

## Background Information on Retirement Annuity or Benefit Accrual Date Provisions

### Definition of Annuity or Benefit Accrual Date

The annuity or benefit accrual date is the date on which a retirement annuity or a retirement benefit is first payable after meeting the vesting requirement for the annuity or benefit, after achieving the early or normal retirement age for a retirement annuity, and applying for the retirement annuity or retirement benefit.

### Summary of the Current Annuity or Benefit Accrual Date Provisions

#### **MSRS-General**

##### Retirement Annuity Accrual

Accrues no earlier than 180 days before the date on which the retirement application is filed with the director, but not before the day following the termination of state service or before the day on which the member is eligible to retire by reason of meeting both age and service requirements. [352.115, Subd. 8]

##### Disability Benefit Accrual

Accrues on the day following the start of the disability or the day following the last day on which the member's salary was paid, whichever is later, but not earlier than 180 days before the date on which the disability benefit application was filed with the director. [352.113, Subd. 2]

##### Survivor Benefit Accrual

No specific provision.

#### **MSRS-Correctional**

##### Retirement Annuity Accrual

Same as MSRS-General. [352.951]

##### Disability Benefit Accrual

Accrues on the day following the last day for which the member is paid sick leave or annual leave, but not earlier than 180 days before the date on which the application is filed. [352.95, Subd. 3]

##### Survivor Benefit Accrual

The surviving spouse benefit accrues on the first of the month next following the date on which the benefit application was filed. The surviving dependent child benefit is payable from the date of the member's death. [352.931, Subd. 1, Para. (a), and Subd. 3]

#### **State Patrol Retirement Plan**

##### Retirement Annuity Accrual

Accrues no earlier than 180 days before the date on which the retirement application is filed with the executive director. [352B.08, Subd. 1]

##### Disability Benefit Accrual

Accrues on the day following the last day for which the member was paid sick leave or annual leave, but not earlier than 180 days before the date on which the disability application is filed with the executive director. [352B.101]

##### Survivor Benefit Accrual

Accrues on the day following the date of death, but is not retroactive for more than six months before the date on which the application is filed. [352B.11, Subd. 2a]

#### **Legislators Plan**

##### Retirement Annuity Accrual

Accrues following the receipt of the retirement annuity application by the director, but not before the attainment of normal retirement age or the reduced retirement allowance age, not before the person's retirement from the legislature, and not retroactive for more than 180 days before the annuity application is filed with the director. [3A.02, Subd. 1, Para. (c)]

##### Disability Benefit Accrual

No disability benefit coverage provided.

##### Survivor Benefit Accrual

Accrues as of the first day of the month next following the death of the legislator or former legislator, commences as of the first of the month next following the filing of the application, and are retroactive to the date on which the benefit accrues or as of the first of the month occurring 12 months before the month in which the application is filed with the director, whichever is later. [3A.05, Para. (b)]

#### **Judges Plan**

##### Retirement Annuity Accrual

Entitlement from and after the mandatory retirement date, the normal retirement date, or the early retirement date. [490.124, Subd. 1, Para. (a)]

##### Disability Benefit Accrual

Entitlement from and after the conclusion of the one year of continuation of full salary following the determination of disability by the governor. [490.124, Subd. 1, Para. (a), and Subd. 4, Para. (b)]

##### Survivor Benefit Accrual

Entitlement upon the death of the judge or the former judge. [490.124, Subd. 9, Para. (a)]

#### **PERA-General**

##### Retirement Annuity Accrual

For retiring public employees other than elected officials, begins with the first day of the first calendar month after the date of public service termination and accrual is limited to period of time until annuity entitlement has terminated.

For retiring elected officials, accrues on the day following expiration of office or expiration of right to hold office. Annuity payment may be made retroactive for up to one year before the month in which a complete application is received by the executive director. [353.29, Subd. 7]

##### Disability Benefit Accrual

Accrues when the disablitant is no longer receiving any salary or leave compensation, or 90 days before the filing of the disability application, or, if annual leave, sick leave or salary payable for more than the 90-day period, from the date that the salary ceased, whichever is later. [353.33, Subd. 2]

##### Survivor Benefit Accrual

Status-based basic program survivor benefits accrue on the first day following the death of the member. Payment may be made retroactively for up to 12 months prior to the month in which the application is filed and accrual does not extend beyond the end of the month in which entitlement terminates. [353.31, Subd. 8]

No specific provision for death-while-eligible survivor benefit.

## **PERA-P&F**

### Retirement Annuity Accrual

Same as PERA-General. [353.68, Subd. 1]

### Disability Benefit Accrual

For a disability benefit other than a total and permanent duty disability, accrues when the disabilitant is no longer receiving salary or paid leave, or 90 days prior to the application filing, or, if annual leave, sick leave or employer-paid salary continuation is paid for more than the 90-day period, from the date on which the salary payment ceased, whichever is later. [353.656, Subd. 10]

For total and permanent duty disability, no specific accrual provision applies and the PERA-General provision thus applies. [353.68, Subd. 1]

### Survivor Benefit Accrual

Same as PERA-General. [353.68, Subd. 1]

## **PERA-Correctional**

### Retirement Annuity Accrual

Same as PERA-General. [353E.04, Subd. 5]

### Disability Benefit Accrual

Accrues when the disabilitant is no longer receiving salary or paid leave, or 90 days prior to the application filing, or, if annual leave, sick leave or employer-paid salary continuation is paid for more than the 90-day period, from the date on which the salary payment ceased, whichever is latest. [353E.06, Subd. 4]

### Survivor Benefit Accrual

The surviving spouse benefit begins to accrue as of the first of the next month following the date on which the application for the benefit was filed. [353E.07, Subd. 3]

## **TRA**

### Retirement Annuity Accrual

Accrues after the termination of teaching service either on the day after the termination of teaching, on the day of application receipt if the application is filed later than six months after the termination of teaching, or July 1 for principals and school administrators receiving a full annual contract salary for the performance of a full year's contract duties, or, if the application is filed within six months after the termination of teaching, a retroactive date no earlier than the day after teaching service terminated and no later than six months after the termination date. [354.44, Subd. 4]

### Disability Benefit Accrual

Accrues from the day following the start of the disability or the day following the last day on which salary is paid, whichever is later, but not earlier than six months before the date on which the application is filed with the executive director and, if annual leave or sick leave is being received, not earlier than the day following the last day for which the leave salary is paid. [354.48, Subd. 2]

### Survivor Benefit Accrual

No specific provision.

## **First Class City Teacher Retirement Fund Associations**

### Retirement Annuity Accrual

Accrues after the later of the termination of teaching service for the applicable school district, the filing of a retirement annuity application, on the 16<sup>th</sup> of the month if the later date occurs on or before the 15<sup>th</sup> of the month or on the first day of the next month if the later date occurs on or after the 16<sup>th</sup> of the month, but if the application is filed within the 90-day period immediately following the termination of teaching, accrues as if the application was filed on the date of service termination, and may accrue one month before the date of final salary receipt. [354A.31, Subd. 2 and 2a]

### Disability Benefit Accrual

Accrues on the later of 90 days following the start of the disability or the first day of the month next following the date on which the disability application has been filed, but not until the cessation of any salary, annual leave, or sick leave payment. [354A.36, Subd. 2]

### Survivor Benefit Accrual

No specific provision.

## Summary of the Development of the Retirement Annuity and Retirement Benefit Accrual Provisions

### 1. MSRS-General

- In 1953 (M.S. 1953, Sec. 352.11, Subd. 3), a General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) retirement annuity would be payable for the portion of the calendar month in which a member's receipt of salary ceased if the application for retirement is made within 30 days of the date that salary ceases and cannot be retroactive for more than three months of the date of the retirement application.
- In 1953 (M.S. 1953, Sec. 352.113), a disability benefit would accrue 90 days following the start of the disability or 90 days following the end of the receipt of sick leave or annual leave if the application is filed within 90 days of the disability, or retroactive 30 days if the application is filed between 60 days of the disability and 90 days of the disability.
- In 1953, a survivor would receive only a death refund.

- In 1957 (Laws 1957, Ch. 928, Sec. 13, Subd. 2), if the disability benefit application has not been filed within 90 days from the start of the disability, the disability benefit was set to accrue as of 30 days before the date of the application filing unless salary, annual leave, or sick leave was still being received by the member, when the disability benefit was set to accrue as of the date that the salary or leave payment ceases.
- In 1959 (Ex. Sess. Laws 1959, Ch. 6, Sec. 13, Subd. 2), the language of the disability benefit accrual date was simplified, specifying that the disability benefit accrues 90 days after the commencement of the disability or 30 days after the application is filed, whichever is later, unless salary or leave is paid later than the 30- or 90-day-related accrual date, when the accrual date is the date on which salary or leave ends.
- In 1967 (Ex. Sess. Laws 1967, Ch. 57, Sec. 16), the retirement annuity accrual date parameter date specification was clarified as not being prior to the day following the last day of the pay period in which the retiring member's last working day occurs.
- In 1971 (Laws 1971, Ch. 12, Sec. 3, 4, 7), the retirement annuity accrual date was modified as no earlier than 60 days before the date of the retirement annuity application unless an optional annuity form is selected, when the accrual date is 30 days after the application is filed, but the accrual date cannot be earlier than the day following the termination of state employment, the deferred retirement annuity accrual date is set at a date no earlier than 60 days before the deferred annuity application is filed, but not before the date on which the qualifying age is reached or the date following the termination of employment that required membership in the Public Employees Retirement Association (PERA) or the Teachers Retirement Association (TRA), and the disability benefit accrual date was modified as 90 days following the start of the disability or the day following the last day of salary payment, whichever is later, but no earlier than 60 days before the date of the disability application.
- In 1971 (Laws 1971, Ch. 194, Sec. 4), a death-while-eligible survivor benefit was added, without any clear specification of an accrual date.
- In 1973 (Laws 1973, Ch. 221, Sec. 8), the deferred retirement annuity accrual provision was modified by adding an exception of the 60-day period to application accrual date provision for optional annuity form elections, when the accrual date is 30 days after a filing of the application.
- In 1984 (Laws 1984, Ch. 564, Sec. 6, 9; Ch. 574, Sec. 6, 9), the retirement annuity accrual provision was modified by an elimination of the special later accrual date for optional annuity forms and the disability benefit accrual date was modified by eliminating the 90-day after the start of disability period.
- In 1992 (Laws 1992, Ch. 432, Art. 1, Sec. 9), the deferred retirement annuity provision was modified by eliminating the restriction on accrual that the person terminate employment in a PERA- or TRA-covered position.
- In 1993 (Laws 1993, Ch. 307, Art. 1, Sec. 8, 11), the retirement annuity accrual provision was modified, with the period before retirement for an application extended from 60 days to 90 days and the maximum retroactive period for accrual extended from 60 days to 180 days, and the disability benefit accrual maximum retroactive period increased from 60 days to 180 days.

## 2. MSRS-Correctional

- When the Correctional State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-Correctional) was established in 1973 (Laws 1973, Ch. 653, Sec. 39-44), the plan included no accrual provisions separate from the MSRS-General plan.
- In 1980 (Laws 1980, Ch. 342, Sec. 6, Subd. 3), the accrual date for a disability benefit was specified as the day following the last day for which the disabled plan member is paid sick leave or annual leave, but not earlier than 60 days before the date of the application filing.
- In 1981 (Laws 1981, Ch. 224, Sec. 60), a clarification provision was added to the MSRS-Correctional law specifying that the MSRS-General law applies unless otherwise specified, which would include benefit accrual provisions.
- In 1993 (Laws 1993, Ch. 307, Art. 1, Sec. 22), the retroactive period for a disability benefit accrual was lengthened from 60 days to 180 days.
- In 1997 (Laws 1997, Ch. 233, Art. 1, Sec. 26), a specific survivor benefit provision was added to the plan, with the accrual of the benefit specified as the first of the month next following the date on which the survivor benefit application was filed.

### 3. State Patrol Plan

- The law establishing the Highway Patrolman Retirement Plan (Laws 1943, Ch. 637) had no specific annuity or benefit accrual provisions, other than a restriction on the payment of disability benefits if the person has credit for unused annual leave or sick leave or if the person receives workers' compensation for the disability.
- In 1983 (Laws 1983, Ch. 128, Sec. 25, 26, and 29), accrual provisions were added to the retirement annuity, disability benefit and survivor benefit, with the accrual of the retirement annuity set at no earlier than 90 days before the date of the application filing, with the application not permitted to be filed more than 60 days before the person attains the retirement age and service requirements; with the accrual of the disability benefit set at the day following the start of the disability or the day following the last day the disability was paid, whichever is later, but no earlier than 90 days before the date the application is filed; and with the accrual of the survivor benefit set at the day following the date of death, but retroactive for up to six months before the application filing date.
- In 1993 (Laws 1993, Ch. 307, Art. 1, Sec. 24, 26), the limit on retirement annuity applications prior to attaining eligibility was extended from 60 days to 90 days and the retirement annuity accrual date retroactivity was extended from 90 days to 120 days prior to the application filing date, and the retroactive disability benefit accrual date period was extended from 90 days to 180 days before the application filing date.

### 4. Legislators Plan

- When established in 1965 (Laws 1965, Ch. 896, Sec. 2, 5), the accrual date specified for the retirement allowance was the first day of the month of the receipt of the retirement annuity application and the accrual date for a survivor benefit was set as the first day of the month following the application filing date.
- In 1975 (Laws 1975, Ch. 368, Sec. 9), the survivor benefit payment was made retroactive to the first day of the month following the death of the member or former member of the Legislature for any application filed after June 30, 1973, and before July 1, 1975, and not retroactive for a period longer than 12 months prior to the application filing for applications filed after June 30, 1975.
- In 1981 (Laws 1981, Ch. 224, Sec. 9), the 12 months of retroactive payments provision for survivor benefits was made universally applicable, eliminating the pre-July 1/post-June 30, 1975, differential provisions.
- In 1993 (Laws 1993, Ch. 307, Art. 1, Sec. 1), the retirement annuity accrual provision was modified with the addition of a restriction that the allowance does not accrue before retirement and a restriction that payments may not be retroactive for more than 180 days before the application filing date.

### 5. Judges Plan

- As enacted in 1973 (Laws 1973, Ch. 744, Sec. 4), and unchanged since, the accrual date for a retirement annuity is from the acting judge's mandatory retirement date, normal retirement date, or early retirement date; the accrual date for a disability benefit is the date one year after the occurrence of the disability and the termination of the one-year of continued salary; and the accrual date for survivor's benefits is the date of the death of the judge or former judge.

### 6. PERA-General

- In 1953 (M.S. 1953, Sec. 353.13), the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General) retirement annuity accrual date was set as the first day of the first calendar month following the date of the termination of public service and payment could not be made retroactive to a date earlier than the first day of the calendar month in which the annuity application is filed.
- In 1957 (Laws 1957, Ch. 935, Sec. 9), a limit was placed on the retirement date for a retirement annuity of not less than 30 days after the filing of the application and not more than 60 days after the filing of the application, with the initial retirement annuity payment prorated for any fraction of a calendar month elapsing after the payment of salary ceases, but the 30-day waiting period for filing the retirement date may be waived for a disability benefit application accompanied by a medical doctor's certification of a physical or mental disability; and the accrual date for a disability benefit was set as 30 days before the application receipt or the date of salary discontinuation, whichever is later, if the application was not filed within 90 days of the start of the disability, and as 90 days after the start of the disability or the date of salary discontinuation,

whichever is later, and if the application has been filed within the 90 days of the start of the disability.

- In 1959 (Laws 1959, Ch. 650, Sec. 57), the 1957 retirement annuity accrual date provision was repealed, leaving the 1953 retirement annuity accrual provision.
- In 1963 (Laws 1963, Ch. 641, Sec. 15), the application and annuity accrual and payment provisions were totally revised, with the retirement annuity accrual date for retirees other than elected officials set at the first day of the first calendar month next following the date of the termination of public service and with the retirement annuity accrual date for elected official retirees set at the first of the month in which the elected term expired or the right to office terminates if retired before May 1, 1963, and at the day following the expiration of public office or a right to an office with a pro rata initial benefit payment if retired after April 30, 1963.
- Also in 1963 (Laws 1963, Ch. 641, Sec. 21), the survivor benefit accrual date was set as the first day of the month following the death of the member or annuitant, with retroactive payment limited to three months before the month in which the application was filed.
- In 1965 (Laws 1965, Ch. 880, Sec. 6), the disability benefit accrual date was modified, requiring an application for a disability benefit within one year of the termination of active employment and limiting retroactive payment of a disability benefit to three months before the month of the application filing.
- In 1971 (Laws 1971, Ch. 753, Sec. 42, 47, 54, 85), the retirement annuity accrual date was revised, set at the first day of the first calendar month after the termination of public service for retirees other than elected officials and as of the termination of public office for elected officials, the retroactive payments beyond the first day of the calendar month in which the application was filed were prohibited, and the survivor benefit payment date of an accrued benefit was extended from three months to one year for survivor benefits for deaths after January 1, 1969.
- In 1976 (Laws 1976, Ch. 329, Sec. 21), the retirement annuity accrual date provision was modified to extend the retroactive annuity payment period back from the first of the month in which the application was filed to three months before the month in which the application was filed.
- In 1978 (Laws 1978, Ch. 471, Sec. 4-7), the survivor benefit accrual date was revised, retaining the day following death for basic program survivors but shifting the accrual date for survivors of annuitants or disabilitants to the first day of the month following the coordinated members death and providing that accrual ends upon annuity entitlement termination, and the disability benefit accrual date was modified by the addition of a provision that accrual ends when disability benefit entitlement terminates.
- In 1992 (Laws 1992, Ch. 432, Art. 2, Sec. 9), the retirement annuity accrual date provision was modified by extending the retroactive period for annuity payment from three months to one year before the month in which the application is filed.

## 7. PERA-P&F

- In 1959 (Laws 1959, Ch. 650, Sec. 36), the general provisions of the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General) was made applicable to the Public Employees Police and Fire Retirement Plan unless specifically provided for otherwise.
- In 2004 (Laws 2004, Ch. 267, Art. 8, Sec. 23), a disability benefit accrual date provision was added to the plan, with the accrual date set at the day following the start of the disability, or 90 days before the application filing, or, if annual or sick leave is paid for more than the 90-day period, from the date on which salary payment ceased, whichever is later.
- In 2007 (Laws 2007, Ch. 134, Art. 4, Sec. 24), with the exception of total and permanent disabilities, a disability benefit occurs when the applicant no longer receives any form of compensation, whether salary or paid leave during the 90-day period preceding the application filing or, if any other employer-paid salary continuation is payable for more than the 90-day period, when the salary payment ends, whichever is later, and no disability benefit is payable when unused annual leave, sick leave, or any other employer-paid salary continuation benefit remains to the applicant's credit or if circumstances are such during the disability period that there has been no salary impairment for the person.

## 8. PERA-Correctional

- In 1999 (Laws 1999, Ch. 222, Art. 2, Sec. 14), the general provisions of the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General) were also applicable to the PERA Local Government Correctional Service Retirement Plan unless specifically provided for otherwise.
- In 2007 (Laws 2007, Ch. 134, Art. 4, Sec. 34), the disability benefit accrual date is when the applicant no longer receives salary or paid leave, or 90 days preceding the filing of the application, or, if annual or sick leave or any other employer-paid salary continuation is paid for more than the 90-day period, when the salary ceases, whichever is later, and no disability benefit is payable if unused annual leave, sick leave, or any other employer-paid salary continuation remains to the credit of the applicant or other circumstances exist during the period of disability where there is no impairment of the applicant's salary.

## 9. TRA

- In 1953 (M.S. 1953, Sec. 135.10, Subd. 4, 6), the retirement annuity from the Teachers Retirement Association was payable quarterly and was payable on the January 1, April 1, July 1, or October 1 next following the retiring teacher's election of an annuity, while the disability benefit was only paid after an application.
- In 1957 (Ex. Sess. Laws 1957, Ch. 16, Sec. 6, 10), the retirement annuity accrual date was set as not less than 30 days after or more than 60 days after the filing of the application for the annuity, with the application filed between 30 days and 60 days before the last day on which the member is to receive salary and the disability benefit accrual date is 90 days after the start of the disability unless the member receives annual or sick leave salary for a period longer than 90 days, or is 30 days after the application if the application has not been filed within 90 days of the start of the disability, or is the day after the payment of salary ceases, with a prorated benefit, if the application is made within 30 days of the date on which salary ceases, and the survivor benefit accrual date was not specifically delineated.
- In 1961 (Ex. Sess. Laws 1961, Ch. 17, Sec. 11), the retirement annuity accrual date was totally revised, set at the first day of the month following the date on which the application is filed, and eliminated the prorated disability benefit payment provision exception.
- In 1961 (Laws 1961, Ch. 597, Sec. 3), the disability benefit accrual date was modified without apparent substantive change.
- In 1969 (Laws 1969, Ch. 485, Sec. 22), the disability benefit accrual rate provision was revised, with the date set 90 days following the start of the disability or the first day of the month following the date on which the application was filed, whichever is later, but from the date on which annual or sick leave salary is discontinued if annual or sick leave extends beyond the applicable accrual date.
- In 1973 (Laws 1973, Ch. 270, Sec. 10), the annuity accrual date was revised, set at the later of the 16th of the month of termination or application filing if the termination or filing occurred on or before the 15th day of the month or at the first day of the next month following the month of termination or filing if the termination or filing occurred on or after the 16th day of the month, with a restriction on the filing of an annuity application to no earlier than 60 days before termination of teaching service.
- In 1981 (Laws 1981, Ch. 160, Sec. 6, 8), the retirement annuity accrual date was modified by permitting accrual for up to one month before the date of the receipt of the final salary payment and the disability benefit accrual date was revised by requiring the filing of the application for a disability benefit within 18 months after the termination of teaching service and by setting the accrual date at 90 days after the start of the disability or from the date on which salary ceases, whichever is later, but not more than 90 days before the application date is filed.
- In 1986 (Laws 1986, Ch. 458, Sec. 16), the retirement annuity was set to accrue as if the application had been filed on the date on which teaching service terminated if the person files a retirement application during the first 90 days after the termination of teaching service, but not earlier than one month before the final salary receipt date.
- In 1991 (Laws 1991, Ch. 340, Sec. 20), a specific accrual date was specified for the death-while-eligible optional survivor annuity, setting the accrual date as the day following the date of death of the retirement association member, but may not accrue more than six months before the date of the application filing.

- In 1994 (Laws 1994, Ch. 528, Art. 3, Sec. 18), the retirement annuity accrual date and the disability benefit accrual date were altered, set at July 1 following the termination of teaching for school principals and other school administrators receiving a full annual contract salary during the fiscal year for performance of a full year's contract duties, the period for the filing of a retirement annuity application was extended from 90 days to six months, the retirement annuity accrual date could be a later date during the six-month period than the date on which teaching service terminated as designated by the member, and the disability benefit accrual date retroactivity limit was extended from 90 days before the application filing to six months before the application filing date.
- In 1996 (Laws 1996, Ch. 438, Art. 3, Sec. 1-2), the ability to file an early retirement annuity application was extended to 120 days before the termination of teaching service, a restriction was added to the retirement annuity accrual provision that age and service requirements for a retirement annuity must be met, and the retirement annuity accrual language was reorganized apparently without substantive change.
- In 2004 (Laws 2004, Ch. 267, Art. 7, Sec. 4; Art. 9, Sec. 18), the retirement annuity accrual date provision was modified with the elimination of the restriction that the annuity may not begin more than one month before the final salary receipt date and the death-while-eligible survivor benefit accrual date provision was modified by eliminating the specification that the benefit accrues on the day following the date of the member's death and replacing it with a limitation that the benefit may not accrue before the member's death.

#### 10. First Class City Teacher Retirement Fund Associations

- In 1979 (Laws 1979, Ch. 217, Sec. 16, 21), the first class city teacher retirement fund association coordinated program retirement annuity accrual date was set at either the first of the month or the 16<sup>th</sup> of the month next following the later of the termination of teaching service, the filing of a retirement annuity application, or the receipt of the final salary payment and the disability benefit accrual date was set at the later of 90 days after the start of the disability or the first day of the month next following the date of the written application filing, but not until all salary, annual leave, and sick leave ceases. The accrual provisions have been unchanged since 1979.