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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1331**

February 22, 2007

Authored by Murphy, M., by request; Smith

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

1.1 A bill for an act
1.2 relating to retirement; amending certain coverage provisions; making certain
1.3 technical changes; amending Minnesota Statutes 2006, section 352D.02,
1.4 subdivisions 1, 3.

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

1.6 Section 1. Minnesota Statutes 2006, section 352D.02, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (c), ~~clauses~~
1.9 ~~(2), (3), (4), and (6) to (14)~~, if they are an elected official or in the unclassified service
1.10 of the state or Metropolitan Council and are eligible for coverage under the general
1.11 state employees retirement plan under chapter 352, are participants in the unclassified
1.12 plan under this chapter unless the employee gives notice to the executive director of
1.13 the Minnesota State Retirement System within one year following the commencement
1.14 of employment in the unclassified service that the employee desires coverage under the
1.15 general state employees retirement plan. For the purposes of this chapter, an employee
1.16 who does not file notice with the executive director is deemed to have exercised the option
1.17 to participate in the unclassified plan.

1.18 ~~(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified~~
1.19 ~~program under this chapter unless the person was eligible to elect different coverage under~~
1.20 ~~section 3A.07 and elected retirement coverage by the applicable alternative retirement~~
1.21 ~~plan.~~ Persons referenced in paragraph (c), clause (15), are participants in the unclassified
1.22 program under this chapter for judicial employment in excess of the service credit limit in
1.23 section 490.121, subdivision 22.

1.24 (c) Enumerated employees ~~and referenced persons~~ are:

2.1 (1) the governor, the lieutenant governor, the secretary of state, the state auditor,
2.2 and the attorney general;

2.3 (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary
2.4 of State, State Auditor, Attorney General;

2.5 (3) an employee of the State Board of Investment;

2.6 (4) the head of a department, division, or agency created by statute in the unclassified
2.7 service, an acting department head subsequently appointed to the position, or an employee
2.8 enumerated in section 15A.0815 or 15A.083, subdivision 4;

2.9 (5) a member of the legislature;

2.10 (6) a full-time unclassified employee of the legislature or a commission or agency of
2.11 the legislature who is appointed without a limit on the duration of the employment or a
2.12 temporary legislative employee having shares in the supplemental retirement fund as a
2.13 result of former employment covered by this chapter, whether or not eligible for coverage
2.14 under the Minnesota State Retirement System;

2.15 (7) a person who is employed in a position established under section 43A.08,
2.16 subdivision 1, clause (3), or in a position authorized under a statute creating or establishing
2.17 a department or agency of the state, which is at the deputy or assistant head of department
2.18 or agency or director level;

2.19 (8) the regional administrator, or executive director of the Metropolitan Council,
2.20 general counsel, division directors, operations managers, and other positions as designated
2.21 by the council, all of which may not exceed 27 positions at the council and the chair;

2.22 (9) the executive director, associate executive director, and not to exceed nine
2.23 positions of the Minnesota Office of Higher Education in the unclassified service, as
2.24 designated by the Minnesota Office of Higher Education before January 1, 1992, or
2.25 subsequently redesignated with the approval of the board of directors of the Minnesota
2.26 State Retirement System, unless the person has elected coverage by the individual
2.27 retirement account plan under chapter 354B;

2.28 (10) the clerk of the appellate courts appointed under article VI, section 2, of the
2.29 Constitution of the state of Minnesota;

2.30 (11) the chief executive officers of correctional facilities operated by the Department
2.31 of Corrections and of hospitals and nursing homes operated by the Department of Human
2.32 Services;

2.33 (12) an employee whose principal employment is at the state ceremonial house;

2.34 (13) an employee of the Minnesota Educational Computing Corporation;

2.35 (14) an employee of the State Lottery who is covered by the managerial plan
2.36 established under section 43A.18, subdivision 3; and

3.1 (15) a judge who has exceeded the service credit limit in section 490.121,
3.2 subdivision 22.

3.3 Sec. 2. Minnesota Statutes 2006, section 352D.02, subdivision 3, is amended to read:

3.4 Subd. 3. **Election irrevocable.** An election to not participate is irrevocable during
3.5 any period of covered employment. An employee credited with ~~employee~~ shares in the
3.6 unclassified program, after acquiring credit for ten years of allowable service but prior
3.7 to termination of covered employment, may, notwithstanding other provisions of this
3.8 subdivision, elect to terminate participation in the unclassified plan and be covered by
3.9 the ~~regular~~ general plan by filing such election with the executive director. The executive
3.10 director shall thereupon redeem the employee's total shares and shall credit to the
3.11 employee's account in the ~~regular~~ general plan the amount of contributions that would have
3.12 been so credited had the employee been covered by the regular plan during the employee's
3.13 entire covered employment or elective state service. The balance of money so redeemed
3.14 and not credited to the employee's account shall be transferred to the state contribution
3.15 reserve of the state employees retirement fund, except that (1) the employee contribution
3.16 paid to the unclassified plan must be compared to (2) the employee contributions that
3.17 would have been paid to the general plan for the comparable period, if the individual had
3.18 been covered by that plan. If clause (1) is greater than clause (2), the difference must be
3.19 refunded to the employee as provided in section 352.22. If clause (2) is greater than clause
3.20 (1), the difference must be paid by the employee within six months of electing general
3.21 plan coverage or before the effective date of the annuity, whichever is sooner.