

1.1 A bill for an act
1.2 relating to retirement; Teachers Retirement Association; requiring the employer
1.3 of a reemployed annuitant to make employer contributions to the teachers retirement
1.4 fund; amending Minnesota Statutes 2024, sections 354.44, subdivision 5; 354.444,
1.5 subdivision 5.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 354.44, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

2.15 (g) During the period of reemployment, the employer of a reemployed annuitant must
 2.16 make employer contributions as specified in section 354.42, subdivision 3.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.18 Sec. 2. Minnesota Statutes 2024, section 354.444, subdivision 5, is amended to read:

2.19 Subd. 5. ~~No Service credit or contribution and contributions.~~ Notwithstanding any
 2.20 law to the contrary;

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

2.24 (2) the employer of an eligible person under this section must make employer
 2.25 contributions as specified in section 354.42, subdivision 3, during the period of employment
 2.26 to which this section applies.

2.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.