

1.1 moves to amend H.F. No. 409; S.F. No., as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2010, section 354B.21, subdivision 1, is amended to
1.4 read:

1.5 Subdivision 1. **Eligibility.** The following persons are eligible to have coverage by
1.6 the individual retirement account plan ~~and to be participants in the~~ or coverage by another
1.7 plan as further specified in this section:

1.8 (1) employees of the board who are employed as faculty in an employment
1.9 classification included in the state university instructional unit or the state college
1.10 instructional unit under section 179A.10, subdivision 2;

1.11 (2) the chancellor and employees of the board in eligible unclassified administrative
1.12 positions;

1.13 (3) the employees in eligible unclassified administrative positions in the state
1.14 universities;

1.15 (4) the employees in eligible unclassified administrative positions in the technical
1.16 colleges; and

1.17 (5) the employees in eligible unclassified administrative positions of the Minnesota
1.18 Office of Higher Education or of the community colleges.

1.19 **EFFECTIVE DATE.** This section is effective July 1, 2011.

1.20 Sec. 2. Minnesota Statutes 2010, section 354B.21, is amended by adding a subdivision
1.21 to read:

1.22 Subd. 1a. **Required notice; counseling.** No later than 90 days before the end of any
1.23 applicable election period specified in this section, the employer must provide to a person
1.24 beginning work in a position subject to this section for which an option to elect alternative
1.25 retirement plan coverage is authorized the following information:

- 2.1 (1) the default retirement coverage;
 2.2 (2) election procedures, if applicable, for electing coverage other than the default
 2.3 coverage; and
 2.4 (3) the Web site and the telephone number for the plan providing default coverage
 2.5 and comparable information for the plan which the person is eligible to elect.

2.6 **EFFECTIVE DATE.** This section is effective July 1, 2011.

2.7 Sec. 3. Minnesota Statutes 2010, section 354B.21, subdivision 2, is amended to read:

2.8 Subd. 2. **Coverage; election.** (a) An eligible persons who were employed by the
 2.9 Minnesota State Colleges and Universities System on or after June 30, 2009, unless
 2.10 otherwise person employed by the board has the default coverage specified in subdivision
 2.11 3, or other subdivisions of this section, whichever is applicable, and retains that coverage
 2.12 for the period of covered employment unless a timely election to change that coverage
 2.13 is made as specified in this section, are.

2.14 (b) An eligible person under subdivision 3, paragraph (b) or (c), is authorized to elect
 2.15 prospective Teachers Retirement Association plan coverage rather than.

2.16 (c) An eligible person under subdivision 3, paragraph (d), is authorized to elect
 2.17 prospective coverage by the plan established by this chapter.

2.18 (d) The election of prospective Teachers Retirement Association plan coverage
 2.19 under paragraph (a) must be made within one year of commencing eligible Minnesota
 2.20 State Colleges and Universities system employment. If an election is not made within the
 2.21 specified election period due to a termination of Minnesota State Colleges and Universities
 2.22 system employment, an election may be made within 90 days of returning to eligible
 2.23 Minnesota State Colleges and Universities system employment. Except as specified in
 2.24 paragraph (f), all elections are irrevocable. Before making an election, the eligible person
 2.25 is covered by the plan indicated as default coverage under subdivision 3.

2.26 (b) (e) Except as provided in paragraph (e) (f), a purchase of service credit in the
 2.27 Teachers Retirement Association plan for any period or periods of Minnesota State
 2.28 Colleges and Universities system employment occurring before the election under
 2.29 paragraph (a) this section is prohibited.

2.30 (e) (f) Notwithstanding other paragraphs (a) and (b) in this subdivision, a faculty
 2.31 member who is a member of the individual retirement account plan who first achieves
 2.32 tenure or its equivalent at a Minnesota state college or university after June 30, 2009, may
 2.33 elect to transfer retirement coverage under to the teachers retirement plan within one year
 2.34 of the faculty member first achieving tenure or its equivalent at a Minnesota state college
 2.35 or university. The faculty member electing Teachers Retirement Association coverage

3.1 under this paragraph must purchase service credit in the Teachers Retirement Association
 3.2 for the entire period of time covered under the individual retirement account plan and the
 3.3 purchase payment amount must be determined under section 356.551. The Teachers
 3.4 Retirement Association may charge a faculty member transferring coverage a reasonable
 3.5 fee to cover the costs associated with computing the actuarial cost of purchasing service
 3.6 credit and making the transfer. A faculty member transferring from the individual
 3.7 retirement account plan to the Teachers Retirement Association may use any balances to
 3.8 the credit of the faculty member in the individual retirement account plan, any balances
 3.9 to the credit of the faculty member in the higher education supplemental retirement plan
 3.10 established under chapter 354C, or any source specified in section 356.441, subdivision 1,
 3.11 to purchase the service credit in the Teachers Retirement Association. If the total amount
 3.12 of payments under this paragraph are less than the total purchase payment amount under
 3.13 section 356.551, the payment amounts must be refunded to the applicable source. The
 3.14 retirement coverage transfer and service credit purchase authority under this paragraph
 3.15 expires with respect to any Minnesota State Colleges and Universities System faculty
 3.16 initially hired after June 30, 2014.

3.17 **EFFECTIVE DATE.** This section is effective July 1, 2011.

3.18 Sec. 4. Minnesota Statutes 2010, section 354B.21, subdivision 3, is amended to read:

3.19 Subd. 3. **Default coverage.** (a) Prior to making an election under subdivision 2,
 3.20 or if an eligible person fails to elect coverage by the plan under subdivision 2 or if the
 3.21 person fails to make a timely election, the ~~following retirement coverage specified in~~
 3.22 this subdivision applies:

3.23 ~~(1) for employees of the board who are employed in faculty positions in the technical~~
 3.24 ~~colleges, in the state universities or in the community colleges, the retirement coverage~~
 3.25 ~~is by the plan established by this chapter;~~

3.26 ~~(2) for employees of the board who are employed in faculty positions in the technical~~
 3.27 ~~colleges, the retirement coverage is by the plan established by this chapter unless on June~~
 3.28 ~~30, 1997, the employee was a member of the Teachers Retirement Association established~~
 3.29 ~~under chapter 354 and then the retirement coverage is by the Teachers Retirement~~
 3.30 ~~Association, or, unless the employee was a member of a first class city teacher retirement~~
 3.31 ~~fund established under chapter 354A on June 30, 1995, and then the retirement coverage~~
 3.32 ~~is by the Duluth Teachers Retirement Fund Association if the person was a member of~~
 3.33 ~~that plan on June 30, 1995, or the Teachers Retirement Association if the person was a~~
 3.34 ~~member of the former Minneapolis Teachers Retirement Fund Association on June 30,~~

4.1 ~~1995, or the St. Paul Teachers Retirement Fund Association if the person was a member~~
4.2 ~~of that plan on June 30, 1995; and~~

4.3 ~~(3) for employees of the board who are employed in eligible unclassified~~
4.4 ~~administrative positions, the retirement coverage is by the plan established by this chapter.~~

4.5 ~~(b) If an employee fails to correctly certify prior membership in the Teachers~~
4.6 ~~Retirement Association to the Minnesota State colleges and Universities system, the~~
4.7 ~~system shall not pay interest on employee contributions, employer contributions, and~~
4.8 ~~additional employer contributions to the Teachers Retirement Association under section~~
4.9 ~~354.52, subdivision 4.~~

4.10 (b) If an eligible person is employed by the board before July 1, 2011, in an eligible
4.11 unclassified administrative position or in a faculty position in a technical college,
4.12 community college, or state university, the retirement coverage is by the plan established
4.13 by this chapter, unless otherwise specified in this section.

4.14 (c) An eligible person described in paragraph (b), except that first employment by
4.15 the board is on or after July 1, 2011, has retirement coverage by the plan established by
4.16 this chapter if the eligible person has no:

4.17 (1) allowable service credit in any plan listed in section 356.30, subdivision 3; or

4.18 (2) prior employment covered by the state unclassified employees retirement
4.19 program under chapter 352D.

4.20 (d) An eligible person described in paragraph (c) has retirement coverage by the
4.21 Teachers Retirement Association if the person has:

4.22 (1) prior employment covered by the state unclassified employees retirement
4.23 program under chapter 352D and has not withdrawn or transferred assets from that
4.24 account; or

4.25 (2) allowable service credit in a plan listed in section 356.30, subdivision 3.

4.26 (e) To ensure that coverage is provided by the proper plan, the employee must
4.27 certify to the board the existence of any service credit in any plan listed in section 356.30,
4.28 subdivision 3, or whether the person retains a state unclassified employees retirement
4.29 program account. If an employee fails to correctly certify prior membership in a plan
4.30 or the existence of an unclassified program account, the Minnesota State Colleges and
4.31 Universities system and its board shall be held harmless, and notwithstanding any law to
4.32 the contrary, any resulting cost or financial liability becomes the employee's responsibility.

4.33 **EFFECTIVE DATE.** This section is effective July 1, 2011.

4.34 Sec. 5. Minnesota Statutes 2010, section 354B.21, subdivision 3a, is amended to read:

5.1 Subd. 3a. ~~Continuation of Plan coverage in and election; certain instances past~~
 5.2 ~~service technical college faculty. For a person with retirement coverage by a first class~~
 5.3 ~~city teacher retirement fund association instead of the individual retirement account plan~~
 5.4 ~~under subdivision 3, clause (2), coverage by the applicable retirement fund association~~
 5.5 ~~continues~~ (a) Notwithstanding subdivision 3, if an employee of the board was employed in
 5.6 a faculty position in a technical college on June 30, 1997, with coverage by the Teachers
 5.7 Retirement Association, the employee retains that coverage. If the employee was a
 5.8 technical college faculty member on June 30, 1995, covered by a first class city teacher
 5.9 retirement fund established under chapter 354A, the retirement coverage continues with
 5.10 the Duluth Teachers Retirement Fund Association or the St. Paul Teachers Retirement
 5.11 Fund Association, whichever is applicable. If the person was a technical college faculty
 5.12 member on June 30, 1995, covered by the former Minneapolis Teachers Retirement Fund
 5.13 Association, the Teachers Retirement Association shall provide coverage.

5.14 (b) An employee under paragraph (a) who has coverage by a first class city teacher
 5.15 fund association retains that coverage for the duration of the person's employment by
 5.16 the board of Trustees of the Minnesota State Colleges and Universities unless, within
 5.17 90 days one year of a change in employment within the Minnesota State Colleges and
 5.18 Universities system, the person elects the individual retirement account plan for all future
 5.19 employment by the board of Trustees of the Minnesota State Colleges and Universities.
 5.20 The election is irrevocable.

5.21 **EFFECTIVE DATE.** This section is effective July 1, 2011.

5.22 Sec. 6. Minnesota Statutes 2010, section 354B.21, subdivision 5, is amended to read:

5.23 Subd. 5. **Payment for certain prior uncovered service.** (a) A person employed in a
 5.24 faculty position or in an eligible unclassified administrative position by the board who was
 5.25 initially excluded from participation in the individual retirement account plan coverage,
 5.26 who was not covered by any other Minnesota public pension plan for that service, and
 5.27 who is subsequently eligible to participate in the individual retirement account plan may
 5.28 make member contributions for that period of prior uncovered teaching employment or
 5.29 eligible unclassified administrative employment with the board.

5.30 (b) The member contributions for prior uncovered board service are the amount
 5.31 that the person would have paid if the prior service had been covered employment. The
 5.32 payment must be made to the individual retirement account plan administrator and may be
 5.33 made only by payroll deduction. The payment must be made by the later of:

- 5.34 (1) 45 days of the start of covered employment; or
 5.35 (2) the end of the fiscal year in which covered employment began.

6.1 (c) The board must contribute an amount to match any contribution made by a plan
6.2 participant under this subdivision.

6.3 (d) Payments of contributions for prior uncovered board service under this
6.4 subdivision must be invested in the same manner as the regular contributions made by or
6.5 on behalf of the plan participant.

6.6 **EFFECTIVE DATE.** This section is effective July 1, 2011.

6.7 Sec. 7. Minnesota Statutes 2010, section 354B.21, subdivision 6, is amended to read:

6.8 Subd. 6. **Continuation of coverage.** Except as otherwise specified in this section,
6.9 once a person is employed in a position that qualifies for participation in the individual
6.10 retirement account plan and elects to participate in the plan, all subsequent service by the
6.11 person as a faculty member or in an eligible unclassified administrative position employed
6.12 by the board or other employing unit is covered by the individual retirement account plan.

6.13 **EFFECTIVE DATE.** This section is effective July 1, 2011.

6.14 Sec. 8. Minnesota Statutes 2010, section 354B.21, is amended by adding a subdivision
6.15 to read:

6.16 Subd. 7. **Coverage; certain part-time employees.** A person employed in a
6.17 part-time faculty position or in a part-time eligible unclassified administrative position
6.18 who does not meet the definition of covered employment under section 354B.20,
6.19 subdivision 4, because the employment does not meet the threshold required under that
6.20 provision, must certify prior membership in the Teachers Retirement Association to the
6.21 Minnesota State Colleges and Universities system. If the certification is incorrect, the
6.22 employee, and not the employer, is required to pay interest on the employee and employer
6.23 contributions, and, if applicable, on the employer additional contributions to the Teachers
6.24 Retirement Association under section 354.52, subdivision 4.

6.25 **EFFECTIVE DATE.** This section is effective July 1, 2011.

6.26 Sec. 9. **REPEALER.**

6.27 Minnesota Statutes 2010, sections 354B.21, subdivision 3c; and 354B.32, are
6.28 repealed.

6.29 **EFFECTIVE DATE.** This section is effective July 1, 2011."

6.30 Delete the title and insert:

6.31 "A bill for an act

7.1 relating to retirement; Minnesota Colleges and Universities System individual
7.2 retirement account plan; revising default coverage to Teachers Retirement
7.3 Association for employees with past service covered by plans other than the
7.4 individual retirement account plan; making other technical changes; repealing
7.5 obsolete provisions; amending Minnesota Statutes 2010, section 354B.21,
7.6 subdivisions 1, 2, 3, 3a, 5, 6, by adding subdivisions; repealing Minnesota
7.7 Statutes 2010, sections 354B.21, subdivision 3c; 354B.32."