

**LCPR23-033:
St. Paul Teachers Retirement Fund Association;
Permits retirees to elect a joint and survivor annuity
for a same-sex spouse**

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Introduction

- Affected Plan:** St. Paul Teachers Retirement Fund Association (St. Paul Teachers)
- Laws Amended:** New Section 354A.25
- Brief Description:** The bill authorizes retirees to change their annuity to a joint and survivor annuity for a same-sex spouse if the retiree had not been permitted to do so when same-sex marriage was not recognized under state law.

Background

Effective August 1, 2013, the legal definition of marriage under Minnesota was made gender neutral. Before August 1, 2013, members of St. Paul Teachers were not able to elect a joint and survivor annuity and designate a same-sex spouse as the survivor. A constituent who is a basic member of St. Paul Teachers has requested a change in the law governing the plan to allow her to change her single life annuity to a joint and survivor annuity and designate her same-sex spouse as the survivor. Changing the law will permit the constituent and other similarly situated retirees to make this change to the form of annuity and designate a same-sex spouse.

The law change is needed to allow members who have retired and are receiving a retirement annuity to change the form of annuity. Current law permits a same-sex spouse to be designated as the survivor, but not to change the form of annuity after payment has begun.

Summary

The bill will add new section 354A.25 to Chapter 354A, which governs St. Paul Teachers.

Subdivision 1 authorizes an “eligible person” to amend the person’s benefit election to change the form of annuity to a joint and survivor annuity and designate a same-sex spouse, if the person had not been able to do so at the time of retirement when the election was made.

Subdivision 2 defines “eligible person” and “same-sex spouse.” “Eligible person” is defined as a person who is a basic plan member or a coordinated plan member, retired before August 1, 2013, is receiving an annuity, and had a same-sex spouse at retirement and currently.

“Same-sex spouse” is a spouse who satisfies the eligibility requirements to receive a spousal benefit. Before August 1, 2013, a same-sex spouse was an individual in a relationship with the eligible person that would have been recognized as the eligible person’s spouse had same-sex marriage been legal under state law.

Subdivision 3 permits the eligible person to file an amended benefit election to change the form of annuity to a joint and survivor annuity that will pay the survivor annuity for the life of a same-sex spouse.

Subdivision 4 applies only to members of the coordinated plan. Subdivision 4 states that the executive director of St. Paul Teachers will recalculate the annuity as a joint and survivor annuity and determine the amount that has been overpaid by the plan since the start of the single life annuity. A joint and survivor annuity under the coordinated plan pays a smaller monthly amount than a single life annuity to take into account the cost of the survivor benefit. The overpayments will be recovered from future payments to the eligible person.

Under the basic plan, the annuity produces the same monthly payment, whether it is a single life annuity or a joint and survivor annuity so there would have been no overpayment to the eligible person under the single life form of annuity.

Effective date. The effective date is the day following final enactment.