

Subd. 7. This section does not affect the classification of individual parcels of land for purposes of taxation under the provisions of Minnesota Statutes, Section 273.13. No law or charter limiting the incurring of indebtedness or the levy of taxes by any city, village, or borough by reference to its population or the valuations of taxable property therein is amended by this section in its application to any city, village, or borough whose area is divided into urban and rural service districts.

Sec. 2. This act shall apply to taxes levied in 1966 and payable in 1967, and thereafter.

Approved May 25, 1965.

CHAPTER 713—H. F. No. 453

[Not Coded]

An act appropriating moneys to a certain school district in lieu of certain taxes.

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

Section 1. **[360.135] Independent School District No. 16; appropriation.** There is hereby appropriated annually to Independent School District No. 16 of Anoka county the sum of \$15,000, of which \$9,750 is appropriated from the state airports account within the special revenue fund in the state treasury and \$5,250 is appropriated from the general revenue fund in the state treasury, all as payment in lieu of taxes upon real property owned by the Minneapolis-St. Paul metropolitan airports commission.

Approved May 25, 1965.

CHAPTER 714—H. F. No. 488

An act relating to the public employees retirement association; amending Minnesota Statutes 1961, Chapter 353, Sections 353.27, Subdivisions 2, 3, and 5; 353.29, Subdivision 2, as amended; 353.39; 353.65, Subdivisions 2, 3, and 5; 353.66, Subdivision 2; 353.69.

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

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

Section 1. Minnesota Statutes 1961, Section 353.27, Subdivision 2, is amended to read:

Subd. 2. **Public employees retirement; employee contributions.** The employee contribution to the fund shall be an amount equal to six percent of the salary of every member. This contribution shall be made by deduction from salary in the manner provided in subdivision 4. *Prior to July 1, 1965 no deduction shall be made from any salary in excess of \$4,800 in any calendar year. From and after July 1, 1965 deductions shall be made on the salary received limited to \$6,000 in any calendar year.* 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 limited to ~~\$4,800~~ *\$6,000* in any calendar year.

Sec. 2. Minnesota Statutes 1961, Section 353.27, Subdivision 3, is amended to read:

Subd. 3. **Employer contributions.** The employer contribution to the fund shall be an amount equal to four percent of the salary of each member not exceeding \$4,800 in any calendar year for the period ~~commencing~~ *July 1, 1956 to June 30, 1957;* five percent *of such salary* for the following 12 month period; and six percent ~~thereafter.~~ *of such salary subsequently through June 30, 1965; and thereafter six percent of the salary received limited to \$6,000 in any calendar year.* This contribution shall be made in the manner provided in section 353.28.

Sec. 3. Minnesota Statutes 1961, Section 353.27, Subdivision 5, is amended to read:

Subd. 5. **Additional employer contributions.** An additional contribution shall be made to the fund based on two and one-half percent of the salary of each member not to exceed ~~\$4,800~~ *\$6,000* in any calendar year commencing July 1, 1958, to June 30, 1959, and each year thereafter for the purpose of amortizing the deficit in the fund. This contribution shall be made from funds available to the employing subdivision in the manner provided in section 353.28. This subdivision takes effect July 1, 1959.

Sec. 4. Minnesota Statutes 1961, Section 353.29, Subdivision 2, as amended by Laws 1963, Chapter 639, Section 1, 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

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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 ~~deductions~~ *employee contributions* were ~~based~~ *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 ~~\$4,800 through June 30, 1965, and his salary not exceeding \$6,000 for every calendar year thereafter, and for on which he had made employee contributions to the retirement fund.~~

Sec. 5. Minnesota Statutes 1961, 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 Minnesota Statutes, 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 ~~fixed~~ *calendar year through June 30, 1965, and six percent of his salary not exceeding \$6,000 for every calendar year thereafter* plus interest at four 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 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. 6. Minnesota Statutes 1961, Section 353.65, Subdivision 2, is amended to read:

Subd. 2. Employee contributions. The employee contribution to the fund shall be an amount equal to six percent of the salary of every member. This contribution shall be made by deduction from salary in the manner provided in subdivision 4. *Prior*

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to July 1, 1965 no deduction shall be made from any salary in excess of \$4,800 in any calendar year. *From and after July 1, 1965 deductions shall be made on the salary received limited to \$6,000 in any calendar year.* 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 total* salary received limited to ~~\$4,800~~ *\$6,000* in any calendar year.

Sec. 7. Minnesota Statutes 1961, Section 353.65, Subdivision 3, is amended to read:

Subd. 3. **Employer contributions.** The employer contribution to the fund shall be an amount equal to nine percent of the salary of each member not exceeding \$4,800 in every calendar year ~~commencing for the period July 1, 1958; through June 30, 1965; and thereafter nine percent of the salary received limited to \$6,000.~~ This contribution shall be made in the manner provided in section 353.28.

Sec. 8. Minnesota Statutes 1961, Section 353.65, Subdivision 5, is amended to read:

Subd. 5. **Additional employer contributions.** An additional contribution shall be made to the fund based on two and one-half percent of the salary of each member not to exceed \$4,800 in any calendar year *through June 30, 1965, and each year thereafter the additional employer contribution shall be an amount equivalent to two and one-half percent of the salary not in excess of \$6,000 in any calendar year of each member,* for the purpose of amortizing the deficit in the fund. This contribution shall be made from funds available to the employing subdivision *by the means and* in the manner provided in section 353.28.

Sec. 9. Minnesota Statutes 1961, Section 353.66, Subdivision 2, is amended to read:

Subd. 2. **Average salary.** The retirement annuity hereunder payable at age 58 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 while performing the duties of a police officer or fire fighter. If the member has earned allowable service while performing services other than those of a police officer or fire fighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30. Such retirement annuity is known as the "normal retirement annuity."

(a) For years prior to July 1, 1957, "average salary" for

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the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions were based for any five consecutive years prior to that date limited to \$4,800 per year;

(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 ~~\$4,800 through June 30, 1965, and his salary not in excess of \$6,000 for every calendar year thereafter,~~ and for which he had made ~~contribution~~ *employee contributions* to the retirement fund ~~by payroll deduction~~.

(c) Average salary in no case shall exceed ~~\$4,800~~ *\$6,000* per year.

Sec. 10. Minnesota Statutes 1961, Section 353.69, is amended to read:

353.69 Officers or employees of non-covered municipalities; optional membership. Any former member who is 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 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 per year: *through June 30, 1965, and thereafter at the rate of six percent of total salary not in excess of \$6,000 in any calendar year.* The municipality shall pay a matching amount plus the amount to amortize the deficit in the fund in the manner provided in sections ~~352.27~~ 353.27, subdivision 5, and ~~section~~ 353.28. Contributions for any past service shall be paid with interest at the rate of four percent per annum compounded 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.

Approved May 25, 1965.

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