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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **1605**

March 1, 2007

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

A bill for an act

relating to retirement; first class city teacher retirement fund associations; making various conforming changes to the Teachers Retirement Association provision in the extended leave of absence program; amending Minnesota Statutes 2006, section 354A.091, subdivisions 1, 2, 3, 4, 5, 6; repealing Minnesota Statutes 2006, section 354A.091, subdivisions 1a, 1b.

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

Section 1. Minnesota Statutes 2006, section 354A.091, subdivision 1, is amended to read:

Subdivision 1. **Retirement contributions.** (a) Upon granting an extended leave of absence under section 122A.46 or 136F.43, the employing unit of the teacher granting the leave must certify the leave to the respective teacher retirement fund association on a form specified by the chief administrative officer of the association.

(b) Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit ~~an elementary, secondary, or technical college,~~ a teacher in the public schools of a city of the first class as defined in section 354A.011, subdivision 27, who is granted an extended leave of absence pursuant to ~~under~~ section 122A.46; or a teacher who is granted an extended leave of absence ~~under section~~ 136F.43; may pay employee contributions to the applicable association and ~~shall be~~ is entitled to receive allowable service credit in that association for each year of leave, ~~provided.~~ The employer may enter into an agreement with the exclusive bargaining representative of the applicable teachers under which, for an individual teacher, all or a portion of the member contribution is paid by the employer. The agreement with the exclusive bargaining representative must include a sunset in the eligibility to

2.1 qualify for the member contribution payment and may not be a part of the collective  
 2.2 bargaining agreement. The member and the employing board must make the required  
 2.3 employer contributions; in any proportion that they may agree upon; to ~~that~~ the applicable  
 2.4 association during the period of the leave which shall. The leave may not exceed five  
 2.5 years and a teacher may not receive more than five years of allowable service credit  
 2.6 under this section. Except for a teacher employed by the Minnesota State Colleges and  
 2.7 Universities System, the state shall not make an employer contribution on behalf of the  
 2.8 teacher. The employee and employer contributions ~~shall~~ must be based upon the rates of  
 2.9 contribution prescribed by section 354A.12 ~~as~~ and must be applied to a salary figure equal  
 2.10 to the teacher's actual covered salary for the plan year immediately preceding the leave.

2.11 (c) Payment of the employee and employer contributions authorized pursuant to  
 2.12 under this section shall must be made on or before June 30 of the fiscal year for which  
 2.13 service credit is to be received. If payment is to be made by a transfer of pretax assets  
 2.14 authorized under section 356.441, payment may be made after June 30 of the fiscal year,  
 2.15 but the authorization for the asset transfer must have been received by the applicable third  
 2.16 party administrator by June 30 and the total assets transfer must include interest at the  
 2.17 rate of 0.708 percent per month from June 30 through the end of the month in which the  
 2.18 transfer occurs. No payment is permitted after the following September 30. No allowable  
 2.19 service with respect to a year of extended leave of absence shall may be credited to a  
 2.20 teacher until payment of the required employee and employer contributions has been  
 2.21 received by the association.

2.22 (d) Notwithstanding the provisions of any agreement to the contrary, payment of  
 2.23 equivalent employee and employer contributions may not be made to receive allowable  
 2.24 service credit if the teacher does not have full reinstatement rights as provided in section  
 2.25 122A.46 or 136F.43, both during and at the end of the extended leave.

2.26 (e) The school district which agrees to pay the employee retirement contribution  
 2.27 under this section shall forward to the applicable retirement association a copy of that  
 2.28 agreement as executed by the school district and the teacher.

2.29 Sec. 2. Minnesota Statutes 2006, section 354A.091, subdivision 2, is amended to read:

2.30 Subd. 2. **Membership retention.** A teacher who is on an extended leave of absence  
 2.31 under either section 122A.46 or 136F.43 and whose employee and employer contributions  
 2.32 are made to the applicable teachers retirement fund association pursuant to under  
 2.33 subdivision 1 shall retain in a timely fashion retains membership in the association for  
 2.34 each year during which the contributions are made, under the same terms and conditions  
 2.35 as if the teacher had continued to teach ~~in~~ for the district employing unit.

3.1 Sec. 3. Minnesota Statutes 2006, section 354A.091, subdivision 3, is amended to read:

3.2 Subd. 3. **Effect of nonpayment.** (a) A teacher who is on an extended leave  
 3.3 of absence under either section 122A.46 or 136F.43 and who does not make employee  
 3.4 contributions or whose employer contribution is not made to the applicable teachers  
 3.5 retirement fund association in any year ~~shall be~~ is deemed to have ceased to be an active  
 3.6 member of the association ~~and~~, is deemed to have ceased to render teaching services  
 3.7 beginning in that year for purposes of this chapter and the articles of incorporation and  
 3.8 bylaws of the association, and may not pay employee or employer contributions into the  
 3.9 fund in any subsequent year of the extended leave of absence.

3.10 (b) The nonpayment of contributions into the fund shall does not affect the rights or  
 3.11 obligations of the teacher or of the employing school district under section 122A.46 or  
 3.12 of the Minnesota State Colleges and Universities system under section 136F.43.

3.13 Sec. 4. Minnesota Statutes 2006, section 354A.091, subdivision 4, is amended to read:

3.14 Subd. 4. **Teachers who do not resume service.** ~~If~~ A teacher who has made  
 3.15 employee contributions to the applicable teachers retirement fund association for the  
 3.16 agreed maximum duration of an extended leave and who does not resume teaching  
 3.17 service in the first school year after that maximum duration of the leave has elapsed, ~~the~~  
 3.18 ~~teacher shall be~~ is deemed, for purposes of this chapter and the articles of incorporation  
 3.19 and bylaws of the association, to have ceased to be an active member of the association  
 3.20 and to have ceased to render teaching services beginning in that first school year after  
 3.21 that maximum duration has elapsed ~~for purposes of this chapter and the articles of~~  
 3.22 ~~incorporation and bylaws of the association~~.

3.23 Sec. 5. Minnesota Statutes 2006, section 354A.091, subdivision 5, is amended to read:

3.24 Subd. 5. **Applicability in the event of discharge or layoff.** ~~The provisions of This~~  
 3.25 section ~~shall~~ does not apply to a teacher who is discharged ~~pursuant to~~ under section  
 3.26 122A.41, who is placed on an unrequested leave of absence, who is retrenched, or who is  
 3.27 laid off while the teacher is on an extended leave of absence ~~pursuant to~~ under section  
 3.28 122A.46. The provisions of this section also do not apply to a teacher who is discharged  
 3.29 for cause or whose contract is terminated while the teacher is on an extended leave of  
 3.30 absence under section 136F.43.

3.31 Sec. 6. Minnesota Statutes 2006, section 354A.091, subdivision 6, is amended to read:

3.32 Subd. 6. **Exclusive coverage; limits on other service credit.** (a) A teacher who  
 3.33 makes employee contributions to and receives allowable service credit in the applicable

4.1 teacher's retirement fund association ~~pursuant to~~ under this section may not make  
4.2 employee contributions to or receive allowable service credit for the same period of time  
4.3 in any other Minnesota public employee pension plan, except a volunteer firefighters relief  
4.4 association governed by sections 69.771 to 69.776.

4.5 (b) This subdivision ~~shall~~ may not be construed to prohibit a member who pays  
4.6 employee contributions to and receives allowable service credit in the ~~fund pursuant to~~  
4.7 applicable retirement association under this section in any year from being employed as a  
4.8 substitute teacher by any school district during that year. Notwithstanding the provisions  
4.9 of this chapter or of the articles of incorporation or of the bylaws of a retirement  
4.10 association, a teacher may not pay retirement contributions to or receive allowable service  
4.11 credit in the ~~fund~~ applicable retirement association for teaching service rendered for  
4.12 any part of any year for which the teacher pays retirement contributions to or receives  
4.13 allowable service credit ~~pursuant to~~ under section 354.094 or this section while on an  
4.14 extended leave of absence under either section 122A.46 or 136F.43.

4.15 **Sec. 7. REPEALER.**

4.16 Minnesota Statutes 2006, section 354A.091, subdivisions 1a and 1b, are repealed.

4.17 **Sec. 8. EFFECTIVE DATE.**

4.18 Sections 1 to 7 are effective July 1, 2007.