

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MINNESOTA STATE REGULATIONS

Notice of filing by the Commissioner of Administration

We have received on this date, stamped and filed 2 copies of Rules and Regulations pertaining to the Department of Administration
(Agency or Board)

Regulation No. Rules and Regulations pursuant to MS 16.027, subd 8

Subject: Deferred Compensation Plan

Department of Administration
Publication, Central Services Division
Documents Section
140 Centennial Office Building
St. Paul, Minnesota 55155
Telephone: (612) 296-2874

FILED
RICHARD L. BRUBACHER
Commissioner of Administration

NOV 13 1973 9:10 am

BY Eda Staudemaier
AUTH. SIGNATURE EJ

Stamped and filed with the Secretary of State 11-12-73

Rev. 9-72

STATE OF MINNESOTA

DEFERRED COMPENSATION PLAN

Rules & Regulations
pursuant to MS 16.027, subd. 8

I ELIGIBILITY

For purposes of determining eligibility for participation in the Deferred Compensation Plan, the term "officer or employee of the State of Minnesota" shall include any elected official, appointed official or employee of the State of Minnesota, including employees of departments, agencies and instrumentalities, wherein the state legislature has specifically held such employees to be "state employees" for any one or more specific purposes such as, but not limited to, membership in Minnesota State Retirement System, state employee group insurance program, or unemployment compensation program for state employees.

II PARTICIPATION PROCEDURES

1. Submission of Application

During periods designated by the Executive Director, Minnesota State Retirement System, an eligible employee may submit an application to the Executive Director, Minnesota State Retirement System, with respect to participation in the Deferred Compensation Plan or with respect to changes to be made in an existing participation program. However, such participation or changes in existing participation will not become effective until the following January 1st.

2. Changes in Previous Applications

The initial application for participation in the Deferred Compensation plan must be submitted so as to be received by the Executive Director, Minnesota State Retirement System, not later than December 20th. Subsequent applications which provide changes in the participation in the income or growth accounts must be received by the Executive Director, Minnesota State Retirement System, before the last working day of such calendar year. Changes in amount must be received not later than December 20th. Change in age at which distribution will begin may be made only once during employee's period of state service. Such change in age at which distribution is to begin will apply only to compensation deferred in any subsequent calendar year. If the employee on other than his initial application fails to indicate an amount to be withheld or his choice of investment option, withdrawal age, withdrawal period or other items requested, the Executive Director shall continue employee's previous elections or statements for such items pursuant to the terms of the Deferred Compensation Plan application.

3. Deduction Options

The minimum amount which may be deferred shall be five dollars

II PARTICIPATION PROCEDURES, Continued

3. Deduction Options, Continued

($5.00) per pay period. The amounts to be deferred must be stated in whole dollars. If the application indicates any amount which includes cents, the cents will be disregarded. If the application fails to show any option with respect to income or growth share accounts, the entire amount to be deferred will be invested in the income share account.

While Internal Revenue Service provides no limitation on the amount of compensation which may be deferred, the gross wage amount is subject to retirement and social security deductions. Therefore, the amount deferred cannot exceed Gross Wages less amount needed to cover retirement deductions and social security taxes and the state and federal income taxes on such amounts. Consideration should also be given to any voluntary deductions, such as credit union, union dues, etc. However, deduction preference in computing payrolls will be given to deferred compensation deductions over any other voluntary deductions.

4. Investment Options

The participating employee may select one of three investment options, that is, 100% in the Income Share Account, 100% in the Growth Share Account, or 50% in the Income Share Account and 50% in the Growth Share Account. The option selected will remain in effect for such calendar year and continue thereafter until changed by submission of a new application to the Executive Director, Minnesota State Retirement System. Also, shares purchased under such designation will remain in such account until distributed as hereafter provided.

5. Distribution of Assets

The participating employee will have the amount of compensation deferred paid out in monthly installments over a period of either 60 or 120 months, as indicated in his application deferring such compensation, upon reaching whatever age is indicated in such Deferred Compensation Application, or if no age is indicated, upon reaching age 65, or becoming totally and permanently disabled. The compensation so deferred will be distributed in accordance with the agreement in effect during the period the compensation was withheld. Any change in age or period for distribution will affect only compensation deferred after effective date of the change. In event of the death of the participating employee, the amount in the deferred compensation account shall be paid out in the manner hereinafter provided. The distribution over the period of 60 months, indicated above, is not applicable to compensation deferred during calendar year 1972. Also, if the application does not indicate the period over which distribution is to be made, 120 months will be considered as being in effect for compensation deferred pursuant to such application.

II PARTICIPATION PROCEDURES, Continued

6. Employee's Rights to Assets

All funds and assets, together with interest, accumulations and increments thereon, in said Deferred Compensation Account shall remain an asset of the State and shall be subject to State's ownership until such time as the participating employee's equity in the funds or assets of such account are distributed in accordance with the Deferred Compensation Agreement. The obligation of the State to the participating employee is a contractual obligation only and the employee shall have no preferred or specific interest, by way of trust, escrow, annuity or otherwise, in and to the specific assets or funds held in the Deferred Compensation Account.

The employee's rights under the Deferred Compensation Agreement shall not be assigned, transferred or encumbered, nor shall they be subject to attachment, execution or process of any employee's creditors. Except as otherwise provided, the Deferred Compensation Agreement shall be binding upon the parties thereto, their heirs, assigns, executors, administrators, and successors in interest.

III DEDUCTIONS

1. Payroll Deductions

The State shall withhold and deduct from the participating employee's total annual compensation, on a pay period basis, the amount indicated on the employee's application. The amounts so withheld shall be credited and paid into a Deferred Compensation Account to be established by the Minnesota State Retirement System.

2. Deduction Exceeds Pay Period Salary Available

If for any reason, the deferred compensation deduction for any pay period exceeds the amount remaining after provision is made for retirement deductions, social security tax contributions, and state and federal income taxes, then no deduction for the deferred compensation plan will be made for such participant for such pay period. No future pay period during the same calendar year will be adjusted to take into account the loss of such deferred compensation deduction.

In case of death of the participant, deductions for the deferred compensation plan will continue on any subsequent pay check issued for such participant but subject to the provisions stated above.

III DEDUCTIONS, Continued

3. Missed Deductions and Over-Deductions

If a deferred compensation deduction is missed on a payroll period for any reason whatsoever, no adjustment will be made on any future pay period for such missed deduction. However, if for any reason whatsoever an amount is deducted from a pay period greater than that indicated by the participant on his application, the amount over deducted will be refunded by the Executive Director, Minnesota State Retirement System, to the payroll account from which the over deduction was made and the next salary payment will be adjusted to include such refund to the participant.

Except as provided above, the Department of Administration, Central Payroll regulations shall apply to deductions for the Deferred Compensation Plan for any state department or agency paid through Central Payroll.

4. Change in Pay Period Length

In the employee's application for participation in the Deferred Compensation Plan, he must state the amount he wishes withheld each pay period. If for any reason the length of the period for which the employee is paid is changed from that in effect as of the date of the application, the Executive Director, Minnesota State Retirement System, shall compute and have withheld from such employee's salary an equivalent amount to be withheld corresponding to the new pay period length which will result in approximately the same annual amount being withheld.

5. Financial Responsibility of the State

The funds and assets paid into the Deferred Compensation Account shall be invested in shares of the Minnesota Supplemental Retirement Fund in accordance with Minnesota Statutes, Sections 11.18 to 11.24 and regulations established by the Commissioner of Administration until distributed in accordance with the Deferred Compensation Agreement. In November 1972, and each month thereafter, the Executive Director, Minnesota State Retirement System, shall invest any uninvested amounts credited to an individual's account in the Deferred Compensation Account in shares of the Minnesota Supplemental Retirement Fund. Fractional shares shall not be purchased and balances remaining amounting to less than the value of one share shall be carried forward into the succeeding month.

The State shall not be responsible for any loss due to the investment or failure of investment of funds and assets in said Deferred Compensation Account, nor shall the State be required to replace any loss whatsoever which may result from said investments.

IV BENEFICIARY

An employee may designate a singular beneficiary other than surviving spouse to receive payment of the employee's shares in the Deferred Compensation Account in the event of his death. If the designated beneficiary predeceases the employee or dies before receiving payment, the payment shall be made to the employee's estate. Such beneficiary designation shall be in writing and must be filed with the Executive Director of the Minnesota State Retirement System prior to the death of the employee. If no designation of beneficiary is filed with the Executive Director, the beneficiary shall be the surviving spouse, or if none, the employee's estate.

V DISTRIBUTION

1. Conditions for Distribution

The accumulated shares to the credit of any participant will be distributed upon reaching age 65, or any other age which may be specified by the employee in the Deferred Compensation Agreement; permanent disability; or death, whichever occurs first. Distribution shall begin or be made on January 1st following the year in which the Executive Director, Minnesota State Retirement System, is notified of such occurrence and has received satisfactory evidence as may be required. Permanent disability shall be evidenced by submission of Social Security Administration determination of permanent disability provided the participant is covered by social security and fulfills social security disability benefit requirements. If a social security determination is not available due to non-coverage, a doctor's statement indicating nature and extent of disability may be submitted in lieu thereof.

2. Responsibility of Participant

It is the responsibility of the participant, his heirs, or his estate administrator or executor, as the case may be, to notify the Executive Director, Minnesota State Retirement System, of any of the above occurrences before the end of the calendar year of such occurrence, so that the distribution of the assets may commence on January 1st of the following calendar year, if applicable, in accordance with the distribution provisions listed below.

If notification is not submitted to the Executive Director, Minnesota State Retirement System, by January 1st of the calendar year following the date of death, there shall be forfeited to the state, 10% of the shares in the Deferred Compensation Account of such deceased employee. Thereafter, for each succeeding January 1st that elapses without notification to the Executive Director, Minnesota State Retirement System, of employee's death, an additional 10% of the shares held by such deceased employee at date of death shall be forfeited to the State. However, wherein death occurred in either October, November, or December, the first 10% forfeiture shall be waived provided the Executive Director, Minnesota State Retirement System, received notification of such death within 90 days of January 1st following date of death. The amounts forfeited under this provision shall be credited to the administrative cost account established under Section VII of these Rules & Regulations.

V DISTRIBUTION, Continued

3. Manner of Distribution

A. Upon reaching the age specified in the Deferred Compensation Application, or, if none specified, upon reaching age 65, the participating employee will receive monthly payments over the period of months selected in the application deferring such compensation consisting of an equal monthly redemption of the number of shares which such employee held at the time of reaching such age. The monthly payments shall commence in January of the year following the attainment of such age and continue until his account is depleted in its entirety.

B. In the event the employee becomes permanently disabled before the age applicable in 3A above, he will receive monthly payments over the period of months selected in the application deferring such compensation consisting of an equal monthly redemption of the number of shares which such employee held at the time of disability. The monthly payments shall commence in January of the year following submission of satisfactory evidence of such disability to the Executive Director, Minnesota State Retirement System, and continue until his account is depleted in its entirety.

C. In the event of the death of the participating employee or former employee before distribution begins under 3A or 3B above, all funds in the Deferred Compensation Account of such employee shall be paid to the designated beneficiary, or if none designated, to the surviving spouse, or if none, to the estate of the deceased employee in accordance with the following:

1. If the above payment is to a designated beneficiary or to the surviving spouse, such beneficiary shall be paid monthly payments over the period of months selected in the application deferring such compensation consisting of an equal monthly redemption of the number of shares which the employee held with the payments commencing in January of the year following notification of death of the employee to the Executive Director, Minnesota State Retirement System, and continuing until the deceased employee's account is depleted in its entirety. In event of the death of the designated beneficiary or the surviving spouse while receiving monthly payments, the balance then remaining in the deceased employee's account will be paid in a lump sum to the estate of such designated beneficiary or surviving spouse in January of the year following notification of the death of such designated beneficiary or surviving spouse.

2. If there is no designated beneficiary or surviving spouse, a lump sum payment of all funds in the Deferred Compensation Account shall be made to the estate of the employee as of January of the year following notification to the Executive Director, Minnesota State Retirement System, of such death.

V DISTRIBUTION, Continued

3. Manner of Distribution, Continued

D. In the event of the employee's death during the period of distribution under 3A or 3B above, the employee's designated beneficiary, or if none, the surviving spouse shall be entitled to the monthly payments in accordance with the schedule arrived at for payments under 3A or 3B until the Deferred Compensation Account is depleted in its entirety. If there is no designated beneficiary or surviving spouse, the balance in the Deferred Compensation Account as of the date of the employee's death shall be paid in a lump sum to the employee's estate as of January of the year following notification of such death.

E. The employee in the application for participation in the Deferred Compensation Plan can elect for the distribution of such deferred compensation over a period of either 5 years (60 months) or 10 years (120 months). Except for compensation deferred during 1972 when only the 10 year period shall be available, the participating employee may submit a new application each year indicating either a 5 year period or a 10 year period for distribution of his deferred compensation. However such election will apply only to compensation deferred in calendar years subsequent to the filing of such new application. If any application fails to indicate the period of time for distribution of the deferred compensation, the period of 10 years shall be applicable to compensation deferred pursuant to such application. The monthly payments required to be made in 3A, 3B or 3C shall be computed by dividing the total number of shares held under each period designation by 60 or 120 in accordance with the withdrawal period selected in the application or applications deferring such compensation so as to determine the number of shares to be redeemed and distributed to the employee or his beneficiary each month. Should such computation result in a quotient of less than ten (10), then ten (10) shares shall be redeemed and distributed to such employee or beneficiary each month until the Deferred Compensation Account is depleted in its entirety. Where an employee has both income and growth account shares, the distribution shall be made in proportion to the total number of shares held in each account.

F. In the event of the employee's termination of state employment, prior to reaching the oldest age specified in the Deferred Compensation Application, for causes other than provided in 3B or 3C, the State may, at its sole discretion, honor the provisions of the participant's deferred compensation agreement or distribute to the participant amounts from the deferred compensation account in a lump sum upon his termination,

V DISTRIBUTION, Continued

3. Manner of Distribution, Continued

F. Continued
provided said lump sum does not exceed the participant's annual salary at the time of his termination, or the State may pay such amounts as specified in the participant's deferred compensation agreement but commence said payments at the time of his termination.

If the State elects to make payments upon participant's termination, either in a lump sum or over the period of time specified in the participant's agreement, and such determination is made prior to the fifteenth day of a month, redemption shall commence at the end of such month; otherwise, redemption shall commence at the end of the following month.

G. Notwithstanding any provisions of 3A through F above, any current state employee participating in the Deferred Compensation Plan or any former employee who has participated in such plan but has not reached the youngest age specified in the Deferred Compensation Application, may apply for an early withdrawal of certain amounts in the Deferred Compensation Account upon the occurence of an emergency event as herein defined. Emergency events are defined as and limited to (1) participant's bankruptcy when evidenced by the filing of petition in bankruptcy in federal court or (2) financial losses resulting in participant's net outlay of amounts, over and above reimburseable claims, exceeding three times his gross monthly salary which said losses are occasioned by illness or accidents to participant, his family or property, and which have or will cause great hardship to the participant or beneficiary involved. The employee shall submit such evidence as may be required by the State to substantiate such loss. If withdrawal is approved by the State, payment shall be made in a lump sum and shall be limited to that amount necessary to meet the emergency situation. The balance in the Deferred Compensation Account shall, thereafter, be distributed in the manner provided in 3A through F above.

H. For each calendar year that funds are distributed, actually or constructively, from the Deferred Compensation Account, the Executive Director, Minnesota State Retirement System, shall issue to each person receiving, or entitled to receive, such payments, statement prescribed by Internal Revenue Service, informing such persons of the amounts so paid out by the State.

VI EMPLOYEE ACCOUNT INFORMATION

After October 1st and before November 15th of each year, the Executive Director, Minnesota State Retirement System, shall provide each participating employee a statement indicating the number of shares presently credited for such employee, the current value of each such share, and the cost of the shares purchased for such employee during the preceding year. The statement will provide separate information with respect to the income account and the growth account.

At the time of the above distribution of employee statements, the Executive Director, Minnesota State Retirement System, shall distribute to all state departments, agencies, and instrumentalities information concerning the availability of the Deferred Compensation Plan to all other employees and the procedure for additional employee participation in such plan.

VII ADMINISTRATIVE EXPENSE

In order to provide funds to cover the administrative costs connected with the Deferred Compensation Plan, two percent (2%) of the Deferred Compensation deduction each pay period shall be set aside in an Administrative Costs Account within the Deferred Compensation Account, provided, however, that if the Executive Director of the Minnesota State Retirement System and the Commissioner of Administration determine the rate to be excessive or insufficient to pay all necessary and direct costs incurred, plus a reasonable amount for indirect costs, the rate shall be changed accordingly. However, any increase in such administrative charge shall take effect only after the Legislative Auditor in reviewing the operations of the Minnesota State Retirement System concurs in the finding that costs of operation of the Deferred Compensation Plan exceed the income from the 2% administrative charge.

FILED
RICHARD L. BRUBACHER
Commissioner of Administration
NOV 13 1973 9:10 am
BY Ed Staudenmaier
AUTH. SIGNATURE

APPROVED AS TO FORM AND LEGALITY
Nov 8 1973
WARREN SPANNAUS, ATTORNEY GENERAL
BY Patrick W. Cox
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 12 1973 - 4:00 pm
Arlen I. Erdahl
Secretary of State

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General J. Michael Miles, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

J. Michael Miles

SPECIAL ASSISTANT ATTORNEY GENERAL

Dated: 10/26/73

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE THE

COMMISSIONER OF ADMINISTRATION

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

ORDER FOR HEARING

To effectively implement Minn. Stat. § 16.027 (1971), the Commissioner of Administration deems it necessary to consider adoption of Rules regarding the State Deferred Compensation Law Pursuant to the authority vested in the Commissioner by the Statute cited above.

NOW, THEREFORE, IT IS ORDERED this 31st day of August, 1972, that a Public Hearing on the proposed rules be held in Room 116, State Administration Building on October 4, 1972, commencing at 9:00 A.M., and continuing until all local governmental units, representatives of associations and other interested groups or persons have had an opportunity to be heard.

IT IS FURTHER ORDERED, that notice of said hearing be given pursuant to the provisions of Minn. Stat. § 15.0412, Subd. 4 (1971), and to all representatives of associations or other interested groups or persons who have registered their names with the Secretary of State for that purpose and all persons who are presently members of the Minnesota Legislature.

STATE DEPARTMENT OF ADMINISTRATION

Richard L. Brubacher
Commissioner of Administration

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE THE

COMMISSIONER OF ADMINISTRATION

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

STATEMENT OF NEED

The above-captioned proposed rules are intended to establish clear procedures in administrating the State of Minnesota Deferred Compensation Plan pursuant to Minn. Stat. § 16.027 Subd. 8.

Pursuant to said statute, the Commissioner of Administration is authorized to establish rules, regulations and procedures to carry out the provisions of the State of Minnesota's Deferred Compensation Plan including the allocation of the administrative costs against the accumulated assets.

Since questions concerning eligibility, participation procedures, deductions, distribution procedures, accounting information and administrative expenses are not answered statutorily, the Commissioner of Administration deems it necessary to promulgate the rules, regulations and procedures regarding the State of Minnesota's Deferred Compensation Plan in order to implement the authority vested in him by the above-noted statute.

Richard Brubacher

Richard L. Brubacher
Commissioner of Administration

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE THE

COMMISSIONER OF ADMINISTRATION

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

NOTICE OF HEARING

Notice is hereby given that a public hearing will be held pursuant to Minnesota Statutes, 1971, Section 16.027, Subdivision 8, and Section 15.0412, Subdivision 4, regarding the above-entitled matter, in Room 116 of the State of Minnesota Administration Building, 50 Sherburne Avenue, St. Paul, Minnesota, commencing at 9:00 A.M. on October 4, 1972, and continuing until all interested parties, associations and other interested groups or persons have had an opportunity to be heard concerning adoption of the proposed rules captioned above by submitting either oral or written data, statements or arguments. Statements or briefs may be submitted without appearing at the hearing.

The hearing shall consider the above captioned proposed rules which are attached to this notice as Attachment #1 and shall also hear and receive testimony on the proper mode of investment of funds already collected pursuant to Minnesota Statutes, 1971, Section 16.027, Subdivision 8.

Additional copies of the proposed rules may be obtained by writing directly to: Harry Groschel, Room 212, MEA Building, 55 Sherburne Avenue, St. Paul, Minnesota, and will also be available at the place of hearing on October 4, 1972. Telephone inquiries regarding the subject of the hearing should be directed to Harry Groschel at 612-296-2808. A copy of the procedural rules for the hearing is attached as Attachment #2.

Testimony or other evidence to be submitted for consideration should be pertinent to the matter at hand and may be presented either orally or in writing at the public hearing or by mailing a statement to Harry Groschel, Room 212, MEA Building, 55 Sherburne Avenue, St. Paul, Minnesota 55155. If the person submitting a statement cannot be present to read his statement at the time of the hearing, the statement will be entered into the record. For those wishing to submit written statement or exhibits, it is requested that at least three (3) copies of such statement, exhibit or summary be furnished at the hearing.

It is suggested that to save time and avoid duplication, those organizations or associations having a common viewpoint or interest in these proceedings join together where possible and present a single statement in behalf of such interests.

MINNESOTA DEPARTMENT OF ADMINISTRATION

Richard J Brubacher

Richard L. Brubacher
Commissioner of Administration

PROCEDURAL RULES FOR HEARING

The purpose of the hearing is to allow interested parties to express their views and present facts bearing upon the proposed regulations. So as to provide for an orderly presentation of evidence, the following rules will be in effect during the hearing specified in the attached Notice of Hearing:

1. Anyone wishing to be heard should indicate by signing the speaking sheet, listing his name, address, and the group which he represents. The speaking sheet will be available at the main entrance to the hearing room. It is requested that each group select one speaker only to present their views.

2. The first time the witness makes a statement, he should spell his name and identify the group he is representing. Prior to making any subsequent statements he should state his name and the group which he represents. He may be sworn upon his request but it is not required. If he elects not to be sworn, that may be considered in determining the weight to be given to his testimony.

3. By giving testimony, a witness, including one who may also be a member of the panel, subjects himself to questioning by the panel. However, he is subject on cross-examination by non-members of the panel only if he affirmatively consents to being so examined. A refusal to be cross-examined may be considered in determining the weight to be given to his testimony.

4. All parties interested in introducing any written matter may do so by having it marked as an exhibit and then introduced for the record. Unsworn written matter may be received, but the fact that it is unsworn may be considered in determining the weight to be given it.

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

AFFIDAVIT

Harry Groschel, being duly sworn, on oath deposes and says:

1) That he is an employee of the Department of Administration of the State of Minnesota.

2) That on the 1st day of September, 1972, he requested from the Secretary of State's office for the State of Minnesota current list of all representatives of associations and other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of regulations pursuant to Minn. Stat. § 15.0412.

3) That on the 1st day of September, 1972, in response to the above request, the Secretary of State provided him with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Harry Groschel

Harry Groschel
Chief, Social Security Office
State Employees Service Division

Subscribed to and sworn to before me this 31st Day of August, 1972.

Colleen T. Kisch

COLLEEN T. KISCH
Notary Public, Ramsey Co. Mn.
MY COMMISSION EXPIRES
April 22, 1978

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

AFFIDAVIT OF MAILING

Harry Groschel, being first duly sworn, deposes and says:

That on the 1st day of September, 1972, at the City of St. Paul, County of Ramsey, State of Minnesota, he served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all local governmental units, all persons and associations at the addresses listed on the attached Certificate regarding the Secretary of State, members of the Minnesota Legislature, and other interested individuals.

Harry Groschel

Harry Groschel
Chief, Social Security Office
State Employees Service Division

Subscribed and sworn to before me
this 1st day of Sept, 1972

Colleen T. Kisch

COLLEEN T. KISCH
Notary Public, Ramsey Co., Minn.
MY COMMISSION EXPIRES
April 22, 1978

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE THE

COMMISSIONER OF ADMINISTRATION

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

APPOINTMENT

Raymond B. Vecellio is hereby appointed to serve as hearing officer on behalf of the Commissioner of Administration in the above-captioned matter, said hearing to be held on October 4, 1972, and continue until all representatives of associations or other interested groups or persons have had an opportunity to be heard.

This appointment is made pursuant to Minnesota Statutes 1971, Section 16.86, Subdivision 4.

Dated: October 2, 1972

Richard L. Brubacher
Commissioner of Administration

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE THE

COMMISSIONER OF ADMINISTRATION

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

FINDINGS OF FACT

The above-entitled matter came on for hearing before the Commissioner of Administration of the State of Minnesota on the 4th day of October, 1972, at 9:00 a.m. in Room 116 State Administration Building, 50 Sherburne Avenue, St. Paul, Minnesota, after proper notice required by Minnesota Statute 1971, Section 15.0412, Subdivision 4 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, I find the following regarding the proposed rules attached hereto:

1. The Minnesota Legislature has determined, as evidenced by Minn. Stat. § 16.027, Subdivision 8 (1971), that a state deferred compensation plan is meritorious.

2. In order to most effectively administer a deferred compensation plan for state employees, a thorough body of rules must necessarily be adopted by the Commissioner of Administration.

3. Such rules were prepared and were the subject of public hearing on October 4, 1972, pursuant to Minn. Stat. § 15.0412 (1971).

4. Said rules as heard and modified thereby appear to comprehensively meet the requirements of the deferred compensation authorization vested in the Commissioner of Administration by virtue of Minn. Stat. § 16.027, Subdivision 8.

5. Therefore, said rules, as attached to the Order for Adoption herein, should be adopted by the Commissioner of Administration.

STATE DEPARTMENT OF ADMINISTRATION

Richard L. Brubacher
Commissioner of Administration

Dated: 10-25-73

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE THE

COMMISSIONER OF ADMINISTRATION

In the matter of the Proposed Adoption of Rules Regarding the State Deferred Compensation law

ORDER ADOPTING RULES

The attached rules and regulations regarding the State of Minnesota's Deferred Compensation Plan are adopted. It is the policy of the State of Minnesota to provide a fair and equitable retirement fund for all state employees. In conjunction with such a policy, Minn. Stat. § 16.027, Subd. 8 (1971), provides for a deferred compensation plan to be available to all state officers and employees. Whereas the legislature has determined that a deferred compensation will be meritorious; whereas the IRS has approved the state's Deferred Compensation Plan, assuring the state that such plan qualifies the benefits afforded under federal and state tax laws; the Commissioner of Administration deems it necessary to adopt the rules and regulations for the State of Minnesota's Deferred Compensation Plan hereto attached.

NOW, THEREFORE, IT IS ORDERED that these rules identified as the Rules and Regulations for the State of Minnesota's Deferred Compensation Plan are adopted this said October 25, 1973 pursuant to the authority vested in me by Minn. Stat. § 16.027, Subd. 8 (1971).

STATE DEPARTMENT OF ADMINISTRATION

Richard Brubacher

Richard L. Brubacher
Commissioner of Administration