

CHAPTER 289—S.F.No.3033
[Coded in Part]

An act relating to retirement; revising the law governing the teachers retirement association and fund; amending Minnesota Statutes 1971, Sections 354.045; 354.05, Subdivisions 2, 8, 14, 15, 21, and 29, and by adding subdivisions; 354.06, Subdivisions 1 and 3; 354.09, Subdivision 4; 354.10; 354.201; 354.33, Subdivision 6; 354.35; 354.43, Subdivisions 1 and 2; 354.44, Subdivisions 1 and 5; 354.46, Subdivisions 2 and 3; 354.47, Subdivision 1; 354.48, Subdivisions 4 and 10; 354.49, Subdivisions 1 and 3; 354.50, Subdivisions 1 and 2; 354.51, Subdivision 1; 354.52, Subdivisions 2, 4 and 5; 354.55, Subdivision 11, and by adding a subdivision; and 354.58; and Chapter 354, by adding sections; and Minnesota Statutes, 1973 Supplement, Sections 354.07, Subdivision 5; 354.39; 354.42, Subdivisions 2 and 3; 354.44, Subdivisions 2, 6 and 7; 354.46, Subdivision 1; 354.48, Subdivision 3; 354.49, Subdivision 5; 354.50, Subdivision 4; 354.53, Subdivision 1; 354.55, Subdivisions 3, 12, 13, 16, and 17; 354.62, Subdivisions 2 and 5; and 354.63, Subdivision 2; repealing Minnesota Statutes 1971, Sections 354.05, Subdivision 18; 354.08; 354.09, Subdivision 2; 354.11; 354.12; 354.13; 354.14; 354.145, Subdivisions 3 and 4; 354.33, Subdivisions 2, 3, 4, and 9; 354.34, Subdivision 1; 354.36; 354.37; 354.41, Subdivision 1; 354.42, Subdivisions 1 and 6; 354.46, Subdivision 4; 354.47, Subdivision 3; 354.50, Subdivision 3; 354.51, Subdivisions 2 and 3; 354.511; 354.52, Subdivision 1; 354.54; 354.55, Subdivisions 1, 4, 7, and 9; and 354.581; and Minnesota Statutes, 1973 Supplement, Sections 354.09, Subdivision 3; 354.145, Subdivisions 1 and 2; 354.31; 354.32; 354.33, Subdivisions 1, 7, and 8; 354.34, Subdivision 2; 354.38; and 354.55, Subdivision 8.

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

Section 1. Minnesota Statutes 1971, Section 354.045, is amended to read:

354.045 TEACHERS RETIREMENT FUND; CITATION. ~~Laws 1969, Chapter 485—This chapter~~ may be cited as the teachers retirement ~~improvement act of 1969~~.

Sec. 2. Minnesota Statutes 1971, Section 354.05, Subdivision 2, is amended to read:

Subd. 2. **TEACHER.** The word "teacher" includes any person who has rendered, is rendering, or shall hereafter render, service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state, located outside of the corporate limits of the cities of the first class, in the state colleges, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who has been engaged, is engaged, or shall hereafter be engaged, in educational administration in connection with the state public school system, including the state colleges, but excluding the state university, whether the position be a

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public office or an employment, not including members of any general governing or managing board or body connected with such systems, or the officers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association employed subsequent to July 1, 1969, and any nurse, counselor, social worker or psychologist who has rendered, is rendering or shall hereafter render service in the public schools as defined above or in state colleges. The term shall also include any person who renders teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of such combined employment will be covered by the teachers retirement association. The term does not mean any person who works for such school or institution as an independent contractor.

Sec. 3. Minnesota Statutes 1971, Section 354.05, Subdivision 8, is amended to read:

Subd. 8. **DEPENDENT CHILD.** "Dependent child" means any natural or adopted child of a deceased member who has not reached the age of 18 ~~by June 30, 1967~~, or who is under age 22 and is a full time student throughout the normal school year, unmarried and ~~actually~~ dependent for more than one-half of his support upon such member and for a period of at least 90 days prior to the member's death. It also includes any child of the member conceived during his lifetime and born after his death ~~in any case where a member dies after July 1, 1967.~~

Sec. 4. Minnesota Statutes 1971, Section 354.05, Subdivision 14, is amended to read:

Subd. 14. **TOTAL AND PERMANENT DISABILITY.** "Total and permanent disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to ~~result in death or to~~ be of long continued and indefinite duration. An "indefinite duration" is a period of at least one year.

Sec. 5. Minnesota Statutes 1971, Section 354.05, Subdivision 15, is amended to read:

Subd. 15. **DEPENDENT SPOUSE.** "Dependent spouse" means : ~~(1) the widow-spouse of a deceased member who has not remarried and was living with and dependent upon the member at the time of death ; or (2) the widower of a deceased member who has attained the age of 65, has not remarried, was living with and dependent upon the member at the time of death for more than one-half of his support ; or the widower of a deceased member who has not remarried and is totally and permanently disabled .~~

Sec. 6. Minnesota Statutes 1971, Section 354.05, Subdivision 21, is amended to read:
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amended to read:

Subd. 21. **RETIREMENT.** "Retirement" means the withdrawal of a member from active teaching service who is paid a retirement annuity thereafter and commences with the date designated by the retirement board when the retirement annuity shall first accrue to the former member after his withdrawal from active teaching service. This date shall determine any rights specified in ~~sections 354.05 to 354.14 and 354.31 to 354.55~~ this chapter which occur either before or after retirement, as the case may be.

Sec. 7. Minnesota Statutes 1971, Section 354.05, Subdivision 29, is amended to read:

Subd. 29. The term "social security receivable" means an amount equal to the request of transfer the trustees are authorized to make in section 355.46, subdivision 3 plus the amounts the ~~state auditor-commissioner of finance~~ shall determine as of July 1, 1971 that have been paid from the teachers retirement fund pursuant to section 355.46, subdivision 3(b) for which reimbursement has not already been made during the twelve-month period immediately preceding July 1, 1971.

Sec. 8. Minnesota Statutes 1971, Section 354.05, is amended by adding subdivisions to read:

Subd. 30. COORDINATED MEMBER. "Coordinated member" means any teacher 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 member.

Subd. 31. BASIC MEMBER. "Basic member" means any teacher not covered by any agreement or modification made between the state and the secretary of health, education and welfare.

Subd. 32. FORMULA PROGRAM. "Formula program" means a retirement program which provides benefits based on certain percentages multiplied by the years of service and average salary of a member as described in section 354.44.

Subd. 33. VARIABLE ANNUITY PROGRAM. "Variable annuity program" means a retirement program which provides benefits based on a member's variable account accumulations as described in section 354.62 and the annuity rates of an appropriate mortality table adopted by the board of trustees.

Subd. 34. FORMULA AND VARIABLE PROGRAM. "Formula and variable program" means a retirement program which is a combination of the programs defined in subdivisions 32 and 33 as described in Minnesota Statutes, Sections 354.44 and 354.62.

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Sec. 9. Minnesota Statutes 1971, Section 354.06, Subdivision 1, is amended to read:

354.06 BOARD OF TRUSTEES; MEMBERSHIP; DUTIES. Subdivision 1. The management of the fund shall be vested in a board of seven trustees to be known as the board of trustees of the teachers retirement fund. It shall be composed of the following persons: the commissioner of education, the state auditor, the commissioner of insurance, and four members of the fund who shall be elected by mail ballot for terms of four years by the members of the fund in a manner to be fixed by the board of trustees of the fund. ~~The terms of office of all incumbent elective members of the board of trustees on July 1, 1963 shall terminate on the first day of July 1965. In 1965, there shall be elected four members of the board of trustees, for terms commencing on the first of July 1965, two of whom shall be elected for terms of four years each, and two for terms of two years each. Thereafter~~ In every odd numbered year there shall be elected two members of the board of trustees for terms of four years commencing on the first of July next succeeding their election. Each election shall be completed by June 1st of each succeeding odd numbered year. In the case of elective members, vacancies shall be filled by appointment by the remainder of the board, the appointee to serve until the members of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by such vacancy. No member shall be appointed by the board, or elected by the members of the fund as a trustee who is not a member of the fund in good standing at the time of such appointment or election. 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 which aid in financing it and the teachers who are its beneficiaries.

Sec. 10. Minnesota Statutes 1971, Section 354.06, Subdivision 3, is amended to read:

Subd. 3. The state treasurer shall be ex officio treasurer of the fund and his general bond to the state shall cover any liabilities for his acts as treasurer of the fund. He shall receive all moneys payable to the fund and pay out the same only on warrants issued by the ~~state auditor-commissioner~~ of finance upon ~~abstracts-forms~~ signed by the secretary of the board.

Sec. 11. Minnesota Statutes, 1973 Supplement, Section 354.07, Subdivision 5, is amended to read:

Subd. 5. The board shall keep a record of the receipts and disbursements of the fund and a separate account with each member of the fund. The board shall also keep separate accounts for annuity payments, for employer contributions and all other necessary accounts and reserves. It shall determine annually the annual interest earnings

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of the fund which shall include realized capital gains and losses. Any amount in the capital reserve account on July 1, 1973 shall be transferred to the employer contribution's account. The annual interest earnings shall be apportioned and credited to the separate members' accounts except those covered under the provisions of section ~~354.33~~, ~~subdivisions 7 or 8, or section~~ 354.44, subdivisions 6 or 7. The rate to be used in this distribution computed to the last full quarter percent shall be determined by dividing the interest earnings by the total invested assets of the fund. The excess of the annual interest earnings in the excess earnings reserve which was not credited to the various accounts shall be credited to the gross interest earnings for the next succeeding year.

Sec. 12. Minnesota Statutes 1971, Section 354.09, Subdivision 4, is amended to read:

Subd. 4. After July 1, 1969, payments made pursuant to subdivision 1, representing employee contributions, shall be accepted only if an equal additional amount, representing employer contributions, is received from the agency formerly employing such teacher. However, the teacher or the school district or institution which presently employs him, may pay such equal additional amount representing the employer contribution required by this subdivision. Interest shall be paid on both the employee and employer contribution at the rate of ~~four~~ six percent per annum from the year on which such service was rendered to the first date of payment. For payments made prior to July 1, 1969, pursuant to subdivision 1 where the employer's contributions were not made, an additional amount representing employer's contributions may be paid together with interest at the rate of ~~four~~ six percent per annum on this amount from the year such service was rendered to the first date of payment.

If the employee and employer contributions and interest thereon provided in this section are not paid in full the member's formula service credit shall be calculated by multiplying the number of years of out of state service by the ratio obtained by the total amount paid and the maximum amount payable provided herein.

The board may authorize the collection of these payments in the form of installments rather than a lump sum. Any school district or institution which desires to make the employer contribution herein provided, is hereby authorized to appropriate money for such purpose.

All payments into the fund pursuant to subdivision 1, shall be considered accumulations after July 1, 1957 for the purpose of computing any annuity provided in Extra Session Laws 1957, Chapter 16.

In no case shall the provisions of subdivision 1 apply to teachers who become members of the fund after ~~July 1~~ June 30, 1957.

In no case shall the provisions of subdivisions 1 or 4 apply to
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members who have accepted refunds of their accumulated deductions and again resumed teaching in schools to which chapter 354 applies after July 1, 1957.

Sec. 13. Minnesota Statutes 1971, Chapter 354, is amended by adding a section to read:

[354.091] SERVICE CREDIT. In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 354.05 to 354.10, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any fiscal year. Commencing July 1, 1969 (1) if a teacher teaches only a fractional part of a day, credit shall be given for a day of teaching service for each five hours taught, and (2) if a teacher teaches at least 170 full days in any fiscal year credit shall be given for a full year of teaching service, and (3) if a teacher teaches for only a fractional part of the year credit shall be given for such fractional part of the year as the term of service rendered bears to 170 days.

Sec. 14. Minnesota Statutes 1971, Section 354.10, is amended to read:

354.10 FUND NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES. The right of a teacher to avail himself of the benefits of sections 354.05 to 354.10 and 354.31 to 354.55, and acts amendatory thereof provided by this chapter, is a personal right only and shall not be assignable. All moneys to the credit of a teacher's account in the fund or any moneys payable to him from the fund shall belong to the state of Minnesota until actually paid to the teacher or his beneficiary pursuant to the provisions of sections 354.05 to 354.10 and 354.31 to 354.55, and acts amendatory thereof this chapter. Any power of attorney, assignment or attempted assignment of a teacher's interest in the fund, or of the beneficiary's interest therein, by a teacher or his beneficiary shall be null and void and the same shall be exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, except that none shall be exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit. Any beneficiary designated by a teacher under the terms of sections 354.05 to 354.10 and 354.31 to 354.55, and acts amendatory thereof this chapter, may be changed or revoked by the teacher at his pleasure, in such manner as the board may prescribe. In case a designated beneficiary dies before the teacher designating him dies, and a new beneficiary is not designated, the teacher's estate shall be the beneficiary.

Sec. 15. Minnesota Statutes 1971, Chapter 354, is amended by adding a section to read:

[354.146] RETIREMENT PROGRAMS. Subdivision 1. Every Changes or additions indicated by underline deletions by ~~strikeout~~

member who has rendered teaching service or was on an authorized leave of absence after June 30, 1972 is covered by the full formula program except that those members who have contributed to the variable annuity fund are covered by the combined formula and variable annuity program. A former member who does not return to teaching service prior to retirement shall have his benefit determined under the program in effect at the time of termination.

Subd. 2. If a member had previously elected the total variable annuity program, a portion of his variable annuity account accumulations will be transferred to his formula account and become a part of his accumulated deductions. An equal amount of state contributions shall be transferred from the variable annuity fund to the teachers retirement fund. Such transfers shall be in an amount equal to four-sevenths of the value of the member's variable annuity account as of June 30, 1974, except that only one-half of the contributions made during the fiscal year ending June 30, 1974 shall be transferred.

Subd. 3. After June 30, 1974, every new teacher entering teaching service or resuming teaching service after previously accepting a refund shall be covered by the full formula program.

Sec. 16. Minnesota Statutes 1971, Section 354.201, is amended to read:

354.201 STATE AID FOR BENEFITS. Subdivision 1. The provisions of this section apply to teachers retirement fund associations and the benefits provided thereby in cities of the first class in which the teaching body thereof has established and incorporated such an association under the provisions of sections 354.15 to 354.23.

Subd. 2. Notwithstanding any of the provisions of section 354.20, before the proper officials of the association make the certification to the authorities having charge of levying taxes for school purposes as provided in section 354.20, and in no case later than September 15 of each year, it shall furnish a copy of the certification which it proposes to make to the ~~state auditor~~ commissioner of finance and at the same time furnish the ~~state auditor~~ commissioner of finance with the number of teachers in the association who are currently contributing to the fund of such association, the amount of the annual salary of each of such teachers, the amount of each teacher's contribution and such other information as the ~~state auditor~~ commissioner of finance may from time to time require.

From such information the ~~state auditor~~ commissioner of finance shall determine the state's obligation as prescribed in subdivision 3 and shall pay the same to the association from the general fund in the state treasury and so much thereof as may be necessary to annually make such payment is hereby appropriated to the ~~state auditor~~ commissioner of finance for such purpose. This payment shall be made no later than October 15 of each year. When the association receives such

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payment from the ~~state auditor~~ commissioner of finance it shall deduct the amount thereof from the amount it proposes to certify to the proper authorities having charge of the levying of taxes for school purposes as provided for in section 354.20 and the amount necessary to raise by taxation in order to carry out the retirement plan of the association shall be reduced by the amount of the state's payment.

Subd. 3. The state's obligation under this section to a teachers retirement fund association in a city of the first class is an amount equal to the average amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay annually for all contributing members of the state teachers retirement association including social security taxes. This percentage of payroll shall be based on annual estimated payroll amounts and certification information prepared by the state teachers retirement fund association for the current year, including social security taxes paid the previous year. This percentage of payroll shall be applied to total salary as reported in the annual salary information furnished by each teachers retirement association in a city of the first class to the ~~state auditor~~ commissioner of finance in compliance with subdivision 2 to determine the state's obligation to each teachers retirement fund association in each city of the first class. Any amount by which subsequent actual experience may deviate from the amounts allocated through the foregoing estimates shall be adjusted on succeeding allocations to said associations in cities of the first class. In no event shall the state's obligation be in excess of the amount required to be certified by such associations under applicable law to the proper authorities who have charge of the levying of taxes for school purposes.

Subd. 4. The allocation of the ~~state auditor~~ commissioner of finance to a teachers retirement fund association in a city of the first class as provided in subdivision 3 shall be reduced by an amount obtained by applying the percentage of payroll calculated in subdivision 3 to that portion of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. Before such allocation may be made, each teachers retirement fund association in a city of the first class shall furnish to the ~~state auditor~~ commissioner of finance a satisfactory certification which shows the total of all salaries paid which are subject to teachers retirement deductions. Such certification shall also show the total amount of salaries paid from normal school operating funds and the total amount of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. For each individual salary included in the total of all salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27, the certification shall show each person's name, his salary or related portion of salary and amount of employer contributions determined by applying the percentage of payroll calculated in subdivision 3 to such salary. Such amount of related employer contributions shall be remitted to the state teachers retirement association by the ~~state auditor~~ commissioner of finance until the amount of these remittances and those de-

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scribed in section 354.43, subdivision 3 are equal to the social security receivable as defined in section 354.05, subdivision 29.

Sec. 17. Minnesota Statutes 1971, Section 354.33, Subdivision 6, is amended to read:

Subd. 6. When any person retires and whose annuity is computed ~~under section 354.33 as a~~ coordinated member as a result of (1) his transfer from public school teaching to state college teaching, and/or; (2) not rendering teaching service within a fiscal year; shall have his annuity computed ~~under section 354.44 as a~~ basic member for such service formerly ~~covered under section 354.44~~ accrued as a basic member .

Sec. 18. Minnesota Statutes 1971, Section 354.35, is amended to read:

354.35 RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY. Any coordinated member who retires before he is eligible for social security retirement benefits, may elect to receive retirement benefits from the association in an amount greater than his annuity computed on the basis of his age when he retires ~~provided in section 354.33~~ . He shall exercise this option by making an application to the board on a form provided by the board. This greater amount shall be the actuarial equivalent of the member's annuity computed on the basis of his age when he retires. The greater amount shall be paid until the member reaches the age of 65 at which time the payment from the association shall be reduced. These annuities provided in this section shall be computed by an approved actuary.

Sec. 19. Minnesota Statutes, 1973 Supplement, Section 354.39, is amended to read:

354.39 EFFECTIVE DATE; APPLICATION. ~~Sections 354.31 to 354.39 take effect on the date any agreement or modification is made between the state and the secretary of health, education and welfare making such agreement or modification applicable to service performed in positions covered by the teachers retirement association. Sections 354.31 to 354.39 shall apply to any coverage group consisting of members of the teachers retirement association included in any such agreement or modification except that After July 1, 1971, any member of the teachers retirement association employed in a new state college and other new institutions of higher learning not included in any agreement or modification made between the state and the secretary of health, education and welfare, making the provisions of the federal old age and survivors insurance act applicable to such members, shall be covered under the provisions of sections 354.31 to 354.39 this chapter applicable to coordinated members .~~

Sec. 20. Minnesota Statutes, 1973 Supplement, Section 354.42, Subdivision 2, is amended to read:

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Subd. 2. The employee contribution to the fund shall be an amount equal to four percent of the salary of every coordinated member and eight percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 21. Minnesota Statutes, 1973 Supplement, Section 354.42, Subdivision 3, is amended to read:

Subd. 3. Prior to July 1, 1975 the employer contribution to the fund shall be an amount equal to three and one-half percent of the salary of every coordinated member and seven percent of the salary of every basic member. Effective July 1, 1975 the employer contribution to the fund shall be an amount equal to four percent of the salary of each coordinated member and eight percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. For purposes of financing the various options related to the variable annuity division employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, will be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3.

Sec. 22. Minnesota Statutes 1971, Section 354.43, Subdivision 1, is amended to read:

354.43 EMPLOYER CONTRIBUTIONS, FINANCING. Subdivision 1. Except as provided in section 354.43, subdivision 3, at least once each month the ~~board secretary~~ shall determine the amount of money necessary and presently needed to meet the state's obligation as provided in ~~sections 354.05 to 354.14 and 354.31 to 354.61, and acts amendatory thereof~~ this chapter, and shall certify the amount so determined to the ~~state auditor~~ commissioner of finance. The amount so certified shall be transferred immediately to the teacher's retirement fund.

Sec. 23. Minnesota Statutes 1971, Section 354.43, Subdivision 2, is amended to read:

Subd. 2. To meet the state's obligation prescribed in subdivision 1, such moneys as are required therefor are appropriated annually to the ~~state auditor~~ commissioner of finance from the general fund in the state treasury. The moneys appropriated hereby to the ~~state auditor~~ commissioner of finance shall be deposited by him in the state treasury to the credit of the teachers retirement fund.

Sec. 24. Minnesota Statutes 1971, Section 354.44, Subdivision 1, is amended to read:

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354.44 RETIREMENT BENEFITS. Subdivision 1. **REQUIREMENTS AS TO AGE AND SERVICE.** Any member or former member who ceases or has ceased to render teaching services ~~either before or after July 1, 1959~~ in any school or institution covered by ~~Minnesota Statutes, Sections 354.05 to 354.14 and 354.31 to 354.55, and acts amendatory thereof~~ the provisions of this chapter, and who has attained the age of at least 55 years with not less than ten years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Sec. 25. Minnesota Statutes, 1973 Supplement, Section 354.44, Subdivision 2, is amended to read:

Subd. 2. COMPUTATION OF MONEY PURCHASE ANNUITY. The amount of retirement annuity is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon. The annuity shall be determined by the member's age, his sex, double the amount of his accumulated deductions, double the interest earned on the accumulated deductions, and the appropriate mortality tables and interest rates. For the purpose of determining the amount of the annuity for a basic member, the accumulated deductions prior to July 1, 1957, and the accumulated deductions subsequent to July 1, 1957, shall be considered separately.

(1) For service rendered prior to July 1, 1957, the accumulated deductions for any member shall be carried forward at a fixed amount which is shown credited to his account as of that date. That fixed amount shall also include any payments in lieu of salary deductions which are to be made in the future and are actually so made pursuant to an agreement executed between the member and the board as authorized by section 354.50 or any other authorized payments made by the member to the fund. The annuity granted with respect to such period shall be determined by the following:

(a) The fixed amount of the accumulated deductions for such period including the interest credited thereon as earned up to July 1, 1957.

(b) Annuity purchase rates based on the mortality tables and interest assumption used by the board prior to July 1, 1957 in the case of basic members and an annuity purchase rate based on an appropriate annuity table of mortality with an interest assumption as provided in section 354.07, subdivision 1, in the case of coordinated members.

(2) For service rendered subsequent to July 1, 1957, the accumulated deductions for any member shall consist of the amounts actually credited to his account by reason of salary deductions. The annuity granted with respect to such period shall be determined by the following:

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(a) accumulated deductions for such period;

(b) interest credited on these accumulated deductions from July 1, 1957, to the date of retirement;

(c) interest credited on accumulated deductions including prior credited interest provided in paragraph (1) from July 1, 1957, to the date of retirement;

(d) after the amount available for an annuity granted with respect to such person is determined in accordance with the provisions of this subdivision, an additional amount equal to 20 percent of the sum of clause (2) (a) plus interest credited to members account from July 1, 1957 to date of retirement is to be added. This added amount is not to be doubled as provided for other amounts determined in this subdivision;

(e) annuity purchase rate based on an appropriate annuity table of mortality with an interest assumption as provided in section 354.07, subdivision 1.

~~(3) Each member who is covered under this subdivision who elects a variable annuity option shall have the sum of any benefits provided herein and the benefits provided in section 354.62, subdivision 5.~~

Sec. 26. Minnesota Statutes 1971, Section 354.44, Subdivision 5, is amended to read:

Subd. 5. RESUMPTION OF TEACHING. A teacher who ~~has purchased an annuity-retired~~ under any provision of any retirement law applicable to schools and institutions covered by ~~sections 354.06 to 354.14 and 354.31 to 354.55 and acts amendatory thereof~~ the provisions of this chapter and has thereafter resumed teaching in any school or institution to which such sections apply shall continue to receive payments in accordance with such annuity except that during any quarter in which his income from such teaching service exceeds the sum of \$800; the amount in excess of \$800 shall be deducted from the annuity payable for the quarter immediately following the quarter in which the excess amount was earned. After a member has reached the age of 72 he shall receive his annuity in full regardless of the amount of income.

Sec. 27. Minnesota Statutes, 1973 Supplement, Section 354.44, Subdivision 6, is amended to read:

Subd. 6. COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY. (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of his formula service credit. For the purposes of computing the formula benefits ~~in subdivisions 6 and 7~~ under the for-
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mula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in section 354.511 for the highest five ~~consecutive~~ years within the last ten successive years of formula service credit.

(2) The average salary as defined in clause (1), of any member multiplied by ~~two percent per year of formula service credit for the first ten years and 2.5 percent for each subsequent~~ the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled :

| | <u>Coordinated Member</u> | <u>Basic Member</u> |
|--|-----------------------------|-----------------------------|
| <u>Each year of service during first ten</u> | <u>1.0 percent per year</u> | <u>2.0 percent per year</u> |
| <u>Each year of service thereafter</u> | <u>1.5 percent per year</u> | <u>2.5 percent per year</u> |

(3) Where any member retires prior to age 65 under a formula annuity, he shall be paid a retirement annuity in an amount equal to the normal annuity provided in subdivisions 6 and 7, reduced by one half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, such reduction shall be applied only for each month such member is under age 62.

Sec. 28. Minnesota Statutes, 1973 Supplement, Section 354.44, Subdivision 7, is amended to read:

Subd. 7. **COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.** The benefits provided in this subdivision are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6(2) for formula service credit to the effective date of the election of this subdivision, and

(2) The benefits for service credit subsequent to the effective date of the election of this subdivision ~~formula and variable program~~ shall be the average salary as defined in subdivision 6, clause (1) of any member multiplied by ~~one percent per year of formula service credit for the first ten years and 1.25 percent for each subsequent~~ the following percentages per year of formula service credit, and

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| | <u>Coordinated Member</u> | <u>Basic Member</u> |
|--|-----------------------------|-----------------------------------|
| <u>Each year of service during first ten</u> | <u>.5 percent per year</u> | <u>1.0 percent per year</u> |
| <u>Each year of service thereafter</u> | <u>.75 percent per year</u> | <u>1.25 percent per year, and</u> |

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 29. Minnesota Statutes, 1973 Supplement, Section 354.46, Subdivision 1, is amended to read:

354.46 PAYMENTS AFTER DEATH. Subdivision 1. BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER. Upon the death of a basic member before retirement or upon the death of a former basic member who was disabled and receiving disability benefits pursuant to section 354.48 at the time of his death, who has had at least 18 months of allowable service, his surviving dependent spouse and dependent children under the age of 18 shall receive the monthly benefit provided below. ~~Where a member died on or after July 1, 1956, leaving any dependent child, such dependent child shall receive the benefits provided in this subdivision commencing from and after the effective date of Extra Session Laws 1957, Chapter 16.~~

- (a) Surviving dependent spouse 30 percent of the basic member's monthly average salary in effect over the last full six months of allowable service paid in the last full fiscal year preceding death
- (b) Each dependent child ten percent of the basic member's monthly average salary in effect over the last full six months of allowable service paid in the last full fiscal year preceding death

Payments for the benefit of any dependent child under the age of ~~18-22~~ years 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 ~~\$400~~ \$450 for any one family, and the minimum benefit per family shall not be less than 30 percent of the basic member's average salary, subject to the foregoing maximum. 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.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits paid under this subdivision is less than the accumulated deductions

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plus interest payable, the surviving children shall receive the difference in a lump sum payment.

Any survivor of a basic 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 in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

~~Effective January 1, 1973~~ Prior to payment of any survivor benefit herein described, the surviving dependent spouse's benefit provided herein may be waived but the benefits of a dependent child can only be waived by order of the district court. In the event all survivor benefits are waived, the member's accumulated deductions with interest shall be paid in a lump sum to the surviving spouse as provided in section 354.47, subdivision 1.

Sec. 30. Minnesota Statutes 1971, Section 354.46, Subdivision 2, is amended to read:

Subd. 2. **SURVIVING SPOUSE.** If an election as provided in this subdivision has been made, upon the death of a member before retirement, his surviving ~~dependent~~ spouse shall be paid a joint and survivor annuity as provided in section 354.45 and computed as in section 354.44, subdivision 2, or in subdivisions 6 or 7. The joint and survivor annuity provided herein shall be elected by the member after he has attained the age of at least 55 with not less than 20 years of allowable service, or who has received credit for not less than 30 years of allowable service regardless of age. Except as otherwise provided in section 354.55, subdivision 2, the surviving ~~dependent~~ spouse of a basic member shall receive the benefits provided in subdivision 1 or the annuity provided in subdivision 2 but not both. If any member has made an election pursuant to this subdivision and elects to be covered under section 354.62, the annuity based on his variable account accumulations shall be calculated in accordance with the provisions of section 354.62, subdivision 5.

Sec. 31. Minnesota Statutes 1971, Section 354.46, Subdivision 3, is amended to read:

Subd. 3. **PAYMENT AFTER DEATH OF RETIREE.** If a former member dies after his retirement, there shall be paid to his ~~surviving spouse or dependent children if no spouse survives; or to the designated beneficiary if there be no spouse or surviving children;~~ an amount equal to the annuity payment computed to the date of death if no optional or reversionary annuity was designated by the member. If more than one dependent child qualifies, this amount shall be divided equally among the dependent children. If an optional or reversionary annuity has been designated by the member, a death benefit shall be paid in accordance with the provisions of such annuity as described in

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section 354.45.

Sec. 32. Minnesota Statutes 1971, Section 354.47, Subdivision 1, is amended to read:

354.47 REFUND AFTER DEATH. Subdivision 1. **DEATH BEFORE RETIREMENT.** (1) If a member dies before retirement and is covered under the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors of a basic member, there shall be paid to his surviving dependent spouse or if there is no surviving dependent spouse to his designated beneficiary an amount equal to his accumulated deductions with interest credited to his account to the date of death.

(2) If a member dies before retirement and is covered under the provisions of section 354.44, subdivisions 6 and 7, and neither an optional annuity nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors of a basic member, there shall be paid to his surviving dependent spouse or if there is no surviving dependent spouse to his designated beneficiary an amount equal to his accumulated deductions credited to his account as of June 30, 1957 and from July 1, 1957 to the date of death his accumulated deductions plus interest at the rate of three and one half percent per annum compounded annually.

(3) The amounts payable in clauses (1) or (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 33. Minnesota Statutes, 1973 Supplement, Section 354.48, Subdivision 3, is amended to read:

Subd. 3. COMPUTATION OF BENEFITS. (1) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clause (1) and (2) or clause (3) is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon computed as though the teacher were age 65 at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. Any member who applies for a disability benefit after June 30, 1974 and who failed to make an election pursuant to Minnesota Statutes 1971, Section 354.145, shall have his disability benefit computed under section 354.44, subdivision 2 or subdivision 6, whichever is larger.

The benefit granted shall be determined by the following:

(a) The amount of the accumulated deductions;

(b) Interest actually earned on these accumulated deductions to

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the date the benefit begins to accrue;

(c) Interest for the years from the date the benefit begins to accrue to the date such member attains age 65 at the rate which is the average rate credited for the five years prior to the date the benefit begins to accrue;

(d) Annuity purchase rates based on an appropriate annuity table of mortality with interest assumption as provided in section 354.07, subdivision 1.

In addition a supplementary monthly benefit shall be paid to basic members only in accordance with the following table:

| Age When Benefit Begins to Accrue | Supplementary Benefit |
|-----------------------------------|-----------------------|
| Under Age 56 | \$50 |
| 56 | 45 |
| 57 | 40 |
| 58 | 35 |
| 59 | 30 |
| 60 | 25 |
| 61 | 20 |
| 62 | 15 |
| 63 | 10 |
| 64 | 5 |

(2) The disability benefit granted to basic members covered under section 354.44, subdivision 6 or 7 shall be computed in the same manner as the annuity provided in subdivision 6 of the same section. The disability benefit granted to *coordinated members covered under section 354.44, subdivision 6 or 7* shall be computed in the same manner as the annuity provided in subdivision 6 or 7 of that section, whichever is applicable. The disability benefit shall be the formula annuity without the reduction for each month the member is under age 65 at the time the benefit begins to accrue.

(3) The optional annuity benefit provided in section ~~354.34~~ and section 354.45 does not apply to this section.

(4) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall be reduced to an amount equal to the disabled member's average salary. Any member who began to receive disability benefits between July 1, 1957, and June 30, 1960, shall receive the supplementary monthly benefit provided in accordance with the foregoing table and such supplementary monthly benefit shall begin to accrue after June 30, 1960, and shall continue as long as disability benefits are paid to such member.

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Sec. 34. Minnesota Statutes 1971, Section 354.48, Subdivision 4, is amended to read:

Subd. 4. DETERMINATION BY THE BOARD. The board shall have the member examined by at least two licensed physicians selected by the board. These physicians shall make written reports to the board concerning the member's disability including medical opinions as to whether or not the member is permanently and totally disabled within the meaning of ~~Minnesota Statutes 1967, section 135.01-354.05~~, subdivision 14; ~~and acts amendatory thereof~~. The board shall also obtain written certification from the last employer stating whether or not the member was separated from service because of a disability which would reasonably prevent further service to the employer and as a consequence the member is not entitled to compensation from the employer. If upon the consideration of the reports of the physicians and such other evidence presented by the member or others interested therein, the board finds the member totally and permanently disabled, it shall grant him a disability benefit. The fact that an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability benefit.

Sec. 35. Minnesota Statutes 1971, Section 354.48, Subdivision 10, is amended to read:

Subd. 10. RETIREMENT STATUS AT AGE 65. No person shall be entitled to receive both disability benefits and a ~~public~~ retirement annuity ~~at the same time provided by this chapter~~. The disability benefit paid to a person hereunder shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be deemed to be on retirement status and he may at his option be paid either a straight life retirement annuity as provided in section 354.44 or a straight life retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever amount is greater. ~~If his disability benefit was computed pursuant to section 354.37, at age 65 he may at his option be paid either a straight life retirement annuity as provided in section 354.33 or a straight life retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever is greater.~~ He may instead of taking the straight life annuity provided herein, however, select an optional retirement annuity as provided in section ~~354.34 or 354.45~~; ~~whichever is applicable~~.

Sec. 36. Minnesota Statutes 1971, Section 354.49, Subdivision 1, is amended to read:

354.49 REFUND. Subdivision 1. Any person who ceases to render teaching service in any school or institution to which ~~sections 354.04 to 354.14 and 354.31 to 354.55~~ the provisions of this chapter apply shall be entitled to a ~~refundment-refund~~ provided in subdivision 2, or a deferred retirement annuity. Application for ~~refundment-refund~~ may be made no sooner than 30 days after termination of teaching service if the applicant has not again become a teacher. This payment will be

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made within 90 days after receipt of application for ~~refundment-refund~~ refund or upon completion of processing the report made pursuant to section 354.52, subdivisions 1 and 2 whichever is later.

Sec. 37. Minnesota Statutes 1971, Section 354.49, Subdivision 3, is amended to read:

Subd. 3. Any person who has attained the age of at least 65 with less than ten years of credited allowable service shall receive a ~~refundment-refund~~ refund in an amount equal to his accumulated deductions plus interest except those covered under the provisions of section ~~354.33, subdivisions 7 or 8, or section~~ 354.44, subdivisions 6 or 7 in which case the refund shall be an amount equal to his accumulated deductions credited to his account as of June 30, 1957 and after July 1, 1957 his accumulated deductions plus interest at the rate of three and one half percent compounded annually.

Sec. 38. Minnesota Statutes, 1973 Supplement, Section 354.49, Subdivision 5, is amended to read:

Subd. 5. If a person ceases to render teaching service in any school or institution to which ~~sections 354.05 to 354.145 and 354.31 to 354.55~~ the provisions of this chapter apply and does not make application for ~~refundment-refund~~ refund within five years after June 30th of the fiscal year in which the last deduction was taken from his salary for the retirement fund and if his accumulated deductions are \$50 or less, such deductions and interest shall be credited to and become a part of the retirement fund. In the event such person returns to render teaching service in any school or institution to which ~~sections 354.05 to 354.145 and 354.31 to 354.55~~ the provisions of this chapter apply and the deductions previously credited to the retirement fund are \$5 or more, such deductions and interest to date of restoration shall be restored to his individual account. If the deductions previously credited to the retirement fund are \$5 or more and such person applies for a ~~refundment~~ an annuity pursuant to section 354.55, subdivision 3, such deductions credited to the retirement fund shall be restored to such person's individual account.

Sec. 39. Minnesota Statutes 1971, Section 354.50, Subdivision 1, is amended to read:

354.50 TERMINATION OF SERVICE CREDITS. Subdivision 1. When any member accepts a ~~refundment-refund~~ refund provided in section 354.49, all existing service credits to which the member was entitled prior to the acceptance of such ~~refundment-refund~~ refund shall terminate and shall not again be restored until the former member acquires not less than ~~three-two~~ years allowable service credit subsequent to taking his last ~~refundment-refund~~ refund. In that event he may repay such ~~refundment-refund~~ refund. If more than one ~~refundment-refund~~ refund has been taken, all ~~refundments-refunds~~ refunds must be repaid ~~except that in the case of a member who is covered under section 354.33 because of previously accepting a~~

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~~refundment, such member shall repay an amount equal to the contribution provided under section 354.32, subdivision 1 of the law in effect on June 30, 1969 for any service rendered prior to June 30, 1969, and according to section 354.32, subdivision 1 for any service after July 1, 1969 .~~

Sec. 40. Minnesota Statutes 1971, Section 354.50, Subdivision 2, is amended to read:

Subd. 2. If a member desires to repay his ~~refundments~~ refunds , payment shall include ~~four-six~~ percent interest from date of withdrawal to the date payment is made and be credited to the fund.

Sec. 41. Minnesota Statutes, 1973 Supplement, Section 354.50, Subdivision 4, is amended to read:

Subd. 4. ~~Notwithstanding the three year service requirement provided in subdivision 1, Any person who has received a refundment-refund from the teachers retirement association and who is a member of any public retirement fund referred to in section 354.60 may repay such refundment refund with interest to the teachers retirement association. Repayment of the refundments-refunds under the provisions of this subdivision will be in accordance with all the provisions of this section except for the three year service requirement provided in subdivision 1 .~~

Sec. 42. Minnesota Statutes 1971, Section 354.51, Subdivision 1, is amended to read:

354.51 PAYMENTS TO RECEIVE CREDIT FOR PRIOR SERVICE.
Subdivision 1. After July 1, 1961, no member shall be entitled to make payments in lieu of salary deductions to the retirement board to receive credit for any period of service prior to that date for which employee contributions were not deducted from his salary, except as provided in ~~section-sections~~ 354.09, subdivision 4, ~~354.38~~, 354.50 ; or 354.53.

Sec. 43. Minnesota Statutes 1971, Section 354.52, Subdivision 2, is amended to read:

Subd. 2. Each ~~county superintendent or county administrator,~~ board of education or managing body shall, on or before August 1, each year, report to the teachers retirement board giving an itemized summary of the total amount withheld from the salaries of teachers for regular teacher's retirement deductions and for variable annuity deductions, and such other information as the teacher's retirement board may require. If such itemized summary is received after August 1 in any year, there shall be a penalty not to exceed \$25 for each month or portion thereof which the summary is delinquent, as determined by the board.

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Sec. 44. Minnesota Statutes 1971, Section 354.52, Subdivision 4, is amended to read:

Subd. 4. At least once a month, the treasurer of each employing school district and other managing bodies of schools and institutions to which sections ~~354.05 to 354.14 and 354.31 to 354.61 and acts amendatory thereof~~ the provisions of this chapter apply shall transmit all amounts due and furnish a signed statement indicating the amount due and transmitted, which signing of such statement shall have the force and effect of an oath as to the correctness of the amount due and transmitted, and shall transmit a statement of such other information as the board shall require. Any amount thus due and not transmitted, shall accrue interest at the rate of six percent compounded annually commencing 30 days after the date first due until transmitted and shall be paid by the employing school district or other managing institution. The state treasurer shall credit all money received or withheld pursuant to the provisions of sections ~~354.05 to 354.14 and 354.31 to 354.61 and acts amendatory thereof~~ this chapter to the fund and the reports and date received by him from each reporting agency shall be available for the board. Any person willfully failing to perform any of the duties imposed upon him by this section shall be guilty of a misdemeanor.

Sec. 45. Minnesota Statutes 1971, Section 354.52, Subdivision 5, is amended to read:

Subd. 5. The state treasurer, the several county treasurers, and the treasurers of the various school districts and institutions to which sections ~~354.05 to 354.14 and 354.31 to 354.61 and acts amendatory thereof~~ the provisions of this chapter apply shall be officially liable for the receipt, handling, and disbursement of all moneys coming into their hands belonging to the fund and the sureties on the official bonds of each of these treasurers shall be liable for such moneys the same as for all other moneys belonging to the school funds of this state.

Sec. 46. Minnesota Statutes, 1973 Supplement, Section 354.53, Subdivision 1, is amended to read:

354.53 MILITARY SERVICE CREDIT. Subdivision 1. Any employee given a leave of absence to enter military service and who returns to teaching service upon discharge from military service as provided in section 192.262, shall 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, induct or call to active duty. Such member shall obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. For service rendered prior to July 1, ~~1960-1957~~, the amount of his contribution shall be an amount equal to six percent of his salary ~~multiplied by the number of years of such military service, together with interest thereon at the rate of four percent per annum from the time such mili-~~

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tary service was rendered to the first date of payment. The payments hereunder shall; not to exceed \$175 per year for any service rendered prior to July 1, 1953, \$216 per year for service rendered during the period July 1, 1953 through June 30, 1955, \$288 per year for service rendered during the period July 1, 1955 through June 30, 1957; and ~~\$432~~ per year for service rendered during the period July 1, 1957 through June 30, 1967. For service rendered subsequent to July 1, 1960-1957 the amount of this contribution shall be an amount equal to seven percent of his salary multiplied by the number of years of such military service, together with interest thereon at the rate of four percent per annum from the time such military service was rendered to the first date of payment: as follows:

| <u>Period</u> | <u>Basic Member</u> | <u>Coordinated Member</u> |
|----------------------|----------------------|---------------------------|
| <u>July 1, 1957</u> | <u>6 percent not</u> | <u>3 percent not</u> |
| <u>thru</u> | <u>not to exceed</u> | <u>not to exceed</u> |
| <u>June 30, 1967</u> | <u>\$432</u> | <u>\$216</u> |
| <u>July 1, 1967</u> | | |
| <u>thru</u> | <u>6 percent</u> | <u>3 percent</u> |
| <u>June 30, 1969</u> | | |
| <u>July 1, 1969</u> | | |
| <u>thru</u> | <u>7 percent</u> | <u>3 1/2 percent</u> |
| <u>June 30, 1973</u> | | |
| <u>July 1, 1973</u> | | |
| <u>and</u> | <u>8 percent</u> | <u>4 percent</u> |
| <u>thereafter</u> | | |

The contributions specified in this subdivision shall be multiplied by the number of years of such military service together with interest thereon at the rate of six percent per annum from the time such military service was rendered to the first date of payment. In such cases the employer contribution and additional contribution provided in section 354.42 shall be paid by the state in the manner provided in section 354.43. Payment for military service which is part of any agreement signed by a member in accordance with section 354.51, subdivision 2, is not subject to the provisions of this section.

Sec. 47. Minnesota Statutes, 1973 Supplement, Section 354.55, Subdivision 3, is amended to read:

Subd. 3. Any person who ceased teaching service prior to July 1, 1957, who left his accumulated deductions in the fund for the purpose of receiving when eligible, a retirement annuity in accordance with the law in effect at the date such service terminated, shall have his annuity computed in accordance with the law in effect at the date he ceased teaching service, except that if such person has ten or more years of allowable service credit, his retirement annuity shall be determined under the law in effect on June 30, 1969.

Sec. 48. Minnesota Statutes 1971, Section 354.55, Subdivision 11,

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is amended to read:

Subd. 11. Any person covered under ~~section 354.33, subdivisions 7 and 8, and~~ section 354.44, subdivisions 6 and 7, who ceases or has ceased to render teaching service may leave his accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for such an annuity shall be determined by the provisions of section 354.44, subdivision 1, or section 354.60.

The amount of the deferred retirement annuity shall be ~~determined by section 354.33, subdivisions 7 and 8, and~~ section 354.44, subdivisions 6 and 7, and augmented as provided herein. The required reserves related to that portion of the annuity which had accrued at the time the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. The rates of interest used for this purpose shall be ~~the interest assumptions which were in effect during the period for which interest is compounded~~ five per cent commencing July 1, 1971. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person does not render teaching service in any one or more consecutive fiscal years and then resumes teaching service, the formula percentages used from date of resumption will be those applicable to new members. The mortality table and interest assumption contained therein used to compute such annuity will be determined by the law in effect at the time of the member's retirement. A period of uninterrupted service for the purposes of Laws 1971, Chapter 87 shall mean a period of covered teaching service during which the member has not been separated from such service for more than one fiscal year.

The provisions of ~~Laws 1971, Chapter 87~~ this subdivision shall ~~not apply to variable account accumulations as defined in section 354.05, subdivision 23.~~

In no case shall the annuity payable herein be less than the amount of annuity payable pursuant to ~~section 354.33, subdivisions 7 and 8, clauses (1) and (2), and~~ section 354.44, subdivisions 6 and 7; ~~clauses (1) and (2).~~

Sec. 49. Minnesota Statutes, 1973 Supplement, Section 354.55, Subdivision 12, is amended to read:

Subd. 12. When any member retires under the law in effect ~~on June 30, 1969~~ prior to July 1, 1973 that portion of his annuity based on accumulations after June 30, 1957 under the provisions of Minnesota Statutes 1971, Section 354.44, Subdivision 2 and all accumulations under the provisions of Minnesota Statutes 1971, Section 354.33, Subdivi-

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sion 1 shall be calculated using the same mortality table and interest assumption used to transfer the required reserves to the Minnesota adjustable fixed benefit fund. ~~This provision shall apply to all those teachers retiring after June 30, 1969.~~

Sec. 50. Minnesota Statutes, 1973 Supplement, Section 354.55, Subdivision 13, is amended to read:

Subd. 13. ~~Except as provided in section 354.145,~~ Any person who ceased teaching service prior to July 1, 1968, who has ten years or more of allowable service and left his accumulated deductions in the fund for the purpose of receiving when eligible a retirement annuity, shall have his annuity computed in accordance with the law in effect on June 30, 1969, except that the portion of his annuity based on accumulations after June 30, 1957, under the provisions of Minnesota Statutes 1967, Section 354.44, Subdivision 2, and all accumulations under the provisions of Minnesota Statutes 1967, Section 354.33, Subdivision 1, shall be calculated using the same mortality table and interest assumption used to transfer the required reserves to the Minnesota adjustable fixed benefit fund.

Sec. 51. Minnesota Statutes, 1973 Supplement, Section 354.55, Subdivision 16, is amended to read:

Subd. 16. Any member who ceased to render teaching service during the 1972-73 fiscal year whose application for retirement becomes effective after June 30, 1973, shall be eligible to receive the new retirement benefits provided in ~~sections 354.33, subdivisions 1, 7 and 8; section 354.44, subdivisions 2, 6 and 7.~~

Sec. 52. Minnesota Statutes, 1973 Supplement, Section 354.55, Subdivision 17, is amended to read:

Subd. 17. (1) ~~Teachers who retire after June 30, 1973 and who failed to make an election pursuant to section 354.145, subdivision 1, clause (1) shall have their annuity at retirement computed under section 354.33, subdivision 1 or subdivision 7, whichever is larger.~~

(2) Teachers who retire after June 30, 1973 and who failed to make an election pursuant to Minnesota Statutes 1971, Section 354.145, Subdivision 1, Clause (1) and Subdivision 2, Clause (1) shall have their annuity at retirement computed under section 354.44, subdivision 2 or subdivision 6, whichever is larger.

Sec. 53. Minnesota Statutes 1971, Section 354.55, is amended by adding a subdivision to read:

Subd. 19. Any member who has not retired and who made payments to the fund pursuant to Minnesota Statutes 1965, Section 354.511 shall be entitled upon request to receive a refund of such amounts.

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Sec. 54. Minnesota Statutes 1971, Chapter 354, is amended by adding a section to read:

[354.092] SABBATICAL LEAVE. If a member is granted a Sabbatical leave, he may receive allowable service credit not exceeding three years in any ten consecutive years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution shall be based upon the appropriate rate of contributions and the salary received during the year immediately preceding the leave. This payment must be made within one year following termination of leave of absence, and shall be without interest. A member shall not accrue more than three years allowable service by reason of this section unless the allowable service credit was paid for by the member prior to July 1, 1962. A Sabbatical leave for the purpose of this section must be compensated by a minimum of one third of the salary the member received during the prior fiscal year. If the employee contributions during the period of the leave are less than the contributions based on the salary received during the year immediately preceding the leave, his formula service credit shall be prorated according to section 354.05, subdivision 25, clause (4).

Sec. 55. Minnesota Statutes 1971, Section 354.58, is amended to read:

354.58 SUPPLEMENTAL RETIREMENT ANNUITY. A supplemental retirement annuity shall be paid only to a member who retires pursuant to sections 354.33, subdivision 1, or 354.44, subdivision 2, and the options related thereto as established in sections 354.34, 354.35, and 354.45. In establishing this supplemental retirement annuity the board shall ascertain the member's accumulated deduction including interest for the period of allowable service prior to July 1, 1957, and the member shall receive a retirement credit of 100 percent of this amount. The retirement credit so established shall be the basis for purchasing a supplemental retirement annuity using the 1937 standard annuity table of mortality set back two years with interest at the rate of three and one half percent and calculated separately as to sex. This supplemental retirement annuity shall be doubled. ~~Each annuitant who commenced drawing his annuity between July 1, 1967 and June 30, 1969, or the beneficiary or beneficiaries of such members who were receiving annuity payments on July 1, 1969 under Minnesota Statutes 1967, Sections 354.33 and 354.34, or 354.44 and 354.45, shall have his annuity recomputed in accordance with the provisions of section 354.58 and any additional annuity shall begin to accrue July 1, 1969.~~

Sec. 56. Minnesota Statutes, 1973 Supplement, Section 354.62, Subdivision 2, is amended to read:

Subd. 2. INDIVIDUAL ELECTION. Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

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(1) Employee variable annuity contributions to the variable annuity division shall be :

~~(a) Pursuant to the options available in section 354.33, subdivision 1, clause (2); and section 354.33, subdivision 8, the employee variable annuity contribution shall be an amount equal to two percent of the salary of every member.~~

~~(b) pursuant to the ~~options~~option available in section 354.44, subdivision 2, clause (3); and section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to two percent of the salary of every coordinated member and four percent of the salary of every basic member.~~

~~(c) Pursuant to the option available in section 354.33, subdivision 9, the employee variable annuity contribution shall be an amount equal to four percent of the salary of every member.~~

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to ~~sections 354.32, subdivision 3 and~~section 354.42, subdivision 5.

~~(3) Said election shall be made in accordance with section 354.145, subdivisions 1 and 2. Said election once made is irrevocable.~~

~~(4)~~(3) There shall be provided for members participating in the variable annuity division a separate account for each member which will show his variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

Sec. 57. Minnesota Statutes, 1973 Supplement, Section 354.62, Subdivision 5, is amended to read:

Subd. 5. **VARIABLE RETIREMENT ANNUITY.** (1) At retirement the amount of the member's variable account accumulation in the employee variable annuity contribution account, based on the valuation at the previous fiscal year end plus any contributions made by such person since such date, and an equal amount from the employer variable annuity contribution account shall be transferred to the variable annuity reserve account, and the variable retirement annuity for the member shall be determined by the member's age, and sex, and the amount transferred for the member to the variable annuity reserve account at the date of retirement. The amount of the annuity shall be calculated

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on the basis of an appropriate annuity table of mortality with an interest assumption as provided in section 354.07, subdivision 1.

(2) Whenever the admitted value of the annuity reserve account of the variable annuity division, as of June 30 of any year, exceeds or is less than the then present value of all variable annuities in force, determined in accordance with the rate of interest and approved actuarial tables then in effect, by at least two percent of said present value, the amount of each variable annuity payment shall be proportionately increased or decreased for the following year.

(3) The death benefit payable in the event of a member's death prior to retirement will be the lump sum refund of a member's variable account accumulation, based on the valuation at the previous fiscal year end plus any contributions made by such person since such date, to the surviving dependent spouse, or if there is no surviving dependent spouse to his designated beneficiary. Except that if a member has made an election in accordance with section ~~354.36~~ or 354.46, then his surviving dependent spouse will receive a joint and survivor annuity as described in ~~sections 354.34 and section~~ 354.44 and computed as provided in clause (1). An amount equal to the lump sum refund made in this clause shall be transferred from the employer contribution account to the variable annuity turnover account.

(4) Except as provided in ~~sections 354.33, subdivision 1, clause (2); 354.33, subdivisions 8 and 9; 354.44, subdivision 2, clause (3); and section~~ 354.44, subdivision 7, any person who ceases to be a member by reason of termination of teaching service, shall be entitled to a lump sum refundment of his variable account accumulations, based on the valuation at the previous fiscal year end plus any contributions made by such person since such date. Application for a refundment may be made no sooner than 30 days after termination of teaching service if the applicant has not again become a teacher. Repayment of a refundment upon resumption of teaching is not permitted under this section. An amount equal to the refundment to the member shall be transferred from the employer contribution account to the variable annuity turnover account.

(5) If a member is determined to be totally and permanently disabled as provided in ~~Minnesota Statutes 1967,~~ sections 354.05, subdivision 14; ~~354.37;~~ and 354.48, he shall be entitled to the annuity provided in this subdivision.

(6) Those members eligible for retirement as provided in ~~Minnesota Statutes 1967,~~ Section 354.44, Subdivision 1 will upon application for the annuity provided therein be entitled to the annuity provided in this subdivision. The annuity elected in accordance with ~~Minnesota Statutes 1967,~~ sections ~~354.33, 354.34,~~ 354.44, and 354.45 shall be the annuity applicable to this subdivision.

(7) Notwithstanding section 356.18, increases in annuity pay-
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ments pursuant to this section will be made automatically unless written notice is filed by the annuitant with the teachers retirement association board requesting that the increase shall not be made.

(8) At retirement, a member may elect to have the amount of his variable annuity accumulation in the employee variable annuity contribution account and an equal amount from the employer variable annuity contribution account transferred to the Minnesota adjustable fixed benefit fund as provided in section 354.63, subdivision 2, clause (2). This election may also be made by a surviving dependent spouse who receives an annuity under clause (3) of this subdivision. Such election shall be made on a form provided by the board of trustees.

Sec. 58. Minnesota Statutes, 1973 Supplement, Section 354.63, Subdivision 2, is amended to read:

Subd. 2. VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS. ~~(1) As of June 30, 1969, the present value of all annuities in force as of June 30, 1969 and as amended in accordance with Laws 1969, Chapter 485, except for the annuities of those persons who retired pursuant to Laws 1915, Chapter 199, as amended, shall be determined in accordance with the 1937 standard annuity table of mortality set back two years and calculated separately as to sex, with an interest assumption of three and one half percent, and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund, during a period of one year in accordance with procedures specified in section 11.25.~~

~~(2)-(1)~~ Effective July 1, 1973 for those members retiring pursuant to sections ~~354.05 to 354.14 and 354.31 to 354.61~~ and acts amendatory thereof this chapter, the required reserves as determined in accordance with these sections shall be transferred to the Minnesota adjustable fixed benefit fund as of the date of retirement. An appropriate annuity table of mortality with an interest assumption as provided in section 354.07, subdivision 1, will be used to determine the amount to be transferred.

~~(3)-(2)~~ Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

~~(4)-(3)~~ Notwithstanding section 356.18, increases in annuity payments pursuant to this section will be made automatically unless written notice is filed by the annuitant with the teachers retirement association board requesting that the increase shall not be made.

Sec. 59. Minnesota Statutes 1971, Sections 354.05, Subdivision 18; 354.08; 354.09, Subdivision 2; 354.11; 354.12; 354.13; 354.14; 354.145, Subdivisions 3 and 4; 354.33, Subdivisions 2, 3, 4, and 9; 354.34, Subdivision 1; 354.36; 354.37; 354.41, Subdivision 1; 354.42, Subdivisions 1 and 6; 354.46, Subdivision 4; 354.47, Subdivision 3; 354.50, Subdivision 3; 354.51, Subdivisions 2 and 3; 354.511; 354.52, Subdivision 1; 354.54;

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354.55, Subdivisions 1, 4, 7, and 9; and 354.581; and Minnesota Statutes, 1973 Supplement, Sections 354.09, Subdivision 3; 354.145, Subdivisions 1 and 2; 354.31; 354.32; 354.33, Subdivisions 1, 7, and 8; 354.34, Subdivision 2; 354.38; and 354.55, Subdivision 8; are repealed.

Sec. 60. This act is effective July 1, 1974, except for section 53 which shall be effective the day following final enactment.

Approved March 27, 1974.

CHAPTER 290—S.F.No.3046

An act relating to weeds; notice to landowners of required eradication; amending Minnesota Statutes 1971, Section 18.271, Subdivision 2.

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

Section 1. Minnesota Statutes 1971, Section 18.271, Subdivision 2, is amended to read:

Subd. 2. **WEEDS; NOTICE TO LANDOWNERS; SERVICE.** Whenever a local weed inspector finds it necessary to secure more prompt or definite control or eradication of noxious weeds in certain special or individual instances, involving one or a limited number of persons than is accomplished by the general published notices, he shall cause to be served individual notices in writing upon the owner ~~or~~ and occupant, if other than the owner, giving specific instructions and methods when and how certain named weeds are to be controlled or eradicated. Such methods of control may include definite systems of tillage, cropping, management and use of livestock. All individual notices provided for herein shall be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on persons living temporarily or permanently outside of the local weed inspectors' jurisdiction whose property is vacant or unoccupied may be made by sending the notice by certified mail to the last known address of such person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Approved March 27, 1974.

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