

1.1 A bill for an act

1.2 relating to retirement; amending the Minnesota State Retirement System
1.3 unclassified program; amending Minnesota Statutes 2008, sections 352.01,
1.4 subdivisions 2a, 2b; 352D.015, subdivision 4; 352D.02, subdivisions 1, 1c,
1.5 1d, 2, 3; 352D.03; 352D.04, subdivision 1; 352D.05, subdivision 4; 352D.09,
1.6 subdivision 7.

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

1.8 Section 1. Minnesota Statutes 2008, section 352.01, subdivision 2a, is amended to read:

1.9 Subd. 2a. **Included employees.** (a) "State employee" includes:

1.10 (1) employees of the Minnesota Historical Society;

1.11 (2) employees of the State Horticultural Society;

1.12 (3) employees of the Minnesota Crop Improvement Association;

1.13 (4) employees of the adjutant general who are paid from federal funds and who are
1.14 not covered by any federal civilian employees retirement system;

1.15 (5) employees of the Minnesota State Colleges and Universities employed under the
1.16 university or college activities program;

1.17 (6) currently contributing employees covered by the system who are temporarily
1.18 employed by the legislature during a legislative session or any currently contributing
1.19 employee employed for any special service as defined in subdivision 2b, clause (8);

1.20 (7) employees of the legislature appointed without a limit on the duration of their
1.21 employment and persons employed or designated by the legislature or by a legislative
1.22 committee or commission or other competent authority to conduct a special inquiry,
1.23 investigation, examination, or installation;

2.1 (8) trainees who are employed on a full-time established training program
2.2 performing the duties of the classified position for which they will be eligible to receive
2.3 immediate appointment at the completion of the training period;

2.4 (9) employees of the Minnesota Safety Council;

2.5 (10) any employees on authorized leave of absence from the Transit Operating
2.6 Division of the former Metropolitan Transit Commission who are employed by the
2.7 labor organization which is the exclusive bargaining agent representing employees of
2.8 the Transit Operating Division;

2.9 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space
2.10 Commission, Metropolitan Sports Facilities Commission, Metropolitan Mosquito Control
2.11 Commission, or Metropolitan Radio Board unless excluded or covered by another public
2.12 pension fund or plan under section 473.415, subdivision 3;

2.13 (12) judges of the Tax Court;

2.14 (13) personnel employed on June 30, 1992, by the University of Minnesota in the
2.15 management, operation, or maintenance of its heating plant facilities, whose employment
2.16 transfers to an employer assuming operation of the heating plant facilities, so long as the
2.17 person is employed at the University of Minnesota heating plant by that employer or by its
2.18 successor organization;

2.19 (14) seasonal help in the classified service employed by the Department of Revenue;

2.20 (15) persons employed by the Department of Commerce as a peace officer in
2.21 the Insurance Fraud Prevention Division under section 45.0135 who have attained the
2.22 mandatory retirement age specified in section 43A.34, subdivision 4;

2.23 (16) employees of the University of Minnesota unless excluded under subdivision
2.24 2b, clause (3);

2.25 (17) employees of the Middle Management Association whose employment began
2.26 after July 1, 2007, and to whom section 352.029 does not apply; ~~and~~

2.27 (18) employees of the Minnesota Government Engineers Council to whom section
2.28 352.029 does not apply; and

2.29 (19) employees who have elected to transfer past service to the general employees
2.30 retirement plan under section 352D.02, subdivision 1d, paragraph (a), or who have not
2.31 elected to transfer to the unclassified program under section 352D.02, subdivision 1d,
2.32 paragraph (b).

2.33 (b) Employees specified in paragraph (a), clause (13), are included employees under
2.34 paragraph (a) if employer and employee contributions are made in a timely manner in the
2.35 amounts required by section 352.04. Employee contributions must be deducted from
2.36 salary. Employer contributions are the sole obligation of the employer assuming operation

3.1 of the University of Minnesota heating plant facilities or any successor organizations to
3.2 that employer.

3.3 **EFFECTIVE DATE.** This section is effective June 30, 2010.

3.4 Sec. 2. Minnesota Statutes 2008, section 352.01, subdivision 2b, is amended to read:

3.5 Subd. 2b. **Excluded employees.** "State employee" does not include:

3.6 (1) students employed by the University of Minnesota, or the state colleges and
3.7 universities, unless approved for coverage by the Board of Regents of the University of
3.8 Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities,
3.9 whichever is applicable;

3.10 (2) employees who are eligible for membership in the state Teachers Retirement
3.11 Association, except employees of the Department of Education who have chosen or may
3.12 choose to be covered by the general state employees retirement plan of the Minnesota
3.13 State Retirement System instead of the Teachers Retirement Association;

3.14 (3) employees of the University of Minnesota who are excluded from coverage by
3.15 action of the Board of Regents;

3.16 (4) officers and enlisted personnel in the National Guard and the naval militia who
3.17 are assigned to permanent peacetime duty and who under federal law are or are required to
3.18 be members of a federal retirement system;

3.19 (5) election officers;

3.20 (6) persons who are engaged in public work for the state but who are employed
3.21 by contractors when the performance of the contract is authorized by the legislature or
3.22 other competent authority;

3.23 (7) officers and employees of the senate, or of the house of representatives, or of a
3.24 legislative committee or commission who are temporarily employed;

3.25 (8) receivers, jurors, notaries public, and court employees who are not in the judicial
3.26 branch as defined in section 43A.02, subdivision 25, except referees and adjusters
3.27 employed by the Department of Labor and Industry;

3.28 (9) patient and inmate help in state charitable, penal, and correctional institutions
3.29 including the Minnesota Veterans Home;

3.30 (10) persons who are employed for professional services where the service is
3.31 incidental to their regular professional duties and whose compensation is paid on a per
3.32 diem basis;

3.33 (11) employees of the Sibley House Association;

3.34 (12) the members of any state board or commission who serve the state intermittently
3.35 and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those

4.1 boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited
4.2 from serving more than three years; and the board of managers of the State Agricultural
4.3 Society and its treasurer unless the treasurer is also its full-time secretary;

4.4 (13) state troopers and persons who are described in section 352B.01, subdivision 2,
4.5 clauses (2) to (6);

4.6 (14) temporary employees of the Minnesota State Fair who are employed on or
4.7 after July 1 for a period not to extend beyond October 15 of that year; and persons who
4.8 are employed at any time by the state fair administration for special events held on the
4.9 fairgrounds;

4.10 (15) emergency employees who are in the classified service; except that if an
4.11 emergency employee, within the same pay period, becomes a provisional or probationary
4.12 employee on other than a temporary basis, the employee shall be considered a "state
4.13 employee" retroactively to the beginning of the pay period;

4.14 (16) temporary employees in the classified service, and temporary employees in the
4.15 unclassified service who are appointed for a definite period of not more than six months
4.16 and who are employed less than six months in any one-year period;

4.17 (17) interns hired for six months or less and trainee employees, except those listed in
4.18 subdivision 2a, clause (8);

4.19 (18) persons whose compensation is paid on a fee basis or as an independent
4.20 contractor;

4.21 (19) state employees who are employed by the Board of Trustees of the Minnesota
4.22 State Colleges and Universities in unclassified positions enumerated in section 43A.08,
4.23 subdivision 1, clause (9);

4.24 (20) state employees who in any year have credit for 12 months service as teachers
4.25 in the public schools of the state and as teachers are members of the Teachers Retirement
4.26 Association or a retirement system in St. Paul, Minneapolis, or Duluth, except for
4.27 incidental employment as a state employee that is not covered by one of the teacher
4.28 retirement associations or systems;

4.29 (21) employees of the adjutant general who are employed on an unlimited
4.30 intermittent or temporary basis in the classified or unclassified service for the support of
4.31 Army and Air National Guard training facilities;

4.32 (22) chaplains and nuns who are excluded from coverage under the federal Old
4.33 Age, Survivors, Disability, and Health Insurance Program for the performance of service
4.34 as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no
4.35 irrevocable election of coverage has been made under section 3121(r) of the Internal
4.36 Revenue Code of 1986, as amended through December 31, 1992;

- 5.1 (23) examination monitors who are employed by departments, agencies,
5.2 commissions, and boards to conduct examinations required by law;
- 5.3 (24) persons who are appointed to serve as members of fact-finding commissions or
5.4 adjustment panels, arbitrators, or labor referees under chapter 179;
- 5.5 (25) temporary employees who are employed for limited periods under any state or
5.6 federal program for training or rehabilitation, including persons who are employed for
5.7 limited periods from areas of economic distress, but not including skilled and supervisory
5.8 personnel and persons having civil service status covered by the system;
- 5.9 (26) full-time students who are employed by the Minnesota Historical Society
5.10 intermittently during part of the year and full-time during the summer months;
- 5.11 (27) temporary employees who are appointed for not more than six months, of
5.12 the Metropolitan Council and of any of its statutory boards, if the board members are
5.13 appointed by the Metropolitan Council;
- 5.14 (28) persons who are employed in positions designated by the Department of
5.15 Finance as student workers;
- 5.16 (29) members of trades who are employed by the successor to the Metropolitan
5.17 Waste Control Commission, who have trade union pension plan coverage under a
5.18 collective bargaining agreement, and who are first employed after June 1, 1977;
- 5.19 (30) off-duty peace officers while employed by the Metropolitan Council;
- 5.20 (31) persons who are employed as full-time police officers by the Metropolitan
5.21 Council and as police officers are members of the public employees police and fire fund;
- 5.22 (32) persons who are employed as full-time firefighters by the Department of Military
5.23 Affairs and as firefighters are members of the public employees police and fire fund;
- 5.24 (33) foreign citizens with a work permit of less than three years, or an H-1b/JV visa
5.25 valid for less than three years of employment, unless notice of extension is supplied which
5.26 allows them to work for three or more years as of the date the extension is granted, in
5.27 which case they are eligible for coverage from the date extended; ~~and~~
- 5.28 (34) persons who are employed by the Board of Trustees of the Minnesota State
5.29 Colleges and Universities and who elected to remain members of the Public Employees
5.30 Retirement Association or the Minneapolis Employees Retirement Fund, whichever
5.31 applies, under Minnesota Statutes 1994, section 136C.75; and
- 5.32 (35) employees who have elected to transfer service to the unclassified program
5.33 under section 352D.02, subdivision 1d, paragraph (b).

5.34 **EFFECTIVE DATE.** This section is effective June 30, 2010.

5.35 Sec. 3. Minnesota Statutes 2008, section 352D.015, subdivision 4, is amended to read:

6.1 Subd. 4. **General fund.** "General fund" means the general state employees
6.2 retirement fund under chapter 352 ~~except the moneys for the unclassified program.~~

6.3 Subd. 4a. **General employees retirement plan.** "General employees retirement
6.4 plan" means the general state employees retirement plan under chapter 352.

6.5 **EFFECTIVE DATE.** This section is effective June 30, 2010.

6.6 Sec. 4. Minnesota Statutes 2008, section 352D.02, subdivision 1, is amended to read:

6.7 Subdivision 1. **Coverage.** (a) Employees hired before July 1, 2010, enumerated
6.8 in paragraph (c), clauses (2), ~~(3)~~, to (4), (6) to (14), and (16) to (18), if they are in the
6.9 unclassified service of the state or Metropolitan Council and are eligible for coverage
6.10 under the general state employees retirement plan under chapter 352, are participants
6.11 in the unclassified program under this chapter unless the employee gives notice to the
6.12 executive director of the Minnesota State Retirement System within one year following
6.13 the commencement of employment in the unclassified service that the employee desires
6.14 coverage under the general state employees retirement plan. For the purposes of this
6.15 chapter, an employee who does not file notice with the executive director is deemed to
6.16 have exercised the option to participate in the unclassified program. Employees hired after
6.17 June 30, 2010, enumerated in paragraph (c), clauses (2) to (4), (6) to (14), and (16) to (18),
6.18 if they are in the unclassified service of the state or Metropolitan Council and are eligible
6.19 for coverage under the general state employees retirement plan under chapter 352 are
6.20 members of the general state employees retirement plan unless the elect coverage in the
6.21 unclassified program under section 352D.02, subdivision 1d, paragraph (b).

6.22 (b) Persons referenced in paragraph (c), clause (5), and first elected before July 1,
6.23 2010, are participants in the unclassified program under this chapter unless the person was
6.24 eligible to elect different coverage under section 3A.07 and elected retirement coverage by
6.25 the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15),
6.26 are participants in the unclassified program under this chapter for judicial employment in
6.27 excess of the service credit limit in section 490.121, subdivision 22.

6.28 (c) Enumerated employees and referenced persons are:

6.29 (1) the governor, the lieutenant governor, the secretary of state, the state auditor,
6.30 and the attorney general;

6.31 (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary
6.32 of State, State Auditor, Attorney General;

6.33 (3) an employee of the State Board of Investment;

7.1 (4) the head of a department, division, or agency created by statute in the unclassified
7.2 service, an acting department head subsequently appointed to the position, or an employee
7.3 enumerated in section 15A.0815 or 15A.083, subdivision 4;

7.4 (5) a member of the legislature;

7.5 (6) a full-time unclassified employee of the legislature or a commission or agency of
7.6 the legislature who is appointed without a limit on the duration of the employment or a
7.7 temporary legislative employee having shares in the supplemental retirement fund as a
7.8 result of former employment covered by this chapter, whether or not eligible for coverage
7.9 under the Minnesota State Retirement System;

7.10 (7) a person who is employed in a position established under section 43A.08,
7.11 subdivision 1, clause (3), or in a position authorized under a statute creating or establishing
7.12 a department or agency of the state, which is at the deputy or assistant head of department
7.13 or agency or director level;

7.14 (8) the regional administrator, or executive director of the Metropolitan Council,
7.15 general counsel, division directors, operations managers, and other positions as designated
7.16 by the council, all of which may not exceed 27 positions at the council and the chair;

7.17 (9) the executive director, associate executive director, and not to exceed nine
7.18 positions of the Minnesota Office of Higher Education in the unclassified service, as
7.19 designated by the Minnesota Office of Higher Education before January 1, 1992, or
7.20 subsequently redesignated with the approval of the board of directors of the Minnesota
7.21 State Retirement System, unless the person has elected coverage by the individual
7.22 retirement account plan under chapter 354B;

7.23 (10) the clerk of the appellate courts appointed under article VI, section 2, of the
7.24 Constitution of the state of Minnesota, the state court administrator and judicial district
7.25 administrators;

7.26 (11) the chief executive officers of correctional facilities operated by the Department
7.27 of Corrections and of hospitals and nursing homes operated by the Department of Human
7.28 Services;

7.29 (12) an employee whose principal employment is at the state ceremonial house;

7.30 (13) an employee of the Agricultural Utilization Research Institute;

7.31 (14) an employee of the State Lottery who is covered by the managerial plan
7.32 established under section 43A.18, subdivision 3;

7.33 (15) a judge who has exceeded the service credit limit in section 490.121,
7.34 subdivision 22;

7.35 (16) an employee of Enterprise Minnesota, Inc.;

8.1 (17) a person employed by the Minnesota State Colleges and Universities as faculty
8.2 or in an eligible unclassified administrative position as defined in section 354B.20,
8.3 subdivision 6, who was employed by the former state university or the former community
8.4 college system before May 1, 1995, and elected unclassified program coverage prior to
8.5 May 1, 1995; and

8.6 (18) a person employed by the Minnesota State Colleges and Universities who
8.7 was employed in state service before July 1, 1995, who subsequently is employed in an
8.8 eligible unclassified administrative position as defined in section 354B.20, subdivision
8.9 6, and who elects coverage by the unclassified program.

8.10 **EFFECTIVE DATE.** This section is effective June 30, 2010.

8.11 Sec. 5. Minnesota Statutes 2008, section 352D.02, subdivision 1c, is amended to read:

8.12 Subd. 1c. **Transfer of contributions.** An employee covered by the ~~regular~~ general
8.13 employees retirement plan who is subsequently employed as a full-time unclassified
8.14 employee of the legislature or any commission or agency of the legislature without a
8.15 limit on the duration of the employment may elect to transfer accumulated employee and
8.16 matching employer contributions, as provided in section 352D.03.

8.17 **EFFECTIVE DATE.** This section is effective June 30, 2010.

8.18 Sec. 6. Minnesota Statutes 2008, section 352D.02, subdivision 1d, is amended to read:

8.19 Subd. 1d. **Election of program participation.** (a) An employee hired before July
8.20 1, 2010, who is a participant in the unclassified program by virtue of employment in a
8.21 position listed in subdivision 1 may elect to remain in the unclassified program upon
8.22 subsequent employment in an unlimited, full-time unclassified position that is not listed
8.23 in subdivision 1. To elect participation in the unclassified program, the employee must
8.24 give notice to the executive director of the Minnesota State Retirement System within one
8.25 year of the commencement of employment in an unclassified position that is not listed
8.26 in subdivision 1. Upon receipt of the notice, the executive director shall transfer to the
8.27 employee's account in the unclassified program an amount equal to the employer and
8.28 employee contributions with ~~six~~ 8.5 percent interest, compounded annually, to the ~~regular~~
8.29 general employees retirement plan on the employee's behalf from the commencement of
8.30 employment in the position not listed in subdivision 1 to the receipt of the notice by the
8.31 executive director.

8.32 (b) An employee hired after June 30, 2010, who is able to elect coverage in the
8.33 unclassified program by virtue of employment in a position listed in subdivision 1 is

9.1 a member of the general employees retirement plan unless they make an irrevocable
9.2 election to switch to the unclassified program. An employee may make an election to
9.3 switch from the general employees retirement plan to the unclassified program any time
9.4 within the first three years of service. To elect participation in the unclassified program,
9.5 the employee must give written notice to the executive director of the Minnesota State
9.6 Retirement System. Upon receipt of the notice, the executive director shall transfer to the
9.7 employee's unclassified program account an amount equal to the employer and employee
9.8 contributions with 8.5 percent interest compounded annually from the general employees
9.9 retirement plan.

9.10 **EFFECTIVE DATE.** This section is effective June 30, 2010.

9.11 Sec. 7. Minnesota Statutes 2008, section 352D.02, subdivision 2, is amended to read:

9.12 Subd. 2. **Coverage upon employment change.** A person becoming a participant
9.13 in the unclassified program prior to July 1, 2010, by virtue of employment in a position
9.14 specified in subdivision 1, clause (4), and remaining in the unclassified service shall
9.15 remain a participant in the program even though the position the person occupies is
9.16 deleted from any of the sections referenced in subdivision 1, clause (4), by subsequent
9.17 amendment, except that a person shall not be eligible to elect the unclassified program
9.18 after separation from unclassified service if on the return of the person to service, that
9.19 position is not specified in subdivision 1, clause (4). Any person employed in a position
9.20 specified in subdivision 1 shall cease to participate in the unclassified program in the event
9.21 the position is placed in the classified service.

9.22 **EFFECTIVE DATE.** This section is effective June 30, 2010.

9.23 Sec. 8. Minnesota Statutes 2008, section 352D.02, subdivision 3, is amended to read:

9.24 Subd. 3. **Transfer to general employees retirement plan.** (a) An employee
9.25 hired before July 1, 2010, credited with employee shares in the unclassified program,
9.26 after acquiring credit for ten years of allowable service and not later than one month
9.27 following the termination of covered employment, may elect to terminate participation
9.28 in the unclassified program and be covered by the general employees retirement plan by
9.29 filing a written election with the executive director. The executive director shall then
9.30 redeem the employee's total shares and shall credit to the employee's account in the
9.31 general employees retirement plan the amount of contributions that would have been so
9.32 credited had the employee been covered by the general employees retirement plan during
9.33 the employee's entire covered employment. The balance of money so redeemed and not

10.1 credited to the employee's account shall be transferred to the general employees retirement
 10.2 plan retirement fund, except that (1) the employee contribution paid to the unclassified
 10.3 program must be compared to (2) the employee contributions that would have been paid to
 10.4 the general employees retirement plan for the comparable period, if the individual had
 10.5 been covered by that plan. If clause (1) is greater than clause (2), the difference must be
 10.6 refunded to the employee as provided in section 352.22. If clause (2) is greater than
 10.7 clause (1), the difference must be paid by the employee within six months of electing
 10.8 general employees retirement plan coverage or before the effective date of the annuity,
 10.9 whichever is sooner.

10.10 (b) An election under paragraph (a) to transfer coverage to the general employees
 10.11 retirement plan is irrevocable during any period of covered employment.

10.12 **EFFECTIVE DATE.** This section is effective June 30, 2010.

10.13 Sec. 9. Minnesota Statutes 2008, section 352D.03, is amended to read:

10.14 **352D.03 TRANSFER OF ASSETS.**

10.15 Unless an eligible employee enumerated in section 352D.02, subdivision 1, has
 10.16 elected coverage under the individual retirement account plan under chapter 354B, ~~a~~
 10.17 ~~sum of money representing the assets credited to each employee exercising the option~~
 10.18 ~~contained in section 352D.02, plus an equal employer contribution together with interest~~
 10.19 for an employee exercising an option under section 352D.02, an amount equal to the
 10.20 employee and employer contributions for the employment period ~~at the applicable~~
 10.21 ~~preretirement interest actuarial assumption rate during this period~~ plus 8.5 percent interest,
 10.22 compounded annually, must be used for the purchase of shares on behalf of each employee
 10.23 in the accounts of the supplemental retirement fund established by section 11A.17.

10.24 **EFFECTIVE DATE.** This section is effective June 30, 2010.

10.25 Sec. 10. Minnesota Statutes 2008, section 352D.04, subdivision 1, is amended to read:

10.26 Subdivision 1. **Investment options.** (a) A person exercising an option to participate
 10.27 in the retirement program provided by this chapter may elect to purchase shares in one or a
 10.28 combination of the income share account, the growth share account, the international share
 10.29 account, the money market account, the bond market account, the fixed interest account, or
 10.30 the common stock index account established in section 11A.17. The person may elect to
 10.31 participate in one or more of the investment accounts in the fund by specifying, ~~on a form~~
 10.32 in a manner provided by the executive director, the percentage of the person's contributions
 10.33 provided in subdivision 2 to be used to purchase shares in each of the accounts.

11.1 (b) A participant may indicate in ~~writing on forms~~ a manner provided by the
11.2 Minnesota State Retirement System a choice of options for subsequent purchases of
11.3 shares. Until a different written indication is made by the participant, the executive
11.4 director shall purchase shares in the supplemental fund as selected by the participant. If no
11.5 initial option is chosen, 100 percent income shares must be purchased for a participant.
11.6 A change in choice of investment option is effective no later than the first pay date first
11.7 occurring after 30 days following the receipt of the request for a change.

11.8 ~~(c) Shares in the fixed interest account attributable to any guaranteed investment~~
11.9 ~~contract as of July 1, 1994, may not be withdrawn from the fund or transferred to another~~
11.10 ~~account until the guaranteed investment contract has expired, unless the participant~~
11.11 ~~qualifies for withdrawal under section 352D.05 or for benefit payments under sections~~
11.12 ~~352D.06 to 352D.075.~~

11.13 ~~(d) (c)~~ (c) A participant or former participant may also change the investment options
11.14 selected for all or a portion of the participant's shares previously purchased in accounts,
11.15 subject to the ~~provisions of paragraph (c) concerning the fixed interest account. Changes~~
11.16 ~~in investment options for the participant's shares must be effected as soon as cash flow to~~
11.17 ~~an account practically permits, but not later than six months after the requested change~~
11.18 ~~trading restrictions imposed on the investment option.~~

11.19 **EFFECTIVE DATE.** This section is effective June 30, 2010.

11.20 Sec. 11. Minnesota Statutes 2008, section 352D.05, subdivision 4, is amended to read:

11.21 Subd. 4. **Repayment of refund.** (a) A participant in the unclassified program may
11.22 repay regular refunds taken under section 352.22, as provided in section 352.23.

11.23 (b) A participant in the unclassified program or an employee covered by the general
11.24 employees retirement plan who has withdrawn the value of the total shares may repay
11.25 the refund taken and thereupon restore the service credit, rights and benefits forfeited by
11.26 paying into the fund the amount refunded plus interest at an annual rate of 8.5 percent
11.27 compounded annually from the date that the refund was taken until the date that the refund
11.28 is repaid. If the participant had withdrawn only the employee shares as permitted under
11.29 prior laws, repayment must be pro rata.

11.30 (c) Except as provided in section 356.441, the repayment of a refund under this
11.31 section must be made in a lump sum.

11.32 **EFFECTIVE DATE.** This section is effective June 30, 2010.

11.33 Sec. 12. Minnesota Statutes 2008, section 352D.09, subdivision 7, is amended to read:

12.1 Subd. 7. **Administrative fees.** The board of directors shall establish a budget
12.2 and charge participants a fee to pay the administrative expenses of the unclassified
12.3 program. ~~Fees cannot be charged on contributions and investment returns attributable to~~
12.4 ~~contributions made before July 1, 1992. Annual total fees charged for plan administration~~
12.5 ~~cannot exceed 10/100 of one percent of the contributions and investment returns~~
12.6 ~~attributable to contributions made on or after July 1, 1992.~~

12.7 **EFFECTIVE DATE.** This section is effective June 30, 2010.