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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **2451**

April 23, 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

1.1 A bill for an act  
1.2 relating to retirement; Minnesota public pension plan benefits; requiring the  
1.3 selection of a joint and survivor annuity benefit if provided for under the plan;  
1.4 amending Minnesota Statutes 2006, section 356.46.

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

1.6 Section 1. Minnesota Statutes 2006, section 356.46, is amended to read:

1.7 **356.46 APPLICATION FOR RETIREMENT ANNUITY; PROCEDURE**  
1.8 **FOR ELECTING ANNUITY FORM; MANDATORY JOINT AND SURVIVOR**  
1.9 **OPTIONAL ANNUITY FORM.**

1.10 Subdivision 1. **Definitions.** As used in this section, each of the following terms shall  
1.11 have the meaning given.

1.12 (a) "Annuity form" means the payment procedure and duration of a retirement  
1.13 annuity or disability benefit available to a member of a public pension fund, based on the  
1.14 period over which a retirement annuity or disability benefit is payable, determined by the  
1.15 number of persons to whom the retirement annuity or disability benefit is payable, and the  
1.16 amount of the retirement annuity or disability benefit which is payable to each person.

1.17 (b) "Joint and survivor optional annuity" means an optional annuity form which  
1.18 provides a retirement annuity or disability benefit to a retired member and the spouse of  
1.19 the member on a joint basis during the lifetime of the retired member and all or a portion  
1.20 of the original retirement annuity or disability benefit amount to the surviving spouse  
1.21 in the event of the death of the retired member. The minimum continuing benefit to a  
1.22 surviving spouse under a joint and survivor optional annuity must be at least 50 percent of  
1.23 the monthly amount paid just before the death of the primary annuitant.

2.1 (c) "Optional annuity form" means an annuity form which is elected by a member  
2.2 and is not provided automatically as the standard annuity form of the public pension plan.

2.3 (d) "Public pension plan" means a public pension plan ~~as defined under section~~  
2.4 ~~356.63, paragraph (b)~~ that provides pension or retirement coverage for public employees,  
2.5 including those plans and funds specified in sections 356.20, subdivision 2, and 356.30,  
2.6 subdivision 3, and any retirement or pension fund, including a supplemental retirement  
2.7 plan or fund, established, maintained, or supported by a governmental subdivision or  
2.8 public body whose revenues are derived from taxation, fees, assessments, or other public  
2.9 sources.

2.10 (e) "Retirement annuity" means a series of monthly payments to which a former or  
2.11 retired member of a public pension fund is entitled due to attaining a specified age and  
2.12 acquiring credit for a specified period of service, which includes a retirement annuity,  
2.13 retirement allowance, or service pension.

2.14 (f) "Disability benefit" means a series of monthly payments to which a former or  
2.15 disabled member of a public pension fund is entitled due to a physical or mental inability  
2.16 to engage in specified employment.

2.17 Subd. 2. **Provision of information on annuity forms.** Every public pension plan  
2.18 which provides for an annuity form other than a single life retirement annuity as an option  
2.19 which can be elected by an active, disabled, or retiring member shall provide as a part  
2.20 of, or accompanying the annuity application form, a written statement summarizing the  
2.21 optional annuity forms which are available, a general indication of the consequences of  
2.22 selecting one annuity form over another, a calculation of the actuarial reduction in the  
2.23 amount of the retirement annuity which would be required for each optional annuity form,  
2.24 and the procedure to be followed to obtain more information from the public pension fund  
2.25 concerning ~~the optional~~ all annuity forms provided by the plan. If the public pension plan  
2.26 offers a joint and survivor optional annuity, the statement must also inform the member  
2.27 and the member's spouse that, notwithstanding any law to the contrary, the member must  
2.28 select the joint and survivor optional annuity, naming the spouse as survivor, unless the  
2.29 member's spouse signs and returns to the public pension fund a notarized statement in  
2.30 which the spouse consents to the selection of a different form of benefit and waives any  
2.31 rights to share in a joint and survivor optional annuity.

2.32 Subd. 3. **Requirement of joint and survivor annuity benefit and notice to**  
2.33 **member's spouse.** (a) ~~If a~~ Every public pension plan administration that provides optional  
2.34 retirement annuity forms which include for a joint and survivor optional retirement  
2.35 annuity form potentially applicable to the surviving spouse of a member, the executive  
2.36 director of the public pension plan shall send a copy of the written statement required by

3.1 subdivision 2 to the spouse of the member before the member's ~~election~~ selection of  
3.2 ~~an optional retirement annuity~~ the form of retirement benefit. If the public pension plan  
3.3 provides for a joint and survivor optional annuity form, the member is required to select  
3.4 that annuity form, naming the member's spouse as survivor, unless the public pension plan  
3.5 administration receives a signed and notarized statement from the member's spouse in  
3.6 which the spouse consents to the selection of a different benefit form and waives any right  
3.7 to an interest in a joint and survivor optional annuity.

3.8 (b) Following the ~~election~~ selection of a retirement annuity by the member, a copy  
3.9 of the completed retirement annuity application and retirement annuity beneficiary form,  
3.10 if applicable, must be sent by the public pension plan administration to the spouse of the  
3.11 retiring member. A signed acknowledgment must be required from the spouse confirming  
3.12 receipt of a copy of the completed retirement annuity application and retirement annuity  
3.13 beneficiary form, unless the spouse's signature confirming the receipt is on the annuity  
3.14 application form. If the required signed acknowledgment is not received from the  
3.15 spouse within 30 days, the public pension plan must send another copy of the completed  
3.16 retirement annuity application and retirement annuity beneficiary form, if applicable, to  
3.17 the spouse by certified mail with restricted delivery. If a public pension plan receives  
3.18 notice that the provisions of this section have not been complied with, or if a member  
3.19 selects a benefit form without the valid consent of the member's spouse, the public pension  
3.20 plan shall suspend the payment of monthly benefits and shall take all actions necessary  
3.21 to comply with this section, including converting the form of benefit selected into one  
3.22 providing for a joint and survivor annuity.

3.23 Subd. 4. **Application to volunteer fire plans.** This section does not apply to  
3.24 lump-sum service pensions provided under section 424A.02, subdivision 3, paragraph  
3.25 (d), by a volunteer fire relief association.

3.26 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to annuities  
3.27 that commence on or after that date.