

Minnesota Attorney General: Administrative Rules Proceedings

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STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : PAUL L. GROSCHEN
Executive Director
Minnesota State Retirement System

DATE: 4/22/81

FROM : JERRY S. ANDERSON
Special Assistant
Attorney General

PHONE: 6-4692

SUBJECT: In the Matter of the Proposed Adoption of Revised Rules of the Board of Directors of the Minnesota State Retirement System

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register; this must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

JSA/gy

Enc.

cc: Duane Harves
Susan Robertson

STATE OF MINNESOTA

MINNESOTA STATE RETIREMENT SYSTEM

In the Matter of the Proposed Adoption
of Revised Rules of the Board of Directors
of the Minnesota State Retirement System

ORDER ADOPTING
RULES

Notice of the Board of Directors' intent to adopt the above entitled rules without a public hearing was published in the State Register on December 29, 1980 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes section 15.0412, subdivision 4 on December 15, 1980. After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving no requests or comments, and determining the need for and reasonableness of the above-captioned rules,

NOW, THEREFORE, IT IS ORDERED that these rules identified as Rules of the Board of Directors of the Minnesota State Retirement System are adopted this 27th day of February, 1981 pursuant to authority vested in me by the Board of Directors, Minnesota State Retirement System.

STATE OF MINNESOTA

Paul L. Groschen

Paul L. Groschen
Executive Director
Minnesota State Retirement System

AMENDMENTS AS ADOPTED

MSRS 1 REPEALED

2 MCAR § 3.0001 Election of board of directors

A. State employee member

The procedure for the biennial election of the four state employee members of the board of directors as provided in Minn. Stat. § 352.03, and laws amendatory thereof, shall be as follows:

Any employee covered by the system who desires to be a candidate for membership on the board of directors shall file a nominating petition signed by ten (10) employees covered by the system with the executive director of the system not later than October first of each odd numbered year. A candidate may not withdraw his candidacy after October 15. If the employees whose names are thus filed are eligible to election or reelection as a member of the board of directors as provided by Minn. Stat. § 352.03, and laws amendatory thereof, their name and the name of the department in which they are employed shall be printed upon the ballots sent to employees covered by the system as hereinafter provided. The name of any employee covered by the system may be written in on the ballot provided for that purpose.

Between December 26 of each odd numbered year and the following January 5 inclusive, the executive director shall send by mail, express, or regular messenger service notices of election to be held, ballots and envelopes to the respective heads of departments and state agencies having employees who are covered by the system. The heads of departments and state agencies shall

deliver or cause to be delivered to each such employee who receives salary or wages from which deductions are made for the system on the department's or agency's payroll abstract covering the last full pay period ending in December a notice of election that two members are to be elected to the board of directors, each such notice to be accompanied by a ballot and two envelopes. Department heads shall also mail such election material to their employees on approved leave of absence or seasonal layoff during the last full pay period in December and shall certify to the executive director the names of the employees to whom ballots were mailed. The Minnesota State Retirement System shall reimburse the departments for the cost of the postage for such mailing. Each employee participating in the election shall place the ballots, not exceeding two, imprinted with the names of the candidates of their choice, or shall write or indicate by appropriate mark on the blank ballot provided for that purpose the names, not exceeding a vote for a total of two candidates of any state employees covered by the system for whom he wishes to vote for directors, place the ballots in the envelope marked "ballots" (upon which there shall be no writing except the printed word "ballots" and the words "insert ballots and seal" on the flap); thereafter seal and place in the envelope, likewise sealed, addressed to "Tellers, Minnesota State Retirement System", at its office in St. Paul, Minnesota 55101.

The employee shall write his or her name, department, home address, and social security number in the upper left-hand corner of the envelope addressed to said tellers, and return it to the office of the system not later than February 1, in each even numbered year. If the employee so elects, he or she may place the tellers envelope in another envelope and mail or deliver this to the retirement system. Ballots in envelopes postmarked any time up to midnight

on February 1 of each even numbered year shall be counted, as shall ballots in envelopes received at the office of the system by messenger service up to the close of office hours on February 1 of each even numbered year, or, if February 1 falls on a Saturday or Sunday, postmarked any time up to midnight or received up to the close of office hours on the following Monday of each even numbered year, provided instructions hereinbefore prescribed have been complied with. Heads of departments and agencies shall promptly notify the executive director of the retirement system that notices, ballots, and envelopes have been delivered to such employees as herein before required.

The name and social security number in the upper left-hand corner of envelopes addressed to the tellers shall be checked against the department payroll abstract or facsimile listing (the abstract covering the last full pay period ending in December) and certified listing of those on seasonal layoff or leave of absence and if the name of the employee on the envelope is found on such payroll abstract or facsimile listing and deductions are taken for the retirement fund which are not deductions in error from the salary of an employee not covered by the system, or if the employee is on approved leave of absence or seasonal layoff during the pay period, the envelope and abstract or facsimile listing shall be noted as "found", and if the name of the employee does not appear thereon, the envelope shall be marked "not found." The envelopes noted as "found" shall be placed in one container and those marked "not found" in another. At eight o'clock in the forenoon on the third Thursday in February in even numbered years, three tellers appointed by the board of directors shall meet and verify the notations on the sealed envelopes addressed to the tellers who shall then remove and set aside the sealed ballot envelopes of those employees verified as eligible to vote. After the verification above required

is completed, the small envelopes containing the ballots shall be opened and ballots tabulated by the tellers. The two candidates receiving the highest number of votes shall be the elected members of the board of directors for a term of four years as provided by Minn. Stat. § 352.03 subd. 1 and laws amendatory thereof. In the case of a tie vote as to any candidates, the election shall be resolved by lot.

B. Highway patrolmen's fund member

As provided in Minn. Stat. § 352B.29, the members of the highway patrolmen's retirement fund shall elect one of their membership to serve as a member of the board of directors. The election of such board member shall be separate and distinct, but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed in 2 MCAR § 3.0001 A. The term of the first highway patrolmen fund member so elected shall terminate on the first Monday in March 1978. Such members shall serve for a term of four years and until the successor is elected and has qualified.

C. Retired employee member

As provided in Minn. Stat. § 352.03, retired state employees shall elect one retired state employee to serve as a member of the board of directors. The election of such board member shall be separate and distinct but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed in 2 MCAR § 3.0001 A. except as follows:

Retired employees who are eligible for election to the board and eligible to vote for a candidate for the board shall be any person receiving an annuity from MSRS as of January 1 of each even numbered year.

Between July 1 and August 15, of each odd numbered year the director shall mail a notice of election to all eligible retired employees giving them notice of election and instructions for becoming a candidate for membership on the board.

Any eligible retired employee who desires to be a candidate for membership on the board of directors must submit a nominating petition, signed by ten (10) or more eligible retired employees to the executive director of the system not later than October 1 in each odd numbered year. If the retired employees whose names are thus filed are eligible to election as a member of the board of directors their names shall be printed in alphabetical order upon the ballots sent to retired employees as hereinafter provided.

No nominee may withdraw his candidacy after October 10th. The name of any eligible retired employee of the system may be written in on the ballot in the space provided for that purpose.

In January of each even numbered year, the executive director shall mail ballots and envelopes to the retired employees eligible to vote. The election material shall be mailed to the last address given to the system by the retired employee for the mailing of the annuity checks unless the retired employee notifies the system in writing by November 1st of a different address to be used for this purpose. The name and social security number in the upper left-hand corner of the envelopes addressed to the tellers shall be checked against the annuity abstract or facsimile listing covering the annuity payments for January of each even numbered year.

MSRS 3 REPEALED

MSRS 4 REPEALED

2 MCAR § 3.0002 Form and manner of applications and requests

All applications to the executive director shall be made in writing upon such forms and in such manner as he may require.

All applications for annuity and refundment shall be subscribed to before a notary public, or other person having statutory authority of a notary public, who shall affix his acknowledgment or jurat thereto.

MSRS 7 RENUMBERED AS 2 MCAR § 3.0003

MSRS 8 REPEALED

MSRS 10 REPEALED

MSRS 11 REPEALED

2 MCAR § 3.0004 Closing of office on normal workday - effect of

In the event the office of the system is closed by executive order, strike or work stoppage on a normal workday, so that there is no mail delivery to the office of the system any application for an annuity or disability benefit mailed in an envelope having a postmark which indicates the application would have been received at the office of the system on the day on which the office was closed shall for the purpose of determining when the annuity or disability benefit begins to accrue, be deemed to have been received on the first normal workday the office was closed or the date the application was notarized, whichever is later.

If there is no postmark or if the postal employees are on strike and the application is notarized on or after the date the office was closed or the beginning of the postal employees strike, the date of notarization shall be used.

2 MCAR § 3.0005 Annuities paid under "savings clause"

No increase in the social security benefit (PIA) authorized by social security due to an automatic or summary recalculation shall reduce the amount of benefits payable from any retirement fund or plan administered by the system.

2 MCAR § 3.0006 Annuity, benefit and refund checks - mailing provisions

No checks covering an annuity or disability benefit shall be mailed outside the United States. Refund checks, however, may be mailed to a foreign country at the written request of the former employee.

MSRS 15 RENUMBERED AS 2 MCAR § 3.0007

MSRS 16 REPEALED

MSRS 19 RENUMBERED AS 2 MCAR § 3.0008

2 MCAR § 3.0009 Continuation of coverage

An employee covered by the system who for the convenience of the employer is temporarily employed in a classification other than that in which he is regularly employed, and who is on authorized leave of absence from his regular employment, shall have deductions taken from his salary for the retirement fund while thus temporarily employed.

Any employee of a "sending agency" under the provisions of Minn. Stat. §§ 15.51 through 15.59 and acts amendatory thereof, shall, if he is an employee

covered by the system at the time he is detailed to a "receiving agency", as therein defined, continue to be covered by the system and deductions shall be made from his salary and deposited in the retirement fund the same as though he continued his work in the "sending agency." Employee contributions, employer contributions, and employer additional contributions, shall be made in all respects as provided in Minn Stat. § 352.041 subd 2 and 3.

2 MCAR § 3.0010 Military service

A. Proof of service

Upon reinstatement from leave of absence as provided in Minn. Stat. §§ 192.261 and 192.262, and laws amendatory thereof, an employee who has been on leave of absence to serve in the military forces of the United States or of the State of Minnesota who desires to obtain credit for his period of active military service is required to supply to the executive director a certified copy of the record of his discharge or other form of release by proper authority from military service. A photocopy of either document will be accepted provided the original is submitted for comparison with the photocopy; the original will then be returned to the employee and the photocopy placed on file in the office of the retirement system.

B. Death in service

Any duly designated beneficiary of an employee covered by the system making application for refundment of the sum in the retirement fund to the credit of such employee who dies while in military service of the United States or of the State of Minnesota is required to submit official notice of death as issued by the government of the United States or of the State of Minnesota as

the case may be. A photocopy of such official notice will be accepted as proof of death for the files of the system, provided the original notice is submitted for comparison with the photocopy and its authenticity duly verified.

2 MCAR § 3.0011 Payment on omitted salary deductions

If a department fails to take deductions from the salaries of employees as provided by Minn. Stat. § 352.04, or fails to provide the proper information so that deductions may be initiated, the 6 per cent payment in lieu of interest required by Minn. Stat. § 352.04 subd 8, and laws amendatory thereof, shall not be charged if the period such deductions were not taken was four or less pay periods.

2 MCAR § 3.0012 Verification of date of birth

Verification of date of birth should be filed with the executive director by all employees one year prior to the date they became eligible by reason of age and service to receive a retirement annuity and by employees applying for a total and permanent disability benefit or for a refundment with interest as provided by Minn. Stat. § 352.22 subd 2 and laws amendatory thereof. In no event shall any annuity or benefit be paid until acceptable verification of date of birth is on file in the office of the system.

MSRS 24 RENUMBERED AS 2 MCAR § 3.0013

MSRS 25 RENUMBERED AS 2 MCAR § 3.0014

APPROVED AS TO FORM AND LEGALITY

4-22 1981

WARREN SPANNAUS, ATTORNEY GENERAL

BY _____

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
APR 22 1981
Joan Anderson Growe
Secretary of State
2:30 PM

MINNESOTA STATE RETIREMENT SYSTEM
529 Jackson Street
Saint Paul, Minnesota 55101

Tel. 296-2761

Office Memorandum

DATE : February 27, 1981

FROM : Paul L. Groschen
Executive Director

SUBJECT: Proposed Amendment and Adoption of Revised Rules of the Board of Directors of the Minnesota State Retirement System.

Attorney General Warren Spannaus
Room 102, Capitol Building
Aurora Avenue
St. Paul, Minnesota 55155

On February 10th, I submitted those items listed on the attached letter relating to the above cited rules to your office for review.

Your office noted a few deficiencies in the submission. Therefore, I request the previous submission be withdrawn and this request be considered a new submission.

Enclosed are copies of the items not included with the previous submission for your review and approval.

1. The Rules as Adopted.
2. Affidavit of Mailing.
3. Certificate of Board's Resolution Adopting Rules.
4. Order Adopting Rules.

Paul L. Groschen

Paul L. Groschen
Executive Director

PLG:mg
encl.

In the Matter of the Proposed Amendment
and Adoption of Revised Rules of the
Board of Directors of the Minnesota
State Retirement System

AFFIDAVIT OF
MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

I, Paul L. Groschen, being first duly sworn, deposes and says:

That on the 15th day of December, 1980, at the City of St. Paul, County of Ramsey, State of Minnesota, as in he served the attached Notice of Intent to Adopt Rules Without Public Hearing by depositing in the United States mail at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Minnesota State Retirement System for the purpose of receiving notice of the proposed adoption of rules by the Agency.

Paul L. Groschen
Executive Director

Subscribed and sworn to before me
this 11th day of February, 1981.

Marlene Guinn

MARLENE GUINN
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Comm. Expires June 30, 1987

CERTIFICATE OF BOARD'S

RESOLUTION ADOPTING RULES

I, Francis D. Hage, do hereby certify that I am a member and the Chairman of the Board of Directors of the Minnesota State Retirement System, a board duly authorized under the laws and the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board of Directors, duly and properly called and held on the 27th day of February, 1981, that a quorum was present at said meeting, that a majority of those present voted for the resolution, and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the revised rules of the Board of Directors of the Minnesota State Retirement System be and they hereby are approved and adopted, pursuant to authority vested in us by Minnesota Statutes section 352.03 subdivion 2 (4) and that Paul L. Groschen, the Secretary of the Board of Directors, be and hereby is authorized to sign an order adopting these rules and further is authorized to perform the necessary acts to provide that these rules shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of February, 1981.

Francis D. Hage,
Chairman of the Board
Minnesota State Retirement System

Attest by Carolyn Anderson,
Vice-Chairwoman of the Board
Minnesota State Retirement System

MINNESOTA STATE
REGULATIONS

Rules and Regulations of

THE MINNESOTA STATE RETIREMENT SYSTEM



Cite the rules and regulations as:
(for example)
Minn. Reg. MSRS 12

Distributed by
DOCUMENTS SECTION, DEPARTMENT OF ADMINISTRATION
Room 140 Centennial Office Building, St. Paul, Minnesota 55155

1975 EDITION

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(Filed December 3, 1975)

RULES AND REGULATIONS OF THE BOARD OF DIRECTORS

Minnesota State Retirement System

MSRS 1. Board Meetings

(a) Regular quarterly meetings of the board of directors of the Minnesota State Retirement System shall be held at the office of the system in the months of February, May, August, and November, on such day and time thereof as the board shall designate at its last preceding meeting. Special meetings may be called by the Chairman of the board at any time designated by him upon at least four days prior written notice when he determines the necessity therefor; and must be promptly called by him upon similar notice when written request therefor is presented to the executive director by at least two board members.

(b) A majority of all members of the board shall constitute a quorum for the transaction of business at all meetings.

MSRS 2. Election of Board of Directors

The procedure for the biennial election of the four state employee members of the board of directors as provided in Minnesota Statutes 1974, Section 352.03, and laws amendatory thereof, shall be as follows:

Any employee covered by the system who desires to be a candidate for membership on the board of directors shall file notice of his candidacy with the executive director of the system not later than November first of each odd numbered year, or the name of any employee covered by the system may be filed by a group of 10 or more employees who desire to do so. If the employees whose names are thus filed are eligible to election or reelection as a member of the board of directors as provided by Minnesota Statutes 1974, Section 352.03, and laws amendatory thereof, their name and the name of department in which they are employed shall be printed in alphabetical order upon the ballots sent to employees covered by the system as hereinafter provided. The name of any employee covered by the system may be written in on the ballot in the space provided for that purpose.

Between January 2 and 5, inclusive, of each even numbered year the executive director shall send by mail, express, or regular messenger service notices of election to be held, ballots and envelopes to the respective heads of departments and state agencies having employees who are covered by the system. The heads of departments and state agencies shall deliver or cause to be delivered to each such employee who receives salary or wages from which deductions are made for the system on the department's or agency's payroll abstract covering the last full pay period ending in December a notice of election that two members are to be elected to the board of directors, each such notice to be accompanied by a ballot and two envelopes. Each employee participating in the election shall write or indicate by appropriate mark on the ballot the names, not exceeding two, of any state employees covered by the system for whom he wishes to vote for directors, place the ballot in the envelope marked "ballot" (upon which there shall be no writing except the printed word "ballot" and the words "insert ballot and seal" on the flap); thereafter seal and place in

the envelope, likewise sealed, addressed to "Tellers, Minnesota State Retirement System", at its office in St. Paul, Minnesota 55101. He shall write his name, department, home address, and social security number in the upper left-hand corner of the envelope addressed to said Tellers, and return it to the office of the system not later than February 1, in each even numbered year. Ballots in envelopes postmarked any time up to midnight on February 1 of each even numbered year shall be counted, as shall ballots in envelopes received at the office of the system by messenger service up to the close of office hours on February 1 of each even numbered year, or, if February 1 falls on a Saturday or Sunday, postmarked any time up to midnight or received up to the close of office hours on the following Monday of each even numbered year, provided instructions hereinbefore prescribed have been complied with. Heads of departments and agencies shall promptly notify the executive director of the retirement system that notices, ballots, and envelopes have been delivered to such employees as herein before required.

The name in the upper left-hand corner of envelopes addressed to the Tellers shall be checked against the department abstract or facsimile listing indicated by the name of the department on the envelope (the abstract covering the last full pay period ending in December) and if the name of the employee on the envelope is found on such payroll abstract or facsimile listing and deductions are taken for the retirement fund which are not deductions in error from the salary of an employee not covered by the system, the envelope and abstract or facsimile listing shall be so noted, and if the name of the employee does not appear thereon, the envelope shall be marked "not found." The envelopes noted as "found" shall be placed in one container and those marked "not found" in another. At nine o'clock in the forenoon on the third Thursday in February in even numbered years, three Tellers appointed by the board of directors shall meet and verify the notations on the sealed envelopes addressed to the Tellers who shall then remove and set aside the sealed ballot envelopes of those employees verified as eligible to vote. After the verification above required is completed, the small envelopes containing the ballots shall be opened and ballots tabulated by the Tellers. The two candidates receiving the highest number of votes shall be the elected members of the board of directors for a term of four years as provided by Minnesota Statutes 1974, Section 352.03, Subdivision 1, and laws amendatory thereof. In the case of a tie vote as to any candidates, the election shall be resolved by lot. As provided in Minnesota Statutes 1974, Section 352B.29, the members of the highway patrolmen's retirement fund shall elect one of their membership to serve as a member of the board of directors. The election of such board member shall be separate and distinct, but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed herein. The term of the first highway patrolmen fund member so elected shall terminate on the first Monday in March 1978. Such members shall serve for a term of four years and until the successor is elected and has qualified.

MSRS 3. Continuity of Operation

All forms, computations, and other documents heretofore issued by the State Employees Retirement Association or the Highway Patrolmen's Retirement Association are hereby determined to be issued by the Minnesota State Retirement System with the same force and effect as if they had been issued by the Minnesota State Retirement System ab initio.

MSRS 4. Executive Director – Incapacity, Death

In the event of the executive director's personal incapacity or death, the assistant director shall assume the duties and responsibilities of the executive director until the next meeting of the board of directors or until a successor is appointed.

MSRS 5. Repealed

MSRS 6. Form and Manner of Applications and Requests

(a) All applications to the executive director shall be made in writing upon such forms and in such manner as he may require.

(b) All matters which are to have the attention of the Board of Directors must be in writing and shall be considered by the board at its next regular meeting.

(c) All applications for annuity and refundment shall be subscribed to before a notary public, or other person having statutory authority of a notary public, who shall affix his acknowledgment or jurat thereto.

MSRS 7. Certain Powers of Attorney Not Acceptable

Powers of attorney which involve an assignment of moneys, annuities or benefits shall not be acceptable except as may be expressly authorized by the laws governing the plans and funds administered by the Minnesota State Retirement System.

MSRS 8. Authorized Signatures Required

None of the documents and papers required to be filed in the office of the Minnesota State Retirement System for its administration which require an authorized signature shall be accepted for processing or filing unless evidence of the authority of the person signing same shall have been prior thereto filed in the office of the system.

MSRS 9. Repealed

MSRS 10. Optional Annuity

The Board of Directors shall adopt by formal action at board meetings the form of the optional retirement annuities to be available to members and covered employees of the funds and plans administered by the Minnesota State Retirement System.

The beneficiary designated by the employee in his application to receive a joint and survivor or a period certain and life thereafter optional retirement annuity is restricted to a spouse, son or daughter (natural or adopted), a parent, brother or sister. Such designation must be in writing on a form furnished by the director for that purpose and shall be limited to a singular beneficiary.

MSRS 11. Change of Option

In the case of an employee making application for an annuity in which he elected to take an optional annuity and later desires to cancel his election and apply for an annuity without the optional election, the second application is deemed to be a modified application and the laws governing application for a normal annuity shall apply. However, if an employee in his original application does not elect to take an optional annuity and later elects an optional annuity, the date from which his annuity begins to accrue cannot be earlier than 30 days after his application to take an optional annuity is filed in the office of the system.

MSRS 12. Closing of Office on Normal Workday – Effect of

In the event the office of the system is closed by executive order on a normal workday, so that there is no mail delivery to the office of the system on the day following or preceding a legal holiday, any application for an annuity or disability benefit mailed in an envelope having a postmark which indicates the application would have been received at the office of the system on the day on which the office was closed by executive order, shall for the purpose of determining when the annuity or disability benefit begins to accrue, be deemed to have been received on the normal workday when the office was closed.

MSRS 13. Annuities Paid Under "Savings Clause"

In cases where employees covered by the system had ten or more years allowable service credit as a member of the State Employees Retirement Association on July 1, 1957, and they receive payments as authorized by law in a sum equal to the retirement allowance computed by the law in effect before July 1, 1957, and until such time as they are eligible to receive a social security benefit (Primary Insurance Amount), under existing law at age 62, and they continue to work in non-government employment thereby increasing their social security benefit (PIA) above the amount to which they were entitled at age 62, the additional amount, if any, payable from the retirement fund shall not be reduced. Likewise there shall be no reduction in the additional amount received from the retirement fund by reason of any subsequent increase in the social security benefit (PIA) authorized by the social security act; except that any increase in a retired employee's social security benefit (PIA) resulting from employment by the state or by a political subdivision after retirement shall reduce the additional amount specified in section 352.115, subdivision 5.

MSRS 14. Annuity, Benefit and Refund Checks – Mailing Provisions

Upon request of a retired, disabled or former employee, member or participant and upon completion of such forms as the director may require, the director may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such employee's account or joint account with his spouse. No checks covering an annuity or disability benefit shall be mailed outside the United States. Refund checks, however, may be mailed to a foreign country at the written request of the former employee.

MSRS 15. Acknowledgment of Receipt of Annuity and Disability Benefits Required

Written acknowledgment is required not less than semi-annually from the retired or disabled employee that he has received his annuity or disability benefit. If the retired employee has directed that his check be mailed to a financial institution, such financial institution may acknowledge receipt in his stead. The director shall mail a form with the annuity or benefit checks at least twice each year for acknowledgment of receipt of the check. No payment for the following months shall be made until such acknowledgment is on file in the office of the retirement system.

MSRS 16. Employer Contribution – No Adjustment

Whenever an audit of an account of a person applying for an annuity or for a refundment indicates an adjustment of the employee contribution is required, and the person is no longer on the payroll, no adjustment shall be made of the employer contribution or additional contribution.

MSRS 17. Reserved for future use

MSRS 18. Repealed

MSRS 19. Repayment of Refundments

In determining the amount of the payment required to repay a refundment, the director shall make any adjustment required by reason of deductions taken in error, not taken or taken at an incorrect rate. Repayment of refundments may be made in a lump sum when expressly provided by the laws governing the repayment or in installments by payroll deduction.

An employee covered by the system who elects to repay a refundment and who intends to retire, becomes disabled or whose state service will terminate before he has completed the repayment, shall have the privilege of completing such payment in a lump sum before his retirement or termination of state service. If the refundment is not fully repaid, the total amount which he had paid to the fund shall be returned to him, and his status shall then be the same as if he had made no payments thereon. In the event of the death of an employee who is repaying a refundment, if the spouse is not entitled to an annuity, the total amount shall be refunded to his designated beneficiary or beneficiary as provided by law. If the surviving spouse in entitled to an annuity, the director shall determine, based on the most current service and extending retroactively, the period of allowable service paid for by the partial payment made and shall credit the deceased employee with such service.

MSRS 20. Continuation of Coverage

(a) An employee covered by the system who for the convenience of the employer is temporarily employed in a classification other than that in which he is regularly employed, and who is on authorized leave of absence from his regular employment, shall have deductions taken from his salary for the retirement fund while thus temporarily employed.

(b) Any employee of a "Sending Agency" under the provisions of Extra Session Laws 1967, Chapter 46, shall, if he is an employee covered by the system at the time he is detailed to a "Receiving Agency", as therein defined, continue to be covered by the system and deductions shall be made from his salary and deposited in the retirement fund the same as though he continued his work in the "Sending Agency." Employee contributions, employer contributions, and employer additional contributions, shall be made in all respects as provided in section 352.041, subdivisions 2 and 3.

MSRS 21. Military Service

(a) Upon reinstatement from leave of absence as provided in Minnesota Statutes 1974, sections 192.261 and 192.262, and laws amendatory thereof, an employee who has been on leave of absence to serve in the military forces of the United States or of the State of Minnesota who desires to obtain credit for his period of active military service is required to supply to the executive director a certified copy of the record of his discharge or other form of release by proper authority from military service. A photocopy of either document will be accepted provided the original is submitted for comparison with the photocopy; the original will then be returned to the employee and the photocopy placed on file in the office of the retirement system.

(b) Any duly designated beneficiary of an employee covered by the system making application for refundment of the sum in the retirement fund to the credit of such employee who dies while in military service of the United States or of the State of Minnesota is required to submit official notice of death as issued by the government of the United States or of the State of Minnesota as the case may be. A photocopy of such official notice will be accepted as proof of death for the files of the system, provided the original notice is submitted for comparison with the photocopy and its authenticity duly verified.

MSRS 22. Payment on Omitted Salary Deductions

If a department fails to take deductions from the salaries of employees as provided by Section 352.04, or fails to provide the proper information so that deductions may be initiated, the 6 per cent payment in lieu of interest required by Minnesota Statutes 1974, Section 352.04, Subdivision 8, and laws amendatory thereof, shall not be charged if the period such deductions were not taken was four or less pay periods.

MSRS 23. Verification of Date of Birth

Verification of date of birth should be filed with the executive director by all employees with at least 19 years of allowable service who are 57 or more years of age or with at least 9 years of allowable service who are 61 or more years of age and by employees applying for a total and permanent disability benefit or for a refundment with interest as provided by Minnesota Statutes 1969, Section 352.22, Subdivision 2 and laws amendatory thereof. In no event shall any annuity or benefit be paid until acceptable verification of date of birth is on file in the office of the system.

MSRS 24. Change of Beneficiary

Employees covered by this system who desire to make a change in the beneficiary they have designated shall make such change in writing and in the form and manner prescribed by the executive director.

MSRS 25. Absence of Proof of Service

In cases where employees covered by the system believe they are entitled to credit for periods of service of which departments have no records, the burden of proof is upon the employee, and in the absence of such proof, the employee is not entitled to credit therefor.

PROPOSED RULES

Pursuant to Minn. Laws of 1980, § 15.0412, subd. 4h, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of § 15.0412, subds. 4 through 4g, which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 30 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Minnesota State Retirement System Board of Directors

Proposed Amendment and Adoption of Revised Rules of the Board of Directors of the Minnesota State Retirement System

Notice of Intent to Adopt Amendments without A Public Hearing

Notice is hereby given that the Board of Directors of the Minnesota State Retirement System is proposing to adopt amendments to the above cited rules without a public hearing.

All parties are advised that they have 30 days from the date of this notice to submit comments on the proposed rules. The proposed rules may be modified based upon the data and views submitted.

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30 day period.

The Board of Directors' authority to adopt such rules is set forth in Minnesota Statutes § 352.03, subd. 4 (4).

Upon adoption of the final rules without a public hearing, the proposed rules, this notice, the Statement of Need and Reasonableness, all written comments received, and the final rules as adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change.

Persons who wish to submit comments, written requests for a public hearing, requests for copies of this notice, the proposed rules, the Statement of Need, or who wish to be advised of the submission of this material to the Attorney General, should submit such comments or requests to:

Paul L. Groschen
Executive Director
Minnesota State Retirement System
529 Jackson Street
St. Paul, Minnesota 55101

Paul L. Groschen, Executive Director
Minnesota State Retirement System

Amendments as Proposed

MSRS 1 [Proposed for repeal.]

~~MSRS 2~~ 2 MCAR § 3.0001 Election of board of directors.

A. State employee member. The procedure for the biennial election of the four state employee members of the board of directors as provided in ~~Minnesota Statutes 1974, Section~~ Minn. Stat. § 352.03, and laws amendatory thereof, shall be as follows:

Any employee covered by the system who desires to be a candidate for membership on the board of directors shall file ~~notice of his candidacy~~ a nominating petition signed by ten (10) employees covered by the system with the executive director of the system not later than ~~November~~ October first of each odd numbered year~~, or the name of any employee covered by the system may be filed by a group of 10 or more employees who desire to do so.~~ A candidate may not withdraw his candidacy after October 15. If the employees whose names are thus filed are eligible to election or reelection as a member of the board of directors as provided by ~~Minnesota Statutes 1974, Section~~ Minn. Stat. § 352.03, and laws amendatory thereof, their name and the name of the department in which they are employed shall be printed ~~in alphabetical order~~ upon the ballots sent to employees covered by the system as hereinafter provided. The name of any employee covered by the system may be written in on the ballot ~~in the space~~ provided for that purpose.

Between ~~January 2 and 5, inclusive,~~ December 26 of each ~~even~~ odd numbered year and the following January 5 inclusive, the executive director shall send by mail, express, or regular messenger service notices of election to be held, ballots and envelopes to the respective heads of departments and state agencies having employees who are covered by the system. The heads of departments and state agencies shall deliver or cause to be delivered to each such employee who receives salary or wages from which deductions are made for the system on the department's or agency's payroll abstract covering the last full pay period ending in December a notice of election that two members are to be elected to the board of directors, each such notice to be accompanied by a ballot and two envelopes. Department heads shall also mail such election material to their employees on approved leave of absence or seasonal layoff during the last full pay period in December and shall certify to the executive director the names of the employees to whom ballots were mailed. The Minnesota State Retirement System shall reimburse the departments for the cost of the postage for such mailing. Each employee participating in the election shall place the ballots, not exceeding two, imprinted with the names of the candidates of their choice, or shall write or indicate by appropriate mark on the blank ballot provided for that purpose the names, not exceeding a vote for a total of two candidates of any state employees covered by the system for whom he wishes to vote for directors, place the ballots in the envelope marked "ballots" (upon which there shall be no writing except the printed word "ballots" and the words "insert ballots and seal" on the flap); thereafter seal and place in the envelope, likewise sealed, addressed to "Tellers, Minnesota State Retirement System," at its office in St. Paul, Minnesota 55101.

~~He~~ The employee shall write his or her name, department, home address, and social security number in the upper left-hand corner of the envelope addressed to said tellers, and return it to the office of the system not later than February 1, in each even numbered year. If the employee so elects, he or she may place the tellers envelope in another envelope and mail or deliver this to the retirement system. Ballots in envelopes postmarked any time up to midnight on February 1 of each even numbered year shall be counted, as shall ballots in envelopes received at the office of the system by messenger service up to the close of office hours on February 1 of each even numbered year, or, if February 1 falls on a Saturday or Sunday, postmarked any time up to midnight or received up to the close of office hours on the following Monday of each even numbered year, provided instructions hereinbefore prescribed have been complied with. Heads of departments and agencies shall promptly notify the executive director of the retirement system that notices, ballots, and envelopes have been delivered to such employees as herein before required.

The name and social security number in the upper left-hand corner of envelopes addressed to the tellers shall be checked against the department payroll abstract or facsimile listing ~~indicated by the name of the department on the envelope~~ (the abstract covering the last full pay period ending in December) and certified listing of those on seasonal layoff or leave of absence and if the name of the employee on the envelope is found on such payroll abstract or facsimile listing and deductions are taken for the retirement fund which are not deductions in error from the salary of an employee not covered by the system, or if the employee is on approved leave of absence or seasonal layoff during the pay period, the envelope and abstract or facsimile listing shall be ~~so~~ noted as "found", and if the name of the employee does not appear thereon, the envelope shall be marked "not found." The envelopes noted as "found" shall be placed in one container and those marked "not found" in another. At ~~nine~~ eight o'clock in the forenoon on the third Thursday in February in even numbered years, three tellers appointed by the board of directors shall meet and verify the notations on the sealed envelopes addressed to the tellers who shall then remove and set aside the sealed ballot envelopes of those employees verified as eligible to vote. After the verification above required is completed, the small envelopes containing the ballots shall be opened and ballots tabulated by the tellers. The two candidates receiving the highest number of votes shall be the elected members of the board of directors for a term of four years as provided by ~~Minnesota Statutes 1974 Section 352.03, Subdivision 1,~~ Minn. Stat. § 352.03, subd. 1 and laws amendatory thereof. In the case of a tie vote as to any candidates, the election shall be resolved by lot.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

B. Highway patrolmen's fund member. As provided in ~~Minnesota Statutes 1974 Section~~ Minn. Stat. § 352B.29, the members of the highway patrolmen's retirement fund shall elect one of their membership to serve as a member of the board of directors. The election of such board member shall be separate and distinct, but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed ~~herein~~ 2 MCAR § 3.0001 A. The term of the first highway patrolmen fund member so elected shall terminate on the first Monday in March 1978. Such members shall serve for a term of four years and until the successor is elected and has qualified.

C. Retired employee member. As provided in Minn. Stat. § 352.03, retired state employees shall elect one retired state employee to serve as a member of the board of directors. The election of such board member shall be separate and distinct but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed in 2 MCAR § 3.0001 A. except as follows:

Retired employees who are eligible for election to the board and eligible to vote for a candidate for the board shall be any person receiving an annuity from MSRS as of January 1 of each even numbered year.

Between July 1 and August 15, of each odd numbered year the director shall mail a notice of election to all eligible retired employees giving them notice of election and instructions for becoming a candidate for membership on the board.

Any eligible retired employee who desires to be a candidate for membership on the board of directors must submit a nominating petition, signed by ten (10) or more eligible retired employees to the executive director of the system not later than October 1 in each odd numbered year. If the retired employees whose names are thus filed are eligible to election as a member of the board of directors their names shall be printed in alphabetical order upon the ballots sent to retired employees as hereinafter provided.

No nominee may withdraw his candidacy after October 10th. The name of any eligible retired employee of the system may be written in on the ballot in the space provided for that purpose.

In January of each even numbered year, the executive director shall mail ballots and envelopes to the retired employees eligible to vote. The election material shall be mailed to the last address given to the system by the retired employee for the mailing of the annuity checks unless the retired employee notifies the system in writing by November 1st of a different address to be used for this purpose. The name and social security number in the upper left-hand corner of the envelopes addressed to the tellers shall be checked against the annuity abstract or facsimile listing covering the annuity payments for January of each even numbered year.

MSRS 3 [Proposed for repeal.]

MSRS 4 [Proposed for repeal.]

~~MSRS 6~~ 2 MCAR § 3.0002 Form and manner of applications and requests.

~~(a)~~ All applications to the executive director shall be made in writing upon such forms and in such manner as he may require.

~~(b) All matters which are to have the attention of the Board of Directors must be in writing and shall be considered by the Board at its next regular meeting.~~

~~(c)~~ All applications for annuity and refundment shall be subscribed to before a notary public, or other person having statutory authority of a notary public, or shall affix his acknowledgment or jurat thereto.

MSRS 7 [Renumbered as 2 MCAR § 3.0003.]

MSRS 8 [Proposed for repeal.]

MSRS 10 [Proposed for repeal.]

MSRS 11 [Proposed for repeal.]

~~MSRS 12~~ 2 MCAR § 3.0004 Closing of office on normal workday—effect of. In the event the office of the system is closed by executive order, strike or work stoppage on a normal workday, so that there is no mail delivery to the office of the system ~~on the day following or preceding a legal holiday,~~ any application for an annuity or disability benefit mailed in an envelope having a postmark which indicates the application would have been received at the office of the system on the day on which the office was closed ~~by executive order,~~ shall for the purpose of determining when the annuity or disability benefit begins to accrue, be deemed to have been received on the first normal workday ~~when~~ the office was closed or the date the application was notorized, whichever is later.

If there is no postmark or if the postal employees are on strike and the application is notorized on or after the date the office was closed or the beginning of the postal employees strike, the date of notorization shall be used.

~~MSRS 13~~ 2 MCAR § 3.0005 Annuities paid under "savings clause."

~~In cases where employees covered by the system had ten or more years allowable service credit as a member of the State Employees Retirement Association on July 1, 1957, and they receive payments as authorized by law in a sum equal to the retirement allowance computed by the law in effect before July 1, 1957, and until such time as they are eligible to receive a social security benefit (Primary Insurance Amount), under existing law at age 62, and they continue to work in non-government employment thereby increasing their social security benefit (PIA) above the amount to which they were entitled at age 62, the additional amount, if any, payable from the retirement fund shall not be reduced. Likewise there shall be no reduction in the additional amount received from the retirement fund by reason of any subsequent increase in the social security benefit (PIA) authorized by the social security act; except that any increase in a retired employees social security benefit (PIA) resulting from employment by the state or by a political subdivision after retirement shall reduce the additional amount specified in section 352.115, subdivision 5.~~

No increase in the social security benefit (PIA) authorized by social security due to an automatic or summary recalculation shall reduce the amount of benefits payable from any retirement fund or plan administered by the system.

~~MSRS 14~~ 2 MCAR § 3.0006 Annuity, benefit and refund checks—mailing provisions.

~~Upon request of a retired, disabled or former employee, member or participant and upon completion of such forms as the director may require, the director may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such employee's account or joint account with his spouse.~~ No checks covering an annuity or disability benefit shall be mailed outside the United States. Refund checks, however, may be mailed to a foreign country at the written request of the former employee.

MSRS 15 [Renumber as 2 MCAR § 3.0007.]

MSRS 16 [Proposed for repeal.]

MSRS 19 [Renumbered as 2 MCAR § 3.0008.]

~~MSRS 20~~ 2 MCAR § 3.0009 Continuation of coverage.

~~(a)~~ An employee covered by the system who for the convenience of the employer is temporarily employed in a classification other than that in which he is regularly employed, and who is on authorized leave of absence from his regular employment, shall have deductions taken from his salary for the retirement fund while thus temporarily employed.

~~(b)~~ Any employee of a "sending agency" under the provisions of ~~Extra Session Laws 1967, Chapter 46,~~ Minn. Stat. §§ 15.51 through 15.59 and acts amendatory thereof, shall, if he is an employee covered by the system at the time he is detailed to a "receiving agency", as therein defined, continue to be covered by the system and deductions shall be made from his salary and deposited in the retirement fund the same as though he continued his work in the "sending agency." Employee contributions, employer contributions, and employer additional contributions, shall be made in all respects as provided in ~~section 352.041, subdivisions 2 and 3.~~ Minn. Stat. § 352.041 subd. 2 and 3.

~~MSRS 21~~ 2 MCAR § 3.0010 Military service.

A. Proof of service.

~~(a)~~ Upon reinstatement from leave of absence as provided in ~~Minnesota Statutes 1974, sections~~ Minn. Stat. §§ 192.261 and 192.262, and laws amendatory thereof, an employee who has been on leave of absence to serve in the military forces of the United States or of the State of Minnesota who desires to obtain credit for his period of active military service is required to supply to the executive director a certified copy of the record of his discharge or other form of release by proper authority from military service. A photocopy of either document will be accepted provided the original is submitted for comparison with the photocopy; the original will then be returned to the employee and the photocopy placed on file in the office of the retirement system.

B. Death in service.

~~(b)~~ Any duly designated beneficiary of an employee covered by the system making application for refundment of the sum in the retirement fund to the credit of such employee who dies while in military service of the United States or of the State

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of Minnesota is required to submit official notice of death as issued by the government of the United States or of the State of Minnesota as the case may be. A photocopy of such official notice will be accepted as proof of death for the files of the system, provided the original notice is submitted for comparison with the photocopy and its authenticity duly verified.

~~MSRS 22~~ 2 MCAR § 3.0011 Payment on omitted salary deductions. If a department fails to take deductions from the salaries of employees as provided by ~~Section~~ Minn. Stat. § 352.04, or fails to provide the proper information so that deductions may be initiated, the 6 per cent payment in lieu of interest required by ~~Minnesota Statutes 1974, Section 352.04, Subdivision 8,~~ Minn. Stat. § 352.04 subd 8, and laws amendatory thereof, shall not be charged if the period such deductions were not taken was four or less pay periods.

~~MSRS 23~~ 2 MCAR § 3.0012 Verification of date of birth. Verification of date of birth should be filed with the executive director by all employees ~~with at least 19 years of allowable service who are 57 or more years of age or with at least 9 years of allowable service who are 61 or more years of age~~ one year prior to the date they became eligible by reason of age and service to receive a retirement annuity and by employees applying for a total and permanent disability benefit or for a refundment with interest as provided by ~~Minnesota Statutes 1969, Section 352.22, Subdivision 2~~ Minn. Stat. § 352.22 subd 2 and laws amendatory thereof. In no event shall any annuity or benefit be paid until acceptable verification of date of birth is on file in the office of the system.

MSRS 24 [Renumber as 2 MCAR § 3.0013.]

MSRS 25 [Renumber as 2 MCAR § 3.0014.]

AMENDMENTS AS PROPOSED

MSRS 1 PROPOSED FOR REPEAL

2 MCAR S 3.0001 Election of board of directors

A. State employee member

The procedure for the biennial election of the four state employee members of the board of directors as provided in Minn. Stat. S 352.03, and laws amendatory thereof, shall be as follows:

Any employee covered by the system who desires to be a candidate for membership on the board of directors shall file a nominating petition signed by ten (10) employees covered by the system with the executive director of the system not later than October first of each odd numbered year. A candidate may not withdraw his candidacy after October 15. If the employees whose names are thus filed are eligible to election or reelection as a member of the board of directors as provided by Minn. Stat. S 352.03, and laws amendatory thereof, their name and the name of the department in which they are employed shall be printed upon the ballots sent to employees covered by the system as hereinafter provided. The name of any employee covered by the system may be written in on the ballot provided for that purpose.

Between December 26 of each odd numbered year and the following January 5 inclusive, the executive director shall send by mail, express, or regular messenger service notices of election to be held, ballots and envelopes to the respective heads of departments and state agencies having employees who are covered by the system. The heads of departments and state agencies shall

deliver or cause to be delivered to each such employee who receives salary or wages from which deductions are made for the system on the department's or agency's payroll abstract covering the last full pay period ending in December a notice of election that two members are to be elected to the board of directors, each such notice to be accompanied by a ballot and two envelopes. Department heads shall also mail such election material to their employees on approved leave of absence or seasonal layoff during the last full pay period in December and shall certify to the executive director the names of the employees to whom ballots were mailed. The Minnesota State Retirement System shall reimburse the departments for the cost of the postage for such mailing. Each employee participating in the election shall place the ballots, not exceeding two, imprinted with the names of the candidates of their choice, or shall write or indicate by appropriate mark on the blank ballot provided for that purpose the names, not exceeding a vote for a total of two candidates of any state employees covered by the system for whom he wishes to vote for directors, place the ballots in the envelope marked "ballots" (upon which there shall be no writing except the printed word "ballots" and the words "insert ballots and seal" on the flap); thereafter seal and place in the envelope, likewise sealed, addressed to "Tellers, Minnesota State Retirement System", at its office in St. Paul, Minnesota 55101.

The employee shall write his or her name, department, home address, and social security number in the upper left-hand corner of the envelope addressed to said tellers, and return it to the office of the system not later than February 1, in each even numbered year. If the employee so elects, he or she may place the tellers envelope in another envelope and mail or deliver this to the retirement system. Ballots in envelopes postmarked any time up to midnight

on February 1 of each even numbered year shall be counted, as shall ballots in envelopes received at the office of the system by messenger service up to the close of office hours on February 1 of each even numbered year, or, if February 1 falls on a Saturday or Sunday, postmarked any time up to midnight or received up to the close of office hours on the following Monday of each even numbered year, provided instructions hereinbefore prescribed have been complied with. Heads of departments and agencies shall promptly notify the executive director of the retirement system that notices, ballots, and envelopes have been delivered to such employees as herein before required.

The name and social security number in the upper left-hand corner of envelopes addressed to the tellers shall be checked against the department payroll abstract or facsimile listing (the abstract covering the last full pay period ending in December) and certified listing of those on seasonal layoff or leave of absence and if the name of the employee on the envelope is found on such payroll abstract or facsimile listing and deductions are taken for the retirement fund which are not deductions in error from the salary of an employee not covered by the system, or if the employee is on approved leave of absence or seasonal layoff during the pay period, the envelope and abstract or facsimile listing shall be noted as "found", and if the name of the employee does not appear thereon, the envelope shall be marked "not found." The envelopes noted as "found" shall be placed in one container and those marked "not found" in another. At eight o'clock in the forenoon on the third Thursday in February in even numbered years, three tellers appointed by the board of directors shall meet and verify the notations on the sealed envelopes addressed to the tellers who shall then remove and set aside the sealed ballot envelopes of those employees verified as eligible to vote. After the verification above required

is completed, the small envelopes containing the ballots shall be opened and ballots tabulated by the tellers. The two candidates receiving the highest number of votes shall be the elected members of the board of directors for a term of four years as provided by Minn. Stat. § 352.03 subd. 1 and laws amendatory thereof. In the case of a tie vote as to any candidates, the election shall be resolved by lot.

B. Highway patrolmen's fund member

As provided in Minn. Stat. § 352B.29, the members of the highway patrolmen's retirement fund shall elect one of their membership to serve as a member of the board of directors. The election of such board member shall be separate and distinct, but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed in 2 MCAR § 3.0001 A. The term of the first highway patrolmen fund member so elected shall terminate on the first Monday in March 1978. Such members shall serve for a term of four years and until the successor is elected and has qualified.

C. Retired employee member

As provided in Minn. Stat. § 352.03, retired state employees shall elect one retired state employee to serve as a member of the board of directors. The election of such board member shall be separate and distinct but shall be conducted at the same time by the same tellers and shall follow the same procedure as prescribed in 2 MCAR § 3.0001 A. except as follows:

Retired employees who are eligible for election to the board and eligible to vote for a candidate for the board shall be any person receiving an annuity from MSRS as of January 1 of each even numbered year.

Between July 1 and August 15, of each odd numbered year the director shall mail a notice of election to all eligible retired employees giving them notice of election and instructions for becoming a candidate for membership on the board.

Any eligible retired employee who desires to be a candidate for membership on the board of directors must submit a nominating petition, signed by ten (10) or more eligible retired employees to the executive director of the system not later than October 1 in each odd numbered year. If the retired employees whose names are thus filed are eligible to election as a member of the board of directors their names shall be printed in alphabetical order upon the ballots sent to retired employees as hereinafter provided.

No nominee may withdraw his candidacy after October 10th. The name of any eligible retired employee of the system may be written in on the ballot in the space provided for that purpose.

In January of each even numbered year, the executive director shall mail ballots and envelopes to the retired employees eligible to vote. The election material shall be mailed to the last address given to the system by the retired employee for the mailing of the annuity checks unless the retired employee notifies the system in writing by November 1st of a different address to be used for this purpose. The name and social security number in the upper left-hand corner of the envelopes addressed to the tellers shall be checked against the annuity abstract or facsimile listing covering the annuity payments for January of each even numbered year.

MSRS 3 PROPOSED FOR REPEAL ?

MSRS 4 PROPOSED FOR REPEAL

2 MCAR S 3.0002 Form and manner of applications and requests

All applications to the executive director shall be made in writing upon such forms and in such manner as he may require.

All applications for annuity and refundment shall be subscribed to before a notary public, or other person having statutory authority of a notary public, who shall affix his acknowledgment or jurat thereto.

MSRS 7 RENUMBERED AS 2 MCAR S 3.0003

MSRS 8 PROPOSED FOR REPEAL

MSRS 10 PROPOSED FOR REPEAL

MSRS 11 PROPOSED FOR REPEAL

2 MCAR S 3.0004 Closing of office on normal workday - effect of

In the event the office of the system is closed by executive order, strike or work stoppage on a normal workday, so that there is no mail delivery to the office of the system any application for an annuity or disability benefit mailed in an envelope having a postmark which indicates the application would have been received at the office of the system on the day on which the office was closed shall for the purpose of determining when the annuity or disability benefit begins to accrue, be deemed to have been received on the first normal workday the office was closed or the date the application was notorized, whichever is later.

If there is no postmark or if the postal employees are on strike and the application is notorized on or after the date the office was closed or the beginning of the postal employees strike, the date of notorization shall be used.

2 MCAR S 3.0005 Annuities paid under "savings clause"

No increase in the social security benefit (PIA) authorized by social security due to an automatic or summary recalculation shall reduce the amount of benefits payable from any retirement fund or plan administered by the system.

2 MCAR S 3.0006 Annuity, benefit and refund checks - mailing provisions

No checks covering an annuity or disability benefit shall be mailed outside the United States. Refund checks, however, may be mailed to a foreign country at the written request of the former employee.

MSRS 15 RENUMBERED AS 2 MCAR S 3.0007

MSRS 16 PROPOSED FOR REPEAL

MSRS 19 RENUMBERED AS 2 MCAR S 3.0008

2 MCAR S 3.0009 Continuation of coverage

An employee covered by the system who for the convenience of the employer is temporarily employed in a classification other than that in which he is regularly employed, and who is on authorized leave of absence from his regular employment, shall have deductions taken from his salary for the retirement fund while thus temporarily employed.

Any employee of a "sending agency" under the provisions of Minn. Stat. SS 15.51 through 15.59 and acts amendatory thereof, shall, if he is an employee

covered by the system at the time he is detailed to a "receiving agency", as therein defined, continue to be covered by the system and deductions shall be made from his salary and deposited in the retirement fund the same as though he continued his work in the "sending agency." Employee contributions, employer contributions, and employer additional contributions, shall be made in all respects as provided in Minn Stat. S 352.041 subd 2 and 3.

2 MCAR S 3.0010 Military service

A. Proof of service

Upon reinstatement from leave of absence as provided in Minn. Stat. SS 192.261 and 192.262, and laws amendatory thereof, an employee who has been on leave of absence to serve in the military forces of the United States or of the State of Minnesota who desires to obtain credit for his period of active military service is required to supply to the executive director a certified copy of the record of his discharge or other form of release by proper authority from military service. A photocopy of either document will be accepted provided the original is submitted for comparison with the photocopy; the original will then be returned to the employee and the photocopy placed on file in the office of the retirement system.

B. Death in service

Any duly designated beneficiary of an employee covered by the system making application for refundment of the sum in the retirement fund to the credit of such employee who dies while in military service of the United States or of the State of Minnesota is required to submit official notice of death as issued by the government of the United States or of the State of Minnesota as

the case may be. A photocopy of such official notice will be accepted as proof of death for the files of the system, provided the original notice is submitted for comparison with the photocopy and its authenticity duly verified.

2 MCAR S 3.0011 Payment on omitted salary deductions

If a department fails to take deductions from the salaries of employees as provided by Minn. Stat. S 352.04, or fails to provide the proper information so that deductions may be initiated, the 6 per cent payment in lieu of interest required by Minn. Stat. S 352.04 subd 8, and laws amendatory thereof, shall not be charged if the period such deductions were not taken was four or less pay periods.

2 MCAR S 3.0012 Verification of date of birth

Verification of date of birth should be filed with the executive director by all employees one year prior to the date they became eligible by reason of age and service to receive a retirement annuity and by employees applying for a total and permanent disability benefit or for a refundment with interest as provided by Minn. Stat. S 352.22 subd 2 and laws amendatory thereof. In no event shall any annuity or benefit be paid until acceptable verification of date of birth is on file in the office of the system.

MSRS 24 RENUMBERED AS 2 MCAR S 3.0013

MSRS 25 RENUMBERED AS 2 MCAR S 3.0014

CERTIFICATE OF BOARD'S

AUTHORIZING RESOLUTION

I, Francis D. Hage, do hereby certify that I am a member and the Chairman of the Board of Directors of the Minnesota State Retirement System, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board of Directors of the Minnesota State Retirement System duly and properly called and held on the 21 st day of November, 1980, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that Paul L. Groschen, secretary of the Board of Directors and Executive Director of the Minnesota State Retirement System, be and he hereby is granted the authority and directed to sign an Order of the Board directing that Notice be given of the Board's intent to adopt without a public hearing rules governing the amendment and adoption of the revised rules of the Board of Directors of the Minnesota State Retirement System, to sign the Notice thereof, and to perform any and all acts incidental thereto. In the event a public hearing becomes necessary, he hereby is granted the authority and directed to call a hearing for the purpose of promulgating said rules as well as perform any and all acts incidental thereto, including but without being limited to signing an Order for Hearing and Notice of Hearing as well as acting as the Board's representative at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21 st day of November 1980.

Francis D. Hage
Chairman of the Board
Minnesota State Retirement
System

Carolyn Anderson

Attest by Carolyn Anderson,
Vice-Chairwoman of the Board
Minnesota State Retirement System

STATE OF MINNESOTA

MINNESOTA STATE RETIREMENT SYSTEM

BOARD OF DIRECTOR

In the matter of the Proposed Amendment and Adoption of Revised Rules of the Board of Directors of the Minnesota State Retirement System

STATEMENT OF NEED

The above captioned rules are amendments to existing rules of the Board of Directors of the Minnesota State Retirement System. The last time the above captioned rules were amended was December 3, 1975.

A revision of the rules is necessary to effect the amended provisions of Minnesota Statutes Chapters 352 and 352 B and to remove obsolete and unnecessary provisions and rules. The Board of Directors' specific statutory authority to adopt such rules is set forth in Minnesota Statutes section 352.03 subd 4 (4).

Existing rules which are being repealed are repealed because they deal with matters concerning only the internal management of the agency and do not directly affect the rights of, or procedure available, to the public and, therefore, are not rules as defined under the Administrative Procedures Act. Rules repealed for this reason are rules MSRS 1; 3; 6(b); 8; 10; 11; and 16.

The need for amendment to the other rules being amended is as follows:

2MCAR S 3.0001 Election of Board of Directors

A. State employee member

Minn. Stat. section 352.03 provides for an election of state employees to the board of directors of the Minnesota State Retirement System by state employees. This rule is necessary to provide a procedure for the required election. A nominating petition, signed by ten (10) members is reasonable to avoid capricious filing. A deadline for withdrawal of candidacy is necessary because materials must be sent to the printer by a specific date. The time authorized for mailing ballots to employees is extended to two weeks to provide MSRS staff sufficient time to accomplish this task. In order to provide employees who are on seasonal layoff or leave of absence, and as a result, are not on the payroll abstract for the last pay period in December the opportunity to cast a ballot, the rule provides that department heads shall mail ballots to such employees, certify to MSRS the names of the employees, and to allow MSRS to pay the cost of mailing. A vote for more than two candidates will not be counted, as the M.S. section 352.03 provides for the election of only two candidates. The rule provides the procedure for a secret ballot, which is reasonable and necessary, but requires certain identifying information be placed on the teller's envelopes for verification of eligibility to vote, such as name and social security number. The rule provides that the teller's envelope may be delivered to MSRS inside another envelope, if the employee so desires, to conceal the identifying information on the teller's envelope. The election tabulation was changed from 9 A.M. to 8 A.M. to allow more time for the counting of ballots.

B. Highway patrolmen's fund member

M.S. section 352B.29 provides for an election of a member of the highway patrolmen's fund to the board of directors in a manner prescribed by the board. This rule provides a comparable procedure for the election of the highway patrolmen board member.

C. Retired employee member

M.S. section 352.03 provides for the election of a retired employee to the board. This rule provides a procedure for the election of a retired member to the board as similiar as possible to the active employee election set forth in A of this rule reflecting the differences in procedure required between actively employed persons and those already retired, in the mailing of notices and election material, timing of mailing and verification procedures.

2MCAR S 3.0002 Form and Manner of Application and Requests

Clause (b) was deleted, as it is an internal management procedure regulating agenda items, and more properly handled by board directive and formal motion.

2MCAR S 3.0004 Closing of office on normal work day - effect of

To provide for an effective date of filing of an application for an annuity or disability benefit, in the event the office is closed during a normal work day so that the application cannot be received and date stamped. To provide that in such a case the application is deemed received on the first normal work day the office was closed or the date of notarization or the beginning of the postal strike is reasonable so as to not penalize employees because of such closure of the office.

2MCAR S 5 Annuities paid under 'savings clause'

To repeal obsolete language relating to a situation which can no longer occur, and to specify and fix the social security benefit amount to be used in the calculation of the savings clauses and benefit offset clauses provided in M.S. sections 352.93 and 490.123. This is reasonable to protect employee from reduction in his benefit amount due to subsequent increases in his social security benefit entitlements.

2MCAR S 6 Annuity, benefit and refund checks - mailing provisions

To delete language now contained in statute.

2MCAR S 9 Continuation of coverage

To update reference to statute

2MCAR S 10 Military service

To correct form of the rule only.

2MCAR S 12 Verification of date of birth

Proof of date of birth is required to comply with age requirement benefit entitlements provided in retirement laws. The change in language is necessary to reflect the changes in eligibility requirements in statute and to accomodate future such changes without the necessity of a rule change.

Our File No. 674

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 2/12/81
DATE FOR REVIEW 2/20/81
DATE DUE 2/26/81
2/19 submission withdrawn per tcw P. Groschen

Adopted w/a hearing _____
Adopted w/o a hearing X
Temporary rule _____

Approved _____ Disapproved _____ Returned to Agency 4/22

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State 4/22

____ Rule as Adopted see my comment.

✓ Rule as Proposed

____ Order Adopting

N/A Notice of Intent to Solicit Outside Opinion

____ Order for rulemaking
_____ Date of Hearing

✓ Certificate of Board's Authorizing Resolution

____ Notice of rulemaking
✓ Sufficiency see SR.

____ Affidavit of Mailing Notice of rulemaking not submitted but see
12.15.80 At least 30 days prior to hearing/adoption transmittal memo

____ Mailing list Certificate not submitted but see transmittal memo

✓ Publication in State Register
12.29.80 At least 30/20 days prior to hearing/adoption

N/A Hearing Examiner's Report

N/A Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

N/A Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

____ Certificate of Board's Resolution Adopting Rules

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

N/A Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

____ Certificate of Compliance w/Rulemaking Procedures
not submitted.

____ Affidavit of Mailing Notice of Submission to Attorney General
not submitted but see transmittal memo

____ Notice of Submission to the Attorney General
not submitted but see transmittal memo

DATE : February 10, 1981

FROM : Paul L. Groschen
Executive Director

SUBJECT: Proposed Amendment and Adoption of Revised Rules of the Board of Directors of the Minnesota State Retirement System

MINNESOTA STATE RETIREMENT SYSTEM
529 Jackson Street
Saint Paul, Minnesota 55101

Tel. 296-2761

Office Memorandum

Warren Spannaus
Attorney General
102 Capitol Building
Aurora Avenue
St. Paul, Minnesota 55155

RECEIVED
FEB 12 1981
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

Pursuant to Laws 1980 Chapter 615, enclosed are copies of:

1. The 'Notice of Intent to Adopt Amendments Without a Public Hearing';
2. The rules as proposed for adoption, (both are as they appeared in the State Register of Monday, December 29, 1980, pages 1044 through 1048);
3. The 'Statement of Need and Reasonableness';
4. The Board of Directors' 'Authorizing Resolution';
5. The former rules.

The 'Notice of Intent to Adopt Rules', and the proposed rules were mailed to all persons on this agency's mailing list for such purpose on Decmeber 15, 1980. No comments on the proposed rules were received, nor requests for a hearing. Consequently, the rules, as published in the State Register on December 29, 1980, are as proposed for adoption. No one requested to be notified of the date the rules would be transmitted to you.

I hereby request your reviewal and approval of the proposed rules.

Paul L. Groschen
Executive Director

PLG:mg
encl.