

ing fund for deposit of storage and handling charges paid by recipients of donated foods shipped by the school lunch section of the department of education. These funds are to be used only to pay storage and related charges as they are incurred for United States department of agriculture foods.

Approved May 6, 1969.

CHAPTER 289—H. F. No. 1429

An act relating to retirement systems; actuarial surveys; amending Minnesota Statutes 1967, Section 356.21, Subdivisions 1 and 5.

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

Section 1. Minnesota Statutes 1967, Section 356.21, Subdivision 1, is amended to read:

356.21 Retirement systems; actuarial surveys. Subdivision 1. **Definitions.** For the purposes of sections 356.20 to 356.23 the terms hereinafter defined have the meanings given them:

(1) **Actuarial valuation.** Actuarial valuation means a calculation to determine the normal cost and accrued liabilities of a benefit plan, according to a stated actuarial cost method and based upon stated assumptions as to rates of interest, mortality, disability, withdrawal, and retirement, *and the assumptions under actuarial surveys as provided by subdivision 5.* Such valuation takes into account census data of all active members, former members still eligible for benefits, and annuitants under the plan.

(2) **Actuarial survey.** Actuarial survey means a report which includes the results of an actuarial valuation and in addition furnishes basic experience data and actuarial analysis which substantiate the assumptions made, as well as an analysis of the results of the actuarial valuation in comparison with previous actuarial valuations. Such survey also includes a determination of the payment necessary to amortize over a stated period any unfunded accrued liability disclosed as a result of the actuarial valuation and resulting balance sheet of the benefit plan, and a determination of the payment necessary to prevent any increase in any such unfunded accrued liability.

Sec. 2. Minnesota Statutes 1967, Section 356.21, Subdivision 5, is amended to read:

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

Subd. 5. **Actuarial survey; contents.** Each actuarial survey required under this section shall include:

(1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the laws governing the fund as of the date of the survey, computed in accordance with the Entry Age Normal Cost (Level Normal Cost) Method. Accrued liabilities of the fund shall also be calculated in accordance with that method.

(2) For each fund providing benefits under the money purchase method, the member contributions accumulated at interest, as apportioned to members' accounts, to the date of the survey. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase annuity rates which may apply.

(3) An interest assumption of three ~~percent~~ *and one half percent* and an assumption of three percent for comparison purposes.

(4) Other assumptions as to mortality, disability, withdrawal, and salary scale that are appropriate to the fund, which shall be set forth in the survey report.

(5) A balance sheet showing accrued assets, accrued liabilities, and the deficit from full funding of liabilities (unfunded accrued liability). The accrued liabilities shall include the following required reserves:

- (a) For active members
 - 1. Retirement benefits
 - 2. Disability benefits
 - 3. Refundment liability due to death or withdrawal
 - 4. Survivors' benefits
- (b) For deferred annuitants' benefits
- (c) For former members without vested rights
- (d) For annuitants
 - 1. Retirement annuities
 - 2. Disability annuities
 - 3. Widows' annuities
 - 4. Surviving children's annuities

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In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(6) In addition to the level normal cost, such additional rate of support as is required to amortize any deficit in the fund by the end of the fiscal year occurring in 1997.

(7) Each actuarial survey shall measure all aspects of the fund in accordance with such changes in benefit plans, if any, as will be in force during the following fiscal year.

(8) An actuarial balance sheet shall not include as an asset any amount representing the present value of contributions to be made for the purpose of amortizing the present deficit in the fund.

(9) A statement of the average entry ages at which employment commences.

(a) For all those currently active members at the date of the actuarial valuation.

(b) Separately as to new entrants for each of the last five fiscal years.

(10) A statement of the average ages at which survice retirements have taken place.

(a) For all service retirement annuitants living at the date of the actuarial valuation.

(b) Separately as to new retirements for each of the last five fiscal years.

(11) A separate item of administrative expense and a statement of level normal cost. The administrative expense and level normal cost shall also be expressed as a percentage of covered payroll.

(12) *For each fund providing any benefit that is based entirely on the rate of compensation in the year of retirement or later years or on a limited period of years in which compensation was at its highest level, an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.*

Approved May 6, 1969.

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