

CHAPTER 105—H.F.No.578

[Not Coded]

An act authorizing the city of Faribault to expend money for grants in aid to the Faribault bus lines.

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

Section 1. FARIBAULT, CITY OF; AID TO BUS LINES. The city of Faribault may expend money for grants in aid to the Faribault bus lines to ensure the continued service of the Faribault bus lines in the city of Faribault; provided that such grants in aid shall not exceed \$20,000 in any one year.

Sec. 2. This act is effective only after its approval by the governing body of the city of Faribault and upon compliance with Minnesota Statutes, Section 645.021.

Approved April 8, 1971.

CHAPTER 106—H.F.No.639

[Coded in Part]

An act relating to retirement; making various changes in the public employees retirement law and eliminating obsolete or unnecessary provisions; amending Minnesota Statutes 1969, Sections 353.01, Subdivisions 2, 4, 7, 10, 16, 24, 27, and by adding a subdivision; 353.015; 353.03, Subdivisions 1 and 3; 353.05; 353.07; 353.13; 353.16; 353.27, Subdivisions 1 and 4; 353.28, Subdivision 7; 353.29, Subdivisions 1, 2, and 4; 353.30, Subdivision 1; 353.31, Subdivisions 1 and 3, and by adding a subdivision; 353.32, Subdivisions 1, 2, and 3; 353.38, Subdivisions 7 and 9; 353.34, by adding a subdivision; 353.35; 353.36, Subdivision 2; 353.39; 353.44, Subdivision 1; 353.46, by adding a subdivision; 353.58; 353.60, Subdivision 1; and 353.69; repealing Minnesota Statutes 1969, Sections 353.01, Subdivisions 5, 21, 22, and 26; 353.17; 353.27, Subdivision 6; 353.28, Subdivision 11; 353.30, Subdivision 2; 353.32, Subdivision 8; 353.34, Subdivision 4; 353.36, Subdivisions 1 and 3; and 353.62.

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

Section 1. Minnesota Statutes 1969, Section 353.01, Subdivision 2, is amended to read:

Changes or additions indicated by underline, deletions by strikeout.

Subd. 2. P.E.R.A.; REVISION. (1) "Public employee" means any person performing personal services as an elected or appointed officer or employee for a governmental subdivision or for an elected officer thereof, including any municipal judge or special municipal judge, and whose salary is paid, in whole or in part, from revenue derived from taxation, or by fees, assessments, or from other sources. The term "public employee" also means any person serving as an elected member of the legislature of the state of Minnesota and who was first elected to office prior to December 31, 1969, the secretary of the senate and the chief clerk of the house of representatives, or any person appointed as a district court reporter in this state and any officer or employee of the public employees retirement association, or any employee of the League of Minnesota Municipalities.

(2) "Public employee" does not mean :

(a) persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(b) election officers;

(c) persons who are independent contractors and their employees;

(d) patient and inmate help in governmental subdivision charitable, penal and correctional institutions;

(e) any persons by reason of their being members of boards, commissions, ~~volunteer fire departments~~, bands and others who serve the governmental subdivision intermittently and are paid on a per diem, or per meeting or per fire basis;

(f) employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of ~~90~~ 120 working days in any calendar year, and in the event such employees receive compensation on a monthly salary basis, each calendar month for which they are so paid shall constitute 30 working days; however, immediately following the expiration of such ~~90~~ 120 working days if such employees continue in public service and earn in excess of \$75 in any one calendar month, the department heads of the various governmental subdivisions must then report all such employees for membership pursuant to section 353.07 and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4;

(g) part-time employees who receive monthly compensation not exceeding \$75;

(h) emergency employees who are employed by a governmental subdivision by reason of emergency work caused by fire, flood, storm or similar disaster;

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(i) public employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this paragraph shall not prevent a person who belongs to the public employees retirement association from also belonging to or contributing to a volunteer firemen's relief association that does not determine its benefits or contributions on the basis of the salary or compensation of the fireman;

(j) police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(k) persons who make application to be exempted from membership in the public employees retirement association, due to membership in any religious organization which has been organized five years or more as of January 1, 1963, and whose customs, rites or religious belief forbids their membership in any public retirement association, providing such persons file an application stating the applicable provisions of their religious organization, and waive all claims for retirement annuities or benefits of any kind pursuant to this chapter;

(l) students who are occasionally employed part time by a governmental subdivision in any capacity and full time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided that medical interns and resident physicians are excluded only if they are full time graduate degree candidates.

Sec. 2. Minnesota Statutes 1969, Section 353.01, Subdivision 4, is amended to read:

Subd. 4. **ACCUMULATED DEDUCTIONS.** "Accumulated deductions" means the total of the amounts deducted from the salary of a member and the total amount of assessments paid by a member in lieu of such deductions and credited to his individual account in the retirement fund ~~including also payments made by a member pursuant to the provisions of Laws 1937, Chapter 466, Section 2; Laws 1947, Chapter 18, Section 2, or any rules made by the board of trustees pursuant thereto,~~ without interest.

Sec. 3. Minnesota Statutes 1969, Section 353.01, Subdivision 7, is amended to read:

Subd. 7. **MEMBER; MEMBERSHIP.** "Member" means a member of the public employees retirement association and "membership" therein is limited to persons who are engaged in performing services

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as public employees but also includes periods when such persons are on an authorized leave of absence ~~not to exceed in the aggregate 12 months during the entire period of membership, exclusive of vacation periods and sick leave, or an authorized temporary layoff or an authorized leave for job training evidenced, in either case, prior to the commencement thereof, by appropriate current record of the employer and promptly transmitted to the association, each such layoff not to exceed three and one half calendar months in any calendar year.~~ Membership in the retirement association of any person shall terminate upon his ceasing to be a "public employee."

Sec. 4. Minnesota Statutes 1969, Section 353.01, Subdivision 10, is amended to read:

Subd. 10. SALARY. "Salary" means the periodical compensation of any public employee and also means "wages" and includes "fees" net income from fees after deduction of expenses which are paid by the primary public employers. With the exception of justices of the peace who are members of public employees retirement association on June 30, 1971, occasional compensation received from other than the primary public employer or from sources other than public shall not be considered fees for purposes of this act.

Sec. 5. Minnesota Statutes 1969, Section 353.01, Subdivision 16, is amended to read:

Subd. 16. ALLOWABLE SERVICE. "Allowable service" means:

~~(1) Any service rendered by a public employee for which on or before June 30, 1958, he received credit to his account in the retirement fund by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 353, as amended by Laws 1955, Chapter 815, or~~

~~(2) Any service rendered by a public employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to section 353.36, or~~

~~(3) Any service rendered by a public employee after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, or~~

~~(4) Any service rendered by a person after July 1, 1957, for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund, as provided in sections 353.35, 353.39, and Minnesota Statutes 1957, Section 353.26, Subdivision 4.~~

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~~(5) Any service rendered by a public employee for which he elected to obtain credit for service by making payments to the fund pursuant to sections 353.35, 353.36, and Minnesota Statutes 1957, Section 353.26, Subdivision 4.~~

~~(6) (1) Service during years of actual membership in the course of which employee contributions were currently made ; periods covered by payments in lieu of salary deductions made as provided in sections 353.35 and 353.39, and service in years during which the public employee was not a member but for which he later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.~~

~~(7) (2) Any period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.~~

~~(8) (3) Any period of authorized leave of absence without pay or temporary layoff, during or for which a member obtained credit by payments to the fund made in lieu of salary deductions, provided that such payments are made in an amount or amounts based on his average salary on which deductions were paid (a) for the last six months of public service, or (b) that portion of the last six months while he was in public service, to apply to the period in either case immediately preceding commencement of such leave of absence or temporary layoff; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay or temporary layoff, or for any portion thereof, he shall also, as a condition to the exercise of such election, pay to the fund an amount equivalent to both the required employer and additional employer contributions therefor, such payment to be made currently or within one year from the date the leave of absence or temporary layoff terminates, unless the employer by appropriate action of its governing body and made a part of its official records, prior to the date of the first payment of such employee contribution, certifies to the association in writing that it will cause to be paid such employer and additional employer contributions from the proceeds of a tax levy made pursuant to section 353.28.~~

~~(9) (4) Any period during which a member is on ~~(a) duly an~~ authorized leave of absence with or without pay, ~~not to exceed in the aggregate 12 months during the entire period of his membership, exclusive of vacation periods and sick leave; or (b) duly or an~~ authorized temporary layoff for a period not to exceed three and one half calendar months in any calendar year; provided that in either case such leave of absence or layoff is officially recorded currently by the employer .~~

Sec. 6. Minnesota Statutes 1969, Section 353.01, Subdivision 24, is amended to read:

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Subd. 24. **OPTIONAL SURVIVORS ANNUITY.** “Optional survivors annuity” means the allowance paid or payable by the fund to a survivor of a former member pursuant to an optional annuity form selected by such member at or before retirement ~~which varies in amount depending primarily upon both employee and employer contributions made by and in behalf of the particular member.~~

Sec. 7. Minnesota Statutes 1969, Section 353.01, Subdivision 27, is amended to read:

Subd. 27. **BENEFIT.** “Benefit” means an allowance paid or payable by the fund to a surviving dependent spouse or a dependent child ~~which is a fixed amount~~ and also includes an allowance paid or payable by the fund to a member or former member who is permanently and totally disabled.

Sec. 8. Minnesota Statutes 1969, Section 353.01, is amended by adding a subdivision to read:

Subd. 31. LEAVE OF ABSENCE. “Leave of absence” means any period during which a member is duly authorized by his employer to refrain from active employment, with or without pay, not to exceed in the aggregate 12 months during the entire period of his membership, exclusive of vacation periods, educational leaves, leaves for job training and sick leave, evidenced in any case prior to the commencement thereof by appropriate current record of the employer and promptly transmitted to the association.

Sec. 9. Minnesota Statutes 1969, Section 353.015, is amended to read:

353.015 MEMBER OF LEGISLATURE; LAY-OFF OR LEAVE OF ABSENCE. Notwithstanding any law to the contrary, if a member of the public employees retirement association is placed on lay-off or leave of absence for the purpose of serving as a member of the legislature, the leave thus granted shall not apply against any of the limitations contained in section 353.01, subdivisions 7, 12, and ~~16~~ 31.

Sec. 10. Minnesota Statutes 1969, Section 353.03, Subdivision 1, is amended to read:

353.03 BOARD OF TRUSTEES. Subdivision 1. **MANAGEMENT.** The management of the public employees retirement fund is hereby vested in a board of trustees consisting of 12 members, who shall be known as the board of trustees. This board shall consist of the state auditor, the state insurance commissioner, the state treasurer, and nine other trustees, who shall be elected from the membership by the members of the retirement association by mail ballot. On ~~September~~ November 1 of each year, and for seven days thereafter, the board shall accept at its office filings in person or by mail of

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candidates for the board of trustees. The candidate shall submit at the time of his filing a nominating petition signed by 25 or more members of the fund. No nominee may withdraw his name from nomination after November 15. Candidates shall file at large for all seats vacant at the forthcoming election. The board shall print and distribute to the members a ballot listing the candidates, the number of positions to be filled and blank lines for write in votes. No special marking may be used on the ballot to indicate incumbents. Any candidate may have at his request a list of the membership with their employing subdivision and address shown, if available, prepared at the expense of the fund. It is illegal for a candidate to use or allow the use of the list for any purpose other than furthering his candidacy for the board. After the election the list shall be returned to the board. ~~The last day of mailing ballots to the fund shall be October 31 of each year and~~ Ballots shall be sent to the members by ~~October December 10 each year.~~ The last day for mailing ballots to the fund shall be December 31. All terms expire on ~~October December 31~~ of the year in which the term expires, and the position shall remain vacant until the newly elected member is qualified. The ballot envelopes shall be so designed and the ballots shall be counted in such a manner as to insure that each member's vote is secret. The election shall be supervised by the ex officio members of the board. Members of the board so elected shall hold office for a term of three years. Present members of the board of trustees shall serve for the terms for which they were elected. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers of the governmental subdivisions which aid in financing it and the public employees who are its beneficiaries.

Sec. 11. Minnesota Statutes 1969, Section 353.03, Subdivision 3, is amended to read:

Subd. 3. **OFFICERS; EMPLOYEES; BYLAWS.** The board shall elect a chairman and vice chairman, and shall appoint a secretary and such other employees and may adopt bylaws, retain an approved actuary and procure other services as it may reasonably deem necessary and fix their compensation subject to subdivision 2 hereof. ~~The board may from time to time, subject to the limitations of this chapter and of the law, adopt bylaws, establish rules and regulations for the administration of the retirement and other provisions of this chapter and for the transaction of its business.~~

Sec. 12. Minnesota Statutes 1969, Section 353.05, is amended to read:

353.05 CUSTODIAN OF FUNDS. The state treasurer shall be ex officio treasurer of the retirement funds of the association and his

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general bond to the state shall be so conditioned as to cover all liability for his acts as treasurer of these funds. ~~If the general bond of the state treasurer, at the time of the passage of this chapter, shall cover all liability for his acts as treasurer of these funds, no additional bond shall be required; if not, the state treasurer shall execute to the state of Minnesota, for the use and benefit of the state and all persons injured by failure to observe its conditions, a penal bond in such a sum as may be fixed by the board of trustees and with such sureties as the governor and the state auditor may approve, conditioned that he will pay over to all persons on demand all moneys to which they may be entitled which may have come into his hands in virtue or by reason of his office as such treasurer of these funds. All moneys of the association received by him shall be set aside in the state treasury to the credit of the proper fund. He shall transmit monthly to the secretary of the board of trustees a detailed statement of all amount so received and credited by him to the fund. He shall pay out the fund only on warrants issued by the state auditor, upon vouchers signed by the secretary of the board of trustees; provided that vouchers for investment may be signed by the secretary of the state board of investment.~~

Sec. 13. Minnesota Statutes 1969, Section 353.07, is amended to read:

353.07 EMPLOYERS RECORDING AND REPORTING REQUIREMENTS. Every head of a department in a governmental subdivision subject to the provisions of this chapter shall on the first day of each calendar month furnish the board of trustees with a statement for his department covering the preceding calendar month showing all new public employees, all removals, withdrawals, layoffs and leaves of absence affecting members during the same period. Additionally, all employing governmental subdivisions and their appropriate agencies shall furnish promptly to the association a membership enrollment form for each new employee, in the form prescribed by the board and such other information relative to the employment status of any member as may be requested by the association or its secretary, including schedules of salaries applicable to various categories of employment. In the event payroll abstract records have been lost or destroyed, for whatever reason or in whatever manner, so that such schedules of salaries cannot be furnished therefrom, the employing governmental subdivision, in lieu thereof, shall furnish to the association an estimate of the earnings of any member for any period as may be requested by the association or its secretary. Should the association receive such schedules of estimated earnings, the secretary is hereby authorized to use the same as a basis for making whatever computations might be necessary for determining obligations of the employee and employer to the retirement fund. If estimates are not furnished by the employer pursuant to the request of the association or its secretary,

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the association may estimate the obligations of the employee and employer to the retirement fund based upon such records as are in its possession.

Sec. 14. Minnesota Statutes 1969, Section 353.13, is amended to read:

353.13 ANNUITIES, ACCOUNTING; ACCRUAL; PAYMENT. Subdivision 1. **ACCOUNTING.** ~~Every application for retirement, in the form prescribed by the board of trustees, shall be corroborated in writing by proof of (a) age of the employee and (b) his public service, which shall be submitted by the employee and employer, respectively. Payment of any annuity or benefit for a given month shall be mailed by the association to the annuitant or survivor, as the case may be, during the first week of the next ensuing month. Evidence of receipt of every warrant issued by the association in payment of an annuity or benefit shall be submitted by the payee thereof to the association, together with his written declaration that the annuitant or recipient of a disability benefit, whichever the case may be, has or has not returned to public service; and shall be furnished on forms provided by the secretary thereof, before the association shall pay to the annuitant, disability recipient, or survivor for the next ensuing month the annuity or benefit to which he may be entitled.~~

Subd. 2. **ACCRUAL; PAYMENT.** Except as to elected public officials, all retirement annuities granted under the provisions of this chapter shall commence with the first day of the first calendar month next succeeding the date of termination of public service and shall be paid in equal monthly installments commencing one month thereafter and continuing only during the lifetime of the annuitant. ~~Retirement annuities granted to any elected public official between February 22, 1951 and April 30, 1963, shall be deemed to accrue commencing with the first of the month in which his term of public office expires or in which the right to such office terminates, whichever is later; but Any annuity granted to an elective public official after April 30, 1963, shall accrue on the day following expiration of his public office or right thereto, and his annuity for that month shall be pro rated accordingly. No annuity, once granted, shall be increased, decreased, or revoked except as provided in this chapter. No annuity payment shall be made retroactive beyond the first day of the calendar month in which application therefor shall be filed with the association.~~

Sec. 15. Minnesota Statutes 1969, Section 353.16, is amended to read:

353.16 AUDIT OF BOOKS AND ACCOUNTS; INSURANCE LAWS NOT APPLICABLE. None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds. The books and accounts of the

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association and the retirement fund shall be examined and audited annually, if funds and personnel permit, by the public examiner of the state and a full and detailed report thereof made to the board of trustees. The cost of such examination shall be paid by the retirement association in accordance with the provisions of Minnesota Statutes 1957, Section 16.20, Subdivision 9. For the purposes of this section the public employees retirement association shall be considered a board as referred to in subdivision 9.

Sec. 16. Minnesota Statutes 1969, Section 353.27, Subdivision 1, is amended to read:

353.27 PUBLIC EMPLOYEES RETIREMENT FUND. Subdivision 1. There is a special fund known as the "Public Employees Retirement Fund" ~~In that fund there shall be deposited employee contributions, employers' contributions and other amounts authorized by law including amounts in the fund when Laws 1957, Chapter 935, takes effect. From this fund there is appropriated the payments authorized by this chapter in the amounts, in the manner and at such time, provided herein.~~ the "retirement fund", or the "fund", which shall include all of the assets of the association. That fund shall be credited with all contributions, all interest and all other income authorized by law. From this fund there is appropriated the payments authorized by this chapter in the amounts and at such time provided herein, including the expenses of administering the fund authorized by this chapter, and including the proper share of the Minnesota adjustable fixed benefit fund.

Sec. 17. Minnesota Statutes 1969, Section 353.27, Subdivision 4, is amended to read:

Subd. 4. EMPLOYER'S RECORDING AND REPORTING REQUIREMENTS. The head of each department of the various governmental subdivisions is hereby directed to cause employee contributions to be deducted at least once each month from the salary of each member and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries and to cause the same to be remitted within 15 days thereafter to the secretary of the board of trustees together with a statement showing the amount of each of such deductions, the amount of salaries from which such deductions have been made and the names of the public employees on whose accounts the same have been made. Such statement may be furnished in the form of a carbon or duplicate copy of departmental payroll abstracts and if not submitted in such form, the head of each department is hereby required to furnish the secretary of the board of trustees with a carbon or duplicate copy of his departmental payroll abstract for the last pay period during the months of January and July, respectively, in each year and it shall be the duty of said secretary to check the copies of all such payroll abstracts against the membership records so as to ascertain whether

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or not any omissions have been made by the several department heads in the reporting of any new public employees, as required by section 353.07. Upon notice from the secretary of omission of a required deduction, or deductions, from the salary of a member, the head of the department shall deduct from the member's next salary payment and forthwith remit to the secretary the amount of the employee contribution delinquency, with cumulative interest thereon at the rate of six percent per annum, compounded annually, payable from the date or dates each delinquent employee contribution was first payable, such interest to be contributed by the employer. To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. The failure to deduct any required employee contributions shall not relieve the governmental subdivision of the aforesaid obligation to the retirement fund. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 5, with interest thereon at the rate of six percent compounded annually from the date they were just payable, shall be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer. This subdivision shall have both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due hereunder. An action for the recovery of delinquent payments shall not be subject to any statutory provision which would otherwise limit the time within which such an action may be commenced. All remittances so received by the secretary of the board of trustees shall be promptly deposited with the state treasurer. Deductions from the salary of a district court reporter in a judicial district consisting of two or more counties shall be made by the auditor of the county in which the bond and official oath of such district court reporter are filed from the portion of his salary paid by such county.

Sec. 18. Minnesota Statutes 1969, Section 353.28, Subdivision 7, is amended to read:

Subd. 7. The association shall deposit these proceeds in the retirement fund ~~to the credit of the governmental subdivision~~. When payments are to be made by a governmental subdivision from revenues other than revenues derived from taxes, the governmental subdivision shall notify the county auditor of that fact and the county auditor shall thereupon reduce the levy accordingly. For the express purposes of this section, the payment of all such contributory shares of retirement cost is hereby made an obligation of the governmental subdivision concerned in the proportion and to the extent provided.

Sec. 19. Minnesota Statutes 1969, Section 353.29, Subdivision 1, is amended to read:

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353.29 RETIREMENT ANNUITY UPON SEPARATION FROM PUBLIC SERVICE. Subdivision 1. **ENTITLEMENT.** ~~After~~ Upon separation from public service any person who has attained the age of at least 65 years and who received credit for not less than ten years of allowable service, ~~or any person who has attained the age of at least 58 years and who received credit for not less than 20 years of allowable service~~ is entitled upon application to a retirement annuity.

Sec. 20. Minnesota Statutes 1969, Section 353.29, Subdivision 2, is amended to read:

Subd. 2. **AVERAGE SALARY.** The retirement annuity hereunder payable at age 65 or thereafter shall be computed in accordance with the applicable provisions of the formula stated in subdivision 3 hereof, on the basis of the member's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

(a) For years prior to July 1, 1957, "average salary" for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which employee contributions were paid to the retirement fund for any five consecutive years prior to that date;

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary ~~not exceeding \$4,800 in any one calendar year through June 30, 1965; his salary not exceeding \$6,000 for every calendar year from July 1, 1965 to July 1, 1967, and thereafter his total salary,~~ upon which employee contributions were paid to the retirement fund.

Sec. 21. Minnesota Statutes 1969, Section 353.29, Subdivision 4, is amended to read:

Subd. 4. **APPLICATION FOR ANNUITY.** Application for retirement annuity may be made by a member or by someone authorized to act in his behalf. Every application for retirement, in the form prescribed by the board of trustees, shall be substantiated in writing by proof of (a) age of the employee and (b) his public service, which shall be submitted by the employee and employer, respectively.

Sec. 22. Minnesota Statutes 1969, Section 353.30, Subdivision 1, is amended to read:

353.30 ANNUITIES UPON RETIREMENT. Subdivision 1. ~~Where any member retires prior to age 65, he shall be paid~~ Upon separation from public service any person who has attained the age of at least 58 years and who received credit for not less than 20 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29,

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subdivisions 2 and 3, reduced by one-half of one percent for each month that the member is under age 65 at the time of retirement.

Sec. 23. Minnesota Statutes 1969, Section 353.31, Subdivision 1, is amended to read:

353.31 SURVIVOR BENEFITS. Subdivision 1. **BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN.** Upon the death of the member before retirement or upon the death of a member who was disabled and receiving disability benefits pursuant to section 353.33 at the time of his death who has had at least 18 months of credited allowable service, his surviving dependent spouse and dependent children, as defined in section 353.01, ~~subdivision 15~~ subdivisions 15 and 20 , shall receive the monthly benefit provided below.

- (a) Surviving dependent spouse 30 percent of the member's monthly average salary not to exceed \$65 per month
- (b) Each dependent child 20 percent of the member's monthly average salary not to exceed \$45 per month

In addition to the amounts provided in (a) and (b) hereof, ten percent of the member's monthly average salary not to exceed \$20 per month shall be paid to be divided equally among the dependent children. Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed \$250 for any one family. The surviving dependent spouse benefit shall terminate upon his or her remarriage, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a member whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision. If the survivor benefits provided in this subdivision exceed the monthly average salary of the deceased member, these benefits shall be reduced to an amount equal to the deceased member's monthly average salary.

Sec. 24. Minnesota Statutes 1969, Section 353.31, Subdivision 3, is amended to read:

Subd. 3. DEATH AFTER RETIREMENT; PAYMENT TO SURVIVING SPOUSE. If any person dies after he has retired under the provisions of section 353.29 or 353.30, ~~subdivisions 1 and 2~~ subdivision 1 and 2 , and after his accumulated salary deductions have been fully paid out in the way of annuities, there shall be paid to his surviving spouse an amount equal to the annuity for the entire month in which

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death occurs, if no optional annuity was designated by the former member.

Sec. 25. Minnesota Statutes 1969, Section 353.31, is amended by adding a subdivision to read:

Subd. 11. The benefit rolls as they exist immediately prior to the effective date of this act are approved and continued except for any instance when it may be subsequently determined eligibility to benefits may have been obtained by fraud or deception.

Sec. 26. Minnesota Statutes 1969, Section 353.32, Subdivision 1, is amended to read:

353.32 REFUNDS AFTER DEATH OF MEMBER OR FORMER MEMBER. Subdivision 1. **BEFORE RETIREMENT.** ~~If a member dies before retirement, a refundment shall be paid to his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate in an amount equal to his accumulated deductions plus interest thereon at the rate of two percent per annum compounded annually. In the event a member dies who had received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the member had received a disability benefit during his lifetime, no interest shall be paid on his accumulated deductions in the fund at the time of his death, or before he has received any retirement annuity or allowance and no other payment of any kind is or may become payable to any person, a refund shall be paid to his designated beneficiary or, if there be none, to his surviving spouse, or, if none, to the legal representative of his estate, in an amount equal to his accumulated deductions plus interest thereon at the rate of two percent per annum compounded annually less the sum of any disability or other benefits, if any, that may have been paid by the fund; provided that a survivor who has a right to benefits pursuant to section 353.31 may waive such benefits in writing, except such benefits for a dependent child under the age of 21 years may only be waived pursuant to an order of the district court.~~ If a former member dies before he received a retirement annuity or allowance, a refundment shall be paid to his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate in an amount equal to his accumulated deductions without interest.

Sec. 27. Minnesota Statutes 1969, Section 353.32, Subdivision 2, is amended to read:

Subd. 2. **AFTER RETIREMENT.** ~~If a former member dies after retirement and an optional annuity pursuant to section 353.30, subdivision 3, or survivor benefit pursuant to section 353.46, subdivision 3, was not payable at the time of his death, there shall be paid to~~

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~~his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate a refundment 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 1, a refund of his accumulated deductions, less the total payments of all kinds made by the fund to the former member during his lifetime or to any authorized person after his death.~~

Sec. 28. Minnesota Statutes 1969, Section 353.32, Subdivision 3, is amended to read:

Subd. 3. **OPTIONAL SURVIVOR ANNUITY CASES; DESIGNATED BENEFICIARY.** If a former member 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 member's designated beneficiary a ~~refundment~~ refund of his accumulated deductions less the total payments of all kinds made by the fund to the former member during his lifetime or to any authorized person after his death. If said beneficiary should die before making application for such ~~refundment~~ refund, the same shall be paid to the legal representative of the estate of the former member. ~~If a former member who retired after June 30, 1957, died prior to the effective date of Laws 1959, Chapter 646, there shall be paid to his designated beneficiary a refundment of his accumulated deductions less the total payments of all kinds made by the fund to the former member during his lifetime or to any authorized beneficiary or survivor after his death. The refundments~~ refunds provided in this section shall not be interpreted to apply in any case where survivor's benefits are paid pursuant to section 353.31.

Sec. 29. Minnesota Statutes 1969, Section 353.33, Subdivision 7, is amended to read:

Subd. 7. **PARTIAL RE-EMPLOYMENT.** Should such disabled person resume a gainful occupation and his earnings are less than his salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount which when added to such earnings does not exceed his salary at the date of disability or the salary currently paid for similar positions, whichever is lower, provided the disability benefit in such case does not exceed the disability benefit originally allowed. No deductions for the retirement fund shall be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.

Sec. 30. Minnesota Statutes 1969, Section 353.33, Subdivision 9, is amended to read:

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Subd. 9. **RETURN TO PUBLIC SERVICE.** Any person receiving a disability benefit who is restored to active public service except persons receiving benefits as provided in subdivision 7, shall have deductions taken for the retirement fund and upon subsequent retirement have his retirement annuity based upon all allowable service including that upon which the disability benefits were based. No person shall be entitled to receive disability benefits and a retirement annuity at the same time.

Sec. 31. Minnesota Statutes 1969, Section 353.34, is amended by adding a subdivision to read:

Subd. 6. ADDITIONS TO FUND. The board of trustees may credit to the fund any moneys received in the form of contributions, donations, gifts, appropriations, bequests, or otherwise. If a former public employee does not apply for refund within five years after the last deduction was taken from his salary for the retirement fund, and the total amount of his accumulated deductions is not over \$25, such accumulated deductions shall be credited to and become a part of the retirement fund proper. Refundable accumulated deductions of any former member, if over \$25 in amount and if unclaimed for a period of five years after separation from public service, shall be credited to a donations suspense account. The board of trustees may pay refunds of accumulated deductions without interest, from such donations suspense account, upon proper application therefor. After the refundable accumulated deductions of any former member have remained in such donations suspense account for a period of ten years, without application for a refund thereof having been made, such deductions shall be transferred to and credited to the retirement fund proper. In the event the former public employee should return to public service, the amount so credited to the retirement fund shall be restored to his individual account.

Sec. 32. Minnesota Statutes 1969, Section 353.35, is amended to read:

353.35 CONSEQUENCES OF REFUND AND REPAYMENT. When any member accepts a ~~refundment~~ refund all existing service credits and all rights and benefits to which the member was entitled prior to the acceptance of such ~~refundment~~ refund shall terminate and shall not again be restored until the former member acquires not less than 18 months allowable service credit subsequent to taking his last ~~refundment~~ refund. In that event he may repay all ~~refundment~~ refund taken plus interest at ~~four~~ five percent per annum compounded annually. If more than one ~~refundment~~ refund has been taken, all ~~refundments~~ refunds must be repaid with interest at ~~four~~ five percent per annum compounded annually.

Sec. 33. Minnesota Statutes 1969, Section 353.36, Subdivision 2, is amended to read:

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Subd. 2. Purchases of prior service credit are authorized and shall be effective only if (a) the member shall pay, in a lump sum, to the association an amount equivalent to the required employee contributions for the prior service sought to be purchased at the rate of six percent of salary not exceeding \$4,800 in any calendar year through June 30, 1965, and at the rate of six percent of salary on which employee contributions are based from and after July 1, 1965, plus accrued interest thereon at the rate of ~~four~~ five percent per annum, compounded annually from the year of service purchased to the date payment is made; and (b) the member at the same time shall pay additionally a matching amount equivalent to that required to be paid under (a); (c) as an alternative to the employee obligation under (b) hereof, the employer may, by appropriate action of its governing body and made a part of its official records, certify to the association, in writing, at the time of or prior to the payment by the member of the amount required under (a) hereof, that it assumes the obligation and will pay to the association the matching amount as required under (b) hereof from the proceeds of a tax levy made pursuant to section 353.28 or from other funds available to the employer. No member shall be entitled to service credit under this subdivision unless the association has first received in full (1) the employee's contributions, plus interest thereon; and (2) the matching amount from the employee or from the employer; or (3) in lieu of (2) hereof, the employer's certification assuming the obligation for the matching amount. The employer's obligation under (c), if assumed, shall be limited on a pro rata basis to that portion of the service included in the purchase which was rendered by the member for the respective employing governmental subdivisions.

Sec. 34. Minnesota Statutes 1969, Section 353.39, is amended to read:

353.39 MILITARY SERVICE CREDIT. Any employee given a leave of absence to enter military service and who returns to public service upon discharge from military service as provided in section 192.262, may obtain credit for his period of military service, but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such member may obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be ~~six percent of his salary not to exceed \$4,800 in any calendar year through June 30, 1965; six percent of his salary not to exceed \$6,000 in any calendar year for the period from July 1, 1965 to July 1, 1967, and thereafter six percent of the total salary as prescribed by section 353.27, subdivision 2~~, plus interest at ~~four~~ five percent per annum compounded annually. In such cases the matching employer contribution and additional contribution provided in section 353.27 shall be paid by the department employing such

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member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor and such contributions shall be made at the time and in the manner provided in section 353.27.

Sec. 35. Minnesota Statutes 1969, Section 353.44, Subdivision 1, is amended to read:

353.44 UNCLAIMED ANNUITIES RETURNED TO FUND.

Subdivision 1. Any retirement allowance or annuity which is payable after the death of an annuitant shall be paid to the beneficiary ~~whom the annuitant had last designated. — If no beneficiary has been so designated, or, if the designated beneficiary should die before making claim for payment of such retirement allowance or annuity, and if there is no surviving spouse, and if the legal representative of such annuitant does not make such claim within five years, the amount of the retirement allowance or annuity payable to him at the time of his death shall be credited to and become a part of the retirement fund estate of the decedent or, if probate proceedings have not been commenced, to the persons entitled thereto under the laws of intestate succession.~~

Sec. 36. Minnesota Statutes 1969, Section 353.46, is amended by adding a subdivision to read:

Subd. 5. Any person who held the status of a non-employee member shall be entitled to a refund of his accumulated deductions at any time, as provided in section 353.34, subdivision 2, or a deferred annuity as provided in section 353.34, subdivision 3, except that any such person who on July 1, 1957, had ten or more years of allowable service as an employee member of the fund shall be entitled also to the options provided in this section if he otherwise qualifies. Any person whose majority of years of membership or last membership in the fund has been in the status of non-employee member or any person claiming rights through such non-employee member shall be entitled only to the annuities specified in this subdivision.

Sec. 37. Minnesota Statutes 1969, Section 353.58, is amended to read:

353.58 MILITARY SERVICE CREDIT. After any agreement or modification is made pursuant to section 353.59, an employee given a leave of absence to enter military service and who returns to public service upon discharge from military service as provided in section 192.262, may obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such member may obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of

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this contribution shall be three percent of his salary not to exceed \$4,800 in any fiscal year through June 30, 1965, and his total salary not in excess of \$6,000 for any year through June 30, 1967, and his total salary for each year thereafter, plus interest at five percent per annum compounded annually. In such cases the matching employer contribution and additional contribution shall be paid by the department employing such member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor.

Sec. 38. Minnesota Statutes 1969, Section 353.60, Subdivision 1, is amended to read:

353.60 FEE OFFICERS; CONTRIBUTIONS. Subdivision 1. **EMPLOYEE AND EMPLOYER CONTRIBUTIONS.** Any appointed or elected officer of a governmental subdivision who was or is a public employee within the meaning of section 353.01 and was or is a member of the fund and whose salary was or is paid in whole or in part from revenue derived by fees and assessments, shall pay his employee contribution in the amount, at the time, and in the manner provided in section 353.27, subdivisions 2 and 4. The employer contribution as provided in section 353.27, subdivision 3, and the additional employer contribution to amortize the unfunded actuarial accrued liability in the fund as provided in section 353.27, subdivision 5, with respect to such service shall be paid by the governmental subdivision. No officer paid entirely on a fee basis shall be accepted for membership after June 30, 1971.

Sec. 39. Minnesota Statutes 1969, Section 353.69, is amended to read:

353.69 OFFICERS OR EMPLOYEES OF NON-COVERED MUNICIPALITIES; OPTIONAL MEMBERSHIP. Any former member who is an elected official or an employee of a municipality not covered by the public employees retirement association, has the option to continue his membership in the association for any period of service with the municipality. This option applies to future service as well as past service. Any person desiring to exercise this option shall make application to the board, shall designate the period of service for which he ~~desired~~ desires coverage and shall pay the employee contribution to the fund for such service at the rate of six percent of salary ~~limited to \$4,800 in any calendar year through June 30, 1965; at the rate of six percent of salary not in excess of \$6,000 in any calendar year for the period from July 1, 1965 to July 1, 1967, and thereafter six percent of the total salary as prescribed by section 353.27, subdivision 2~~ . The municipality shall pay a matching amount plus the amount to amortize the deficit in the fund in the manner provided in sections 353.27, subdivision subdivisions 3 and 5, and 353.28. Contributions for any past service shall be paid with interest at the rate of ~~four~~ five percent per annum compounded

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annually. Notwithstanding any provision to the contrary, no such person shall be entitled to credit for service with the public employees retirement association if for the same period of service he receives credit with any other public retirement or pension plan maintained by the municipality.

Sec. 40. Minnesota Statutes 1969, Sections 353.01, Subdivisions 5, 21, 22, and 26; 353.17; 353.27, Subdivision 6; 353.28, Subdivision 11; 353.30, Subdivision 2; 353.32, Subdivision 8; 353.34, Subdivision 4; 353.36, Subdivisions 1 and 3; and 353.62, are repealed.

Sec. 41. This act is effective July 1, 1971.

Approved April 8, 1971.

CHAPTER 107—H.F.No.651

[Not Coded]

An act authorizing Rice county to establish, operate and maintain refuse disposal facilities; and authorizing other governmental subdivisions to cooperate therein and contribute thereto.

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

Section 1. **RICE COUNTY; DISPOSAL FACILITIES.** This act shall apply to Rice county and the terms "board of commissioners" and "county board" as used in this act shall mean the county board of Rice county. The board of commissioners may acquire by purchase, lease, or gift or by condemnation as provided by law, any land or interest in land within the county which the county board deems suitable for use as refuse disposal facility sites. The county board may establish refuse disposal facilities on such sites and may hold, improve, maintain, supervise, control, and operate the same for said purposes. For purposes of this act, "refuse disposal facilities" shall include public dump grounds, sanitary land fill facilities, incinerators, refuse composting facilities, refuse collection, refuse compaction, and transportation of refuse.

Sec. 2. The board of commissioners may provide for the construction, installation, maintenance and operation of refuse disposal facilities or may authorize private persons or corporations to construct, install, maintain, or operate such facilities on county owned sites under leases or contracts upon such terms and conditions as the board may prescribe in the public interest.

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