

ment of the parcel for housing available to persons and families of low and moderate income.

Sec. 8. Minnesota Statutes 1971, Section 462.545, Subdivision 1, is amended to read:

462.545 PUBLIC REDEVELOPMENT COST; PROCEEDS; FINANCING. Subdivision 1. **FINANCING PLANS AUTHORIZED.** The cost of a project, including administrative expense of the authority allocable to the project and debt charges, shall be known as the public redevelopment cost. The proceeds from the sale or lease of property in a project shall be known as the capital proceeds. Since it is the purpose of this act that authorities will sell or lease or retain the land in the redevelopment area, in whole or in part, for a variety of purposes, including private housing for upper or middle-income groups, or low income groups, public housing for low-income groups, commercial and other purposes, at its fair use value, except as provided in sections 6 and 7 of this act, which may be less than the public redevelopment cost, the capital proceeds from land sold may pay back only a portion of the public redevelopment cost. For the purpose of carrying out the provisions of sections 462.515 to 462.545, including the defrayment of the differences between the public redevelopment cost and the capital proceeds, which includes the difference between any annual debt service and the annual administrative expenses of the authority allocable to the project and any annual capital proceeds, an authority may, in its discretion, finance such projects in any one, by any combination of, the following methods, which are also dealt with in sections 462.415 to 462.711.

Approved March 23, 1974.

CHAPTER 229—S.F.No.3144
[Coded in Part]

An act relating to retirement; miscellaneous amendments to the public employees retirement law; providing benefits to qualified survivors of a basic member or a member of the police and fire fund; including members of the Association of Minnesota Counties in membership in the public employees retirement association; amending Minnesota Statutes 1971, Sections 353.01, Subdivisions 19 and 24; 353.05; 353.16; 353.32, by adding a subdivision; and 353.36, by adding a subdivision; and Chapter 353, by adding a section; and Minnesota Statutes, 1973 Supplement, Sections 353.01, Subdivisions 2b, 6, 10, 12, 16, and 20; 353.03, Subdivision 1; 353.27, Subdivisions 4 and 13; 353.29, Subdivision 2; 353.31, Subdivision 1; 353.32, Subdivision 1; 353.651, Subdivision 2; 353.657, Subdivision 3; and 353.71, Subdivision 2; repealing Minnesota Statutes, 1973 Supplement, Section 353.40.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. Minnesota Statutes, 1973 Supplement, Section 353.01, Subdivision 2b, is amended to read:

Subd. 2b. **PUBLIC EMPLOYEES RETIREMENT; BENEFITS; EXCLUDED EMPLOYEES.** The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. 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 120 working days if such employees continue in public service and earn in excess of \$75-\$150 in any one calendar month, the department heads must then report all such employees for membership 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-\$150, and part-time employees and elected officials whose annual compensation is stipulated in advance to be not more than ~~\$900~~\$1,800 per year.

(h) Persons who first occupy an elected office after February 1, 1969, the compensation for which does not exceed \$75-\$150 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) 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, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person who belongs to the

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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.

(k) 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.

(l) 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, and whose customs, rites or religious beliefs forbid their membership in any public retirement association, 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 pursuant to this chapter.

(m) 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.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, Chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, Chapter 793.

Sec. 2. Minnesota Statutes, 1973 Supplement, Section 353.01, Subdivision 6, is amended to read:

Subd. 6. **GOVERNMENTAL SUBDIVISION.** "Governmental subdivision" means a county, city, ~~village~~, borough, town, school district within this state, or a department or unit of state government, the League of Minnesota Municipalities, or any public body ~~employing any person who is a public employee by virtue of specific authorization made in section 353.01, subdivisions 2 and 2a~~ whose revenues are derived from taxation, fees, assessments or from other sources, but does not mean any municipal housing and redevelopment authority organized under the provisions of sections 462.415 to 462.711; or any port authority organized pursuant to chapter 458; or any soil conservation district organized pursuant to chapter 40; or any hospital district organized or reorganized pursuant to legislation enacted by the 1959 Legislature.

Sec. 3. Minnesota Statutes, 1973 Supplement, Section 353.01, Subdivision 10, is amended to read:

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Subd. 10. **SALARY.** "Salary" means the periodical compensation of any public employee, before deductions for deferred compensation or supplemental retirement plans, and also means "wages" and includes net income from fees. Lump sum annual leave payments and annual leave payments made after termination of public service shall not be deemed to be salary. Prior to the time that all sick leave has been used amounts paid to an employee, under a disability insurance policy where the employer paid the premiums, shall be considered salary; after all such sick leave has been used, such payment shall not be considered salary.

Sec. 4. Minnesota Statutes, 1973 Supplement, Section 353.01, Subdivision 12, is amended to read:

Subd. 12. **TEMPORARY LAYOFF.** "Temporary layoff" or "seasonal leave of absence" ~~means~~ ~~mean~~ a suspension of public employment for a period not exceeding three and one half months in any calendar year, by action of the employing governmental subdivision evidenced by appropriate record of the employer and promptly transmitted to the association.

Sec. 5. Minnesota Statutes, 1973 Supplement, Section 353.01, Subdivision 16, is amended to read:

Subd. 16. **ALLOWABLE SERVICE.** "Allowable service" means:

(1) Service during years of actual membership in the course of which employee contributions were currently made; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which he later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(2) Any period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(3) Any period of authorized leave of absence without pay or temporary layoff, during or for which a member obtained credit by payments to the fund made in lieu of salary deductions, provided that such payments are made in an amount or amounts based on his average salary on which deductions were paid (a) for the last six months of public service, or (b) that portion of the last six months while he was in public service, to apply to the period in either case immediately preceding commencement of such leave of absence or temporary layoff; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay or temporary layoff, or for any portion thereof, he shall also, as a condition to the exercise of such election, pay to the fund an amount equivalent to both the required employer and additional employer contributions therefor,

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such payment to be made currently or within one year from the date the leave of absence or temporary layoff terminates, unless the employer by appropriate action of its governing body and made a part of its official records, prior to the date of the first payment of such employee contribution, certifies to the association in writing that it will cause to be paid such employer and additional employer contributions from the proceeds of a tax levy made pursuant to section 353.28.

(4) Any period during which a member is on an authorized sick leave of absence, with or without pay, an authorized seasonal leave of absence, or an authorized temporary layoff.

(5) Any period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service pursuant to section 192.262, and pays into the fund employee contributions based upon his salary at the date of return from military service. The amount of these contributions shall be in accord with the contribution rates and salary limitations, if any, in effect during such leave, plus interest thereon at six percent per annum compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, shall be paid by the department employing such member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor. Such member shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty.

Sec. 6. Minnesota Statutes 1971, Section 353.01, Subdivision 19, is amended to read:

Subd. 19. **TOTAL AND PERMANENT DISABILITY.** "Total and permanent disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long-continued and indefinite duration: which is a period of at least one year.

Sec. 7. Minnesota Statutes, 1973 Supplement, Section 353.01, Subdivision 20, is amended to read:

Subd. 20. **DEPENDENT SPOUSE.** "Dependent spouse" means the unremarried spouse of a deceased member who was living with and dependent for more than one half of support upon the member at the time of death ~~for more than one-half of support~~, or at the time the member became totally and permanently disabled.

Sec. 8. Minnesota Statutes 1971, Section 353.01, Subdivision 24, is amended to read:

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Subd. 24. **OPTIONAL SURVIVORS ANNUITY.** "Optional survivors annuity" means the allowance paid or payable by the fund to a survivor of a former member, or deferred annuitant, or to the spouse of a deceased member under section 17 of this act, pursuant to an optional annuity form selected by such member at or before retirement.

Sec. 9. Minnesota Statutes, 1973 Supplement, Section 353.03, Subdivision 1, is amended to read:

353.03 BOARD OF TRUSTEES. Subdivision 1. **MANAGEMENT; COMPOSITION; ELECTION.** The management of the public employees retirement fund is hereby vested in a board of trustees consisting of 13 members, who shall be known as the board of trustees. This board shall consist of three trustees, one of whom shall be designated by each of the following associations, Minnesota school boards association, League of Minnesota Municipalities, and Association of Minnesota Counties, and nine trustees, who shall be elected from the membership by the members of the retirement association, and one trustee who shall be a retired annuitant elected by other annuitants. Elected trustees shall hold office for a term of ~~three-four~~ years. ~~On November 1 of each year, and~~ For seven days beginning December 1 of each year, except 1974 and every fourth year thereafter, the association 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, and in the case of a retired annuitant, a nominating petition signed by 25 or more such annuitants. No nominee may withdraw his name from nomination after ~~November-December~~ 15. Candidates shall file at large for all seats vacant at the forthcoming election. By ~~December~~ January 10 of each year the board shall distribute by mail to the members and annuitants ballots listing the candidates, the number of positions to be filled and blank lines for write in votes. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund shall be ~~December-January~~ 31. All terms expire on ~~December-January~~ 31 of the ~~third-fourth~~ year, 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 vote is secret. The election shall be supervised by the secretary of state. 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. 10. Minnesota Statutes 1971, Section 353.05, is amended to read:

353.05 CUSTODIAN OF FUNDS. The state treasurer shall be ex officio treasurer of the retirement funds of the association and his general bond to the state shall be so conditioned as to cover all liability for

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his acts as treasurer of these funds. All moneys of the association received by him shall be set aside in the state treasury to the credit of the proper fund. He shall transmit monthly to the secretary of the board of trustees a detailed statement of all amounts so received and credited by him to the fund. He shall pay out the fund only on warrants issued by the ~~state auditor~~ commissioner of finance, upon ~~vouchers~~ abstracts signed by the secretary of the board of trustees; provided that ~~vouchers~~ abstracts for investment may be signed by the secretary of the state board of investment.

Sec. 11. Minnesota Statutes 1971, Section 353.16, is amended to read:

353.16 AUDIT OF BOOKS AND ACCOUNTS; INSURANCE LAWS NOT APPLICABLE. None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds. The books and accounts of the association and the retirement fund shall be examined and audited annually, if funds and personnel permit, by the ~~public examiner~~ legislative auditor of the state and a full and detailed report thereof made to the board of trustees. The cost of such examination shall be paid by the retirement association in accordance with the provisions of section 16.20, subdivision 9. For the purposes of this section the public employees retirement association shall be considered a board as referred to in subdivision 9.

Sec. 12. Minnesota Statutes, 1973 Supplement, Section 353.27, Subdivision 4, is amended to read:

Subd. 4. EMPLOYERS REPORTING REQUIREMENTS; CONTRIBUTIONS; MEMBER STATUS. The head of each department is hereby directed to cause employee contributions to be deducted at least once each month from the salary of each member and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries, and at the same time to issue or approve one voucher for the aggregate amount of the employer contributions and the additional employer contributions for the same period of employment as that covered by the employee contributions, and to cause the same to be remitted within 15 days thereafter to the secretary of the board of trustees. The head of each department shall, for each pay period in which employee contributions are deducted, submit to the association a salary deduction report, in the form prescribed by the board of trustees, or in lieu thereof a carbon or duplicate copy of departmental payroll abstract, showing (a) the legal names and the association membership numbers, listed in alphabetical or association membership number sequence, of all members; (b) the legal names of all new public employees and the effective dates of appointment; (c) the amount of each salary deduction; (d) the amount of salary from which each deduction was made; (e) effective dates of all terminations of public service on account of members and if such terminations were caused by death or retirement, there shall be inserted after such date

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the applicable word, "death" or "retirement"; and (f) effective dates of all temporary layoffs and leaves of absence and if such leaves are sick leaves, there shall be inserted after such date the words, "sick leave." Additionally, reports of contributions shall be accompanied by a membership enrollment form for each new employee in the form prescribed by the board, and it shall be the responsibility of department heads to obtain such enrollment forms from new employees for prompt submission to the association. The employers shall furnish such additional reports or punch cards as may be requested by the association secretary.

Sec. 13. Minnesota Statutes, 1973 Supplement, Section 353.27, Subdivision 13, is amended to read:

Subd. 13. **CERTAIN WARRANTS CANCELED.** Any ~~state auditor's~~ warrant payable from the retirement fund remaining unpaid for a period of six years, shall be canceled into the retirement fund and not into the general fund.

Sec. 14. Minnesota Statutes, 1973 Supplement, Section 353.29, Subdivision 2, is amended to read:

Subd. 2. **AVERAGE SALARY.** In calculating the annuity under subdivision 3 : ~~(a)~~, "average salary" means an amount equivalent to the average of ~~his~~ a member's highest salary upon which employee contributions were paid for any five successive years of allowable service ~~prior to the date of separation from public service.~~

(b) "Years" for the purpose of determining average salary means years of allowable service ending with the date of the last full pay period prior to the date of separation from public service.

Sec. 15. Minnesota Statutes, 1973 Supplement, Section 353.31, Subdivision 1, is amended to read:

353.31 SURVIVOR BENEFITS. Subdivision 1. **BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN; BEFORE RETIREMENT.** Upon the death of a "basic member" before retirement or upon the death of a "basic member" who was disabled and receiving disability benefits pursuant to section 353.33 at the time of his death who has had at least 18 months of credited allowable service, his surviving dependent spouse and dependent children, as defined in section 353.01, subdivisions 15 and 20, shall receive the monthly benefit provided below:

(a) Surviving dependent spouse . . . 30 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding death

(b) Each dependent child 10 percent of the member's
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monthly average salary in effect over the last full six months of allowable service preceding death

Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit for any one family shall not exceed ~~\$400~~ \$450, and the minimum benefit per family shall not be less than 30 percent of the "basic member's" said average salary, subject to the aforementioned maximum. The surviving dependent spouse benefit shall terminate upon his or her remarriage, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a "basic member" whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision.

Under the terms of this subdivision there are no survivor benefits, as such, payable to the surviving spouse or dependent children of any deceased "coordinated member."

Sec. 16. Minnesota Statutes, 1973 Supplement, Section 353.32, Subdivision 1, is amended to read:

353.32 REFUNDS AFTER DEATH OF MEMBER OR FORMER MEMBER. Subdivision 1. **BEFORE RETIREMENT.** If a member or former member who terminated public service after June 30, 1973, dies before retirement or before he has received any retirement annuity and no other payment of any kind is or may become payable to any person, a refund 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. *Such refund shall be in an amount equal to his accumulated deductions plus interest thereon at the rate of three and one-half percent per annum compounded annually less the sum of any disability or other benefits, if any, that may have been paid by the fund; provided that a survivor who has a right to benefits pursuant to section 353.31 may waive such benefits in writing, except such benefits for a dependent child under the age of ~~21~~ 18 years may only be waived pursuant to an order of the district court.*

Sec. 17. Minnesota Statutes 1971, Section 353.32, is amended by adding a subdivision to read:

Subd. 1a. SURVIVING SPOUSE OPTIONAL ANNUITY. If a member who has attained the age of at least 58 years and has credit for not less than 20 years allowable service dies before public service has terminated, or if an employee who has filed a valid application for an an-

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nnuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to section 353.31, an annuity equal to the 50 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in Minnesota Statutes, Sections 353.29, Subdivisions 2 and 3, 353.30, Subdivision 1; and Minnesota Statutes, 1973 Supplement, Section 353.30, Subdivisions 1a, and 1b. The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 18. Minnesota Statutes 1971, Section 353.36, is amended by adding a subdivision to read:

Subd. 2d. PAYMENT TIME EXTENSION. A member who mailed a request to the association to purchase prior service credit under Minnesota Statutes 1971, Section 353.36, Subdivision 2, which request was postmarked and dated not later than June 30, 1973, shall be allowed to purchase prior service credit under Minnesota Statutes 1971, Section 353.36, Subdivision 2, provided such request was not processed by the association and that payment is received in the association office by January 1, 1975. A certification by a governing body of a governmental subdivision that it assumed the employer obligation as allowed in Minnesota Statutes 1971, Section 353.36, Subdivision 2, shall remain in effect and a governing body that had not done so previously, may assume the obligation to pay said matching amount with respect to the employer obligation allowed hereunder.

Sec. 19. Minnesota Statutes, 1973 Supplement, Section 353.651, Subdivision 2, is amended to read:

Subd. 2. AVERAGE SALARY. In calculating the annuity under subdivision 3 : (a), "average salary" means an amount equivalent to the average of the highest salary earned as a police officer or fire fighter upon which employee contributions were paid for any five successive years of allowable service prior to the date of separation from public service;

(b) "Years" for the purpose of determining average salary means years of allowable service ending with the date of the last full pay period prior to the date of separation from public service:

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Sec. 20. Minnesota Statutes, 1973 Supplement, Section 353.657, Subdivision 3, is amended to read:

Subd. 3. COMPUTATION OF BENEFITS; CHILDREN; BEFORE RETIREMENT. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ten percent of the member's average monthly salary earned as a police officer or fire fighter on which employee contributions were paid over the last full six months of allowable service preceding death. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit for any one family shall not exceed ~~\$400~~ \$450, and the minimum benefit per family shall not be less than 30 percent of the member's said average salary, subject to the aforementioned maximum.

Sec. 21. Minnesota Statutes, 1973 Supplement, Section 353.71, Subdivision 2, is amended to read:

Subd. 2. DEFERRED ANNUITY COMPUTATION; AUGMENTATION. The deferred annuity, if any, accruing under subdivision 1, or sections 353.34, subdivision 3, and 353.68, subdivision 4, shall be computed in the manner provided in said sections, on the basis of allowable service prior to termination of public service and augmented as provided herein. The required reserves applicable to a deferred annuity, or to an annuity for which a former member was eligible but had not applied, or to any deferred segment of an annuity shall be determined as of the date the annuity begins to accrue and shall be augmented by interest at the rate of ~~three and one-half~~ five percent per annum compounded annually from the first day of the month following the month in which the former member ceased to be a public employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from public service for more than two years. If a person repays a refund, the service restored thereby shall be considered as continuous with the next period of service for which the employee has credit with this association. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. This section shall not reduce the annuity otherwise payable under this chapter. This subdivision shall apply to deferred annuitants of record on July 1, 1971 and to employees who thereafter become deferred annuitants; it shall also apply from July 1, 1971 to former members who make application for an annuity after July 1, 1973.

Sec. 22. Minnesota Statutes 1971, Chapter 353, is amended by

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adding a section to read:

[353.85] OPTIONAL BENEFITS TO SURVIVORS OF MEMBERS WHO DIED AFTER JUNE 15, 1973. A qualified survivor of a "basic" member or a member of the police and fire fund where such member died after June 15, 1973 and was entitled to salary or vacation pay after June 30, 1973 shall in lieu of all other association survivor benefits be entitled to the survivor benefits payable under the law in effect on July 1, 1973.

Sec. 23. ASSOCIATION OF MINNESOTA COUNTIES EMPLOYEES. Subdivision 1. From and after July 1, 1974, employees of the Association of Minnesota Counties, hereinafter referred to as the association, shall become members of the public employees retirement association unless specifically exempt under section 1 of this act.

Subd. 2. An employee of the association shall pay contributions and have his rights determined under the law applicable to "coordinated" public employees retirement association members.

Sec. 24. PURCHASE OF PRIOR SERVICE CREDIT. A person who becomes a member of the public employees retirement association pursuant to this act may purchase prior service credit with respect to employment with the association by (a) paying to the public employees retirement association prior to August 1, 1974, an employee contribution in an amount equal to six percent of his salary received from the association, not exceeding \$4,800 in any calendar year prior to June 30, 1965, and not exceeding \$6,000 per year from July 1, 1965 to June 30, 1967, and at the rate of six percent of total salary received from the association after July 1, 1967, plus accrued interest for the total period of service at the rate of five percent per annum compounded annually from the year of purchase to the date payment is made; (b) the member at the same time shall pay additionally a matching amount equal to that required to be paid under (a) representing employers contributions; provided the association may, in its sole discretion, for all employees included hereunder, pay the public employees retirement association the obligation under (b) or may reimburse its employees for such amount.

Sec. 25. Minnesota Statutes, 1973 Supplement, Section 353.40, is repealed.

Sec. 26. This act is effective the day following its final enactment.

Approved March 23, 1974.

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