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HOUSE OF REPRESENTATIVES

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HOUSE FILE No. **2125**

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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; extending filing deadlines; requiring certain written applications; amending disability benefit provisions; amending Minnesota Statutes 2006, sections 352.113, subdivision 4; 352.95, subdivisions 3, 4, 5; 352B.10, subdivision 5, by adding a subdivision.

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

Section 1. Minnesota Statutes 2006, section 352.113, subdivision 4, is amended to read:

Subd. 4. **Medical or psychological examinations; authorization for payment of benefit.** (a) An applicant shall provide medical, chiropractic, or psychological evidence to support an application for total and permanent disability.

(b) The director shall have the employee examined by at least one additional licensed chiropractor, physician, or psychologist designated by the medical adviser. The chiropractors, physicians, or psychologists shall make written reports to the director concerning the employee's disability including expert opinions as to whether the employee is permanently and totally disabled within the meaning of section 352.01, subdivision 17.

(c) The director shall also obtain written certification from the employer stating whether the employment has ceased or whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer and as a consequence the employee is not entitled to compensation from the employer.

(d) The medical adviser shall consider the reports of the physicians, psychologists, and chiropractors and any other evidence supplied by the employee or other interested parties. If the medical adviser finds the employee totally and permanently disabled, the adviser shall make appropriate recommendation to the director in writing together with the date from which the employee has been totally disabled. The director shall then determine if the disability occurred within ~~180 days~~ 18 months of filing the application, while still

2.1 in the employment of the state, and the propriety of authorizing payment of a disability  
2.2 benefit as provided in this section.

2.3 (e) A terminated employee may apply for a disability benefit within ~~180 days~~ 18  
2.4 months of termination as long as the disability occurred while in the employment of the  
2.5 state. The fact that an employee is placed on leave of absence without compensation  
2.6 because of disability does not bar that employee from receiving a disability benefit.

2.7 (f) Unless the payment of a disability benefit has terminated because the employee is  
2.8 no longer totally disabled, or because the employee has reached normal retirement age as  
2.9 provided in this section, the disability benefit must cease with the last payment received  
2.10 by the disabled employee or which had accrued during the lifetime of the employee unless  
2.11 there is a spouse surviving. In that event, the surviving spouse is entitled to the disability  
2.12 benefit for the calendar month in which the disabled employee died.

2.13 Sec. 2. Minnesota Statutes 2006, section 352.95, subdivision 3, is amended to read:

2.14 Subd. 3. **Applying for benefits; accrual.** No application for disability benefits  
2.15 shall be made until after the last day physically on the job. The disability benefit shall  
2.16 begin to accrue the day following the last day for which the employee is paid sick leave  
2.17 or annual leave but not earlier than 180 days before the date the application is filed. A  
2.18 terminated employee must file a written application which meets the requirements under  
2.19 section 352.113, subdivision 4, paragraph (e).

2.20 Sec. 3. Minnesota Statutes 2006, section 352.95, subdivision 4, is amended to read:

2.21 Subd. 4. **Medical or psychological evidence.** (a) An applicant shall provide  
2.22 medical, chiropractic, or psychological evidence to support an application for disability  
2.23 benefits. The director shall have the employee examined by at least one additional licensed  
2.24 physician, chiropractor, or psychologist who is designated by the medical adviser. The  
2.25 physicians, chiropractors, or psychologists with respect to a mental impairment, shall  
2.26 make written reports to the director concerning the question of the employee's disability,  
2.27 including their expert opinions as to whether the employee is disabled within the meaning  
2.28 of this section. The director shall also obtain written certification from the employer  
2.29 stating whether or not the employee is on sick leave of absence because of a disability that  
2.30 will prevent further service to the employer, and as a consequence, the employee is not  
2.31 entitled to compensation from the employer.

2.32 (b) If, on considering the reports by the physicians, chiropractors, or psychologists  
2.33 and any other evidence supplied by the employee or others, the medical adviser finds  
2.34 the employee disabled within the meaning of this section, the advisor shall make the

3.1 appropriate recommendation to the director, in writing, together with the date from which  
3.2 the employee has been disabled. The director shall then determine the propriety of  
3.3 authorizing payment of a disability benefit as provided in this section.

3.4 (c) Unless the payment of a disability benefit has terminated because the employee is  
3.5 no longer disabled, or because the employee has reached either age ~~65~~ 55 or the five-year  
3.6 anniversary of the effective date of the disability benefit, whichever is later, the disability  
3.7 benefit must cease with the last payment which was received by the disabled employee  
3.8 or which had accrued during the employee's lifetime. While disability benefits are paid,  
3.9 the director has the right, at reasonable times, to require the disabled employee to submit  
3.10 proof of the continuance of the disability claimed. If any examination indicates to the  
3.11 medical adviser that the employee is no longer disabled, the disability payment must  
3.12 be discontinued upon the person's reinstatement to state service or within 60 days of  
3.13 the finding, whichever is sooner.

3.14 Sec. 4. Minnesota Statutes 2006, section 352.95, subdivision 5, is amended to read:

3.15 Subd. 5. **Retirement status at normal retirement age.** The disability benefit  
3.16 paid to a disabled correctional employee under this section shall terminate at the end of  
3.17 the month in which the employee reaches age ~~65~~ 55, or the five-year anniversary of the  
3.18 effective date of the disability benefit, whichever is later. If the disabled correctional  
3.19 employee is still disabled when the employee reaches age ~~65~~ 55, or the five-year  
3.20 anniversary of the effective date of the disability benefit, whichever is later, the employee  
3.21 shall be deemed to be a retired employee. If the employee had elected an optional annuity  
3.22 under subdivision 1a, the employee shall receive an annuity in accordance with the  
3.23 terms of the optional annuity previously elected. If the employee had not elected an  
3.24 optional annuity under subdivision 1a, the employee may within 90 days of attaining age  
3.25 ~~65~~ 55 or reaching the five-year anniversary of the effective date of the disability benefit,  
3.26 whichever is later, either elect to receive a normal retirement annuity computed in the  
3.27 manner provided in section 352.93 or elect to receive an optional annuity as provided  
3.28 in section 352.116, subdivision 3, based on the same length of service as used in the  
3.29 calculation of the disability benefit. Election of an optional annuity must be made within  
3.30 90 days before attaining age ~~65~~ 55 or reaching the five-year anniversary of the effective  
3.31 date of the disability benefit, whichever is later. If an optional annuity is elected, the  
3.32 optional annuity shall begin to accrue on the first of the month following the month in  
3.33 which the employee reaches age ~~65~~ 55 or the five-year anniversary of the effective date of  
3.34 the disability benefit, whichever is later.

4.1 Sec. 5. Minnesota Statutes 2006, section 352B.10, is amended by adding a subdivision  
4.2 to read:

4.3 Subd. 2a. **Applying for benefits; accrual.** No application for disability benefits  
4.4 shall be made until after the last day physically on the job. The disability benefit shall  
4.5 begin to accrue the day following the last day for which the employee is paid sick leave  
4.6 or annual leave but not earlier than 180 days before the date the application is filed. A  
4.7 member who is terminated must file a written application which meets the requirements  
4.8 under section 352.113, subdivision 4, paragraph (e).

4.9 Sec. 6. Minnesota Statutes 2006, section 352B.10, subdivision 5, is amended to read:

4.10 Subd. 5. **Optional annuity.** A disabilitant may elect, in lieu of spousal survivorship  
4.11 coverage under section 352B.11, subdivisions 2b and 2c, the normal disability benefit or  
4.12 an optional annuity as provided in section 352B.08, subdivision 3. The choice of an  
4.13 optional annuity must be made in writing, on a form prescribed by the executive director,  
4.14 and must be made before the commencement of the payment of the disability benefit, or  
4.15 within 90 days before reaching age ~~65~~55 or before reaching the five-year anniversary  
4.16 of the effective date of the disability benefit, whichever is later. The optional annuity  
4.17 is effective on the date on which the disability benefit begins to accrue, or the month  
4.18 following the attainment of age ~~65~~55 or following the five-year anniversary of the  
4.19 effective date of the disability benefit, whichever is later.