

other males with whom they are residing or have resided in the past.

**Sec. 8. [4.40] DISPLACED WORKER PROGRAMS.** The executive director of the governor's manpower office may enter into arrangements with existing private or nonprofit organizations and agencies with experience in dealing with displaced homemakers to provide counseling and training services. The director shall assist displaced homemakers in applying for appropriate welfare programs and shall take welfare allowances received into account in setting the stipend level. Income received as a stipend under these programs shall be totally disregarded for purposes of determining eligibility for and the amount of a general assistance grant.

**Sec. 9. APPROPRIATION.** There is appropriated from the general fund to the commissioner for the biennium ending June 30, 1979, the sum of \$500,000 for the purposes of sections 1 to 6. Of this sum, no more than \$50,000 may be spent for education program grants pursuant to section 2, subdivision 4 of this act. No more than 15 percent of the funds appropriated may be spent by the commissioner of corrections for purposes of administration of the program.

There is appropriated from the general fund to the executive director of the governor's manpower office the sum of \$100,000 for the purposes of section 8.

**Sec. 10. EFFECTIVE DATE.** Sections 1 to 6 are effective the day following final enactment. Sections 7 and 8 are effective July 1, 1977.

Approved June 2, 1977.

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CHAPTER 429—S.F.No.181

[Coded in Part]

*An act relating to retirement; increasing the size of the boards of trustees of the public employees retirement association, Minnesota state retirement system, teachers retirement association and Minneapolis municipal employees retirement board; providing for election processes; survivor benefits for deceased legislators; making miscellaneous changes in the public employees retirement association provisions; various technical amendments to the police state aid program; pension coverage for employees of state employee labor organizations; inclusions in the unclassified employees retirement plan; employment of certain substitute teachers beyond the mandatory retirement age; establishment of a coordinated program and providing for an increased retirement formula for the St. Paul teachers retirement fund association; delaying the establishment of a coordinated program for the Minneapolis teachers retirement fund association; delaying implementation of a limitation on the average salary for retirement benefits; purchase of prior service for certain legislative employees; modifying waiver requirements for certain district court judges and supreme court judges; proportionate annuity for certain Hennepin county district court employees; purchase of prior service for certain Ramsey county sheriff's department employees; repayment of refund for certain former members of the elective state officers plan; pension coverage for the Winona police chief; amending Minnesota Statutes 1976, Sections 3A.04, Subdivisions 1 and 2, and by adding a*

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*subdivision; 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 5, 6 and 7; 69.031, Subdivision 5; 352.03, Subdivisions 1, 2, and by adding a subdivision; 352B.01, Subdivision 3; 352B.08, Subdivision 2; 352B.10; 352D.02, Subdivision 1; 353.01, Subdivisions 2a, 2b, 6, and 15; 353.03, Subdivision 1; 353.27, Subdivision 4; 353.29, Subdivisions 4 and 8; 353.31, Subdivision 8; 353.32, Subdivision 7; 353.33, Subdivisions 1 and 9; 353.36, Subdivision 2; 353.37; 353.46, by adding a subdivision; 353.651, Subdivision 3; 354.05, by adding a subdivision; 354.06, Subdivision 1; 354.44, Subdivision 1a, as amended; 355.281; 355.286; 356.34, Subdivision 1; 422A.02; 422A.03, Subdivision 1; Chapters 352, by adding a section; 353, by adding a section; and 355, by adding sections; Laws 1975, Chapter 388, Section 1; Laws 1976, Chapter 238, Section 12; and Laws 1977, Chapter 35, Section 18; repealing Minnesota Statutes 1976, Sections 353.016; 353.018; 353.019; 353.03, Subdivision 2a; 353.31, Subdivision 11; 353.36, Subdivision 2d; 353.46, Subdivision 3; and 353.64, Subdivision 5.*

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

Section 1. Minnesota Statutes 1976, Section 3A.04, Subdivision 1, is amended to read:

**3A.04 PUBLIC RETIREMENT ASSOCIATIONS; MODIFICATIONS; SURVIVOR BENEFIT.** Subdivision 1. **SURVIVING SPOUSE.** Upon the death of a member of the legislature while serving as such member after June 30, 1973, or upon the death of a former member of the legislature with at least eight years of service as required by section 3A.02, subdivision 1, clause (1), the surviving spouse shall be paid a survivor benefit in the amount of one-half of the retirement allowance of the member of the legislature computed as though the member were at least age 60 on the date of his death and based upon his allowable service or eight years whichever is greater. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied to the month of death. Upon the death of a former legislator receiving a retirement allowance, the surviving spouse shall be entitled to one-half of the amount of the allowance being paid to the legislator. Such benefit shall be paid during the lifetime of the surviving spouse, but shall cease and terminate upon the remarriage of the surviving spouse.

Sec. 2. Minnesota Statutes 1976, Section 3A.04, Subdivision 2, is amended to read:

Subd. 2. **DEPENDENT CHILDREN.** Upon the death of a member of the legislature while serving as such member after June 30, 1973, or upon the death of a former member of the legislature with at least eight years of service as required by section 3A.02, subdivision 1, clause (1), each dependent child of such member shall be paid a survivor benefit in the following amount: First dependent child, a monthly allowance which equals 25 percent of the monthly retirement allowance of the member of the legislature computed as though the member were at least age 60 on the date of his death and based upon his allowable service or eight years whichever is greater; for each additional dependent child, a monthly allowance which equals 12 1/2 percent of the monthly retirement allowance of the member computed as in the case of the first child; but the total amount paid to the surviving spouse and dependent children shall not exceed in any one month 100 percent of the monthly retirement allowance of the member

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computed as in the case of the first child. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied to the month of death. Upon the death of a former legislator receiving a retirement allowance, the surviving dependent child shall be entitled to the applicable percentage of the amount of the allowance being paid to the former legislator. The payments for dependent children shall be made to the surviving spouse or the guardian of the estate of the dependent children, if there is one. A posthumous child qualifies as a dependent child for benefits provided herein from the date of its birth.

Sec. 3. Minnesota Statutes 1976, Section 3A.04, is amended by adding a subdivision to read:

Subd. 1a. INCREASE IN SURVIVOR BENEFITS. Survivor benefits provided in subdivision 1 authorized and in effect on the effective date of this act shall be increased by 25 percent, effective retroactively to January 1, 1974, or the date the survivor benefit became payable, whichever is later.

Sec. 4. Minnesota Statutes 1976, Section 69.011, Subdivision 1, is amended to read:

**69.011 QUALIFYING FOR STATE AID.** Subdivision 1. **DEFINITIONS.** Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapter 424 have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner or director of insurance.
- (b) "Municipality" means any city of any class, and organized town.
- (c) "Minnesota Firetown Premium Report" means a blank form containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums less return premiums and dividends received upon risks located or to be performed in this state.
- (d) "Firetown" means any municipality having a qualified fire department or a qualified incorporated fire department having a retirement plan.
- (e) "Average State Aid" means the sum of the amount of aid apportioned for firemen pensions or services the previous two years plus the amount of aid computed for apportionment by the assessed property valuation and population basis for the current year divided by three.
- (f) "Assessed Property Valuation" means latest available assessed value of all property in a taxing jurisdiction, whether such property is subject to taxation, or exempt from ad valorem taxation for any reason, appearing on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.
- (g) "Minnesota Aid to Police Premium Report" means a blank form containing space for reporting by each fire and casualty insurer of all premiums less return premiums

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and dividends received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported on lines 19, 20, and 21 of page 14 of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations.

(h) "Police officer" means any person:

(1) Whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full time basis of not less than 30 hours per week;

(2) Who has been employed for a minimum of six consecutive months prior to December 31 preceding the date of the current year's certification pursuant to section 69.011, subdivision 2, clause (b);

(3) Who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) Who is authorized to arrest with a warrant;

(5) Who is a member of a local police relief association or the public employees police and fire fund;

(6) Who, if employed in a municipality with a population of more than 1,000 inhabitants according to the most recent federal census, is certified, or meets the requirements for certification by the Minnesota police officers training board; and

(7) Who meets the selection standards of the Minnesota police officers training board.

(i) "Full time equivalent number of police officers providing contract service" means the integral or fractional number of police officers which would be necessary to provide the contract service if all were employed on a full time basis as defined by the employing unit in the municipality receiving the contract service.

Sec. 5. Minnesota Statutes 1976, Section 69.011, Subdivision 2, is amended to read:

Subd. 2. **CLERK TO FILE CERTIFICATE.** (a) On or before March 1 annually the clerk of each municipality having a duly organized fire department as provided in subdivision 4, clause (1) or the secretary of nonprofit fire fighting corporations having a relief and retirement plan or incorporated firemen's relief association shall certify that fact and the fire personnel and equipment of the fire department as of the preceding December 31 to the commissioner on a form prescribed by him together with the other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original.

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The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before March 1 annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by him together with the other facts the commissioner or auditor may require.

On or before March 1 annually, the clerk of each municipality and the auditor of each county employing one or more police officers as defined in section 69.021, ~~subdivision 5~~ 69.011, subdivision 1, clause (h), shall certify the number of such police officers ~~who were employed for a minimum of six months as of the preceding December 31,~~ to the commissioner on forms prescribed by him. For purposes of sections 69.011 to 69.051, employment of a police officer shall commence when the police officer is entered on the payroll of the respective municipal police department or county sheriff's department. No police officer shall be included in the certification of the number of police officers by more than one municipality or county.

Sec. 6. Minnesota Statutes 1976, Section 69.021, Subdivision 5, is amended to read:

Subd. 5. **CALCULATION OF STATE AID.** The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The amount for apportionment *in respect to firemen's state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report.* The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The total amount for apportionment in respect to police state aid shall be distributed to the counties for apportionment to municipalities maintaining police departments and to the county on the basis of the number of active police officers, as certified pursuant to section 69.011, subdivision 2, clause (b), ~~who are members of the public employees police and fire fund or of a local retirement association.~~ For purposes of sections 69.011 to 69.051, the term "police officer" means any person primarily employed by a municipality or a county as a full time salaried law enforcement officer sworn to enforce the general criminal laws of the state, authorized to arrest with a warrant, and certified or meeting the requirements for certification by the Minnesota police officers training board, ~~except in municipalities with a population of less than 1,000.~~ The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous ~~years~~ year's available ~~premiums~~ state aid using the ~~same premiums~~ as a basis for comparison.

Sec. 7. Minnesota Statutes 1976, Section 69.021, Subdivision 6, is amended to read:

Subd. 6. **CALCULATION OF APPORTIONMENT OF AID TO COUNTIES.**

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With respect to firemen, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their assessed property valuation, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns or townships in other counties as evidenced by valid fire service contracts filed with the commissioner of insurance and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. The amount of firemen's state aid apportioned to each county shall not be less than 100 percent nor more than 150 percent of the average state aid calculated for apportionment to the county. Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each county's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. Other necessary adjustments shall be made to subsequent apportionments. No county shall receive less than provided for under this subdivision.

The state aid available in respect to police officers shall not exceed the amount of tax collected and shall be distributed to the counties in proportion to the total number of active police officers, as defined in section ~~69.021, subdivision 5~~ 69.011, subdivision 1, clause (h), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Sec. 8. Minnesota Statutes 1976, Section 69.021, Subdivision 7, is amended to read:

**Subd. 7. APPORTIONMENT OF AID TO MUNICIPALITIES AND FIREMEN'S RELIEF ASSOCIATIONS BY COUNTY AUDITOR.** (1) The county auditor shall apportion the state aid received by him relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to this chapter to each municipality and/or firemen's relief association certified to him by the commissioner in the same manner that state aid is apportioned to the counties, one-half in proportion to the population and one-half in proportion to the assessed property valuation of the fire towns in the county for which aid is proportioned. The county auditor shall apportion the amount of aid to each municipality and/or firemen's relief association in an amount not less than 100 percent nor more than 150 percent of the average state aid calculated for apportionment to the municipality and/or firemen's relief association. Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each municipality's and/or firemen's relief association's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. No municipality or firemen's relief association shall receive less than provided for under this subdivision.

In the case of municipalities or independent fire departments qualifying for the aid the county auditor shall calculate the state aid for the municipality or relief association on the basis of the population and the property valuation of the area furnished fire

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protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with him. If one or more fire departments are furnishing contracted fire service to a city, town or township only the population and valuation of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the assessed property valuation of each service area. Agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

*In the case of cities of the first and second class the state aid calculated shall be paid directly to the treasurer of the relief association. In the case of all other municipalities and independent fire department relief associations or retirement plans the aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.*

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

(2) The county auditor shall apportion the state police aid received by him relative to the premiums reported on the Minnesota Aid to Police Premium Reports filed pursuant to this chapter to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed by the county auditor in proportion to the total number of police officers, as defined in section ~~69.024, subdivision 5~~ 69.011, subdivision 1, clause (h), employed by each municipality and by the county: ~~No community shall receive less state aid than they received in 1975; and;~~

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full time equivalent number of police officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full time equivalent number of police officers providing contract service on a full time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive police state aid shall be apportioned less police state aid for any year under Laws 1976, Chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of police state aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of

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police officers in the municipalities and the county, so that the amount of police state aid apportioned shall not exceed the amount of police state aid available for apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

Sec. 9. Minnesota Statutes 1976, Section 69.031, Subdivision 5, is amended to read:

Subd. 5. **DEPOSIT OF STATE AID.** (1) The municipal treasurer, when the state aid and tax is received by him, shall within 30 days after receipt pay over the portion of it attributed to premiums reported on the Minnesota Firetown Premium Report to the treasurer of the duly incorporated firemen's relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in sections 424.30 and 424.31 and shall be disbursed only for the purposes and in the manner set forth in those sections.

(2) The municipal treasurer, upon receipt of the state aid and tax attributed to insurance premiums reported on the Minnesota Aid to Police Premium Report, shall disburse the state aid in the following manner.

(a) For a municipality in which a local police relief association exists and all police officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt of the state aid by the county auditor, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association ~~upon receipt~~;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all police officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in this subdivision, to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full time police officers, as defined in section ~~69.021~~;

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~~subdivision 5 69.011, subdivision 1, clause (h).~~

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association.

Sec. 10. Minnesota Statutes 1976, Section 352.03, Subdivision 1, is amended to read:

**352.03 BOARD OF DIRECTORS, COMPOSITION, EXECUTIVE DIRECTOR; DUTIES, POWERS.** Subdivision 1. **MEMBERSHIP OF BOARD; ELECTION; TERM.** The policy making function of the system is hereby vested in a board of ~~seven~~ eight members, who shall be known as the board of directors, hereinafter called the board. This board shall consist of three members appointed by the governor, one of whom shall be a constitutional officer or appointed state official and two public members knowledgeable in pension matters, ~~and~~ four state employees who shall be elected by state employees covered by the system and one retired employee who shall be elected by retired employees at a time and in a manner to be fixed by the board. Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The term of the two board members whose terms expire in 1968 shall terminate on the first Monday in March, 1968, and the terms of the two board members whose terms expire in 1970 shall terminate on the first Monday in March, 1970. The elected retired board member shall serve a term commencing January 1, 1978 and terminating on the first Monday in March, 1980. Thereafter the members of the board so elected shall hold office for a term of four years, except the retired member whose term shall be two years, and until their successors are elected, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of directors; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period.

Sec. 11. Minnesota Statutes 1976, Section 352.03, Subdivision 2, is amended to read:

Subd. 2. **VACANCY, HOW FILLED.** Any vacancy of a state employee or retired employee in the board caused by death, resignation, or removal of any member so elected shall be filled by the board for the unexpired portion of the term in which the vacancy occurs.

Sec. 12. Minnesota Statutes 1976, Section 352.03, is amended by adding a subdivision to read:

Subd. 4a. The board may consider, review and make recommendations regarding the financial and other needs of retired employees and may disseminate appropriate

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retirement information to the retired employee.

Sec. 13. Minnesota Statutes 1976, Chapter 352, is amended by adding a section to read:

**[352.029] COVERAGE FOR EMPLOYEES OF LABOR ORGANIZATIONS.**

Subdivision 1. QUALIFICATIONS. A former state employee who is an employee of a labor organization which is an exclusive bargaining agent representing state employees may elect pursuant to subdivision 2 to be covered by the state retirement system established by this chapter with respect to service with the labor organization unless specifically excluded under section 352.01, subdivision 2b.

Subd. 2. ELECTION. A person described in subdivision 1 shall be covered by the state retirement system if written election to be covered is delivered to the executive director before July 1, 1977 or within 30 days of being employed by the labor organization, whichever is later.

Subd. 3. CONTRIBUTIONS. The employee, employer and additional employer contributions required pursuant to section 352.04 shall be the obligation of the employee who elects coverage under this section; provided, however, that the employing labor organization may pay the employer and employer additional contributions. Contributions made by the employee shall be made by salary deduction. The employing labor organization shall remit all contributions to the state retirement system pursuant to section 352.04.

Subd. 4. PURCHASE OF PRIOR SERVICE CREDIT. Any former state employee who elects membership pursuant to this section shall be allowed to make payment for service rendered prior to July 1, 1977 in a labor organization designated in subdivision 1; provided that the labor organization makes satisfactory certification of the prior service of the former state employee. Payment shall include all employee, employer and additional employer contributions at the rates in effect when the service was rendered plus interest at the rate of six percent per annum from the year of purchase to the date payment is made; provided, however, that the employing labor organization may pay the employer and employer additional contributions plus interest at the specified rate. Payment shall be made in one lump sum prior to July 1, 1982 or prior to retirement, whichever is earlier, and no allowable service with respect to such payment shall be credited to the employee's account until payment is received by the executive director.

Subd. 5. BOARD MEMBERSHIP EXCLUDED. Persons who become members of the state retirement system pursuant to this section shall not be eligible for election to the board of trustees.

Sec. 14. Minnesota Statutes 1976, Section 352B.01, Subdivision 3, is amended to read:

Subd. 3. "Allowable service" means (a) for those members defined in subdivision 2, clause (a), service for which payments have been made to the highway patrolmen's retirement fund, and (b) for those members defined in subdivision 2, clauses (b) and (c),

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service for which payments have been made to the highway patrolmen's retirement fund, service for which payments were made to the state police officers retirement fund after June 30, 1961, and all prior service which was credited to such member for service on or before June 30, 1961; provided that, after a member identified in clause (b) of this subdivision reaches the age of 60, ~~each year~~ of allowable service thereafter shall not be computed in determining his normal annuity unless he was employed as a state police officer before July 1, 1961. If such member was so employed before July 1, 1961 and reaches 60 years of age and has more than 30 years' allowable service at such time, each year and completed month of allowable service acquired by such member shall be computed in determining his normal annuity until such member reaches the age of 60. If such member was so employed before July 1, 1961, and has less than 30 years of allowable service when ~~he~~ the member reaches age 60, each year and completed month of allowable service acquired by such member shall be computed in determining his the normal annuity not to exceed 30 years of such allowable service. The completed year ~~such member reaches~~ members reach age 60 may be ~~computed~~ counted in full in determining allowable service.

Sec. 15. Minnesota Statutes 1976, Section 352B.08, Subdivision 2, is amended to read:

Subd. 2. The annuity shall be paid in monthly installments equal to that portion of the average monthly salary of the member multiplied by two and one-half percent for each year and pro rata for completed months of service not exceeding 20 years and two percent for each year and pro rata for completed months of service in excess of 20 years. Effective June 1, 1973, "average monthly salary" shall mean the average of the monthly salaries for the five high years of service as a member. The monthly salary for the period prior to July 2, 1969 shall be deemed to be \$600. In lieu of the life annuity herein provided, the member or former member with 20 ten years or more of service may elect a joint and survivor annuity, payable to ~~his~~ the surviving spouse ~~during her natural~~ for life, adjusted to the actuarial equivalent value of such life annuity. The joint and survivor annuity elected by a member may also provide that the elected annuity be reinstated to the life annuity herein provided, if after drawing the elected joint and survivor annuity, the spouse dies prior to the death of the member. This reinstatement shall not be retroactive but shall be in effect for the first full month subsequent to the death of the surviving spouse. This additional joint and survivor option with reinstatement clause shall be adjusted to the actuarial equivalent value of a regular life annuity. The member or former member with 20 ten years or more of allowable service ~~may elect credit is deemed to have elected a 100 percent~~ joint and survivor annuity ~~at any age but~~ payable only on or after ~~his~~ the member's 55th birthday.

Sec. 16. Minnesota Statutes 1976, Section 352B.10, is amended to read:

352B.10 **DISABILITY BENEFITS.** (1) Any member less than 55 years of age, who shall become disabled and physically unfit to perform his duties as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which shall render ~~him~~ the member physically or mentally unable to perform his or her duties, shall receive disability benefits during the period of such disability. The benefits shall be paid in monthly installments equal to that portion of the average monthly salary of the

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beneficiary member multiplied (a) by 50 percent and, (b) by an additional two percent for each year and pro rata for completed months of service in excess of 20 years.

(2) If a member is injured under circumstances which entitle him to receive benefits under the worker's compensation law, he shall receive the same benefits as provided in clause (1), less the amount paid to him in weekly benefits under the worker's compensation law.

(3) Any member who after not less than five years of service, before reaching the age of 55, terminates his employment because of sickness or injury occurring while not on duty and not engaged in state work entitling ~~him~~ the member to membership ~~in the association~~, and the termination is necessary because the member is unable to perform his or her duties shall be entitled to receive a disability benefit. The benefit shall be in the same amount and paid computed in the same manner as if the ~~annuitant member~~ were 55 years of age at the date of his disability and the annuity were paid pursuant to section 352B.08. Should disability under this clause occur after five but in less than ten years service, the disability benefit shall be ~~the same~~ computed as though the member had ~~at least~~ ten years service.

(4) No member shall receive any disability benefit payment when ~~there remains to his credit~~ the member has unused annual leave or sick leave or under any other circumstances, when during the period of disability there has been no impairment of his salary ~~and~~. Should such member or former member resume a gainful occupation and his or her earnings are less than his the salary received at the date of disability or the salary currently paid for similar positions, ~~the association shall continue~~ the disability benefit shall be continued in an amount which when added to ~~such~~ earnings does not exceed his the salary received at the date of disability or the salary currently paid for similar positions, whichever is higher, provided the disability benefit in such case does not exceed the disability benefit originally allowed.

(5) No disability benefit payment shall be made except upon adequate proof furnished to the ~~association~~ director of the existence of such disability, and during the time when any such benefits are being paid, the ~~association~~ director shall have the right, at reasonable times, to require the disabled former member to submit proof of the continuance of the disability claimed.

Sec. 17. Minnesota Statutes 1976, Section 352D.02, Subdivision 1, is amended to read:

352D.02 **COVERAGE.** Subdivision 1. The following employees in the unclassified service of the state who are eligible for coverage under the Minnesota state retirement system shall participate in the unclassified program unless such employee gives notice to the executive director of the state retirement system within one year following June 5, 1975 or the commencement of his employment, whichever is later, that he desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file such notice with the executive director shall be deemed to have exercised his option to participate in the unclassified plan. The employee and applicable employer contributions for those employees covered by the regular plan on June 5, 1975,

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who after such date participate in the unclassified plan, shall be transferred to the supplemental fund in accordance with subdivision 4 and section 352D.03 as though the employee had elected to participate when first eligible to make such election. This subdivision shall also be applicable to any person who was an employee in an eligible position on or after January 1, 1975, has terminated service before June 5, 1975 with less than ten years of allowable service, and has not taken a refund of his contributions.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, revisor of statutes or the state board of investment,

(2) Any department, division, or agency head, the assistant department head or deputy, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 3;

(3) Any permanent, fulltime unclassified employee of the legislature or any commission or agency of the legislature or a parttime legislative employee having shares in the supplemental retirement fund whether or not eligible for coverage under the Minnesota state retirement system,

(4) Any person employed in a position established pursuant to section 43.09, subdivision 2a which is at the deputy or assistant head of department or agency or director level, ~~and~~

(5) The chairman, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission, and the chairman, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system, and

(6) The executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system.

The eligibility to participate of those employees specified in clauses (4) and (5) employed in such positions on April 21, 1976, shall be retroactive to their date of appointment to such positions.

The eligibility to participate of those employees specified in clause (6) employed in such positions on the effective date of this section shall be retroactive to their date of appointment to such positions.

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Sec. 18. Minnesota Statutes 1976, 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 44 15 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~~ Cities, and Association of Minnesota Counties; nine area trustees, who shall be elected from the membership employed in one of the areas described below by the members of the retirement association employed in such area except members of the police and fire fund; one trustee who shall be a retired annuitant elected at large by other annuitants; and one trustee who is a member of the police and fire fund elected at large by the membership of the police and fire fund. The remaining trustee shall be elected prior to January 1 by the governing bodies of employee organizations, as defined in section 179.63, subdivision 5, representing association employees; provided that in making the election each employee organization shall have one vote for each association employee it represents. The respective governing bodies shall implement and administer a system for the election of this member and the filling of vacancies, and any dispute in the election process shall be resolved by the secretary of state. Elected trustees shall hold office for a term of four years. 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~~ An area candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund from the area of the candidate, a retired annuitant candidate, a nominating petition signed by 25 or more such annuitants, and a police and fire fund candidate, a nominating petition signed by 25 or more members of such fund. No nominee may withdraw his name from nomination after December 15. Candidates shall file at large for all seats vacant at the forthcoming election. By January 10 of each year in which elections are to be held 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 member may vote for more than one candidate but a blank line shall be provided for a write in vote. A ballot indicating a vote for more than one person shall be void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund shall be January 31. Except as provided in this section, all terms expire on January 31 of the 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. For the purpose of electing the nine area trustees, the state shall be divided into three areas as follows: Area one shall include Anoka, Hennepin, Ramsey and Washington counties. Area two shall include Big Stone, Swift, Kandiyohi, Meeker and Wright counties and all counties south thereof, except counties in area one. Area three shall include all the remaining counties of the state. If any governmental unit is located in more than one area, place of employment shall be deemed to be in the area in which the main office of the governmental unit is located. Each year for three years one area trustee shall be elected to a four-year term from each area by the members employed in the respective areas. In the fourth year one trustee shall be elected at large by the police and fire fund membership and one trustee elected at large by the annuitants.

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Notwithstanding the foregoing, however, in order to provide for a transition to regional elections, in the year 1978 only, a retired trustee shall be elected by the annuitants, and three trustees shall be elected from each of the three areas by the members of the area who may vote for only one candidate. The annuitant candidate receiving the most votes shall serve a three-year term, the candidate in each area receiving the largest number of votes shall serve a four-year term, the candidate in each area receiving the second largest number of votes shall serve a two-year term and the candidate in each area receiving the third largest number of votes shall serve a one-year term. The elections 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. 19. Minnesota Statutes 1976, Section 353.01, Subdivision 2a, is amended to read:

Subd. 2a. **INCLUDED EMPLOYEES.** The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota ~~Municipalities~~ Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.
- (f) Employees of a school district who receive separate salaries for driving their own buses.
- (g) Employees of the Association of Minnesota Counties.
- (h) Employees of the Metropolitan Inter-County Council.
- (i) Employees of the Minnesota Municipal Utilities Association.

Sec. 20. Minnesota Statutes 1976, Section 353.01, Subdivision 2b, is amended to read:

Subd. 2b. **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.

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(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 ~~\$150~~ \$250 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, and they shall remain members until termination of public service.

(g) Parttime employees who receive monthly compensation not exceeding ~~\$150~~ \$250, and parttime employees and elected officials whose annual compensation is stipulated in advance to be not more than ~~\$1,800~~ \$3,000 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after February 1, 1969, the compensation for which does not exceed \$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 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~~

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~~their membership in any public retirement association, providing such persons file an application stating the applicable provisions of their religious organization, confirmed by such organization, and waive all claims for retirement annuities or benefits of any kind pursuant to this chapter~~ Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(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; provided, no full time public employees shall be exempt under this paragraph and any such employees presently exempt hereunder shall become members as of July 1, 1976.~~

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

(g) 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. 21. Minnesota Statutes 1976, Section 353.01, Subdivision 6, is amended to read:

Subd. 6. **GOVERNMENTAL SUBDIVISION.** "Governmental subdivision" means a county, city, town, school district within this state, or a department or unit of state government, ~~the League of Minnesota Municipalities,~~ or any public body 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 prior to July 1, 1975 pursuant to legislation enacted by the 1959 Legislature.

Sec. 22. Minnesota Statutes 1976, Section 353.01, Subdivision 15, is amended to read:

Subd. 15. **DEPENDENT CHILD.** "Dependent child" means any natural or adopted child of a deceased member, provided such child is (a) under the age of 18, (b) age 18 through 21 and a full time student, and in either case unmarried and dependent for more than one-half of his support upon such member at the time of death and for not less than 90 days prior thereto; provided, that ~~effective retroactively to April 30, 1970~~ the child of a deceased member, who at the time of his death was receiving total and permanent disability benefits pursuant to section 353.33, shall be deemed dependent if he was dependent upon the decedent for more than one-half of his support during the 90 days prior to the decedent's becoming totally and permanently disabled; ~~except that no payment in behalf of such a dependent child shall commence prior to July 1, 1971.~~ It also includes any child of the member conceived during his lifetime and born after his death in

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any case where a member died after July 1, 1957. It also means any dependent child who is the subject of adoption proceedings filed by a member, and who within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member; subject, however, to the qualifying conditions of age and dependency aforesaid and the dependency of the child hereunder shall date from the decree of adoption.

Sec. 23. Minnesota Statutes 1976, Chapter 353, is amended by adding a section to read:

**[353.022] HENNEPIN AND SCOTT SOIL AND WATER CONSERVATION DISTRICTS EMPLOYEES.** From and after July 1, 1977, employees of the Hennepin and the Scott soil and water conservation districts shall become coordinated members of the public employees retirement association, unless specifically excluded under section 353.01, subdivision 2b, and, notwithstanding section 353.01, subdivision 6, the districts shall be deemed governmental subdivisions for purposes of this chapter.

Sec. 24. Minnesota Statutes 1976, 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 executive director. 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 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 executive director.

Sec. 25. Minnesota Statutes 1976, Section 353.29, Subdivision 4, is amended to read:

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Subd. 4. **APPLICATION FOR ANNUITY.** Application for retirement annuity may be made by a member or by someone authorized to act in his behalf. Every application for retirement, in the form prescribed by the board of trustees, shall be substantiated in writing by proof of ~~(a) age of the employee and (b) his public service, which shall be submitted by the employee and employer, respectively.~~

Sec. 26. Minnesota Statutes 1976, Section 353.29, Subdivision 8, is amended to read:

Subd. 8. **ANNUITIES; PAYMENT; EVIDENCE OF RECEIPT.** Payment of any annuity or benefit for a given month shall be mailed by the association to the annuitant, recipient of a disability benefit, or survivor, during the first week of the next ensuing month. Evidence of receipt of every warrant issued by the association in payment of an annuity or benefit shall be submitted by the payee thereof to the association quarterly ~~beginning with the June, 1975 payments~~, together with a written declaration that the annuitant or recipient of a disability benefit has or has not returned to public service; that the surviving dependent spouse has or has not remarried; and shall be furnished on forms provided by the executive director thereof, before the association shall pay to the annuitant, disability recipient, or survivor for the next ensuing month, the annuity or benefit to which he otherwise may be entitled.

Sec. 27. Minnesota Statutes 1976, Section 353.31, Subdivision 8, is amended to read:

Subd. 8. **ACCRUAL OF BENEFITS.** All benefits under this section and survivor benefits otherwise provided in this chapter when payable to persons qualifying therefor shall accrue on the first day following the death of a "basic member" or annuitant, whichever is applicable. No payment may be made ~~(a) retroactively for more than 12 months prior to that month in which the application is filed, or (b) for the month, or any portion thereof; and no benefit shall accrue beyond the end of the month~~ in which entitlement to such benefits has terminated. ~~This subdivision shall have retroactive effect to January 1, 1969.~~

Sec. 28. Minnesota Statutes 1976, Section 353.32, Subdivision 7, is amended to read:

Subd. 7. **CERTAIN PAID PENALTIES.** A member, former member, beneficiary, legal representative, or next of kin shall be paid ~~on demand~~ the full amount of any additional penalty paid into the retirement fund by the member, former member, or deceased member in accordance with the provisions of Laws 1937, Chapter 466, Section 2; Laws 1947, Chapter 18, Section 2, or any rules made by the board of trustees pursuant to these laws, without interest thereon unless the additional penalty was previously refunded upon retirement of the said member or former member.

Sec. 29. Minnesota Statutes 1976, Section 353.33, Subdivision 1, is amended to read:

353.33 **TOTAL AND PERMANENT DISABILITY BENEFITS.** Subdivision 1.

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**AGE, SERVICE AND SALARY REQUIREMENTS.** After June 30, 1973 any member who becomes totally and permanently disabled before age 65 and after ten years of allowable service or after age 50 but before age 65 with five years of allowable service, whichever is sooner, 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. 30. Minnesota Statutes 1976, Section 353.33, Subdivision 9, is amended to read:

Subd. 9. **RETURN TO PUBLIC SERVICE.** Any person receiving a disability benefit who is restored to active public service except persons receiving benefits as provided in subdivision 7, shall have deductions taken for the retirement fund and upon subsequent retirement have his retirement annuity based upon all allowable service including that upon which the disability benefits were based. ~~No person shall be entitled to receive disability benefits and a retirement annuity at the same time.~~

Sec. 31. Minnesota Statutes 1976, Section 353.36, Subdivision 2, is amended to read:

Subd. 2. **EMPLOYEE CONTRIBUTIONS; INTEREST; MATCHING PAYMENT.** A person who has at least one year of allowable service with the association and who has prior public service on which salary deductions were not taken for the retirement fund and who does not have the required minimum number of years of allowable service credit to qualify for an annuity, may apply for such annuity if otherwise qualified, and within 90 days thereafter purchase whatever period of said public service is necessary to bring his total allowable service credit to said minimum, provided that last service shall be purchased first. Such person may gain such allowable service credit by paying six percent of the salary covered under the law in effect at the time that such public service was performed, with interest thereon at the rate of six percent per annum compounded annually from the date first payable to the date payment is made, plus a matching amount, unless the employer agrees to pay said matching amount pursuant to subdivision 2a. An annuity shall accrue as provided in section 353.29, subdivision 7, but no annuity shall be paid until the applicant's payment is made in full for the prior public service; if said payment is not made within such 90 days, the application for retirement shall be void.

Sec. 32. Minnesota Statutes 1976, Section 353.37, is amended to read:

**353.37 PUBLIC RE-EMPLOYMENT OF ANNUITANT.** Subdivision 1. **EFFECT ON ANNUITIES.** The annuity of a person otherwise eligible therefor under this chapter shall be suspended if he re-enters and as long as he remains in public service as a non-elective employee of a governmental subdivision, if his earned compensation for such service exceeds \$3,000 in any calendar year. The suspension of the annuity shall commence as of the first of the month in which the maximum permitted compensation is exceeded as herein provided, but shall not apply to any months in which the annuitant is

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not actually employed in non-elective service in a position covered by this chapter. Any annuitant of the association, who is elected to public office after his retirement ~~following June 30, 1959~~ shall be entitled to hold such office and receive his annuity otherwise payable from the public employees retirement association ~~from and after July 1, 1959~~. Upon proper showing by an annuitant that this ineligibility no longer exists, the monthly annuity payments shall be resumed. Public service performed by an annuitant subsequent to his retirement under this chapter does not increase or decrease any annuity when payments thereof are resumed. The annuitant is not required to make any further contributions to the retirement fund by reason of this subsequent public service.

Subd. 1a. EFFECT ON PROPORTIONATE ANNUITY. Notwithstanding Minnesota Statutes, Section 356.32 or any other provision of law, persons employed by a governmental subdivision that requires termination of employment pursuant to a uniformly applied mandatory retirement policy or law in accord with said section may receive a proportionate annuity under said section, if qualified, even if they or others are employed as substitute employees after age 65. For the purpose of this section a substitute employee is one who earns less than \$3,000 in any calendar year.

Sec. 33. Minnesota Statutes 1976, Section 353.46, is amended by adding a subdivision to read:

Subd. 1a. PURCHASE OF ALLOWABLE SERVICE; ANNUITY. A person who purchased allowable service in the public employees retirement association for a period of time including June 30, 1957, but was not in fact a member of such association on June 30, 1957, shall not be entitled to receive retirement annuity computed under Minnesota Statutes 1957, Section 353.46, Subdivision 1, and laws amendatory thereto. This section shall have retroactive application to any such person receiving or found eligible by the district court to receive benefits calculated under section 353.46, subdivision 1, and laws amendatory thereto.

Sec. 34. Minnesota Statutes 1976, Section 353.651, Subdivision 3, is amended to read:

Subd. 3. RETIREMENT ANNUITY FORMULA. The average salary as defined in subdivision 2, multiplied by two and one-half percent per year of allowable service for the first 20 years and two percent per year of allowable service thereafter, shall determine the amount of the "normal" retirement annuity; provided, however, if the annuity calculated hereunder is less than the annuity calculated under the law in effect on June 30, 1973, this latter amount shall be the "normal" annuity. If the member has earned allowable service for performing services other than those of a police officer or fire fighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30.

Sec. 35. Minnesota Statutes 1976, Section 354.05, is amended by adding a subdivision to read:

Subd. 36. RETIREE OF FUND. "Retiree of fund" means any former member who has retired as provided in this chapter.

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Sec. 36. Minnesota Statutes 1976, Section 354.06, Subdivision 1, is amended to read:

**354.06 BOARD OF TRUSTEES; MEMBERSHIP; DUTIES.** Subdivision 1. The management of the fund shall be vested in a board of ~~seven~~ eight trustees to be known as the board of trustees of the teachers retirement fund. It shall be composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of insurance, and four members of the fund who shall be elected by mail ballot for terms of four years by the members of the fund in a manner to be fixed by the board of trustees of the fund and one retiree who shall be elected by the retirees of the fund. The five elected members of the board of trustees shall be chosen by mail ballot in a manner to be fixed by the board of trustees of the fund. In every odd numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. Commencing in 1977 and every two years thereafter there shall be elected one retiree of the fund to the board of trustees for a term of two years commencing on the first of July next succeeding his election except that the first term served by a retiree shall be for a period of 20 months commencing on November 1, 1977. Each election shall be completed by June ~~1st~~ first of each succeeding odd numbered year except that the first election of a retiree shall be completed by October 1, 1977. In the case of elective members, vacancies shall be filled by appointment by the remainder of the board, the appointee to serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by such vacancy. No member or retiree shall be appointed by the board, or elected by the members of the fund as a trustee who is not a member or retiree of the fund in good standing at the time of such appointment or election. 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 which aid in financing it and the teachers who are its beneficiaries.

Sec. 37. Minnesota Statutes 1976, Section 354.44, Subdivision 1a, as amended by Laws 1977, Chapter 67, Section 8, is amended to read:

Subd. 1a. **MANDATORY RETIREMENT.** Notwithstanding the provisions of sections 43.30 or 197.45 to 197.48, a member shall terminate employment on August 31, 1976, or at the end of the academic year in which the member reaches the age of 65, whichever is later. For purposes of this subdivision, an academic year shall be deemed to end August 31. A member who terminates employment at any time during the academic year at the end of which such person is required to terminate employment pursuant to this subdivision shall, for the purpose of determining eligibility for a proportionate retirement annuity, be considered to have been required to terminate employment at age 65 or earlier pursuant to this subdivision. Nothing contained in this subdivision shall preclude a school district, the Minnesota school for the deaf, or the Minnesota braille and sight-saving school an employer unit covered by this chapter from employing a retired teacher as a substitute or part time teacher; provided, no teacher required to terminate employment by this subdivision shall resume membership in the retirement association by virtue of employment as a substitute or part time teacher; provided further that upon having earned \$3,000 in any academic year from employment as a substitute or part time teacher,

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any person over the age of 65 years shall terminate employment for the remainder of that academic year.

Sec. 38. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.201] DEFINITIONS. Subdivision 1. For the purposes of sections 38 to 46 of this act, the terms defined in this section shall have the meaning ascribed to them.

Subd. 2. "Enabling act" means sections 355.01 to 355.07.

Subd. 3. The terms "social security act", "state agency", "employment", "wages", "contribution fund", "Federal Insurance Contributions Act", and "political subdivision" mean as defined in the enabling act.

Subd. 4. "Teacher" means all employees of political subdivisions who hold positions covered by the St. Paul teachers retirement fund association established under the provisions of chapter 354A.

Sec. 39. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.202] REFERENDUM. Pursuant to the provisions of the enabling act, the governor shall designate an agency or an individual to supervise a referendum to be held after May 1, 1978, in accordance with the provisions of section 218 (d) (6) (C) of the social security act, for teachers.

Sec. 40. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.203] NOTICE OF REFERENDUM. The notice of referendum required by section 218 (d) of the social security act which is to be given to the teachers shall contain a statement in such form as the agency or individual designated to supervise the referendum shall deem necessary and sufficient to inform the teachers of the rights which accrue to them under the social security act. The statement shall also inform the teachers of the effect that coverage under the social security act will have on their public retirement program.

Sec. 41. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

[355.204] DIVISION OF THE ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION. In accordance with section 218 (d) (6) (C) of the social security act, the state agency shall divide into two divisions or parts the St. Paul teachers retirement fund association established under the provisions of Minnesota Statutes, Chapter 354A. One division or part of the retirement fund association shall be composed of positions of teachers who desire coverage under an agreement under section 218 (d) of the social security act. The other division or part of the retirement fund association shall be

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composed of positions of teachers who do not desire coverage under such an agreement. Each division or part shall be deemed to be a separate retirement system for the purposes of section 218 (d) of the social security act. There shall be included in the division or part composed of members desiring such coverage the positions of teachers who become members of the St. Paul teachers retirement fund association after such coverage is extended; provided, a teacher whose service in a position covered by the retirement fund association commences after the date on which such social security coverage is extended shall be deemed to become a member of the retirement fund association upon the commencement of such service for purposes of this section, notwithstanding the date of any employment contract.

Sec. 42. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

**[355.205] TRANSFER OF MEMBERS.** In accordance with section 218 (d) (6) (F) of the social security act, and when the St. Paul teachers retirement fund association is divided into two divisions or parts, the position of any member of the division or part composed of positions of teachers who do not desire coverage under an agreement under section 218 (d) of the social security act may be transferred to the separate retirement system composed of teachers who desire such coverage; and a modification of agreement between the state and the secretary of health, education, and welfare may so provide, but only if prior to such modification the individual occupying such position files with the state agency a written request for such transfer.

Sec. 43. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

**[355.206] CERTIFICATION BY GOVERNOR.** If the governor receives satisfactory evidence that the conditions specified in section 218 (d) (7) of the social security act have been met with respect to the St. Paul teachers retirement fund association, he shall so certify to the secretary of health, education, and welfare.

Sec. 44. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

**[355.207] AGREEMENTS WITH FEDERAL AGENCY.** Upon the governor's certification pursuant to section 43 of this act, the state agency, with the approval of the governor, shall be authorized after June 30, 1978, to enter into an agreement with the secretary of health, education, and welfare, or modify any such agreement previously made with respect to teachers. The agreement or modification shall contain such terms and provisions authorized by the social security act and the enabling act as the state agency finds proper.

Sec. 45. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

**[355.208] EMPLOYER CONTRIBUTIONS.** Contributions required under the agreement or modification entered into pursuant to section 44 of this act to be made by

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political subdivisions employing teachers, and payments required by Minnesota Statutes, Section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the state.

Sec. 46. Minnesota Statutes 1976, Chapter 355, is amended by adding a section to read:

**[355.209] EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.** After the date the agreement or modification is entered into pursuant to section 44 of this act, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the state and each political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee or the state or the political subdivision of liability therefor.

Sec. 47. Minnesota Statutes 1976, Section 355.281, is amended to read:

**355.281 REFERENDUM.** Pursuant to the provisions of the enabling act the governor shall designate an agency or an individual to supervise a referendum to be held after May 1, ~~1977~~ 1978, in accordance with the provisions of section 218 (d) (6) (C) of the social security act, for teachers.

Sec. 48. Minnesota Statutes 1976, Section 355.286, is amended to read:

**355.286 AGREEMENTS WITH FEDERAL AGENCY.** Upon the governor's certification pursuant to section 355.285, the state agency, with the approval of the governor, shall be authorized after June 30, ~~1977~~ 1978, to enter into an agreement with the secretary of health, education, and welfare, or modify any such agreement previously made with respect to teachers. The agreement or modification shall contain such terms and provisions authorized by the social security act and the enabling act as the state agency finds proper.

Sec. 49. Minnesota Statutes 1976, Section 356.34, Subdivision 1, is amended to read:

**356.34 LIMITATION ON AVERAGE SALARY FOR BENEFITS.** Subdivision 1. Effective for any disability benefit or retirement annuity commencing after June 30, ~~1977~~ 1978 from a fund enumerated in subdivision 2, which benefit or annuity is based on a final average salary, no year of salary used in determining the final average salary as defined by the laws governing the fund shall exceed the salary paid in the previous year by more than 15 percent.

Sec. 50. Minnesota Statutes 1976, Section 422A.02, is amended to read:

**422A.02 RETIREMENT BOARD; MEMBERS.** A retirement board of ~~five~~ seven members is hereby constituted which shall consist of the following:

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(1) Mayor;

(2) The city comptroller or corresponding official;

(3) ~~The chairman of the ways and means committee of the city council or corresponding member of the chief governing body of the city~~ One member of the city council selected by the council; and

(4) ~~Two~~ Four legally qualified voters of the city, residents thereof for the preceding five years, to be chosen by the employees as defined in sections 422A.01 to 422A.25 who are contributors to the retirement fund created by sections 422A.01 to 422A.25. The employees may form an association for that purpose and the employing authorities are authorized to make payroll deductions for the payment of dues to said association. The persons selected shall serve for staggered terms of two years from the first of the next succeeding January after their election, and until their successors are duly elected. Such selection shall be made by the employees during the first week of December of each year. Vacancies occurring by death, resignation, or removal of such representatives shall be filled by representatives chosen by the employees.

Sec. 51. The two additional members authorized by section 50, clause (4) shall be chosen on the effective date of section 50 in the manner prescribed for the filling of vacancies on the board, with one designated to serve until January 1, 1978 and one until January 1, 1979. Thereafter the additional members shall be selected for regular two year terms in the manner provided in section 50.

Sec. 52. Minnesota Statutes 1976, Section 422A.03, Subdivision 1, is amended to read:

**422A.03 MEETINGS; EMPLOYEES; RULES AND REGULATIONS.**  
Subdivision 1. The retirement board shall meet on the ~~second~~ third Tuesday of each calendar month of each year and may adjourn from time to time. Special meetings may be held upon the call of the president. The board shall, by a four-fifths vote of all members of the board, appoint an executive secretary, who shall have charge of the performance of the duties required by the provisions of sections 422A.01 to 422A.25, and shall appoint other necessary clerical help. If at the time of his appointment as executive secretary the appointee holds a position subject to the civil service rules and regulations of the city he shall be deemed to be on leave of absence from such civil service position during his tenure as executive secretary, and upon termination of such service shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classified position, seniority shall prevail, and the person most recently certified to such position shall be returned to the permanent civil service classification held by him prior to such certification.

Sec. 53. Laws 1975, Chapter 388, Section 1, is amended to read:

**Section 1. RETIREMENT; LEGISLATIVE EMPLOYEES; RETIREMENT AND PENSIONS; APPROPRIATION.** Subdivision 1. A permanent employee of the legislature who prior to attaining such status was employed by the legislature, or either

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body thereof on an intermittent basis may obtain allowable service credit for such service by paying to the Minnesota state retirement system an amount equal to four percent of his or her current salary rate multiplied by the days and months of such legislative service for which he or she desires to obtain allowable service credit. If the employee at the time of payment is a participant in the unclassified program the payment by the employee and employer shall be used to purchase shares in the Minnesota supplemental fund. Proof of legislative service and the duration thereof shall be established by a house employee by the certification of the committee on rules and legislative administration and by a senate employee by the certification of the committee on rules and administration. Certification to the director of the Minnesota state retirement system shall include the exact periods of time for which the employee is eligible to obtain credit for service and credit therefor shall be computed and granted on the basis of full employment.

Subd. 2. A permanent employee of the legislature who prior to attaining such status provided professional services for the legislature prior to July 1, 1977 as an employee of a foundation or a nonprofit corporation pursuant to a contract with the legislative coordinating commission may obtain allowable service credit for the period of the professional services by paying to the Minnesota state retirement system an amount equal to four percent of his or her current salary rate multiplied by the periods of service for which he or she desires to obtain allowable service credit. Proof of the professional services and the duration thereof shall be established by the certification of the legislative coordinating commission.

Subd. 3. The payments shall be made either in a lump sum or payroll deductions made or arranged for on or before July 1, 1976 1978. The payments permitted herein, by a person who is a senate employee on the date of payment shall be matched by the senate employer, and for a house employee by the house employer and such sums as are necessary therefor are hereby appropriated from the respective legislative expense funds and transferred to the Minnesota state retirement system. If the employee at the time of payment is a participant in the unclassified program, the payment by the employee and employer shall be used to purchase shares in the Minnesota supplemental fund.

Sec. 54. Laws 1976, Chapter 238, Section 12, is amended to read:

**Sec. 12. MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION; COORDINATED PROGRAM.** Subdivision 1. There shall be established effective July 1, ~~1977~~ 1978, a coordinated retirement program within the Minneapolis teachers retirement fund association for teachers eligible for membership in such association who are covered by any agreement or modification made between the state and the secretary of health, education and welfare, making the provisions of the federal old age, survivors and disability insurance act applicable to such teachers. The coordinated retirement program shall provide for employee contributions, retirement annuities, disability benefits, optional survivor annuities, refunds of employee contributions and repayment thereof, age and service requirements, and purchase of credit for military service and sabbatical leave identical in effect to the corresponding provisions applicable to coordinated members of the statewide teachers retirement association contained in Minnesota Statutes, Sections 354.092; 354.35; 354.42, Subdivision 2; 354.44, Subdivisions 1, 4, 5, and 6; 354.45; 354.46, Subdivisions 2 and 3; 354.47, Subdivisions 1, Clause (2), and 2; 354.48; 354.49,

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Subdivisions 1, 2, 3, and 5; 354.50, Subdivisions 1 and 2; 354.53; and 354.60. Provisions in the articles of incorporation of the Minneapolis teachers retirement fund association pertaining to annual automatic annuity increases, eligibility for membership in the association, and administration of the association, including but not limited to investment of assets, shall apply to coordinated as well as basic members.

Subd. 2. The articles of incorporation of the Minneapolis teachers retirement fund association shall be amended as necessary to effect the changes described in subdivision 1, effective July 1, ~~1977~~ 1978. The adoption of such amendments is hereby approved in accordance with Minnesota Statutes, ~~1975 Supplement~~, Section 354A.12.

Sec. 55. Laws 1977, Chapter 35, Section 18, is amended to read:

Sec. 18. **TEMPORARY PROVISION.** Notwithstanding any other provision of ~~this act~~ Laws 1977, Chapter 35 to the contrary, an increase in compensation provided a district or supreme court judge ~~herein in Laws 1977, Chapter 35~~ shall not take effect ~~until every as to any~~ judge of the district court ~~and or any~~ justice of the supreme court who served in the district or supreme court prior to July 1, 1967, until he submits an executed agreement to the executive director of the Minnesota state retirement system in accord with section 490.106.

Sec. 56. An employee of the Hennepin county district court who has attained the age of 65 years or older and who has not less than seven years of allowable service as a member of the public employees retirement association following part-time service on an intermittent basis with the court, shall be entitled to a proportionate retirement annuity pursuant to Minnesota Statutes, Section 356.32, notwithstanding the fact that the employee was not required to terminate service at age 65 or earlier. Payment of an annuity pursuant to this section shall be made retroactive to August 1, 1976 or the employee's date of termination, whichever is later.

Sec. 57. **RAMSEY COUNTY; PUBLIC EMPLOYEES' RETIREMENT BENEFITS FOR SHERIFF'S PERSONNEL.** (a) An employee of the Ramsey county sheriff's department, who is a member of the public employees police and fire fund and who was employed by the department before January 1, 1970 in a position that becomes covered by the police and fire fund membership after December 31, 1969 may receive allowable service credit in the police and fire fund for prior service by paying into the fund before December 31, 1977, the difference between the employee, employer and employer additional contributions actually paid, and the employee, employer and employer additional contributions that would have been paid under applicable law if the employee had been in the police and fire fund before January 1, 1970, together with six percent compound interest from the time the deductions would have been made to time of payment.

(b) If an employee makes payment in accord with this subdivision, allowable service credit in the general fund with respect to this prior service is eliminated and the executive director shall transfer the employee's account with respect to this service from the general to the police and fire fund.

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(c) Ramsey county may assume the obligation for additional payments, with interest, with respect to each employee who elects to pay the employee contributions and interest authorized by this section.

Sec. 58. Any person who, prior to May 1, 1975, had

(a) begun to receive a retirement annuity from the state employees' retirement fund established pursuant to Minnesota Statutes, Chapter 352;

(b) completed at least four years but fewer than eight years of service as a constitutional officer or commissioner and made employee contributions for that entire period of service to the elective state officers' retirement plan established pursuant to Minnesota Statutes, Chapter 352C;

(c) taken a refund of the employee contributions from the elective state officers' retirement plan upon termination of service as a constitutional officer or commissioner; and

(d) attained the age of 65 years or older;

may elect to repay the refund to the elective state officers' retirement plan plus interest at six percent per annum compounded annually. Upon repayment the former constitutional officer or commissioner shall be entitled to receive a retirement allowance from the elective state officers' retirement plan. The amount of the retirement allowance shall be prorated, based on the relationship between the number of years of service for which the former constitutional officer or commissioner made contributions to the plan and eight years; provided, that payments from the elective state officers' retirement plan shall not be reduced by the amount of annuity or benefit payments from the state employees' retirement fund. In all other respects the laws in effect as of the date of termination of service shall govern.

Sec. 59. **MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION.**

Subdivision 1. The following amendment to the articles of incorporation of the Minneapolis teachers retirement fund association is hereby approved in accordance with Minnesota Statutes, Section 354A.12.

Subd. 2. EARLY RETIREMENT. Subsection (11) of Article IX shall be amended prior to July 1, 1977 to provide that all teachers who become members of the association after July 1, 1977, who have 30 years of service to their credit upon retirement, but who have not attained the age of 60 years upon the effective date of an application for a retirement annuity pursuant to that subsection, shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity provided pursuant to that subsection reduced by one-quarter of one percent for each month that the member is under age 60 at the time of retirement.

Sec. 60. **ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION; COORDINATED PROGRAM.** Subdivision 1. There shall be established effective July 1, 1978, a coordinated retirement program within the St. Paul teachers retirement fund

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association for teachers eligible for membership in such association who are covered by any agreement or modification made between the state and the secretary of health, education and welfare, making the provisions of the federal old age, survivors and disability insurance act applicable to such teachers. The coordinated retirement program shall provide for employee contributions, retirement annuities, disability benefits, optional survivor annuities, refunds of employee contributions and repayment thereof, age and service requirements, and purchase of credit for military service and sabbatical leave identical in effect to the corresponding provisions applicable to coordinated members of the statewide teachers retirement association contained in Minnesota Statutes, Sections 354.092; 354.35; 354.42, Subdivision 2; 354.44, Subdivisions 1, 4, 5, and 6; 354.45; 354.46, Subdivisions 2 and 3; 354.47, Subdivisions 1, Clause (2), and 2; 354.48; 354.49, Subdivisions 1, 2, 3, and 5; 354.50, Subdivisions 1 and 2; 354.53; and 354.60. Provisions in the articles of incorporation and the bylaws of the St. Paul teachers retirement fund association pertaining to eligibility for membership in the association and administration of the association, including but not limited to investment of assets, shall apply to coordinated as well as basic members.

Subd. 2. The articles of incorporation and the bylaws of the St. Paul teachers retirement fund association shall be amended as necessary to effect the changes described in subdivision 1, effective July 1, 1978. The adoption of such amendments is hereby approved in accordance with Minnesota Statutes 1976, Section 354A.12.

Sec. 61. Notwithstanding anything to the contrary in Article IV, Section 3, Paragraph 3, of the bylaws of the St. Paul teachers retirement fund association, the annual amount of the pension payable to a member who retires on or after July 1, 1977 upon or after attaining the age of 60 years shall equal the product obtained by multiplying an amount equal to two percent of his average salary as defined in Article IX, Section 1, Paragraph 2 of the bylaws, by the number of years of his accredited service, subject to a maximum of 40 years. A pension payable prior to the member attaining the age of 60 years shall be reduced in accordance with the provisions of Article IV, Section 3, Paragraph 3 of the bylaws.

**Sec. 62. WINONA POLICE CHIEF; PENSION COVERAGE. Subdivision 1.** Notwithstanding Minnesota Statutes, Section 353.64, Subdivision 1 or any other law to the contrary, the person employed by the city of Winona on the effective date of this section as chief of police shall be a member of the public employees police and fire fund established by sections 353.63 to 353.68 and not of the local policemen's relief association established pursuant to sections 423.801 to 423.815. An amount equal to the employer and employee contributions which would have been required pursuant to section 353.65, had the person been a member of the public employees police and fire fund from the commencement of his employment with the police department of the city of Winona, plus interest at the rate of six percent per annum compounded annually from the year the payment would otherwise have been made to the year the payment is made, shall be paid to the public employees police and fire fund, which shall credit the chief of police with service as a member for this period upon the receipt of the payments required under this section. An amount equal to the employer contributions plus interest as herein specified shall be transferred from the Winona policemen's relief association to the public employees police and fire fund. An amount equal to the employee contributions plus

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interest as herein specified shall be paid by the chief of police to the public employees police and fire fund. The chief of police shall be entitled to receive, upon making written application, a refund of his accumulated contributions to the Winona policemen's relief association plus interest at the rate actually received by the relief association as determined by the board of trustees of the relief association.

Subd. 2. This section is effective upon approval by the Winona city council and upon compliance with Minnesota Statutes, Section 645.021.

Sec. 63. In the next or earliest practicable edition of Minnesota Statutes, the revisor of statutes shall change the terms "fireman" and "firemen" to "firefighter" and "firefighters" respectively, wherever the terms appear in respect to those persons engaged in fighting fires as distinguished from maintaining fires in boilers, or other machines or devices.

Sec. 64. Sections 4, 5, 6, 7, 8, and 9 shall be effective for the certification of police officers by municipalities and counties as of December 31, 1976 and for the apportionment and distribution of police state aid made subsequent to January 1, 1977.

Sec. 65. REPEALER. Minnesota Statutes 1976, Sections 353.016; 353.018; 353.019; 353.03, Subdivision 2a; 353.31, Subdivision 11; 353.36, Subdivision 2d; 353.46, Subdivision 3; and 353.64, Subdivision 5, are repealed.

Sec. 66. EFFECTIVE DATE. Sections 1, 2, 3, 13, 14, 15, 16, 20, 27, 32, 33, 37, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and 59 are effective the day following final enactment. Sections 10, 11, 12, 17, 18, 19, 21, 22, 23, 24, 25, 26, 28, 29, 30, 31, 34, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 60, 61, 63, and 65 shall be effective July 1, 1977.

Approved June 2, 1977.

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## CHAPTER 430—S.F.No.202

[Coded in Part]

*An act relating to state government; creating a department of economic security; transferring powers; abolishing the departments of employment services and vocational rehabilitation; appropriating money; amending Minnesota Statutes 1976, Sections 15.01; 15A.081, Subdivision 1 as amended by Laws 1977, Chapter 35, Section 1; 15.0411, Subdivision 2; 43.09, Subdivision 2a; 129A.01; 256.482, Subdivision 1; 256.736, Subdivisions 2, 3, 4, and 5; 256D.11, Subdivisions 1, 2, 6, 7 and 9; 268.04, Subdivision 8; and Laws 1976, Chapter 332, Section 9, Subdivisions 1, 7 and 8; repealing Minnesota Statutes 1976, Section 129A.02, Subdivision 1.*

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

Section 1. [268.011] DEPARTMENT OF ECONOMIC SECURITY; CREATION.  
Subdivision 1. There is created the department of economic security with broad  
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