

to exceed in any one year four mills on the dollar of the assessed valuation on all the taxable property in the city, or combination of both. Authority to transfer such funds is in addition to the authorization in the city charter to transfer such funds into the general revenue fund. The authority herein contained shall not be limited by any charter limitation or any other limitation.

Sec. 2. This act shall become effective only after its approval by a majority of the city council of the city of Moorhead and upon compliance with the provisions of Minnesota Statutes, Section 645.-021.

Approved February 18, 1971.

CHAPTER 7—S.F.No.151

[Coded in Part]

An act relating to certain retirement and pension funds; requiring financial reporting and actuarial surveys; amending Minnesota Statutes 1969, Chapter 356, by adding a section; Sections 356.20, Subdivisions 1, 2, and 4; 356.21, Subdivisions 2, 3 and 5; and 356.23.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Section 356.20, Subdivision 1, is amended to read:

356.20 RETIREMENT SYSTEMS; FINANCIAL REPORTS AND ACTUARIAL SURVEYS. Subdivision 1. ~~The boards of trustees governing or managing board~~ of the public pension and retirement funds enumerated in subdivision 2 shall annually prepare and file a financial report following the close of each fiscal year. Such report shall be prepared under the supervision and at the direction of the management of each fund and shall be signed by its chairman and secretary.

Sec. 2. Minnesota Statutes 1969, Section 356.20, Subdivision 2, is amended to read:

- Subd. 2. (1) State employees retirement fund.
 (2) Public employees retirement fund.
 (3) Teachers retirement fund.

Changes or additions indicated by underline, deletions by ~~strikeout~~.

(4) Highway patrolmen's retirement fund.

(5) ~~State police officers retirement fund.~~ Twin City lines employees retirement plan.

(6) Minneapolis teachers retirement fund association.

(7) St. Paul teachers retirement fund association.

(8) Duluth teachers retirement fund association.

(9) St. Paul bureau of health relief association.

(10) Municipal employees retirement board of Minneapolis.

Sec. 3. Minnesota Statutes 1969, Section 356.20, Subdivision 4, is amended to read:

Subd. 4. Each financial report required by this section shall include:

(1) An exhibit prepared according to applicable actuarial standards enumerated in section 356.21, by an approved actuary as defined in section 356.21, subdivision 6 showing the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the accrued unfunded liability of the fund. Such exhibit shall contain the certificate of an approved actuary certifying that the required reserves for any benefits provided under a benefit formula are computed in accordance with the Entry Age Normal Cost (Level Normal Cost) basis.

(a) Assets shown in the exhibit shall include the following items of actual assets:

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received

Investment in bonds at amortized cost

Investment in stocks at cost

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- Investment in real estate
- Equipment at cost, less depreciation
- Other
- Total assets

(b) The exhibit shall include a statement of the unfunded accrued liability of the fund. Should the assets of the fund exceed the liabilities, the excess shall be listed as surplus and indicated in the exhibit following the item of reserves.

(c) The exhibit shall include a footnote showing accumulated member contributions without interest.

(d) Current liabilities shown in the exhibit shall include the following items:

- Current:
 - Accounts payable
 - Annuity payments
 - Survivor benefit payments
 - Refund to members
 - Accrued expenses
 - Suspense items
 - Total current liabilities

(e) The exhibit shall include an item for accrued necessary reserves which shall be listed as "total reserves required as per attached schedule." Such attached schedule shall contain the following information on the reserves required:

1. For active members
 - a. Retirement benefits
 - b. Disability benefits
 - c. Refundment liability due to death or withdrawal
 - d. Survivors' benefits
2. For deferred annuitants
3. For former members without vested rights

Changes or additions indicated by underline, deletions by ~~strikeout~~.

4. For annuitants
 - a. Retirement
 - b. Disability annuities
 - c. Widows' annuities
 - d. Surviving children's annuities

5. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing four items of reserves required, they should be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. It shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, widows' benefits, surviving children's benefits, refundments to members terminating employment, refundments due to death of members and due to death of annuitants, the increase in total reserves required, general expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics as to membership and beneficiaries of the fund, with indications of changes in such statistical data which may result from the current year's operation.

(5) Such additional statements or exhibits as will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in such additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

Sec. 4. Minnesota Statutes 1969, Section 356.21, Subdivision 2, is amended to read:

Subd. 2. **ACTUARIAL VALUATIONS AND SURVEYS REQUIRED.** It is necessary and appropriate to annually determine the financial status of tax supported retirement and pension plans for public employees. In order to achieve this goal, the governing or

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~~managing board of trustees of the public pension and retirement funds enumerated in this subdivision section 356.20, subdivision 2,~~ shall cause to be made annual actuarial valuations and surveys of their respective funds as herein provided:

- ~~(1) State employees retirement fund;~~
- ~~(2) Public employees retirement fund;~~
- ~~(3) Teachers retirement fund;~~
- ~~(4) Highway patrolmen's retirement fund;~~
- ~~(5) State police officers retirement fund.~~

Sec. 5. Minnesota Statutes 1969, Section 356.21, Subdivision 3, is amended to read:

Subd. 3. **ACTUARIAL SURVEY AND VALUATION REPORTS.** The actuarial valuations required annually shall be made as of the end of each fiscal year, beginning with the fiscal year ending in 1965. Two copies of each valuation shall be delivered to the chief clerk of the house of representatives and two copies thereof to the secretary of the senate, delivery to be made not later than five months after the close of each fiscal year. An additional two copies of such report shall likewise be delivered to any committee or commission of the legislature in existence at the time the report is made and which committee or commission has assigned to it the subject of public pensions or public retirement plans. Beginning at the close of the fiscal year ending in 1967, and each fourth year thereafter in lieu of an actuarial valuation an actuarial survey in duplicate shall likewise be filed with each of the enumerated officers and committees or commissions; such actuarial survey shall be filed within five months after the close of the fiscal year for which such actuarial survey is required. The actuarial survey for the Teachers Retirement Fund due in 1971 will not be due until 1972 and will be based on information as of June 30, 1972.

Sec. 6. Minnesota Statutes 1969, Section 356.21, Subdivision 5, is amended to read:

Subd. 5. **ACTUARIAL SURVEY; CONTENTS.** Each actuarial survey required under this section shall include:

- (1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the laws governing the fund as of the date of the survey, computed in accordance with the Entry Age Normal Cost (Level Normal Cost) Method. Accrued liabilities of the fund shall also be calculated in accordance with that method.

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(2) For each fund providing benefits under the money purchase method, the member contributions accumulated at interest, as apportioned to members' accounts, to the date of the survey. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase annuity rates which may apply.

(3) An interest assumption of three and one half percent ~~and an assumption of three percent for comparison purposes~~.

(4) Other assumptions as to mortality, disability, withdrawal, and salary scale that are appropriate to the fund, which shall be set forth in the survey report.

(5) A balance sheet showing accrued assets, accrued liabilities, and the deficit from full funding of liabilities (unfunded accrued liability). The accrued liabilities shall include the following required reserves:

(a) For active members

1. Retirement benefits
2. Disability benefits
3. Refundment liability due to death or withdrawal
4. Survivors' benefits

(b) For deferred annuitants' benefits

(c) For former members without vested rights

(d) For annuitants

1. Retirement annuities
2. Disability annuities
3. Widows' annuities
4. Surviving children's annuities

In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(6) In addition to the level normal cost, such additional rate of support as is required to amortize any deficit in the fund by the end of the fiscal year occurring in 1997.

(7) Each actuarial survey shall measure all aspects of the fund in accordance with such changes in benefit plans, if any, as will be in force during the following fiscal year.

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(8) An actuarial balance sheet shall not include as an asset any amount representing the present value of contributions to be made for the purpose of amortizing the present deficit in the fund.

(9) A statement of the average entry ages at which employment commences.

(a) For all those currently active members at the date of the actuarial valuation.

(b) Separately as to new entrants for each of the last five fiscal years.

(10) A statement of the average ages at which service retirements have taken place.

(a) For all service retirement annuitants living at the date of the actuarial valuation.

(b) Separately as to new retirements for each of the last five fiscal years.

(11) A separate item of administrative expense and a statement of level normal cost. The administrative expense and level normal cost shall also be expressed as a percentage of covered payroll.

(12) For each fund providing any benefit that is based entirely on the rate of compensation in the year of retirement or later years or on a limited period of years in which compensation was at its highest level, an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

Sec. 7. Minnesota Statutes 1969, Section 356.23, is amended to read:

356.23 OPTIONAL BASIS OR ASSUMPTIONS; SPECIFICATION. In addition to the financial reports, actuarial valuations and actuarial surveys required by sections 356.20 to 356.23, the boards of trustees governing or managing board of the funds concerned may submit reports, valuations, and surveys for distribution to the legislature or any of its commissions or committees on a different basis or on different assumptions that are specified in sections 356.20 to 356.23; provided the assumptions and basis of such reports, valuations and surveys are clearly set forth therein.

Sec. 8. Minnesota Statutes 1969, Chapter 356, is amended by adding a section to read:

[356.212] TWIN CITY LINES EMPLOYEES RETIREMENT PLAN, FIRST SURVEY AND MANNER OF VALUATION. The

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first survey for the retirement plan named in section 356.20, subdivision 2, clause 5, shall be as of the end of the fiscal year following June 15, 1971, and shall comply with the actuarial requirements of section 356.21, subdivision 5. The provisions of section 356.21, subdivision 4, as to actuarial valuations shall prevail for the three succeeding anniversaries with an actuarial survey every four years following the first survey.

Approved February 18, 1971.

CHAPTER 8—H.F.No.203

[Not Coded]

An act making appropriations to the revisor of statutes and the legislature.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. REVISOR OF STATUTES; SUPPLEMENTAL APPROPRIATIONS. There is appropriated to the revisor of statutes the sums of money hereinafter listed and for the purposes stated.

For bill drafting	\$ 27,000
For the legislature's electronic data processing system, in reimbursement of advances made by the revisor and for the balance of the biennium	193,000.

Sec. 2. Notwithstanding any other provision of law, the moneys appropriated by section 1 are available until expended.

Sec. 3. There is appropriated from the general fund in the state treasury to the legislative expense fund of the senate the sum of \$10,000 and to the legislative expense fund of the house of representatives the sum of \$25,000 for expenses of the legislature heretofore or hereafter incurred.

Sec. 4. This act is in effect from and after its final enactment.

Approved February 18, 1971.

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