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2010 Omnibus Retirement Bill

..... moves to amend S.F. No.; H.F. No., as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1
MINNESOTA STATE DEFERRED COMPENSATION PLAN AMENDMENTS**

Section 1. Minnesota Statutes 2008, section 352.965, subdivision 6, is amended to read:

Subd. 6. **Plan administrative expenses.** (a) The reasonable and necessary administrative expenses of the deferred compensation plan may be charged to plan participants in the form of an annual fee, an asset-based fee, a percentage of the contributions to the plan, or a combination thereof, as set forth in the plan document. The executive director of the system at the direction of the board of directors shall establish procedures to carry out this section including allocation of administrative costs of the plan to participants. Processes and procedures shall be set forth in the plan document. Fees cannot be charged on contributions and investment returns attributable to contributions made to the Minnesota supplemental investment funds before July 1, 1992.

(b) The plan document must conform to federal and state tax laws, regulations, and rulings, and is not subject to the Administrative Procedure Act.

(c) The executive director may contract with a third party to perform administrative and record keeping functions. The executive director may solicit bids and negotiate such contracts. Participating employers must provide the necessary data to the third-party administrator as determined by the executive director. The third-party record keeper and the Minnesota State Retirement System shall follow the data privacy provisions under chapter 13. The third-party record keeper may not solicit participants for any product or services not related to the deferred compensation plan.

(d) The board of directors may authorize a third-party investment consultant to provide investment information and advice, provided that the offering of such information and advice is consistent with the investment advice requirements applicable to private plans under Title VI, subtitle A, of the Pension Protection Act of 2006, Public Law 109-280, section 601.

EFFECTIVE DATE. This section is effective July 1, 2010.

ARTICLE 2

MSRS UNCLASSIFIED STATE EMPLOYEES RETIREMENT
PROGRAM AMENDMENTS

Section 1. Minnesota Statutes 2008, section 352D.015, subdivision 9, is amended to read:

Subd. 9. **Value.** "Value" means ~~cash value at the end of the month following receipt of an application. If no application is required, "value" means the cash value at the end of the month in which the event necessitating the transfer occurs~~ the market value of the account at the end of the United States investment market day.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 2. Minnesota Statutes 2008, section 352D.04, subdivision 1, is amended to read:

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

(b) A participant may ~~indicate in writing on forms provided~~, in a manner prescribed by the ~~Minnesota State Retirement System a choice of options~~ executive director, choose their investment allocation for subsequent purchases of shares. Until a different written indication is made by the participant, the executive director shall purchase shares in the supplemental fund as selected by the participant. If no initial option is chosen, 100 percent income shares must be purchased for a participant. A change in choice of investment option is effective ~~no later than the first pay date first occurring after 30 days following the receipt of the request for a change~~ at the end of the most recent United States investment market day.

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

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

3.7 **EFFECTIVE DATE.** This section is effective July 1, 2010.

3.8 Sec. 3. Minnesota Statutes 2008, section 352D.05, subdivision 3, is amended to read:

3.9 Subd. 3. **Full or partial withdrawal.** After termination of covered employment
3.10 or at any time thereafter, a participant is entitled, upon application, to withdraw the cash
3.11 value of the participant's total shares or leave such shares on deposit with the supplemental
3.12 retirement fund. The account is valued at the end of the ~~month in which~~ most recent
3.13 United States investment market day following receipt of the application for withdrawal is
3.14 made. Shares not withdrawn remain on deposit with the supplemental retirement fund
3.15 until the former participant becomes at least 55 years old, and applies for an annuity under
3.16 section 352D.06, subdivision 1.

3.17 **EFFECTIVE DATE.** This section is effective July 1, 2010.

3.18 Sec. 4. Minnesota Statutes 2008, section 352D.06, subdivision 3, is amended to read:

3.19 Subd. 3. **Accrual date.** An annuity under this section accrues the ~~first day of the~~
3.20 ~~first full month after an application is received or the day following termination of state~~
3.21 ~~service, whichever is later. The account must be valued and redeemed on the later of the~~
3.22 ~~end of the month of termination of covered employment, or the end of the month of receipt~~
3.23 ~~of the annuity application for the purpose of computing the annuity~~ day following receipt
3.24 of the application or the day following termination, whichever is later. The benefit will be
3.25 based on the value of the account the day following receipt of the application or the date of
3.26 termination, whichever is later, plus any contributions and interest received after that date.

3.27 **EFFECTIVE DATE.** This section is effective July 1, 2010.

3.28 Sec. 5. Minnesota Statutes 2008, section 352D.065, subdivision 3, is amended to read:

3.29 Subd. 3. **Annuity payment.** The annuity payable under this section shall begin to
3.30 accrue the ~~first day of the month following the date of disability~~ receipt of the application
3.31 or the day after termination, whichever is later, plus any contributions and interest received
3.32 after that date, and shall be based on the participant's age when the annuity begins to

4.1 accrue. The shares shall be valued as of the end of the ~~month following authorization of~~
 4.2 ~~payments~~ day on which the benefit accrues.

4.3 **EFFECTIVE DATE.** This section is effective July 1, 2010.

4.4 Sec. 6. Minnesota Statutes 2008, section 352D.09, subdivision 3, is amended to read:

4.5 Subd. 3. **Prospectus.** (a) The executive director shall annually ~~distribute~~ make
 4.6 available by electronic means to each participant the prospectus prepared by the
 4.7 supplemental fund, by July 1 or when received from such fund, whichever is later, ~~to~~
 4.8 ~~each participant in covered employment.~~

4.9 (b) Any participant may contact the Minnesota State Retirement System and request
 4.10 a copy of the prospectus.

4.11 **EFFECTIVE DATE.** This section is effective July 1, 2010.

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

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

4.19 **EFFECTIVE DATE.** This section is effective July 1, 2010.

4.20 **ARTICLE 3**

4.21 **TEACHERS RETIREMENT ASSOCIATION SERVICE CREDIT** 4.22 **PROCEDURE REVISIONS**

4.23 Section 1. Minnesota Statutes 2008, section 354.05, is amended by adding a
 4.24 subdivision to read:

4.25 Subd. 41. **Annual base salary.** (a) "Annual base salary" means:

4.26 (1) for an independent school district or educational cooperative, the lowest full-time
 4.27 Bachelor of Arts (BA) base contract salary for the previous fiscal year for that employing
 4.28 unit;

4.29 (2) for a charter school, the lowest starting annual salary for a full-time licensed
 4.30 teacher employed during the previous fiscal year for that employing unit; and

4.31 (3) for a state agency or professional organization, the lowest starting annual salary
 4.32 for a full-time Teachers Retirement Association covered position for the previous fiscal
 4.33 year for that employing unit.

5.1 (b) If there is no previous fiscal year data because an employer unit is new and
5.2 paragraph (c) does not apply, the annual base salary for the first year of operation will be
5.3 as stated in paragraph (a), except that the base contract salary for the current fiscal year,
5.4 rather than the previous fiscal year, must be used.

5.5 (c) For a new employer unit created as a result of a merger or consolidation, the
5.6 annual base salary will be the lowest annual base salary as specified in paragraph (a) for
5.7 any of the employer units involved in the merger or consolidation.

5.8 **EFFECTIVE DATE.** This section is effective July 1, 2010.

5.9 Sec. 2. Minnesota Statutes 2008, section 354.091, is amended to read:

5.10 **354.091 SERVICE CREDIT.**

5.11 Subdivision 1. **Definition; monthly base salary.** For purposes of this section,
5.12 "monthly base salary" means the annual base salary, as defined in section 354.05,
5.13 subdivision 41, divided by 12.

5.14 Subd. 2. **Service credit annual limit.** (a) ~~In computing service credit,~~ No teacher
5.15 may receive credit for more than one year of teaching service for any fiscal year.

5.16 ~~Additionally, in crediting allowable service:~~

5.17 ~~(1) if a teacher teaches less than five hours in a day, service credit must be given for~~
5.18 ~~the fractional part of the day as the term of service performed bears to five hours;~~

5.19 ~~(2) if a teacher teaches five or more hours in a day, service credit must be given for~~
5.20 ~~only one day;~~

5.21 ~~(3) if a teacher teaches at least 170 full days in any fiscal year, service credit must be~~
5.22 ~~given for a full year of teaching service; and~~

5.23 ~~(4) if a teacher teaches for only a fractional part of the year, service credit must be~~
5.24 ~~given for such fractional part of the year in the same relationship as the period of service~~
5.25 ~~performed bears to 170 days.~~

5.26 ~~(b) A teacher must receive a full year of service credit based on the number of days~~
5.27 ~~in the employer's full school year if that school year is less than 170 days. Teaching~~
5.28 ~~service performed before July 1, 1961, must be computed under the law in effect at the~~
5.29 ~~time it was performed.~~

5.30 ~~(c) A teacher must not lose or gain retirement service credit as a result of the~~
5.31 ~~employer converting to a flexible or alternate work schedule. If the employer converts~~
5.32 ~~to a flexible or alternate work schedule, the forms for reporting teaching service and the~~
5.33 ~~procedures for determining service credit must be determined by the executive director~~
5.34 ~~with the approval of the board of trustees.~~

6.1 Subd. 3. Service credit calculation. (a) Except as specified in subdivisions 4 and
6.2 5, service credit will be calculated monthly by dividing the teacher's monthly salary by
6.3 the monthly base salary for the teacher's employing unit and multiplying the result by
6.4 11.1 percent.

6.5 (b) For purposes of computing service credit, salary will be allocated to each
6.6 calendar month based on the pay period begin and end dates. If the pay period covers
6.7 more than one calendar month, the salary must be allocated based on the number of days
6.8 in each calendar month.

6.9 (c) A teacher may not receive more than 11.1 percent of a year's service credit in
6.10 a calendar month.

6.11 (d) Annual service credit is calculated by adding the allowable monthly service
6.12 credit for all 12 months of the fiscal year with the result rounded to two decimal places,
6.13 subject to the annual limit specified in subdivision 2.

6.14 Subd. 4. Service credit determination for Minnesota State Colleges and
6.15 Universities system teachers. (d) For all services rendered on or after July 1, 2003,
6.16 service credit for all members employed by the Minnesota State Colleges and Universities
6.17 system must be determined:

6.18 (1) for full-time employees, by the definition of full-time employment contained in
6.19 the collective bargaining agreement for those units listed in section 179A.10, subdivision
6.20 2, or contained in the applicable personnel or salary plan for those positions designated in
6.21 section 179A.10, subdivision 1; and

6.22 (2) for part-time employees, by the appropriate proration of full-time equivalency
6.23 based on the provisions contained in the collective bargaining agreement for those units
6.24 listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary
6.25 plan for those positions designated in section 179A.10, subdivision 1, and the applicable
6.26 procedures of the Minnesota State Colleges and Universities system; and

6.27 ~~(3) in no case may a member receive more than one year of service credit for any~~
6.28 ~~fiscal year.~~

6.29 Subd. 5. Service credit procedure, nontraditional schedules. For employer units
6.30 that have nontraditional work schedules or pay schedules, the procedure for determining
6.31 service credit must be specified by the executive director with the approval of the board of
6.32 trustees.

6.33 EFFECTIVE DATE. This section is effective for teaching service performed after
6.34 June 30, 2010.

6.35 Sec. 3. Minnesota Statutes 2008, section 354.52, subdivision 4b, is amended to read:

7.1 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide
 7.2 the following data to the association for payroll warrants on an ongoing basis within 14
 7.3 calendar days after the date of the payroll warrant in a format prescribed by the executive
 7.4 director:

- 7.5 (1) association member number;
- 7.6 (2) employer-assigned employee number;
- 7.7 (3) Social Security number;
- 7.8 (4) amount of each salary deduction;
- 7.9 (5) amount of salary as defined in section 354.05, subdivision 35, from which each
 7.10 deduction was made;
- 7.11 (6) reason for payment;
- 7.12 (7) ~~service credit~~;
- 7.13 ~~(8)~~ the beginning and ending dates of the payroll period covered and the date
 7.14 of actual payment;
- 7.15 ~~(9)~~ (8) fiscal year of salary earnings;
- 7.16 ~~(10)~~ (9) total remittance amount including employee, employer, and additional
 7.17 employer contributions; ~~and~~
- 7.18 (10) reemployed annuitant salary under section 354.44, subdivision 5; and
- 7.19 (11) other information as may be required by the executive director.

7.20 **EFFECTIVE DATE.** This section is effective January 1, 2010, except for the
 7.21 striking of clause (7), which is effective July 1, 2010.

7.22 Sec. 4. Minnesota Statutes 2008, section 354.52, is amended by adding a subdivision
 7.23 to read:

7.24 Subd. 4d. **Annual base salary reporting.** An employing unit must provide the
 7.25 following data to the association on or before June 30 of each fiscal year:

- 7.26 (1) annual base salary, as defined in section 354.05, subdivision 41; and
- 7.27 (2) beginning and ending dates for the regular school work year.

7.28 **EFFECTIVE DATE.** This section is effective July 1, 2009.

7.29 Sec. 5. Minnesota Statutes 2008, section 354.52, subdivision 6, is amended to read:

7.30 Subd. 6. **Noncompliance consequences.** (a) An employing unit that does not
 7.31 comply with the reporting requirements under subdivision 2a, 4a, ~~or~~ 4b, or 4d, must pay a
 7.32 fine of \$5 per calendar day until the association receives the required data.

8.1 (b) If the annual base salary required to be reported under subdivision 4d has not
 8.2 been settled or determined as of June 16, the fine must commence if the annual base salary
 8.3 has not been reported to the association within 14 days following the settlement date.

8.4 **EFFECTIVE DATE.** This section is effective July 1, 2009.

8.5 Sec. 6. Minnesota Statutes 2008, section 354.66, subdivision 3, is amended to read:

8.6 Subd. 3. **Part-time teaching position, defined.** (a) For purposes of this section,
 8.7 the term "part-time teaching position" means a teaching position within the district in
 8.8 which the teacher is ~~employed for at least 50 full days or a fractional equivalent thereof as~~
 8.9 ~~prescribed in section 354.091, and for which the teacher is~~ compensated ~~in~~ for an amount
 8.10 of at least 30 percent, but not exceeding 80 percent of the compensation established by the
 8.11 board for a full-time teacher with identical education and experience with the employing
 8.12 unit.

8.13 (b) For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time
 8.14 teaching position" means a teaching position within the district in which the teacher is
 8.15 ~~employed for at least 25 full days or a fractional equivalent thereof as prescribed in section~~
 8.16 ~~354.091, and for which the teacher is~~ compensated ~~in~~ for an amount of at least 15 percent,
 8.17 but not exceeding 40 percent of the compensation established by the board for a full-time
 8.18 teacher, with identical education and experience with the employing unit.

8.19 **EFFECTIVE DATE.** This section is effective for service provided after June 30,
 8.20 2010.

8.21 **ARTICLE 4**

8.22 **EARLY RETIREMENT INCENTIVE MODIFICATIONS**

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

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

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

8.32 (2) terminates service after the effective date of this section, and before ~~July 15,~~
 8.33 ~~2009~~ October 1, 2012; and

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

9.4 (4) has not been eligible to receive a retirement annuity for a period longer than
 9.5 10 years.

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

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

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

9.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.14 Sec. 2. Minnesota Statutes 2008, section 356.351, subdivision 2, as amended by Laws
 9.15 2009, chapter 169, article 1, section 72, is amended to read:

9.16 Subd. 2. **Incentive.** (a) For an employee who is eligible under subdivision 1, ~~if for~~
 9.17 whom an early retirement incentive is approved under paragraph (b), and who terminates
 9.18 employment as provided for in the agreement, the employer may provide ~~an amount up to~~
 9.19 ~~\$17,000, to an employee who terminates service;~~

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

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

9.27 to be used:

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

9.32 ~~(2)~~ (ii) notwithstanding section 352.01, subdivision 11, or 354.05, subdivision 13,
 9.33 whichever applies, if the appointing authority has designated the use under this clause
 9.34 for the initial retirement incentive applicable to that employing entity under Laws 2007,
 9.35 chapter 134, after May 26, 2007, for purchase of service credit for unperformed service

10.1 sufficient to enable the employee to retire under section 352.116, subdivision 1, paragraph
 10.2 (b); 353.30; 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph
 10.3 (b), whichever applies; or

10.4 ~~(3)~~ (iii) if the appointing authority has designated the use under this clause for the
 10.5 initial retirement incentive applicable to the employing entity under Laws 2007, chapter
 10.6 134, after May 26, 2007, for purchase of a lifetime annuity or an annuity for a specific
 10.7 number of years from the applicable retirement plan to provide additional benefits, as
 10.8 provided in paragraph (d).

10.9 (b) Approval to provide the incentive must be obtained from the commissioner
 10.10 of finance if the eligible employee is a state employee and must be obtained from the
 10.11 applicable governing board with respect to any other employing entity. An employee is
 10.12 eligible for the payment under paragraph (a), clause ~~(2)~~ (ii), if the employee uses money
 10.13 from a deferred compensation account that, combined with the payment under paragraph
 10.14 (a), clause ~~(2)~~ (ii), would be sufficient to purchase enough service credit to qualify for
 10.15 retirement under section 352.116, subdivision 1, paragraph (b); 353.30, subdivision 1a;
 10.16 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph (b), whichever
 10.17 applies.

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

10.20 (d) ~~The~~ An annuity purchase under paragraph (a), clause ~~(3)~~ (iii), must be made using
 10.21 annuity factors, as determined by the actuary retained under section 356.214, derived from
 10.22 the applicable factors used by the applicable retirement plan to calculate optional annuity
 10.23 forms. The purchased annuity must be the actuarial equivalent of the incentive amount.

10.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

10.25 ARTICLE 5

10.26 OPTIONAL ANNUITY REVOCATION FOLLOWING CERTAIN 10.27 MARRIAGE DISSOLUTIONS

10.28 Section 1. **[356.48] REVOCATION OF OPTIONAL ANNUITY DUE TO**
 10.29 **MARRIAGE DISSOLUTION OR ANNULMENT.**

10.30 Subdivision 1. Covered plans. This section applies to the following retirement
 10.31 plans:

10.32 (1) the general state employees retirement plan of the Minnesota State Retirement
 10.33 System established under chapter 352;

10.34 (2) the correctional state employees retirement plan of the Minnesota State
 10.35 Retirement System established under chapter 352;

- 11.1 (3) the state patrol retirement plan established under chapter 352B;
11.2 (4) the unclassified state employees retirement program of the Minnesota State
11.3 Retirement System established under chapter 352D;
11.4 (5) the general employee retirement plan of the Public Employees Retirement
11.5 Association established under chapter 353;
11.6 (6) the public employees police and fire retirement plan established under chapter
11.7 353;
11.8 (7) the local government correctional employees retirement plan of the Public
11.9 Employees Retirement Association established under chapter 353E;
11.10 (8) the Teachers Retirement Association established under chapter 354; and
11.11 (9) the uniform judicial retirement plan established under chapter 490.

11.12 Subd. 2. **Treatment.** (a) The treatment specified in this section applies if, after
11.13 the accrual date of an annuity or benefit from an applicable plan or plans, a marriage
11.14 dissolution decree or annulment decree specifies that the designation of an optional annuity
11.15 must be revoked and if the other requirements specified in this section are satisfied.

11.16 (b) Notwithstanding any law to the contrary, if the applicable pension plan or plans
11.17 have provisions of law that revise the monthly benefit amount payable to the primary
11.18 annuitant upon the death of the individual named as the optional joint annuitant, the
11.19 monthly benefit amount must be recomputed as though the individual that had been named
11.20 as the optional joint annuitant died on the date a certified copy of the marriage dissolution
11.21 or annulment decree is received by the chief administrative officer. Payment of any benefit
11.22 adjustment is prospective only.

11.23 Subd. 3. **Restrictions.** (a) This section does not apply if the marriage dissolution
11.24 decree or annulment decree is not consistent with the requirements under section 518.58.

11.25 (b) The pension plan benefit recipient must not designate, and the court may not
11.26 require that the member designate, a subsequent optional annuity beneficiary.

11.27 (c) This section does not apply if more than one surviving individual was named as
11.28 an optional joint annuitant.

11.29 Subd. 4. **Submission of documentation.** To receive the treatment provided in
11.30 this section, an eligible retiree or disabilitant must provide, to the chief administrative
11.31 officer of the applicable pension plan, a certified copy of the marriage dissolution or
11.32 annulment decree. The retiree or disabilitant and the joint annuitant must also submit a
11.33 form, prescribed by the chief administrative officer of the applicable pension plan and
11.34 signed by both individuals, requesting the annuity bounce back as provided in subdivision
11.35 2. The individuals must also provide any other documentation the chief administrative
11.36 officer may request.

12.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
12.2 applies retroactively to any marriage dissolution decree or annulment decree requiring the
12.3 revocation of an optional annuity form granted at any time prior to the date of enactment.

12.4 Sec. 2. Minnesota Statutes 2008, section 518.58, subdivision 3, is amended to read:

12.5 Subd. 3. **Sale or distribution while proceeding pending.** (a) If the court finds
12.6 that it is necessary to preserve the marital assets of the parties, the court may order the
12.7 sale of the homestead of the parties or the sale of other marital assets, as the individual
12.8 circumstances may require, during the pendency of a proceeding for a dissolution of
12.9 marriage or an annulment. If the court orders a sale, it may further provide for the
12.10 disposition of the funds received from the sale during the pendency of the proceeding.
12.11 ~~If liquid or readily liquidated marital property other than property representing vested~~
12.12 ~~pension benefits or rights is available, the court, so far as possible, shall divide the property~~
12.13 ~~representing vested pension benefits or rights by the disposition of an equivalent amount~~
12.14 ~~of the liquid or readily liquidated property.~~

12.15 (b) The court may order a partial distribution of marital assets during the pendency
12.16 of a proceeding for a dissolution of marriage or an annulment for good cause shown or
12.17 upon the request of both parties, provided that the court shall fully protect the interests
12.18 of the other party.

12.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.20 Sec. 3. Minnesota Statutes 2008, section 518.58, subdivision 4, is amended to read:

12.21 Subd. 4. **Pension plans.** (a) The division of marital property that represents pension
12.22 plan benefits or rights in the form of future pension plan payments:

12.23 (1) is payable only to the extent of the amount of the pension plan benefit payable
12.24 under the terms of the plan;

12.25 (2) is not payable for a period that exceeds the time that pension plan benefits are
12.26 payable to the pension plan benefit recipient;

12.27 (3) is not payable in a lump-sum amount from defined benefit pension plan assets
12.28 attributable in any fashion to a spouse with the status of an active member, deferred
12.29 retiree, or benefit recipient of a pension plan;

12.30 (4) if the former spouse to whom the payments are to be made dies prior to the end
12.31 of the specified payment period with the right to any remaining payments accruing to an
12.32 estate or to more than one survivor, is payable only to a trustee on behalf of the estate or
12.33 the group of survivors for subsequent apportionment by the trustee; and

13.1 (5) in the case of defined benefit public pension plan benefits or rights, may not
 13.2 commence until the public plan member submits a valid application for a public pension
 13.3 plan benefit and the benefit becomes payable.

13.4 (b) The individual retirement account plans established under chapter 354B may
 13.5 provide in its plan document, if published and made generally available, for an alternative
 13.6 marital property division or distribution of individual retirement account plan assets. If an
 13.7 alternative division or distribution procedure is provided, it applies in place of paragraph
 13.8 (a), clause (5).

13.9 (c) If liquid or readily liquidated marital property other than property representing
 13.10 vested pension benefits or rights is available, the court, so far as possible, shall divide the
 13.11 property representing vested pension benefits or rights by the disposition of an equivalent
 13.12 amount of the liquid or readily liquidated property.

13.13 (d) If sufficient liquid or readily liquidated marital property other than property
 13.14 representing vested pension benefits or rights is not available, the court may order the
 13.15 revocation of the designation of an optional annuity beneficiary in pension plans specified
 13.16 in section 356.48 or in any other pension plan in which plan-governing law or governing
 13.17 documents allow revocation of an optional annuity in marital dissolution or annulment
 13.18 situations.

13.19 **EFFECTIVE DATE.** (a) This section is effective the day following final enactment.

13.20 (b) This section applies retroactively, for plans specified in section 1, to any marriage
 13.21 dissolution decree or annulment decree requiring the revocation of an optional annuity
 13.22 form granted at any time prior to the date of enactment."

13.23 Delete the title and insert:

13.24 "A bill for an act
 13.25 relating to retirement; various statewide retirement plans; Minnesota deferred
 13.26 compensation program; unclassified state employees retirement program;
 13.27 adding employing unit accommodating daily valuation of investment accounts;
 13.28 eliminating administrative fee maximum; redefining TRA allowable service
 13.29 credit; defining annual base salary, requiring base salary reporting by
 13.30 TRA-covered employing units; extending and revising an early retirement
 13.31 incentive program; permitting the court-ordered revocation of an optional annuity
 13.32 election in certain marriage dissolutions; amending Minnesota Statutes 2008,
 13.33 sections 352.965, subdivision 6; 352D.015, subdivision 9; 352D.04, subdivision
 13.34 1; 352D.05, subdivision 3; 352D.06, subdivision 3; 352D.065, subdivision 3;
 13.35 352D.09, subdivisions 3, 7; 354.05, by adding a subdivision; 354.091; 354.52,
 13.36 subdivisions 4b, 6, by adding a subdivision; 354.66, subdivision 3; 356.351,
 13.37 subdivisions 1, 2, as amended; 518.58, subdivisions 3, 4; proposing coding for
 13.38 new law in Minnesota Statutes, chapter 356."