

Sec. 2. This act shall take effect upon its approval by the board of county commissioners of Ramsey county, and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 24, 1973.

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## CHAPTER 770—H.F.No.2447

[Not Coded]

*An act relating to the city of Minneapolis; disability, retirement, and survivor benefits for city employees; amending Laws 1973, Chapter 133, Sections 6, Subdivision 5; 8, Subdivision 2; 9, Subdivision 2; 15, Subdivisions 1, 2, and 3; 16, Subdivisions 2, 4, 7, 9, and by adding a subdivision; 18, Subdivision 3; 21, Subdivision 1; 22, by adding a subdivision; and 23, Subdivision 5.*

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

Section 1. Laws 1973, Chapter 133, Section 6, Subdivision 5, is amended to read:

Subd. 5. **MINNEAPOLIS, CITY OF; RETIREMENT PROGRAM; VALUATION OF ASSETS; ADJUSTMENTS OF BENEFITS.** (a) For those members retiring pursuant to this act, assets equal to the required reserves as determined in accordance with the ~~1937 standard annuity table set back two years and calculated separately as to sex~~ a mortality table appropriate to the fund with an interest assumption of ~~3½~~ five percent, shall be transferred to the Minnesota adjustable fixed-benefit fund except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of sections 9 and 15, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund and supplemented benefits specifically financed by statute.

(c) Notwithstanding the provisions of Minnesota Statutes, Section 356.18 increases in annuity payments pursuant to this section will be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase shall not be made.

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

(d) All annuities payable from the Minnesota adjustable fixed benefit fund which are in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for such annuities determined by using an interest assumption of three and one-half percent bears to the actuarially computed reserve for such annuities determined by using an interest assumption of five percent. The reserves upon which such increases shall be based shall be the actuarially determined reserves for all Minnesota adjustable fixed benefit fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of three and one-half percent and five percent. Such ratio of increase computed to the last full 1/100 of one percent shall be applied to all annuities payable from the Minnesota adjustable fixed benefit fund which are in effect on June 30, 1973. Any additional annuity shall begin to accrue on July 1, 1973 and shall be considered as part of the base amount to be used in determining any increase which may become effective on January 1, 1974 under the provisions of Minnesota Statutes, Section 11.25, Subdivisions 12 and 13.

(e) All assets in the annuity stabilization reserve and suspense account shall be credited proportionately to the individual retirement funds' participation in the Minnesota adjustable fixed benefit fund. Effective January 1, 1974 each participating fund in the Minnesota adjustable fixed benefit fund, except the municipal employees retirement fund, shall increase the benefits in effect on June 30, 1973 by an amount that when added to the increase granted to such benefits effective July 1, 1973, equals 20 percent. The increase shall apply to accrual of benefits commencing January 1, 1974 and shall be in lieu of the adjustment provided by Minnesota Statutes, Section 11.25, Subdivisions 12 and 13 scheduled to take effect January 1, 1974. The municipal employees retirement fund of Minneapolis shall determine the increase if any in accrual of benefits commencing January 1, 1974, determined on the basis of its entire participation in the manner provided in section 11.25, subdivisions 12 and 13 as amended by Laws 1973, Chapter 7.

(f) The actuary for each participating fund shall calculate the reserve required to support the benefits in effect on June 30, 1973 as increased July 1, 1973 and herein. As of December 31, 1973, each participating fund shall transfer to or from the Minnesota adjustable fixed benefit fund assets so that its participation equals the total of such required reserves and the reserve for benefits authorized on or after July 1, 1973. The increased benefits accruing as of January 1, 1974 shall be considered the "originally determined benefits" for the purpose of future adjustments.

Sec. 2. Laws 1973, Chapter 133, Section 8, Subdivision 2, is amended to read:

Changes or additions indicated by underline, deletions by strikeout.

Subd. 2. Prior to August 31 of each year the retirement board shall prepare an itemized statement of its financial requirements from tax revenue for the succeeding fiscal year. A copy of the statement shall be submitted to the board of estimate and taxation and to the city council prior to September 15 of each year. This statement shall include:

(1) An estimate of the administrative expense of the board less:

(a) Such amount as the board may charge against the interest income account of the fund as cost of handling the investment securities of the fund.

(b) The cost of handling the retirement benefits of any city-owned public utility, improvement project, or other municipal activities supported in whole or in part by revenues other than taxes.

(c) The cost of handling the retirement benefits of any public corporation and its employees who have availed themselves of the provisions of this act.

(2) An estimated amount not to exceed six percent of the salaries and wages of all employees covered by the retirement fund less any amounts contributed for current cost of future retirement benefits by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(3) The estimated amount to meet the requirements of section 6, subdivision 3, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(4) The cost of all monthly survivor's benefits provided in section 23 as an obligation of the city and any of its boards, departments, commission or public corporations as therein provided, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(5) Such other levies and financing as are required by law.

(6) The total of items 1, 2, and 3 above shall be increased or decreased as the case may be by any deficiency or excess of the amount of tax revenue actually collected within the preceding fiscal year under or over the amount actually determined to meet the financial requirements of the fund for such year. In no event

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shall the amount requested for levy exceed the total of entry age normal cost, less the amounts contributed by the employees, plus administrative expense, interest on the actuarial deficit at the rate of ~~three and one half~~ five percent per annum, an amount necessary to reduce the principal amount of the actuarial deficit in equal installments by the year 1997, plus interest upon any deficiency from the previous year's levy at the rate of four percent per annum. This limit does not apply to the requirements for survivors ~~benefits provided in section 23 nor to any levy which is administered by the retirement board pursuant to special act.~~

Sec. 3. Laws 1973, Chapter 133, Section 9, Subdivision 2, is amended to read:

Subd. 2. The contributing class shall consist of all employees not included in the exempt class, who become prospective beneficiaries of the fund created by this act.

A member of the contributing class who is granted a leave of absence without pay by his employer to serve as an employee or agent of a labor union primarily representing members of the contributing class may continue as a member of the contributing class during the period of such leave of absence by depositing each month with the fund the amount of the contribution of ~~both the employee and employer for such month~~ as required by this act which amount shall be the normal ~~cost of retirement allowances~~ employee contribution.

An individual who on the effective date of this act is a member of the contributing class or is on leave of absence to serve as an employee or agent of a labor union primarily representing members of the contributing class may receive credit as a member of the contributing class for any part of such leave periods as may be required to earn creditable years of service on the same basis as others of the contributing class by giving a written notice to the retirement board prior to July 1, 1969, of his election to receive such credit and by paying into the fund not later than July 1, 1973 the amounts required to pay the employee contributions for any part of such previous leave periods as the individual elects to buy back, at the normal contribution rate of the employee, plus four percent interest. The contributions referred to in this paragraph subdivision shall be based on the salary for the position or its equivalent held by the member immediately prior to such leave of absence subject to any adjustment thereof during the period of such leave.

Sec. 4. Laws 1973, Chapter 133, Section 15, Subdivision 1, is amended to read:

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Sec. 15. **SERVICE ALLOWANCE; CONTRIBUTING EMPLOYEES.** Subdivision 1. Except as otherwise provided in subdivision 3, all contributing members subsequent to the effective date of this act who, at the time of retirement, shall have fulfilled the conditions necessary to enable them to retire, shall be entitled to a minimum pension of \$2 per month for each year of service. The pension shall be the actuarial equivalent of the accumulated amounts of such annual installments as may be now or hereafter fixed and designated by law throughout the period of service of the retiring employee, not to exceed 25 years, accumulated to the date of retirement at four percent compound interest. The pension shall be in addition to the annuity. The annuity shall be the actuarial equivalent of the net accumulated contributions of the retiring employee, calculated at his age at the date of retirement. For the purposes of this act the "service allowance" for members of the contributing class shall consist of an "annuity" and a "pension". receive what shall be known as a "formula pension and annuity" equal to  $\frac{1}{55}$  of his arithmetic average annual salary, wages or compensation from the city for any five calendar years out of the last ten calendar years of service except as provided for in section 16, which may include the year in which the employee retires, as selected by the employee, multiplied by his years of service with the city. The formula pension and annuity shall be computed on the single life plan but subject to the option selections provided for in section 17.

In order to be entitled to the formula pension and annuity herein provided for, the retiring employee at the time of cessation of employment and of actual retirement must have attained the age of 60 years or have been employed by the city not less than 30 years, or meet the qualifications provided for in section 16, in addition thereto have contributed to the retirement fund at the percentage rate prescribed by the retirement law prior to the passage of this act on all salaries, wages, or compensation received from the city from January 1, 1922 to July 1, 1955, and at the percentage rate of six percent on all salaries, wages or compensation received from the city subsequent to July 1, 1955. The years of service to be applied in the formula pension and annuity shall be found and determined by the retirement board, except that no credit shall be allowed for the year or years in which a back charge is owing at time of retirement and the earnings from such year or years shall not be used in determining the average annual salary.

Sec. 5. Laws 1973, Chapter 133, Section 15, Subdivision 2, is amended to read:

Subd. 2. The pension provided for herein shall be the actuarial equivalent of the accumulated annual installments of \$2 per month for each year of service. The sum of \$2 shall be computed under the single life plan, and subject to the same option selections

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~~provided for in section 17. The pension and annuity provided for herein shall be first paid from the contributing member's own contributions and normal earned credits, plus interest, until such credits are exhausted. Voluntary additions to the employee's deposits made by the employee under the provisions of section 10 may be withdrawn by the retiring employee or, with the approval of the retirement board, applied to the purchase of an additional annuity computed and determined by the actuary in accordance with the same assumptions used by the fund.~~

Sec. 6. Laws 1973, Chapter 133, Section 15, Subdivision 3, is amended to read:

~~Subd. 3. In lieu of the formula pension, and annuity and additional pension provided for in subdivisions 1 and 2, each employee contributing member on the effective date of this act who is eligible and who ceases to be employed and who retires qualifies for retirement shall have the option of electing to receive what shall be known as "the \$2 bill and annuity", a "formula pension and annuity" equal to  $\frac{1}{100}$ th of his arithmetic average annual salary, wages or compensation from the city for any five calendar years out of the last ten calendar years of service which may include the year in which the employee retires, as selected by the employee, multiplied by his years of service with the city. The formula pension and annuity shall be computed on the single life plan but subject to the option selections provided for in section 18.~~

~~In order to be entitled to the formula pension and annuity herein provided for, the retiring employee at the time of cessation of employment and of actual retirement must have attained the age of 60 years or have been employed by the city not less than 30 years, and must in addition thereto have contributed to the retirement fund at the percentage rate prescribed by the retirement law prior to the passage of this act on all salaries, wages, or compensation received from the city from January 1, 1922 to July 1, 1955, and at the percentage rate of six percent on all salaries, wages or compensation received from the city subsequent to July 1, 1955. The years of service to be applied in the formula pension and annuity shall be found and determined by the retirement board.~~

~~Voluntary additions to the employee's deposits made by the employee under the provisions of section 10 may be withdrawn by the retiring employee or, with the approval of the retirement board, applied to the purchase of an additional annuity computed and determined by the actuary in accordance with the same assumptions used by the fund.~~

~~If a member of the contributing class makes the election herein provided for, he shall receive a minimum pension of \$2 per~~

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month for each year of service. The pension shall be the actuarial equivalent of the accumulated amounts of such annual installments as may be now or hereafter fixed and designated by law throughout the period of service of the retiring employee, not to exceed 25 years, accumulated to the date of retirement at four percent compound interest, and such extra credit to be furnished by the city as will produce such minimum pension of \$2 per month for each year of service. The pension shall be in addition to the annuity. The annuity shall be in the actuarial equivalent of the net accumulated contributions for the retiring employee, calculated at the date of retirement. For the purposes of this act the "service allowance" for members of the contributing class shall consist of an "annuity" and a "pension".

The pension provided for herein shall be the actuarial equivalent of the accumulated annual installments of \$2 per month for each year of service. The sum of \$2 shall be computed under the single life plan, and subject to the same option selections provided for in section 17. The pension and annuity provided for herein shall be first paid from the contributing member's own contributions and normal earned credits, plus interest, until such credits are exhausted.

Sec. 7. Laws 1973, Chapter 133, Section 16, Subdivision 2, is amended to read:

Subd. 2. If A member of the contributing class on the effective date of this act who makes the election herein and in subdivision 1 provided for, may, upon attaining the age of 55 years, but before attaining the age of 65 years, or someone acting in his behalf may make application for to receive such retirement allowance as is provided for in section 15, subdivision 3, in the manner provided for by section 17. Such retirement allowance shall be the actuarial equivalent of the city's contribution and the member's deposit, as they were on the date the separation becomes permanent, plus interest, as provided for in section 12.

Sec. 8. Laws 1973, Chapter 133, Section 16, Subdivision 4, is amended to read:

Subd. 4. A contributing member may, after electing to receive a retirement allowance as provided herein, make application to withdraw his deposit before reaching the age of 60 years, at which time that portion contributed by the city shall be canceled and one half the interest credited on his deposit on date of separation to date application is made to withdraw such credit shall be withheld and credited to the reserve for loss on investment account of such fund.

Sec. 9. Laws 1973, Chapter 133, Section 16, Subdivision 7, is amended to read:

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Subd. 7. Any member of the contributing class who becomes permanently separated from the service of the city after 10 or more years of service for such city, ~~but less than 20 years of service,~~ and who is under the age of 60 years, may, by an instrument in writing, filed with the retirement board within 30 days after such separation becomes permanent, elect to allow his contributions to such fund to the date of separation to remain on deposit in such fund, and in such event he shall be entitled to receive a retirement allowance at age 60 or later, but before age 65, provided he, or someone acting in his behalf if he be incompetent, make written application for such the retirement allowance provided for in section 15, subdivision 1, in the same manner provided for in section 17. ~~Such retirement allowance shall be the actuarial equivalent of the city's contribution and the member's deposit as they were on the date the separation becomes permanent, plus interest, as provided for in section 12.~~ The provisions of subdivisions 3, 4, 5 and 6 shall also apply to any member qualifying for benefits under this subdivision.

Sec. 10. Laws 1973, Chapter 133, Section 16, Subdivision 9, is amended to read:

Subd. 9. Any member of the contributing class who becomes permanently separated from the service of the city under subdivision 8, may, by an instrument in writing, filed with the municipal pension and employees retirement board within 30 days after such separation becomes permanent, elect to allow his contributions to such fund to the date of separation to remain on deposit in such fund, and in such event he shall be entitled to receive a retirement allowance at age 65, provided he, or someone acting in his behalf if he be incompetent, shall make written application for such retirement allowance in the same manner provided for in section 17. ~~Such retirement allowance shall be the actuarial equivalent of the city's contribution and the member's deposits as they were on the date the separation becomes permanent, plus interest, as provided for in section 12 and in accordance with the provisions of section 15, subdivision 1 except for determining average annual salary. A member with more than five calendar years of service but less than ten calendar years may select any five calendar years of service to determine average annual salary. A member with less than five years of service with the city shall use all earnings to determine the average annual salary.~~

If the contributing member dies before reaching the age of 65 years, or having attained the age of 65 years without having made the election provided for herein, the net accumulated amount of deductions from his or her salary, pay or compensation, plus interest, to his or her credit on date of death shall be paid to such person or persons as have been nominated by written designation

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filed with the retirement board, in such form as the retirement board shall require.

If the employee fails to make a designation, or if the person or persons designated by such employee pre-deceases such employee, the net accumulated credit to such employee's account on date of death shall be paid to such employee's estate.

The provisions of subdivisions 4, 5 and 6 shall also apply to any member qualifying for benefits under this subdivision, except for purposes of this subdivision the age referred to in subdivision 4 shall be 65 years.

Sec. 11. Laws 1973, Chapter 133, Section 16, is amended by adding a subdivision to read:

Subd. 10. All deferred allowances granted under this section shall be calculated as of the date of separation and shall be increased by the interest assumption rate provided for in Minnesota Statutes, Chapter 356.

Sec. 12. Laws 1973, Chapter 133, Section 18, Subdivision 3, is amended to read:

Subd. 3. Payment of any disability allowance shall continue throughout the full period of the disability subject to the same optional selections as are provided for service allowances; provided that when a disability beneficiary shall have attained the minimum age for retirement on a service allowance the disability allowance shall be discontinued only as provided by the terms of the option selected. Any employee eligible for a duty disability allowance who is also entitled to an allowance under a workmen's compensation act shall be entitled to receive during the period of such compensation only that portion of the retirement allowance provided by this act by which such disability allowance exceeds the workmen's compensation which when added to the workmen's compensation benefit does not exceed the salary of the employee at the time of disability.

Sec. 13. Laws 1973, Chapter 133, Section 21, Subdivision 1, is amended to read:

Sec. 21. **RETIREMENT ALLOWANCES INCREASED.** Subdivision 1. The retirement board shall increase the retirement allowances hereafter paid of those employees who have retired or shall retire under the "\$2 bill and annuity" after January 1, 1973 by three 25 percent increases computed separately, each increase not to exceed \$300 per annum.

Sec. 14. Laws 1973, Chapter 133, Section 22, is amended by adding a subdivision to read:

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Subd. 6. Any person who has received a refund from the municipal employees retirement fund, and who is a member of a public retirement system included in section 16, subdivision 8, may repay such refund with interest to the municipal employees retirement fund. If a refund is repaid to the fund and more than one refund has been received from the fund, all refunds must be repaid. Repayment shall be made as provided in this act.

Sec. 15. Laws 1973, Chapter 133, Section 23, Subdivision 5, is amended to read:

Subd. 5. Benefits herein provided shall commence with the first day of the month following the month in which the employee dies and shall end with the last day of the month preceding the month in which eligibility ceases. Eligibility for the benefits herein provided shall be determined by the retirement board and its determination shall be final. Each beneficiary or parent or guardian of a dependent child or legal representative shall furnish such information as the board may deem necessary to determine eligibility for the benefits provided by this section, and failure to furnish such information shall be sufficient grounds for the discontinuance of such benefits. If the widow or widower of the deceased member becomes entitled to a retirement allowance by reason of his or her membership in this fund, such widow or widower shall ~~have the option of either receiving~~ receive such retirement allowance ~~or to continue receiving in addition to the widow's or widower's benefit to which he or she is entitled.~~ The cost of all monthly survivor's benefits provided in this section shall be an obligation of the members and of the city and any of its boards, departments, commissions or public corporations as hereinafter provided.

Sec. 16. This act is effective upon approval by the city council of the city of Minneapolis and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 24, 1973.

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#### CHAPTER 771—H.F.No.2449

*An act relating to the pollution control agency; authorizing the issuance of bonds; appropriating money; amending Minnesota Statutes 1971, Section 116.18, Subdivisions 1 and 4.*

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

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