

Sec. 5. Sections 1, 2 and 3 of this act shall expire July 1, 1971.

Approved June 4, 1969.

CHAPTER 940—H. F. No. 365

[Coded in Part]

An act relating to the public employees retirement association; amending Minnesota Statutes 1967, Sections 353.01, Subdivisions 2 and 28; 353.03, Subdivision 1; 353.17; 353.27, Subdivision 6; 353.31, Subdivision 3; 353.32, Subdivisions 1, 2, and 3; 353.33, Subdivision 1; 353.34, Subdivision 1; 353.56, Subdivisions 1 and 2; 353.57; 353.68, Subdivision 2; 353.71, Subdivisions 1, 3, and 4; 355.87, Subdivisions 1 and 2; and 355.88.

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

Section 1. Minnesota Statutes 1967, Section 353.01, Subdivision 2, is amended to read:

Subd. 2. **Public employees retirement; omnibus provisions.** (1) "Public employee" means any person performing personal services as an elected or appointed officer or employee for a governmental subdivision or for an elected officer thereof, including any ~~probate judge~~, municipal judge or special municipal judge, and whose salary is paid, in whole or in part, from revenue derived from taxation, or by fees, assessments, or from other sources. The term "public employee" also means any person serving as an elected member of the legislature of the state of Minnesota, the secretary of the senate and the chief clerk of the house of representatives, or any person appointed as a district court reporter in this state and any officer or employee of the public employees retirement association, or any employee of the League of Minnesota Municipalities.

(2) "Public employee" does not mean

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

(b) election ~~of~~ officers;

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

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

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

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

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

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

(i) public employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision; provided that this paragraph shall not ~~apply to members of local police or firemen's relief associations who pay dues but no other contributions thereto in amounts less than \$13 in any calendar year; prevent a person who belongs to the public employees retirement association from also belonging to or contributing to a volunteer firemen's relief association that does not determine its benefits or contributions on the basis of the salary or compensation of the fireman;~~

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

(k) persons who make application to be exempted from membership in the public employees retirement association, due to membership in any religious organization which has been organized five years or more as of January 1, 1963, and whose customs, rites or religious belief forbids their membership in any public retirement as-

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sociation, providing such persons file an application stating the applicable provisions of their religious organization, and waive all claims for retirement *annuities or benefits of any kind in their fund pursuant to this chapter;*

(1) students who are occasionally employed part time by a governmental subdivision in any capacity and full time students who are enrolled and are regularly attending classes at an accredited school, college or university.

Sec. 2. Minnesota Statutes 1967, Section 353.01, Subdivision 28, is amended to read:

Subd. 28. **Retirement.** "Retirement" means the withdrawal of a member from active public service who is paid a retirement annuity thereafter and commences with the date designated by the board of trustees when the retirement annuity shall first accrue to the former member after his withdrawal from active public service. This date shall determine any rights specified in this chapter which occur either before or after retirement, as the case may be; but if there is not a complete and continuous separation from public service for 30 days following the ~~filing of an application for retirement~~ *withdrawal from public service for the purpose of retirement*, no rights shall accrue thereunder and retirement shall not be accomplished thereby.

Sec. 3. Minnesota Statutes 1967, Section 353.03, Subdivision 1, is amended to read:

353.03 Board of trustees. Subdivision 1. **Management.** The management of the public employees retirement fund is hereby vested in a board of trustees consisting of 12 members, who shall be known as the board of trustees. This board shall consist of the state auditor, the state insurance commissioner, the state treasurer, and nine other trustees, who shall be elected from the membership by the members of the retirement association ~~at a time and in a manner to be fixed by the board by mail ballot. On September 1 of each year, and for 7 days thereafter, the board shall accept at its office filings in person or by mail of candidates for the board of trustees. The candidate shall submit at the time of his filing a nominating petition signed by 25 or more members of the fund. Candidates shall file at large for all seats vacant at the forthcoming election. The board shall print and distribute to the members a ballot listing the candidates, the number of positions to be filled and blank lines for write in votes. No special marking may be used to indicate incumbents. Any candidate may have at his request a list of the membership with their employing subdivision and address shown, if available, prepared at the expense of the fund. It is illegal for a candidate to use or~~

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allow the use of the list for any purpose other than furthering his candidacy for the board. After the election the list shall be returned to the board. The last day of mailing ballots to the fund shall be October 31 of each year and ballots shall be sent to the members by October 10. All terms expire on October 31 of the year in which the term expires, and the position shall remain vacant until the newly elected member is qualified. The ballot envelopes shall be so designed and the ballots shall be counted in such a manner as to insure that each member's vote is secret. The election shall be supervised by the ex officio members of the board. Members of the board so elected shall hold office for a term of three years ~~and until their successors are elected and qualified.~~ Present members of the board of trustees shall serve for the terms for which they were elected. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers of the governmental subdivisions which aid in financing it and the public employees who are its beneficiaries.

Sec. 4. Minnesota Statutes 1967, Section 353.17, is amended to read:

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

Sec. 5. Minnesota Statutes 1967, Section 353.27, Subdivision 6, is amended to read:

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Subd. 6. Moneys credited to, and paid from, retirement fund. All contributions shall be credited to *a the public employees retirement fund* and all interest and other income of the association shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said association and the annuities and other benefits herein provided shall be paid only from said fund.

Sec. 6. Minnesota Statutes 1967, Section 353.31, Subdivision 3, is amended to read:

Subd. 3. Death after retirement; payment to surviving spouse. If any person dies after he has retired under the provisions of ~~sections~~ *section 353.29 or 353.30, subdivisions 1 and 2, and after his accumulated salary deductions have been fully paid out in the way of annuities,* there shall be paid to his surviving spouse an amount equal to the annuity for the entire month in which death occurs, if no optional annuity was designated by the *former* member.

Sec. 7. Minnesota Statutes 1967, Section 353.32, Subdivision 1, is amended to read:

353.32 Refundments after death of member or former member. Subdivision 1. **Before retirement.** If a member dies before retirement ~~and no optional annuity is payable,~~ a refundment shall be paid to his designated beneficiary *or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate* in an amount equal to his accumulated deductions plus interest thereon at the rate of two percent per annum compounded annually. *In the event a member dies who had received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment.* If the member had received a disability benefit during his lifetime, no interest shall be paid on his accumulated deductions in the fund at the time of his death. If a former member dies before he received a retirement annuity or allowance, a refundment shall be paid to his designated beneficiary *or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate* in an amount equal to his accumulated deductions without interest.

Sec. 8. Minnesota Statutes 1967, Section 353.32, Subdivision 2, is amended to read:

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

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

Sec. 9. Minnesota Statutes 1967, Section 353.32, Subdivision 3, is amended to read:

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

Sec. 10. Minnesota Statutes 1967, Section 353.33, Subdivision 1, is amended to read:

353.33 **Total and permanent disability benefits.** Subdivision 1. **Age, service and salary requirements.** ~~Where any~~ Any member *who* becomes totally and permanently disabled *before age 65 and* after ten years of allowable service or after age 50 with five years of allowable service, whichever is sooner, ~~he~~ shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's public service has terminated at any time, at least five of the required ten years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to a disability benefit.

Sec. 11. Minnesota Statutes 1967, Section 353.34, Subdivision 1, is amended to read:

353.34 **Termination of public service.** Subdivision 1.

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Refundment or deferred annuity. Any member who ceases to be a public employee by reason of termination of public service, shall be entitled to a refundment of his accumulated deductions as provided in subdivision 2, or to a deferred annuity as provided in subdivision 3. Application for refundment may not be made prior to date of termination of public service; *and refund shall be paid within 120 days following receipt of such application, provided applicant has not again become a public employee required to be covered by the association.*

Sec. 12. Minnesota Statutes 1967, Section 353.56, Subdivision 1, is amended to read:

353.56 Refundments after death of member or former member. Subdivision 1. **Before retirement.** ~~Where~~ *If* a member dies before retirement, there shall be paid to his *designated* beneficiary or, *if there be none, to his surviving spouse or, if none, to the legal representative of his estate,* as the case may be, an amount equal to his accumulated deductions plus interest ~~credited to this account to the date of death.~~ *thereon at the rate of two percent per annum compounded annually. In the event a member dies who had received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the member had received a disability benefit during his lifetime, no interest shall be paid on his accumulated deductions in the fund at the time of his death. If a former member dies before he received a retirement annuity or allowance, a refundment shall be paid to his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate in an amount equal to his accumulated deductions without interest.*

Sec. 13. Minnesota Statutes 1967, Section 353.56, Subdivision 2, is amended to read:

Subd. 2. **After retirement.** ~~Where~~ *If* a former member dies after retirement, ~~a death benefit shall be paid in accordance with his optional annuity selected pursuant to section 353.54 or any other reversionary annuity selected by the member before retirement; and an optional annuity pursuant to section 353.54 was not payable at the time of his death, there shall be paid to his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate a refundment of his accumulated deductions, less the total payments of all kinds made by the fund to the former member during his lifetime.~~

Sec. 14. Minnesota Statutes 1967, Section 353.57, is amended to read:

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353.57 Disability benefits; computation. ~~The disability benefit shall be computed in the manner provided in section 353.53. The disability benefit shall be is an amount equal to the "normal" annuity without reduction for each month the member is under age 65 at the time of retirement. payable to a member who has reached age 65 with the same number of years of allowable service and the same average salary, as provided in section 353.53. The optional annuities provided for in section 353.54 and the provision in section 353.33, subdivision 5, that "benefits computed under this section shall be reduced by the amount of disability benefits paid under the federal act"~~ do not apply to this section.

Sec. 15. Minnesota Statutes 1967, Section 353.68, Subdivision 2, is amended to read:

Subd. 2. Computation of disability benefits. ~~The computations of the disability benefits of section 353.33, subdivision 2, as they apply to members of the police and fire fund shall be~~ *The disability benefit is an amount equal to the normal annuity based on the person's age when disabled, payable to a member who has reached age 58 with the same number of years of allowable service and the same average salary, as provided in section 353.66, plus a supplementary monthly annuity benefit computed in accordance with the following table:*

| Age when Disabled | Supplementary Benefit |
|-------------------|-----------------------|
| Under 51 | \$50 |
| 51 | 44 |
| 52 | 38 |
| 53 | 32 |
| 54 | 26 |
| 55 | 20 |
| 56 | 12 |
| 57 | 6 |

Sec. 16. Minnesota Statutes 1967, Section 353.71, Subdivision 1, is amended to read:

353.71 Membership in various retirement associations; annuities. Subdivision 1. **Eligibility.** Any person who has been a member of the public employees retirement association or the ~~state employees retirement association~~ *Minnesota state retirement system* or the teachers retirement association shall be entitled when qualified to an annuity from each fund if his total allowable service in all three funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for

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benefits from another fund and provided further that he has not taken a refundment from any one of these three funds since his membership in that association *or system* last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant must have at least ~~ten years' membership service~~ or ten years of allowable service in the respective association *or system* shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years.

Sec. 17. Minnesota Statutes 1967, Section 353.71, Subdivision 3, is amended to read:

Subd. 3. **Postponement of deferred annuity.** No deferred annuity shall be paid from the public employees retirement fund during the time the former member is working and accruing service credit as a member of either the ~~state employees retirement association~~ *Minnesota state retirement system* or the teachers retirement association.

Sec. 18. Minnesota Statutes 1967, Section 353.71, Subdivision 4, is amended to read:

Subd. 4. **Repayment of refund.** Any person who has received a refundment from the public employees retirement fund prior to July 1, 1961, and who is a member of either the ~~state employees retirement association~~ *Minnesota state retirement system* or the state teachers retirement association may repay such refundment with interest to the public employees retirement fund. If a refundment is repaid to the fund and more than one refundment has been received from the fund, all refundments must be repaid. Such repayment shall be made as provided in ~~Minnesota Statutes 1957, Section~~ *section* 353.35, ~~and acts amendatory thereof~~, and under such terms and conditions consistent therewith as may be agreed upon with the board of trustees.

Sec. 19. Minnesota Statutes 1967, Section 355.87, Subdivision 1, is amended to read:

355.87 Refundments after death of member or former member. Subdivision 1. **Before retirement.** ~~Where~~ *If* a hospital employee member dies before retirement, there shall be paid to his *designated* beneficiary or, *if there be none, to his surviving spouse or, if none, to the legal representative of his estate*, as the case may be, an amount equal to his accumulated deductions plus interest ~~credited to this account to the date of death. thereon at the rate of two percent per annum compounded annually. In the event a member dies~~

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who had received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the member had received a disability benefit during his lifetime, no interest shall be paid on his accumulated deductions in the fund at the time of his death. If a former member dies before he received a retirement annuity or allowance, a refundment shall be paid to his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the legal representative of his estate in an amount equal to his accumulated deductions without interest.

Sec. 20. Minnesota Statutes 1967, Section 355.87, Subdivision 2, is amended to read:

Subd. 2. **After retirement.** ~~Where~~ *If a former hospital employee member dies after retirement, a death benefit shall be paid in accordance with his optional annuity selected pursuant to section 355.85 or any other annuity selected by the member before retirement; and an optional annuity pursuant to section 355.85 was not payable at the time of his death, there shall be paid to his designated beneficiary or, if there be none, to his surviving spouse or, if none, to the representative of his estate a refundment of his accumulated deductions, less the total payments of all kinds made by the fund to the former member during his lifetime.*

Sec. 21. Minnesota Statutes 1967, Section 355.88, is amended to read:

355.88 Disability benefits; computation. ~~The disability benefit shall be computed in the manner provided in section 355.84.~~ *The disability benefit shall be is an amount equal to the "normal" annuity without reduction for each month the member is under age 65 at the time of retirement; payable to a member who has reached age 65 with the same number of years of allowable service and the same average salary, as provided in section 355.84.*

Sec. 22. **[353.015] Member of legislature; lay-off or leave of absence.** *Notwithstanding any law to the contrary, if a member of the public employees retirement association is placed on lay-off or leave of absence for the purpose of serving as a member of the legislature, the leave thus granted shall not apply against any of the limitations contained in Minnesota Statutes, Section 353.01, Subdivisions 7, 12, and 16.*

Approved June 4, 1969.

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