

Subd. 9. If any employee who has contributed to the survivor's benefit account as herein provided dies before the effective date of retirement on a service or disability pension and is not survived by a beneficiary eligible to receive a monthly allowance as herein provided, there shall be paid from the survivor's benefit account to a beneficiary designated by the employee a death benefit of ~~\$500-\$750~~ if death occurs prior to the end of the employee's tenth year of service or of ~~\$1,000-\$1,500~~ if the employee had prior to his death completed 10 or more calendar years of service. Upon reinstatement of a former employee to the service, credit for such past service or for any part thereof shall be granted only upon repayment of the amount of the separation refund, with interest, from the time of separation.

Sec. 4. This act is effective upon approval by the city council of the city of Minneapolis, and upon compliance with Minnesota Statutes, Section 645.021.

Approved February 22, 1974.

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**CHAPTER 76—S.F.No.2921**  
[Not Coded]

*An act relating to the city of Minneapolis; retirement; disability, retirement and survivor benefits for city employees; amending Laws 1973, Chapter 133, Sections 6, Subdivisions 1, 3, 5 as amended, 6, and by adding a subdivision; 9, Subdivision 2 as amended, and 3; 11, Subdivision 1; 12, Subdivision 2; 16, Subdivisions 1, and 8; 18, Subdivision 1; and 23, Subdivision 1; repealing Laws 1973, Chapter 133, Section 25.*

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

Section 1. Laws 1973, Chapter 133, Section 6, Subdivision 1, is amended to read:

**Sec. 6. MINNEAPOLIS, CITY OF; RETIREMENT FUND.** Subdivision 1. **CREATION; DIVISIONS OF FUND.** For the purposes of this act there shall be a city municipal employees retirement fund, hereafter referred to as the retirement fund. The retirement fund shall be subdivided into (1) a deposit accumulation fund, (2) a participating share in the Minnesota adjustable fixed-benefit fund, ~~and~~ (3) a survivor benefit fund, and (4) a disability benefit fund. Expense of administration of the retirement fund shall be paid from the deposit accumulation fund, less such amount as the ~~municipal employees~~ retirement board may charge against income from investments as the cost of handling the investments of the retirement fund.

Sec. 2. Laws 1973, Chapter 133, Section 6, Subdivision 3, is amended to read:

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Subd. 3. **DEPOSIT ACCUMULATION FUND.** The deposit accumulation fund shall consist of the assets held in such fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, and by income from investments. There shall be paid from such fund the amounts required to be transferred to the Minnesota adjustable fixed-benefit fund or the disability benefit fund, refunds of contributions, death benefits payable on death before retirement not payable from the survivors' benefit fund, retirement allowances granted pursuant to Laws 1965, Chapter 688, Laws 1969, Chapter 859, and expenses of administration.

Sec. 3. Laws 1973, Chapter 133, Section 6, Subdivision 5, as amended by Laws 1973, Chapter 770, Section 1, is amended to read: .

Subd. 5. **VALUATION OF ASSETS; ADJUSTMENTS OF BENEFITS.** (a) For those members retiring pursuant to this act, assets equal to the required reserves as determined in accordance with a mortality table appropriate to the fund with an interest assumption of five percent, shall be transferred to the Minnesota adjustable fixed-benefit fund or the disability benefit funds as provided in subdivision 7, except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of sections 9 and 15, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

(c) Notwithstanding the provisions of Minnesota Statutes, Section 356.18 increases in annuity payments pursuant to this section will be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase shall not be made.

(d) All annuities payable from the Minnesota adjustable fixed benefit fund which are in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for such annuities determined by using an interest assumption of three and one-half percent bears to the actuarially computed reserve for such annuities determined by using an interest assumption of five percent. The reserves upon which such increases shall be based shall be the actuarially determined reserves for all Minnesota adjustable fixed benefit fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of three and one-half percent and five percent. Such ratio of increase computed to the last full 1/100 of one percent shall be applied to all annuities payable from the Minnesota adjustable fixed benefit fund which are in effect on June 30, 1973. Any additional annuity shall be-

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gin to accrue on July 1, 1973 and shall be considered as part of the base amount to be used in determining any increase which may become effective on January 1, 1974 under the provisions of Minnesota Statutes, Section 11.25, Subdivisions 12 and 13.

(e) All assets in the annuity stabilization reserve and suspense account shall be credited proportionately to the individual retirement funds' participation in the Minnesota adjustable fixed benefit fund. Effective January 1, 1974 each participating fund in the Minnesota adjustable fixed benefit fund, except the municipal employees retirement fund, shall increase the benefits in effect on June 30, 1973 by an amount that when added to the increase granted to such benefits effective July 1, 1973, equals 20 percent. The increase shall apply to accrual of benefits commencing January 1, 1974 and shall be in lieu of the adjustment provided by Minnesota Statutes, Section 11.25, Subdivisions 12 and 13 scheduled to take effect January 1, 1974. The municipal employees retirement fund of Minneapolis shall determine the increase if any in accrual of benefits commencing January 1, 1974, determined on the basis of its entire participation in the manner provided in section 11.25, subdivisions 12 and 13 as amended by Laws 1973, Chapter 7.

(f) The actuary for each participating fund shall calculate the reserve required to support the benefits in effect on June 30, 1973 as increased July 1, 1973 and herein. As of December 31, 1973, each participating fund shall transfer to or from the Minnesota adjustable fixed benefit fund assets so that its participation equals the total of such required reserves and the reserve for benefits authorized on or after July 1, 1973. The increased benefits accruing as of January 1, 1974 shall be considered the "originally determined benefits" for the purpose of future adjustments.

Sec. 4. Laws 1973, Chapter 133, Section 6, Subdivision 6, is amended to read:

Subd. 6. **SURVIVOR'S BENEFIT FUND.** The survivor's benefit fund shall consist of the amount held for survivor benefits, increased by contributions for survivor benefits made by and for employees, including contributions made by the employer, by any municipal activity supported in whole or in part by revenue other than taxes or by any public corporation, and by income on investments of such fund at the greatest multiple of one-tenth of one percent up to and including a maximum of the interest assumption rate provided for in subdivision 5. There shall be paid from such fund the survivor benefits specified in section 23 except that the refund of net accumulated deductions from the salary of a contributing member shall upon his death in service be paid from the deposit accumulation fund.

Sec. 5. Laws 1973, Chapter 133, Section 6, is amended by adding a subdivision to read:

Subd. 7. DISABILITY BENEFIT FUND. (a) The disability benefit

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fund shall consist of amounts held for payment of disability allowances which become effective after December 31, 1973. For all disability allowances which become effective after such date assets equal to the present value of such allowances shall be transferred from the deposit accumulation fund to the disability benefit fund. A proportionate share of income from investments shall be allocated to this fund. There shall be paid from this fund the disability allowances which become effective after December 31, 1973.

(b) In the event of termination of any such allowance for any reason other than the death of the recipient, the present value of such allowance as of the date of termination shall be transferred from the disability benefit fund to the deposit accumulation fund.

(c) At the end of each year an actuarial valuation shall be made of allowances being paid from the disability benefit fund. Any excess of assets over actuarial reserves in the disability benefit fund shall be transferred to the deposit accumulation fund. Any excess of actuarial reserves over assets in the disability benefit fund shall be funded by a transfer of such excess from the deposit accumulation fund.

Sec. 6. Laws 1973, Chapter 133, Section 9, Subdivision 2, as amended by Laws 1973, Chapter 770, Section 3, is amended to read:

Subd. 2. The contributing class shall consist of all employees not included in the exempt class, who become prospective beneficiaries of the fund created by this act.

A member of the contributing class who is granted a leave of absence without pay by his employer to serve as an employee or agent of a labor union primarily representing members of the contributing class may continue as a member of the contributing class during the period of such leave of absence by depositing each month with the fund the amount of the contribution of the employee as required by this act which amount shall be the normal employee contribution.

An individual who on the effective date of this act is a member of the contributing class or is on leave of absence to serve as an employee or agent of a labor union primarily representing members of the contributing class may receive credit as a member of the contributing class for any part of such leave periods as may be required to earn creditable years of service on the same basis as others of the contributing class by giving a written notice to the retirement board prior to July 1, 1969, of his election to receive such credit and by paying into the fund not later than July 1, 1973 the amounts required to pay the employee contributions for any part of such previous leave periods as the individual elects to buy back, at the normal contribution rate of the employee, plus four percent interest. The contributions referred to in this subdivision shall be based on the salary for the position or its equivalent held by the member immediately prior to such leave of absence subject to any adjustment thereof during the period of such

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leave.

Sec. 7. Laws 1973, Chapter 133, Section 9, Subdivision 3, is amended to read:

Subd. 3. The exempt class shall consist of:

(1) Employees who are members of any other organization or association of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position. Provided that any elective officer holding an elective city office, excepting judges of a municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of 10 or more years of service.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time serviced as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county in which they served as an elected official, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution. The employer cost of allowances and benefits credited to an elected officer as set forth above shall be paid from the county revenue fund by the proper county officials upon certification of such costs by the retirement board in the same manner as prescribed in section 8 for the payment of costs by public corporations. A tax shall be levied by Hennepin county to defray the cost of such retirement allowances which may be in addition to all other taxes levied by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service under this section shall contribute to the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first became eligible for membership in the fund, in accordance with the method of contribution herein provided for, plus four percent compound interest.

(3) Persons serving without pay.

(4) Persons not citizens of the United States.

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(5) Persons who have attained the age of 56, unless such person ~~was previously employed by~~ has past or present service as an employee of the city or any of its boards, departments or commissions or by a public corporation, ~~and was a contributing member of the fund at the time of separation from the service, and unless the service rendered by such employee when added to previous service and including membership~~ or in retirement systems as provided in section 16 that will at the time of mandatory retirement equal or exceed 10 years, as determined by the retirement board, regardless of the provisions of the veterans preference act or any law, rule or bylaw to the contrary.

(6) Persons employed on a temporary basis, as laborers, door-keepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who are contributing members of the fund on July 1, 1959 shall not be affected by the exclusions contained in this section.

(7) A person who is exempted from the contributing class by section 9, subdivision 3, clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation as herein defined, and including any person employed by the Minneapolis school district, each of whom are not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify such time for credit by paying into the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first qualified as an exempt member of the contributing class, in accordance with the method of contribution herein provided, plus four percent compound interest.

(8) Any person who is employed by the city or any of its boards, departments, commissions or a public corporation, as herein outlined, and is excluded from participation in the fund by paragraphs (5) or (6) of this section shall be separated from the service upon reaching the age of 65 regardless of the provisions of the veterans preference act.

Sec. 8. Laws 1973, Chapter 133, Section 11, Subdivision 1, is amended to read:

Sec. 11. **MILITARY SERVICE.** Subdivision 1. Any employee who engages in or has engaged in active service in time of war or other emergency declared by proper authority, in any of the military or naval forces of the state or of the United States, and returns to the employment of the city within 90 days following release from military or naval service, shall receive credit for such period of military service as

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hereinafter provided as though actually employed by the city, provided such employee was a member of the contributing class of the retirement fund at the time of entrance into military service, or was a member of the exempt class at the time of his entrance into military service prior to December 31, 1945, or qualifies as a member of the exempt class as specified in section 9, subdivision 3, clause (7), notwithstanding the provisions of the veterans preference act or any other law, rule or bylaw providing for credit for military service for pension purposes. Employees on leave of absence or layoff at time of entrance into military service as herein provided shall be considered employees for the purpose of this act. Credit shall be granted for military service rendered, provided such credit shall not exceed six calendar years.

Sec. 9. Laws 1973, Chapter 133, Section 12, Subdivision 2, is amended to read:

Subd. 2. At the close of each fiscal year there shall be credited within the deposit accumulation fund to accounts representing contributions by the municipality and to accounts representing the accumulated amount of each contributing employee in proportion to the average balance in each such account during said fiscal year, and computed on the balance at the end of each quarter, the amount of income from investments earned on the accumulated funds in possession of the board, after having deducted from the total of such income (1) the amounts otherwise required as interest for various allowances or purposes specified in this act and (2) an amount to be set aside to liquidate actual or to amortize prospective losses on investments in the accumulation account. The net balance of the investment earnings to be so distributed shall be distributed at the greatest multiple of one-tenth of one percent of the total up to and including a maximum of the interest assumption rate provided for in section 6, subdivision 5 of all such ~~accumulated amounts from salary deductions up to and including a maximum of four percent~~-accounts. Any excess then remaining from such investment earnings shall be credited to a reserve fund and be added to and distributed with the investment earnings of the next succeeding year. The amount that shall be set aside annually to liquidate past losses on investments or to create a reserve from which to liquidate future losses shall be such amount as the board may deem necessary for such purpose but not in excess of one mill on the dollar of the gross amount received as income on the cash and investments in the fund.

Sec. 10. Laws 1973, Chapter 133, Section 16, Subdivision 1, is amended to read:

Sec. 16. **RETIREMENT ALLOWANCE; DEFERRED COMPENSATION.** Subdivision 1. Any member of the contributing class who becomes permanently separated from the service of the city after 20 or more years of service to the city may, by an instrument in writing filed with the retirement board within 30 days after such separation becomes permanent, elect to allow his contributions to the fund to the

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date of separation to remain on deposit in the fund.

Sec. 11. Laws 1973, Chapter 133, Section 16, Subdivision 8, is amended to read:

Subd. 8. Any member of the contributing class who was also a member of the Minnesota state employees retirement association system or a fund administered by the director of the Minnesota state retirement system or a member of the public employees retirement association or the teachers retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for policemen or firemen shall be entitled when qualified to an annuity from each fund if his total allowable service in any two or more of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that a refundment has not been taken from any one of these funds since his membership in any of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of that fund except the provision requiring at least ten years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equal ten or more years.

Sec. 12. Laws 1973, Chapter 133, Section 18, Subdivision 1, is amended to read:

Sec. 18. **DISABILITY ALLOWANCES.** Subdivision 1. Upon the application of the head of the department in which a contributing employee is employed, or upon the application of the contributing employee or of one acting in his behalf, the retirement board shall place the contributor on disability, provided the medical board, after a medical examination of the contributor made at the place of residence of the contributor or at a place mutually agreed upon, shall certify to the retirement board that the contributor is physically or mentally incapacitated for the performance of further service to the city and recommend that the contributor be placed on disability.

The medical board shall consist of the city physician, a physician to be selected by the retirement board, and a physician to be selected by the employee. Disability of an employee resulting from injury or illness received in the performance of the duties of the city service shall be defined as duty disability. Disability incurred as a result of injury or illness not connected with the performance of such service shall be defined as non-duty disability. In order to be entitled to a retirement allowance for a non-duty disability an employee shall have rendered ten five or more years of service to the city.

Sec. 13. Laws 1973, Chapter 133, Section 23, Subdivision 1, is amended to read:

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Sec. 23. **SURVIVOR BENEFITS.** Subdivision 1. If a contributing member dies after having been in the service ten or more years, and before actual retirement, as determined by the retirement board, the present worth of the city's annual installments of \$60 then to the credit of the contributing member, shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member or, if there be no surviving spouse or surviving child or children, then to a person actually dependent on and receiving principal support from such member or surviving mother or father, or grandchildren, or surviving brother or sister, or surviving children of the deceased brother or sister of such member. If the beneficiary designated by the member is not one of the class of persons named in the preceding sentence, such benefit from the accumulation of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child or children, to the dependent or dependents as those terms are herein defined, of the member, share and share alike; (4) if there be no surviving spouse, child or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the grandchildren, in equal shares; if there be no grandchildren, to the surviving brothers and sisters of the member, in equal shares; (6) if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; or (7) if there is none of the foregoing persons who survives the member, the accumulation of the city deposits shall be ~~cancelled~~ applied to the funeral expenses of the member .

Sec. 14. **REPEALER.** Laws 1973, Chapter 133, Section 25, is repealed.

Sec. 15. **EFFECTIVE DATE.** This act is effective upon approval by the city council of the city of Minneapolis, and upon compliance with Minnesota Statutes, Section 645.021.

Approved February 22, 1974.

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#### CHAPTER 77—S.F.No.2736

*An act relating to education; providing for loans to medical and osteopathy students who agree to practice in rural communities; authorizing the issuance of revenue bonds; amending Minnesota Statutes, 1973 Supplement, Sections 147.30; 147.31; and 147.32; and Laws 1973, Chapter 727, Section 4.*

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

Section 1. Minnesota Statutes, 1973 Supplement, Section 147.30,

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