

TO: Legislative Commission on Pensions and Retirement  
FROM: Karen Dudley, Commission Staff *KD*  
RE: 1981 Legislation Pertaining to the Major Statewide Retirement Funds  
DATE: June, 1981

The 1981 Legislature made the following changes in the laws governing the three statewide retirement funds, the Minnesota State Retirement System (MSRS), the Public Employees Retirement Association (PERA), and the Teachers Retirement Association (TRA):

I. General Provisions Applicable to all Statewide Funds

A. Notice Concerning Optional Annuities

Laws 1981, Chapter 68 (SF 305), Section 29, adds a new section to Chapter 356 to require that any fund which provides optional annuity forms must: (1) provide information about the optional annuity forms to the retiring member and the spouse of the member; and (2) after the selection of an annuity form by the retiree, send a copy of the completed form by certified mail to the spouse of the retiree.

B. Optional Annuity Forms for Disability Recipients

Laws 1981, Chapter 68 (SF 305), Sections 10-11, 12-13, 14-15, 21-22, 23-24 and 25-26, allow disabilitants of MSRS, MSRS Correctional Plan, the Highway Patrol, PERA, PERA-P&F and TRA, to elect joint and survivor optional annuities at the start of the disability benefit rather than only at age 65. Section 45 is a temporary provision which permits current disabilitants of those funds to elect before December 31, 1981, an actuarially equivalent optional annuity calculated on the ages of the persons involved as of the date on which the optional annuity begins to accrue.

C. Clarification of Ambiguous References

Laws 1981, Chapter 224 (SF 1106), amended a number of statutory provisions relating to retirement. The various sections clarified ambiguous references, corrected oversights, inconsistencies, unintended results and erroneous provisions and eliminated redundant, obsolete and conflicting provisions.

II. Provisions Applicable to MSRS

A. Clarification of Benefit Accrual for Job-Sharing Program

Laws 1981, Chapter 68 (SF 305), Section 1, amended Minnesota Statutes, Section 43.60, Subdivision 3, to clarify that for purposes of vesting, service is to be credited in full, but for purposes of benefit accrual to compute a retirement annuity, service is to be credited on a fractional basis. Section 2 added a new section in Minnesota Statutes, Chapter 43, to provide that employees in the job-sharing program have their service credit for vesting purposes recalculated in accordance with the provisions of Section 1.

B. Survivor's Benefits Extended to Judges on Deferred Status

Laws 1981, Chapter 319 (SF 690), Sections 1, 2 and 6, provided to former judges on deferred annuity status the same retirement coverage provided to active judges: a monthly annuity equal to 60 percent of the normal annuity which would have been paid had the date of death been the date of retirement. Section 2 eliminated the previous survivor benefit for deceased former judges. Section 6 provided that the provisions of sections 1 and 2 be effective for all former judges who have not taken a refund who are alive on the effective date of sections 1 and 2.

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