

1.1 moves to amend H.F. No. 5040; S.F. No. 4643, the delete everything
1.2 amendment (H5040-DE1), as follows:

1.3 Page ..., after line ..., insert:

1.4 **"ARTICLE ...**
1.5 **CHANGES TO EXECUTIVE DIRECTOR QUALIFICATIONS AND**
1.6 **COMPENSATION**

1.7 Section 1. Minnesota Statutes 2022, section 352.03, subdivision 5, is amended to read:

1.8 Subd. 5. **Executive director, deputy director, and assistant director.** (a) The board
1.9 shall appoint an executive director, in this chapter called the director, on the basis of
1.10 education, experience in the retirement field, ability to manage and lead system staff, and
1.11 ability to assist the board in setting a vision for the system. The director must have had at
1.12 least five years' experience in either an executive level management position or in a position
1.13 with responsibility for the governance, management, or administration of a retirement plan.

1.14 (b) The executive director, deputy director, and assistant director must be in the
1.15 unclassified service but appointees may be selected from civil service lists if desired.
1.16 Notwithstanding any law to the contrary, the board must set the salary of the executive
1.17 director. The board must set the salary of the executive director with reference to a salary
1.18 range in the managerial plan in effect under section 43A.18, subdivision 3. The board must
1.19 designate the salary range and the salary of the executive director, which must not exceed
1.20 the limit for a position listed in section 15A.0815, subdivision 2 maximum for the salary
1.21 range. The salary of the deputy director and assistant director must be set in accordance
1.22 with section 43A.18, subdivision 3.

2.1 Sec. 2. Minnesota Statutes 2022, section 353.03, subdivision 3a, is amended to read:

2.2 Subd. 3a. **Executive director.** (a) **Appointment.** The board ~~shall~~ must appoint an
2.3 executive director on the basis of education, experience in the retirement field, ability to
2.4 manage and lead system staff, and leadership ability to assist the board in setting a vision
2.5 for the system. The executive director must have had at least five ~~years'~~ years of experience
2.6 in either an executive level executive-level management position, ~~which has included~~
2.7 ~~responsibility for pensions, deferred compensation, or employee benefits~~ or in a position
2.8 with responsibility for the governance, management, or administration of a retirement plan.
2.9 The executive director serves at the pleasure of the board. Notwithstanding any law to the
2.10 contrary, the board must set the salary of the executive director. The board must set the
2.11 salary of the executive director with reference to a salary range in the managerial plan in
2.12 effect under section 43A.18, subdivision 3. The board must designate the salary range and
2.13 the salary of the executive director, which must not exceed the limit for a position listed in
2.14 ~~section 15A.0815, subdivision 2~~ maximum for the salary range.

2.15 (b) **Duties.** The management of the association is vested in the executive director who
2.16 shall be the executive and administrative head of the association. The executive director
2.17 shall act as adviser to the board on all matters pertaining to the association and shall also
2.18 act as the secretary of the board. The executive director shall:

2.19 (1) attend all meetings of the board;

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

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

2.24 (4) designate, with the approval of the board, up to two persons who may serve in the
2.25 unclassified service and whose salaries are set in accordance with section 43A.18, subdivision
2.26 3, appoint a confidential secretary in the unclassified service, and appoint employees to
2.27 carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are
2.28 executive branch employees;

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

3.1 (6) with the approval of the board, contract for the services of an approved actuary,
3.2 professional management services, and any other consulting services as necessary to fulfill
3.3 the purposes of this chapter. All contracts are subject to chapter 16C. The commissioner of
3.4 administration shall not approve, and the association shall not enter into, any contract to
3.5 provide lobbying services or legislative advocacy of any kind. Any approved actuary retained
3.6 by the executive director shall function as the actuarial advisor of the board and the executive
3.7 director. In addition to filing requirements under section 356.214, any supplemental actuarial
3.8 valuations or experience studies shall be filed with the executive director of the Legislative
3.9 Commission on Pensions and Retirement. Copies of professional management survey reports
3.10 shall be transmitted to the secretary of the senate, the chief clerk of the house of
3.11 representatives, and the Legislative Reference Library as provided by section 3.195, and to
3.12 the executive director of the commission at the same time as reports are furnished to the
3.13 board. Only management firms experienced in conducting management surveys of federal,
3.14 state, or local public retirement systems shall be qualified to contract with the director
3.15 hereunder;

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

3.18 (8) make refunds of accumulated contributions to former members and to the designated
3.19 beneficiary, surviving spouse, legal representative or next of kin of deceased members or
3.20 deceased former members, as provided in this chapter;

3.21 (9) determine the amount of the annuities and disability benefits of members covered
3.22 by the association and authorize payment of the annuities and benefits beginning as of the
3.23 dates on which the annuities and benefits begin to accrue, in accordance with the provisions
3.24 of this chapter;

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

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

3.29 (12) prepare and submit biennial and annual budgets to the board for its approval and
3.30 submit the approved budgets to the Department of Management and Budget for approval
3.31 by the commissioner;

3.32 (13) reduce all or part of the accrued interest payable under section 353.27, subdivisions
3.33 12, 12a, and 12b, or 353.28, subdivision 5, upon receipt of proof by the association of an
3.34 unreasonable processing delay or other extenuating circumstances of the employing unit;

4.1 and notwithstanding section 353.27, subdivision 7, may waive the payment of accrued
4.2 interest to the member if a credit has been taken by the employer to correct an employee
4.3 deduction taken in error and if the accrued interest is \$10 or less. The executive director
4.4 shall prescribe and submit for approval by the board the conditions under which such interest
4.5 may be reduced; and

4.6 (14) with the approval of the board, perform such other duties as may be required for
4.7 the administration of the association and the other provisions of this chapter and for the
4.8 transaction of its business.

4.9 Sec. 3. Minnesota Statutes 2023 Supplement, section 354.06, subdivision 2, is amended
4.10 to read:

4.11 Subd. 2. **President; executive director.** The board must annually elect one of its members
4.12 as president. It must elect an executive director. Notwithstanding any law to the contrary,
4.13 the board must set the salary of the executive director. The board must set the salary of the
4.14 executive director with reference to a salary range in the managerial plan in effect under
4.15 section 43A.18, subdivision 3. The board must designate the salary range and the salary of
4.16 the executive director, which must not exceed the limit for a position listed in section
4.17 15A.0815, subdivision 2 maximum for the salary range. The executive director ~~shall~~ must
4.18 serve at the pleasure of the board and be the executive officer of the board, with the duties
4.19 prescribed in subdivision 2a and any additional duties that the board may prescribe. The
4.20 board must employ all other clerks and employees necessary to properly administer the
4.21 association. The board must appoint an executive director on the basis of education,
4.22 experience in the retirement field, ability to manage and lead system staff, and ability to
4.23 assist the board in setting a vision for the system. The executive director must have had at
4.24 least five years of experience in either an executive-level management position or in a
4.25 position with responsibility for the governance, management, or administration of a retirement
4.26 plan.

4.27 Sec. 4. **EFFECTIVE DATE.**

4.28 Sections 1 to 3 are effective the day following final enactment.

5.1

ARTICLE ...

5.2

INTERNAL REVENUE CODE COMPLIANCE

5.3 Section 1. Minnesota Statutes 2022, section 356.611, subdivision 2, is amended to read:

5.4 Subd. 2. **Federal compensation limits.** (a) For members or participants of a covered
5.5 ~~pension retirement plan enumerated in section 356.30, subdivision 3, and of the plan~~
5.6 ~~established under chapter 353D listed in subdivision 6~~, compensation in excess of the
5.7 limitation specified in section 401(a)(17) of the Internal Revenue Code, as ~~amended~~ adjusted,
5.8 for changes in the cost of living under section 401(a)(17)(B) of the Internal Revenue Code,
5.9 ~~may~~ must not be included for contribution and benefit computation purposes.

5.10 (b) Notwithstanding paragraph (a), for members or participants specified in paragraph
5.11 (a) who first contributed to a plan specified in that paragraph before July 1, 1995, the annual
5.12 compensation limit specified in section 401(a)(17) of the Internal Revenue Code on June
5.13 30, 1993, applies if that provides a greater allowable annual compensation.

5.14 (c) To the extent required by sections 3401(h) and 414(u)(12) of the federal Internal
5.15 Revenue Code, an individual receiving a differential wage payment as defined in section
5.16 3401(h)(2) of the federal Internal Revenue Code from an employer shall be treated as
5.17 employed by that employer, and the differential wage payment will be treated as
5.18 compensation for purposes of applying the limits on annual additions under section 415(c)
5.19 of the federal Internal Revenue Code.

5.20 Sec. 2. Minnesota Statutes 2022, section 356.611, is amended by adding a subdivision to
5.21 read:

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

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

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

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

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

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

- 6.1 (6) the general employees retirement plan of the Public Employees Retirement
6.2 Association, established by chapter 353;
- 6.3 (7) the public employees police and fire retirement plan of the Public Employees
6.4 Retirement Association, established by chapter 353;
- 6.5 (8) the public employees defined contribution plan, established by chapter 353D;
- 6.6 (9) the local government correctional service retirement plan of the Public Employees
6.7 Retirement Association, established by chapter 353E;
- 6.8 (10) the statewide volunteer firefighter retirement plan, established by chapter 353G;
- 6.9 (11) the Teachers Retirement Association, established by chapter 354;
- 6.10 (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;
- 6.11 (13) the higher education individual retirement account plan, established by chapter
6.12 354B;
- 6.13 (14) the higher education supplemental retirement plan, established by chapter 354C;
- 6.14 (15) a retirement plan of a volunteer firefighter retirement association subject to chapter
6.15 424A;
- 6.16 (16) the judges retirement plan, established by chapter 490; or
- 6.17 (17) the Bloomington Fire Department Relief Association governed by Laws 2013,
6.18 chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws
6.19 1965, chapter 446, as amended.

6.20 **Sec. 3. [356.612] LIMITATION ON BENEFITS AND CONTRIBUTIONS.**

6.21 Subdivision 1. **Definitions.** The following definitions apply for purposes of this section.

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

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

6.28 (c) "Compensation" means the compensation actually paid or made available to a member
6.29 or participant for any limitation year, including all items of remuneration described in Code
6.30 of Federal Regulations, title 26, section 1.415(c)-2(b), and excluding all items of remuneration

7.1 described in Code of Federal Regulations, title 26, section 1.415(c)-2(c). Compensation for
7.2 pension plan purposes for any limitation year shall not exceed the applicable federal
7.3 compensation limit described in section 356.611, subdivision 2.

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

7.6 (e) "Maximum permissible benefit" means an annual benefit of \$160,000, automatically
7.7 adjusted under section 415(d) of the Internal Revenue Code for each limitation year ending
7.8 after December 31, 2001, payable in the form of a single life annuity. The new limitation
7.9 shall apply to limitation years ending with or within the calendar year of the date of the
7.10 adjustment, but a member's benefits shall not reflect the adjusted limit prior to January 1 of
7.11 that calendar year. The maximum permissible benefit amount shall be further adjusted as
7.12 follows:

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

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

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

7.30 (f) "Qualified participant" means a member of a defined benefit plan listed in section
7.31 356.611, subdivision 6, with respect to whom the period of service taken into account in
7.32 determining the amount of the benefit under such defined benefit plan includes at least 15
7.33 years of service of the member:

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

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

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

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

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

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

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

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

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

8.30 (1) 100 percent of the member's compensation for the limitation year; or

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

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

9.7 **Sec. 4. [356.614] LIMITATION ON USE OF FORFEITURES.**

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

9.13 Sec. 5. Minnesota Statutes 2022, section 356.62, is amended to read:

9.14 **356.62 PAYMENT OF EMPLOYEE CONTRIBUTION.**

9.15 Subdivision 1. **Definitions** (a) The definitions in this subdivision apply for the purposes
9.16 of this section.

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

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

9.21 (d) "Public pension or retirement plan" means a covered retirement plan listed in section
9.22 356.611, subdivision 6, or any other public retirement plan to which section 414(h)(2) of
9.23 the Internal Revenue Code applies.

9.24 Subd. 2. **Pick up of employee contributions.** (a) For purposes of any public pension
9.25 or retirement plan, as defined in section 356.63, paragraph (b), each employer shall pick up
9.26 the employee contributions required under law or under the pension plan document for all
9.27 salaries. If the United States Treasury Department rules that under section 414(h) of the
9.28 Internal Revenue Code of 1986, as amended through December 31, 1992, that these picked
9.29 up contributions are not includable in the employee's adjusted gross income until they are
9.30 distributed or made available, then these picked up contributions must be treated as employer
9.31 contributions in determining tax treatment under the Internal Revenue Code of 1986 and
9.32 the employer shall discontinue withholding federal income taxes on the amount of these

10.1 ~~contributions. The employer shall pay these picked up contributions from the same source~~
10.2 ~~of funds as is used to pay the salary of the employee.~~ The employer shall pick up these
10.3 employee contributions by a reduction in the cash salary of the employee.

10.4 (b) Employee contributions that are picked up must be treated for all purposes of the
10.5 public pension or retirement plan in the same manner and to the same extent as employee
10.6 contributions that were made before the date on which the employee contributions pick up
10.7 began. The amount of the employee contributions that are picked up must be included in
10.8 the salary upon which retirement coverage is credited and upon which retirement and
10.9 survivor's benefits are determined. ~~For purposes of this section, "employee" means any~~
10.10 ~~person covered by a public pension plan. For purposes of this section, "employee~~
10.11 ~~contributions" include any sums deducted from the employee's salary or wages or otherwise~~
10.12 ~~paid in lieu thereof, regardless of whether they are denominated contributions by the public~~
10.13 ~~pension plan.~~

10.14 (c) The employing unit shall supply each employee and the commissioner of revenue
10.15 with an information return indicating the amount of the employer's picked-up contributions
10.16 for the calendar year that were not subject to withholding. This return must be provided to
10.17 the employee not later than January 31 of the succeeding calendar year. The commissioner
10.18 of revenue shall prescribe the form of the return and the provisions of section 289A.12 must
10.19 apply to the extent not inconsistent with the provisions of this section.

10.20 Sec. 6. [356.633] DIRECT ROLLOVERS.

10.21 Subdivision 1. Definitions. The definitions in this subdivision apply for purposes of this
10.22 section.

10.23 (a). "Distributee" means:

10.24 (1) a participant in a covered retirement plan listed in section 356.611, subdivision 6;

10.25 (2) the surviving spouse of a participant;

10.26 (3) the former spouse of the participant who is the alternate payee under a qualified
10.27 domestic relations order as defined in section 414(p) of the federal Internal Revenue Code,
10.28 or who is a recipient of a court-ordered equitable distribution of marital property, as provided
10.29 in section 518.58; or

10.30 (4) a nonspousal beneficiary of a participant who qualifies for a distribution under the
10.31 plan and is a designated beneficiary as defined in section 401(a)(9)(E) of the federal Internal
10.32 Revenue Code.

11.1 (b) "Eligible retirement plan" means:

11.2 (1) an individual retirement account under section 408(a) or 408A of the federal Internal
11.3 Revenue Code;

11.4 (2) an individual retirement annuity plan under section 408(b) of the federal Internal
11.5 Revenue Code;

11.6 (3) an annuity plan under section 403(a) of the federal Internal Revenue Code;

11.7 (4) a qualified trust plan under section 401(a) of the federal Internal Revenue Code that
11.8 accepts the distributee's eligible rollover distribution;

11.9 (5) an annuity contract under section 403(b) of the federal Internal Revenue Code;

11.10 (6) an eligible deferred compensation plan under section 457(b) of the federal Internal
11.11 Revenue Code, which is maintained by a state or local government and which agrees to
11.12 separately account for the amounts transferred into the plan;

11.13 (7) in the case of an eligible rollover distribution to a nonspousal beneficiary, an
11.14 individual account or annuity treated as an inherited individual retirement account under
11.15 section 402(c)(11) of the federal Internal Revenue Code; or

11.16 (8) a savings incentive match plan for employees of small employers (SIMPLE) individual
11.17 retirement account under section 408(p) of the federal Internal Revenue Code, provided
11.18 that the rollover distribution is made after the two-year period beginning on the date the
11.19 distributee first participated in any qualified salary reduction arrangement maintained by
11.20 the distributee's employer under Internal Revenue Code section 408(p)(2), as described in
11.21 Internal Revenue Code section 72(t)(6).

11.22 (c) "Eligible rollover distribution" means any distribution of all or any portion of the
11.23 balance to the credit of the distributee. An eligible rollover distribution does not include:

11.24 (1) a distribution that is one of a series of substantially equal periodic payments,
11.25 receivable annually or more frequently, that is made for the life or life expectancy of the
11.26 distributee, the joint lives or joint life expectancies of the distributee and the distributee's
11.27 designated beneficiary, or for a specified period of ten years or more;

11.28 (2) a distribution that is required under section 401(a)(9) of the federal Internal Revenue
11.29 Code; or

11.30 (3) any other exception required by law or the Internal Revenue Code.

11.31 Subd. 2. **Right to elect direct rollover.** Except as provided in subdivision 3 for after-tax
11.32 contributions, a distributee may elect, at the time and in the manner prescribed by the plan

12.1 administrator, to have all or any portion of an eligible rollover distribution paid directly to
12.2 an eligible retirement plan as specified by the distributee.

12.3 Subd. 3. **Distributions of after-tax contributions.** For distributions of after-tax
12.4 contributions which are not includable in gross income, the after-tax portion may be
12.5 transferred only to an individual retirement account or annuity described in section 408(a)
12.6 or (b) of the federal Internal Revenue Code, to a Roth individual retirement account described
12.7 in section 408A of the federal Internal Revenue Code, or to a qualified plan described in
12.8 either section 401(a) of the federal Internal Revenue Code or to an annuity contract described
12.9 in section 403(b) of the federal Internal Revenue Code, that agrees to separately account
12.10 for the amounts transferred, including separately accounting for the portion of the distribution
12.11 which is includable in gross income and the portion of the distribution which is not
12.12 includable.

12.13 Sec. 7. Minnesota Statutes 2022, section 356.635, subdivision 1, is amended to read:

12.14 Subdivision 1. ~~Retirement benefit commencement~~ Definitions. The definitions in this
12.15 subdivision apply for purposes of this section.

12.16 ~~(a) the retirement benefit of a member or participant must begin to be distributed or, if~~
12.17 ~~a lump sum, be distributed no later than the member's or participant's required beginning~~
12.18 ~~date. "Required beginning date" means April 1 of the calendar year following the later of~~
12.19 ~~(1) the calendar year in which the member or the participant attains the age specified in~~
12.20 ~~section 401(a)(9)(C)(i)(I) of the Internal Revenue Code, or (2) the calendar year in which~~
12.21 ~~the member or participant terminates employment. "Beneficiary" means the person designated~~
12.22 ~~as the beneficiary under the terms of the applicable covered retirement plan.~~

12.23 ~~(b) A pension or defined contribution plan shall not be required to obtain the consent of~~
12.24 ~~a member or participant to a distribution if the distribution is required to satisfy the~~
12.25 ~~requirements of paragraph (a). "Covered retirement plan" means a pension or retirement~~
12.26 ~~plan listed in section 356.611, subdivision 6.~~

12.27 ~~(c) "Designated beneficiary" means an individual beneficiary within the meaning of~~
12.28 ~~section 401(a)(9)(E)(i) of the Internal Revenue Code.~~

12.29 ~~(d) "Distribution calendar year" means a calendar year for which a minimum distribution~~
12.30 ~~is required. For distributions beginning before the participant's death, the first distribution~~
12.31 ~~calendar year is the calendar year immediately preceding the calendar year which contains~~
12.32 ~~the participant's required beginning date. For distributions beginning after the participant's~~
12.33 ~~death, the first distribution calendar year is the calendar year in which distributions are~~

13.1 required to begin under subdivision 2a, paragraph (b). The required minimum distribution
13.2 for the participant's first distribution calendar year shall be made on or before the participant's
13.3 required beginning date.

13.4 (e) "Eligible designated beneficiary" means a designated beneficiary who meets the
13.5 additional criteria under section 401(a)(9)(E)(ii) of the Internal Revenue Code.

13.6 (f) "Participant's account balance" means the account balance as of the last valuation
13.7 date in the valuation calendar year increased by the amount of any contributions made and
13.8 allocated to the account balance as of dates in the valuation calendar year after the valuation
13.9 date and decreased by distributions made in the valuation calendar year after the valuation
13.10 date. The account balance for the valuation calendar year includes any amounts rolled over
13.11 or transferred to the plan either in the valuation calendar year or in the distribution calendar
13.12 year if distributed or transferred in the valuation calendar year.

13.13 (g) "Required beginning date" means April 1 of the calendar year following the later of:

13.14 (1) the calendar year in which the member or the participant attains the age specified in
13.15 section 401(a)(9)(C)(i)(I) of the Internal Revenue Code; or

13.16 (2) the calendar year in which the member or participant terminates employment.

13.17 (h) "Valuation calendar year" means the calendar year immediately preceding the
13.18 distribution calendar year.

13.19 Sec. 8. Minnesota Statutes 2022, section 356.635, is amended by adding a subdivision to
13.20 read:

13.21 Subd. 1a. **Required beginning date.** (a) Notwithstanding any state law to the contrary,
13.22 the retirement benefit of a member or participant must begin to be distributed or, if a lump
13.23 sum, be distributed no later than the member's or participant's required beginning date.

13.24 (b) A pension or retirement plan is not required to obtain the consent of a member or
13.25 participant to a distribution if the distribution is required to satisfy the requirements of
13.26 paragraph (a). If the plan is unable to obtain the consent of a member or participant to a
13.27 distribution that is required to satisfy the requirements of paragraph (a), the plan must make
13.28 the required distribution to the member or participant. If the plan is a defined benefit plan
13.29 that permits the distribution to be in the form of an annuity, the required distribution must
13.30 be:

13.31 (1) in the form of a single life annuity if the plan administrator's records do not indicate
13.32 that the member is married; or

14.1 (2) in the form of a 50% joint and survivor annuity naming the member's spouse as
14.2 survivor if the plan administrator's records indicate that the member is married.

14.3 Sec. 9. Minnesota Statutes 2022, section 356.635, subdivision 2, is amended to read:

14.4 Subd. 2. **Required minimum distributions.** Notwithstanding any state law to the
14.5 contrary,

14.6 (1) distributions shall from a covered retirement plan must be determined and made as
14.7 required under in accordance with a reasonable, good faith interpretation of the requirements
14.8 of section 401(a)(9) of the Internal Revenue Code as applicable to governmental plans, as
14.9 defined under section 414(d) of the Internal Revenue Code, and the treasury regulations
14.10 adopted under that section 401(a)(9), including, but not limited to, the incidental death
14.11 benefit provisions of section 401(a)(9)(G) of the Internal Revenue Code; and

14.12 (2) the entire interest of a member of participant under a covered retirement plan must
14.13 begin to be distributed or, if a lump sum, be distributed no later than the member's or
14.14 participant's required beginning date.

14.15 Sec. 10. Minnesota Statutes 2022, section 356.635, is amended by adding a subdivision
14.16 to read:

14.17 Subd. 2a. **Required distributions from defined contribution plans.** (a) This section
14.18 applies to any covered retirement plan that is a defined contribution plan, including, but not
14.19 limited to, the following:

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

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

14.22 (3) the defined contribution plan that is part of the statewide volunteer firefighter
14.23 retirement plan, established by chapter 353G;

14.24 (4) the higher education individuals retirement account plan, established by chapter
14.25 354B;

14.26 (5) the higher education supplemental retirement plan, established by chapter 354C; and

14.27 (6) a defined contribution relief association, as defined under section 424A.001,
14.28 subdivision 1c.

14.29 (b) If the participant dies before the required minimum distribution begins, the
14.30 participant's account must be distributed in a lump sum no later than as follows:

15.1 (1) If the participant's account balance is payable to an eligible designated beneficiary,
15.2 the distribution must be made by December 31 of the calendar year immediately following
15.3 the calendar year in which the participant died. If the eligible designated beneficiary is the
15.4 surviving spouse, the surviving spouse may elect to delay payment until December 31 of
15.5 the calendar year in which the participant would have attained the participant's required
15.6 beginning date. Effective for calendar years beginning after December 31, 2023, a surviving
15.7 spouse who is the member's sole designated beneficiary may elect to be treated as if the
15.8 surviving spouse were the member as provided under section 401(a)(9)(B)(iv) of the Internal
15.9 Revenue Code.

15.10 (2) If the participant's account balance is payable to a beneficiary that is not a designated
15.11 beneficiary, the participant's account must be distributed by December 31 of the calendar
15.12 year containing the fifth anniversary of the participant's death.

15.13 (3) If the participant's account balance is payable to a designated beneficiary who is not
15.14 an eligible designated beneficiary, the participant's account must be distributed by December
15.15 31 of the calendar year containing the tenth anniversary of the participant's death.

15.16 (c) Upon the death of the participant after distribution of the participant's account balance
15.17 begins, any remaining portion of the participant's account balance shall continue to be
15.18 distributed at least as rapidly as under the method of distribution in effect at the time of the
15.19 participant's death; provided, however, that the portion of the participant's account balance
15.20 payable to a designated beneficiary who is not an eligible designated beneficiary must be
15.21 distributed in its entirety by December 31 of the calendar year containing the tenth
15.22 anniversary of the participant's death.

15.23 (d) Upon the death of an eligible designated beneficiary, or the attainment of the age of
15.24 majority of an eligible designated beneficiary who is a minor child of the participant, before
15.25 distribution of the participant's entire account balance under paragraphs (b) or (c), the
15.26 remainder of the participant's account balance shall be distributed by December 31 of the
15.27 calendar year containing the tenth anniversary of the eligible designated beneficiary's death,
15.28 or by December 31 of the calendar year in which the child attains the age of majority plus
15.29 ten years, as applicable.

15.30 (e) Notwithstanding any other provisions of this subdivision, a participant or beneficiary,
15.31 who would have been required to receive required minimum distributions in 2020 (or paid
15.32 in 2021 for the 2020 calendar year for a participant with a required beginning date of April
15.33 1, 2021) but for the enactment of Section 401(a)(9)(I) of the Internal Revenue Code, and
15.34 who would have satisfied that requirement by receiving a distribution that satisfies the

16.1 required minimum distribution for 2020, will receive that distribution unless the participant
16.2 or beneficiary chooses not to receive the distribution. Solely for purposes of applying the
16.3 direct rollover provisions of section 356.633, such distributions will be treated as eligible
16.4 rollover distributions in 2020.

16.5 Sec. 11. [356.636] CORRECTION OF ERRORS.

16.6 Subdivision 1. Definitions. The definitions in this subdivision apply for purposes of this
16.7 section.

16.8 (a) "Pension fund" means the Minnesota State Retirement System, the Public Employees
16.9 Retirement Association, the Teachers Retirement Association, and the St. Paul Teachers
16.10 Retirement Fund Association.

16.11 (b) "Tax qualification" means compliance with all applicable requirements of section
16.12 401(a) or 457(b) of the Internal Revenue Code.

16.13 Subd. 2. Correction of errors. (a) The executive director of a pension fund may correct
16.14 an operational, demographic, or employer or employee eligibility error, or an error in a plan
16.15 document that is not a statute if the executive director determines that correction is necessary
16.16 or appropriate to preserve and protect the tax qualification of a pension or retirement plan
16.17 administered by the pension fund. The method of correction must comply with the Internal
16.18 Revenue Service Employee Plans Compliance Resolution System (EPCRS) or any successor
16.19 thereto, if the EPCRS addresses the error and correction.

16.20 (b) To the extent deemed necessary by the executive director to implement correction,
16.21 the executive director may:

16.22 (1) make distributions;

16.23 (2) transfer assets;

16.24 (3) recover an overpayment by reducing future benefit payments or designating
16.25 appropriate revenue or source of funding that will restore to the plan the amount of the
16.26 overpayment; or

16.27 (4) take any other action that will restore the plan and any affected member or participant
16.28 to the position the plan, member, or participant would have been in had the error not occurred.

16.29 (c) An executive director may correct an error under paragraphs (a) or (b) without regard
16.30 to any statute that imposes a time limitation on making such correction.

17.1 Sec. 12. **REVISOR INSTRUCTION.**

17.2 The revisor of statutes shall renumber each section of Minnesota Statutes listed in column
 17.3 A with the number listed in column B. The revisor shall also make necessary cross-reference
 17.4 changes consistent with the renumbering.

17.5	<u>Column A</u>	<u>Column B</u>
17.6	<u>356.631</u>	<u>356.648</u>
17.7	<u>356.99</u>	<u>356.637</u>

17.8 Sec. 13. **REVISOR INSTRUCTION.**

17.9 In Minnesota Statutes, the revisor of statutes shall delete the reference in column A and
 17.10 insert the reference in column B.

17.11	<u>Column A</u>	<u>Column B</u>
17.12	<u>356.635, subdivision 1</u>	<u>356.635, subdivision 1a</u>
17.13	<u>356.635, subdivision 3</u>	<u>356.633, subdivision 2</u>
17.14	<u>356.635, subdivision 4</u>	<u>356.633, subdivision 1, paragraph (c)</u>
17.15	<u>356.635, subdivision 5</u>	<u>356.633, subdivision 1, paragraph (c)</u>
17.16	<u>356.635, subdivision 6</u>	<u>356.633, subdivision 1, paragraph (b)</u>
17.17	<u>356.635, subdivision 7</u>	<u>356.633, subdivision 1, paragraph (a)</u>
17.18	<u>356.635, subdivision 8</u>	<u>356.614</u>
17.19	<u>356.635, subdivision 9a</u>	<u>356.612, subdivision 1</u>
17.20	<u>356.635, subdivision 10</u>	<u>356.612, subdivision 2</u>
17.21	<u>356.635, subdivision 11</u>	<u>356.612, subdivision 3</u>
17.22	<u>356.635, subdivision 12</u>	<u>356.612, subdivision 4</u>
17.23	<u>356.635, subdivision 13</u>	<u>356.636, subdivision 2</u>

17.24 Sec. 14. **REPEALER.**

17.25 Minnesota Statutes 2022, section 356.635, subdivisions 3, 4, 5, 6, 7, 8, 9a, 10, 11, 12,
 17.26 and 13, are repealed.

17.27 Sec. 15. **EFFECTIVE DATE.**

17.28 Sections 1 to 14 are effective the day following final enactment.

18.1

ARTICLE ...

18.2

ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION

18.3 Section 1. Minnesota Statutes 2022, section 354A.011, subdivision 7, is amended to read:

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

18.7 Sec. 2. Minnesota Statutes 2022, section 354A.021, subdivision 2, is amended to read:

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

18.15 (b) In addition to the other powers and duties of a the board of trustees of a ~~first-class~~
18.16 ~~city teacher~~ the teachers retirement fund association, the board ~~shall~~ must approve early
18.17 retirement and optional annuity factors, subject to review by the actuary retained by the
18.18 Legislative Commission on Pensions and Retirement; ~~shall~~ must establish the schedule for
18.19 implementation of the approved factors; and ~~shall~~ must notify the Legislative Commission
18.20 on Pensions and Retirement of the implementation schedule.

18.21 Sec. 3. Minnesota Statutes 2022, section 354A.021, subdivision 3, is amended to read:

18.22 Subd. 3. **Fund.** Within ~~each~~ the teachers retirement fund association there ~~shall~~ must be
18.23 created a special retirement fund, which ~~shall~~ must include all of the assets of the teachers
18.24 retirement fund association other than assets of a tax-sheltered annuity program and fund
18.25 authorized pursuant to subdivision 5 which were acquired for the specific purpose of being
18.26 credited to that fund. The special retirement fund ~~shall~~ must be credited with all employee
18.27 and employer contributions, all interest and all other income authorized by law. Within the
18.28 special retirement fund there may be established separate special retirement fund accounts
18.29 for the purpose of providing convenience in the funding of and accounting for retirement
18.30 annuities and any authorized ancillary benefits.

19.1 Sec. 4. Minnesota Statutes 2022, section 354A.021, subdivision 4, is amended to read:

19.2 Subd. 4. **Fund disbursement restricted.** The assets of the special retirement fund ~~shall~~
19.3 must be disbursed only for the purposes provided for in this chapter, the articles of
19.4 incorporation or bylaws in effect as of March 31, 1975, and the articles of incorporation or
19.5 bylaws adopted subsequent to March 31, 1975 in accordance with the provisions of section
19.6 354A.12. All appropriate expenses of and any authorized benefits provided by the teachers
19.7 retirement fund association ~~shall~~ must be paid from the special retirement fund. Amounts
19.8 necessary to make payments from the special retirement fund of a the teachers retirement
19.9 fund association are hereby appropriated.

19.10 Sec. 5. Minnesota Statutes 2022, section 354A.021, subdivision 6, is amended to read:

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

19.18 Sec. 6. Minnesota Statutes 2022, section 354A.021, subdivision 7, is amended to read:

19.19 Subd. 7. **Actuarial consultant.** The board of trustees or directors of ~~each~~ the teachers
19.20 retirement fund association may contract for the services of an approved actuary and fix
19.21 the reasonable compensation for those services. Any approved actuary retained by the board
19.22 ~~shall~~ must function as the actuarial advisor to the board and may perform actuarial valuations
19.23 and experience studies to supplement those performed by the actuary retained under section
19.24 356.214. Any supplemental actuarial valuations or experience studies must be filed with
19.25 the executive director of the Legislative Commission on Pensions and Retirement.

19.26 Sec. 7. Minnesota Statutes 2022, section 354A.021, subdivision 8, is amended to read:

19.27 Subd. 8. **Audit by state auditor.** The books and accounts of ~~each~~ the teachers retirement
19.28 fund association must be examined and audited periodically as considered necessary by the
19.29 state auditor. A full and detailed report of the examination and audit must be made and a
19.30 copy provided to the teachers retirement fund association board of trustees. The cost of any
19.31 examination and audit must be paid by the teachers retirement fund association in accordance

20.1 with section 6.56. For purposes of section 6.56, ~~each~~ the teachers retirement fund association
 20.2 is considered a local governmental entity equivalent to a county, city, town, or school district.

20.3 Sec. 8. Minnesota Statutes 2022, section 354A.021, subdivision 9, is amended to read:

20.4 Subd. 9. **Updated articles of incorporation and bylaws; filing.** (a) On or before July
 20.5 1, 2006, and within six months of the date of the approval of any amendment to the articles
 20.6 of incorporation or bylaws, the chief administrative officer of ~~each first class city teacher~~
 20.7 the teachers retirement fund association ~~shall~~ must prepare and publish an updated
 20.8 compilation of the articles of incorporation and the bylaws of the association.

20.9 (b) The chief administrative officer of the ~~first class city teacher~~ teachers retirement fund
 20.10 association must certify the accuracy and the completeness of the compilation.

20.11 (c) The compilation of the articles of incorporation and bylaws of ~~a first class city teacher~~
 20.12 the teachers retirement fund association must contain an index.

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

20.21 (e) ~~A first class city teacher~~ The teachers retirement fund association may contract with
 20.22 the revisor of statutes for the preparation of the compilation.

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

20.27 Sec. 9. Minnesota Statutes 2022, section 354A.05, is amended to read:

20.28 **354A.05 MEMBERSHIP IN A TEACHERS RETIREMENT ASSOCIATION IN**
 20.29 **ST. PAUL.**

20.30 Teachers contributing to the ~~respective~~ teachers retirement fund association, as provided
 20.31 in this chapter and the articles of incorporation and the bylaws of the association, are entitled
 20.32 to the benefit of coverage by or entitlement to annuities or benefits from the association.

21.1 All teachers ~~in a city of the first class in which there exists a teachers retirement fund~~
21.2 ~~association~~ of Independent School District No. 625, St. Paul, are members of ~~that the~~ teachers
21.3 retirement fund association and participate in the benefits provided by the special retirement
21.4 fund.

21.5 Sec. 10. Minnesota Statutes 2022, section 354A.091, is amended to read:

21.6 **354A.091 TEACHERS ON EXTENDED LEAVE.**

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

21.26 Subd. 2. **Membership retention.** A teacher on extended leave under either section
21.27 122A.46 or 136F.43 whose employee and employer contributions are made to the ~~applicable~~
21.28 teachers retirement fund association pursuant to subdivision 1 ~~shall~~ must retain membership
21.29 in the association for each year during which the contributions are made, under the same
21.30 terms and conditions as if the teacher had continued to teach in the district.

21.31 Subd. 3. **Effect of nonpayment.** A teacher on extended leave under either section
21.32 122A.46 or 136F.43 who does not make employee contributions or whose employer
21.33 contribution is not made to the ~~applicable~~ teachers retirement fund association in any year
21.34 ~~shall~~ must be deemed to have ceased to be an active member of the association and to have

22.1 ceased to render teaching services beginning in that year for purposes of this chapter and
22.2 the articles of incorporation and bylaws of the association, and may not pay employee or
22.3 employer contributions into the fund in any subsequent year of the leave. Nonpayment of
22.4 contributions into the fund ~~shall~~ must not affect the rights or obligations of the teacher or
22.5 the employing school district under section 122A.46 or the Minnesota State Colleges and
22.6 Universities system under section 136F.43.

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

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

22.19 Subd. 6. **Exclusive coverage.** A teacher who makes employee contributions to and
22.20 receives allowable service credit in the ~~applicable teacher's~~ teachers retirement fund
22.21 association pursuant to this section may not make employee contributions or receive
22.22 allowable service credit for the same period of time in any other Minnesota public employee
22.23 pension plan, except a volunteer firefighters relief association governed by sections 424A.091
22.24 to 424A.096. This subdivision ~~shall~~ must not be construed to prohibit a member who pays
22.25 employee contributions and receives allowable service credit in the fund pursuant to this
22.26 section in any year from being employed as a substitute teacher by any school district during
22.27 that year. Notwithstanding the provisions of this chapter or the bylaws of a retirement
22.28 association, a teacher may not pay retirement contributions or receive allowable service
22.29 credit in the fund for teaching service rendered for any part of any year for which the teacher
22.30 pays retirement contributions or receives allowable service credit pursuant to section 354.094
22.31 or this section while on an extended leave of absence under either section 122A.46 or
22.32 136F.43.

23.1 Sec. 11. Minnesota Statutes 2022, section 354A.094, is amended to read:

23.2 **354A.094 QUALIFIED PART-TIME TEACHERS; PARTICIPATION IN FUND.**

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

23.6 Subd. 2. **Part-time teaching position, defined.** For purposes of this section, the term
 23.7 "part-time teaching position" ~~shall~~ must mean a teaching position within ~~the district~~
 23.8 Independent School District No. 625, St. Paul, in which the teacher is employed for at least
 23.9 50 full days or a fractional equivalent of 50 full days calculated using the appropriate
 23.10 minimum number of hours which would result in a full day of service credit by the
 23.11 ~~appropriate~~ association and for which the teacher is compensated in an amount not to exceed
 23.12 80 percent of the compensation rate established by the board for a full-time teacher with
 23.13 identical education and experience within the district.

23.14 Subd. 3. **Qualified part-time teacher program participation requirements.** (a) A
 23.15 teacher in ~~the public schools of a city of the first class~~ Independent School District No. 625,
 23.16 St. Paul, who is vested, or who has combined years of full-time teaching service in Minnesota
 23.17 public elementary schools, Minnesota secondary schools, and Minnesota State Colleges
 23.18 and Universities system at least equal to the number of years specified for vesting in the
 23.19 ~~applicable first class city teacher plan~~ association, may, by agreement with the board of the
 23.20 ~~employing~~ district, be assigned to teaching service within the district in a part-time teaching
 23.21 position. The agreement must be executed before October 1 of the year for which the teacher
 23.22 requests to make retirement contributions under subdivision 4. A copy of the executed
 23.23 agreement must be filed with the executive director of the teachers retirement fund
 23.24 association. If the copy of the executed agreement is filed with the association after October
 23.25 1 of the year for which the teacher requests to make retirement contributions under
 23.26 subdivision 4, the ~~employing~~ school district ~~shall~~ must pay a fine of \$5 for each calendar
 23.27 day that elapsed since the October 1 due date. The association may not accept an executed
 23.28 agreement that is received by the association more than 15 months late. The association
 23.29 may not waive the fine required by this section.

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

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

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

24.4 Subd. 4. **Retirement contributions.** Notwithstanding any provision to the contrary in
24.5 this chapter or the articles of incorporation or bylaws of ~~an~~ the association relating to the
24.6 salary figure to be used for the determination of contributions or the accrual of service credit,
24.7 a teacher assigned to a part-time position under this section ~~shall~~ must continue to make
24.8 employee contributions to and to accrue allowable service credit in the ~~applicable~~ association
24.9 during the period of part-time employment on the same basis and in the same amounts as
24.10 would have been paid and accrued if the teacher had been employed on a full-time basis
24.11 provided that, prior to June 30 each year the member and the employing board make that
24.12 portion of the required employer contribution to the ~~applicable~~ association in any proportion
24.13 which they may agree upon, that is based on the difference between the amount of
24.14 compensation that would have been paid if the teacher had been employed on a full-time
24.15 basis and the amount of compensation actually received by the teacher for services rendered
24.16 in the part-time assignment. The employer contributions to the ~~applicable~~ association on
24.17 behalf of the teacher ~~shall~~ must be based on the amount of compensation actually received
24.18 by the teacher for the services rendered in the part-time assignment in the manner described
24.19 in section 354A.12, subdivision 2a. The employee and employer contributions ~~shall~~ must
24.20 be based upon the rates of contribution prescribed by section 354A.12. Full membership,
24.21 accrual of allowable service credit and employee contributions for part-time teaching service
24.22 by a teacher pursuant to this section and section 354.66 ~~shall~~ must not continue for a period
24.23 longer than ten years.

24.24 Subd. 5. **Limits on outside coverage.** A teacher entitled to full membership, accrual of
24.25 allowable service credit and employee contributions for part time teaching service pursuant
24.26 to this section ~~shall~~ must not be entitled during the same period of time to be a member of,
24.27 accrue allowable service credit in or make employee contributions to any other Minnesota
24.28 public pension plan, except a volunteer firefighters relief association governed by sections
24.29 424A.091 to 424A.096.

24.30 Subd. 6. **Insurance.** ~~A~~ The board of ~~an employing district~~ Independent School District
24.31 No. 625, St. Paul, entering into an agreement authorized by this section ~~shall~~ must take all
24.32 steps necessary to assure continuance of any insurance programs furnished or authorized a
24.33 full-time teacher on an identical basis and with identical sharing of costs for a part time
24.34 teacher pursuant to this section.

25.1 Subd. 7. **Qualification.** Only teachers who are in the bargaining unit as defined in section
25.2 179A.03, subdivision 7, during the year preceding the period of part time employment
25.3 pursuant to this section shall qualify for full membership in, accrual of service credit from,
25.4 and employee contributions to a the teachers retirement fund association for part time
25.5 teaching service pursuant to subdivision 4. Notwithstanding the provisions of section
25.6 179A.03, subdivision 14, paragraph (a), clauses (5) and (6), teachers who are employed on
25.7 a part time basis for purposes of this section and who would therefore be disqualified from
25.8 the bargaining unit by one or both of those provisions, shall continue to be in the bargaining
25.9 unit during the period of part time employment pursuant to this section for purposes of
25.10 compensation, fringe benefits and the grievance procedure.

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

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

25.24 Subd. 11. **Substitute teaching; no coverage overlap.** Neither subdivision 5 nor
25.25 subdivision 8 shall be construed to prohibit a teacher who qualifies for full membership in,
25.26 accrual of service credit from and employee contributions to a the teachers retirement fund
25.27 association pursuant to this section in any year from being employed as a substitute teacher
25.28 by any school district during that year. Notwithstanding the provisions of this chapter or
25.29 the bylaws of a retirement association, a teacher may not pay retirement contributions or
25.30 receive allowable service credit in the funds for other teaching service rendered for any part
25.31 of any year for which the teacher qualifies for full membership in, accrual of service credit
25.32 from and employee contributions to the Teachers Retirement Association or a the teachers
25.33 retirement fund association pursuant to section 354.66 or this section.

25.34 Subd. 12. **Information supplied by district.** ~~Each school district covered by the~~
25.35 ~~provisions of this chapter shall~~ Independent School District No. 625, St. Paul, must furnish

26.1 to the ~~appropriate~~ teachers retirement fund association whatever information and reports
26.2 deemed necessary by the board of trustees of the ~~applicable~~ teachers retirement fund
26.3 association to administer the provisions of this section.

26.4 Sec. 12. Minnesota Statutes 2022, section 354A.12, subdivision 5, is amended to read:

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

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

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

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

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

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

26.21 (6) leaves of absence; and

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

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

26.25 (1) an association member number;

26.26 (2) employer-assigned employee number;

26.27 (3) Social Security number;

26.28 (4) amount of each salary deduction;

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

27.1 (6) reason for payment;

27.2 (7) service credit;

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

27.5 (9) fiscal year of salary earnings;

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

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

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

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

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

27.24 Sec. 13. Minnesota Statutes 2022, section 354A.31, subdivision 3a, is amended to read:

27.25 Subd. 3a. **No annuity reduction.** (a) The annuity reduction provisions of subdivision
27.26 3 do not apply to a person who:

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

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

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

28.1 (4) begins drawing an annuity from ~~a first-class city~~ the teachers retirement fund
28.2 association; and

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

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

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

28.17 Sec. 14. Minnesota Statutes 2022, section 354A.32, subdivision 1a, is amended to read:

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

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

28.29 (c) Unless otherwise specified in this subdivision, the restoration of the normal single
28.30 life annuity under this subdivision takes effect on the first of the month following the date
28.31 of death of the designated optional annuity beneficiary or on the first of the month following
28.32 one year before the date on which a certified copy of the death record of the designated

29.1 optional annuity beneficiary is received in the office of the appropriate teachers retirement
 29.2 fund association, whichever date is later.

29.3 Sec. 15. REVISOR INSTRUCTION.

29.4 In Chapter 354A, the revisor of statutes must change the term "a teachers retirement
 29.5 fund association" to "the teachers retirement fund association" wherever the term appears.
 29.6 The revisor must make any necessary grammatical changes or changes to sentence structure
 29.7 necessary to preserve the meaning of the text as a result of the changes.

29.8 Sec. 16. EFFECTIVE DATE.

29.9 Sections 1 to 15 are effective the day following final enactment.

29.10 **ARTICLE ...**

29.11 **MISCELLANEOUS CHANGES**

29.12 Section 1. Minnesota Statutes 2022, section 353.87, subdivision 1, is amended to read:

29.13 Subdivision 1. **Participation.** ~~Except as provided in subdivision 2,~~ A volunteer firefighter,
 29.14 as defined in section 353.01, subdivision 36, who, on June 30, 1989, was a member of, and
 29.15 a participant in, the general employees retirement fund or the public employees police and
 29.16 fire fund and was making contributions to either of those funds based, at least in part, on
 29.17 compensation for services performed as a volunteer firefighter shall continue as a member
 29.18 of, and a participant in, the general employees retirement fund or the public employees
 29.19 police and fire fund and compensation for services performed as a volunteer firefighter must
 29.20 be considered salary.

29.21 Sec. 2. Minnesota Statutes 2022, section 356.215, subdivision 2, is amended to read:

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

29.29 (b) The governing ~~or managing~~ board or ~~administrative officials~~ executive director of
 29.30 each public pension and retirement plan enumerated in section 356.20, subdivision 2, clauses
 29.31 (7), (9), and (10), shall have prepared by an approved actuary annual actuarial valuations

30.1 of their respective funds as provided in this section. This requirement also applies to any
 30.2 plan that is the successor to any organization enumerated in section 356.20, subdivision 2,
 30.3 or to the governing ~~or managing~~ board or chief administrative officials officer of any newly
 30.4 formed retirement fund, plan, or association operating under the control or supervision of
 30.5 any public employee group, governmental unit, or institution receiving a portion of its
 30.6 support through legislative appropriations, and any local police or fire relief association to
 30.7 which section 356.216 applies.

30.8 Sec. 3. Minnesota Statutes 2022, section 356.215, subdivision 3, is amended to read:

30.9 Subd. 3. **Reports.** (a) ~~The actuarial valuations required annually must be made as of the~~
 30.10 ~~beginning of each fiscal year. (b) Two copies of The completed valuation governing board~~
 30.11 ~~or executive director of each public pension plan required to prepare an annual valuation~~
 30.12 ~~under subdivision 2 must be delivered~~ deliver the annual valuation to the executive director
 30.13 of the Legislative Commission on Pensions and Retirement, ~~to~~ the commissioner of
 30.14 management and budget, and ~~to~~ the Legislative Reference Library. ~~The copies of the actuarial~~
 30.15 ~~valuation must be filed with the executive director of the Legislative Commission on Pensions~~
 30.16 ~~and Retirement, the commissioner of management and budget, and the Legislative Reference~~
 30.17 ~~Library~~ no later than the last day of the sixth month occurring after the end of the previous
 30.18 fiscal year. The annual valuation may be delivered by email.

30.19 ~~(c) Two copies of a~~ (b) The governing board or executive director of each public pension
 30.20 plan required to prepare a quadrennial experience study under subdivision 2 must deliver
 30.21 the quadrennial experience study must be filed with to the executive director of the
 30.22 Legislative Commission on Pensions and Retirement, ~~with~~ the commissioner of management
 30.23 and budget, and ~~with~~ the Legislative Reference Library, ~~not~~ no later than the last day of the
 30.24 12th month occurring after the end of the last fiscal year of the four-year period ~~which~~
 30.25 covered by the experience study covers. The quadrennial experience study may be delivered
 30.26 by email.

30.27 ~~(d) For actuarial valuations and experience studies prepared at the direction of the~~
 30.28 ~~Legislative Commission on Pensions and Retirement, one copy of the document must be~~
 30.29 ~~delivered to the governing or managing board or administrative officials of the applicable~~
 30.30 ~~public pension and retirement fund or plan.~~

30.31 Sec. 4. Minnesota Statutes 2022, section 356A.06, subdivision 5, is amended to read:

30.32 Subd. 5. **Investment business recipient disclosure.** The chief administrative officer of
 30.33 a covered pension plan, with respect to investments made by the plan, and the executive

31.1 director of the State Board of Investment, with respect to investments of plan assets made
31.2 by the board, shall annually disclose in writing the recipients of investment business placed
31.3 with or investment commissions allocated among commercial banks, investment bankers,
31.4 brokerage organizations, or other investment managers. The disclosure document must be
31.5 prepared within 60 days after the close of the fiscal year of the plan and must be available
31.6 for public inspection during regular office hours at the office of the plan. The disclosure
31.7 document must also be filed with the executive director of the Legislative Commission on
31.8 Pensions and Retirement within 90 days after the close of the fiscal year of the plan. For
31.9 the State Board of Investment and a ~~first class city teacher retirement fund association~~ the
31.10 St. Paul Teachers Retirement Fund Association, a disclosure document included as part of
31.11 a regular annual report ~~of the board or of the first class city teacher retirement fund~~
31.12 ~~association~~ when filed with the executive director of the Legislative Commission on Pensions
31.13 and Retirement is considered to have been filed on a timely basis. A covered pension plan
31.14 governed by sections 424A.091 to 424A.096 or the Bloomington Fire Department Relief
31.15 Association may file the disclosure document with the executive director of the Legislative
31.16 Commission on Pensions and Retirement by email.

31.17 Sec. 5. **REPEALER.**

31.18 Minnesota Statutes 2022, sections 353.86; and 353.87, subdivisions 2, 3, and 4, are
31.19 repealed effective August 1, 2024.

31.20 Sec. 6. **EFFECTIVE DATE.**

31.21 Sections 1 to 5 are effective the day following final enactment."

31.22 Renumber the articles in sequence

31.23 Amend the title accordingly