

enters judgment pursuant to a confession of judgment executed by the defendant.

Approved May 13, 1971.

CHAPTER 260—H.F.No.1757

[Not Coded]

An act relating to Independent School District No. 625; amending Laws 1969, Chapter 911, Section 2.

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

Section 1. Laws 1969, Chapter 911, Section 2, is amended to read:

Sec. 2. **INDEPENDENT SCHOOL DISTRICT NO. 625; BONDING AUTHORITY.** This act shall become effective only after its approval by a majority of the board of Independent School District No. 625 and upon compliance with the provisions of Minnesota Statutes, 645.021, and shall expire June 30, ~~1971~~ 1973.

Approved May 13, 1971.

CHAPTER 261—H.F.No.2308

[Coded]

An act relating to retirement; enacting the volunteer firemen's relief association guideline act of 1971.

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

Section 1. **[69.771] VOLUNTEER FIREMEN'S RELIEF ASSOCIATION GUIDELINES ACT OF 1971; APPLICATION.** Subdivision 1. Excepting those firemen's relief associations governed by the Policemen and Firemen's Guidelines Act of 1969, all firemen's relief associations organized under any laws of this state composed of voluntary firemen or composed partially of volunteer and partially of paid personnel, that are operating under and paying pensions

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according to Minnesota Statutes, Section 69.06, or other general or special laws, the following applicable provisions shall govern.

Subd. 2. Effective January 1, 1972, it shall be unlawful for any governmental subdivision to contribute any public funds, or to levy taxes for the support of the operation and maintenance of a firemen's relief association that falls within the definition of subdivision 1, except in accordance with the provisions of this act.

Subd. 3. The commissioner of insurance shall not certify to a county auditor, as provided in Minnesota Statutes, Section 69.021, any association herein before defined, which does not comply with the provisions of this act. Such compliance shall be determined by the commissioner of insurance upon information newly required after January 1, 1972, within the financial report of association as described in Minnesota Statutes, Section 69.051.

Sec. 2. **[69.772] FINANCING PENSIONS.** Subdivision 1. The following subdivisions of this section apply to those firemen's relief associations paying lump sum pension benefits only, in accordance with Minnesota Statutes, Section 69.06, or other general or special laws, and do not provide monthly pension benefits. Each such firemen's relief association shall determine its financial requirements in accordance with the tables included herein and by the procedure set forth herein, and said determined financial requirements shall be provided for in the manner described herein.

Subd. 2. The following table shall be used to determine the liability of the special pension fund of the firemen's relief association relative to each active or deferred member of the fund, calculated individually:

<u>Cumulative</u> <u>Year</u>	<u>Accrued</u> <u>Liability</u>
1	\$ 30
2	62
3	95
4	130
5	167
6	205
7	246
8	288
9	333
10	380
11	429
12	481
13	535
14	592
15	652

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16	714
17	780
18	849
19	922
20	1000
21 and thereafter	50 additional per year

The accrued liability reflected in dollar amounts after each cumulative year of service, is the total liability earned to date for each \$1,000 of lump sum retirement benefit which will be payable to a member after age 50 and 20 years of service in accordance with the state statutes and bylaws of the association. The special fund accrued liability for each individual member shall be that multiple or portion of the amounts listed in the table, that the actual benefits provided by statute and bylaw bear to \$1,000. The total accrued liability of the special fund to the date of calculation shall be the sum of the accrued liability of the special fund as regards to each active member.

Subd. 3. The financial requirements of the fund shall be determined in the following manner:

(1) During the month of July, 1971, the total present liability of the special fund shall be calculated by the officers of the fund and it shall be the sum of the individual accrued liabilities for years of service of all active members through December 31, 1971. Fractional service years shall be calculated to the nearest full year of service.

(2) During the month of July 1, 1971, the total present assets of the special fund, projected to December 31, 1971, shall be calculated. This projection shall include anticipated receivables to the fund and anticipated disbursements from the fund to the end of the year. In following years, the current assets of the fund shall be determined in the same manner, projected to December 31 of that year.

(3) The amount by which the essential fund calculations of liability as determined by paragraph 1 exceeds or is less than the assets as determined by paragraph 2, shall be considered the deficit or surplus of the fund, as the case may be.

(4) Prior to August 1, 1971, and prior to each August 1 thereafter, the officers of the fund shall determine the projected accrued liability of the fund for the following calendar year in the same manner as the accrued liability of the present calendar year was determined, both calculated as of December 31.

(5) The total financial requirements of the special fund for the following year shall be the net amount of increase in the accrued liability of the following year over the present year with the following adjustments:

(a) From the total net increase shall be deducted the anticipated amount of any state aid to be received during the following calendar year, pursuant to Minnesota Statutes, Chapter 69.

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(b) From the total increase shall be deducted an assumed three percent interest on the projected assets of the fund calculated as of the end of the present calendar year, determined in the manner prescribed in paragraph 2.

(c) To the total increase in accrued liability shall be added an amount equal to one tenth of the deficit, if any, as determined on the original computation of accrued liability and assets for the year 1971. Such one tenth shall be added each year until the assets of the special fund are equal to the accrued liability as annually determined.

(d) At any time that the special fund has a surplus where present assets exceed the present accrued liability, the financial requirements for the ensuing year shall be the amount that the accrued liability for said year, after the adjustments described in this paragraph have been made, exceeds the assets of the fund.

Subd. 4. The financial requirements of the special fund as determined in subdivision 3 shall be certified to the governing body of the municipality by August 1 of each year. The municipality shall provide by tax levy or otherwise the financial requirements so certified, or more. The tax levy herein provided may be in addition to any statutes or charter limits governing the municipality.

Subd. 5. Interest earned upon invested assets of the special fund shall be credited to the special fund, but such revenue shall not enter into calculations except as provided in subdivision 3, paragraph (5)(b).

Subd. 6. Bylaw or articles of incorporation changes after January 1, 1970, affecting benefits paid from the special fund shall not be effective or remain effective until ratified by the local governing body. Any increase in deficit resulting from a bylaw change after the original determination of the fund's deficit, shall be amortized over the same period and with the same manner as provided for in subdivision 3, paragraph (5)(c).

Sec. 3. [69.773] FUNDS PAYING MONTHLY SERVICE PENSIONS. Subdivision 1. The following subdivisions of this section apply to those firemen's relief associations that provide for or allow a choice of a monthly service pension in accordance with and governed by Minnesota Statutes, Section 69.06, or other general or special laws. Each such relief association shall determine and provide for the financial requirements of the special fund in the manner described.

Subd. 2. Prior to September 1, 1971, each relief association governed by this section shall have an actuarial survey made of its special fund showing the condition of the fund as of December 31, 1970. This survey, and future surveys shall be in accordance with the provisions of Minnesota Statutes, Sections 69.73, 69.75 and 69.76,

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except that normal cost shall be expressed as a dollar amount, and the amortization period of any existing or new deficit created by benefit changes shall be 20 years from inception, or less. Such survey, and each succeeding survey, shall be filed with the governing body of the municipality in which the association is organized, and with the insurance commissioner's office. However, any relief association presently operating under special laws that provide for actuarial surveys at least every four years and in accordance with Minnesota Statutes, Section 69.73, said associations may continue to have surveys made according to the time schedule therein, except as modified by subdivision 3.

Subd. 3. The relief association shall thereafter obtain an actuarial survey at least every four years or prior to the ratification of a benefit change by the local governing body, whichever is sooner.

Subd. 4. The financial requirements of the special fund shall be determined by the officers of the association prior to September 1, 1971, and prior to each August 1 thereafter in the following manner:

(a) The normal cost as determined by actuarial survey, required to adequately finance currently accruing liabilities, shall be expressed as a dollar amount.

(b) To this normal cost shall be added an amortization payment sufficient to amortize the deficit determined as of December 31, 1970, or newly created deficit within a 20 year period from inception.

Subd. 5. The financial requirements as determined by subdivision 4 shall be certified to the governing body of the municipality prior to September 1, 1971, and prior to each August 1 thereafter. The minimum obligation of the municipality shall be the financial requirement so determined less one year's estimated state aid expected from the state pursuant to Minnesota Statutes, Chapter 69. The municipality shall provide the minimum obligation so determined, or more, by tax levy or otherwise. The tax levy herein provided may be in addition to any statutes or charter limits governing the municipality.

Subd. 6. Bylaw or articles of incorporation amendments after January 1, 1970, affecting benefits paid from the special fund shall not become or remain effective until the changes are ratified by the governing body of the municipality.

Sec. 4. [69.774] NONPROFIT FIREFIGHTING CORPORATIONS. Subdivision 1. The nonprofit fire fighting corporations organized pursuant to Laws 1961, Chapter 360, as amended, providing service pensions from a pension fund of the corporation in accordance with Minnesota Statutes, Section 69.69, or any special law, or a firemen's relief association subsidiary to a nonprofit fire fighting

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corporation and paying pension benefits, shall not be certified for state aid by the insurance commissioner, except as provided by this section.

Subd. 2. The firefighting corporations described in subdivision 1 shall qualify for state aid by the following procedure:

(a) The firefighting corporation or subsidiary relief association shall obtain an actuarial survey of the pension fund in the same manner as described in section 3, subdivisions 1, 2 and 3 of this act.

(b) The financial requirements of the fund shall be determined in the same manner as described in section 3, subdivision 4 of this act.

(c) The firefighting corporation shall annually from its income appropriate funds to the pension fund, at least equal to the financial requirements as determined by paragraph b, less the estimated state aid and any member contributions.

(d) The insurance commissioner shall certify the firefighting corporation or relief association for state aid if the requirements of this subdivision are complied with.

Subd. 3. If a firefighting corporation described in subdivision 1 received state aid, the provisions of Minnesota Statutes, Section 424.31 concerning disbursements of special fund assets shall govern.

Sec. 5. **[69.775] INVESTMENTS.** The special fund assets of the relief associations governed by this act shall be invested in securities which are proper investments for funds of the Minnesota State Retirement System, except that up to five percent of the special fund assets, but in no case exceeding \$10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on the date of enactment of this act. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment in the state board of investment under the provisions of Minnesota Statutes, Section 11.21.

Sec. 6. **[69.776] CITATION; APPLICATION OF OTHER LAWS.** Subdivision 1. This act may be cited as "The Volunteer Firemen's Relief Association Guidelines Act of 1971".

Subd. 2. Notwithstanding any other law to the contrary, no relief association described in this act, authorized under any present or future legislative act, shall be exempt from this act unless such relief association is exempted by specific legislative reference to the Volunteer Firemen's Relief Association Guidelines Act of 1971.

Approved May 13, 1971.

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