

CHAPTER 998—H. F. No. 265

An act relating to the public employees retirement association; amending Minnesota Statutes 1967, Section 353.83.

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

Section 1. Minnesota Statutes 1967, Section 353.83, is amended to read:

353.83 Public employees retirement association; certain retired annuitants. Payments of retirement annuities pursuant to chapter 353, to annuitants who (a) retired prior to July 1, 1962, ~~and who~~ (b) had at least 20 years of allowable service as a member of credit in the public employees retirement association, ~~who were eligible for a pension~~ upon their termination of public employment, and ~~who~~ (c) receive annuities of less than \$200 per month shall, ~~effective retroactive to July 1, 1967,~~ be supplemented by additional payments by the public employees retirement association from moneys in the general revenue fund of the state of Minnesota in the amount of \$15 per month, provided that such annuitants have not previously qualified for the additional payments pursuant to this section, and provided further that in no case shall such adjusted the annuities plus the additional payments exceed \$200 per month. Moneys necessary to pay the supplemental benefit provided by this section are hereby annually appropriated from the said general revenue fund. *These additional payments shall be made in the same manner and at the same time retirement annuities are paid and shall be included in the warrants on which the annuities are so paid. The supplemental payment herein provided shall be excluded from the computation of any monthly survivor benefit or optional annuity which may become due and payable to any person following the death of an annuitant who, during his lifetime, received a benefit pursuant to this section. Such additional payments shall be made only to annuitants who request in writing the payment thereof. If an annuitant entitled to receive additional payment under this section should die before such retroactive payment is received, payment shall be made upon demand to his designated beneficiary in an amount equal to his accumulated benefit from July 1, 1967, to the date of his death, without interest.*

Approved June 6, 1969.

CHAPTER 999—H. F. No. 266

[Coded in Part]

An act relating to public employees retirement association;

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

amending Minnesota Statutes 1967, Sections 353.36, Subdivision 10; 355.296, by adding a subdivision; and 355.77, by adding a subdivision; Chapter 11 by adding a section.

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

Section 1. Public employees retirement association; adjustable fixed benefit fund. *The legislative retirement study commission shall make a study and investigation of the administrative and substantive provisions of the laws relating to the public employees retirement association. There is hereby appropriated from the general revenue fund the sum of \$25,000, or so much thereof as may be necessary, to pay the expenses of the commission incurred pursuant to this act. Any balance of this appropriation remaining at the end of any fiscal year shall not cancel, but be carried forward to the following year and thereafter until expended or returned by the commission.*

Sec. 2. *The legislative retirement study commission is hereby directed to prepare a report to the 1971 session, either separately or as a part of their usual biennial report as required by law, its recommendations resulting from the study and investigation provided by this act. It is the intention of this legislature, though not a binding condition, that any increase in benefits which might be recommended in such a report be made retroactive to persons retiring after June 30, 1969.*

Sec. 3. Minnesota Statutes 1967, Section 353.36, Subdivision 10, is amended to read:

Subd. 10. Time limit for payments. All options provided by subdivisions 6, 7 and 8 may be exercised until ~~December 31, 1969~~ June 30, 1970.

Sec. 4. [353.271] Participation in Minnesota adjustable fixed benefit fund. Subdivision 1. Authorization. *The public employees retirement association is hereby authorized to participate in the Minnesota adjustable fixed benefit fund. The provisions hereinafter provided in connection with the participation in the Minnesota adjustable fixed benefit fund as they relate to the computation and recomputation of annuities from time to time and all other matters shall apply as to assets, annuities and members, retired and active of all sections, divisions, and benefit schedules of the public employees retirement association, including but not limited to hospital employees, police and fire employees, those employees who are also members of the federal social security system and those employees who are not. There shall be one general participation in the Minnesota adjustable fixed benefit fund for all purposes by the public employees retirement association.*

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

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, except for supplementary benefits payable from the general revenue fund of the state and except for survivor or disability benefits, shall be determined by the 1965 group annuity table—males, the 1965 group annuity table—females, and three and one-half percent interest, 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 32 of the teachers retirement improvement act of 1969.*

(2) *Effective July 1, 1969, for those members retiring pursuant to the provisions of the law relating to the public employees retirement association, 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. The 1965 group annuity table—males, the 1965 group annuity table—females, and three and one-half percent interest, will be used to determine the amount to be transferred.*

(3) *Annually as of July 1 of each fiscal year the annuity payments made from the participation in the Minnesota adjustable fixed benefit fund shall be adjusted in accordance with the following procedures. Any adjustment in the amount of annuity payments shall become effective with the first payment falling due after December 31 next succeeding the July 1 as of which the adjustment was determined. A determination shall be made of the present value of all annuities in force payable from the participation in the Minnesota adjustable fixed benefit fund calculated in accordance with the mortality and interest assumptions then in effect. The ratio of the participation in the fund to such present values shall be determined and stated as a percentage of the total present value to the last full .5 of 1 percent. If such ratio is greater than 98 percent and less than 102 percent no adjustment of annuities will be made. If the ratio is equal to or greater than 102 percent or is equal to or less than 98 percent, the annuity payments currently payable shall be increased or decreased in the ratio so determined for the 12-month period beginning with the first payment due after December 31 next succeeding the valuation date, provided that the annuity payment to any annuitant shall never be an amount less than the amount originally determined on the date of retirement or on July 1, 1969, whichever is later but not including any supplemental benefit payable from the general revenue fund. For the purpose of calculating the adjustments provided herein, all persons retiring during any fiscal year shall be deemed to have retired in the same class as of June 30 preceding their date of retirement and all*

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

annuitants in such class are equally entitled to any adjustment of annuity payments. All persons retired prior to July 1, 1969 shall be in the same class as those retiring between July 1, 1969 and June 30, 1970. If the value of the participation in the Minnesota adjustable fixed benefit fund goes below the value of the reserves required to support the amount originally determined on the date of retirement or on July 1, 1969 whichever is later for any annuitant or class of annuitants, the excess of the amount paid over the amount which the reserves would support must be recovered by withholding the amount of any future increases in annuity payments to which the annuitant or class of annuitants would be otherwise entitled until the sum of the amounts withheld equals such accumulated excess. After any deficiency is recovered in full, the annuity will be increased on the basis of the cumulative ratio of assets to reserves currently applicable to such annuitant or class of annuitants. Exact procedures to be followed in making determinations as to the amounts to be received by persons commencing to receive benefits during the various fiscal years shall be determined by the board of trustees of the public employees retirement association in accordance with accepted actuarial and accounting practices.

(4) Notwithstanding Minnesota Statutes 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 public employees retirement association.

Sec. 5. Minnesota Statutes 1967, Section 355.296, is amended by adding a subdivision to read:

Subd. 4. Balances due after payment of retroactive social security employee and employer taxes. *Any member who elects social security coverage from and after January 1, 1969 and thereby transfers to the coordinated fund and from whose account retroactive social security employee taxes are paid by the board of trustees of the public employees retirement association, shall be required to reimburse the said association in an amount equal to the difference between employee contributions at the rate of six percent of his total salary and the aggregate of three percent of said salary plus the rate of retroactive social security employee taxes paid on said salary restricted to earnings limitations imposed by the federal insurance contribution act covering public service rendered from and after said date of January 1, 1969. In the event any such member does not reimburse the association within 30 days following notification by the public employees retirement association of the amount so due, interest shall accrue thereon at the rate of six percent per annum compounded annually from the date first payable. The governmental sub-*

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

division in which any such member rendered public service from and after January 1, 1969 covering which service retroactive social security employer taxes are paid by the board of trustees of the public employees retirement association shall be required to reimburse the said association in an amount equal to the aforementioned difference, such amount to be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer.

Sec. 6. Minnesota Statutes 1967, Section 355.77, is amended by adding a subdivision to read:

Subd. 4. Balances due after payment of retroactive social security employee and employer taxes. Any member who is employed by a public hospital and who elects social security coverage from and after January 1, 1969 and thereby transfers to the coordinated fund and from whose account retroactive social security employee taxes are paid by the board of trustees of the public employees retirement association, shall be required to reimburse the said association in an amount equal to the difference between employee contributions at the rate of six percent of his total salary and the aggregate of three percent of said salary plus the rate of retroactive social security employee taxes paid on said salary restricted to earnings limitations imposed by the federal insurance contribution act covering public service rendered from and after said date of January 1, 1969. In the event any such member does not reimburse the association within 30 days following notification by the public employees retirement association of the amount so due, interest shall accrue thereon at the rate of six percent per annum compounded annually from the date first payable. The governmental subdivision operating the public hospital in which any such member rendered public service from and after January 1, 1969 covering which service retroactive social security employer taxes are paid by the board of trustees of the public employees retirement association shall be required to reimburse the said association in an amount equal to the aforementioned difference, such amount to be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer.

Sec. 7. Minnesota Statutes 1967, Chapter 11, is amended by adding a section to read:

Sec. [11.29]. *All money necessary to meet the requirements of certification of withdrawal by funds authorized to participate in the Minnesota adjustable fixed benefit fund are hereby annually, and from time to time, appropriated from the Minnesota adjustable fixed benefit fund to the participating pension funds involved. Withdrawals for pensions is limited to those pensions for which reserves have been transferred to the Minnesota adjustable fixed benefit fund.*

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

Sec. 8. *This act shall become effective July 1, 1969.*

Approved June 6, 1969.

CHAPTER 1000—H. F. No. 569

[Coded]

An act relating to taxation; providing an income tax credit for pollution control equipment; amending Minnesota Statutes 1967, Section 290.06, by adding a subdivision.

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

Section 1. Minnesota Statutes 1967, Section 290.06, is amended by adding a subdivision to read:

Subd. 9. Taxation; income tax; credits; pollution control equipment. *(a) A credit of five percent of the cost of equipment included in section 290.09, subdivision 7, paragraph (A) that is installed and operated within Minnesota exclusively to prevent pollution of air or water in accordance with engineering principles approved by the Minnesota pollution control agency, may be deducted from the tax due under chapter 290 in the first year for which a depreciation deduction is allowed for the equipment. The credit allowed by this subdivision shall not exceed so much of the liability for tax for the taxable year as does not exceed \$50,000.*

(b) If the amount of the credit determined under (a) for any taxable year for which a depreciation deduction is allowed exceeds the limitation provided by (a) for such taxable year (hereinafter in this subdivision referred to as the "unused credit year"), such excess shall be,

(1) a credit carryback to each of the three taxable years preceding the unused credit year, and

(2) a credit carryover to each of the seven taxable years following the unused credit year.

The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the ten taxable years to which (by reason of (1) and (2)) such credit may be carried and then to each of the other nine taxable years; provided, however, the maximum credit allowable in any one taxable year under this subdivision (including the

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