

1.1 A bill for an act  
1.2 relating to retirement; modifying early retirement initiative; amending Minnesota  
1.3 Statutes 2008, section 356.351, subdivisions 1, 2.

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

1.5 Section 1. Minnesota Statutes 2008, section 356.351, subdivision 1, is amended to read:

1.6 Subdivision 1. **Eligibility.** (a) An eligible appointing authority may offer the early  
1.7 retirement incentive in this section to an employee who:

1.8 (1) ~~has at least 15 years of allowable service in one or more of the funds listed~~  
1.9 ~~in section 356.30, subdivision 3, or has at least 15 years of coverage by the individual~~  
1.10 ~~retirement account plan governed by chapter 354B~~ employment as indicated in the  
1.11 personnel records of the applicable employing unit and upon retirement is immediately  
1.12 eligible for a retirement annuity or benefit from one or more ~~of these funds~~ retirement plan  
1.13 governed by Minnesota Statutes, chapter 354B, or Minnesota Statutes, section 356.30;

1.14 (2) terminates service after the effective date of this section, and before ~~July 15,~~  
1.15 ~~2009~~ October 1, 2012; and

1.16 (3) is not in receipt of a public retirement plan retirement annuity, retirement  
1.17 allowance, or service pension during the month preceding the termination of qualified  
1.18 employment; and

1.19 (4) has not been eligible to receive a retirement annuity for a period longer than  
1.20 10 years.

1.21 (b) An eligible appointing authority is any Minnesota governmental employing unit  
1.22 which employs one or more employees with retirement coverage by a retirement plan  
1.23 listed in section 356.30 by virtue of that employment.

1.24 (c) An elected official is not eligible to receive an incentive under this section.

2.1 (d) Employees of the Minnesota State Colleges and Universities System who  
 2.2 participate in the incentive program under section 136F.481 are not eligible for the  
 2.3 incentive under this section.

2.4 Sec. 2. Minnesota Statutes 2008, section 356.351, subdivision 2, as amended by Laws  
 2.5 2009, chapter 169, article 1, section 72, is amended to read:

2.6 Subd. 2. **Incentive.** (a) For an employee who is eligible under subdivision 1, ~~if for~~  
 2.7 whom an early retirement incentive is approved under paragraph (b), and who terminates  
 2.8 employment as provided for in the agreement, the employer may provide ~~an amount up to~~  
 2.9 ~~\$17,000, to an employee who terminates service,;~~

2.10 (1) a severance amount in lieu of and not to exceed the amount of state-provided  
 2.11 unemployment compensation for that particular person if the person had been laid off; and

2.12 (2) an additional severance amount not to exceed the amount of the employer's  
 2.13 contribution for health insurance, dental insurance, and basic life insurance that would  
 2.14 have been payable to the particular person under the applicable collective bargaining  
 2.15 agreement or personnel policy at the time of termination,

2.16 to be used:

2.17 ~~(1)~~ (i) unless the appointing authority has designated the use under clause ~~(2)~~  
 2.18 (ii) or the use under clause ~~(3)~~ (iii) for the initial retirement incentive applicable to that  
 2.19 employing entity under Laws 2007, chapter 134, after May 26, 2007, for deposit in the  
 2.20 employee's account in the health care savings plan established by section 352.98;

2.21 ~~(2)~~ (ii) notwithstanding section 352.01, subdivision 11, or 354.05, subdivision 13,  
 2.22 whichever applies, if the appointing authority has designated the use under this clause  
 2.23 for the initial retirement incentive applicable to that employing entity under Laws 2007,  
 2.24 chapter 134, after May 26, 2007, for purchase of service credit for unperformed service  
 2.25 sufficient to enable the employee to retire under section 352.116, subdivision 1, paragraph  
 2.26 (b); 353.30; 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph  
 2.27 (b), whichever applies; or

2.28 ~~(3)~~ (iii) if the appointing authority has designated the use under this clause for the  
 2.29 initial retirement incentive applicable to the employing entity under Laws 2007, chapter  
 2.30 134, after May 26, 2007, for purchase of a lifetime annuity or an annuity for a specific  
 2.31 number of years from the applicable retirement plan to provide additional benefits, as  
 2.32 provided in paragraph (d).

2.33 (b) Approval to provide the incentive must be obtained from the commissioner  
 2.34 of finance if the eligible employee is a state employee and must be obtained from the  
 2.35 applicable governing board with respect to any other employing entity. An employee is

3.1 eligible for the payment under paragraph (a), clause ~~(2)~~ (ii), if the employee uses money  
3.2 from a deferred compensation account that, combined with the payment under paragraph  
3.3 (a), clause ~~(2)~~ (ii), would be sufficient to purchase enough service credit to qualify for  
3.4 retirement under section 352.116, subdivision 1, paragraph (b); 353.30, subdivision 1a;  
3.5 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph (b), whichever  
3.6 applies.

3.7 (c) The cost to purchase service credit under paragraph (a), clause ~~(2)~~ (ii), must be  
3.8 made in accordance with section 356.551.

3.9 (d) ~~The~~ An annuity purchase under paragraph (a), clause ~~(3)~~ (iii), must be made  
3.10 ~~using annuity factors, as determined by the actuary retained under section 356.214, derived~~  
3.11 ~~from the applicable factors used by the applicable retirement plan to calculate optional~~  
3.12 ~~annuity forms. The purchased annuity~~ from the general state employees retirement plan  
3.13 under section 352D.06, subdivision 1, as if the eligible employee was a member of the  
3.14 unclassified state employees retirement program and must be the actuarial equivalent  
3.15 of the incentive amount.

3.16 Sec. 3. **EFFECTIVE DATE.**

3.17 Sections 1 and 2 are effective the day following final enactment.

