A change or revocation made under this subdivision is valid only if the properly completed form is received by the association on or before the date of death of the retiree or the member.

(c) If a designated beneficiary dies before the retiree or member designating the beneficiary and a new beneficiary is not designated, the retiree's or member's estate is the beneficiary.

History: *(2950-10) 1931 c 406 s 10; 1955 c 361 s 8; 1961 c 745 s 1; 1971 c 789 s 6; 1974 c 289 s 14; 1975 c 306 s 9; 1977 c 67 s 5; 1978 c 772 s 62; 1979 c 303 art 3 s 30; 1984 c 547 s 7; 1986 c 444; 1987 c 157 s 6; 1989 c 319 art 2 s 10; 1991 c 340 s 14-16; 1994 c 528 art 3 s 13,14; 1995 c 141 art 3 s 20; 1997 c 203 art 6 s 92; 1999 c 222 art 9 s 6; 2000 c 461 art 3 s 33; 2003 c 127 art 3 s 20; 1Sp2005 c 8 art 10 s 53-55*

354.105 PAYMENTS USING PRETAX TRANSFERS.

If a current or past member is making a payment to the Teachers Retirement Association to receive service credit under a provision of this chapter, chapter 356, or applicable special law, and this payment is to be made by a transfer of pretax assets authorized under section 356.441, payment is authorized after the due date, but not to exceed 90 days, provided that the authorization for the asset transfer has been received by the applicable third-party administrator by the due date, and the payment must include interest at the applicable monthly rate or rates specified in section 356.59, subdivision 4, compounded annually, from the due date through the end of the month in which the Teachers Retirement Association receives the payment.

History: *2007 c 134 art 2 s 36; 1Sp2019 c 8 art 8 s 10*

354.11 [Repealed, 1974 c 289 s 59]

354.12 [Repealed, 1974 c 289 s 59]

354.13 [Repealed, 1974 c 289 s 59]

354.14 [Repealed, 1974 c 289 s 59]

354.145 [Repealed, 1974 c 289 s 59]

354.146 Subdivision 1. [Repealed, 2015 c 68 art 13 s 65]

Subd. 2. [Repealed, 1990 c 570 art 12 s 64]

Subd. 3. [Repealed, 2015 c 68 art 13 s 65]

354.15 [Renumbered 354A.01]

354.16 [Renumbered 354A.02]

354.17 [Renumbered 354A.03]

354.18 [Renumbered 354A.04]

354.19 [Renumbered 354A.05]

354.20 [Renumbered 354A.06]

354.201 [Renumbered 354A.07]

354.21 [Renumbered 354A.08]

354.22 [Renumbered 354A.09]

354.23 [Renumbered 354A.10]

354.231 [Renumbered 354A.11]

354.31 [Repealed, 1974 c 289 s 59]

354.32 [Repealed, 1974 c 289 s 59]

354.33 Subdivision 1. [Repealed, 1974 c 289 s 59]

Subd. 2. [Repealed, 1974 c 289 s 59]

Subd. 3. [Repealed, 1974 c 289 s 59]

Subd. 4. [Repealed, 1974 c 289 s 59]

Subd. 5. [Repealed, 2015 c 68 art 13 s 65]

Subd. 6. [Repealed, 2015 c 68 art 13 s 65]

Subd. 7. [Repealed, 1974 c 289 s 59]

Subd. 8. [Repealed, 1974 c 289 s 59]

Subd. 9. [Repealed, 1974 c 289 s 59]

354.34 [Repealed, 1974 c 289 s 59]

354.35 OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE NORMAL RETIREMENT AGE.

Subdivision 1. **Normal retirement age definition.** For purposes of this section, "normal retirement age" means normal retirement age as defined in United States Code, title 42, section 416(l), as amended.

Subd. 2. **Election of accelerated annuity.** (a) Any coordinated member who retires before normal retirement age may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The optional accelerated retirement annuity must take the form of an annuity payable for the period before the member attains age 65, or normal retirement age, in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement, but the optional accelerated retirement annuity must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount must be paid until the retiree reaches age 65, or normal retirement age, and at that time the payment from the association must be reduced. For each year the retiree is under age 65, or normal retirement age, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section.

(b) Members who retire before age 62 may elect to have the annuity under this subdivision accelerated to age 62 rather than normal retirement age or age 65.

(c) The method of computing the optional accelerated retirement annuity provided in this subdivision is established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity or any modification of that procedure, the board of trustees must obtain the written approval of the actuary retained under section 356.214. The written approval must be a part of the permanent records of the board of trustees. The election of an optional accelerated retirement annuity is exercised by making an application on a form provided by the executive director.

Subd. 3. **Postretirement adjustment eligibility.** An annuity under this section is eligible for postretirement adjustments under section 356.415.

History: *Ex1957 c 15 s 5; 1974 c 289 s 18; 1986 c 444; 1987 c 259 s 33; 1989 c 319 art 2 s 11; art 13 s 54; 1991 c 340 s 18; 1993 c 307 art 5 s 1; 2000 c 461 art 3 s 34; 2006 c 271 art 3 s 47; 2007 c 134 art 2 s 37; 2009 c 169 art 1 s 62; 2022 c 55 art 1 s 155*

354.36 [Repealed, 1974 c 289 s 59]

354.37 [Repealed, 1974 c 289 s 59]

354.38 [Repealed, 1974 c 289 s 59]

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

354.41 TEACHERS RETIREMENT ASSOCIATION, ELIGIBILITY FOR MEMBERSHIP.

Subdivision 1. [Repealed, 1974 c 289 s 59]

Subd. 2. **Teachers.** Every teacher in the service of the state or one of its governmental subdivisions as a teacher, except persons specifically excluded, must become a member of the association by the acceptance of such employment.

Subd. 3. [Repealed, 1989 c 319 art 2 s 28]

Subd. 4. **Membership eligibility for labor organization employees.** (a) A person who is a member on an authorized leave of absence and is employed as an employee or officer by a labor organization that is the exclusive bargaining agent or the labor organization's state affiliate representing teachers covered by this chapter or by an association of school administrators may elect to be a coordinated member of the association based on that employment, subject to the limitations set forth in subdivisions 4a and 4b. However, no person is entitled to membership under this section if the person also is a member of a teachers retirement association in a city of the first class organized under chapter 354A for the same period of service.

(b) The election must be made within 90 days of commencing employment by the labor organization.

Subd. 4a. **Limitations on salary and contributions.** The covered salary for a labor organization employee who qualifies for membership under this section is limited to the lesser of:

(1) the employee's actual salary as defined under section 354.05, subdivision 35; or

(2) 75 percent of the salary of the governor as set under section 15A.082.

The limited covered salary determined under this subdivision must be used in determining employee, employer, and employer additional contributions under section 354.42, subdivisions 2, 3, and 5, and in determining retirement annuities and other benefits under this chapter and chapter 356.

Subd. 4b. **Earning restrictions apply.** A retirement annuity is only payable, if the person has met any other applicable requirements, upon the termination by the person who elected coverage under subdivision 4 of employment by the labor organization. The reemployed annuitant earnings limitation set forth in section 354.44, subdivision 5, applies in the event that the person who elected coverage under subdivision 4 retires and is subsequently reemployed while an annuitant by the labor organization or by any other entity employing persons who are covered by the Minnesota Teachers Retirement Association by virtue of that employment.

Subd. 5. **Contributions for labor organization employees.** For all members described in subdivision 4, the employee, employer and additional employer contributions shall be the obligation of the employee who elects coverage herein; provided, however, that the employer organization enumerated in subdivision 4 employing such member may pay the employer and additional employer contributions. The employer shall, in any event, deduct the necessary contributions from the employee's salary and remit all contributions to the teachers retirement association pursuant to section 354.42, except that if any such member is on leave of absence from a governmental employer unit, these contributions shall be forwarded by the employer organization to the governmental employer unit for remittance to the fund as described in this chapter.

Subd. 6. [Repealed, 1981 c 224 s 276]

Subd. 7. **Exceptions.** Members of the association as described in subdivision 4 or 9 and employees of the teachers retirement association are not eligible for election to the board of trustees.

Subd. 8. [Repealed, 1981 c 224 s 276]

Subd. 9. [Repealed, 1Sp2001 c 10 art 12 s 3]

History: *Ex1957 c 16 s 3; Ex1959 c 50 s 27,28; 1967 c 693 s 1; 1971 c 40 s 15; 1973 c 728 s 13; 1975 c 306 s 10-13; 1977 c 67 s 6,13; 1977 c 97 s 2; 1978 c 796 s 41,42; 1981 c 160 s 5; 1986 c 444; 1989 c 319 art 13 s 55; 1991 c 340 s 19; 1992 c 598 art 3 s 2; 1994 c 465 art 3 s 31; 1994 c 528 art 4 s 8-10; 1995 c 141 art 3 s 20; 1Sp2001 c 10 art 12 s 1; 1Sp2005 c 8 art 10 s 58*

354.42 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

Subdivision 1. [Repealed, 1974 c 289 s 59]

Subd. 1a. **Teachers retirement fund.** (a) Within the Teachers Retirement Association and the state treasury is created a special retirement fund, which must include all the assets of the Teachers Retirement Association and all revenue of the association.

(b) The teachers retirement fund must be credited with all employee and employer contributions, all investment revenue and gains, and all other income authorized by law.

(c) From the teachers retirement fund is appropriated the payments of annuities and benefits authorized by this chapter and the reasonable and necessary expenses of administering the fund and the association.

Subd. 2. **Employee contribution.** (a) The employee contribution to the fund is the following percentage of the member's salary:

Period	Basic Program	Coordinated Program
from July 1, 2014, through June 30, 2023	11 percent	7.5 percent
from July 1, 2023, through June 30, 2025	11.25 percent	7.75 percent
after June 30, 2025	11.5 percent	8.0 percent

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

(c) This contribution must be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution must be based on the entire salary received.

Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to the applicable following percentage of salary of each coordinated member and the applicable percentage of salary of each basic member specified in paragraph (c).

The additional employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a coordinated member or who is a basic member.

(b) The regular employer contribution to the fund by Independent School District No. 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or new law coordinated member specified for the coordinated program in paragraph (c).

(c) The employer contribution to the fund for every other employer is an amount equal to 9.81 percent of the salary of each coordinated member and 13.81 percent of the salary of each basic member.

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

Subd. 4. [Repealed, 1969 c 485 s 40]

Subd. 4a. MS 2016 [Repealed, 2018 c 211 art 3 s 4]

Subd. 4b. MS 2016 [Repealed, 2018 c 211 art 3 s 4]

Subd. 4c. MS 2016 [Repealed, 2018 c 211 art 3 s 4]

Subd. 4d. MS 2016 [Repealed, 2018 c 211 art 3 s 4]

Subd. 5. [Repealed, 1997 c 233 art 1 s 50]

Subd. 6. [Repealed, 1974 c 289 s 59]

Subd. 7. **Erroneous salary deductions or direct payments.** (a) Any deductions taken from the salary of an employee for the retirement fund in excess of amounts required must be refunded to the employee upon the discovery of the error and after the verification of the error by the employing unit making the deduction. The corresponding excess employer contribution and excess additional employer contribution amounts attributable to the erroneous salary deduction must be refunded to the employing unit.

(b) If salary deductions and employer contributions were erroneously transmitted to the retirement fund and should have been transmitted to the plan covered by chapter 352D, 353D, 354B, or 354D, the executive director must transfer these salary deductions and employer contributions to the account of the appropriate person under the applicable plan. The transfer to the applicable defined contribution plan account must include interest at the applicable monthly rate or rates specified in section 356.59, subdivision 4, compounded annually, from the first day of the month following the month in which coverage should have commenced in the defined contribution plan until the end of the month in which the transfer occurs.

(c) A potential transfer under paragraph (b) that would cause the plan to fail to be a qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be made by the executive director. Within 30 days after being notified by the Teachers Retirement Association of an unmade potential transfer under this paragraph, the employer of the affected person must transmit an amount representing the applicable salary deductions and employer contributions, without interest, to the account of the applicable person under the appropriate plan. The retirement association must provide a credit for the amount of the erroneous salary deductions and employer contributions against future contributions from the employer.

(d) If a salary payment from which a deduction for the retirement fund was taken has been canceled or the amount of the payment has been returned to the funds of the employing unit making the payment, a refund of the amount deducted, or any portion of it that is required to adjust the salary deductions, must be made to the employing unit.

(e) Erroneous direct payments of member-paid contributions or erroneous salary deductions that were not refunded during the regular payroll cycle processing must be refunded to the member, plus interest computed using the rate and method specified in section 354.49, subdivision 2.

(f) Any refund under this subdivision that would cause the plan to fail to be a qualified plan under section 401(a) of the Internal Revenue Code, as amended, may not be refunded and instead must be credited against future contributions payable by the employer. The employer is responsible for refunding to the applicable employee any amount that was erroneously deducted from the salary of the employee, with interest as specified in paragraph (e).

(g) If erroneous employee deductions and employer contributions are caused by an error in plan coverage involving the plan and any other plan specified in section 356.637, that section applies.

History: *Ex1957 c 16 s 4; Ex1959 c 50 s 30; 1965 c 821 s 8-10; 1967 c 834 s 4-6; 1969 c 485 s 13-16; 1973 c 270 s 9; 1973 c 728 s 14-16; 1974 c 289 s 20,21; 1977 c 313 s 1; 1978 c 781 s 3; 1979 c 293 s 1,2; 1984 c 564 s 29; 1987 c 259 s 34; 1989 c 319 art 2 s 12; 1990 c 570 art 12 s 29,30; 1990 c 591 art 2 s 5; 1994 c 508 art 1 s 4; 1994 c 524 s 1; 1994 c 528 art 3 s 15,16; 1995 c 141 art 3 s 20; 1997 c 233 art 1 s 48-50; 2004 c 267 art 5 s 1; 1Sp2005 c 8 art 10 s 59; 2006 c 277 art 3 s 6,7; 2009 c 169 art 1 s 63; art 4 s 22; 2010 c 359 art 1 s 48-53; art 2 s 13; 2014 c 296 art 6 s 6,7,49; 2015 c 68 art 5 s 3,4; art 13 s 31; 2018 c 211 art 7 s 11,12; 1Sp2019 c 8 art 8 s 11-13; 1Sp2019 c 10 art 3 s 35; 2023 c 64 art 14 s 3,4; 2024 c 102 art 8 s 14; 2025 c 37 art 13 s 2*

354.43 Subdivision 1. [Repealed, 1Sp1985 c 12 art 11 s 23 subd 2; 1Sp1985 c 16 art 2 s 20 subd 1]

Subd. 2. [Repealed, 1980 c 614 s 191]

Subd. 3. [Repealed, 1994 c 528 art 3 s 34]

Subd. 4. [Repealed, 1Sp1985 c 12 art 11 s 23 subd 2; 1Sp1985 c 16 art 2 s 20 subd 1]

Subd. 5. [Repealed, 1Sp1985 c 12 art 11 s 23 subd 2; 1Sp1985 c 16 art 2 s 20 subd 1]

354.435 ADDITIONAL CONTRIBUTIONS BY SPECIAL SCHOOL DISTRICT NO. 1 AND CITY OF MINNEAPOLIS.

Subdivision 1. **Special direct state matching aid.** (a) Special School District No. 1, Minneapolis, and the city of Minneapolis must make additional employer contributions to the Teachers Retirement Association in the amounts specified in paragraph (b). These contributions can be made from any available source. If made in whole or in part by a levy, the levy may be classified as that of a special taxing district for purposes of sections 275.065 and 276.04, and for all other property tax purposes.

(b) Each fiscal year $1,250,000 must be contributed by Special School District No. 1, Minneapolis, and $1,250,000 must be contributed by the city of Minneapolis to the Teachers Retirement Association, and the state shall match this total by paying to the Teachers Retirement Association $2,500,000. The superintendent of Special School District No. 1, Minneapolis, the mayor of the city of Minneapolis, and the executive director of the Teachers Retirement Association shall jointly certify to the commissioner of management and budget the total amount that has been contributed by Special School District No. 1, Minneapolis, and

by the city of Minneapolis to the Teachers Retirement Association. Any certification to the commissioner of management and budget must be made quarterly. If the certifications for a fiscal year exceed the maximum annual direct state matching aid amount in any quarter, the amount of direct state matching aid payable to the Teachers Retirement Association must be limited to the balance of the maximum annual direct state matching aid amount available. The amount required under this paragraph, subject to the maximum direct state matching aid amount, is appropriated annually to the commissioner of management and budget.

(c) The commissioner of management and budget may prescribe the form of the certifications required under paragraph (b).

Subd. 2. **Additional contributions.** In addition to any other required contributions, on or before June 30 each fiscal year, Special School District No. 1, Minneapolis, and the city of Minneapolis must each make an additional contribution to the Teachers Retirement Association of $1,000,000.

Subd. 3. **Procedure for recovery of deficient or delinquent amounts.** If Special School District No. 1, Minneapolis, or the city of Minneapolis fails to pay the full amount required under subdivision 1, paragraph (b), or 2, in a timely manner, the executive director is authorized to use section 354.512, or any other process in law to ensure full payment is obtained.

Subd. 4. **Aid expiration.** The aid amounts specified in this section must continue until the earlier of:

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

(2) July 1, 2048.

History: *2012 c 286 art 8 s 3; 2018 c 211 art 8 s 2; 2024 c 102 art 9 s 2*

354.436 DIRECT STATE AID ON BEHALF OF THE FORMER FIRST CLASS CITY TEACHERS RETIREMENT FUND ASSOCIATIONS.

Subdivision 1. **Aid authorization.** The state shall pay $12,954,000 to the Teachers Retirement Association on behalf of the former Minneapolis Teachers Retirement Fund Association and shall pay $14,377,000 during fiscal year 2015 to the Teachers Retirement Association for the credit of the Duluth Teachers Retirement Fund Association and, after fiscal year 2015, shall pay $14,377,000 on behalf of the Duluth Teachers Retirement Fund Association.

Subd. 2. **Aid appropriation.** The commissioner of management and budget shall pay the aid amounts under subdivision 1 annually on October 1. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

Subd. 3. **Aid expiration.** The aid amounts specified in this section continue until the earlier of:

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

(2) July 1, 2048.

History: *2013 c 111 art 13 s 1; 2014 c 296 art 6 s 8,49; 2018 c 211 art 8 s 3; 2024 c 102 art 9 s 3*

354.44 RETIREMENT BENEFITS.

Subdivision 1. **Requirements as to age and service.** Any member or former member who ceases or has ceased to render teaching services in any school or institution covered by the provisions of this chapter, and who has attained the age of at least 55 years with not less than three years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Subd. 1a. **Proportionate annuity.** A member who terminates employment at any time during the academic year at the end of which the person is at the normal retirement age or older shall, for the purpose of determining eligibility for a proportionate retirement annuity, be considered to have been required to terminate employment at normal retirement age or older pursuant to section 356.32. For purposes of this subdivision, an academic year ends August 31.

Subd. 2. **Computation of money purchase annuity.** (a) The amount of retirement annuity is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon. The annuity must be determined by the member's age, sex, double the amount of accumulated deductions, double the amount of interest earned on the accumulated deductions, and the appropriate mortality tables and interest rates. To determine the amount of the annuity for a basic member, the accumulated deductions before July 1, 1957, and the accumulated deductions after July 1, 1957, must be considered separately.

(b) For service rendered before July 1, 1957, the accumulated deductions for a member must be carried forward at a fixed amount which is shown credited to the member's account as of that date. That fixed amount must also include any payments in lieu of salary deductions which were actually so made under an agreement executed between the member and the board as authorized by section 354.50 or any other authorized payments made by the member to the fund. The annuity granted with respect to the period must be determined as follows:

(1) the fixed amount of the accumulated deductions for the period including the interest credited on the amount as earned up to July 1, 1957; and

(2) annuity purchase rates based on the applicable mortality table established by the board and the interest rate assumption in effect before July 1, 1957, in the case of basic members and an annuity purchase rate based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable investment return assumption specified in section 356.215, subdivision 8, in the case of coordinated members.

(c) For service rendered after July 1, 1957, the accumulated deductions for a member must consist of the amounts actually credited to the member's account by reason of salary deductions. The annuity granted with respect to the period must be determined by the following:

(1) accumulated deductions for the period;

(2) interest credited on these accumulated deductions from July 1, 1957, to the date of retirement;

(3) interest credited on accumulated deductions including prior credited interest provided in paragraph (b) from July 1, 1957, to the date of retirement;

(4) after the amount available for an annuity granted with respect to the person is determined in accordance with the provisions of this subdivision, an additional amount equal to 20 percent of the sum of clause (1)

plus interest credited to a member's account from July 1, 1957, to date of retirement is to be added. This added amount is not to be doubled as provided for other amounts determined in this subdivision; and

(5) the annuity purchase rate based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable investment return assumption specified in section 356.215, subdivision 8.

Subd. 3. **Application for retirement.** A member or a person authorized to act on behalf of the member may make application for retirement provided the age and service requirements under subdivision 1 are satisfied on or before the member's retirement annuity accrual date under subdivision 4. The application may be made no earlier than 180 days before the termination of teaching service. The application must be made on a form prescribed by the executive director and is not complete until all necessary supporting documents are received by the executive director.

Subd. 4. **Retirement annuity accrual date.** (a) If the applicable age and service requirements under this section are satisfied, an annuity payment begins to accrue as follows:

(1) on the day after the termination of teaching service;

(2) on the day of receipt of application if the application is filed with the executive director after the six-month period that occurs immediately following the termination of teaching service; or

(3) on July 1 for all school principals and other administrators who receive a full annual contract salary during the fiscal year for performance of a full year's contract duties.

(b) A member, or a person authorized to act on behalf of the member, may specify a different date of retirement from that determined in paragraph (a), as follows:

(1) if the application is filed on or before the date of termination of teaching service, the accrual date must not be earlier than the day after the termination of teaching service and no later than six months after the termination date; or

(2) if the application is filed during the six-month period that occurs immediately following the termination of teaching service, the annuity may begin to accrue retroactively, but no earlier than the day after termination of teaching service and no later than six months after the termination date.

Subd. 5. **Resumption of teaching service after retirement.** (a) Any person who retired under the provisions of this chapter and has thereafter resumed teaching in any employer unit to which this chapter applies is eligible to continue to receive payments in accordance with the annuity except that all or a portion of the annuity payments must be deferred during the calendar year immediately following the fiscal year in which the person's salary from the teaching service is in an amount greater than $46,000. The amount of the annuity deferral is one-half of the salary amount in excess of $46,000 and must be deducted from the annuity payable for the calendar year immediately following the fiscal year in which the excess amount was earned.

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

(c) After a person has reached the Social Security normal retirement age, no deferral requirement is applicable regardless of the amount of salary.

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

(e) For purposes of this subdivision, salary from teaching service includes all salary or income earned as a teacher as defined in section 354.05, subdivision 2, paragraph (a), clause (1). Salary from teaching service also includes, but is not limited to:

(1) all income for services performed as a consultant, independent contractor, or third-party supplier, or as an employee of a consultant, independent contractor, or third-party supplier, to an employer unit covered by the provisions of this chapter; and

(2) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, independent contractor, or third-party supplier, or as an employee of a consultant, independent contractor, or third-party supplier, in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

(f) Notwithstanding other paragraphs of this subdivision, if the reemployed annuitant has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1, the portion payable to the former spouse must not be deferred.

(g) During the period of reemployment, the employer of a reemployed annuitant must make regular and, if applicable, additional employer contributions as specified in section 354.42, subdivision 3.

Subd. 5a. **Exemption for interim superintendent.** A person who performs services as an interim superintendent because of the death, disability, termination, or resignation of the previous superintendent is exempt from the earnings limitations and reductions in annuity payments in subdivision 5 for up to 90 working days of service as an interim superintendent. During this period of up to 90 working days, the school board may pay the interim superintendent at any rate, up to the rate paid to the previous superintendent. This exemption applies only if the school board hiring the interim superintendent submits an application for the exemption on a form prescribed by the executive director, and the executive director approves the application before the services as interim superintendent begin. The application must certify that the school board has unanimously approved the exemption from the earnings limitations and reductions. The executive director may prescribe a form for the application. A school board shall not apply for more than one exemption in a fiscal year. No more than three exemptions may be approved for any person. Only one exemption may be approved for any person in a fiscal year. The exemption under this subdivision does not apply to a person who retires from a school district and within one year after retirement returns to the same school district as an interim superintendent.

Subd. 6. **Computation of formula program retirement annuity.** (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled for service rendered before July 1, 2006:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.2 percent per year	2.2 percent per year
Each year of service thereafter	1.7 percent per year	2.7 percent per year

For service rendered on or after July 1, 2006, by a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount the annuity to which the member qualifying therefor is entitled:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.4 percent per year	2.2 percent per year
Each year of service after ten years of service	1.9 percent per year	2.7 percent per year

(c)(1) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(2) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(3) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c).

(1) For a basic member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 2.7 percent for each year of service for a basic member determines the amount of the retirement annuity to which the basic member is entitled. The annuity of a basic member who was a member of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date.

(2) For a coordinated member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1, 2006, and by 1.9 percent for each year of

service rendered on or after July 1, 2006, for a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the amount of the retirement annuity to which the coordinated member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b) in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age is entitled to receive an annuity under clause (1) or (2), as applicable.

(1) For a member who is at least age 60 and has at least 30 years of service, the annuity is the normal annuity provided in paragraph (d) reduced by an early reduction factor of five percent for each year that the member's age of retirement precedes the normal retirement age. The resulting reduced annuity shall be further adjusted to take into account the increase in the monthly amount that would have occurred had the member retired early and deferred receipt of the annuity until normal retirement age and the annuity was augmented during the deferral period at 2.5 percent, if the member commenced employment after June 30, 2006, or at three percent, if the member commenced employment before July 1, 2006, compounded annually.

(2) For a member who has not attained age 60 or has fewer than 30 years of service, the annuity is the normal annuity provided in paragraph (d) reduced for each year that the member's age of retirement precedes normal retirement age by the following early reduction factors:

(i) for the period during which the member is age 55 through age 58, the factor is four percent; and

(ii) for the period during which the member is at least age 59 but not yet normal retirement age, the factor is seven percent.

The resulting annuity shall be further adjusted to take into account the increase in the monthly amount that would have occurred had the member retired early and deferred receipt of the annuity until normal retirement age and the annuity was augmented during the deferral period at the applicable annual rate, compounded annually. The applicable annual rate is the rate in effect for the month that includes the member's effective date of retirement and must be considered as fixed for the member for the period until the member reaches normal retirement age. The applicable annual rate for June 2019 is 2.5 percent, if the member commenced employment after June 30, 2006, or three percent, if the member commenced employment before July 1, 2006, compounded annually, and decreases each month beginning July 2019 in equal monthly increments over the five-year period that begins July 1, 2019, and ends June 30, 2024, to zero percent effective for July 2024 and thereafter.

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

(f) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

Subd. 6a. [Repealed, 2008 c 349 art 5 s 37]

Subd. 7. [Repealed, 1990 c 570 art 12 s 64]

Subd. 7a. **Postretirement adjustment eligibility.** (a) A retirement annuity under subdivision 2 or 6 is eligible for postretirement adjustments under section 356.415.

(b) Retirement annuities payable from the teachers retirement plan must not be in an amount less than the amount originally determined on the date of retirement and as adjusted on each succeeding January 1 under Minnesota Statutes 2008, section 11A.18, before January 1, 2010, and under section 356.415 after December 31, 2009.

Subd. 8. **Annuity payment; provision of evidence of receipt.** (a) An annuity or benefit for a given month must be paid during the first week of that month.

(b) Evidence of receipt of the check issued or acknowledgment of the amount electronically transferred in payment of an annuity or benefit may be required from the payee on a form prescribed by the executive director. The evidence of receipt form may be required periodically at times specified by the board. If the filing of an evidence of receipt form is required and the form is not filed, future annuities or benefits must be withheld until the form is submitted.

Subd. 9. **Determining applicable law.** An annuity under this chapter must be computed under the law in effect as of the date of termination of teaching service. A former teacher who returns to covered service following a termination and who is not receiving a retirement annuity under this section must have earned at least one-half year of credited service following the return to covered service to be eligible for improved benefits resulting from any law change enacted subsequent to that termination.

History: *Ex1957 c 16 s 6; Ex1959 c 50 s 10-12; 1961 c 745 s 3; Ex1961 c 17 s 11; 1963 c 246 s 1; 1965 c 821 s 11; 1967 c 693 s 2; 1969 c 485 s 18,19; 1971 c 40 s 16; 1973 c 270 s 10; 1973 c 728 s 17-19; 1974 c 289 s 24-28; 1975 c 306 s 16-18; 1976 c 329 s 30; 1977 c 67 s 8; 1977 c 429 s 37; 1978 c 781 s 4; 1979 c 40 s 6; 1979 c 50 s 46,47; 1980 c 342 s 10-12; 1980 c 509 s 135; 1981 c 160 s 6,7; 1981 c 210 s 54; 1981 c 224 s 106-111; 1Sp1981 c 4 art 1 s 21; art 2 s 33; 1983 c 148 s 3; 1984 c 564 s 30; 1Sp1985 c 7 s 17,18; 1986 c 444; 1986 c 458 s 16; 1987 c 259 s 35; 1987 c 284 art 2 s 5; art 6 s 6; 1987 c 372 art 9 s 24; 1989 c 319 art 2 s 13-16; art 13 s 56-59; 1990 c 570 art 12 s 31; 1994 c 524 s 2; 1994 c 528 art 3 s 17-19; 1995 c 141 art 3 s 10,20; 1996 c 438 art 3 s 1,2; 1997 c 233 art 1 s 51,52; 2000 c 461 art 2 s 6; 2002 c 392 art 11 s 52; 2004 c 267 art 7 s 4-6; 1Sp2005 c 8 art 1 s 18; art 10 s 60; 2006 c 277 art 2 s 6; art 3 s 8; 2007 c 134 art 1 s 5; 2008 c 349 art 3 s 8; 2009 c 169 art 1 s 64; art 4 s 23,24; 2013 c 111 art 4 s 14; art 12 s 1; 2014 c 296 art 6 s 9,49; art 13 s 17; 2015 c 68 art 13 s 32,33; 2018 c 211 art 3 s 1; art 11 s 6,7; 1Sp2019 c 8 art 8 s 23; 2020 c 108 art 8 s 3,4; 2024 c 102 art 1 s 2; 2025 c 37 art 13 s 3; 2026 c 106 art 8 s 11*

354.444 RETURN TO WORK AGREEMENT.

Subdivision 1. **Authorization.** Notwithstanding any other provisions in this chapter, an eligible person as specified in subdivision 2 is authorized to commence receipt of a retirement annuity from the association and enter into an agreement to return to work. This provision must be administered in accordance with the federal Internal Revenue Code and applicable rulings.

Subd. 2. **Eligibility.** An eligible person is a person who:

(1) is a teacher as defined by section 354.05, subdivision 2, who is at least age 59-1/2;

(2) enters into a written agreement with the employing unit to return to work; and

(3) retires under the provisions of section 354.44 and begins to draw an annuity from the Teachers Retirement Association.

Subd. 3. **Work agreement.** (a) A member who is at least age 59-1/2 may, before the effective date of retirement, enter into a written agreement to return to work with an employing unit covered by the provisions of this chapter.

(b) Participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employing unit and the employee. The employing unit may require up to a one-year notice of intent to participate in the program as a condition of participation. The employing unit shall determine the time of year the employee shall work. Unless otherwise specified in this section, the employing unit may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

Subd. 4. **Exclusion.** For purposes of this section, "employing unit" does not include the Minnesota State Colleges and Universities system.

Subd. 5. **Service credit; contributions.** Notwithstanding any law to the contrary:

(1) an eligible person under this section may not, based on employment to which this section applies, contribute to or earn further service credit in the association; and

(2) the employer of an eligible person under this section must make regular and, if applicable, additional employer contributions as specified in section 354.42, subdivision 3, during the period of employment to which this section applies.

Subd. 6. **Annuity application procedure.** A participant in the program specified in this section must apply for a retirement annuity under the application procedure specified in section 354.44, subdivisions 3 and 4. A copy of the written agreement with the employing unit must be included with the person's retirement annuity application. This written agreement must include the termination date and reemployment date. The filing of the initial executed agreement must occur before reemployment under the agreement commences. The reemployment date must be after the member's accrual date.

Subd. 7. **Annuity treatment.** For purposes of the annuity deferral under section 354.44, subdivision 5, an eligible person under this section is a reemployed annuitant.

Subd. 8. **Continuing rights.** A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

History: *2008 c 349 art 3 s 9; 2026 c 106 art 3 s 4,5; art 8 s 12*

354.445 NO ANNUITY REDUCTION.

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the Minnesota State Colleges and Universities system with at least ten years of combined service credit in a system under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

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

(4) begins drawing an annuity from the Teachers Retirement Association; and

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

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not, based on employment to which the waiver in this section applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a firefighter relief association plan governed by chapter 424A or the statewide volunteer firefighter plan governed by chapter 353G.

(d) A person eligible under paragraphs (a) and (b) must not be required to make employee contributions as specified in section 354.42, subdivision 2, during the period of reemployment.

(e) The employer of a person eligible under paragraphs (a) and (b) must make employer contributions as specified in section 354.42, subdivision 3, during the period of the person's reemployment.

(f) For a person eligible under paragraphs (a) and (b) who earns more than $62,000 in a fiscal year through employment after retirement due to employment by the Minnesota State Colleges and Universities system, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over $62,000.

(g) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

History: *1994 c 602 s 2; 1995 c 212 art 4 s 64; 1995 c 262 art 1 s 4; 1998 c 390 art 2 s 9; 1999 c 222 art 19 s 4; 2000 c 461 art 2 s 7; 2014 c 296 art 8 s 4; 2015 c 68 art 12 s 35; 2026 c 106 art 8 s 13*

354.45 OPTIONAL RETIREMENT ANNUITIES; UNPAID ANNUITIES, DISPOSITION.

Subdivision 1. **Optional annuity forms.** The retirement board shall establish optional annuities at retirement which shall take the form of an annuity payable for a period certain and for life thereafter or the form of a joint and survivor annuity. The board shall also establish an optional annuity which shall take the form of a guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the accumulated deductions and interest accrued to the date of retirement will be paid to the designated beneficiary. Except as provided in subdivision 1a, any optional annuity forms shall be actuarially equivalent to the normal forms provided in section 354.44. In establishing these optional annuity forms, the board shall obtain the written recommendation of the actuary retained under section 356.214. The recommendations shall be a part of the permanent records of the board.

Subd. 1a. **Bounce-back annuity.** (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 1, the former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under

this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) The restoration of the normal single life annuity under this subdivision will take effect on the first of the month following the date of death of the designated optional annuity beneficiary, or on the first of the month following one year before the date on which a certified copy of the death record of the designated optional annuity beneficiary is received in the office of the Teachers Retirement Association, whichever date is later.

(c) Except as stated in paragraph (b), this subdivision may not be interpreted as authorizing retroactive benefit payments.

Subd. 2. **Refund upon death of retired member.** Upon the death of the member after retirement where no designated beneficiary shall survive the member, any remaining unpaid guaranteed annuity payments shall be commuted at the applicable investment return specified in section 356.215, subdivision 8, and paid in one sum to the estate of the member. Upon the death of the last designated beneficiary after the death of the member, the value of any unpaid guaranteed annuity payments shall be commuted at the applicable investment return specified in section 356.215, subdivision 8, and paid in one sum to the estate of the designated beneficiary.

Subd. 3. **Payment upon death of former spouse.** Upon the death of the former spouse to whom payments are to be made before the end of the specified payment period, payments shall be made according to the terms of a beneficiary form completed by the former spouse or, if no beneficiary form, to the estate of the former spouse or as otherwise ordered by a court of competent jurisdiction.

History: *Ex1957 c 16 s 7; Ex1961 c 17 s 12; 1963 c 845 s 5; 1971 c 40 s 17; 1973 c 728 s 20; 1987 c 259 s 36; 1989 c 319 art 13 s 60,61; 1990 c 570 art 12 s 32; 1Sp2001 c 9 art 15 s 32; 2002 c 392 art 11 s 52; 2006 c 271 art 3 s 37,47; 2007 c 134 art 2 s 38; 2015 c 68 art 13 s 34; 2018 c 211 art 11 s 8; 1Sp2019 c 8 art 8 s 23*

354.46 PAYMENTS AFTER DEATH.

Subdivision 1. **Basic program; benefits for spouse and children of teacher.** (a) If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6, equal to or greater than $75 dies prior to retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies before attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later, the surviving spouse and dependent children of the basic member or former basic member are entitled to receive a monthly benefit as follows:

(1) Surviving spouse	50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death
(2) Each dependent child	ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

(b) Payments for the benefit of any dependent child under the age of 22 years must be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit must not exceed $1,000 for any one family, and the minimum benefit per family must not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent children's benefit must be reduced pro tanto when any surviving child is no longer dependent.

(c) If the basic member and the surviving spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump-sum payment.

(d) If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits must be reduced to an amount equal to the deceased basic member's monthly average salary.

(e) Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to section 354.47, subdivision 1. If there are any surviving dependent children, the surviving spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Subd. 2. **Surviving spouse survivor coverage.** (a) If the active or deferred member was at least age 55 and had credit for at least three years of allowable service on the date of death, the surviving spouse is entitled to the second portion of a 100 percent joint and survivor annuity specified under section 354.45, based on the age of the active or deferred member at the time of death and the age of the surviving spouse at the time the benefit accrues.

(b) If the active or deferred member was under age 55 and had credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive the second portion of a 100 percent joint and survivor annuity based on the age of the active or deferred member on the date of death and the age of the surviving spouse at the time the benefit accrues. If section 354.44, subdivision 6, applies, the annuity is payable using the full early retirement reduction under section 354.44, subdivision 6, paragraph (c), clause (2), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the active or deferred member was under age 55 and had credit for at least three years of allowable service on the date of death, but did not yet qualify for retirement, the surviving spouse may elect to receive the second portion of a 100 percent joint and survivor annuity based on the age of the active or deferred member at the time of death and the age of the surviving spouse at the time the benefit accrues. If section 354.44, subdivision 6, applies, the annuity is calculated using the full early retirement reduction under section 354.44, subdivision 6, to age 55 and one-half of the early retirement reduction from age 55 to the age the annuity begins.

(d) The surviving spouse eligible for surviving spouse benefits under this subdivision may apply for the annuity any time after the member's death. The benefit may not begin to accrue more than six months before the date the application is filed with the executive director and may not accrue before the member's death. The benefit is payable for life. Any benefit under this subdivision is in lieu of benefits under subdivision 1, if applicable, and in lieu of a refund of accumulated member contributions under section 354.47, subdivision 1.

(e) For purposes of this subdivision, a designated beneficiary must be a former spouse or a biological or adopted child of the member.

Subd. 2a. **Survivor coverage term certain.** (a) In lieu of the 100 percent optional annuity under subdivision 2, or a refund under section 354.47, subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments

must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

(b) If a surviving spouse elects a term certain payment and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the surviving spouse's estate.

Subd. 2b. **Dependent child survivor coverage.** If there is no surviving spouse eligible for benefits under subdivision 2, each dependent child as defined in section 354.05, subdivision 8a, is eligible for monthly surviving child benefits. Surviving child benefits to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15 on the date of the member's death. If the child is 15 years or older on the date of the member's death, the surviving child benefit is payable for five years. The dependent surviving child benefit is an amount that is actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 calculated using the age of the member and age of the dependent child as of the date of death in lieu of the age of the member and the spouse. If there is more than one dependent child, each dependent child is entitled to receive a proportionate share of the actuarial value of the member's account.

Subd. 3. **Payment after death of retiree.** If a former member dies after retirement, the former member or a designated beneficiary shall be entitled to the annuity payment due for the full month during which death occurs if no optional or reversionary annuity was designated by the member. If an optional or reversionary annuity has been designated by the member, a death benefit shall be paid in accordance with the provisions of such annuity as described in section 354.45.

Subd. 4. [Repealed, 1974 c 289 s 59]

Subd. 5. **Payment to designated beneficiary.** A member who is single or, if the member is married, a member and the spouse of the member jointly, may make a specification in writing on a form prescribed by the executive director that the benefits provided in subdivision 2, or in section 354.47, subdivision 1, must be paid only to a designated beneficiary or to designated beneficiaries. For purposes of subdivision 2, a designated beneficiary may only be either a former spouse or a biological or an adopted child of the member.

Subd. 6. **Application.** (a) A beneficiary designation and an application for benefits under this section must be in writing on a form prescribed by the executive director.

(b) Sections 354.55, subdivision 11, and 356.311 apply to a deferred annuity payable under this section.

(c) Unless otherwise specified, the annuity must be computed under section 354.44, subdivision 2 or 6, whichever is applicable.

(d) Each designated beneficiary eligible for a lifetime benefit under this subdivision may apply for an annuity any time after the member's death. The benefit may not begin to accrue more than six months before the date the application is filed with the executive director and may not accrue before the member's death.

Subd. 7. **Postretirement adjustment eligibility.** A survivor benefit under subdivision 1, 2, 2a, or 2b, is eligible for postretirement adjustments under section 356.415.

History: *Ex1957 c 16 s 8; Ex1959 c 50 s 13,14,47; 1961 c 737 s 1-3; 1967 c 604 s 2; 1969 c 485 s 20; 1971 c 40 s 18; 1971 c 86 s 1; 1973 c 728 s 31; 1974 c 289 s 29-31; 1975 c 306 s 19; 1977 c 388 s 2; 1981 c 156 s 1-3; 1982 c 578 art 1 s 7,8; 1984 c 564 s 31,32; 1986 c 444; 1986 c 458 s 17; 1987 c 284 art 6 s 7; 1987 c 372 art 9 s 25; 1989 c 319 art 13 s 62; 1990 c 570 art 12 s 33,34; 1991 c 269 art 2 s 10; 1991 c 340 s 20; 1993 c 307 art 5 s 2; art 6 s 3; 1993 c 336 art 6 s 12-15; 1994 c 528 art 3 s 20,21; 2000 c 461 art 3 s*

35; 2004 c 267 art 9 s 18-21; 2009 c 169 art 1 s 65; 2018 c 211 art 11 s 9; 2019 c 50 art 1 s 113; 2020 c 108 art 8 s 5

354.465 [Repealed, 2008 c 349 art 5 s 37]

354.47 PAYMENT AFTER DEATH.

Subdivision 1. **Death before retirement.** (a) If a member dies before retirement and is covered under section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit under section 354.46, subdivision 1, is payable to the survivors if the member was a basic member, then the surviving spouse, or if there is no surviving spouse, the designated beneficiary is entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death of the member. If the designated beneficiary is a minor, interest must be credited to the date the beneficiary reaches legal age, or the date of receipt, whichever is earlier.

(b) If a member dies before retirement and is covered under section 354.44, subdivision 6, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1, is payable to the survivors if the member was a basic member, then the surviving spouse, or if there is no surviving spouse, then the designated beneficiary is entitled to a refund equal to the accumulated deductions credited to the member's account plus interest compounded annually until the member's date of death using the following interest rates:

(1) before July 1, 1957, no interest accrues;

(2) July 1, 1957, to June 30, 2011, six percent; and

(3) after June 30, 2011, four percent.

(c) If the designated beneficiary under paragraph (b) is a minor, any interest credited under that paragraph must be credited to the date the beneficiary reaches legal age, or the date of receipt, whichever is earlier.

(d) The amount of any refund payable under this subdivision must be reduced by any permanent disability payment under section 354.48 received by the member.

Subd. 1a. **Uncashed annuity or benefit warrants.** Uncashed annuity or benefit warrants issued before the recipient's death are payable to the designated beneficiary, and if none, to the recipient's estate.

Subd. 2. **Benefits of $1,500 or less.** If a member or a former member dies without having a surviving designated beneficiary and the amount to the credit of the decedent is $1,500 or less, the board of trustees may 90 days after the date of death, in the absence of probate proceedings, make payment to the surviving spouse of the decedent. This payment is a bar to recovery of this payment from the association by any other person or persons. Any accrued retirement annuity, disability, or survivor benefit may be paid in the same manner.

Subd. 3. [Repealed, 1974 c 289 s 59]

History: *Ex1957 c 16 s 9; Ex1959 c 50 s 48; Ex1961 c 17 s 13; 1963 c 845 s 6; 1965 c 821 s 12; 1969 c 485 s 21; 1971 c 40 s 19; 1974 c 289 s 32; 1980 c 342 s 13; 1981 c 156 s 4; 1981 c 224 s 112; 1982 c 578 art 3 s 3; 1984 c 564 s 33; 1989 c 319 art 2 s 17; art 13 s 63; 1990 c 570 art 12 s 35; 1994 c 528 art 3 s 22; 2000 c 461 art 3 s 36; 2009 c 169 art 4 s 25; 2010 c 359 art 1 s 54*

354.471 ACCOUNT TERMINATION; RESTORATION.

Subdivision 1. **Account termination.** If an active or deferred member dies and there is no surviving spouse or other beneficiaries, or the spouse or beneficiaries cannot be located within five years of the date of death of the member, the accumulated employee and employer contributions and any other payments made to the Teachers Retirement Association fund by the individual or on behalf of the individual, and all investment earnings on these amounts, must be credited to and become part of the retirement fund.

Subd. 2. **Restoration.** Following a forfeiture under subdivision 1, if a surviving spouse or other beneficiary of the deceased contacts the Teachers Retirement Association and, based on documentation determined by the executive director to be valid and adequate, establishes a right to a survivor annuity, death refund, or other benefit provided by this chapter, the account forfeited under subdivision 1 must be fully or partially restored, as necessary.

History: *2007 c 134 art 2 s 39*

354.48 PERMANENT DISABILITY BENEFITS.

Subdivision 1. **Age and service requirements.** A member who is totally and permanently disabled, who has not reached the normal retirement age as defined in section 354.05, subdivision 38, and who has at least three years of credited allowable service at the time that the total and permanent disability begins is entitled to a disability benefit based on this allowable service in an amount provided in subdivision 3. If the disabled member's teaching service has terminated at any time, at least two of the required three years of allowable service must have been rendered after last becoming a member.

Subd. 2. **Applications; accrual.** (a) A person described in subdivision 1, or another person authorized to act on behalf of the person, may make written application on a form prescribed by the executive director for a total and permanent disability benefit only within the 18-month period following the termination of teaching service.

(b) The benefit accrues from the day following the commencement of the disability or the day following the last day for which salary is paid, whichever is later, but does not begin to accrue more than six months before the date on which the written application is filed with the executive director. If salary is being received for either annual or sick leave during the disability period, the disability benefit accrues from the day following the last day for which this salary is paid.

Subd. 3. **Computation of benefits.** (a) The disability benefit granted to members covered under section 354.44, subdivision 6, must be computed in the same manner as the annuity provided in section 354.44, subdivision 6. The disability benefit is the formula annuity without the reduction for each month the member is under normal retirement age when the benefit begins to accrue as defined by the law in effect on the last day for which salary is paid.

(b) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits must not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits must be reduced to an amount equal to the disabled member's average salary.

Subd. 3a. **Optional annuity election.** A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 354.45, subdivision 1. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective and shall begin to accrue on the same date the disability benefit begins to accrue.

Subd. 4. **Determination by executive director.** (a) The executive director must have the member examined by a licensed physician and any one or more medical providers.

(b) The medical providers selected under paragraph (a) must make written reports to the executive director concerning the member's disability, including expert opinions as to whether or not the member is permanently and totally disabled within the meaning of section 354.05, subdivision 14.

(c) The executive director must also obtain written certification from the last employer stating whether or not the member was separated from service because of a disability that would reasonably prevent further service to the employer and as a consequence the member is not entitled to compensation from the employer.

(d) If, upon the consideration of the reports required under paragraph (b) and any other evidence presented by the member or by others interested therein, the executive director finds that the member is totally and permanently disabled, the executive director must grant the member a disability benefit.

(e) An employee who is placed on leave of absence without compensation because of disability is not barred from receiving a disability benefit.

Subd. 4a. MS 1981 Supp [Repealed, 1982 c 578 art 3 s 19]

Subd. 5. [Repealed, 1991 c 340 s 34]

Subd. 6. **Regular physical examinations.** At least once each year during the first five years following the allowance of a disability benefit to any member, and at least once in every three-year period thereafter, the executive director may require the disability benefit recipient to undergo an expert examination by one or more medical providers engaged by the executive director. If an examination indicates that the member is no longer permanently and totally disabled or that the member is engaged or is able to engage in a substantial gainful occupation, the association must discontinue payments of the disability benefit. The payments must be discontinued as soon as the member is reinstated to the payroll following sick leave, but payment may not be made more than 60 days after the medical provider or medical providers engaged by the executive director find that the person is no longer permanently and totally disabled.

Subd. 6a. **Medical adviser; duties.** The executive director may contract with an accredited independent organization specializing in disability determinations, licensed physicians, or physicians on the staff of the commissioner of health as designated by the commissioner, to be the medical adviser to the executive director. The medical adviser shall designate licensed physicians who shall examine applicants for disability benefits. The medical adviser shall pass upon all expert reports based on any examinations performed in order to determine whether a teacher is totally and permanently disabled as defined in section 354.05, subdivision 14. The medical adviser shall also investigate all health and medical statements and certificates by or on behalf of a teacher in connection with a disability benefit, and shall report in writing to the director setting forth any conclusions and recommendations on all matters referred to the medical adviser.

Subd. 7. **Partial reemployment.** If the disabled person resumes a gainful occupation in which earnings are less than the person's salary at the date of disability, the amount of earnings plus the disability benefit originally granted may not exceed the salary at the date of disability. If the sum of earnings plus the disability benefit originally granted exceeds the salary at the date of disability, the amount of excess earnings must be deducted from the disability benefit payable during the following calendar year. The provisions of this subdivision shall not prohibit the executive director from making a determination that a member is no longer totally and permanently disabled or that the member is engaged or is able to engage in a substantial gainful occupation based on the results of the regular physical examinations required by subdivision 6 or any other physical examinations required by the board. Payment of the disability benefit provided in this subdivision

during a period of partial reemployment shall be discontinued if the executive director finds that the member is no longer totally and permanently disabled.

Subd. 8. **Refusal of examination.** If any disabled person refuses to submit to a medical examination as required under this section, payments by the association must be discontinued and all rights of the member in any disability benefit must be revoked by the executive director.

Subd. 9. **Return to teaching service.** Any person receiving a disability benefit who is restored to active teaching service shall have deductions taken for the retirement fund.

Subd. 10. **Retirement status at normal retirement age.** (a) No person is entitled to receive both a disability benefit and a retirement annuity provided by this chapter.

(b) The disability benefit paid to a person hereunder must terminate at the end of the month in which the person attains the normal retirement age. If the person is still totally and permanently disabled at the beginning of the month next following the month in which the person attains the normal retirement age, the person must be deemed to be on retirement status and, if the person had elected an optional annuity under subdivision 3a, must receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity under subdivision 3a, may elect to receive a straight life retirement annuity equal to the disability benefit paid before the date on which the person attains the normal retirement age or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later, or may elect to receive an optional annuity as provided in section 354.45, subdivision 1.

(c) Election of an optional annuity must be made within 90 days of the normal retirement age or the five-year anniversary of the effective date of the disability benefit, whichever is later.

(d) If an optional annuity is elected, the election is effective on the date on which the person attains the normal retirement age or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity begins to accrue on the first day of the month next following the month in which the person attains the normal retirement age or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later.

Subd. 11. **Postretirement adjustment eligibility.** A disability benefit under this section is eligible for postretirement adjustments under section 356.415.

History: *Ex1957 c 16 s 10; Ex1959 c 50 s 15; 1961 c 597 s 3; 1963 c 845 s 7; 1969 c 485 s 22,23; 1973 c 728 s 21; 1974 c 289 s 33-35; 1975 c 306 s 20,21; 1975 c 359 s 23; 1981 c 68 s 25,26; 1981 c 160 s 8-10; 1981 c 224 s 113,114; 1982 c 578 art 3 s 4,19; 1984 c 564 s 34,35; 1Sp1985 c 7 s 19-21; 1986 c 444; 1987 c 259 s 37; 1987 c 284 art 6 s 8; 1987 c 372 art 9 s 26; 1989 c 319 art 2 s 18,19; art 13 s 64-66; 1990 c 570 art 12 s 36; 1991 c 340 s 21-25; 1993 c 307 art 5 s 3,4; 1994 c 528 art 3 s 23; 1995 c 141 art 3 s 20; 2000 c 461 art 3 s 37; 2002 c 392 art 11 s 52; 2004 c 267 art 8 s 26-30; 2007 c 134 art 2 s 40; 2009 c 169 art 1 s 66; art 4 s 26,27; 2014 c 296 art 13 s 18; 2015 c 68 art 13 s 35; 2018 c 211 art 11 s 10; 2022 c 65 art 5 s 10-12; 2026 c 106 art 3 s 6,7*

354.49 REFUND.

Subdivision 1. **Entitlement, application.** A person who ceases to render teaching service in any school or institution to which the provisions of this chapter apply is entitled to a refund provided in subdivision 2, or a deferred retirement annuity under section 354.55, subdivision 11. An application for a refund must not be made sooner than 30 days after termination of teaching service if the applicant has not again become a teacher. This payment must be made within 45 days after the receipt of an application for a refund or upon

the receipt of member reporting data under section 354.52, subdivision 4a, and payroll cycle data under section 354.52, subdivision 4b, whichever is later.

Subd. 2. **Calculation.** (a) Except as provided in section 354.44, subdivision 1, any person who ceases to be a member by reason of termination of teaching service, is entitled to receive a refund in an amount equal to the accumulated deductions credited to the account plus interest compounded annually using the following interest rates:

(1) before July 1, 1957, no interest accrues;

(2) July 1, 1957, to June 30, 2011, six percent;

(3) July 1, 2011, to June 30, 2018, four percent; and

(4) after June 30, 2018, three percent.

For the purpose of this subdivision, interest must be computed on fiscal year end balances through the last day of the month prior to the month in which the refund is issued.

(b) If the person has received permanent disability payments under section 354.48, the refund amount must be reduced by the amount of those payments.

Subd. 3. **Refund in certain instances.** Any person not covered by the formula program who has attained normal retirement age with less than the minimum service required for an annuity and who ceases to be a member because of termination of teaching service is entitled upon application to a refund in an amount equal to the person's accumulated deductions plus interest at the rates used to compute annuities under section 354.44, subdivision 2 in lieu of a proportionate annuity pursuant to section 356.32. If a person who has attained normal retirement age is eligible for an annuity or is covered by the formula program, the refund is an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and after July 1, 1957, the accumulated deductions plus interest computed as provided under subdivision 2.

Subd. 4. **Termination of membership.** Membership in the retirement association of any person shall terminate under the following conditions: (1) if a person takes a refund pursuant to this section; (2) when a person's retirement annuity first begins to accrue as provided in section 354.44, subdivisions 1 and 4; (3) upon the person's ceasing to be a "teacher" whether by resignation, dismissal, or termination of temporary or provisional employment for the purpose of determining eligibility for disability or survivorship benefits as provided in sections 354.48, subdivision 1 and 354.46, subdivision 1, respectively.

Subd. 5. [Repealed, 2007 c 134 art 2 s 50]

History: *Ex1957 c 16 s 11; Ex1959 c 50 s 16,17; Ex1967 c 6 s 1-3; 1969 c 485 s 24; 1971 c 40 s 20-22; 1973 c 270 s 11; 1974 c 289 s 36-38; 1975 c 306 s 22; 1977 c 67 s 9; 1977 c 97 s 3; 1979 c 40 s 7; 1984 c 564 s 36,37; 1Sp1985 c 7 s 22; 1986 c 444; 1987 c 372 art 9 s 27; 1989 c 319 art 13 s 67,68; 1990 c 570 art 12 s 37,38; 1991 c 340 s 26; 1994 c 528 art 3 s 24; 2000 c 461 art 3 s 38; 2009 c 169 art 4 s 28; 2010 c 359 art 1 s 55; 2018 c 211 art 3 s 2; 1Sp2019 c 8 art 8 s 14,15; 2020 c 108 art 8 s 6*

354.50 TERMINATION OF SERVICE CREDITS.

Subdivision 1. **Repayment of refund.** When any member accepts a refund provided in section 354.49, all existing service credits to which the member was entitled before accepting the refund terminate and are not restored until the former member acquires not less than two years allowable service credit after taking the last refund. In that event the former member may repay the refund. If more than one refund has been

taken, all refunds must be repaid. Teaching service covered under the provisions of chapter 354B may be used to fulfill the two-year requirement of this subdivision.

Subd. 2. **Interest charge.** If a member desires to repay the refunds, payment shall include interest at the applicable annual rate or rates specified in section 356.59, subdivision 4, compounded annually, from date of withdrawal to the date payment is made and shall be credited to the fund.

Subd. 3. [Repealed, 1974 c 289 s 59]

Subd. 4. **Repayment of refund.** Any person who has received a refund from the Teachers Retirement Association and who is a member of any public retirement fund referred to in section 356.311 may repay such refund with interest to the Teachers Retirement Association. Repayment of the refunds under the provisions of this subdivision will be in accordance with all the provisions of this section.

Subd. 5. **Refund of variable account accumulations.** A member who received a refund of variable account accumulations may repay this refund to the member's formula account under this section.

History: *Ex1957 c 16 s 12; Ex1961 c 17 s 14; Ex1967 c 6 s 4; 1969 c 485 s 25; 1971 c 40 s 23,24; 1973 c 728 s 22; 1974 c 289 s 39-41; 1977 c 67 s 10; 1981 c 224 s 115; 1986 c 444; 1989 c 319 art 9 s 2; 1990 c 570 art 12 s 39; 1991 c 340 s 27; 1992 c 598 art 3 s 3; 2018 c 211 art 6 s 25; 2019 c 50 art 1 s 114*

354.51 PAYMENTS TO RECEIVE CREDIT FOR PRIOR SERVICE; SHORTAGES IN MEMBER DEDUCTIONS.

Subdivision 1. **Eligibility to make payments.** No member is entitled to make payments in lieu of salary deductions to the retirement board to receive allowable service credit for any period of service rendered before that date for which employee contributions were not deducted from the member's salary, except as provided in subdivision 5, or section 354.50 or 354.53.

Subd. 2. [Repealed, 1974 c 289 s 59]

Subd. 3. [Repealed, 1974 c 289 s 59]

Subd. 4. [Repealed, 2008 c 349 art 5 s 37]

Subd. 5. **Payment of shortages.** (a) Except as provided in paragraph (b), in the event that full required member contributions are not deducted from the salary of a teacher, payment of shortages in member deductions on salary earned are the sole obligation of the employing unit and are payable by the employing unit upon notification by the executive director of the shortage. The amount of the shortage shall be paid with interest at the applicable annual rate or rates specified in section 356.59, subdivision 4, compounded annually, from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest must be credited to the fund. The employing unit shall also pay the employer contributions as specified in section 354.42, subdivisions 3 and 5 for the shortages. If the shortage payment is not paid by the employing unit within 60 days of notification, and if the executive director does not use the recovery procedure in section 354.512, the executive director shall certify the amount of the shortage to the applicable county auditor, who shall spread a levy in the amount of the shortage payment over the taxable property of the taxing district of the employing unit if the employing unit is supported by property taxes. Payment may not be made for shortages in member deductions on salary paid or payable under paragraph (b) or for shortages in member deductions for persons employed by the Minnesota State Colleges and Universities system in a faculty position or in an eligible unclassified administrative position and whose employment was less than 25 percent of a full academic year, exclusive of the summer session, for the applicable institution that exceeds the most recent 36 months.

(b) For a person who is employed by the Minnesota State Colleges and Universities system in a faculty position or in an eligible unclassified administrative position and whose employment was less than 25 percent of a full academic year, exclusive of the summer session, for the applicable institution, upon the person's election under section 354B.211 of retirement coverage under this chapter, the shortage in member deductions on the salary for employment by the Minnesota State Colleges and Universities system institution of less than 25 percent of a full academic year, exclusive of the summer session, for the applicable institution for the most recent 36 months and the associated employer contributions must be paid by the Minnesota State Colleges and Universities system institution, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 4, compounded annually, from the end of the fiscal year in which the shortage occurred to the end of the month in which the Teachers Retirement Association coverage election is made. An individual electing coverage under this paragraph shall repay the amount of the shortage in member deductions, plus interest, through deduction from salary or compensation payments within the first year of employment after the election under section 354B.211, subject to the limitations in section 16D.16. The Minnesota State Colleges and Universities system may use any means available to recover amounts which were not recovered through deductions from salary or compensation payments. No payment of the shortage in member deductions under this paragraph may be made for a period longer than the most recent 36 months.

History: *Ex1957 c 16 s 13; Ex1959 c 50 s 18,19; 1969 c 485 s 26; 1971 c 40 s 25,26; 1974 c 289 s 42; 1981 c 160 s 11; 1981 c 224 s 116-118; 1982 c 578 art 3 s 19; 1Sp1985 c 12 art 11 s 7; 1986 c 444; 1987 c 284 art 6 s 9; 1992 c 598 art 3 s 4,5; 2004 c 267 art 5 s 2; 2009 c 101 art 2 s 109; 2012 c 286 art 8 s 4; 2015 c 68 art 13 s 36,37; 2018 c 211 art 6 s 26; 1Sp2019 c 8 art 5 s 4*

354.511 [Repealed, 1974 c 289 s 59]

354.512 RECOVERY OF DEFICIENCIES.

In addition to any other remedies permitted under law, if an employing unit or other entity required by law to make any form of payment to the Teachers Retirement Association fails to make full payment, the executive director is authorized to certify the amount of deficiency to the commissioner of management and budget, who shall deduct the amount from any state aid or appropriation applicable to the employing unit or entity, and transmit the withheld aid or appropriation to the executive director for deposit in the fund.

History: *2012 c 286 art 8 s 5; 2018 c 211 art 11 s 11*

354.52 REPORTS.

Subdivision 1. [Repealed, 1974 c 289 s 59]

Subd. 2. [Repealed, 2000 c 461 art 3 s 47]

Subd. 2a. **Postretirement income reporting.** Each employing unit must report to the executive director the amount of income earned during the previous fiscal year by each retiree for teaching service performed after retirement. This shall be done through the payroll reporting system and is based on reemployment income as defined in section 354.44, subdivision 5. Submitting the salary data through payroll reporting has the force and effect of an oath as to the correctness of the amount of postretirement reemployment income earned.

Subd. 3. **Deduction requirements.** Every pay period, each employer shall deduct and withhold from the salary of every teacher who is a member of the fund the amount required under section 354.42. At the time of each deduction, the employer shall also furnish to each teacher a statement showing the amount of the deduction.

Subd. 4. **Reporting and remittance requirements.** An employer shall remit all amounts due to the association and furnish a statement indicating the amount due and transmitted with any other information required by the executive director. If an amount due is not received by the association within 14 calendar days of the payroll payment, the employer shall pay interest on the amount due at the applicable annual rate or rates specified in section 356.59, subdivision 4, compounded annually, from the due date until the amount is received by the association. All amounts due and other employer obligations not remitted may be certified to the commissioner of management and budget who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit.

Subd. 4a. **Member data reporting requirements.** (a) An employing unit must provide the member data specified in paragraph (b) in a format prescribed by the executive director. Data changes and the dates of those changes under this subdivision must be reported to the association in a format prescribed by the executive director on an ongoing basis within 14 calendar days after the date of the end of the payroll cycle in which they occur. These data changes must be reported with the payroll cycle data under subdivision 4b.

(b) Data on the member includes:

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

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

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

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

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

(6) leaves of absence;

(7) county district number assigned by the association for the employing unit;

(8) data center identification number, if applicable;

(9) gender;

(10) position code; and

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

Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide the following data to the association for payroll payments on an ongoing basis within 14 calendar days after the date of the payroll payment in a format prescribed by the executive director:

(1) association member number;

(2) employer-assigned employee number;

(3) Social Security number;

(4) amount of each salary deduction;

(5) amount of salary as defined in section 354.05, subdivision 35, from which each deduction was made;

(6) reason for payment;

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

(8) fiscal year of salary earnings;

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

(10) reemployed annuitant salary under section 354.44, subdivision 5; and

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

Subd. 4c. **MnSCU service credit reporting.** For all part-time service rendered, the service credit reporting requirement in subdivision 4b for all part-time employees of the Minnesota State Colleges and Universities system must be met by the Minnesota State Colleges and Universities system reporting to the association on or before July 31 of each year the final calculation of each part-time member's service credit for the immediately preceding fiscal year based on the employee's assignments for the fiscal year.

Subd. 4d. **Annual base salary reporting.** An employing unit must provide annual base salary data, as defined in section 354.05, subdivision 41, to the association on or before June 30 of each fiscal year.

Subd. 5. **Liability for moneys.** The commissioner of management and budget, the several county treasurers, and the treasurers of the various school districts and institutions to which the provisions of this chapter apply shall be officially liable for the receipt, handling, and disbursement of all moneys coming into their hands belonging to the fund and the sureties on the official bonds of each of these treasurers and the commissioner of management and budget shall be liable for such moneys the same as for all other moneys belonging to the school funds of this state.

Subd. 6. **Noncompliance consequences.** (a) An employing unit that does not comply with the reporting requirements under subdivision 2a, 4a, 4b, or 4d, must pay a fine of $5 per calendar day until the association receives the required data.

(b) If the annual base salary required to be reported under subdivision 4d has not been settled or determined as of June 16, the fine commences if the annual base salary has not been reported to the association within 14 days following the settlement date.

History: *Ex1957 c 16 s 16; 1963 c 584 s 1; 1965 c 447 s 1,2; 1969 c 485 s 27; 1974 c 289 s 43-45; 1981 c 160 s 12; 1981 c 224 s 119-121; 1983 c 148 s 4; 1986 c 444; 1990 c 570 art 12 s 40; 1991 c 340 s 28,29; 1992 c 598 art 3 s 6; 1994 c 528 art 3 s 25-30; 1995 c 141 art 3 s 11; 2000 c 461 art 3 s 39-42; 1Sp2001 c 10 art 3 s 18; 2003 c 112 art 2 s 42; 2004 c 267 art 6 s 2-4; 2009 c 101 art 2 s 109; 2009 c 169 art 4 s 29,30; 2010 c 359 art 7 s 4-6; 2015 c 68 art 13 s 38; 2018 c 211 art 6 s 27; art 11 s 12,13; 1Sp2019 c 10 art 3 s 40*

354.53 CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.

Subdivision 1. **Eligibility; employee and employer contributions.** (a) Any teacher who is absent from employment by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), and who returns to the employer providing teaching service upon discharge from service in the uniformed service within the time frames required in United States Code, title 38, section 4312(e), may obtain service credit for the period of the uniformed service as further specified in this section, provided

that the teacher did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(b) The member may obtain credit by paying into the fund an equivalent employee contribution based upon the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the teacher would have received if the teacher had continued to provide teaching service to the employer rather than provide uniformed service or if the determination of that rate is not reasonably certain, the annual salary rate is the teacher's average salary rate during the 12-month period immediately preceding the period, or, if the preceding period is less than 12 months, the annualized rate derived from the teacher's average salary rate during the period of teacher employment rendered immediately preceding the period of the uniformed service.

(c) The equivalent employer contribution and, if applicable, the equivalent additional contribution provided in section 354.42 must be paid by the employing unit as provided in section 354.52, subdivision 4, using the employer and employer additional contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent employee contribution.

Subd. 2. **Calculation of credit.** (a) For purposes of computing a money purchase annuity under section 354.44, subdivision 2, all payments into the fund under this section must be considered accumulations after July 1, 1957.

(b) For purposes of computing a formula annuity under section 354.44, subdivision 6, if the employee equivalent contributions provided in this section are not paid in full, the member's formula service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total employee contribution received by the total employee contribution otherwise required under this section.

Subd. 3. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the Teachers Retirement Association during the period which begins with the date on which the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

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

Subd. 4. **Limits on service credit.** The amount of service credit obtainable under this section may not exceed five years, unless a longer purchase period is required under United States Code, title 38, section 4312.

Subd. 5. **Interest requirements.** The employer shall pay interest on all equivalent employee and employer contribution amounts payable under this section at the applicable annual rate or rates specified in section 356.59, subdivision 4, compounded annually, from the end of each fiscal year of the leave or the break in service to the end of the month in which the payment is received.

History: *Ex1957 c 16 s 17; Ex1959 c 50 s 20; 1965 c 821 s 13; 1967 c 834 s 7; 1971 c 40 s 27; 1973 c 270 s 12; 1974 c 289 s 46; 1975 c 306 s 23; 1977 c 67 s 11; 1977 c 97 s 4; 1981 c 224 s 122,123; 1Sp1985 c 12 art 11 s 8; 1992 c 598 art 3 s 7; 1996 c 305 art 1 s 81; 1997 c 233 art 1 s 53; 1999 c 222 art 16 s 17; 2004 c 267 art 3 s 6; 2018 c 211 art 6 s 28; 2023 c 47 art 8 s 1*

354.531 [Repealed, 1989 c 319 art 2 s 28]

354.532 [Repealed, 1989 c 319 art 2 s 28]

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

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

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

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

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

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

354.539 MS 2002 [Expired]

354.54 [Repealed, 1974 c 289 s 59]

354.541 MS 2002 [Repealed, 1Sp2003 c 12 art 6 s 7]

354.542 MS 2002 [Expired]

354.543 PRIOR OR UNCREDITED MILITARY SERVICE CREDIT PURCHASE.

Subdivision 1. **Service credit purchase authorized.** (a) If paragraph (b) does not apply, a teacher who has at least three years of allowable service credit with the Teachers Retirement Association and who performed service in the United States armed forces before becoming a teacher as defined in section 354.05, subdivision 2, or who failed to obtain service credit for a military leave of absence under the provisions of section 354.53, is entitled to purchase allowable and formula service credit for the initial period of enlistment, induction, or call to active duty without any voluntary extension by making payment under section 356.551.

(b) A service credit purchase is prohibited if:

(1) the teacher separated from service with the United States armed forces with a dishonorable or bad conduct discharge or under other than honorable conditions; or

(2) the teacher has purchased or otherwise received service credit from any Minnesota defined benefit public employee pension plan, other than a volunteer fire plan, for the same period of service.

Subd. 2. **Application and documentation.** A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

Subd. 3. **Service credit grant.** Allowable and formula service credit for the purchase period must be granted by the Teachers Retirement Association to the purchasing teacher upon receipt of the purchase

payment amount. Payment must be made before the teacher's termination of teaching service. Purchasing allowable and formula service credit under this section does not change the date the teacher first became a member of the association for the purpose of computing an annuity under section 354.44, subdivision 6.

History: *2009 c 169 art 4 s 31; 2020 c 108 art 8 s 7*

354.544 SERVICE CREDIT PURCHASE FOR TEACHING SERVICE IN OTHER STATES.

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

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

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

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

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

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

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

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

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

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

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

Subd. 3. **Grant of service credit.** The Teachers Retirement Association must grant allowable service credit to the teacher making the purchase for the period being purchased upon receipt of the purchase payment amount. Payment must be made by the earlier of the teacher's termination of teaching service or one year after the executive director's approval of the teacher's application to purchase service credit. Purchasing allowable service credit under this section does not change the date the teacher first became a member of the association for the purpose of computing an annuity under section 354.44, subdivision 6.

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

History: *2022 c 65 art 8 s 1*

354.55 OPTIONS TO CERTAIN MEMBERS.

Subdivision 1. [Repealed, 1974 c 289 s 59]

Subd. 2. [Repealed, 2008 c 349 art 5 s 37]

Subd. 3. [Repealed, 2008 c 349 art 5 s 37]

Subd. 4. [Repealed, 1974 c 289 s 59]

Subd. 5. [Repealed, 1989 c 319 art 2 s 28]

Subd. 6. [Repealed, 2008 c 349 art 5 s 37]

Subd. 7. [Repealed, 1974 c 289 s 59]

Subd. 8. [Repealed, 1974 c 289 s 59]

Subd. 9. [Repealed, 1974 c 289 s 59]

Subd. 10. MS 2018 [Repealed, 2020 c 108 art 8 s 9]

Subd. 11. **Deferred annuity; augmentation.** (a) Any person covered under section 354.44, subdivision 6, who ceases to render teaching service, may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement.

(b) The deferred retirement annuity of any former member must be augmented from the first day of the month following the termination of active service to the effective date of retirement.

(c) No augmentation is creditable if the deferral period is less than three months or if deferral commenced before July 1, 1971.

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

(1) five percent until January 1, 1981;

(2) three percent from January 1, 1981, until January 1 of the year following the year in which the deferred annuitant attains age 55 or June 30, 2012, whichever is earlier;

(3) five percent from the date established in clause (2) until June 30, 2012;

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

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

(e) For persons who become covered employees after June 30, 2006, the annuity must be augmented at the following rate or rates, compounded annually:

(1) 2.5 percent until June 30, 2012;

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

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

(f) In no case may the annuity payable under this subdivision be less than the amount of annuity payable under section 354.44, subdivision 6.

(g) The requirements and provisions for retirement before normal retirement age contained in section 354.44, subdivision 6, also apply to an employee fulfilling the requirements with a combination of service as provided in section 356.311.

(h) The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

(i) The augmentation provided by this subdivision does not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

(j) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former teacher who terminated service before July 1, 1997, which is not first payable until after June 30, 1997, must be increased on an actuarial equivalent basis to reflect the change in the investment return actuarial assumption under section 356.215, subdivision 8, from five percent to six percent under a calculation procedure and tables adopted by the board as recommended by an approved actuary and approved by the actuary retained under section 356.214.

Subd. 12. [Repealed, 2008 c 349 art 5 s 37]

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

Subd. 14. [Repealed, 2009 c 169 art 1 s 77; art 4 s 51]

Subd. 15. [Repealed, 2008 c 349 art 5 s 37]

Subd. 16. [Repealed, 2015 c 68 art 13 s 65]

Subd. 17. **Post-1973 retirements.** Teachers who retire after June 30, 1973 and who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, subdivision 1, clause (1) and subdivision 2, clause (1) shall have their annuity at retirement computed under section 354.44, subdivision 2 or 6, whichever is larger.

Subd. 18. **1972-1973 retirements; no election.** (1) Teachers who retired after June 30, 1972 and before July 1, 1973 who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, subdivision 1, clause (1) shall have their annuity recomputed under the law in effect on June 30, 1973 under the provisions of either Minnesota Statutes 1971, section 354.33, subdivision 1 or 7, whichever is larger.

(2) Teachers who retired after June 30, 1972 and before July 1, 1973 and who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, subdivision 2, clause (1) shall have their annuity recomputed under the law in effect on June 30, 1973 under the provisions of either section 354.44, subdivision 2 or 6, whichever is larger.

Subd. 19. [Repealed, 2015 c 68 art 13 s 65]

History: *Ex1957 c 16 s 20; Ex1959 c 50 s 21,22; 1965 c 644 s 1; 1967 c 654 s 1; 1967 c 715 s 1; 1969 c 399 s 1; 1969 c 485 s 28; 1971 c 40 s 28-31; 1971 c 87 s 1; 1971 c 88 s 1; 1973 c 270 s 13; 1973 c 728 s 23-25,27; 1974 c 289 s 47-53; 1975 c 306 s 24-27; 1977 c 97 s 5-7; 1978 c 796 s 43; 1980 c 607 art 14 s 45 subd 2; 1980 c 614 s 142; 1981 c 224 s 124; 1Sp1985 c 7 s 23; 1986 c 444; 1986 c 458 s 18; 1987 c 259 s 40-42; 1987 c 284 art 6 s 10; 1989 c 319 art 13 s 69; 1990 c 570 art 12 s 41,42; 1995 c 141 art 3 s 20; 1996 c 305 art 1 s 82,83; 1997 c 233 art 1 s 54; 2002 c 392 art 11 s 52; 2006 c 271 art 3 s 47; 2006 c 277 art 2 s 7; 2009 c 169 art 1 s 67; art 4 s 32; 2010 c 359 art 1 s 56; 2015 c 68 art 13 s 39; 2018 c 211 art 3 s 3; 1Sp2019 c 8 art 8 s 23*

354.56 [Repealed, 1989 c 319 art 2 s 28]

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

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

354.581 [Repealed, 1974 c 289 s 59]

354.59 [Repealed, 1Sp2005 c 8 art 10 s 81]

354.60 MS 2016 [Repealed, 2018 c 211 art 3 s 4]

354.61 [Repealed, 2Sp1981 c 1 s 8]

354.62 [Repealed, 1990 c 570 art 12 s 64]

354.621 [Repealed, 1Sp1985 c 7 s 36]

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

354.64 EFFECT OF RECORDS.

The records of the Teachers Retirement Association as determined to be correct by the board of trustees shall govern rights, benefits, and status of each member, former member, or annuitant of the association.

History: *1969 c 485 s 35*

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

354.66 QUALIFIED PART-TIME TEACHERS; MEMBERSHIP IN ASSOCIATION.

Subdivision 1. **Teachers, defined.** As used in this section, the term "teachers" shall have the meaning given it in section 122A.15, subdivision 1, except that the term shall not include superintendents. The term shall also have the meaning given it in section 136F.43, subdivision 1.

Subd. 1a. **Board, defined.** For purposes of this section, the term "board" means a school district board and the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 1b. **District, defined.** For purposes of this section, the term "district" means a school district or the Minnesota State Colleges and Universities system.

Subd. 1c. **Participation.** (a) Except as indicated in paragraph (b), participation in the part-time mobility program must be based on a full fiscal year and the employment pattern of the teacher during the most recent fiscal year.

(b) For a teacher in the Minnesota State Colleges and Universities system who teaches only during the first semester in an academic year and retires immediately after the first semester, participation in the part-time mobility program must be based on one-half of a full fiscal year and the employment pattern of the teacher during the most recent one-half of the most recent fiscal year.

Subd. 2. **Qualified part-time teacher program participation requirements.** (a) A teacher in a Minnesota public elementary school, a Minnesota secondary school, or the Minnesota State Colleges and Universities system who has three years or more of allowable service in the association or three years or more of full-time teaching service in Minnesota public elementary schools, Minnesota secondary schools, or the Minnesota State Colleges and Universities system, by agreement with the board of the employing

district or with the authorized representative of the board, may be assigned to teaching service in a part-time teaching position under subdivision 3. The agreement must be executed before October 1 of the school year for which the teacher has been assigned to teaching service in a part-time teaching position under this section. A copy of the executed agreement must be filed with the executive director of the association. If the copy of the executed agreement is filed with the association after October 1 of the school year for which the teacher has been assigned to teaching service in a part-time teaching position, the employing unit shall pay the fine specified in section 354.52, subdivision 6, for each calendar day that elapsed since the October 1 due date, unless the association waives the fine. The association may not accept an executed agreement that is received by the association more than 15 months late.

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

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

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

Subd. 3. **Part-time teaching position, defined.** (a) For purposes of this section, the term "part-time teaching position" means a teaching position within the district in which the teacher is compensated for an amount of at least 30 percent, but not exceeding 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit.

(b) For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time teaching position" means a teaching position within the district in which the teacher is compensated for an amount of at least 15 percent, but not exceeding 40 percent of the compensation established by the board for a full-time teacher, with identical education and experience with the employing unit.

Subd. 4. **Retirement contributions.** Notwithstanding any provision to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position under this section shall continue to make employee contributions to and to accrue allowable service credit in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, prior to June 30 each year, or within 30 days after notification by the association of the amount due, whichever is later, the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the retirement fund on behalf of the teacher that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

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

Subd. 5. **Other membership precluded.** A teacher entitled to full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in or make employee contributions to any other Minnesota public employee pension plan, except the plan established in chapter 3A, the plan

established in chapter 352D if the teacher also is a legislator, or a firefighter relief association governed by sections 424A.091 to 424A.096.

Subd. 6. **Insurance.** A board of an employing district entering into an agreement authorized by this section shall take all steps necessary to assure continuance of any insurance programs furnished or authorized a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section, provided, however, that the requirements of this sentence may be modified by a collective bargaining agreement between a board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section shall be eligible for state paid insurance benefits as if the teachers were employed full time.

Subd. 7. **Eligibility for credit.** Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section shall qualify for full accrual of service credit from, and employee contributions to the retirement fund for part-time teaching service pursuant to subdivision 4. Notwithstanding the provisions of section 179A.03, subdivision 14, paragraph (a), clauses (5) and (6), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part-time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Subd. 8. **Restrictions on accrual.** No teacher shall qualify for full accrual of service credit from and employee contributions to the retirement association or a teachers retirement fund association for part-time teaching service pursuant to subdivision 4 or section 354A.094, subdivision 4, in more than one district at the same time. No teacher shall qualify for full accrual of service credit from and employee contributions to the retirement association or a teachers retirement fund association for part-time teaching service during part-time employment in a district pursuant to this section in any year when the teacher also takes a full-time or part-time teaching position in another Minnesota school district.

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

Subd. 10. **Board power not restricted.** Nothing in this section shall be construed to limit the authority of a board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section.

Subd. 11. **Substitute teaching.** Neither subdivision 5 nor 8 shall be construed to prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section or section 354A.094.

History: *1977 c 447 art 9 s 4; 1978 c 764 s 118,119; 1979 c 334 art 8 s 16-19; 1980 c 454 s 6-13; 1980 c 618 s 5; 1981 c 224 s 129; 1981 c 358 art 8 s 13; 1982 c 548 art 4 s 15; 1982 c 578 art 3 s 5; 1983 c 314 art 10 s 9-11; 1984 c 462 s 27; 1Sp1985 c 12 art 6 s 19; art 11 s 9; 1986 c 444; 1987 c 258 s 12; 1987 c 384 art 2 s 1; 1989 c 246 s 2; 1989 c 319 art 9 s 22; art 18 s 3; 1990 c 426 art 1 s 44; 1990 c 570 art 12 s 44; 1994 c 521 s 1,2; 1994 c 528 art 3 s 31-33; 1994 c 572 s 6; 1995 c 141 art 3 s 20; 1995 c 262 art 1 s 5; 1996 c 305 art 1 s 85,86; 1997 c 7 art 1 s 131; 1997 c 183 art 3 s 38; 1998 c 397 art 11 s 3; 1998 c 390 art 3 s 1,2; 1999 c 222 art 8 s 1; art 19 s 5-7; 2000 c 260 s 97; 2004 c 267 art 4 s 1; 2009 c 169 art 11 s 1;*

2010 c 359 art 7 s 7; 2013 c 111 art 5 s 80; 2018 c 211 art 11 s 14; 2024 c 102 art 2 s 31; 2026 c 106 art 15 s 26

354.69 INFORMATION SUPPLIED BY DISTRICT.

Each school district covered by the provisions of this chapter and the Minnesota State Colleges and Universities system shall furnish to the Teachers Retirement Association all information and reports deemed necessary by the executive director to administer the provisions of section 354.66.

History: *1977 c 447 art 9 s 5; 1980 c 454 s 14; 1981 c 224 s 130; 1Sp2001 c 1 art 2 s 23*

354.70 CONSOLIDATION OF MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION.

Subdivision 1. **Membership transfer.** All active, inactive, and retired members of the Minneapolis Teachers Retirement Fund Association are transferred to the Teachers Retirement Association and are no longer members of the Minneapolis Teachers Retirement Fund Association as of July 1, 2006.

Subd. 2. **Teachers Retirement Association membership.** A person first hired as a teacher by Special School District No. 1, Minneapolis, after June 30, 2006, and who is a teacher as defined in section 354.05, subdivision 2, is a member of the Teachers Retirement Association for the person's teaching service.

Subd. 3. **Service credit and liability transfer.** All allowable service and salary credit of the members and other individuals transferred under subdivision 1 as specified in the records of the Minneapolis Teachers Retirement Fund Association on the transfer date is allowable service credit under section 354.05, subdivision 13, formula service credit under section 354.05, subdivision 25, and salary credit under section 354.05, subdivision 35, for the Teachers Retirement Association.

Subd. 4. **Transfer of records.** On or before June 30, 2006, the chief administrative officer of the Minneapolis Teachers Retirement Fund Association shall transfer all records and documents relating to the funds and the benefit plans of the association to the executive director of the Teachers Retirement Association. To the extent possible, original copies of all records and documents must be transferred.

Subd. 5. **Transfer of assets.** (a) On or before June 30, 2006, the chief administrative officer of the Minneapolis Teachers Retirement Fund Association shall transfer to the Teachers Retirement Association the entire assets of the special retirement fund of the Minneapolis Teachers Retirement Fund Association. The transfer of the assets of the Minneapolis Teachers Retirement Fund Association special retirement fund must include any accounts receivable that are determined by the executive director of the State Board of Investment as reasonably capable of being collected. Legal title to account receivables that are determined by the executive director of the State Board of Investment as not reasonably capable of being collected transfers to Special School District No. 1, Minneapolis, as of the date of the determination of the executive director of the State Board of Investment. If the account receivables transferred to Special School District No. 1, Minneapolis, are subsequently recovered by the school district, the superintendent of Special School District No. 1, Minneapolis, shall transfer the recovered amount to the executive director of the Teachers Retirement Association, in cash, for deposit in the teachers retirement fund, less the reasonable expenses of the school district related to the recovery.

(b) As of June 30, 2006, assets of the special retirement fund of the Minneapolis Teachers Retirement Fund Association are assets of the Teachers Retirement Association to be invested by the State Board of Investment pursuant to the provisions of section 354.07, subdivision 4. The Teachers Retirement Association is the successor in interest to all claims which the Minneapolis Teachers Retirement Fund Association may have or may assert against any person and is the successor in interest to all claims which could have been

asserted against the former Minneapolis Teachers Retirement Fund Association, subject to the following exceptions and qualifications:

(1) the Teachers Retirement Association is not liable for any claim against the Minneapolis Teachers Retirement Fund Association, its former board or board members, which is founded upon a claim of breach of fiduciary duty, where the act or acts constituting the claimed breach were not done in good faith;

(2) the Teachers Retirement Association may assert any applicable defense to any claim in any judicial or administrative proceeding that the former Minneapolis Teachers Retirement Fund Association or its board would otherwise have been entitled to assert;

(3) the Teachers Retirement Association may assert any applicable defense that the Teachers Retirement Association may assert in its capacity as a statewide agency; and

(4) the Teachers Retirement Association shall indemnify any former fiduciary of the Minneapolis Teachers Retirement Fund Association consistent with the provisions of the Public Pension Fiduciary Responsibility Act, in section 356A.11.

(c) From the assets of the former Minneapolis Teachers Retirement Fund Association transferred to the Teachers Retirement Association, an amount equal to the percentage figure that represents the ratio between the market value of the Minnesota postretirement investment fund as of June 30, 2006, and the required reserves of the Minnesota postretirement investment fund as of June 30, 2006, applied to the present value of future benefits payable to annuitants of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, including any postretirement adjustment from the Minnesota postretirement investment fund expected to be payable on January 1, 2007, must be transferred to the Minnesota postretirement investment fund. The executive director of the State Board of Investment shall estimate this ratio at the time of the transfer. By January 1, 2007, after all necessary financial information becomes available to determine the actual funded ratio of the Minnesota postretirement investment fund, the postretirement investment fund must refund to the Teachers Retirement Association any excess assets or the Teachers Retirement Association must contribute any deficiency to the Minnesota postretirement investment fund with interest under Minnesota Statutes 2008, section 11A.18, subdivision 6. The balance of the assets of the former Minneapolis Teachers Retirement Fund Association after the transfer to the Minnesota postretirement investment fund must be credited to the Teachers Retirement Association.

(d) If the assets transferred by the Minneapolis Teachers Retirement Fund Association to the Teachers Retirement Association are insufficient to meet its obligation to the Minnesota postretirement investment fund, additional assets must be transferred by the executive director of the Teachers Retirement Association to meet the amount required.

Subd. 6. **Benefit calculation.** (a) For every deferred, inactive, disabled, and retired member of the Minneapolis Teachers Retirement Fund Association transferred under subdivision 1, and the survivors of these members, annuities or benefits earned before the date of the transfer, other than future postretirement adjustments, must be calculated and paid by the Teachers Retirement Association under the laws, articles of incorporation, and bylaws of the former Minneapolis Teachers Retirement Fund Association that were in effect relative to the person on the date of the person's termination of active service covered by the former Minneapolis Teachers Retirement Fund Association.

(b) Former Minneapolis Teachers Retirement Fund Association members who retired before July 1, 2006, must receive postretirement adjustments after December 31, 2006, only as provided in Minnesota Statutes 2008, section 11A.18 or section 356.415. All other benefit recipients of the former Minneapolis

Teachers Retirement Fund Association must receive postretirement adjustments after December 31, 2006, only as provided in section 356.415.

(c) This consolidation does not impair or diminish benefits for an active, deferred, or retired member or a survivor of an active, deferred, or retired member under the former Minneapolis Teachers Retirement Fund Association in existence at the time of the consolidation, except that any future guaranteed or investment-related postretirement adjustments must be paid after July 1, 2006, in accordance with paragraph (b), and all benefits based on service on or after July 1, 2006, must be determined only by laws governing the Teachers Retirement Association.

Subd. 7. **Termination of Minneapolis Teachers Retirement Fund Association special retirement fund.** (a) As of June 30, 2006, the Minneapolis Teachers Retirement Fund Association ceases to exist.

(b) Contracts, records, and obligations of the Minneapolis Teachers Retirement Fund Association special retirement fund existing at the time of consolidation with the Teachers Retirement Association are transferred to the Teachers Retirement Association pursuant to the provisions of section 15.039, subdivisions 5 and 5a, except that contracts, records, and obligations of the Minneapolis Teachers Retirement Fund Association special retirement fund related to investment and safekeeping of assets are transferred to the State Board of Investment pursuant to the provisions of section 15.039, subdivisions 5 and 5a. The State Board of Investment has the authority to pay the investment-related liabilities and obligations from the assets transferred from the Minneapolis Teachers Retirement Fund Association incurred by the Teachers Retirement Association. The audit or examination of the Minneapolis Teachers Retirement Fund Association for year-end June 30, 2006, must be performed by either the state auditor or the legislative auditor under an agreement with the Teachers Retirement Association. The costs of the audit or examination must be paid by the Teachers Retirement Association. Between May 27, 2006, and June 30, 2006, the Minneapolis Teachers Retirement Fund Association cannot incur a new or additional enforceable contractual liability or obligation without approval of the Teachers Retirement Association.

History: *2006 c 277 art 3 s 9; 2009 c 169 art 1 s 68,69*

354.71 [Repealed, 2015 c 68 art 14 s 30]

354.72 AUTHORIZED LEAVE OF ABSENCE AND STRIKE PERIOD SERVICE CREDIT PURCHASE PROCEDURE.

Subdivision 1. **Application.** This section applies to any strike period under section 354.05, subdivision 13, clause (6), and to any period of authorized leave of absence under sections 354.093, 354.094, 354.095, and 354.096 for which the teacher obtains credit for allowable service by making payment as specified in this section to the Teachers Retirement Association fund. Each year of an extended leave of absence under section 354.094 is considered to be a separate leave for purposes of this section.

Subd. 2. **Purchase procedure.** (a) A teacher may purchase credit for allowable and formula service in the plan for a period specified in subdivision 1 if the teacher makes a payment as specified in paragraph (b), (c), or (d), whichever applies. The employing unit, at its option, may pay the employer portion of the amount on behalf of its employees.

(b) If payment is received by the executive director by June 30 of the fiscal year of the strike period or by December 31 of the fiscal year following an authorized leave included under section 354.093, 354.095, or 354.096, payment must equal the total employee and employer contribution rates, including amortization contribution rates if applicable, multiplied by the member's average monthly salary rate on the date the leave or strike period commenced, multiplied by the months and portions of a month of the leave or strike period

for which the teacher seeks allowable service credit. This paragraph also applies to an extended leave under section 354.094, except that payment must be received by June 30 of the year of the leave, and the salary used in the computation is the salary received during the year immediately preceding the initial year of the leave.

(c) If payment is made after June 30 and before the following June 30 for a strike period, or after December 31 of the fiscal year following a leave of absence under section 354.093, 354.095, or 354.096, and before July 1, the payment must include the amount determined in paragraph (b) plus compound interest at the applicable monthly rate or rates specified in section 356.59, subdivision 4, from June 30 for a strike period, or from December 31 for a leave under section 354.093, 354.095, or 354.096, until the last day of the month in which payment is received. If payment is made on or after July 1 and before the following July 1 for an extended leave of absence under section 354.094, the payment must include the amount determined in paragraph (b) plus compound interest at the applicable monthly rate or rates specified in section 356.59, subdivision 4, from June 30 until the last day of the month in which payment is received.

(d) If payment is received by the executive director after the applicable last permitted date under paragraph (c), the payment amount is the amount determined under section 356.551. Notwithstanding payment deadlines specified in section 356.551, payment under this section may be made anytime before the effective date of retirement.

History: *2007 c 134 art 2 s 41; 2008 c 349 art 5 s 30; 2015 c 68 art 12 s 36; art 13 s 64; 2018 c 211 art 6 s 29; art 11 s 15*

354.73 RETIREMENT COVERAGE RELATED TO THE FORMER DULUTH TEACHERS RETIREMENT FUND ASSOCIATION.

Subdivision 1. **Application.** This section applies to the retirement coverage of members of the former Duluth Teachers Retirement Fund Association transferred to the Teachers Retirement Association by Laws 2014, chapter 296, article 6, section 46.

Subd. 2. **Teachers Retirement Association as successor in interest.** The Teachers Retirement Association is the successor in interest to all claims which the former Duluth Teachers Retirement Fund Association may have or may have been able to assert against any person on June 30, 2015, and is the successor in interest to all claims which could have been asserted against the former Duluth Teachers Retirement Fund Association, subject to the following:

(1) the Teachers Retirement Association is not liable for any claim against the Duluth Teachers Retirement Fund Association, its former board or board members, which is founded upon a claim of breach of fiduciary duty, where the act or acts constituting the claimed breach were not done in good faith;

(2) the Teachers Retirement Association may assert any applicable defense to any claim in any judicial or administrative proceeding that the former Duluth Teachers Retirement Fund Association or its board would otherwise have been entitled to assert;

(3) the Teachers Retirement Association may assert any applicable defense that it may assert in its capacity as a statewide agency; and

(4) the Teachers Retirement Association shall indemnify any former fiduciary of the Duluth Teachers Retirement Fund Association consistent with section 356A.11.

Subd. 3. **Benefit calculation.** (a) For every deferred, inactive, disabled, and retired member of the Duluth Teachers Retirement Fund Association transferred under subdivision 1, and the survivors of these members,

annuities or benefits earned before July 1, 2015, other than future postretirement adjustments, must be calculated and paid by the Teachers Retirement Association under the laws, articles of incorporation, and bylaws of the former Duluth Teachers Retirement Fund Association that were in effect relative to the person on the date of the person's termination of active service covered by the former Duluth Teachers Retirement Fund Association.

(b) Former Duluth Teachers Retirement Fund Association members who retired before July 1, 2015, must receive postretirement adjustments after January 1, 2015, only as provided in section 356.415. All other benefit recipients of the former Duluth Teachers Retirement Fund Association must receive postretirement adjustments after December 31, 2015, only as provided in section 356.415.

(c) This consolidation does not impair or diminish benefits for an active, deferred, or retired member or a survivor of an active, deferred, or retired member under the former Duluth Teachers Retirement Fund Association in existence at the time of the consolidation, except that any future postretirement adjustments must be paid after July 1, 2015, in accordance with paragraph (b), and all benefits based on service on or after July 1, 2015, must be determined only by laws governing the Teachers Retirement Association.

History: *2014 c 296 art 6 s 10,49*