

pipe and couplings. All plastic water well casing shall be capable of withstanding pressures equal to or greater than 200 pounds per square inch (p.s.i.).

The state board of health may supplement the provisions of this section with rules relating to the installation of plastic water well casing, providing, however, that such rules shall not delay the use of plastic water well casing meeting the requirements of this section.

Prior to January 31, 1978, the state board of health shall adopt rules pursuant to chapter 15 concerning the installation and use of plastic water well casing pipes and couplings.

Sec. 2. [156A.031] [Subd. 2.] This act applies only to the counties of Traverse, Grant, Douglas, Stevens, Pope, Big Stone, Swift, Lac qui Parle, Chippewa, Kandiyohi, Yellow Medicine, Renville, Lincoln, Lyon, Pipestone, Murray, Rock, and Nobles.

Sec. 3. This act is effective the day following final enactment.

Approved June 2, 1977.

CHAPTER 399—H.F.No.848

[Coded in Part]

An act relating to retirement; Minneapolis municipal employees retirement fund; miscellaneous amendments; establishment of a coordinated program; amending Minnesota Statutes 1976, Sections 422A.01, by adding subdivisions; 422A.06, Subdivision 6; 422A.08, Subdivisions 2 and 5; 422A.09, Subdivision 3; 422A.16, by adding a subdivision; 422A.18, Subdivision 2; 422A.23, Subdivision 7, and by adding a subdivision; and Chapters 355, by adding sections; and 422A, by adding sections.

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

Section 1. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.302] MINNEAPOLIS MUNICIPAL EMPLOYEES; RETIREMENT; DEFINITIONS. Subdivision 1. For the purposes of sections 1 to 8 of this act, the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. "Enabling act" means sections 355.01 to 355.07.

Subd. 3. The terms "social security act", "state agency", "employment", "wages", "contribution fund", "Federal Insurance Contributions Act", and "political subdivision" mean as defined in the enabling act.

Subd. 4. "Municipal employee" means all officers and employees of political
Changes or additions indicated by underline deletions by strikeout

subdivisions who hold positions covered by the Minneapolis municipal employees retirement fund established under the provisions of chapter 422A.

Sec. 2. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.303] REFERENDUM. Pursuant to the provisions of the enabling act the governor shall designate an agency or an individual to supervise a referendum to be held after May 1, 1978, in accordance with the provisions of section 218 (d) (6) (C) of the social security act, for municipal employees.

Sec. 3. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.304] NOTICE OF REFERENDUM. The notice of referendum required by section 218 (d) of the social security act which is to be given to the municipal employees shall contain a statement in such form as the agency or individual designated to supervise the referendum shall deem necessary and sufficient to inform the municipal employees of the rights which accrue to them under the social security act. The statement shall also inform the municipal employees of the effect that coverage under the social security act will have on their public retirement program.

Sec. 4. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.305] DIVISION OF THE MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND. In accordance with sections 218 (d) (6) (C) of the social security act, the state agency shall divide into two divisions or parts the Minneapolis municipal employees retirement fund established under the provisions of Minnesota Statutes, Chapter 422A. One division or part of the retirement fund shall be composed of positions of municipal employees who desire coverage under an agreement under section 218 (d) of the social security act. The other division or part of the retirement fund shall be composed of positions of municipal employees who do not desire coverage under such an agreement. Each division or part shall be deemed to be a separate retirement system for the purposes of section 218 (d) of the social security act. There shall be included in the division or part composed of members desiring such coverage the positions of municipal employees who become members of the Minneapolis municipal employees retirement fund after such coverage is extended; provided, a municipal employee whose service in a position covered by the retirement fund commences after the date on which such social security coverage is extended shall be deemed to become a member of the retirement fund upon the commencement of such service for purposes of this section, notwithstanding the date of any employment contract.

Sec. 5. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.306] TRANSFER OF MEMBERS. In accordance with section 218 (d) (6) (F) of the social security act, and when the Minneapolis municipal employees retirement fund

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

is divided into two divisions or parts, the position of any member of the division or part composed of positions of municipal employees who do not desire coverage under an agreement under section 218 (d) of the social security act may be transferred to the separate retirement system composed of municipal employees who desire such coverage; and a modification of agreement between the state and the secretary of health, education, and welfare may so provide, but only if prior to such modification the individual occupying such position files with the state agency a written request for such transfer.

Sec. 6. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.307] CERTIFICATION BY GOVERNOR. If the governor receives satisfactory evidence that the conditions specified in section 218 (d) (7) of the social security act have been met with respect to the Minneapolis municipal employees retirement fund, he shall so certify to the secretary of health, education, and welfare.

Sec. 7. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.308] AGREEMENTS WITH FEDERAL AGENCY. Upon the governor's certification pursuant to section 6 of this act, the state agency, with the approval of the governor, shall be authorized after June 30, 1978, to enter into an agreement with the secretary of health, education, and welfare, or modify any such agreement previously made with respect to municipal employees. The agreement or modification shall contain such terms and provisions authorized by the social security act and the enabling act as the state agency finds proper.

Sec. 8. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.309] CONTRIBUTIONS. Subdivision 1. EMPLOYER CONTRIBUTIONS. Contributions required under the agreement or modification entered into pursuant to section 7 of this act to be made by political subdivisions employing municipal employees, and payments required by Minnesota Statutes, Section 355.49, which shall apply to political subdivisions employing municipal employees, shall be paid by the applicable political subdivision.

Subd. 2. EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES. After the date the agreement or modification is entered into pursuant to section 7 of this act, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the state and each political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee or the state or the political subdivision of liability therefor.

Sec. 9. Minnesota Statutes 1976, Section 422A.01, is amended by adding a subdivision to read:

Changes or additions indicated by underline deletions by strikethrough

Subd. 14. "Service" for purposes of sections 20 to 27 of this act shall mean all service credited by the retirement board, irrespective of whether the employee was covered by the basic program or the coordinated program.

Sec. 10. Minnesota Statutes 1976, Section 422A.01, is amended by adding a subdivision to read:

Subd. 15. "Coordinated service" for purposes of sections 20 to 27 of this act shall mean service credited by the retirement board for which the employee was covered by the coordinated program.

Sec. 11. Minnesota Statutes 1976, Section 422A.01, is amended by adding a subdivision to read:

Subd. 16. "Coordinated employee" for purposes of sections 20 to 27 of this act shall mean any employee of the contributing class who is covered by any agreement or modification made between the state and the secretary of the federal department of health, education and welfare, making the provisions of the federal old age, survivors and disability insurance act applicable to such employees.

Sec. 12. Minnesota Statutes 1976, Section 422A.06, 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. A proportionate share of income from investments shall be allocated to this fund. There shall be paid from such fund the survivor benefits specified in section 422A.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. 13. Minnesota Statutes 1976, Section 422A.08, Subdivision 2, is amended to read:

Subd. 2. Prior to August 31 of each year the retirement board shall prepare an itemized statement of its financial requirements from tax revenue for the succeeding fiscal year. A copy of the statement shall be submitted to the board of estimate and taxation and to the city council prior to September 15 of each year. This statement shall include:

(1) An estimate of the administrative expense of the board less:

(a) Such amount as the board may charge against the interest income account of the fund as cost of handling the investment securities of the fund.

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

(b) The cost of handling the retirement benefits of any city-owned public utility, improvement project, or other municipal activities supported in whole or in part by revenues other than taxes.

(c) The cost of handling the retirement benefits of any public corporation and its employees who have availed themselves of the provisions of sections 422A.01 to 422A.25.

(2) An estimated amount not to exceed 7 1/4 percent of the salaries and wages of all employees covered by the retirement fund less any amounts contributed for current cost of future retirement benefits by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(3) The estimated amount to meet the requirements of section 422A.06, subdivision 3, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(4) The cost of all monthly survivor's benefits provided in section 422A.23 as an obligation of the city and any of its boards, departments, commission or public corporations as therein provided, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(5) Such other levies and financing as are required by law.

(6) The total of items 1, 2, and 3 above shall be increased or decreased as the case may be by any deficiency or excess of the amount of tax revenue actually collected within the preceding fiscal year under or over the amount actually determined to meet the financial requirements of the fund for such year. In no event shall the amount requested for levy exceed the total of entry age normal cost, less the amounts contributed by the employees, plus administrative expense, interest on the actuarial deficit at the rate of five percent per annum, an amount necessary to reduce the principal amount of the actuarial deficit in equal installments by the year ~~1997~~ 2017, plus interest upon any deficiency from the previous year's levy at the rate of four percent per annum. This limit does not apply to the requirements for survivors benefits provided in section 422A.23 nor to any levy which is administered by the retirement board pursuant to special act.

Sec. 14. Minnesota Statutes 1976, Section 422A.08, Subdivision 5, is amended to read:

Subd. 5. Any contributor or retired employee who prior to entering the service of the city was an employee of a public corporation, shall be allowed credit in the retirement fund for employment by such public corporation in the same manner as though the service had been rendered to the city. Before receiving credit for service rendered to a public corporation as herein set forth, the contributing or retired employee shall make application therefor in writing to the retirement board, and shall contribute to the retirement fund the amount which would have been contributed had the employee been a

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

contributing member of the fund during the time such service was rendered to the public corporation, plus ~~four~~ six percent compound interest to date of payment or date of retirement, such amount to be determined by the retirement board.

Sec. 15. Minnesota Statutes 1976, Section 422A.09, 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 ten 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 served 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 422A.08 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 employed on a temporary basis, as ~~laborers~~, doorkeepers, 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

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

affected by the exclusions contained in this section.

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, Section 422A.09, 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.

(6) 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 paragraph (4) shall be separated from the service upon reaching the age of 65 regardless of the provisions of the veterans preference act.

Sec. 16. Minnesota Statutes 1976, Section 422A.16, is amended by adding a subdivision to read:

Subd. 3a. If a contributing member who has become permanently separated from the service of the city after 20 or more years of service as a contributing member, has at the time of separation allowed his or her contributions to the fund to remain on deposit, and has filed a written request with the board on prescribed forms, dies prior to the effective date of retirement as determined by the board, the board shall pay a monthly allowance for life to the surviving spouse of the employee, in lieu of the city credit referred to in section 422A.23. The monthly allowance herein provided for shall be the actuarial equivalent of a single life service allowance specified in section 422A.15, which would have been payable to the employee on the date of death, notwithstanding the age requirement stated therein. For purposes of this subdivision, the amount of excess contributions by the member shall not be included in determining the monthly allowance.

Sec. 17. Minnesota Statutes 1976, Section 422A.18, Subdivision 2, is amended to read:

Subd. 2. The amount of disability allowance under this section shall be the amount of service allowance to which the employee would be entitled under section 422A.15, notwithstanding the age requirements expressed therein; or the lesser of the following amounts: 50 percent of the final average compensation, or an amount equal to two percent of final average compensation for each year of allowable service for the first ten years, and thereafter 2.5 percent of final average compensation per year of allowable service, including in the latter assumed service between the date the disability occurred and the 60th birthday of the employee.

Changes or additions indicated by underline deletions by strikeout

If, at the end of any fiscal year, interest is allocated to the disability benefit fund, at a rate greater than the rate specified in section 422A.06, subdivision 5, clause (a); the amount of any benefits payable from such fund that were in effect at the end of the previous fiscal year, shall be increased by the difference between the two rates of interest If the amount of annuity payable from the Minnesota adjustable fixed benefit fund to any class of annuitants is adjusted pursuant to section 11.25, subdivision 12, the amount of benefits payable from the disability benefit fund for that class of annuitants shall also be adjusted at the same time and rate.

Sec. 18. Minnesota Statutes 1976, Section 422A.23, Subdivision 7, is amended to read:

Subd. 7. If the contributing member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, such board shall pay a monthly allowance for life to the designated beneficiary of such employee; ~~providing such employee prior to the date of his death filed a written request therefor with the board on forms provided by such board.~~ The monthly allowance herein provided for shall be the actuarial equivalent of a single life service allowance specified in section 422A.15, which would have been payable to the employee on the date of his death, notwithstanding the age requirement stated therein. For purposes of this section, the amount of excess contributions by the member shall not be included in the calculations in determining the monthly allowance. ~~Persons receiving survivor benefits pursuant to the provisions of this subdivision on the effective date of this act, shall receive an increase of 35 percent of the monthly benefits they are then receiving.~~

Sec. 19. Minnesota Statutes 1976, Section 422A.23, is amended by adding a subdivision to read:

Subd. 10. If the amount of annuity payable from the Minnesota adjustable fixed benefit fund to any class of annuitants is adjusted pursuant to section 11.25, subdivision 12, the amount of benefits payable from the survivor's benefit fund pursuant to subdivisions 7 or 8 for that class of annuitants shall also be adjusted at the same time and rate.

Sec. 20. Minnesota Statutes 1976, Chapter 422A, is amended by adding a section to read:

[422A.30] MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND COORDINATED PROGRAM. There shall be established effective July 1, 1978, a coordinated retirement program within the Minneapolis municipal employees retirement fund for employees of the contributing class who are covered by any agreement or modification made between the state and the secretary of health, education and welfare, making the provisions of the federal old age, survivors and disability insurance act applicable to such employees.

Sec. 21. Minnesota Statutes 1976, Chapter 422A, is amended by adding a section to read:

Changes or additions indicated by underline deletions by strikethrough

[422A.31] COORDINATED PROGRAM CONTRIBUTIONS. Subdivision 1. EMPLOYEE CONTRIBUTIONS. The employee contribution for a coordinated employee shall be an amount equal to four percent of total salary. These contributions shall be made by deduction from salary in the manner provided in section 422A.12, subdivision 1. Where any portion of a member's salary is paid from other than public funds, such member's employee contributions shall be based on the total salary received from all sources.

Subd. 2. EMPLOYER CONTRIBUTION. The employer contribution shall be an amount equal to the employee contribution under subdivision 1. The contribution shall be made from funds available to the employer from the collection of taxes or other revenue.

Subd. 3. EMPLOYER ADDITIONAL CONTRIBUTION. An additional employer contribution shall be made in an amount equal to one and one-half percent of the total salary of each coordinated employer. The contribution shall be made from funds available to the employer from the collection of taxes or other revenue.

Subd. 4. EMPLOYER FINANCING. The estimated amount of the employer contributions required under subdivisions 2 and 3 shall be added to the itemized statement of the financial requirements of the retirement fund prepared pursuant to section 422A.08, subdivision 2.

Sec. 22. Minnesota Statutes 1976, Chapter.422A, is amended by adding a section to read:

[422A.32] COORDINATED RETIREMENT ANNUITY. Subdivision 1. UNREDUCED RETIREMENT ANNUITY. Upon separation from service, any coordinating employee who has attained the age of at least 65 years and who has received credit for not less than ten years of service is entitled upon application to a retirement annuity, which shall be known as the normal coordinated retirement annuity. Upon separation from service, any coordinated employee who has attained the age of at least 62 years and who has received credit for not less than 30 years of service is entitled upon application to a retirement annuity equal to the normal coordinated retirement annuity without any reduction in annuity by reason of early retirement.

Subd. 2. REDUCED RETIREMENT ANNUITY. Upon separation from service, any coordinated employee who has attained the age of at least 58 years and who has received credit for not less than 20 years of service is entitled upon application to a retirement annuity in an amount equal to the normal coordinated retirement annuity reduced by one-half of one percent for each month that a coordinated employee is under age 65 at the time of retirement; provided however that for any coordinated employee who has received credit for 30 or more years of service who applies for a retirement annuity, such reduction shall be applied for each month that the coordinated employee is under age 62 at the time of retirement.

Subd. 3. AVERAGE SALARY. Average salary for purposes of calculating the normal coordinated retirement annuity pursuant to subdivision 4 shall mean an amount equivalent to the average of a coordinated employee's highest salary upon which

Changes or additions indicated by underline deletions by strikethrough

employee contributions were paid for any five successive years of allowable service.

Subd. 4. COORDINATED RETIREMENT ANNUITY FORMULA. The average salary multiplied by one percent for each year of coordinated service for the first ten years and thereafter by 1.5 percent per year of coordinated service and completed months less than a full year shall determine the amount of the normal coordinated retirement annuity.

Subd. 5. RETIREMENT BEFORE ELIGIBILITY FOR SOCIAL SECURITY BENEFITS. Any coordinated employee who retires before becoming eligible for social security benefits may elect to receive a retirement annuity from the fund in an amount greater than the annuity computed on the basis of age at retirement provided in subdivision 4. This option shall be exercised by making application to the board of trustees. This greater amount shall be the actuarial equivalent of the normal coordinated retirement annuity computed on the basis of age at retirement. This greater amount shall be paid until the annuitant reaches the age of 62, at which time the payment from the association shall be reduced. The method of computing an annuity under this subdivision shall be determined by an approved actuary.

Sec. 23. Minnesota Statutes 1976, Chapter 422A, is amended by adding a section to read:

[422A.33] REFUNDS AFTER DEATH OF ACTIVE OR FORMER EMPLOYEE.

Subdivision 1. SURVIVOR BENEFITS. Except as provided in subdivisions 2, 3, 4 and 5, and section 25, subdivision 3, of this act, there shall be no survivor benefits payable to the surviving spouse or dependent child or children of any deceased coordinated employee from the fund.

Subd. 2. DEATH BEFORE RETIREMENT; REFUND. If a coordinated employee or former coordinated employee dies prior to retirement or prior to receipt of any retirement annuity or other payment which is or may be payable, a refund shall be paid to his designated beneficiary, or if there is none, to his surviving spouse, or, if none, to the legal representative of his estate. The refund shall be in an amount equal to the coordinated employees' accumulated contributions plus interest as provided in section 422A.12, less the sum of any benefits that may have been paid by the fund.

Subd. 3. SURVIVOR SPOUSE OPTIONAL ANNUITY. If a coordinated employee who has attained the age of at least 55 years and has credit for not less than 20 years of service dies before service has terminated, or if a coordinated employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in subdivision 2, an annuity equal to an option III annuity pursuant to section 422A.17 which the member could have qualified for on the date of death computed pursuant to section 22 of this act. The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased coordinated employee over and above the total of the annuities paid or

Changes or additions indicated by underline deletions by strikethrough

payable to the surviving spouse shall be paid to the deceased coordinated employee's last designated beneficiary or, if none, to the legal representative of the estate of the deceased employee. Any coordinated employee may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary as otherwise provided in this chapter.

Subd. 4. DEATH AFTER RETIREMENT; REFUND. If a former coordinated employee dies after retirement and no payment of any kind is or may become payable to any person, including any deferred benefit or annuity, there shall be paid to the same succession of payees set forth in subdivision 2, a refund of his accumulated deductions, less the total payments of all kinds made by the fund to the former coordinated employee during his lifetime or to any authorized person after his death, without interest.

Subd. 5. OPTIONAL SURVIVOR ANNUITY CASES; DESIGNATED BENEFICIARY. If a former coordinated employee selected an optional annuity by the terms of which an optional survivor's annuity was paid to a survivor after his death, upon the death of the survivor there shall be paid to the former coordinated employee's designated beneficiary a refund of his accumulated deductions less the total payments of all kinds made by the fund to the former coordinated employee during his lifetime or to any authorized person after his death. If said beneficiary should die before making application for such refund, the same shall be paid to the legal representative of the estate of the former coordinated employee.

Sec. 24. Minnesota Statutes 1976, Chapter 422A, is amended by adding a section to read:

[422A.34] TOTAL AND PERMANENT DISABILITY BENEFITS. Subdivision 1. AGE, SERVICE AND SALARY REQUIREMENTS. Any coordinated employee who becomes totally and permanently disabled with ten years of service before age 50 or with five years of service after age 50, but before age 65, shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled coordinated employee's service has terminated at any time, at least five years of service are required to have been rendered since last becoming an employee of the contributing class. A coordinated employee whose average salary is less than \$75 per month shall not be entitled to a disability benefit.

Subd. 2. APPLICATIONS AND DETERMINATION OF DISABILITY. The application for disability benefits by a coordinated employee under this section shall be made in accordance with the provisions of section 422A.14. The determination of disability shall be made pursuant to section 422A.18.

Subd. 3. COMPUTATION OF BENEFITS. A coordinated employee's total and permanent disability benefit shall be an amount equal to the normal retirement annuity payable to the coordinated employee pursuant to section 22 of this act based on service credited to the date of disability notwithstanding the age and service requirements specified in that section.

Sec. 25. Minnesota Statutes 1976, Chapter 422A, is amended by adding a section to

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

read:

[422A.35] COMPUTATION OF BENEFITS WITH PARTIAL SERVICE AS COORDINATED EMPLOYEE. Subdivision 1. RETIREMENT BENEFITS. Any coordinated employee who has credited service prior to July 1, 1978 shall be entitled to receive a retirement allowance when otherwise qualified, the calculation of which shall utilize the formula specified in section 422A.15 for that portion of credited service which was served prior to July 1, 1978 and the formula specified in section 22 of this act for the remainder of credited service, both applied to the average salary as specified in section 22, subdivision 3, of this act. The formula percentages to be used in calculating the coordinated portion of a retirement allowance on coordinated service under this section shall recognize the coordinated service as a continuation of any service prior to July 1, 1978.

Subd. 2. DISABILITY BENEFITS. Any coordinated employee who has service prior to July 1, 1978 and who has or would otherwise have sufficient credited service prior to January 1, 1983, to meet the minimum service requirements for a disability benefit under section 422A.18 shall retain eligibility to apply when otherwise qualified for that disability benefit in lieu of the disability benefit provided by section 24 of this act until July 1, 1982, notwithstanding coverage by the coordinated program.

Subd. 3. SURVIVOR BENEFITS. The surviving spouse, or if there is no surviving spouse, the guardian of any surviving children of any coordinated employee who had credited service prior to July 1, 1978 and who has or would otherwise have sufficient credited service prior to December 31, 1979, to meet the minimum service requirements for survivor benefits under section 422A.23 shall retain eligibility to apply when otherwise qualified for those survivor benefits in lieu of the survivor benefits provided by section 23 of this act until January 1, 1980, notwithstanding coverage by the coordinated program.

Sec. 26. Minnesota Statutes 1976, Chapter 422A, is amended by adding a section to read:

[422A.39] ADMINISTRATION OF COORDINATED PROGRAM. Subdivision 1. ADMINISTRATIVE PROVISIONS. The provisions of sections 422A.01 to 422A.25 relating to the administration of the fund shall govern the administration of the coordinated program in all instances where not inconsistent with the provisions of sections 20 to 27 of this act, including but not limited to, provisions relating to deferred annuities and refunds of employee contributions to members upon termination of active service. The employee contributions, employer contributions and other amounts authorized by law attributable to the coordinated program including all employee and employer contributions of members transferred to the coordinated program shall be deposited in the deposit accumulation fund, and no portion shall be deposited in the survivor benefit fund or disability benefit fund.

Subd. 2. ACTUARIAL VALUATIONS. Whenever the Minneapolis municipal employees retirement fund shall make an actuarial valuation after July 1, 1978 as required by section 356.215, it shall include a finding of the condition of the fund showing separately the basic and coordinated programs and indicating the level normal cost,

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

accrued liability, assets, unfunded accrued liability, contribution required to meet the interest at the assumed rate on the unfunded accrued liability, and the contribution required to amortize the unfunded accrued liability by the date specified in section 356.215, subdivision 4, clause (7), and by the year 2017 for each program.

Sec. 27. **EFFECTIVE DATE.** This act is effective July 1, 1977.

Approved June 2, 1977.

CHAPTER 400—H.F.No.856

[Coded]

An act relating to welfare; authorizing the establishment of a centralized disbursement system for payments and for food stamp benefit documents; amending Minnesota Statutes 1976, Section 256.01, by adding a subdivision.

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

Section 1. Minnesota Statutes 1976, Section 256.01, is amended by adding a subdivision to read:

Subd. 11. PUBLIC WELFARE; CENTRALIZED DISBURSEMENT SYSTEM. The state agency may establish a system for the centralized disbursement of (1) assistance payments to recipients of aid to families with dependent children, (2) emergency assistance payments to needy families with dependent children as defined in Minnesota Statutes 1976, Section 256.12, and (3) the benefit documents for food stamp recipients. The state agency shall adopt rules and set guidelines for the operation of the statewide system. If required by federal law or regulations promulgated thereunder, or by state law, or by rule of the state agency, each county shall pay to the state treasurer that portion of assistance for which the county is responsible. The commissioner shall designate the date on which a centralized disbursement system shall be established in any designated geographic area in the state and after that date Minnesota Statutes, Sections 256.81, Clause (2); 256.82; and 256.871, Subdivision 1, shall be superseded by this section as to any county agency in the designated area. Federal funds available for administrative reimbursement shall be disbursed between the state and local welfare agencies on the same basis that reimbursements are earned.

Approved June 2, 1977.

CHAPTER 401—H.F.No.875

[Coded in Part]

An act relating to housing; providing an exception to the interest limitation for
Changes or additions indicated by underline deletions by ~~strikeout~~