

sections 1 to 7. The report shall include but is not limited to information on the amount of bonds issued, average size of loans, types of energy conservation measures financed, number of households served, and an analysis of the effectiveness of the program.

**Sec. 9. EFFECTIVE DATE.**

This act is effective upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Approved May 18, 1981

**CHAPTER 224 — S.F.No. 1106**

*An act relating to retirement; clarifying certain ambiguous provisions; correcting certain oversights, inconsistencies, unintended results and erroneous provisions; eliminating certain redundant, obsolete or conflicting provisions; amending Minnesota Statutes 1980, Sections 3.85, Subdivision 3; 3A.01, Subdivisions 2 and 7; 3A.02, Subdivision 1; 3A.04, Subdivisions 1, 1a, 2 and 4; 3A.05; 3A.09; 3A.11, Subdivisions 1 and 2; 3A.12, Subdivision 1; 11A.17, Subdivision 11; 11A.23, Subdivision 2; 15A.083, Subdivision 3; 16A.19; 43.051, Subdivision 4; 69.011, Subdivision 1; 69.031, Subdivisions 5 and 6; 69.051, Subdivision 1; 69.77, Subdivisions 1, 1a, 2 and 2a; 69.772, Subdivisions 2 and 2a; 69.773, Subdivision 2; 118.01, Subdivision 11; 136.80, Subdivision 1; 136.81; 136.82; 136.83; 136.85; 136.87, Subdivisions 1 and 2; 275.125, Subdivision 6a; 275.50, Subdivision 5; 352.01, Subdivisions 2A, 11, 19 and 23; 352.029, Subdivision 1; 352.03, Subdivision 6; 352.113, Subdivision 4; 352.115, Subdivision 10; 352.116, Subdivision 3; 352.12, Subdivision 11; 352.22, Subdivisions 2a, 3 and 10; 352.72, Subdivisions 2 and 4; 352.75; 352.85, by adding a subdivision; 352.90; 352.91, Subdivision 2; 352B.02, Subdivision 1; 352B.08, Subdivision 2; 352B.11, Subdivision 2; 352B.26, Subdivisions 1 and 3; 352C.031, by adding a subdivision; 352C.04, Subdivision 1; 352D.02, Subdivisions 1 and 2; 352D.04, Subdivision 2; 352D.09, Subdivision 1; 352E.01, Subdivision 1; 353.01, Subdivisions 6, 7 and 10; 353.023; 353.03, Subdivision 1; 353.16; 353.28, Subdivisions 6 and 8; 353.29, Subdivision 4; 353.30, Subdivision 1c; 353.31, Subdivisions 1 and 9; 353.32, Subdivision 1a; 353.33, Subdivision 2; 353.34, Subdivision 3; 353.36, Subdivision 2; 353.37, Subdivisions 1 and 1a; 353.46, Subdivision 1a, and by adding a subdivision; 353.64, by adding a subdivision; 353.656, Subdivision 6; 353.71, Subdivision 1; 354.05, Subdivisions 2, 13, 24, 25 and 26; 354.06, Subdivision 1; 354.07, Subdivision 1; 354.43, Subdivision 4; 354.44, Subdivisions 1a, 4, 5, 6, 7 and 8; 354.47, Subdivision 1; 354.48, Subdivision 10, and by adding a subdivision; 354.50, Subdivision 2; 354.51, Subdivisions 1, 4 and 5; 354.52, Subdivisions 2, 3 and 4; 354.53, Subdivisions 1 and 3; 354.55, Subdivision 11; 354.56; 354.57; 354.60; 354.62, Subdivision 5; 354.66; 354.69; 354A.011, Subdivision 27; 354A.091, Subdivisions 1 and 6; 354A.092; 354A.094, Subdivisions 3, 8, 11, and by adding a subdivision; 354A.31, Subdivision 3; 354A.35, Subdivisions 2 and 3; 355.07; 355.11, Subdivisions 2, 4 and 5; 355.13, Subdivision 2; 355.21, Subdivisions 2 and 4; 355.22; 355.23, Subdivision 1; 355.29, Subdivisions 1, 3 and 4; 355.311, Subdivisions 1, 2 and 4; 355.41, Subdivisions 2, 3, 4*

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and 7; 355.46, Subdivision 3; 355.71, Subdivision 6; 355.72; 355.73, by adding a subdivision; 356.18, Subdivision 1; 356.20; 356.215; 356.216; 356.22, Subdivision 1; 356.24; 356.25; 356.32, Subdivision 1; 356.39; 356.45, Subdivision 2; 356.60, Subdivision 1; 422A.01, Subdivision 11; 422A.06, Subdivisions 2, 3 and 5; 422A.08, Subdivisions 1 and 5; 422A.09, Subdivision 3; 422A.101; 422A.11, Subdivision 1; 422A.15, Subdivision 1; 422A.16, Subdivision 8; 422A.22, Subdivision 2; 422A.23, Subdivision 5; 422A.24; 422A.26; 423.075, Subdivision 1; 423.38; 423.801, Subdivision 2; 423.802; 423.805; 423.806, Subdivision 1; 423.807, Subdivisions 1 and 2; 423.808; 423.809, Subdivisions 1 and 2; 423.810, Subdivision 1; 423.815, Subdivision 1; 423A.04; 424A.02, Subdivisions 1 and 8; 424A.04; 424A.05, Subdivision 1; 458.18, Subdivision 1; 484.61; 484.68, Subdivision 8; 487.01, Subdivisions 7 and 9; 488A.115; 488A.285; 490.101, Subdivision 2; 490.106; 490.107; 490.12, by adding a subdivision; 490.121, Subdivisions 1, 4, 6 and 7; 490.122; 490.123, Subdivision 1; 490.124, Subdivisions 1, 2, 6 and 10; 490.126, Subdivision 1; 490.129; and 490.132; Laws 1955, Chapter 75, Section 12, Subdivision 2, as amended; Laws 1959, Chapter 131, Section 10, Subdivision 1, as amended; Laws 1965, Chapters 446, Section 7, Subdivision 1, as amended; 458, Section 3, Subdivision 2, as amended; and 498, Section 1, Subdivision 1, as amended; Laws 1967, Chapters 575, Section 9, Subdivision 2; 742, Section 2; 775, Section 8, as amended; 798, Section 1, Subdivision 1, as amended; and 815, Section 8, Subdivision 1; Laws 1969, Chapters 526, Section 11, Subdivision 1; 576, Section 1, Subdivision 1, as amended; 641, Section 2, Subdivision 1, as amended; 719, Section 2; 1088, Section 8, Subdivision 1, as amended; and 1105, Section 4; Laws 1971, Chapters 51, Sections 9, as amended, and 10, Subdivision 2, as amended; 114, Section 8, Subdivision 1; 184, Sections 4 and 5; 214, Section 10; 407, Section 1, Subdivisions 2 and 3; 614, Section 2; and 810, Section 7, as amended; Laws 1973, Chapters 304, Section 3, Subdivision 1; and 587, Section 1, Subdivisions 3, as amended, and 5, as amended; Laws 1974, Chapter 251, Section 1, Subdivisions 2 and 3; Laws 1975, Chapter 424, Section 11, as amended; Laws 1976, Chapter 36, Sections 2, 3 and 4; Laws 1977, Chapter 61, Section 5, Subdivision 2, as amended; and Laws 1978, Chapter 689, Sections 4, Subdivision 2, and 8; proposing new law coded in Minnesota Statutes, Chapters 345, 352, 353, 355 and 356; repealing Minnesota Statutes 1980, Sections 136.86; 352.115, Subdivision 13; 352.1181; 352B.075; 352D.10; 354.09, Subdivisions 1 and 4; 354.41, Subdivisions 6 and 8; 355.302; 355.303; 355.304; 355.305; 355.306; 355.307; 355.308; 355.309; 355.53; 355.73, Subdivisions 5, 6 and 7; 356.18, Subdivision 2; 422A.01, Subdivisions 14, 15 and 16; 422A.08, Subdivisions 2, 3, 4 and 6; 422A.081; 422A.091; 422A.30; 422A.31; 422A.32; 422A.33; 422A.34; 422A.35; 422A.39; 423.075, Subdivision 2; 423.815, Subdivision 3; 487.06; 490.104; 490.127; 490.128; and 490.13; Laws 1969, Chapter 252; Laws 1973, Chapter 481; Laws 1975, Chapter 429; Laws 1978, Chapter 538, Section 6; and Laws 1980, Chapters 342, Section 20; and 509, Section 135.

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

Section 1. Minnesota Statutes 1980, Section 3.85, Subdivision 3, is amended to read:

Subd. 3. **MEMBERSHIP.** The commission consists of five members of the senate to be appointed by the ~~committee~~ subcommittee on committees of the committee on rules and administration and five members of the house of representatives to be appointed by the speaker. ~~The first members of this~~

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commission shall be selected to serve for a term expiring on January 15 of the next succeeding regular session of the legislature and until their successors are appointed. Subsequent Members of the commission shall be appointed at the commencement of each regular session of the legislature for a two year term beginning January 16 of the first year of such the regular session. Vacancies on the commission occurring while the legislature is in session shall be filled in the same manner as ~~original~~ regular appointments to the commission. If the legislature is not in session, vacancies in the membership of the commission shall be filled by the last ~~senate committee~~ subcommittee on committees of the senate committee on rules and administration or other appointing authority designated by the senate rules in case of a senate vacancy, and by the last speaker of the house, or if he be not available, by the last chairman of the house rules committee in case of a house vacancy.

Sec. 2. Minnesota Statutes 1980, Section 3A.01; Subdivision 2, is amended to read:

Subd. 2. **DEPENDENT CHILD.** "Dependent child" means any natural or adopted child of a deceased member of the legislature or former legislator who is under the age of 18, or who is under the age of 22 and is a full time student, and who in either case is unmarried and was actually dependent for more than one-half of his support upon ~~such legislator~~ the member or former legislator for a period of at least 90 days immediately prior to the ~~legislator's~~ death of the member or former legislator. It also includes any child of the member of the legislature or former legislator conceived during his the lifetime of the member or former legislator and born after his the death of the member or former legislator, who shall qualify as a dependent child from the date of birth. ~~This subdivision shall be retroactive as to any dependent child under the age of 22 years as of April 1, 1975.~~

Sec. 3. Minnesota Statutes 1980, Section 3A.01, Subdivision 7, is amended to read:

Subd. 7. **AVERAGE MONTHLY SALARY.** With regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, "average monthly salary" means final monthly salary during the member's final term of office as a member of the legislature; and with regard to any member of the legislature whose service terminates after the beginning of the 1981 legislative session, "average monthly salary" means the average of the member's highest five successive years of salary received as a member of the legislature after the beginning of the 1981 legislative session, or all the years and months salary after the beginning of the 1981 legislative session if the member's service after the beginning of the 1981 legislative session is less than five years. Any additional payments provided by law for legislative leadership positions shall not be included in any calculation of the average monthly salary of a legislator or former legislator.

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Sec. 4. Minnesota Statutes 1980, Section 3A.02, Subdivision 1, is amended to read:

Subdivision 1. **QUALIFICATIONS.** Any former legislator:

(1) Who has served at least six full years, without regard to the application of section 3A.10, subdivision 2, or who has served during all or part of four regular sessions as ~~such~~ a member of the legislature, which service need not be continuous, but must have been after January 1, 1965 except as hereinafter provided; and

(2) Who attains the normal retirement age; and

(3) Who has retired as a member of the legislature; and

(4) Who has made all contributions provided for in ~~sections 3A.01 to 3A.10~~ section 3A.03, or who has made payments in lieu of all contributions provided for in ~~sections 3A.04 to 3A.10~~ section 3A.03 as provided for in subdivision 2; shall be entitled upon written application to the director to receive a retirement allowance monthly ~~in~~. For service rendered prior to the beginning of the 1979 legislative session, but not to exceed eight years of service, the retirement allowance shall be an amount equal to five percent per year of service, not to exceed eight years of service, of that member's average monthly salary. For service in excess of eight years rendered prior to the beginning of the 1979 legislative session, and for service rendered after the beginning of the 1979 legislative session, the retirement allowance shall be an amount equal to two and one-half percent per year of service of that member's average monthly salary. The retirement allowance shall accrue beginning with the first day of the month of receipt of such the application and for the remainder of his the former legislator's life, provided he the former legislator is not serving as a member of the legislature or as a constitutional officer or commissioner as defined in section 352C.021, subdivisions 2 and 3.

In addition to the amount provided above, the retired member who meets the qualifications of clauses (1), (2), (3) and (4) shall receive for every year of service over eight years a monthly allowance which equals two and one-half percent of the average monthly salary.

Notwithstanding clause (4), a member shall receive two and one-half percent of the average monthly salary for each year of service served after the beginning of the 1979 legislative session. Any member who has served during all or part of four regular sessions shall be deemed to have served eight years as a member of the legislature.

The retirement allowance shall cease with the last payment which had accrued to the retired legislator during his the retired legislator's lifetime except that the surviving spouse, if any, shall be entitled to the retirement allowance for the calendar month in which the retired legislator died.

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Effective for service rendered after the beginning of the 1981 legislative session, no member may accrue credit for more than 20 years service, nor shall member contributions thereafter be required for more than 20 years service.

For the purposes of this chapter the term salary shall not be deemed to include any additional payments provided by law for legislative leadership positions.

This subdivision is applicable to members of the legislature who terminate service after January 1, 1973, and to any widow or dependent child of any such member. Clauses (1) and (2) shall also be applicable to any former legislator who applies for a deferred annuity after June 5, 1975. Any former legislator who was in office on or after January 1, 1965, who had at least eight years of service but less than ten years of service as a member of the legislature, and who took a refund of his contributions, may upon application to the director repay to the director for credit to his account all refundments taken plus interest thereon at six percent per annum compounded annually. Upon repayment of the refundment, he shall then be entitled when otherwise qualified to a retirement allowance pursuant to subdivision 1, provided however that the retirement allowance shall be based on his salary at the time of his termination of service as a member of the legislature.

Sec. 5. Minnesota Statutes 1980, Section 3A.04, Subdivision 1, is amended to read:

Subdivision 1. **SURVIVING SPOUSE.** Upon the death of a member of the legislature while serving as such a member after June 30, 1973, or upon the death of a former member of the legislature with legislator who has rendered at least the number of years of service as required by section 3A.02, subdivision 1, clause (1) and who was not receiving a retirement allowance, the surviving spouse shall be paid entitled to receive a survivor benefit in the amount of one-half of the retirement allowance of the member of the legislature or former legislator computed as though the member were or former legislator had attained at least the normal retirement age on the date of his death and based upon his the average monthly salary as of the date of death or as of the date of termination, whichever is applicable, and the allowable service of the member or the former legislator or eight years, whichever is greater. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied from the first day of the month next following the date of termination of service as a member of the legislature to the month of death. Upon the death of a former legislator who was receiving a retirement allowance, the surviving spouse shall be entitled to one-half of the amount of the allowance being paid to the former legislator. Such The surviving spouse benefit shall be paid during the lifetime of the surviving spouse, but shall cease and terminate upon the remarriage of the surviving spouse.

Sec. 6. Minnesota Statutes 1980, Section 3A.04, Subdivision 1a, is amended to read:

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Subd. 1a. **INCREASE IN SURVIVOR BENEFITS.** Survivor benefits provided in subdivision 1 authorized and in effect on the effective date of Laws 1977, Chapter 429 June 3, 1977, shall be increased by 25 percent, effective retroactively to January 1, 1974, or the date the survivor benefit became payable, whichever is later.

Sec. 7. Minnesota Statutes 1980, 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 a member after June 30, 1973,~~ or upon the death of a former member of the legislature ~~with who has rendered~~ at least the number of years of service as required by section 3A.02, subdivision 1, clause (1) and ~~who was not receiving a retirement allowance,~~ each dependent child of ~~such the member or former legislator~~ shall be ~~paid entitled to receive~~ 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 ~~or former legislator~~ computed as though the member ~~were or former legislator had attained~~ at least the normal retirement age on the date of his death and based upon his ~~the average monthly salary as of the date of death or as of the date of termination, whichever is applicable, and the 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 ~~or former legislator~~ 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 ~~or former legislator~~ computed as in the case of the first child. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied ~~from the first day of the month next following the date of termination of service as a member of the legislature to the month of death.~~ Upon the death of a former legislator ~~who was~~ receiving a retirement allowance, the surviving dependent child shall be entitled to the applicable percentage ~~specified above~~ of the amount of the allowance ~~being which was paid to the former legislator for the month immediately prior to the date of death.~~ 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. 8. Minnesota Statutes 1980, Section 3A.04, Subdivision 4, is amended to read:

Subd. 4. **REFUNDS TO ESTATE.** Upon the death of a member of the legislature ~~or former legislator who was not receiving a retirement allowance without a surviving spouse and without any dependents dependent children, regardless of when the death occurred, the estate of the member or former~~

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legislator, upon application of the representative of the estate, shall be entitled to a refundment refund of contributions of such the deceased member of the legislature shall be paid to the estate of the member upon application of the representative thereof or former legislator.

This subdivision is applicable to an application for refundment covering contributions of a deceased member, regardless of when his death occurred.

Sec. 9. Minnesota Statutes 1980, Section 3A.05, is amended to read:

**3A.05 APPLICATION FOR SURVIVOR BENEFIT.**

Applications for survivor benefits under sections 3A.04 to 3A.10 pursuant to section 3A.04 shall be filed with the director by the surviving spouse and dependent children entitled to such benefits under pursuant to section 3A.04, or by the guardian of the estate, if there is one, of the dependent children. Survivor benefits shall accrue as of the first day of the month following the death of the member of the legislature or former legislator and payments shall commence as of the first of the month next following the filing of the application, and shall be retroactive to the first day of the month following the death of the member of the legislature or former member with respect to any application filed after June 30, 1973. With respect to applications made after July 1, 1975 date the benefit accrues; provided, however, that no payment shall be retroactive for more than 12 months prior to the month the application is filed with the director.

Sec. 10. Minnesota Statutes 1980, Section 3A.09, is amended to read:

**3A.09 MEMBERSHIP IN P.E.R.A.**

Any member of the legislature who is a member of the public employees retirement association on July 1, 1965 or on July 1, 1967, may, at his option, within six months of such latter date, or within six months after the commencement of the 1969 regular session of the legislature, remain such a member and shall not be required to make the contributions required by sections 3A.01 to 3A.10 and until such election he shall remain a member of the public employees retirement association. A member of the legislature who qualifies as a member thereof subsequent to July 1, 1967, and who is a member of the public employees retirement association at the time of such qualification, may, at his option, within six months of the date of qualification, remain such a member and shall not be required to make the contributions required by sections 3A.01 to 3A.10, and until such election he shall remain Any person who becomes a member of the legislature and who, on the date of becoming a member of the legislature, is a member of the public employees retirement association may elect, within six months of the date of becoming a member of the legislature, to remain a member of the public employees retirement association and shall not be required to make any contributions pursuant to section 3A.03. No person who is a member of the legislature shall belong to the public employees

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retirement association for service as a member of the legislature and make contributions ~~under sections 3A.01 to 3A.10~~ pursuant to section 3A.03 or accrue rights ~~under sections 3A.01 to 3A.10~~ pursuant to this chapter at the same time. A member of the legislature who is not a member of the public employees retirement association on July 1, 1965, or on the date he qualifies as the person becomes a member of the legislature, shall have contributions deducted from his next salary warrant for all pay periods after January 1, 1965, or after the date he qualifies as the person becomes a member of the legislature. A member of the legislature may belong to the public employees retirement association for service performed other than as a member of the legislature and continue to accrue rights pursuant to this chapter and make contributions as required by sections 3A.01 to 3A.10 section 3A.03.

Sec. 11. Minnesota Statutes 1980, Section 3A.11, Subdivision 1, is amended to read:

Subdivision 1. The reserves necessary to fund the retirement benefits allowance granted under pursuant to section 3A.02 to retired legislators and legislators retiring in the future a former legislator upon retirement and any survivor benefits which may become payable, shall be transferred by the director to the Minnesota post-retirement investment fund as of June 30, 1973, or as of the date benefits begin to accrue; whichever is later, in accord with section 11A.18 as amended. The amount of the transfer made hereunder shall be determined by an approved actuary as defined in section 352.01, subdivision 15, in accord with an appropriate mortality table using an interest assumption of five percent set at the rate specified in section 356.215, subdivision 4, clause (4).

Sec. 12. Minnesota Statutes 1980, Section 3A.11, Subdivision 2, is amended to read:

Subd. 2. Annuities and benefits shall be adjusted in accord with the provisions of section 11A.18 as amended.

Sec. 13. Minnesota Statutes 1980, Section 3A.12, Subdivision 1, is amended to read:

Subdivision 1. **ENTITLEMENT TO ANNUITY.** Any legislator who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association ~~police~~ police and ~~firefighter's~~ fire fund, or the teachers retirement association, or the Minneapolis municipal employees retirement fund, or the highway ~~patrolmen's~~ patrol retirement ~~association~~ fund, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for ~~police~~ police or firefighters, shall be entitled when qualified to an annuity from each fund if his total allowable service for which he has credit in all funds

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or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ten years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years. The augmentation of deferred annuities provided in section 3A.02, subdivision 4, shall apply to the annuities accruing hereunder.

Sec. 14. Minnesota Statutes 1980, Section 11A.17, Subdivision 11, is amended to read:

Subd. 11. **PROSPECTUS.** Annually, on or before July 1, the state board shall prepare and shall issue a prospectus for the supplemental retirement investment fund with separate exhibits for each investment account. The exhibit for each account shall list for each security representing the current assets of the account the following items, whichever are applicable:

- (1) The purchase price of the security;
- (2) The current market value of the security;
- (3) The current dividend or interest rate of the security;

(4) The rating of a debt security issued by a nationally recognized rating agency if it is other than a security issued or guaranteed by the United States government.

The prospectus shall set forth the statutory provisions governing the supplemental retirement investment ~~account~~ fund.

Sufficient copies of the prospectus shall be transmitted to each public retirement plan or fund participating in the supplemental retirement investment account to meet the plan or fund's distribution requirements. Ten copies of the prospectus shall be filed with the director of the legislative reference library.

Sec. 15. Minnesota Statutes 1980, Section 11A.23, Subdivision 2, is amended to read:

Subd. 2. **INVESTMENT.** Retirement fund assets certified to the state board pursuant to subdivision 1 shall be invested by the state board subject to the provisions of section 11A.24. Retirement fund assets transferred to the Minnesota post-retirement ~~adjustment~~ investment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be invested by the state board as part of those funds.

Sec. 16. Minnesota Statutes 1980, Section 15A.083, Subdivision 3, is amended to read:

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Subd. 3. **SALARY TO BE PAID BY THE STATE.** Beginning January 1, 1978, the entire compensation of county, probate and county municipal court judges shall be paid by the state. Beginning on July 1, 1977, the salary increases provided in Laws 1977, Chapter 35, Section 13, and Laws 1977, Chapter 432 for county, probate and county municipal judges shall be paid by the state. ~~All payments made pursuant to sections 490.11 and 490.12, subdivision 1, after January 1, 1978, shall be made by the state regardless of whether the payments commenced before or commence after July 1, 1977.~~

Notwithstanding any other provision in this section to the contrary, an increase in compensation provided a district or supreme court judge in Laws 1977, Chapter 432 shall not take effect as to any judge of the district court or any justice of the supreme court who served in the district or supreme court prior to July 1, 1967, until that judge submits an executed agreement to the executive director of the Minnesota state retirement system in accord with section 490.106.

Sec. 17. Minnesota Statutes 1980, Section 16A.19, is amended to read:

**16A.19 RETIREMENT APPROPRIATIONS; DEFICIENCIES.**

In the event that a direct appropriation for retirement contributions, benefits, or administrative expenses, or for social security contributions pursuant to section 355.46, is determined by the chief administrative official of the agency to which or by the officer to whom the appropriation was made to be insufficient to meet the state's obligation under the program for which it is made for the fiscal year for which it is made, the agency to whom the appropriation was made chief administrative official or the officer shall certify to the committee on finance of the senate, the committee on appropriations of the house of representatives, and the commissioner of finance the amount necessary to meet the deficiency. Upon this certification, the commissioner of finance shall transfer the necessary amounts to the appropriate accounts. The amount necessary to make the transfer is appropriated from the general fund in the state treasury to the agency to which or to the officer to whom the transfer is made.

Sec. 18. Minnesota Statutes 1980, Section 43.051, Subdivision 4, is amended to read:

Subd. 4. (1) Notwithstanding any provisions of ~~chapters 352A and chapter 352B~~ or any other law to the contrary, conservation officers and crime bureau officers who are first employed on or after July 1, 1973 and are members of the highway ~~patrolmen's~~ patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for such fractional portion of one year as will enable the employee to complete his the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3.

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

(2) Notwithstanding any provisions of ~~chapters 352A and chapter 352B~~ or any other law to the contrary, conservation officers and crime bureau officers who are first employed and are members of the highway ~~patrolmen's patrol~~ retirement association by reason of their employment before July 1, 1973, shall be governed by the same mandatory retirement regulations applied to other state employees who are covered by the Minnesota state retirement system.

(3) Notwithstanding any provisions of chapter 352B or any other law to the contrary, members of the Minnesota highway patrol division of the department of public safety who are members of the highway patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for such fractional portion of one year as will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3.

Sec. 19. Minnesota Statutes 1980, Section 69.011, Subdivision 1, is amended to read:

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~~ chapters 423, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner or director of insurance.
- (b) "Municipality" means any home rule charter or statutory city of any class, and or organized town.
- (c) "Minnesota Firetown Premium Report" means a blank form prescribed by the commissioner 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 less return premiums and dividends.
- (d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a retirement plan subsidiary volunteer firefighters relief association.
- (e) "Average State Aid" means the sum of the amount of aid apportioned for firefighter's 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~~ the property is subject to taxation, or exempt from ad valorem taxation ~~for any reason, appearing obtained from information which appears~~ on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

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

(g) "Minnesota Aid to Police Premium Report" means a ~~blank~~ form ~~containing space prescribed by the commissioner~~ for reporting by each fire and casualty insurer of all premiums ~~less return premiums 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 24 of page 14 in the Minnesota business schedule~~ 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 ~~less return premiums and dividends~~.

(h) "Police Peace 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 subdivision 2, clause (b);

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

(4) Who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) Who is a member of a local police relief association to which section 69.77 applies 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 peace officers providing contract service" means the integral or fractional number of police peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full time basis as defined by the employing unit ~~in~~ and the municipality receiving the contract service.

(j) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to section 424.05, subdivision 3, clauses (2), (3) and (4).

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

(k) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body.

Sec. 20. Minnesota Statutes 1980, Section 69.031, Subdivision 5, is amended to read:

Subd. 5. **DEPOSIT OF STATE AID.** (1) The municipal treasurer, when the fire state aid ~~and tax~~ is received by him, shall within 30 days after receipt ~~pay over the portion of~~ transmit it attributed to premiums reported on the Minnesota Firetown Premium Report to the treasurer of the duly incorporated firefighter'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 424.34~~ section 424A.05 and shall be disbursed only for the purposes and in the manner set forth in ~~those sections~~ that section.

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

(a) For a municipality in which a local police relief association exists and all police peace 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, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all police peace 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 clause (a), 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

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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~~ peace officers, as defined in section 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. 21. Minnesota Statutes 1980, Section 69.031, Subdivision 6, is amended to read:

Subd. 6. **ADMINISTRATION.** The staff of the statistical-tax audit section, insurance division, shall be under the direction of the incumbent senior auditor, who shall be director of the police and fire state aid for fire departments, firefighter's relief and pension programs. Under the supervision of the director of the police and fire state aid programs shall be an auditor, a senior account clerk, a clerk typist and other personnel and equipment the director may from time to time require to carry out the provisions of the law relating to the collection, apportionment and regulation of the police and fire state aid programs for fire departments, firefighter's relief and pension.

Sec. 22. Minnesota Statutes 1980, Section 69.051, Subdivision 1, is amended to read:

Subdivision 1. **FINANCIAL REPORT OF ASSOCIATION.** The secretary and treasurer of each duly incorporated ~~fire department~~ firefighters relief association or police relief association located in any municipality of any class shall annually prepare and sign jointly a detailed financial report of the association's receipts, disbursements and balances in its special and general funds for the preceding calendar year ending December 31, showing for what purpose the money has been paid and expended and any other information the commissioner may require, and, on or before June 30 following, file a copy with the municipality wherein the relief association is located and two copies with the commissioner. The commissioner shall forward one copy to the county auditor of the county wherein the municipality is located. No state aid or tax moneys shall be paid over by the municipality to an association until the report is filed with the municipality. The financial report shall be certified by an independent public accountant who shall give his opinion as to the condition of the funds and comment upon any exception to the report, or in lieu thereof file

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with the commissioner an audit report prepared by the state auditor. ~~The fire department~~ A police or firefighters relief association shall not qualify to receive future state aid pursuant to this chapter until the report is filed with the commissioner and the requirements of this chapter have been complied with.

Sec. 23. Minnesota Statutes 1980, Section 69.77, Subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZED EMPLOYER SUPPORT FOR A RELIEF ASSOCIATION.** ~~It shall be unlawful for any governmental subdivision to~~ Notwithstanding any law to the contrary, a municipality may contribute any public funds for the operation and maintenance of, including any applicable police or fire state aid, or levy property taxes for the support of a police or firefighters' relief association, enumerated in subdivision 1a, however organized, which provides retirement coverage or pays a service pension to a retired police officer or firefighter or a retirement benefits benefit to a surviving dependent of either an active or retired police officer or a fire fighter or a dependent thereof, or to levy taxes for the support thereof except in accordance operation and maintenance of the relief association only if the municipality and the relief association comply with the provisions of this section. The commissioner of insurance shall not include any municipality in the apportionment of police or fire state aid to the county auditor pursuant to section 69.021, subdivision 6, nor shall any county auditor include any municipality in the apportionment of police or fire state aid pursuant to section 69.021, subdivision 7, in which there exists a local police or paid salaried firefighters relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association. The commissioner of insurance shall determine if a municipality with a local police or paid salaried firefighters relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Sec. 24. Minnesota Statutes 1980, Section 69.77, Subdivision 1a, is amended to read:

Subd. 1a. **COVERED RELIEF ASSOCIATIONS.** The provisions of this section shall apply to the following retirement funds:

(1) Any police pension fund or relief association which is established pursuant to chapter 423;

(2) Any salaried firefighters pension fund or relief association which is established pursuant to chapter 424;

(3) Any pension fund or relief association which is established pursuant to this chapter which has five or more members who receive compensation for services rendered in the employment covered by the pension fund or relief association and which provide provides for benefits retirement coverage or a

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service pension based on the compensation paid to members for their that service;

(4) Any pension fund or relief association which is established and operating under operates in whole or in part pursuant to special legislation and which provides benefits for retirement coverage or a service pension based on the compensation paid to members for service as police officers or firefighters or which provides for retirement coverage or a service pension to volunteer firefighters based on the compensation paid to or the service pension provided by a pension fund or relief association located in the same municipality for police officers employed by the municipality but not covered by clauses (1), (2) or (3); and

(5) Any governmental subdivision retirement fund established pursuant to any law providing for the payment of benefits retirement coverage to police officers or salaried firefighters or a retirement benefit to their dependents as retirement or survivorship benefits and not otherwise described in this subdivision.

Sec. 25. Minnesota Statutes 1980, Section 69.77, Subdivision 2, is amended to read:

Subd. 2. **FINANCING GUIDELINE REQUIREMENTS.** The penalty provided for in subdivision 1 does shall not apply to an a relief association enumerated in subdivision 1a under if the following circumstances requirements are met:

(1) Each member of the relief association pays into the retirement funds special fund of the association during his term a year of covered employment from and after January 1, 1981 service, a contribution for retirement and coverage including survivorship benefits of not less than eight percent of the maximum rate of salary from upon which retirement and survivorship credits coverage is credited and service pension and retirement benefit amounts of benefits are determined; and that the. The member contributions of a member are deducted shall be made by payroll deduction from his the salary of the member by his governmental employer the municipality, and shall be transmitted by the municipality to the relief association; and deposited as soon as practical. The relief association shall deposit the member contribution to the credit of the proper special fund thereof of the relief association, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years with the approval of the municipality, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. The member contribution requirement specified in this paragraph clause shall not apply to any members who are volunteer firefighters; provided that unless the local governing body shall have given their

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approval to the of the municipality did not approve this member contribution exemption following the consideration by the municipal governing body of the most recent first actuarial survey filed with the municipality following January 1, 1970.

(2) The officers of the relief association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements of the relief association and minimum obligation of the association municipality for the following calendar year in accordance with the following requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, whether or not the actuarial valuation or survey was prepared at a greater frequency than minimally required pursuant to clause (8). In the event that an updated actuarial valuation or an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the updated actuarial valuation or actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a percent of covered payroll dollar amount, which shall be determined from the actuarial survey shall be applied by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership for the following year to determine the dollar amount of normal cost of the relief association, including any projected increase in the active membership, for said the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption

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set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

Except as otherwise provided in this paragraph, The minimum obligation of the governmental subdivision municipality shall be an amount equal to the financial requirements of the relief association less reduced by the estimated amount of member contributions herein provided from covered salary anticipated for the following calendar year and less one year's the estimated receipts expected amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (b) or Laws 1980, Chapter 607, Article XV, Section 4, Subdivision 2, and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, ten percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of a governmental subdivision shall be submitted the municipality to its the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year so that it may. The governing body of the municipality shall ascertain if it has been whether or not the determinations were prepared in accordance with law.

(4) The governmental subdivision municipality shall provide for and shall pay as promptly as funds are available to the association each year at least the amount of the minimum obligation each year of the municipality to the relief association. Any portion of this amount not paid to the association at If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be increased added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until so paid. On September 1 of any year the unpaid amount subject to

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interest shall be added to the obligation of the governmental subdivision the date that the municipality actually makes the required payment.

(5) The governmental subdivision municipality shall provide in its the annual municipal budget for at least its the minimum obligation and of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment thereof of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level; the levy of such. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the governmental subdivision, municipality which are subject to any such a limitation, as to rate or amount to be reduced in any amount whatsoever. If the governmental subdivision municipality does not include the full amount of the minimum obligation of the municipality in its the levy for that the municipality certified to the county auditor in any year, the officers of the relief association shall certify that the amount of any deficiency to the county auditor, who. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the obligation the deficiency certified to by the officers of the relief association.

(6) Moneys Any sums of money paid by the governmental subdivision municipality to the relief association in excess of the minimum amount so required obligation of the municipality in any year shall be applied to the reduction in the used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement investment fund may be invested in the growth share account.

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(8) The association shall procure an actuarial survey valuation showing the condition of ~~its~~ the special fund of the relief association pursuant to ~~section sections 356.215 and 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter as of every even numbered year.~~ The association shall also procure a quadrennial experience study pursuant to ~~section sections 356.215 and 356.216, as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter.~~ A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 26. Minnesota Statutes 1980, Section 69.77, Subdivision 2a, is amended to read:

Subd. 2a. **REQUIREMENT FOR MUNICIPAL RATIFICATION.** ~~After January 1, 1971, all~~ Any amendment to the bylaws or articles of incorporation amendments affecting of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits paid for payable from any police or fire firefighters relief association governed by this section, enumerated in subdivision 1a shall not be effective until it is ratified by the local governmental subdivision municipality in which the relief association is located. The officers of the relief association shall not seek municipal ratification prior to obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the clerk of the municipality.

Sec. 27. Minnesota Statutes 1980, Section 69.772, Subdivision 2, is amended to read:

Subd. 2. **DETERMINATION OF ACCRUED LIABILITY.** Each firefighters' relief association which pays a service pension when a retiring firefighter meets the minimum requirements for entitlement to a service pension specified in section 424A.02 and which in its articles of incorporation or bylaws requires service credit for a period of service less than 20 years of active service for a totally nonforfeitable service pension as provided in section 424A.09 shall determine the accrued liability of the special fund of the firefighters' relief association relative to each active or deferred member of the relief association, calculated individually using the following table:

*Changes or additions are indicated by underline, deletions by strikeout.*

Cumulative Year .....	Accrued Liability .....
1	\$35
2	71
3	110
4	150
5	192
6	236
7	283
8	332
9	383
10	437
11	494
12	553
13	616
14	681
15	750
16 and thereafter	50 additional per year

Each firefighters' relief association which pays a service pension when a retiring firefighter meets the minimum requirements for entitlement to a service pension specified in section 424A.02 and which in its articles of incorporation or bylaws requires service credit for a period of service of at least 20 years of active service for a totally nonforfeitable service pension shall determine the accrued liability of the special fund of the firefighters' relief association relative to each active or deferred member of the relief association, calculated individually using the following table:

Cumulative Year .....	Accrued Liability .....
1	\$30
2	62
3	95
4	130
5	167
6	205
7	246
8	288
9	333
10	380
11	429
12	481
13	535
14	592
15	652
16	714
17	780
18	849

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19	922
20	1000
21 and thereafter	50 additional per year

The accrued liability of the special fund for each active or deferred member of the relief association shall be determined as the multiple or portion of the accrued liability amounts corresponding to the cumulative years of active service with the fire department to which the relief association is affiliated to the credit of the member as set forth in the applicable table that the lump sum service pension amount currently provided for in the articles of incorporation or the bylaws of the relief association bears to a lump sum service pension of \$50 per year of service. If a member has fractional service as of December 31, the figure for service credit to be used for the determination of accrued liability pursuant to this section shall be rounded up to the nearest full year of service credit. The total accrued liability of the special fund of the relief association as of December 31 shall be the sum of the accrued liability attributable to each active or deferred member of the relief association.

Sec. 28. Minnesota Statutes 1980, Section 69.772, Subdivision 2a, is amended to read:

Subd. 2a. **DETERMINATION OF ACCRUED LIABILITY FOR RECIPIENTS OF INSTALLMENT PAYMENTS.** Each firefighters' relief association which pays a lump sum service pension in installment payments to a retired firefighter pursuant to section 424A.02, subdivision 8, shall determine the accrued liability of the special fund of the firefighters' relief association relative to each retired member receiving a lump sum service pension in installment payments calculated individually as the sum of each future installment payment discounted at an interest rate of five percent, compounded annually, from the date the installment payment is scheduled to be paid to December 31. The sum of the accrued liability attributable to each retired member of the relief association receiving a lump sum service pension in installment payments shall be the total additional accrued liability of the special fund of the relief association as of December 31, and shall be added to the accrued liability of the special fund of the relief association calculated pursuant to subdivision 2 for purposes of calculating the financial requirements of the relief association and the minimum obligation of the municipality pursuant to subdivision 3.

To the extent that the commissioner of insurance deems it to be necessary or practical, the commissioner may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Sec. 29. Minnesota Statutes 1980, Section 69.773, Subdivision 2, is amended to read:

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Subd. 2. **DETERMINATION OF ACTUARIAL CONDITION AND FUNDING COSTS.** Each relief association to which this section applies shall procure an actuarial valuation showing the condition of the special fund of the relief association as of December 31, 1978 and at least as of December 31 every four years thereafter. The valuation shall be prepared in accordance with the provisions of section 356.216, except that the figure for normal cost shall be expressed as a level dollar amount, and the amortization contribution shall be the level dollar amount calculated to amortize any current unfunded accrued liability by at least the date of full funding specified in subdivision 4, clause (b). Each valuation shall be filed with the governing body of the municipality in which the relief association is located and with the ~~state auditor~~ commissioner of insurance, not later than June 1 of the ~~following year~~ next following the date as of which the actuarial valuation is prepared. Any relief association which is operating under a special law which requires that actuarial valuations be procured at least every four years and be prepared in accordance with applicable actuarial standards set forth in statute may continue to have actuarial valuations made according to the time schedule set forth in the special legislation subject to the provisions of subdivision 3. The relief association shall also procure a quadrennial experience study pursuant to section 356.216 to accompany the actuarial valuation every four years. With the permission of the commissioner of insurance, a relief association may have their quadrennial experience study prepared by a qualified actuary jointly with the experience studies of other relief associations and reported to the commissioner as part of a joint report by the qualified actuary not later than December 1 of the year next following the date as of which the actuarial valuation is prepared.

Sec. 30. Minnesota Statutes 1980, Section 118.01, Subdivision 11, is amended to read:

Subd. 11. "Municipality" for the purpose of this section means a county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, police or salaried firefighter's relief association, volunteer firefighter's relief association, independent non-profit firefighting corporation having a subsidiary firefighter's relief association, or any other statutory retirement association established pursuant to statute or special law holding funds intended for to support or pay retirement benefits for employees of a municipality, any other political subdivision, or an agency of the state or of its subdivisions.

Sec. 31. Minnesota Statutes 1980, Section 136.80, Subdivision 1, is amended to read:

Subdivision 1. A supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full time contract is hereby established and shall be covered under the terms and conditions of governed pursuant to

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sections 136.81 to ~~136.86~~ 136.85. Any unclassified employee who is employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act shall not be included in the supplemental retirement plan provided for in sections 136.81 to ~~136.86~~ 136.85 from and after March 30, 1978 unless the unclassified employee has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by section 136.81 on account of that unclassified employee from revenue sources other than funds provided under the federal comprehensive employment and training act, or the unclassified employee agrees in writing to make the employer contribution required by section 136.81 in addition to the member contribution.

Sec. 32. Minnesota Statutes 1980, Section 136.81, is amended to read:

**136.81 SALARY DEDUCTIONS, MATCHING FUNDS.**

Subdivision 1. Beginning July 1, 1967, There shall be deducted from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of ~~such the~~ person's annual salary paid between \$6,000 and \$15,000. ~~Such~~ The deduction is to be made in the same manner as other retirement deductions are made from the salary of such a the person only after the first \$6,000 has been paid in a fiscal year. The state shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. The moneys so deducted, together with an equal sum contributed by and the state, contribution shall be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund, which. The account is hereby established as an account and shall be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The moneys required from time to time to match the person's salary deductions to meet the obligation of the state as provided in this subdivision shall be contributed to the board of trustees executive director of the teachers retirement fund association by the state.

Any deductions which are taken from the salary of a person for the supplemental retirement ~~investment fund plan~~ in error shall upon discovery and verification be refunded to the ~~employee~~ person. The retirement board shall establish ~~an account~~ a reserve which will shall reflect any gains or losses realized due to the ~~purchasing~~ purchase and redemption of shares representing salary deductions and state contributions which were made in error. The balance of ~~such account~~ the reserve shall be disposed of credited annually to the ~~account~~ cancellation reserve established for the purpose of prorating among employees share accounts the cancellations of the previous 12 months pursuant to section 136.82, subdivision 1, clause (5).

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If any payroll deductions which are required pursuant to this section are ~~not made from an employee's salary as provided in this section, such omitted,~~ the deductions shall be remitted to the supplemental retirement plan investment account of the teachers retirement association within one year from the end of the fiscal year in which the deductions were due, and at the time of the receipt of such amount an equal amount shall be contributed to the board of trustees of the teachers retirement fund by the omitted deductions, the required state contribution shall then be made.

Subd. 2. With the moneys deposited to the credit of the supplemental retirement plan account of the teachers retirement fund pursuant to subdivision 1, the ~~board of trustees~~ executive director of the teachers retirement fund shall on the first business day of each month purchase shares in the accounts of the Minnesota supplemental retirement fund to the extent of funds available. The moneys to be invested from time to time pursuant to this subdivision are appropriated to the ~~board of trustees~~ executive director of the teachers retirement fund for the purchase of such shares.

Subd. 3. Prior to July 1 of each year, each person described in section 136.80, subdivision 1, may indicate in writing, on forms provided by the ~~board of trustees~~ executive director of the teachers retirement fund, the account of the Minnesota supplemental retirement investment fund in which ~~he wishes his~~ salary deductions and state matching funds attributable to ~~his~~ salary deductions be invested for the year beginning July 1. For that year and thereafter until a different written indication is made ~~by such person,~~ the ~~board of trustees~~ executive director of the teachers retirement fund shall purchase with the salary deductions and state matching funds attributable to the salary deductions shares in the account of the Minnesota supplemental retirement investment fund chosen by the person. If a person fails to indicate ~~his~~ a choice as provided herein, the ~~board of trustees~~ executive director of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental retirement investment fund for the coming year. The shares so purchased shall stand in the name of the board of trustees of the teachers retirement fund, but a record shall be kept indicating the number of shares in each account of the Minnesota supplemental retirement investment fund purchased with the salary deductions and state matching funds attributable to the salary deductions of each person. ~~Such~~ The record shall be known as the "employee's share account record". The employee's share account record shall show, in addition to the number of shares therein, any cash balance of salary deductions or state matching funds attributable to those deductions which stands uninvested in shares.

Sec. 33. Minnesota Statutes 1980, Section 136.82, is amended to read:  
136.82 REDEMPTION.

Subdivision 1. The ~~board of trustees~~ executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supple-

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mental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and regulations governing the Minnesota supplemental retirement investment fund:

(1) When requested to do so in writing on forms provided by the ~~board of trustees~~ executive director of the teachers retirement fund by a person having shares to the credit of ~~his~~ the employee's share account record, if the person is 65 years of age or older and is no longer employed by the state university board or state board for community colleges. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of ~~his~~ the person's shares in ~~his~~ the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided by the ~~board of trustees~~ executive director of the teachers retirement fund by a person having shares to the credit of ~~his~~ the employee's share account record, if the person has left ~~his~~ employment by the state university board or state board for community colleges because of ~~his~~ a total and permanent disability as defined in section 354.05, subdivision 14, and if the ~~board of trustees~~ executive director of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment. ~~In such case,~~ the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of ~~his~~ the shares in ~~his~~ the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board, in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. ~~Should~~ If the person ~~return~~ returns to good health ~~he,~~ the person shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of ~~his~~ the employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the ~~board of trustees~~ executive director of the teachers retirement fund by ~~such~~ the surviving spouse. ~~Such~~ The surviving spouse shall receive the cash realized on the redemption of the shares. ~~Such~~ The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account

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record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In such that case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of such the surviving spouse any shares remaining in the employee's share account record shall be redeemed by the board of trustees executive director of the teachers retirement fund and the cash realized therefrom distributed to the estate of such the surviving spouse.

(4) In the event of the death of a person having shares to the credit of his the employee's share account record and leaving no surviving spouse, then the board of trustees executive director of the teachers retirement fund shall redeem all shares to the credit of the employee's share account record and pay the cash realized therefrom to the estate of the deceased person.

(5) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of his the employee's share account record, if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (1) to (4). In such that case one-half of the cash realized on the redemption of shares shall be received by the person and one-half shall become the property of the supplemental retirement plan account of the teachers retirement fund. Annually on July 1 the cancellations of the previous 12 months shall be prorated among the employees share accounts in the proportions of proportion to the value of which each such account bears to the total value of all such share accounts.

Subd. 2. A person having who has shares to the credit of his the employee's share account record, who is 55 years of age or older and who is authorized to request redemption of such shares pursuant to subdivision 1, paragraph (1) notwithstanding the age 65 requirement or who is authorized to request redemption of such shares pursuant to subdivision 1, paragraph (2), or a surviving spouse of such the person who is authorized to request redemption of such shares pursuant to subdivision 1, paragraph (3), may redeem all or part of such the shares, and for the purpose of purchasing an annuity as herein provided (and such election to purchase an annuity may be made only once by any individual) may deposit the cash realized on such upon redemption with the board of trustees executive director of the teachers retirement fund and receive in exchange therefor an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. In the event such the election is made prior to the date on which he the person is entitled to such request redemption, the redemption shall not be made prior to date upon which he the person would be entitled

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thereto. The annuity purchase rates shall be based on an appropriate annuity table of mortality with interest as provided in section 354.07, subdivision 1. The amount of the annuity for life is shall be an amount equal to the annuity which could be purchased with the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares ~~will be paid~~ is payable to the designated beneficiary. ~~Such~~ The optional forms of annuity shall be actuarially equivalent to the ~~normal single life annuity for life as defined in section 354.05, subdivision 7.~~ In establishing these optional forms the board of trustees shall obtain the written recommendation of an approved actuary as defined in section 354.05, subdivision 10, and these recommendations shall be a part of the permanent records of the board of trustees.

Subd. 3. The cash realized from the redemption of shares from time to time as provided in subdivisions 1 and 2 is hereby appropriated to the ~~board of trustees executive director~~ of the teachers retirement fund for payment as provided in subdivisions 1 and 2.

Subd. 4. A person who is authorized to request a redemption of a portion of his shares may, in writing on forms provided by the ~~board of trustees executive director,~~ authorize one or more shares to be redeemed per month on a continuing basis so that such requests need not be submitted each month, and such the person may change such the continuing order for any subsequent month by similar written request.

Sec. 34. Minnesota Statutes 1980, Section 136.83, is amended to read:  
136.83 **PROSPECTUS.**

The ~~board of trustees executive director~~ of the teachers retirement fund shall distribute to each person having shares to the credit of his employee's share account record a prospectus of the Minnesota supplemental retirement investment fund when received from the latter fund.

Sec. 35. Minnesota Statutes 1980, Section 136.85, is amended to read:  
136.85 **BUDGET.**

Each biennium the board of trustees of the teachers retirement fund shall submit to the ~~department of administration commissioner of finance~~ a proposed budget for the administration of this supplementary benefit supplementary retirement plan for the coming biennium, and ~~such the~~ budget, with such any recommendation in connection with it as the governor may make, shall be submitted to the legislature.

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

Sec. 36. Minnesota Statutes 1980, Section 136.87, Subdivision 1, is amended to read:

Subdivision 1. For the purpose of, and to permit the participation in the tax shelter provisions of section 501(c) and section 403(b) and related provisions of the internal revenue code, the state university board and the board for community colleges are authorized to enter into agreements to reduce or adjust salaries downward for persons defined in section 136.80, subdivision 1, and to pay as employer an amount equivalent to ~~such~~ the salary reduction in the same manner as deductions would have been paid by ~~such the person under Laws 1967, Chapter 808~~ pursuant to section 136.81, subdivision 1.

Sec. 37. Minnesota Statutes 1980, Section 136.87, Subdivision 2, is amended to read:

Subd. 2. Subject to the approval of the board of trustees, the executive director is authorized to establish such rules and regulations and procedures consistent with Laws 1967, Chapter 808 sections 136.80 to 136.87, that will which permit, if possible, the participation in the aforesaid tax shelter provisions of the federal internal revenue code.

Sec. 38. Minnesota Statutes 1980, Section 275.125, Subdivision 6a, is amended to read:

Subd. 6a. (1) In addition to the excess levy authorized in subdivision 6, in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under ~~sections section 275.127 and 422A.01 to 422A.25~~ chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under ~~sections section 275.127 and 422A.01 to 422A.25~~ chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, Sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, ~~Sections Section 275.127 and 422A.01 to 422A.25~~ Chapter 422A.

Sec. 39. Minnesota Statutes 1980, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1979 payable in 1980 and thereafter, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of

settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law, including the administrative costs of social services but not administrative costs of public assistance programs or of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

(e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

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(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the inflation adjusted aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. The "inflation adjusted aggregate of revenues in calendar year 1971" shall be the sum of (a) the aggregate of revenues received in calendar year 1971 multiplied by the total percentage increase in the consumer price index for the Minneapolis-St. Paul area from the calendar year 1971 to June of the levy year plus (b) the aggregate of revenues received in calendar year 1971. The commissioner of revenue shall calculate and notify the governmental subdivisions of the inflation adjustment by September of the levy year. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(j) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(k) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent

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that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(m) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(n) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development *within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.*

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

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(o) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(p) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds; including interest thereon, in accordance with the actuarial standards and guidelines specified in sections ~~69.74 to 69.776~~ and 356.215 and 356.216 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(q) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(r) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

(s) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16.

**Sec. 40. ~~[345.381]~~ PROPERTY HELD BY MINNESOTA PUBLIC PENSION FUND.**

No amounts of money held or owing by a public pension fund enumerated in sections 356.21, subdivision 2, or 356.30, subdivision 3, or governed by sections 69.77 or 69.771 to 69.776 shall be presumed to have been abandoned for purposes of sections 345.41, 345.42, 345.43, 345.47 and 345.48 if the plan governing the public pension fund includes a provision governing the disposition of unclaimed amounts of money.

Sec. 41. Minnesota Statutes 1980, Section 352.01, Subdivision 2A, is amended to read:

Subd. 2A. **INCLUDED EMPLOYEES.** The following persons are included in the meaning of state employee:

- (1) Employees of the Minnesota Historical Society.
- (2) Employees of the State Horticultural Society.

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

(3) Employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed prior to July 1, 1963.

(4) Employees of the Minnesota Crop Improvement Association.

(5) Employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system.

(6) Employees of the state universities employed under the university activities program.

(7) Currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in ~~item~~ clause (8) of subdivision 2B.

(8) Employees of the armory building commission.

(9) Permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation including permanent employees of the legislative research committee.

(10) Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.

(11) Employees of the Minnesota Safety Council.

(12) Employees of the transit operating division of the metropolitan transit commission and any employees on authorized leave of absence from the transit operating division who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division.

(13) Employees of the metropolitan council, metropolitan parks and open space commission, metropolitan transit commission, metropolitan waste control commission, metropolitan sports facilities commission or the metropolitan mosquito control commission unless excluded or covered by another public pension fund or plan pursuant to sections 473.141, subdivision 12, or ~~473.411~~ 473.415, subdivision 3.

(14) Judges of the tax court.

Sec. 42. Minnesota Statutes 1980, Section 352.01, Subdivision 11, is amended to read:

Subd. 11. **ALLOWABLE SERVICE.** "Allowable service" means:

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

(1) Any service rendered by an employee for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or

(2) Any service rendered by an employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or

(3) Except as provided in clause (11), any service rendered by an employee after July 1, 1957, for any calendar month in which he is paid salary from which deductions are made, deposited and credited in the fund, including deductions made, deposited and credited as provided in section 352.041, or

(4) Except as provided in clause (11), any service rendered by an employee after July 1, 1957 for any calendar month for which payments in lieu of salary deductions are made, deposited and credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month. The board of directors of the Minnesota state retirement system shall establish rules governing the accrual of allowable service credit for less than full time employment.), or

(5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund, or

(6) The unused portion of an employee's annual leave allowance for which he is paid salary, or

(7) Any employee who made payment in installments in order to obtain additional service credit but failed to make the final payment on or before July 1, 1962 shall be entitled to have credit for all service for which the payments he made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or

(8) Former state employees who hold numbered certificates of deferred annuity who again become state employees shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates, or

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

(9) Any service covered by ~~refundment~~ a refund repaid as provided in ~~section~~ sections 352.23 or 352D.05, subdivision 4, but does not include service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system, or

(10) Any service prior to ~~the effective date of Laws 1978, Chapter 538 July 1, 1978~~ by an employee of the transit operating division of the metropolitan transit commission or by an employee on an authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division which was credited by the metropolitan transit commission-transit operating division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous or allowable service as defined in the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977, or

(11) Any service by an employee of the metropolitan transit commission-transit operating division who is employed part time for less than 32 hours per week or 1,664 hours per year for which the employee is paid salary from which deductions are made, deposited and credited in the fund, including deductions made, deposited and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited and credited in the fund as provided in section 352.27 shall be credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full time week or a full time year, or

(12) Any service by an employee in the Minnesota demonstration job-sharing program pursuant to sections 43.56 to 43.62 which is less than 40 hours per week or 2,080 hours per year and for which the employee is paid salary from which deductions are made, deposited and credited in the fund, shall be credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full time week or a full time year.

Sec. 43. Minnesota Statutes 1980, Section 352.01, Subdivision 19, is amended to read:

Subd. 19. **RETIREMENT.** "Retirement" means the time after a state employee is entitled to an accrued annuity, as defined in subdivision 21 of ~~this section~~, payable to him pursuant to his application for annuity filed in the office of the system as provided in section 352.115, subdivision 8 or, in the case of an employee who has received a disability benefit; when he attains age 65.

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

Sec. 44. Minnesota Statutes 1980, Section 352.01, Subdivision 23, is amended to read:

Subd. 23. **COVERAGE OR COVERED BY THE SYSTEM.** "Coverage" or "covered by the system" for the purposes of this chapter means that state employees who serve the state of Minnesota and make the required employee contributions to the retirement fund will by reason thereof become entitled to either (1) a retirement annuity, or (2) a disability benefit, or (3) a ~~refundment~~ refund of accumulated contributions, all as provided in this chapter.

Sec. 45. Minnesota Statutes 1980, Section 352.029, Subdivision 1, is amended to read:

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 2B.

Sec. 46. Minnesota Statutes 1980, Section 352.03, Subdivision 6, is amended to read:

Subd. 6. **DUTIES AND POWERS OF EXECUTIVE DIRECTOR.** The management of the system is vested in the director who shall be the executive and administrative head of the system. He shall act as advisor to the board on all matters pertaining to the system. He shall also act as the secretary of the board. It is the duty of the director and he has the power to:

- (1) Attend all meetings of the board;
- (2) Prepare and recommend to the board rules and regulations for the purpose of carrying out the provisions of this chapter;
- (3) Establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) Designate an assistant director with the approval of the board;
- (5) Appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;
- (6) Organize the work of the system as he deems necessary to fulfill the functions of the system, and to define the duties of its employees and delegate to them any of his powers or duties, subject to his control and under such conditions as he may prescribe. Appointments to exercise delegated power shall be by written order filed with the secretary of state;

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(7) With the advice and consent of the board, contract for actuarial services, professional management services, and consulting services as may be necessary and fix the compensation therefor. ~~Such~~ The contracts shall not be subject to the competitive bidding procedure prescribed by chapter 16. Professional management services may not be contracted for more often than once in every six years. Copies of all professional management survey reports shall be sent directly to the legislature and the legislative auditor at the same time ~~reports are furnished the board.~~ *Only management firms experienced in conducting management surveys of federal, state or local public retirement systems shall be qualified to contract with the director hereunder;*

(8) With the advice and consent of the board provide inservice training for all employees of the system;

(9) Make refundments of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased state employees or deceased former state employees, all as provided in this chapter;

(10) Determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment thereof beginning as of the dates ~~such~~ the annuities and benefits begin to accrue, all in accordance with the provisions of said chapter;

(11) Pay annuities, refundments, survivor benefits, salaries and all necessary operating expenses of the system;

(12) Certify funds available for investment to the state board of investment;

(13) With the advice and approval of the board request the state board of investment to sell securities when he determines that funds are needed for the purposes of the system;

(14) Prepare and submit to the board and the legislature a ~~biennial~~ an annual report covering the operation of the system, as required by sections ~~356.20~~ 356.215 to 356.23;

(15) Prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit ~~such~~ the budgets to the department of administration; and

(16) With the approval of the board, perform such other duties as may be required for the administration of the retirement and other provisions of this chapter and for the transaction of its business.

Sec. 47. Minnesota Statutes 1980, Section 352.113, Subdivision 4, is amended to read:

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

**Subd. 4. MEDICAL EXAMINATIONS; AUTHORIZATION FOR PAYMENT OF BENEFIT.** The director shall have the employee examined by at least two licensed physicians designated by the medical advisor. These physicians shall make written reports to the director concerning the employee's disability including medical opinions as to whether he is permanently and totally disabled within the meaning of section 352.01, subdivision 17; ~~and acts amendatory thereto.~~ The director shall also obtain written certification from the employer stating whether the employee is on sick leave of absence because of a disability which will prevent further service to the employer and as a consequence the employee is not entitled to compensation from the employer. If upon the consideration of the reports of the physicians and such other evidence as may have been supplied by the employee or others interested therein, the medical advisor finds the employee totally and permanently disabled, he shall make appropriate recommendation to the director in writing together with the date from which the employee has been totally disabled, and the director shall thereupon determine the propriety of authorizing payment of a disability benefit as provided in this section. The fact that an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because he has reached age 65 as provided in this section, the disability benefit shall cease with the last payment received by the disabled employee or which had accrued to him in his lifetime unless he leaves a spouse surviving him; in that event the surviving spouse shall be entitled to the disability benefit for the calendar month in which the disabled employee died.

Sec. 48. Minnesota Statutes 1980, Section 352.115, Subdivision 10, is amended to read:

**Subd. 10. RE-EMPLOYMENT OF ANNUITANT.** Should any retired employee again become entitled to receive salary or wages from the state, or any employer who employs state employees as that term is defined in section 352.01, subdivision 2, other than salary or wages received as a temporary employee of the legislature during a legislative session, the annuity or retirement allowance shall cease when the retired employee has earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health, ~~education and welfare~~ human services pursuant to the provisions of 42 U.S.C., Section 403, in any calendar year. In the event that the retired employee has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the retired employee shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The annuity shall be resumed when state service terminates, or, if the retired employee is still employed at the beginning of the next calendar year, at the beginning of such calendar year, and payment shall again

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terminate when the retired employee has earned the applicable re-employment earnings maximum specified in this subdivision. No payroll deductions for the retirement fund shall be made from the earnings of a re-employed retired employee. If the retired employee is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed during the period of sick leave. No change shall be made in the monthly amount of ~~such~~ an annuity or retirement allowance because of such employment the re-employment of an annuitant.

Sec. 49. Minnesota Statutes 1980, Section 352.116, Subdivision 3, is amended to read:

Subd. 3. **OPTIONAL ANNUITIES.** The board shall establish an optional retirement annuity which shall take the form of a joint and survivor annuity. The board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. ~~Such~~ The optional forms shall be actuarially equivalent to the normal forms provided in sections 352.115 and 352.116, whichever applies. In establishing these optional forms the board shall obtain the written recommendation of an approved actuary as defined in section 352.01, subdivision 15, and these recommendations shall be a part of the permanent records of the board.

Sec. 50. Minnesota Statutes 1980, Section 352.12, Subdivision 11, is amended to read:

Subd. 11. **DEATH OF DISABILITY ANNUITANT.** If an employee who has received a disability benefit dies, there shall be paid to his last designated beneficiary or, if there be none, to his surviving spouse, or if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the employee at the time the disability benefit began to accrue over and above the aggregate of (1) all disability benefits he had received and which had accrued in his lifetime, and (2) the benefit for the month in which the disabled employee died, payable, if applicable, to his surviving spouse under section 352.113, subdivision 4, ~~and acts amendatory thereof.~~

Sec. 51. Minnesota Statutes 1980, Section 352.22, Subdivision 2a, is amended to read:

Subd. 2a. **AMOUNT OF CERTAIN REFUND.** For any employee who is entitled to receive a refund pursuant to subdivision 1 and who, prior to ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ was a member of the metropolitan transit commission — transit operating division employees retirement fund, the refund for contributions made prior to ~~the effective date of Laws 1978, Chapter 538 July 1, 1978~~ shall be equal to the following amounts:

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(a) For any employee contributions made prior to January 1, 1950, the amount equal to one-half of the employee contributions without interest;

(b) For any employee contributions made subsequent to December 31, 1949, but prior to January 1, 1975, the amount of the employee contributions plus simple interest at the rate of two percent per annum; and

(c) For any employee contributions made subsequent to December 31, 1974, but prior to ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ the amount of the employee contributions plus simple interest at the rate of three and one-half percent per annum. The refund of contributions made on or after ~~the effective date of Laws 1978, Chapter 538 July 1, 1978~~ shall be determined pursuant to subdivision 2. Interest shall be computed to the first day of the month in which the refund is processed and shall be based on fiscal year balances. No refunds of contributions made to the metropolitan transit commission — transit operating division employees retirement fund received prior to July 1, 1978 or for service rendered prior to July 1, 1978 may be repaid.

Sec. 52. Minnesota Statutes 1980, Section 352.22, Subdivision 3, is amended to read:

Subd. 3. **DEFERRED ANNUITY.** (1) Any employee with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service shall have any annuity, deferred annuity or other benefit to which he may become entitled computed under the law in effect on his last working day.

(3) The provisions of Minnesota Statutes 1974, Section 352.28, Subdivision 1, and Section 352.115, Subdivisions 4 and 5 shall not apply to ~~paragraphs clauses~~ (1) and (2) hereof.

(4) No application for a deferred annuity shall be made prior to the time the former employee reaches the required age to entitle him to the payment of ~~such~~ the annuity. ~~Such~~ The deferred annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed in the office of the system except that if an optional annuity as provided in section 352.116 is selected the annuity shall begin to accrue 30 days after the application is filed but in no event prior to the date the employee reaches the required age to entitle him to ~~such~~ the annuity nor prior to the day following the termination of state service in a position not covered by the retirement system nor prior to the day following the termination of employment in a position which requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

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(5) Application for the accumulated contributions left on deposit with the fund may be made at any time after 60 days following the date of his termination of service.

Sec. 53. Minnesota Statutes 1980, Section 352.22, Subdivision 10, is amended to read:

Subd. 10. **OTHER REFUNDS.** Former employees covered by the system who are or who shall become members of the highway ~~patrolmen's~~ patrol retirement fund, the state teacher's retirement association or employees of the University of Minnesota excluded from coverage under the system by action of the board of regents; or labor service employees, excluded from coverage under section 352.01, subdivision 2B, clause (26); or employees of the adjutant general who under federal law effectually elect membership in a federal retirement system; or officers or employees of the senate or house of representatives, excluded from coverage under section 352.01, subdivision 2B, clause (8), shall be entitled to make application for a refund of their accumulated contributions plus interest as provided in subdivision 2, upon the expiration of 30 days or more after their coverage ceases, notwithstanding their continuance in state service but in positions not covered by this chapter.

Sec. 54. Minnesota Statutes 1980, Section 352.72, Subdivision 2, is amended to read:

Subd. 2. **COMPUTATION OF DEFERRED ANNUITY.** The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, shall be computed in the manner provided in section 352.22, subdivision 3, ~~and acts amendatory thereof,~~ on the basis of allowable service prior to termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity shall be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent compounded annually until January 1, 1981, and thereafter three percent compounded annually. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refundment, the service restored by ~~such~~ the repayment shall be considered as continuous with the next period of service for which the employee has credit with this system.

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The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. The mortality table and interest assumption used to compute ~~such~~ the annuity shall be those in effect at the time the employee files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

Sec. 55. Minnesota Statutes 1980, Section 352.72, Subdivision 4, is amended to read:

Subd. 4. **REFUNDMENT REPAYMENT.** Any person who has received a refundment from the state employees retirement fund, and who is a member of a public retirement system included in subdivision 1, may repay such refundment with interest to the state employees retirement fund. If a refundment is repaid to the fund and more than one refundment has been received from the fund, all refundments must be repaid. Such repayment shall be made as provided in ~~Minnesota Statutes 1957, section 352.23, and acts amendatory thereof,~~ and under such terms and conditions consistent therewith as may be agreed upon with the director.

Sec. 56. Minnesota Statutes 1980, Section 352.75, is amended to read:

**352.75 TRANSFER OF PENSION COVERAGE SAVINGS CLAUSE;  
INCREASE IN EXISTING ANNUITIES AND BENEFITS.**

Subdivision 1. **EXISTING EMPLOYEES.** Notwithstanding any provisions of law to the contrary, as of ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ by a labor organization which is the exclusive bargaining agent representing employees of the transit operating division shall cease to be members of the metropolitan transit commission — transit operating employees retirement fund and shall cease to have any accrual of service credit, rights or benefits under that retirement fund. From and after ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division shall be members of the Minnesota state retirement system, shall be considered state employees for purposes of this chapter, unless specifically excluded pursuant to section 352.01, subdivision 2B, and shall have past service with the transit operating division of the metropolitan transit commission credited by the Minnesota state retirement system in accordance with section 352.01, subdivision 11, clause (10). Any employees on authorized leaves of absence from the transit operating division of the metropolitan transit commission who become employed by the labor organization

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which is the exclusive bargaining agent representing employees of the transit operating division after the effective date of Laws 1978, Chapter 538 July 1, 1978, shall be entitled to be members of the Minnesota state retirement system pursuant to section 352.029.

Subd. 2. **NEW EMPLOYEES.** All persons first employed by the metropolitan transit commission as employees of the transit operating division on or after the effective date of Laws 1978, Chapter 538 July 1, 1978, shall be members of the Minnesota state retirement system and shall be considered state employees for purposes of this chapter unless specifically excluded pursuant to section 352.01, subdivision 2B.

Subd. 3. **EXISTING RETIRED MEMBERS AND BENEFIT RECIPIENTS.** As of the effective date of Laws 1978, Chapter 538 July 1, 1978, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the metropolitan transit commission — transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission — transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to the effective date of Laws 1978, Chapter 538 July 1, 1978, and the required reserves for the increase in annuities and benefits provided pursuant to subdivision 6 shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota post-retirement investment fund on the effective date of Laws 1978, Chapter 538 July 1, 1978, but shall be considered transferred as of June 30, 1978. The annuity or benefit amount in effect on the effective date of Laws 1978, Chapter 538 July 1, 1978, including the increase granted pursuant to subdivision 6, shall be considered the "originally determined benefit" utilized for purposes of any adjustments made pursuant to section 11A.18. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Subd. 4. **EXISTING DEFERRED RETIREES.** Any former member of the metropolitan transit commission — transit operating division employees retirement fund who is not an active employee of the transit operating division of the metropolitan transit commission on the effective date of Laws 1978, Chapter 538 July 1, 1978, who has at least ten years of active continuous service with the transit operating division of the metropolitan transit commission as defined by the metropolitan transit commission — transit operating division employees retirement plan document in effect on December 31, 1977, who has not received a refund of contributions and who has not retired or begun receiving an annuity or benefit from the metropolitan transit commission —

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transit operating division employees retirement fund shall be entitled to a retirement annuity from the Minnesota state retirement system upon attaining the age of at least 55 years and submitting a valid application for a retirement annuity to the executive director of the Minnesota state retirement system. The person shall be entitled to a retirement annuity in an amount equal to the *normal old age retirement allowance calculated under the metropolitan transit commission — transit operating division employees retirement fund plan document in effect on December 31, 1977* subject to an early retirement reduction or adjustment in amount on account of retirement prior to the normal retirement age specified in that metropolitan transit commission — transit operating division employees retirement fund plan document. The deferred retirement annuity of any person to whom this subdivision applies shall be augmented. The required reserves applicable to the deferred retirement annuity, determined as of the date the allowance begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented by interest at the rate of five percent per annum compounded annually from January 1, 1978 to January 1, 1981 and three percent per annum compounded annually from January 1, 1981 to the first day of the month in which the annuity begins to accrue. Upon the commencement of the retirement annuity, the required reserves for the annuity shall be transferred to the Minnesota post-retirement investment fund in accordance with subdivision 2 and section 352.119. Upon application for a retirement annuity under this subdivision, the person shall be entitled to elect a joint and survivor optional annuity pursuant to section 352.116, subdivision 3.

**Subd. 5. SAVINGS CLAUSE FOR CERTAIN EXISTING EMPLOYEES.** Any person who is a member of the metropolitan transit commission — transit operating division employees retirement fund on ~~the effective date of Laws 1978, Chapter 538 July 1, 1978~~ shall be entitled to retain past and prospective rights under the retirement benefit formula, normal retirement age and early reduced retirement age provisions of the metropolitan transit commission — transit operating division employees retirement fund plan document in effect on ~~the effective date of Laws 1978, Chapter 538 July 1, 1978~~ in lieu of the provisions contained in sections 352.115; 352.116; 352.22, subdivisions 3 to 11; and 356.30.

**Subd. 6. INCREASE IN EXISTING ANNUITIES AND BENEFITS.** All persons receiving retirement allowances or annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits from the metropolitan transit commission — transit operating division employees retirement fund on December 31, 1977 and on ~~the effective date of Laws 1978, Chapter 538 July 1, 1978,~~ shall be entitled to have that retirement allowance or annuity, disability benefit, survivorship annuity or survivor of deceased active employee benefit increased by an amount equal to \$20 per month. Notwithstanding section 356.18, increases in payments pursuant to this subdivision shall be made automatically unless the intended recipient files written notice with the

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executive director of the Minnesota state retirement system requesting that the increase shall not be made. If any actuarial reduction or adjustment was applied to the retirement allowance or annuity, disability benefit, survivorship annuity or survivor of deceased active employee benefit, the increase specified in this subdivision shall be similarly reduced or adjusted. Upon the death of any person receiving an annuity or benefit where the person made a joint and survivor optional annuity election, the survivor shall be entitled to the continued receipt of the increase provided for under this subdivision; provided, however, that the increase shall be reduced or adjusted in accordance with the optional annuity election.

Sec. 57. Minnesota Statutes 1980, Section 352.85, is amended by adding a subdivision to read:

Subd. 6. ACTUARIAL VALUATION EXHIBIT. In each valuation of the Minnesota state retirement system prepared pursuant to section 356.215, an exhibit pertaining to this special retirement program shall be included which shall contain for the special program those actuarial valuation contents items specified in section 356.215, subdivision 4, which the executive director deems are necessary to adequately disclose the actuarial condition of the special program.

Sec. 58. Minnesota Statutes 1980, Section 352.90, is amended to read:

**352.90 CORRECTIONAL EMPLOYEES.**

It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who may be required to retire at an early age because they are unable to retain the mental or physical capacity required to maintain the safety, security, discipline and custody of inmates at state adult correctional facilities. ~~For the purpose of chapter 356, the actuary shall make separate reports with respect to these employees. Except as otherwise provided, the provisions of this chapter, apply to covered correctional employees.~~

Sec. 59. Minnesota Statutes 1980, Section 352.91, Subdivision 2, is amended to read:

Subd. 2. Covered correctional service shall also mean service rendered at any time by state employees as special teachers, tradesmen and maintenance personnel certified by the commissioner of employee relations as being regularly engaged in rehabilitation, treatment, custody or supervision of inmates employed at the Minnesota correctional facility-St. Cloud, the Minnesota correctional facility-Stillwater and the Minnesota correctional facility-Shakopee on or after July 1, 1974, other than any ~~such~~ employees who are 62 years of age or older as of July 1, 1974, and, effective the first payroll period after June 1, 1980 or the date of initial employment in covered correctional service, whichever is later, shall also include those employees of the Minnesota correctional

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facility-Lino Lakes and the employees of any other adult state correctional facility which may be established, who perform covered correctional service after June 1, 1980. For each special teacher who on July 1, 1974 is employed at one of the foregoing facilities and is a member of the teachers retirement association, the teachers retirement association shall transfer to the Minnesota state retirement system an amount equal to accumulated employee and employer contributions, including any additional employer contributions on behalf of such employee. The term special teacher shall also include the classifications of facility educational administrator and supervisor.

Sec. 60. **[352.951] APPLICABILITY OF GENERAL LAW.**

Except as otherwise provided, the provisions of this chapter shall apply to covered correctional employees.

Sec. 61. Minnesota Statutes 1980, Section 352B.02, Subdivision 1, is amended to read:

Subdivision 1. There is hereby established a highway ~~patrolmen's patrol retirement association~~ fund, the membership of which shall consist of all persons defined in section 352B.01, subdivision 2. Each member shall pay a sum equal to seven percent of his monthly salary. Such Member contribution amounts shall be deducted monthly by the department head, who shall cause the total amount of said the monthly deductions to be paid to the state treasurer, and shall cause a detailed report of all monthly deductions to be made each month to the secretary of the association executive director of the Minnesota state retirement system. In addition thereto, there shall be paid out of money appropriated to the departments for this purpose, monthly, by the department heads, a sum equal to 12 percent of the salary upon which deductions were made, and a sum equal to nine percent of the salaries upon which deductions were made for the purpose of amortizing the actuarial deficit of the fund; ~~the same to.~~ These amounts shall be credited to the highway patrolmen's patrol retirement fund. All moneys received by ~~said association~~ shall be deposited by the state treasurer in the highway ~~patrolmen's patrol retirement fund~~. Out of ~~said the~~ fund shall be paid the administrative expenses of the ~~association retirement fund~~, and the benefits and annuities as hereinafter provided.

Sec. 62. Minnesota Statutes 1980, 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 2-1/2 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

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highest successive years of service as a member. The monthly salary for the period prior to July 2, 1969 shall be deemed to be \$600. The term "average monthly salary" shall not include any reduced salary paid during the period the person is entitled to benefit payments from the workers' compensation court of appeals for temporary disability. In lieu of the single life annuity herein provided, the member or former member with ten years or more of service may elect a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of ~~such~~ the single life annuity. The joint and survivor annuity elected by a member may also provide that the elected annuity be reinstated to the single life annuity herein provided, if after drawing the elected joint and survivor annuity, the designated beneficiary 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 designated beneficiary. This additional joint and survivor option with reinstatement clause shall be adjusted to the actuarial equivalent value of a regular single life annuity. ~~The member with ten or more years of service or the former member with 20 years or more of allowable service credit is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the member's 55th birthday.~~

Sec. 63. Minnesota Statutes 1980, Section 352B.11, Subdivision 2, is amended to read:

Subd. 2. **DEATH; PAYMENT TO SPOUSE AND CHILDREN.** In the event any member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, clause (1), or a former member with 20 or more years of allowable service credit receiving a disability benefit as provided by section 352B.10, clause (3) ~~shall die~~ dies from any cause, the surviving spouse and dependent child or dependent children shall be entitled to benefit payments as follows:

(a) A member with at least ten years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member attained or would have attained the age of 55.

~~(a)~~ (b) The surviving spouse of a member who had credit for less than ten years of service shall receive, for life, a monthly annuity equal to 20 percent of that portion of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

~~(b)~~ (c) The surviving spouse of a member who had credit for at least ten years of service and who dies after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in clause ~~(a)~~ (b).

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(~~e~~) (d) The surviving spouse of any member who had credit for ten years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (~~a~~) (b) until the deceased member would have reached his or her 55th birthday, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries prior to the deceased member's 55th birthdate, all benefits or annuities shall cease as of the date of remarriage. Remarriage subsequent to the deceased member's 55th birthday shall not affect the payment of the benefit.

(~~d~~) (e) Each dependent child shall receive a monthly annuity equal to ten percent of that portion of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over the age of 18 years and under the age of 22 years also may receive the monthly benefit provided herein, if ~~said~~ the child is continuously attending an accredited school as a full time student during the normal school year as determined by the director. If ~~said~~ the child does not continuously attend school but separates ~~himself~~ from full time attendance during any portion of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to ~~such~~ surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child shall be made to the surviving spouse, or if there be none, to the legal guardian of ~~such~~ the child. The maximum monthly benefit shall not exceed 40 percent of the average monthly salary for any number of children.

(~~e~~) (f) If the member shall die under circumstances which entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, ~~the amounts so equal to the workers' compensation benefits~~ received by them shall not be deducted from the benefits payable under pursuant to this section.

(~~f~~) (g) In the event any former member who had separated from service prior to having completed ten years of service, except former members permanently disabled in performance of duty, and was not employed by the state in a capacity entitling the former member to accumulate allowable service credit at the time of death, the surviving spouse, or if none, the children or heirs shall be entitled to receive any funds the former member may have left on deposit in the highway ~~patrolmen's patrol~~ retirement fund, but shall receive no further benefits under this chapter. The surviving spouse of ~~such~~ a deceased former member who had credit for ten or more years of allowable service, but excluding the spouse of a former member receiving a disability benefit under the provisions of section 352B.10, clause (3), based on less than 20 years of service, shall be entitled to receive the 100 percent joint and survivor annuity at such time as the deceased member would have reached his or her 55th birthdate, provided ~~he or she~~ the surviving spouse has not remarried prior to that date.

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

Sec. 64. Minnesota Statutes 1980, Section 352B.26, Subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZATION.** Effective July 1, 1969, The high-way ~~patrolmen's patrol retirement association fund~~ shall participate in the Minnesota post-retirement investment fund. In that fund there shall be deposited assets as required by Laws 1969, Chapter 977 ~~this section~~ and from which fund amounts shall be withdrawn only for the purpose of paying annuities as herein provided and ~~such~~ the money is annually and from time to time appropriated.

Sec. 65. Minnesota Statutes 1980, Section 352B.26, Subdivision 3, is amended to read:

Subd. 3. **VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.** (1) As of June 30, 1969, the present value of all ~~For those former members commencing to receive annuities, including and qualified recipients of joint and survivor annuities and qualified recipients of surviving spouse benefits, in force as of June 30, 1969, and as amended in accordance with Laws 1969, Chapter 977, the required reserves shall be determined in accordance with the United States Life Tables, 1959-61, white males and white females appropriate mortality table, calculated with an interest assumption of 3-1/2 percent set at the interest rate specified in section 356.215, subdivision 4, clause (4), and assets representing the required reserves for these annuities shall be transferred to the Minnesota post-retirement investment fund; during a period of one year in accordance with procedures specified in Minnesota Statutes 1969, section 41.25 11A.18. The provisions of this clause apply to all annuities which are payable under this chapter.~~

(2) Effective July 1, 1969, for those employees commencing to receive annuities and qualified recipients of surviving spouse benefits, or joint and survivor annuities, pursuant to this chapter, and acts amendatory thereof, the required reserves as determined in accordance with this section shall be transferred to the Minnesota post-retirement investment fund as of the date benefits begin to accrue after June 30, 1969.

(3) Annuity payments shall be adjusted in accordance with the provisions of section 11A.18.

(4) (3) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 66. Minnesota Statutes 1980, Section 352C.031, is amended by adding a subdivision to read:

**Changes or additions are indicated by underline, deletions by strikeout.**

Subd. 6. PAYMENT OF RETIREMENT ALLOWANCES. Retirement allowances payable pursuant to this section shall be paid monthly by the executive director of the Minnesota state retirement system.

Sec. 67. Minnesota Statutes 1980, Section 352C.04, Subdivision 1, is amended to read:

Subdivision 1. **SURVIVING SPOUSE BENEFIT.** Upon the death of a constitutional officer or commissioner while actively serving in ~~such~~ office, or a former constitutional officer or commissioner with at least eight years of allowable service, the surviving spouse is entitled to a survivor benefit in the amount of one-half of the retirement allowance of the constitutional officer or commissioner or the former constitutional officer or commissioner computed as though the constitutional officer or commissioner or the former constitutional officer or commissioner were at least age 62 on the date of death and based upon the attained allowable service or eight years, whichever is greater. The augmentation provided in section 352C.033, if applicable, shall be applied to the month of death. Upon the death of a former constitutional officer or commissioner receiving a retirement allowance, the surviving spouse shall be entitled to one-half of the amount of the retirement allowance being paid to the former constitutional officer or commissioner as of the date of death. ~~Such~~ The benefit shall be paid to a surviving spouse eligible therefor during the remainder of the spouse's natural life or until remarriage. Upon remarriage ~~such~~ , the spouse shall no longer be eligible for ~~such~~ the benefit except as provided in section 356.31.

Sec. 68. Minnesota Statutes 1980, Section 352D.02, Subdivision 1, is amended to read:

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 the commencement of his employment 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.

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

(2) The head of any department, division, or agency created by statute, an acting department head subsequently appointed to the position, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, ~~subdivisions~~ subdivision 4 and 4a,

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(3) Any permanent, fulltime unclassified employee of the legislature or any commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, 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 or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level,

(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, and

(7) The clerk of the Minnesota supreme court appointed pursuant to Article VI, Section 2, of the Constitution of the state of Minnesota.

Sec. 69. Minnesota Statutes 1980, Section 352D.02, Subdivision 2, is amended to read:

Subd. 2. A person becoming a participant in the unclassified program by virtue of his inclusion in chapter 15A employment in a position specified in subdivision 1, clause (2) and remaining in the unclassified service shall remain a participant in such the program even though the position he the person occupies is deleted from chapter 15A any of the sections referenced in subdivision 1, clause (2) by subsequent amendment, except that a person shall not be eligible to elect the unclassified program after separation from unclassified service if on his the return of the person to such service, that position is not listed specified in the applicable sections of chapter 15A subdivision 1, clause (2). Any person ~~enumerated~~ employed in a position specified in subdivision 1 shall cease to participate in the unclassified program in the event his position is placed in the classified service.

Sec. 70. Minnesota Statutes 1980, Section 352D.04, Subdivision 2, is amended to read:

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Subd. 2. The moneys used to purchase shares under this section shall be the employee ~~and, employer and employer additional~~ contributions as provided in section 352.04, subdivisions 2 and 3.

Sec. 71. Minnesota Statutes 1980, Section 352D.09, Subdivision 1, is amended to read:

Subdivision 1. The unclassified employees retirement plan and the provisions of ~~sections 352D.04 to 352D.09~~ this chapter shall be administered by the Minnesota state retirement system. The provisions of chapter 352 shall govern in all instances where not inconsistent with the provisions of ~~sections 352D.04 to 352D.09~~ this chapter.

Sec. 72. Minnesota Statutes 1980, Section 352E.01, Subdivision 1, is amended to read:

Subdivision 1. **TERMS.** For the purposes of ~~sections 352E.01 to 352E.04~~ this chapter, the terms defined in this section have the meanings here given them.

Sec. 73. Minnesota Statutes 1980, 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, 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, other than a soil and water conservation district specified in section 353.022; or any hospital district organized or reorganized prior to July 1, 1975 pursuant to ~~legislation enacted by the 1959 legislature~~ sections 447.31 to 447.37.

Sec. 74. Minnesota Statutes 1980, Section 353.01, Subdivision 7, is amended to read:

Subd. 7. **MEMBER.** A member is a person who accepts employment as a "public employee" and remains a member while performing services as a public employee and while on an authorized leave of absence or an authorized temporary layoff; provided, however, (1) that any elected public officer or any person appointed to fill a vacancy in an elective office shall have the right to exercise an option to become a member by filing application for membership, but ~~such~~ the option to become a member, once exercised, may not be withdrawn during the incumbency of such the person in office; and (2) that any member who is appointed by the governor to be a state department head and elects pursuant to section 352.021, subdivision 3, not to be covered by the Minnesota state retirement system, shall remain a member of the public

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employees retirement association. Membership in the retirement association of any person shall terminate upon his the person ceasing to be a "public employee."

Sec. 75. Minnesota Statutes 1980, Section 353.01, Subdivision 10, is amended to read:

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

Sec. 76. Minnesota Statutes 1980, Section 353.023, is amended to read:

**353.023 TRANSFER OF PENSION COVERAGE OF MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND COORDINATED PROGRAM.**

Notwithstanding any provisions of law to the contrary, as of July 1, 1979, all active members of the coordinated program of the Minneapolis municipal employees retirement fund established pursuant to Minnesota Statutes 1978, Sections 422A.30 to 422A.39, shall cease to be members of the program of that fund and shall cease to have any accrual of service credit, rights, or benefits under the benefit plan of that program. From and after July 1, 1979, all active members of the coordinated program will have their retirement coverage transferred to the coordinated program of the public employees retirement association. The accrued liability for retirement coverage of these members to date shall be transferred to the coordinated program of the public employees retirement association and shall no longer be the liability of the Minneapolis municipal employees retirement fund. Within 30 days of July 1, 1979, the board of trustees of the Minneapolis municipal employees retirement fund shall transfer the entire assets attributable to the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association. The assets transferred shall be an amount equal in value to the amount of employee contributions made by coordinated program members since July 1, 1978, the amount of employer matching contributions made by an employing unit on behalf of a coordinated program member since July 1, 1978, an amount equal to the employer additional contribution for the members of the coordinated program, and an amount equal to the investment income earned by the fund on the invested assets of the program since July 1, 1978. The amount of the

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transferred assets shall not be reduced by any amounts which represent employer and employer additional contributions made on behalf of members of the coordinated program of the Minneapolis municipal employees retirement fund who terminated active service and coverage by that coordinated program between July 1, 1978 and the date of the termination of that coordinated program. The assets transferred to the public employees retirement fund shall only include securities which are proper investments pursuant to section 11A.24. Within 30 days of July 1, 1979, the board of trustees and the actuary of the Minneapolis municipal employees retirement fund shall transfer to the public employees retirement association original copies of all records and documents which are in their possession relating to the coordinated program of the Minneapolis municipal employees retirement fund and any of its members and shall provide from time to time whatever additional relevant information which the board of trustees of the public employees retirement association may request. Upon the transfer of the assets, liabilities and records of the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association, the coordinated program of the Minneapolis municipal employees retirement fund shall terminate and shall cease to exist.

**Sec. 77. [353.026] COVERAGE FOR CERTAIN MUNICIPAL AND SCHOOL DISTRICT EMPLOYEES.**

Any person who was employed by the city of Minneapolis, Special School District No. 1, or public corporation as defined in section 422A.01, subdivision 9, on or after July 1, 1978 and prior to July 1, 1979, and who was excluded from retirement coverage by the coordinated program of the Minneapolis municipal employees retirement fund pursuant to section 422A.09, subdivision 3, shall be entitled to retirement coverage by the public employees retirement association unless specifically excluded pursuant to section 353.01, subdivision 2b, from and after the effective date of this section.

**Sec. 78. [353.027] RETENTION OF COVERAGE FOR CERTAIN MUNICIPAL COURT EMPLOYEES.**

Any person employed on January 1, 1975, by a municipal court established pursuant to Minnesota Statutes 1957, Section 488.03 and located in the cities of New Brighton, Roseville, Maplewood, North Saint Paul, White Bear Lake or St. Paul shall be eligible for membership in the public employees retirement association and shall retain any rights or benefits the person had attained as a member of the association on January 1, 1975, so long as the person remains an employee of the municipal court of Ramsey county.

Sec. 79. Minnesota Statutes 1980, Section 353.03, Subdivision 1, is amended to read:

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**Subdivision 1. MANAGEMENT; COMPOSITION; ELECTION.**

The management of the public employees retirement fund is hereby vested in a board of trustees consisting of 15 members, who shall be known as the board of trustees. This board shall consist of four trustees, one of whom shall be designated by each of the following associations or organizations, Minnesota school boards association, League of Minnesota Cities, Association of Minnesota Counties and the executive committee of the statewide general labor organization which includes among its membership the employee organizations, as defined in section 179.63, subdivision 5, which represent the largest number of employees who are association members; nine area trustees, who shall be elected from the membership employed in one of the areas described below by the members 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. Trustees elected by the membership of the association or by the annuitants of the association shall be elected for a term of four years. Trustees designated by an association or organization or elected or selected by the use of a procedure other than direct election by the membership of the association or by the annuitants of the association shall hold office for a term of two years or until the designation, election or selection procedure is changed, if that occurs earlier. For seven days beginning December 1 of each year, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. 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. 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. 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

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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.

~~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. 80. Minnesota Statutes 1980, Section 353.16, is amended to read:

**353.16 AUDIT OF BOOKS AND ACCOUNTS; INSURANCE LAWS NOT APPLICABLE.**

None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds. The books and accounts of the association and the retirement fund shall be examined and audited annually, if funds and personnel permit, by the legislative auditor of the state and a full and detailed report thereof made to the board of trustees. The cost of ~~such~~ any examination shall be paid by the retirement association in accordance with the provisions of section 16A.127, subdivision 7., and for the purposes of this section the public employees retirement association shall be considered a state agency as referred to in section 16A.127, subdivision 7.

Sec. 81. Minnesota Statutes 1980, Section 353.28, Subdivision 6, is amended to read:

Subd. 6. If the governmental subdivision fails to pay amounts due under this chapter, the executive director shall certify ~~such~~ those amounts to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director ~~may~~ shall certify ~~such~~ amounts to the county auditor for collection. The county auditor shall collect such amounts out of the revenue of the governmental subdivision, or shall add them to the levy of the governmental subdivision and make

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payment directly to the association. This tax shall be levied, collected and apportioned in the manner other taxes are levied, collected and apportioned.

Sec. 82. Minnesota Statutes 1980, Section 353.28, Subdivision 8, is amended to read:

Subd. 8. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation upon the power of a county, city, town, or school district to levy taxes, the governmental subdivision concerned, if it is other than a school district, may levy taxes in excess of the limitation in such amount as is necessary to meet its obligations under this section. The expenditures authorized to be made under this chapter by any municipality are not included in computing the cost of government as defined in any home rule charter of any municipality affected by Laws 1957, Chapter 935 which employs members covered by the retirement fund.

Sec. 83. Minnesota Statutes 1980, Section 353.29, Subdivision 4, is amended to read:

Subd. 4. **APPLICATION FOR ANNUITY.** Application for a retirement annuity may be made by a member or by ~~someone~~ a person authorized to act in his on behalf of the member. Every application for retirement, shall be made in the writing on a form prescribed by the board of trustees, executive director and shall be substantiated in writing by proof of the age of the employee member.

Sec. 84. Minnesota Statutes 1980, Section 353.30, Subdivision 1c, is amended to read:

Subd. 1c. Any person who has attained the age of at least 62 years but not more than 65 years, and who received credit for ~~not less than~~ at least ten years but less than 30 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the member if the member deferred receipt of the annuity from the date of retirement to age ~~62~~ 65.

Sec. 85. Minnesota Statutes 1980, Section 353.31, Subdivision 1, is amended to read:

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

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- |                          |  |
|--------------------------|--|
| (a) Surviving spouse     | 30 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding death |
| (b) Each dependent child | 10 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding death |

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

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

~~Under the terms of this subdivision~~ Except for any benefits provided pursuant to section 353.32, subdivisions 1 and 1a, there are no survivor benefits, ~~as such,~~ payable to the surviving spouse or dependent children of ~~any~~ a deceased "coordinated member".

Sec. 86. Minnesota Statutes 1980, Section 353.31, Subdivision 9, is amended to read:

Subd. 9. Every claim or demand for a survivor benefit or spouse's annuity shall be initiated by written application in the manner and form prescribed by the ~~board of trustees~~ executive director, filed in the office of the retirement association, showing compliance with the statutory conditions qualifying the applicant for such survivor benefit or spouse's annuity.

Sec. 87. Minnesota Statutes 1980, Section 353.32, Subdivision 1a, is amended to read:

Subd. 1a. **SURVIVING SPOUSE OPTIONAL ANNUITY.** If a member who has attained the age of at least 58 years and has credit for not less than 20 years of allowable service, or has attained the age of at least 62 years and has credit for not less than 10 years of allowable service, dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of

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a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to section 353.31, an annuity equal to the 50 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, ~~and 1b~~ and 1c. No payment shall accrue beyond the end of the month in which entitlement to ~~such~~ the annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of ~~such~~ the deceased member. Any member may ~~request~~ specify in writing that this subdivision shall not apply and that payment shall be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 88. Minnesota Statutes 1980, Section 353.33, Subdivision 2, is amended to read:

Subd. 2. **APPLICATIONS; ACCRUAL OF BENEFITS.** Every claim or demand for a total and permanent disability benefit shall be initiated by written application in the manner and form prescribed by the ~~board of trustees~~ executive director, filed in the office of the retirement association, showing compliance with the statutory conditions qualifying the applicant for ~~such~~ a total and permanent disability benefit. A member or former member who became totally and permanently disabled during his period of membership may file his application for total and permanent disability benefits within three years next following termination of public service, but not thereafter. This benefit shall begin to accrue 90 days following the commencement of disability ~~or~~, 90 days preceding the filing of the application, ~~whichever is later~~, or, if annual or sick leave is paid for more than the said 90 day period, ~~the benefit shall accrue~~ from the date salary ceased whichever is later. No payment shall accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death occurs, payment will be made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate.

Sec. 89. Minnesota Statutes 1980, Section 353.34, Subdivision 3, is amended to read:

Subd. 3. **DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.** Any person with at least ten years of allowable service when termination of public service occurs may at his option leave his accumulated deductions in the fund and thereby be entitled to a deferred retirement annuity commencing at age 65; ~~except that any person who terminates public service after June 30, 1973, may qualify or for a deferred early retirement under annuity pursuant to~~ section 353.30, subdivisions 1, 1a, 1b or 1c. The deferred annuity shall be

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computed in the manner provided in section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and shall be augmented as provided in section 353.71, subdivision 2. ~~Such~~ Any person qualified to apply for a deferred retirement annuity may revoke this option at any time prior to the commencement of deferred annuity payments by making application for a refund. ~~Such~~ The person shall be entitled to a refund of his accumulated deductions member contributions within 30 days following date of receipt of ~~such~~ the application by the executive director of the association.

Sec. 90. Minnesota Statutes 1980, Section 353.36, Subdivision 2, is amended to read:

Subd. 2. **EMPLOYEE CONTRIBUTIONS; INTEREST; MATCHING PAYMENT.** A ~~person member~~ 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 an~~ annuity if otherwise qualified, and within 90 days thereafter purchase whatever period of ~~said the member's prior~~ public service which is necessary to bring his the member's total allowable service credit to said the minimum, provided that last the most recent period of prior uncredited public service shall be purchased first. ~~Such person~~ The member may gain ~~such~~ allowable service credit by paying the applicable percentage of the salary covered under the law in effect at the time that ~~such the prior~~ public service was performed. If the ~~person member~~ is a basic member, the applicable percentage is eight percent, and if the ~~person member~~ is a coordinated member, the applicable percentage is four percent. An amount equal to the employer and employer additional contributions specified in section 353.27, subdivisions 3 and 3a, plus interest thereon on the total amount representing employee, employer and employer additional contributions 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 must shall also be paid; unless. The employer agrees, at its sole discretion, may agree to pay said matching the amount representing the employer and employer additional contributions 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. 91. Minnesota Statutes 1980, Section 353.37, Subdivision 1, is amended to read:

Subdivision 1. **EFFECT ON ANNUITY.** The annuity of a person otherwise eligible therefor under this chapter shall be suspended if the person re-enters and for as long as the person remains in public service as a

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non-elective employee of a governmental subdivision, if earned compensation for the re-employment service equals or exceeds the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health, ~~education and welfare~~ human services pursuant to the provisions of 42 U.S.C., Section 403, in any calendar year. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. 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 only apply to those months in which the annuitant is 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 retirement shall be entitled to hold such office and receive the annuity otherwise payable from the public employees retirement association. Upon proper showing by an annuitant that the reason for the suspension of the annuity payments no longer exists, the monthly annuity payments shall be resumed. Public service performed by an annuitant subsequent to retirement under this chapter shall not increase or decrease the amount of any annuity when payment of the annuity is resumed. The annuitant shall not be required to make any further contributions to the retirement fund by reason of this subsequent public service.

Sec. 92. Minnesota Statutes 1980, Section 353.37, Subdivision 1a, is amended to read:

Subd. 1a. **EFFECT ON PROPORTIONATE ANNUITY.** Notwithstanding 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 356.32 may receive a proportionate annuity ~~under said~~ pursuant to that 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~~ an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly pursuant to the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of 42 U.S.C., Section 403, in any calendar year.

Sec. 93. Minnesota Statutes 1980, Section 353.46, Subdivision 1a, is amended 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

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member of ~~such~~ the association on June 30, 1957, shall not be entitled to receive retirement annuity computed under Minnesota Statutes ~~1957~~ 1971, 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 Minnesota Statutes 1971, Section 353.46, Subdivision 1, ~~and laws amendatory thereto~~.

Sec. 94. Minnesota Statutes 1980, Section 353.46, is amended by adding a subdivision to read:

**Subd. 6. COMPUTATION OF BENEFITS FOR CERTAIN COORDINATED MEMBERS.** Any coordinated member who prior to July 1, 1979 was a member of the coordinated program of the Minneapolis municipal employees retirement fund and who prior to July 1, 1978 was a member of the basic program of the Minneapolis municipal employees retirement fund shall:

(1) be entitled to receive a retirement annuity when otherwise qualified, the calculation of which shall utilize the formula accrual rates specified in section 422A.15, subdivision 1, for that portion of credited service which was rendered prior to July 1, 1978, and the formula accrual rates specified in section 353.29, subdivision 3, for the remainder of credited service, both applied to the average salary as specified in section 353.29, subdivision 2. The formula accrual rates to be used in calculating the retirement annuity shall recognize the service after July 1, 1978 as a member of the coordinated program of the Minneapolis municipal employees retirement fund and after July 1, 1979 as a member of the public employees retirement association as a continuation of service rendered prior to July 1, 1978. The annuity amount attributable to service as a member of the basic program of the Minneapolis municipal employees retirement fund shall be payable by the Minneapolis municipal employees retirement fund and the annuity amount attributable to all other service shall be payable by the public employees retirement association;

(2) retain eligibility when otherwise qualified for a disability benefit from the Minneapolis municipal employees retirement fund until July 1, 1982, notwithstanding coverage by the public employees retirement association, if the member has or would, without the transfer of retirement coverage from the basic program of the Minneapolis municipal employees retirement fund to the coordinated program of the Minneapolis municipal employees retirement fund or from the coordinated program of the Minneapolis municipal employees retirement fund to the public employees retirement fund, have sufficient credited service prior to January 1, 1983, to meet the minimum service requirements for a disability benefit pursuant to section 422A.18. The disability benefit amount attributable to service as a member of the basic program of the Minneapolis municipal employees retirement fund shall be payable by the Minneapolis municipal employees retirement fund and the disability benefit amount attributable to all other service shall be payable by the public employees retirement association.

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Sec. 95. Minnesota Statutes 1980, Section 353.64, is amended by adding a subdivision to read:

**Subd. 7. PENSION COVERAGE FOR CERTAIN PUBLIC SAFETY EMPLOYEES OF THE METROPOLITAN AIRPORTS COMMISSION.** Any person first employed as either a full time firefighter or a full time police officer by the metropolitan airports commission after June 30, 1978, who is not eligible for coverage under the agreement signed between the state and the secretary of the federal department of health and human services making the provisions of the federal old age, survivors and disability insurance act applicable to municipal employees because that position is excluded from application pursuant to Title 42, United States Code, Sections 418 (d) (5) (A) and 418 (d) (8) (D) and section 355.07, shall not be a member of the Minneapolis municipal employees retirement fund but shall be a member of the public employees police and fire fund and shall be deemed to be a firefighter or a police officer within the meaning of this section. The metropolitan airports commission shall make the employer contribution required pursuant to section 353.65, subdivision 3, with respect to each of its firefighters or police officers covered by the public employees police and fire fund and shall meet the employers recording and reporting requirements set forth in section 353.65, subdivision 4.

Sec. 96. Minnesota Statutes 1980, Section 353.656, Subdivision 6, is amended to read:

**Subd. 6. RETIREMENT STATUS AT AGE 55.** All disability benefits payable under this section shall terminate when the disabled firefighter or police officer becomes 55 years of age. Thereafter, retirement benefits shall be paid to the disabled firefighter or police officer in the same amount as the disability benefits which he was previously receiving. Any disabled person who becomes age 55 after June 30, 1973, shall have his annuity computed in accordance with the law in effect upon attainment of age 55. Prior to reaching age 55, a disabled person may select an optional annuity pursuant to section 353.30, subdivision 3.

Sec. 97. Minnesota Statutes 1980, Section 353.71, Subdivision 1, is amended to read:

**Subdivision 1. ELIGIBILITY.** Any person who has been a member of the public employees retirement association, or the Minnesota state retirement system, or the teachers retirement association, or any other public retirement system in the state of Minnesota having a like provision, except a fund providing benefits for policemen police officers or firefighters as referred to in governed by sections ~~69.74~~ and ~~69.77~~ or ~~69.771~~ to ~~69.776~~, shall be entitled when qualified to an annuity from each fund if his the total allowable service in all funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and

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provided further that ~~he~~ the person has not taken a refund from any one of these funds since ~~his~~ the person's membership in that association or system last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ten years of allowable service in the respective association or system shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years.

Sec. 98. Minnesota Statutes 1980, Section 354.05, Subdivision 2, is amended to read:

Subd. 2. **TEACHER.** ~~The word "Teacher" includes any person who has rendered, is rendering, or shall hereafter render, renders~~ service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state, located outside of the corporate limits of the cities of the first class as those cities were so classified on January 1, 1979, or in the state universities, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who has been engaged, is engaged, or shall hereafter be engaged, in educational administration in connection with the state public school system, including the state university system and state community college system, but excluding the University of Minnesota, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with ~~such~~ the systems, or the officers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association unless the employee is covered by the Minnesota state retirement system by virtue of prior employment by the association employed subsequent to July 1, 1969, and any nurse, counselor, social worker or psychologist who ~~has rendered, is rendering or shall hereafter render~~ renders service in the public schools as defined above or in state universities. The term shall also include any person who renders teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of ~~such~~ the combined employment ~~will~~ shall be covered by the teachers retirement association. The term does not mean any person who works for ~~such~~ a school or institution as an independent contractor. The term shall not include any person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the

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person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution. The term shall not include any person holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year. The term also shall not include a person exempt from licensure pursuant to section 125.031 or any person who was excluded from membership prior to January 1, 1981 pursuant to Laws 1978, Chapter 556, Section 1 and Laws 1980, Chapter 342, Section 8, if the person annually certifies on a form prescribed by the executive director that the person has established and is contributing to an individual retirement account which is based on non-teaching employment.

Sec. 99. Minnesota Statutes 1980, Section 354.05, Subdivision 13, is amended to read:

Subd. 13. **ALLOWABLE SERVICE.** "Allowable service" means:

(1) Any service rendered by a teacher for which on or before July 1, 1957, he received credit to his account in the retirement fund by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Sections 135.01 to 135.13, as amended by Laws 1955, Chapters 361, 549, 550, 611 or

(2) Any service rendered by a teacher for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to sections Minnesota Statutes 1980, Section 354.09; and section 354.51 or

(3) Any service rendered by a teacher after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, or

(4) Any service rendered by a person after July 1, 1957, for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund as provided in sections Minnesota Statutes 1980, Section 354.09, subdivision 4, and section 354.53, or

(5) Any service rendered by a teacher for which he elected to obtain credit for service by making payments to the fund pursuant to sections Minnesota Statutes 1980, Section 354.09, subdivisions 1, 2, 3, and 4, sections 354.50, 354.51, and Minnesota Statutes 1957, Section 135.41, Subdivision 4, Minnesota Statutes 1971, Section 354.09, Subdivision 2, or Minnesota Statutes, 1973 Supplement, Section 354.09, Subdivision 3, or

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(6) Both service during years of actual membership in the course of which contributions were currently made and service in years during which the teacher was not a member but for which he later elected to obtain credit by making payments to the fund as permitted by any law then in effect, or

(7) Any service rendered where contributions were made and no allowable service credit was established because of the limitations contained in Minnesota Statutes 1967, Section 354.09, Subdivision 2, and Minnesota Statutes 1957, Section 135.09, Subdivision 2, as determined by the ratio between the amounts of money credited to his account in a fiscal year and the maximum retirement contribution allowable for ~~such~~ that year. For purposes of this subdivision, the maximum contributions allowable after July 1, 1967, shall be defined as the maximum in effect immediately prior to ~~such~~ that date.

Sec. 100. Minnesota Statutes 1980, Section 354.05, Subdivision 24, is amended to read:

Subd. 24. **RETIREMENT VARIABLE ANNUITY.** "Retirement variable annuity" means the payments made by the fund to an annuitant after retirement in varying amounts prescribed by the provisions of ~~Laws 1969, Chapter 485 sections 354.44, subdivision 7, 354.62 and 354.621~~ sections 354.44, subdivision 7, 354.62 and 354.621 pertaining to variable annuities and may vary based on investment performance in accordance with the provisions of section 354.62.

Sec. 101. Minnesota Statutes 1980, Section 354.05, Subdivision 25, is amended to read:

Subd. 25. **FORMULA SERVICE CREDIT.** "Formula service credit" means any allowable service credit as defined in subdivision 13 except as ~~provided in this subdivision:~~

(1) Any service rendered prior to July 1, 1951, for which payments were made pursuant to subdivision 13 except as provided in section 354.09, subdivision 4, as determined by multiplying the number of years of service established in the records of the teachers retirement fund as of July 1, 1961 by the ratio obtained between the total amount paid and the maximum amount payable for ~~such those years; and/or;~~ such those years; and/or;

(2) Any service rendered prior to July 1, 1957 for which payments were made pursuant to section 354.09, subdivision 4, as determined by multiplying the number of years of service established in the records of the teachers retirement fund by the ratio obtained between the total amount paid and the maximum amount payable for ~~such those years; and/or;~~ or

(3) Any service rendered for which contributions were not made in full as determined by the ratio between the amounts of money credited to his account in a fiscal year and the retirement contribution payable for ~~such the~~ the fiscal year pursuant to sections 354.092, 354.42 and 354.51; and

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(4) No period of service shall be counted more than once for purposes of this subdivision.

Sec. 102. Minnesota Statutes 1980, Section 354.05, Subdivision 26, is amended to read:

Subd. 26. **ADJUSTABLE FIXED BENEFIT POST RETIREMENT INVESTMENT FUND ANNUITY.** "Adjustable fixed benefit Post retirement investment fund annuity" means the payments made by the fund to an annuitant after retirement in accordance with the provisions of section 354.63. It also means that the payments made by the fund shall never be an amount less than the amount originally determined on the date of retirement or on January 1, 1974 whichever is later but not including the adjustments provided in section 11A.18.

Sec. 103. Minnesota Statutes 1980, Section 354.06, Subdivision 1, is amended to read:

Subdivision 1. The management of the fund shall be vested in a board of eight trustees ~~to~~ which shall 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 the members 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~~ which shall 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~~ In every odd numbered year 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~~ the 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 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~~ any vacancy shall be filled by appointment by the remainder of the board, ~~and~~ the appointee to shall 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~~ the vacancy. No member or retiree shall be appointed by the board, or elected by the members of the fund as a trustee ~~who~~ if the person is not a member or retiree of the fund in good standing at the time of ~~such~~ the 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.

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

Sec. 104. Minnesota Statutes 1980, Section 354.07, Subdivision .1, is amended to read:

Subdivision 1. The board shall have, and is hereby granted, power to frame bylaws for its own government and for the management of the fund not inconsistent with the laws of the state and to modify them at pleasure; to adopt, alter, and enforce reasonable rules and regulations not inconsistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits; to pass upon and allow or disallow all applications for membership in the fund and for credit for teaching service; to pass upon and allow or disallow all claims for withdrawals, pensions, or benefits payable from the fund; to adopt an appropriate mortality table based on experience of the fund as recommended by the association actuary, with interest set at the rate of five percent specified in section 356.215, subdivision 4, clause (4); to provide for the payment out of the fund of all necessary expenses for the administration thereof and of all claims for withdrawals, pensions, or benefits allowed.

Sec. 105. Minnesota Statutes 1980, Section 354.43, Subdivision 4, is amended to read:

Subd. 4. When the amount of such the remittances described in Minnesota Statutes 1974, Section 354A.07, Subdivision 4 provided pursuant to section 354A.12, subdivision 3, and subdivision 3 of this section is equal to the social security receivable as defined in section 354.05, subdivision 29, the board of trustees of the teachers retirement association executive director shall reduce their the certifications pursuant to subdivision 1 of this section by an amount equal to the employing authorities certifications and remittances as described in subdivision 3 of this section.

Sec. 106. Minnesota Statutes 1980, Section 354.44, Subdivision 1a, is amended to read:

Subd. 1a. **MANDATORY RETIREMENT.** Notwithstanding the provisions of sections 43.30 or ~~197.45~~ 197.455 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~~ 70. 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 the person is age 65 or older 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 older pursuant to section 356.32. Nothing contained in this subdivision shall preclude an employer employing 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~~

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of employment as a substitute or part time teacher; provided further that upon having earned. Any person who has attained the age of at least 65 years, who is employed as a substitute or part time teacher and who earns an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health, education and welfare human services pursuant to the provisions of 42 U.S.C., Section 403, in any academic year from employment as a substitute or part time teacher, any person over the age of 65 years shall terminate employment for the remainder of that academic year. No person who is required to terminate employment as a teacher by virtue of this subdivision shall resume membership in the retirement association as a result of subsequent employment as a substitute or part time teacher.

Sec. 107. Minnesota Statutes 1980, Section 354.44, Subdivision 4, is amended to read:

Subd. 4. **TIME AND MANNER OF PAYMENTS.** After January 1, 1974, A member may make application to the board for a retirement annuity any time after he has satisfied the age and service requirements of this chapter for retirement except that no application for retirement may be made more than 60 days before termination of teaching service. The annuity payment shall begin to accrue after the termination of teaching service, or after the application for retirement has been filed with the board, or after the member receives his final salary payment, whichever is later, as follows:

(a) on the sixteenth day of the month of termination, or filing or final salary receipt if such the termination, or filing or final salary receipt occurs on or before the fifteenth day of such the month or

(b) on the first day of the month following the month of termination, or filing or final salary receipt if such the termination, or filing or final salary receipt occurs on or after the sixteenth day of the month.

This subdivision is effective January 1, 1976.

Sec. 108. Minnesota Statutes 1980, Section 354.44, Subdivision 5, is amended to read:

Subd. 5. **RESUMPTION OF TEACHING.** Any person who retired under any provision of any retirement law applicable to schools and institutions covered by the provisions of this chapter and has thereafter resumed teaching in any school or institution to which such sections apply this chapter applies shall continue to receive payments in accordance with such the annuity except that during any quarter in which the person's income from the teaching service is in an amount equal to or greater than the quarterly maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by

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the secretary of health, ~~education and welfare~~ human services pursuant to the provisions of 42 U.S.C., Section 403. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the quarterly maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable re-employment income maximum specified in this subdivision shall be deducted from the annuity payable for the quarter immediately following the quarter in which the excess amount was earned. After a person has reached the age of 72, the person shall receive the annuity in full regardless of the amount of income.

Sec. 109. Minnesota Statutes 1980, Section 354.44, Subdivision 6, is amended to read:

**Subd. 6. COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.** (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of his formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, Section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Where any member retires prior to age 65 under a formula annuity, he shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement, except that for any member who has 30 or more years of allowable service credit, ~~such~~ the reduction shall be applied only for each month ~~such~~ which the member is under age 62.

~~This subdivision is effective June 1, 1975.~~

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

Sec. 110. Minnesota Statutes 1980, Section 354.44, Subdivision 7, is amended to read:

Subd. 7. **COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.** The benefits provided in this subdivision are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6, clause (2) for formula service credit prior to the effective date of the original election of this subdivision and subsequent to June 30, 1978 unless the member elects continued participation in the variable program pursuant to section 354.621, and

(2) The benefits for service credit subsequent to the effective date of the formula and variable program but prior to July 1, 1978 and the benefits for service credit subsequent to June 30, 1978 if the member elects continued participation in the variable program pursuant to section 354.621, shall be the average salary as defined in subdivision 6, clause (1) of any member multiplied by the following percentages per year of formula service credit,

	Coordinated Member	Basic Member
Each year of service during first ten	.5 percent per year	1.0 percent per year
Each year of service thereafter	.75 percent per year	1.25 percent per year, and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 111. Minnesota Statutes 1980, Section 354.44, Subdivision 8, is amended to read:

Subd. 8. **PAYMENT OF ANNUITY OR BENEFIT, ANNUITY PAYMENT; EVIDENCE OF RECEIPT.** Payment of an annuity or benefit for a given month shall be mailed during the first week of that month. Evidence of receipt of the check issued in payment of an annuity or benefit shall be submitted quarterly by the payee or a banking institution on a form prescribed by the executive director. In the event the required evidence of receipt form is not submitted, future annuities or benefits will shall be withheld until the form is submitted.

Sec. 112. Minnesota Statutes 1980, Section 354.47, Subdivision 1, is amended to read:

Subdivision 1. **DEATH BEFORE RETIREMENT.** (1) If a member dies before retirement and is covered under the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor ~~the a benefit described in~~ pursuant to section 354.46, subdivision 1 is payable to the survivors ~~of~~ if the member was a basic member, there shall be paid to ~~his~~ the surviving spouse or if there is no surviving spouse to ~~his~~ the designated beneficiary an amount equal to ~~his~~ the accumulated deductions with interest credited to ~~his~~ the account of the member to the date of death.

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(2) If a member dies before retirement and is covered under the provisions of section 354.44, subdivisions 6 and 7, and neither an optional annuity nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors ~~of~~ if the member was a basic member, there shall be paid to ~~his~~ the surviving spouse or if there is no surviving spouse to ~~his~~ the designated beneficiary an amount equal to ~~his~~ the accumulated deductions credited to ~~his~~ the account of the member as of June 30, 1957 and from July 1, 1957 to the date of death ~~his~~ the accumulated deductions plus interest at the rate of 3-1/2 percent per annum compounded annually.

(3) The amounts payable in clause (1) or (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 113. Minnesota Statutes 1980, Section 354.48, is amended by adding a subdivision to read:

Subd. 6a. MEDICAL ADVISOR; DUTIES. The state commissioner of health or a licensed physician on the staff of the department of health designated by the commissioner shall be the medical advisor of the executive director. The medical advisor shall designate licensed physicians who shall examine applicants for disability benefits. The medical advisor shall pass upon all medical reports based on any examinations performed in order to determine whether a teacher is totally and permanently disabled as defined in section 354.05, subdivision 14. The medical advisor shall also investigate all health and medical statements and certificates by or on behalf of a teacher in connection with a disability benefit, and shall report in writing to the director setting forth any conclusions and recommendations on all matters referred to the medical advisor.

Sec. 114. Minnesota Statutes 1980, Section 354.48, Subdivision 10, is amended to read:

Subd. 10. RETIREMENT STATUS AT AGE 65. No person shall be entitled to receive both disability benefits and a retirement annuity provided by this chapter. The disability benefit paid to a person hereunder shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be deemed to be on retirement status and he may at his option be paid either a straight life retirement annuity as provided in section 354.44 or a straight life retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever amount is greater. He may instead of taking the straight life annuity provided herein, however, select an optional retirement annuity as provided in section 354.45. Any disability benefit recipient who is attains age 65 after June 30, 1973 shall have his retirement annuity computed in accordance with Minnesota Statutes 1974, section 354.44, Subdivision subdivisions 6 or 7, if such that annuity is larger than the annuity otherwise payable. Any increase in retirement annuities shall begin to accrue July 1, 1975.

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

Sec. 115. Minnesota Statutes 1980, Section 354.50, Subdivision 2, is amended to read:

Subd. 2. If a member desires to repay his refunds, payment shall include six percent interest compounded annually from date of withdrawal to the date payment is made and shall be credited to the fund.

Sec. 116. Minnesota Statutes 1980, Section 354.51, Subdivision 1, is amended to read:

Subdivision 1. ~~After July 1, 1961,~~ No member shall be entitled to make payments in lieu of salary deductions to the retirement board to receive credit for any period of service prior to that date for which employee contributions were not deducted from his salary, except as provided in subdivision 4, or sections 354.09, subdivision 4, 354.50 or 354.53.

Sec. 117. Minnesota Statutes 1980, Section 354.51, Subdivision 4, is amended to read:

Subd. 4. **OTHER STATE OR SCHOOL TEACHING SERVICE; PURCHASE OF CREDIT.** Any teacher who has rendered teaching service prior to June 30, 1953, in another state, or in a state public school which is not an employing unit with employees for whom retirement coverage is provided pursuant to this chapter, or for the University of Minnesota, who was a member of the fund prior to or after the uncredited teaching service, who is not entitled to any benefits from any other retirement system based on the uncredited teaching service, who has credit for at least 15 years of service as a member of the retirement fund with at least five years of service occurring subsequent to the period of uncredited teaching service, who became a member of the retirement fund prior to June 30, 1957, and who has not accepted a refund of accumulated member contributions or deductions and resumed teaching service covered by the retirement fund after July 1, 1957, shall be entitled to obtain service credit for the period of uncredited teaching service. To obtain service credit, a teacher shall make a payment equal to six percent of the average annual salary of the teacher for the five year period occurring immediately prior to the completion of the minimum service requirement or July 1, 1951, whichever is later, multiplied for the number of years of the period of uncredited teaching service, but not to exceed \$175 annually for any period of uncredited teaching service occurring prior to July 1, 1953, or \$216 annually for any period of uncredited teaching service occurring subsequent to June 30, 1953. The payment made by the teacher shall be accompanied by a matching payment representing the employer contribution. This matching employer contribution payment is to be made by the agency which formerly employed the teacher, except that, at its discretion, the payment may be made by the current employer of the teacher. The payments shall include interest at the rate of six percent per annum from the end of the year of uncredited service to the date on which payment is first made. Payment shall be made in a single

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payment unless the executive director authorizes installment payments. If the payment made is less than the full required payment, including interest, the formula service credit granted shall be adjusted in accordance with section 354.05, subdivision 25, clause (3). Any school district or institution which employs a teacher who makes a payment pursuant to this subdivision is authorized to make any required payments representing employer contributions and interest and the required amounts are hereby appropriated from any funds available to the school district or institution. Any payments made pursuant to this subdivision shall be considered accumulations made after July 1, 1957 for purposes of computing an annuity pursuant to section 354.44, subdivision 2. All payments to be made pursuant to section 354.09, subdivisions 4 and 4 shall be made to the retirement board executive director prior to July 1, 1973 or within one year after the completion of the Minnesota minimum state teaching service requirements prescribed in section 354.09, subdivision 4, whichever is later.

Sec. 118. Minnesota Statutes 1980, Section 354.51, Subdivision 5, is amended to read:

Subd. 5. ~~After July 1, 1971,~~ Payment of shortages in deductions on salary earned after July 1, 1961, ~~must~~ shall be made prior to July 1, 1973 or within one year from the end of the fiscal year in which ~~such~~ the deductions were made, whichever is later.

Sec. 119. Minnesota Statutes 1980, Section 354.52, Subdivision 2, is amended to read:

Subd. 2. Each school board of ~~education~~ or managing body shall, on or before August 1, each year, report to the teachers retirement board giving an itemized summary of the total amount withheld from the salaries of teachers for regular teacher's retirement deductions and for variable annuity deductions, and such other information as the ~~teacher's retirement board executive director~~ may require. If such the itemized summary is received after August 1 in any year, there shall be a penalty not to exceed \$25 for each month or portion thereof which the summary is delinquent, as determined by the board of trustees. The penalty shall be paid by the school board or the managing body.

Sec. 120. Minnesota Statutes 1980, Section 354.52, Subdivision 3, is amended to read:

Subd. 3. It is the duty of each person, officer, ~~school board of education,~~ or managing body required by law to draw the warrants or orders for payment of salaries to teachers to deduct and withhold from all salary paid each pay period to every teacher who is a member of the fund the amount which ~~such~~ the teacher is required to pay into the fund and, at the time of ~~such~~ deductions each deduction, to furnish to each teacher a statement showing the amount thereof shall be furnished to such teacher.

Sec. 121. Minnesota Statutes 1980, Section 354.52, Subdivision 4, is amended to read:

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Subd. 4. At least once a each month, the treasurer of each employing school district ~~and other~~ or managing ~~bodies~~ body of schools and institutions to which the provisions of this chapter apply shall transmit all amounts due and furnish a signed statement indicating the amount due and transmitted, ~~which signing of such statement shall have the force and effect of an oath as to the correctness of the amount due and transmitted,~~ and shall transmit a statement ~~of containing~~ such other information as the ~~board~~ executive director shall require. Signing the statement shall have the force and effect of an oath as to the correctness of the amount due and transmitted. Any amount thus due and not transmitted, shall accrue interest at the rate of six percent compounded annually commencing 30 days after the date first due until the amount is transmitted and shall be paid by the employing school district or other managing ~~institution~~ body. The state treasurer shall credit all money received or withheld pursuant to the provisions of this chapter to the fund and the reports and date received by him from each reporting agency shall be available for the board. Any person wilfully failing to perform any of the duties imposed upon him by this section shall be guilty of a misdemeanor.

Sec. 122. Minnesota Statutes 1980, Section 354.53, Subdivision 1, is amended to read:

Subdivision 1. Any employee given a leave of absence to enter military service and who returns to teaching service upon discharge from military service as provided in section 192.262, shall obtain credit for ~~his~~ the period of military service but ~~he~~ shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. ~~Such~~ The member shall obtain ~~such~~ credit by paying into the fund an employee contribution based upon ~~his~~ the salary of the member at the date of return from military service. ~~For service rendered prior to July 1, 1957, the amount of his contribution shall be an amount equal to six percent of his salary; not to exceed \$175 per year for any service rendered prior to July 1, 1953, \$216 per year for service rendered during the period July 1, 1953 through June 30, 1955, \$288 per year for service rendered during the period July 1, 1955 through June 30, 1957. For service rendered subsequent to July 1, 1957~~ The amount of this contribution shall be as follows:

Period	Basic Member	Coordinated Member
July 1, 1957	6 percent not	3 percent not
thru	to exceed	to exceed
June 30, 1965	\$288	\$144
July 1, 1965	6 percent not	3 percent not
thru	to exceed	to exceed
June 30, 1967	\$432	\$216
July 1, 1967		
thru	6 percent	3 percent
June 30, 1969		

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<del>July 1, 1969</del>		
<del>thru</del>	7 percent	<del>3 1/2 percent</del>
<del>June 30, 1973</del>		
<del>July 1, 1973</del>	8 percent	4 percent
<del>and</del>		
<del>thereafter</del>		
<del>thru</del>		
<del>June 30, 1979</del>		
<del>July 1, 1979</del>	<u>8.5 percent</u>	<u>4.5 percent</u>
<del>and</del>		
<del>thereafter</del>		

The contributions specified in this subdivision shall be multiplied by the number of years of ~~such~~ military service together with interest thereon at the rate of six percent compounded annually from the time ~~such~~ the military service was rendered to the first date of payment. ~~In such cases~~ The employer contribution and additional contribution provided in section 354.42 shall be paid by the state in the manner provided in section 354.43. ~~Payment for military service which is part of any agreement signed by a member in accordance with Minnesota Statutes 1971, Section 354.51, Subdivision 2, is not subject to the provisions of this section.~~

Sec. 123. Minnesota Statutes 1980, Section 354.53, Subdivision 3, is amended to read:

Subd. 3. Payments pursuant to this section ~~must~~ shall be made ~~prior to July 1, 1974 or~~ within five years from the date of discharge, ~~whichever is later.~~

Sec. 124. Minnesota Statutes 1980, Section 354.55, Subdivision 11, is amended to read:

Subd. 11. Any person covered under section 354.44, subdivisions 6 and 7, who ceases ~~or has ceased~~ to render teaching service may leave ~~his~~ the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for ~~such~~ an annuity under this subdivision shall be determined by the provisions of section governed pursuant to sections 354.44, subdivision 1, or section 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, subdivisions 6 and 7, and augmented as provided herein. The required reserves related to that portion of the annuity which had accrued at the time the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months. The rates of interest used for this purpose shall be five percent commencing July 1, 1971, until January 1, 1981, and three percent thereafter. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant

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to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person does not render teaching service in any one or more consecutive fiscal years and then resumes teaching service, the formula percentages used from date of resumption will be those applicable to new members. The mortality table and interest assumption contained therein used to compute ~~such~~ the annuity will shall be determined by the law in effect at the time of the member's retirement. A period of uninterrupted service for the purposes of ~~Laws 1971, Chapter 87~~ this subdivision shall mean a period of covered teaching service during which the member has not been separated from ~~such~~ active service for more than one fiscal year.

The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall the annuity payable herein be less than the amount of annuity payable pursuant to section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement prior to age 65 contained in section 354.44, subdivision 6, clause (2) shall also apply to an employee fulfilling ~~such~~ the requirements with a combination of service as provided in section 354.60.

Sec. 125. Minnesota Statutes 1980, Section 354.56, is amended to read:

**354.56 ANNUITANTS UNDER LAWS 1915, CHAPTER 199; ADDED BENEFITS.**

Each annuitant who as a member of the fund commenced drawing his annuity pursuant to Laws 1915, Chapter 199, as amended, but not including ~~his~~ the beneficiaries of the annuitant, shall be paid the sum of \$25 per month, which payments shall be guaranteed by the state, in addition to the amounts ~~such~~ the annuitant is otherwise entitled to receive under the provisions of ~~sections 354.05 to 354.44~~ this chapter.

Sec. 126. Minnesota Statutes 1980, Section 354.57, is amended to read:

**354.57 OPERATIONS ACCOUNT REFLECTING INTEREST ON DEDUCTIONS OF MEMBERS ACCEPTING REFUNDMENT.**

The ~~retirement board is directed to~~ executive director shall establish an operations account which shall reflect the ~~following interest on the~~ accumulated deductions of all former members who have accepted refunds at the rate established by the board and applied generally to the accumulated deductions of members for the purpose of determining retirement annuities as credits in the ~~said~~ account:

(1) ~~The interest on the accumulated deductions of all former members who have accepted refundments at the rate established by the board and~~

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applied generally to the member's accumulated deductions for the purpose of determining retirement annuities.

Sec. 127. Minnesota Statutes 1980, Section 354.60, is amended to read:

**354.60 SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.**

Any person who has been a member of the Minnesota state retirement system or the public employees retirement association including the public employees retirement association police and fire fund or the teachers retirement association or the Minnesota highway ~~patrolmen's patrol~~ retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for ~~police~~ police officers or firefighters shall be entitled when qualified to an annuity from each fund if ~~his~~ the person's total allowable service in all three funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that ~~he~~ the person has not taken a ~~refundment~~ refund from any one of these three funds since ~~his~~ the person's membership in that association has terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant ~~must~~ have at least ten years' membership service or ten years of allowable service in the respective association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years.

Sec. 128. Minnesota Statutes 1980, Section 354.62, Subdivision 5, is amended to read:

Subd. 5. **VARIABLE RETIREMENT ANNUITY.** (1) At retirement the amount of the member's variable account accumulation in the employee variable annuity contribution account, based on the valuation at the previous fiscal year end plus any contributions made by ~~such~~ the person since ~~such~~ that date, and an equal amount from the employer variable annuity contribution account shall be transferred to the variable annuity reserve account, and the variable retirement annuity for the member shall be determined by the member's age, and sex, and the amount transferred for the member to the variable annuity reserve account at the date of retirement. The amount of the annuity shall be calculated on the basis of an appropriate annuity table of mortality with an interest assumption as provided in section 354.07, subdivision 1.

(2) Whenever the admitted value of the annuity reserve account of the variable annuity division, as of June 30 of any year, exceeds or is less than the then present value of all variable annuities in force, determined in accordance with the rate of interest and approved actuarial tables then in effect, by at least

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two percent of ~~said~~ the present value, the amount of each variable annuity payment shall be proportionately increased or decreased for the following year.

(3) The death benefit payable in the event of a member's death prior to retirement ~~will~~ shall be ~~the~~ a lump sum refund of a member's variable account accumulation, based on the valuation at the previous fiscal year end plus any contributions made by ~~such~~ the person since ~~such~~ that date, to the surviving ~~dependent~~ spouse, or if there is no surviving ~~dependent~~ spouse to ~~his~~ the designated beneficiary. Except that if a member has made an election in accordance with section 354.46, then ~~his~~ the surviving spouse ~~will~~ shall receive a joint and survivor annuity as described in section 354.44 and computed as provided in clause (1). An amount equal to the lump sum refund made in this clause shall be transferred from the employer contribution account to the variable annuity turnover account.

(4) Except as provided in section 354.44, subdivision 7, any person who ceases to be a member by reason of termination of teaching service, shall be entitled to a lump sum refundment of ~~his~~ the member's variable account accumulations, based on the valuation at the previous fiscal year end plus any contributions made by ~~such~~ the person since ~~such~~ that date. Application for a refundment may be made no sooner than 30 days after termination of teaching service if the applicant has not again become a teacher. Repayment of a refundment upon resumption of teaching is not permitted under this section. An amount equal to the refundment to the member shall be transferred from the employer contribution account to the variable annuity turnover account.

(5) If a member is determined to be totally and permanently disabled as provided in sections 354.05, subdivision 14; and 354.48, ~~he~~ the member shall be entitled to the annuity provided in this subdivision.

(6) Those members eligible for retirement as provided in section 354.44, subdivision 1 ~~will~~ shall upon application for the annuity provided therein be entitled to the annuity provided in this subdivision. The annuity elected in accordance with sections 354.44, and 354.45 shall be the annuity applicable to this subdivision.

(7) Notwithstanding section 356.18, increases in annuity payments pursuant to this section will be made automatically unless written notice is filed by the annuitant with the teachers retirement association board requesting that the increase ~~shall~~ not be made.

(8) At retirement, a member may elect to have the amount of ~~his~~ the member's variable annuity accumulation in the employee variable annuity contribution account and an equal amount from the employer variable annuity contribution account transferred to the Minnesota post-retirement investment fund as provided in section 354.63, subdivision 2, clause (2). This election may also be made by a surviving ~~dependent~~ spouse who receives an annuity under

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clause (3) of this subdivision. ~~Such~~ The election shall be made on a form provided by the ~~board of trustees~~ executive director.

Sec. 129. Minnesota Statutes 1980, Section 354.66, is amended to read:

**354.66 QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.**

Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, ~~but except that the term shall not include superintendents.~~ It ~~The~~ term shall also have the meaning given it in section 136.88, subdivision 1.

Subd. 1a. For purposes of this section, the term "board" means a school district board, the state board for community colleges and the state university board.

Subd. 1b. For purposes of this section, the term "district" means a school district, the community college system and the state university system.

Subd. 2. A teacher in the public elementary, secondary or area vocational-technical schools, in the community college system or the state university system of the state who has 20 years or more of allowable service in the fund or 20 years or more of full time teaching service in Minnesota public elementary, secondary or area vocational-technical schools, in the community college system or the state university system may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position.

Subd. 3. For purposes of this section, a the term "part time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 60 percent of the compensation established by the board for a full time teacher ~~of~~ with identical education and experience within the district.

Subd. 4. Notwithstanding any provision of this chapter relating to the salary figure to be used for contribution purposes ~~the determination of contributions or the accrual of service credit to the contrary,~~ a teacher shall continue to make employee and employer contributions to the fund, including the state's obligation therefor, and accrual of accrue allowable service credit toward in the retirement fund during the period of part time employment pursuant to this chapter shall be continued during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would be payable or have been paid and accrued were if the teacher to have had been employed on a full time basis. ~~A teacher's~~ The state shall make the full required employer contributions to the fund and on behalf of the teacher to the

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retirement association for the part time teaching service in the manner described in section 354.43, subdivisions 1, 2 and 5. Full accrual of allowable service credit during and employee contributions for part time employment may not be continued teaching service pursuant to this subdivision section shall not continue for a period longer than 10 years.

Subd. 5. A teacher who pays employee contributions and receives entitled to full accrual of allowable service credit in the fund and employee contributions for part time teaching service pursuant to this section may shall not pay be entitled during the same period of time to be a member of, accrue allowable service credit in or make employee contributions or receive allowable service credit for the same fiscal year in to any other Minnesota public employee pension plan, except a volunteer firefighters' relief association governed by sections 69.771 to 69.776.

Subd. 6. A board of an employing district entering into an agreement authorized by this section shall take all steps necessary to assure continuance of any insurance programs furnished or authorized a full time teacher on an identical basis and with identical sharing of costs for a part time teacher pursuant to this section. Notwithstanding the provisions of section 43.47, subdivision 16, a ~~teacher~~ teachers as defined in section 136.88 employed on a less than 75 percent time basis pursuant to this section shall be eligible for state paid insurance benefits as if the ~~teacher~~ teachers were employed full time.

Subd. 7. Only teachers who are public employees as defined in section 179.63, subdivision 7, during the school year preceding the period of part time employment pursuant to this section shall qualify for ~~the continuation of full accrual of service credit from, and employee contributions and accrual of service credit to the retirement fund for part time teaching service pursuant to subdivision 4.~~ Notwithstanding the provisions of section 179.63, subdivision 7, clauses (e) and (f), teachers who are employed on a part time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Subd. 8. No teacher shall qualify for ~~the continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement association or a teachers retirement fund association for part time teaching service pursuant to subdivision 4 of this section or section 354A.22 354A.094, subdivision 4, in more than one district at one the same time.~~ No teacher shall qualify for ~~the continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement association or a teachers retirement fund association for part time teaching service during part time employment in a district pursuant to this section in any year when he the teacher also takes a full time or part time teaching position in another Minnesota school district.~~

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Subd. 9. A school district shall not assign a teacher to a part time teaching position qualifying for the continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the board of trustees of the teachers retirement association and the boards of trustees of the appropriate teachers retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of education shall approve or disapprove the applications from school districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of full accrual of service credit from and employee contributions and accrual for service credit to the retirement fund pursuant to this section. The state board for community colleges and the state university board may within the limits appropriated to them for purposes of this section assign a teacher to a part time teaching position qualifying for the continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education.

Subd. 10. Nothing within the provisions of in this section shall be construed to limit the authority of a board to assign a teacher to a part time teaching position which does not qualify for the continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement fund pursuant to this section.

Subd. 11. Neither subdivision 5 nor 8 shall be construed to prohibit a teacher who qualifies for the continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of sections 354.091 and 354.42, a teacher may not pay retirement qualify for full accrual of service credit from and employee contributions or receive allowable service credit in to the retirement fund for other teaching service rendered for any part of any year for which he qualifies for continuation of full accrual of service credit from and employee contributions and accrual of service credit to the retirement fund pursuant to this section or section 354A.22 354A.094.

Sec. 130. Minnesota Statutes 1980, Section 354.69, is amended to read:

**354.69 INFORMATION SUPPLIED BY DISTRICT.**

Each school district covered by the provisions of this chapter and the community college and state university systems shall furnish to the appropriate teachers retirement fund association all information and reports deemed necessary by the appropriate board of trustees executive director to administer the provisions of Laws 1977, Chapter 447, Article 9 section 354.66.

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

Sec. 131. Minnesota Statutes 1980, Section 354A.011, Subdivision 27, is amended to read:

Subd. 27. **TEACHER.** "Teacher" means any person who renders service in a public school district located in the corporate limits of one of the cities of the first class which was so classified on January 1, 1979 as any of the following:

(a) a full time employee in a position for which a valid license from the state board of education is required;

(b) an employee of the teachers retirement fund association located in the city of the first class unless the employee has exercised the option pursuant to Laws 1955, Chapter 10, Section 1, to retain membership in the Minneapolis municipal employees retirement fund established pursuant to chapter 422A;

(c) a part time employee in a position for which a valid license from the state board of education is required who also renders other non-teaching services for the school district unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service shall not be covered by the association.

The term shall not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

~~(2) a part time employee who, in the calendar year, has certified that he has established and is contributing to an individual retirement account established pursuant to federal law where certification is provided annually or upon request on a form prescribed by the board of the teachers retirement fund association;~~

~~(3) for the Duluth and St. Paul teachers retirement fund associations, and for the Minneapolis teachers retirement fund association, unless the person is designated by the board of education of special school district number 1 pursuant to section 356.451 as a provisional member of the teachers retirement fund association, a person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment, sufficient service credit in the teachers retirement fund association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive~~

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sive employment and training act, or the person agrees in writing to make the required employer contributions, including any employer additional contributions, in addition to the required employee or member contributions;

(4) (3) an employee who is a full time teacher covered by another teachers retirement fund association established pursuant to this chapter;

(5) (4) an employee holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year; or

(6) (5) an employee exempt from licensure pursuant to section 125.031.

Sec. 132. Minnesota Statutes 1980, Section 354A.091, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, an elementary, secondary or area vocational-technical school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60 shall be entitled to receive allowable service credit in the applicable association for each year of leave. To obtain the service credit, the teacher on extended leave shall make an employee contribution to the applicable association each year during the period of the leave. The extended leave period for which a teacher shall be entitled to receive allowable service credit pursuant to this section shall not exceed the leave duration maximum set forth in section 125.60, subdivision 2. If the teacher on extended leave makes the employee contribution pursuant to this section during a leave of absence year, the state shall make an employer contribution on behalf of the teacher to the applicable association for that year. The employee and employer contributions shall be in ~~an amount~~ amounts equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of the fiscal year for which service credit is to be obtained, and payment of the employer contribution shall be made by the state within 30 days of notification by the association of receipt of the required employee contribution. No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

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

Sec. 133. Minnesota Statutes 1980, Section 354A.091, Subdivision 6, is amended to read:

*Subd. 6. A teacher who makes employee contributions to and receives allowable service credit in the applicable teacher's retirement fund association pursuant to this section may not make employee contributions or receive allowable service credit for the same period of time in any other Minnesota public employee pension plan, except a volunteer firefighters' relief association governed by sections 69.771 to 69.776. This subdivision shall not be construed to prohibit a member who pays employee contributions and receives allowable service credit in the fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of this chapter or the bylaws of a retirement association, a teacher may not pay retirement contributions or receive allowable service credit in the fund for teaching service rendered for any part of any year for which he pays retirement contributions or receives allowable service credit pursuant to ~~sections~~ section 354.094 or ~~354A.091~~ this section while on an extended leave of absence pursuant to section 125.60.*

Sec. 134. Minnesota Statutes 1980, Section 354A.092, is amended to read:

#### 354A.092 SABBATICAL LEAVE.

*If a Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association is granted a sabbatical leave, ~~the teacher~~ shall be entitled to receive allowable service credit in the applicable association for periods of sabbatical leave. To obtain the service credit, the teacher on sabbatical leave shall make an employee contribution to the applicable association. No teacher shall be entitled to receive more than three years of allowable service credit pursuant to this section for a period or periods of sabbatical leave during any ten consecutive fiscal or calendar years, whichever is the applicable plan year for the teachers retirement fund association. If the teacher granted a sabbatical leave makes the employee contribution for a period of sabbatical leave pursuant to this section, the state shall make an employer contribution on behalf of the teacher to the applicable association for that period of sabbatical leave in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of year next following the year in which the sabbatical leave terminated and shall be made without interest. If the employee contributions for the sabbatical*

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leave period are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period, service credit shall be prorated. The prorated service credit shall be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable pursuant to this section.

Sec. 135. Minnesota Statutes 1980, Section 354A.094, Subdivision 3, is amended to read:

Subd. 3. A teacher in the public schools of a city of the first class who has 20 years or more allowable service in the applicable retirement fund association or 20 years or more of full time teaching service in Minnesota public elementary, secondary and area vocational-technical schools may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position.

Sec. 136. Minnesota Statutes 1980, Section 354A.094, Subdivision 8, is amended to read:

Subd. 8. No teacher shall qualify for full membership in, accrual of service credit from and employee contributions to the teachers retirement association or a teachers retirement fund association for part time teaching service pursuant to subdivision 4 or section 354.66, subdivision 4, in more than one district at the same time. No teacher shall qualify for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association during part time employment in a district pursuant to this section in any year ~~when he~~ if the teacher also takes a full time or part time teaching position in another Minnesota school district.

Sec. 137. Minnesota Statutes 1980, Section 354A.094, Subdivision 11, is amended to read:

Subd. 11. Neither subdivision 5 nor subdivision 8 shall be construed to prohibit a teacher who qualifies for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of this chapter or the bylaws of a retirement association, a teacher may not pay retirement contributions or receive allowable service credit in the funds for other teaching service rendered for any part of any year for which ~~he~~ the teacher qualifies for full membership in, accrual of service credit from and employee contributions to the teachers retirement association or a teachers retirement fund association pursuant to section 354.66 or this section.

Sec. 138. Minnesota Statutes 1980, Section 354A.094, is amended by adding a subdivision to read:

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

**Subd. 12. INFORMATION SUPPLIED BY DISTRICT.** Each school district covered by the provisions of this chapter shall furnish to the appropriate teachers retirement fund association whatever information and reports deemed necessary by the board of trustees of the applicable teachers retirement fund association to administer the provisions of this section.

Sec. 139. Minnesota Statutes 1980, Section 354A.31, Subdivision 3, is amended to read:

**Subd. 3. RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.** Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists shall be entitled to continue to receive retirement annuity payments except that for any person under the age of 72 years during any quarter in which the person's compensation for the teaching service ~~exceeds the sum of \$800~~, is in an amount equal to or greater than the quarterly maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of 42 U.S.C., Section 403. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the quarterly maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of ~~\$800~~ the applicable re-employment income maximum specified in this subdivision shall be deducted from the retirement annuity payment payable for the quarter immediately following the quarter in which the excess amount was earned. Any person to whom this subdivision applies who has reached the age of at least 72 years shall be entitled to continue to receive retirement annuity payments in full regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

Sec. 140. Minnesota Statutes 1980, Section 354A.35, Subdivision 2, is amended to read:

**Subd. 2. DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.** Any coordinated member who has attained the age of at least 55 years and has credit for at least 20 years of service or has credit for at least 30 years of service regardless of age shall be entitled to elect a joint and survivor annuity covering the spouse of the member. If a coordinated member has elected a joint and survivor annuity pursuant to this subdivision and the member dies prior to retirement, the member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31.

Sec. 141. Minnesota Statutes 1980, Section 354A.35, Subdivision 3, is amended to read:

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

Subd. 3. **DEATH AFTER RETIREMENT.** If a retiree from a coordinated program dies after retirement, the retiree or the retiree's designated beneficiary shall be entitled to the annuity payment due for the full month during which death occurs unless an optional annuity was elected by the retiree pursuant to subdivision 2 or section 354A.32. If an a joint and survivor optional annuity covering the spouse of the retiree was elected by the retiree from a coordinated program, the retiree's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. If an optional annuity other than a joint and survivor optional annuity covering the spouse of the retiree was elected by the retiree from a coordinated program, the optional annuity shall be paid according to its terms.

Sec. 142. Minnesota Statutes 1980, Section 355.07, is amended to read:  
**355.07 DECLARATION OF POLICY.**

In order to extend to employees of the state and its political subdivisions and to the dependents and survivors of such employees, the basic protection accorded to others by the old age and survivors insurance system embodied in the social security act, it is hereby declared to be the policy of the legislature, subject to the limitations of this chapter, ~~as amended,~~ that ~~such these steps be~~ are taken as to provide such protection to employees of the state and its political subdivisions on as broad a basis as is may be authorized by the legislature in the future and is permitted under the social security act. It is also the policy of the legislature that the protection afforded employees in positions covered by a retirement system on the date an agreement under this chapter, ~~as amended,~~ is made applicable to service performed in such those positions, or receiving periodic benefits under such the retirement system at such that time, will not be impaired as a result of making the agreement so applicable or as a result of legislative enactment in anticipation thereof when combined with the benefits accorded ~~such the~~ employee by the social security act. To this end the agreement referred to in section 355.02 shall not be made applicable to any service performed in any position covered by a retirement system unless a referendum is first held by secret ballot in which a majority of "eligible employees," as defined in section 218(d) (3) of the social security act vote in favor thereof, or unless a retirement system is divided in two divisions or parts, one of which is composed of positions of members of ~~such the~~ system who desire coverage and one of which is composed of positions of members of the system who do not desire coverage under section 218(d) (3) of the social security act, in accordance with subsections (6) and (7) thereof. Nothing in any provision of this chapter, ~~as amended,~~ shall authorize the extension of the insurance system established by this chapter, as amended, to service in any ~~police officer's~~ police officer's or firefighter's position or in any position covered by a retirement system applicable exclusively to positions in one or more law enforcement or fire fighting units, agencies or departments. ~~Nothing in this~~

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section shall authorize the public employees retirement association to be divided.

Sec. 143. Minnesota Statutes 1980, Section 355.11, Subdivision 2, is amended to read:

Subd. 2. ~~The term "Enabling act" means the act entitled "An act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, and appropriating money therefor which is codified in Minnesota Statutes, sections 355.01 to 355.07."~~

Sec. 144. Minnesota Statutes 1980, Section 355.11, Subdivision 4, is amended to read:

Subd. 4. ~~The term "Employee" means any employee, other than elected officials, of municipal housing and redevelopment authorities or of any soil and water conservation district organized pursuant to chapter 40, or any port authority organized pursuant to Minnesota Statutes, chapter 458, or any hospital district organized or reorganized pursuant to legislation enacted by the 1959 legislature sections 447.31 to 447.37.~~

Sec. 145. Minnesota Statutes 1980, Section 355.11, Subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to ~~Minnesota Statutes, sections 462.415 to 462.711~~ and any soil and water conservation district organized pursuant to ~~Minnesota Statutes, chapter 40~~ or any port authority organized pursuant to ~~Minnesota Statutes, chapter 458~~, or any hospital district organized or reorganized pursuant to ~~legislation enacted by the 1959 legislature sections 447.31 to 447.37.~~

Sec. 146. Minnesota Statutes 1980, Section 355.13, Subdivision 2, is amended to read:

Subd. 2. Effective retroactively with respect to services performed after December 31, 1954, by ~~its employees~~ persons who are ~~such~~ its employees on the date of the agreement or modification, each and every employing unit is authorized, in consideration of the employee's retention in, or entry upon, employment after enactment of ~~sections 355.11 to 355.16~~ April 22, 1955, to impose upon each ~~such~~ employee a contribution with respect to ~~his~~ the employee's wages not exceeding the amount of the employee tax which would be imposed by the federal insurance contribution act if ~~such~~ the employment services constituted employment within the meaning of that act, and to deduct the amount of ~~such~~ the contribution from ~~his~~ the employee's wages as and when paid. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of each and every employing unit in respect

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thereto. Failure to deduct ~~such~~ the contribution shall not relieve the employee or the employing unit of liability therefor.

Sec. 147. Minnesota Statutes 1980, Section 355.21, Subdivision 2, is amended to read:

Subd. 2. ~~The term "Enabling act" means Laws 1955, Chapter 665, entitled "An act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, and appropriating moneys therefor sections 355.01 to 355.07."~~

Sec. 148. Minnesota Statutes 1980, Section 355.21, Subdivision 4, is amended to read:

Subd. 4. ~~The term "Teacher" means all employees of political subdivisions who hold positions covered by the Duluth teachers retirement fund associations association established under pursuant to the provisions of sections 354A.01 to 354A.10, in cities of the first class situated in counties having an area of over 5,000 square miles chapter 354A.~~

Sec. 149. Minnesota Statutes 1980, Section 355.22, is amended to read:

**355.22 TEACHERS TO BE DEEMED SEPARATE UNIT.**

Pursuant to section 218(d) (6) of the Social Security Act, every teachers retirement fund association established under the provisions of ~~sections 354A.01 to 354A.10, chapter 354A~~ shall be deemed to constitute a separate retirement system.

Sec. 150. Minnesota Statutes 1980, Section 355.23, Subdivision 1, is amended to read:

Subdivision 1. Upon the request of the governing body of ~~any~~ the Duluth teachers retirement fund association and the board of education of Independent School District No. 709 or upon the petition of at least ten percent of the active members of ~~any such~~ the association and the board of education in a city of the first class situated in counties having an area of over 5,000 square miles Independent School District No. 709, the governor shall be empowered to authorize a referendum to be held at a date to be set by him, and to designate any agency or individual to supervise its conduct, in accordance with the requirements of section 218(d) (3) of the Social Security Act, on the question of whether service by teachers in positions covered by ~~such~~ the Duluth teachers retirement fund association should be excluded from or included in an agreement under the enabling act. The notice of referendum required by section 218(d) (3) (C) of the Social Security Act to be given to teachers shall contain or shall be accompanied by a statement, in such form and such detail as the agency or individual designated to supervise the referendum shall deem necessary and sufficient, to inform the teachers of the rights which will accrue

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to them and their dependents and survivors, and the liabilities to which they will be subject, if their services are included in an agreement under the enabling act, and the statement shall contain in such form and such detail as deemed necessary the plan proposed for the integration, supplementation or combination of the teachers retirement fund association and social security. The cost of any referendum hereby authorized shall be paid by the teachers retirement fund association in reference to which the referendum is held.

Sec. 151. Minnesota Statutes 1980, Section 355.29, Subdivision 1, is amended to read:

Subdivision 1. For the purposes of ~~Laws 1967, Chapter 687~~ sections 355.29 to 355.30, the terms defined in this section have the meanings ascribed to them.

Sec. 152. Minnesota Statutes 1980, Section 355.29, Subdivision 3, is amended to read:

Subd. 3. "Political subdivision" means any political subdivision as defined in section 218(b) of the social security act, and includes any instrumentality of the state, any instrumentality of one or more of its political subdivisions including the League of Minnesota ~~Municipalities~~ Cities, any instrumentality of the state and one or more of its political subdivisions, any governmental subdivision as defined in section 353.01, subdivision 6 and an any instrumentality established under an agreement pursuant to section 471.59 wherein the instrumentality is responsible for the employment and payment of the salaries of employees of the instrumentality.

Sec. 153. Minnesota Statutes 1980, Section 355.29, Subdivision 4, is amended to read:

Subd. 4. "Enabling act" means ~~the act of this state entitled, "An act to provide for the coverage of certain officers and employees of the state and local government under the old age and survivors insurance provisions of Title II of the Federal Social Security Act as amended and appropriating money therefor" which is codified in Minnesota Statutes, sections 355.01 to 355.07.~~

Sec. 154. Minnesota Statutes 1980, Section 355.311, Subdivision 1, is amended to read:

Subdivision 1. **ELECTION OF SOCIAL SECURITY COVERAGE.** Any member of the basic program of the Minneapolis municipal employees retirement fund established under the provisions of chapter 422A shall be entitled to elect social security coverage retroactive to July 1, 1978 in a second social security referendum. Any member who so elects shall become a member of the coordinated program of the public employees retirement association and sufficient assets shall be transferred by the board of trustees of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association pursuant to section.353.023.

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

Sec. 155. Minnesota Statutes 1980, Section 355.311, Subdivision 2, is amended to read:

Subd. 2. **PAYMENT OF RETROACTIVE SOCIAL SECURITY EMPLOYEE AND EMPLOYER TAXES.** Effective retroactively with respect to any employment after the date of retroactive coverage by municipal employees who are employed on the date of the agreement or modification of the agreement with the secretary of health, education and welfare, the executive secretary of the Minneapolis municipal employees retirement fund shall cause to be paid out of the fund an amount for each municipal employee as defined pursuant to Minnesota Statutes 1978, Section 355.302, Subdivision 4, retroactively included, equal to the employee and employer taxes which would have been imposed by the Federal Insurance Contribution Act if the service by the employee constituted employment within the meaning of that act. This payment shall be computed from the date of retroactive coverage to the date that deductions are first taken from the wages of each municipal employee pursuant to Minnesota Statutes 1978, Section 355.309. Amounts paid to meet the required employee contribution shall first be deducted from the accumulated deductions of the municipal employee and then from the remaining assets of the fund.

Sec. 156. Minnesota Statutes 1980, Section 355.311, Subdivision 4, is amended to read:

Subd. 4. **BALANCES DUE AFTER PAYMENT OF RETROACTIVE SOCIAL SECURITY EMPLOYEE AND EMPLOYER TAXES.** Any municipal employee as defined pursuant to Minnesota Statutes 1978, Section 355.302, Subdivision 4, who elects social security coverage from and after January 1, 1979, and thereby transfers from the basic program of the Minneapolis municipal employees fund to the coordinated program of the ~~Minneapolis municipal~~ public employees fund retirement association and from whose account retroactive social security employee taxes are paid by the board of the Minneapolis municipal employees fund shall be required to reimburse the Minneapolis municipal employees retirement fund in an amount equal to the difference between employee contributions at the rate of eight percent of ~~his~~ the employee's total salary for the period of retroactive social security coverage and the aggregate of six percent of ~~his~~ the employee's total salary for the period of retroactive social security coverage plus the rate of retroactive social security employee taxes paid on the salary of the municipal employee restricted to the earnings limitations imposed by the Federal Insurance Contribution Act covering service as a municipal employee rendered from and after July 1, 1978. In the event that a municipal employee does not reimburse the Minneapolis municipal employees retirement fund within 30 days following notification by the executive secretary of the amount of reimbursement which is due, interest at the rate of six percent per annum compounded annually from the date the amount was first payable following notification until the date payment is made

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shall accrue. The city or the public corporation which employs a municipal employee electing social security coverage from and after January 1, 1979, for service on which retroactive social security employer taxes are paid from the Minneapolis municipal employees retirement fund shall reimburse the Minneapolis municipal employees retirement fund in an amount equal to the reimbursement amount payable by the municipal employee. The employer reimbursement may be paid from the proceeds of a tax levy made for this purpose or from any other funds available to the employer.

Sec. 157. **[355.391] DEFINITIONS.**

Subdivision 1. TERMS. Unless the context indicates otherwise, for the purposes of this section and sections 158 and 490.129, the terms defined in this section shall have the meanings given to them.

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

Subd. 3. JUDGE. "Judge" means any person who is a judge within the meaning of section 490.121, subdivision 3.

Subd. 4. EMPLOYING UNIT. "Employing unit" means the state.

Sec. 158. **[355.392] SOCIAL SECURITY COVERAGE FOR JUDGES.**

Subdivision 1. SOCIAL SECURITY COVERAGE. In accordance with section 218(d)(6)(C) of the social security act, the judges retirement fund is divided into two parts:

(a) the first part is composed of judges in office on and after December 31, 1973, who elected not to have coverage under an agreement pursuant to section 218(d) of the social security act in the referendum authorized pursuant to Laws 1973, Chapter 744, Sections 7 and 8;

(b) the second part is composed of judges in office on and after December 31, 1973, who elected to have coverage under an agreement pursuant to section 218(d) of the social security act in the referendum authorized pursuant to Laws 1973, Chapter 744, Sections 7 and 8 and of judges first entering office after December 31, 1973, whose service constitutes "employment" as defined in the social security act.

Subd. 2. EMPLOYER CONTRIBUTIONS. For services by judges referred to in subdivision 1, clause (b), the state shall pay into the contribution fund established pursuant to section 355.04, an employer contribution on wages equal the employer tax rate imposed by the federal insurance contribution act.

Subd. 3. EMPLOYEE CONTRIBUTIONS. For services by judges referred to in subdivision 1, clause (b), the judge shall pay into the contribution fund established pursuant to section 355.04, an employee contribution on wages

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equal to the employee tax rate imposed by the federal insurance contribution act. This contribution shall be made from the contribution made by the judge pursuant to section 490.123, subdivision 1.

Subd. 4. DELINQUENT CONTRIBUTIONS. Any delinquent contribution shall be payable with interest at the rate of six percent per annum.

Subd. 5. ADMINISTRATIVE EXPENSES. Every employing unit shall reimburse the state agency for its pro rata share of the cost of the administration of the agency in accordance with rules which the state agency prescribes. Reimbursements of administrative expenses shall be paid to the state agency revolving fund.

Subd. 6. REPORTS. Every employing unit shall make whatever reports in whatever form and containing whatever information which the state agency may from time to time require, and shall comply with whatever provisions which the state agency or the secretary of the federal department of health and human services may find from time to time necessary to assure the correctness of the reports.

Sec. 159. Minnesota Statutes 1980, Section 355.41, Subdivision 2, is amended to read:

Subd. 2. The term "state employee" means any employee of the state or a political subdivision who performs services in any position covered by the Minnesota state retirement system provided for in Minnesota Statutes, governed pursuant to chapter 352, relating to the state employees retirement association, excepting any position the compensation for which is on a fee basis.

Sec. 160. Minnesota Statutes 1980, Section 355.41, Subdivision 3, is amended to read:

Subd. 3. The term "public employee" includes all employees of the state and its political subdivisions as defined in section 2, subdivision 7 of the enabling act, who hold positions which are covered by the public employees retirement system provided for in Minnesota Statutes, association governed pursuant to chapter 353, relating to the public employees retirement association excepting any position performing service which under the Social Security Act may not be included in an agreement between the state and secretary of health, education and welfare entered into under pursuant to sections 355.41 to 355.55.

Sec. 161. Minnesota Statutes 1980, Section 355.41, Subdivision 4, is amended to read:

Subd. 4. The term "educational employee" means any employee of the state and its political subdivisions who performs services in any position covered by the teachers retirement fund provided for in Minnesota Statutes, Sections 354.05 to 354.10, as amended governed pursuant to chapter 354.

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

Sec. 162. Minnesota Statutes 1980, Section 355.41, Subdivision 7, is amended to read:

Subd. 7. The term "enabling act" means ~~Laws 1955, Chapter 665, entitled "An act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the federal social security act, as amended, and appropriating moneys therefor sections 355.01 to 355.07."~~

Sec. 163. Minnesota Statutes 1980, Section 355.46, Subdivision 3, is amended to read:

Subd. 3. **SOCIAL SECURITY CONTRIBUTIONS.** The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d) (6) (C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required for retroactive coverage shall be made in the manner provided in subdivision 2.

(b) Contributions required to be made for current service by political subdivisions employing ~~such~~ educational employees and payments required by section 355.49 shall be paid by the state. ~~Beginning July 1, 1971~~ The state's obligation for services performed subsequent to the date of the agreement or modification shall be paid by the commissioner of ~~finance~~ employee relations at such times and in such amounts as may be determined by the state agency to be necessary.

(c) Contributions required to be made with respect to ~~such~~ educational employees of state departments and institutions and payments required by section 355.49 shall be paid by ~~such~~ the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 164. Minnesota Statutes 1980, Section 355.71, Subdivision 6, is amended to read:

Subd. 6. "Enabling act" means ~~the act of this state entitled, "An act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the federal social security act, as amended, and appropriating moneys therefor"~~ which is codified in sections 355.01 to 355.07 and acts amendatory thereof.

Sec. 165. Minnesota Statutes 1980, Section 355.72, is amended to read:  
**355.72 SEPARATE SYSTEM FOR HOSPITAL EMPLOYEES.**

In accordance with section 218(d) (6) (A) or section 218(d) (6) (B) of the social security act, the hospital employees of each public hospital which was in existence prior to July 1, 1971 are deemed to be covered by a separate retirement system for the employees of ~~such~~ that hospital, notwithstanding the

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provisions of ~~Minnesota Statutes~~, section 355.42, clause (a). ~~This section applies only to hospitals in existence prior to July 1, 1971.~~

Sec. 166. Minnesota Statutes 1980, Section 355.73, is amended by adding a subdivision to read:

Subd. 8. Any hospital employee excluded from retirement coverage by the public employees retirement association pursuant to Minnesota Statutes 1980, Section 355.73, Subdivision 5, shall continue to be excluded from that retirement coverage so long as the person remains employed as a hospital employee.

Sec. 167. Minnesota Statutes 1980, Section 356.18, Subdivision 1, is amended to read:

Subdivision 1. No increase authorized by any law hereafter enacted, in any pension, annuity, or retirement paid by the public employees retirement association, the ~~Minnesota state employees retirement association system~~, the state teachers retirement fund, any police or firefighter's retirement fund or relief association, or from any relief association or retirement fund to which contributions are made from moneys derived from taxation, shall be paid to any pensioner, annuitant, or recipient unless ~~he shall~~ that person first request requests in writing that payment of ~~such the~~ increase be made.

Sec. 168. Minnesota Statutes 1980, Section 356.20, is amended to read:

**356.20 PUBLIC PENSION FUND FINANCIAL REPORTS REQUIRED REPORTING REQUIREMENT.**

Subdivision 1. **REPORT REQUIRED.** The governing or managing board or administrative officials of the public pension and retirement funds enumerated in subdivision 2 shall annually prepare and file a financial report following the close of each fiscal year. This requirement shall also apply to any fund which may be a successor to any organization so enumerated or to any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, ~~with the exception of any local fire fund now governed by sections 69.771 to 69.776.~~ ~~Such~~ The report shall be prepared under the supervision and at the direction of the management of each fund and shall be signed by ~~its chairman the presiding officer of the managing board of the fund and secretary the chief administrative official of the fund.~~

Subd. 2. **COVERED PUBLIC PENSION FUNDS.** (1) State employees retirement fund.

(2) Public employees retirement fund.

(3) Teachers retirement fund.

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- (4) Highway ~~patrolmen's~~ patrol retirement fund.
- (5) Minneapolis teachers retirement fund association.
- (6) St. Paul teachers retirement fund association.
- (7) Duluth teachers retirement fund association.
- (8) Minneapolis municipal employees retirement ~~board of Minneapolis~~ fund.
- (9) University of Minnesota ~~police~~ faculty retirement plan.
- (10) University of Minnesota faculty supplemental retirement plan.
- (11) Judges retirement fund.
- (12) Any police or firefighter's relief association enumerated in section sections 69.77, subdivision 1a or 69.771, subdivision 1.
- (13) Public employees police and fire fund.
- (14) Minnesota state retirement system correctional officers retirement plan.

Subd. 3. **FILING REQUIREMENT.** Each financial report is a public record. A copy thereof or a synopsis containing the information required by this section shall be distributed annually to each member of the fund and to the governing body of each governmental subdivision of the state which makes employers contributions thereto or in whose behalf taxes are levied for the employers' contribution. A signed copy of each report shall be delivered not later than six months after the close of each fiscal year to ~~any interim or study committee or the executive secretary of the legislative commission of the legislature assigned to consider pension and retirement funds or plans on pensions and retirement and to the legislative reference library.~~ In the absence of the creation of such a committee or commission a signed copy of such report shall be delivered to the secretary of the senate and the chief clerk of the house of representatives not later than ten days after the convening of the next regular session of the legislature following the close of the fiscal year for which such report is prepared.

Subd. 4. **CONTENTS OF FINANCIAL REPORT.** Each financial report required by this section shall include:

- (1) An exhibit prepared according to applicable actuarial standards enumerated in section 356.215, by an approved actuary as defined in section 356.215, subdivision 6 showing the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the accrued unfunded liability of the fund. ~~Such~~ The exhibit shall contain the certificate of an approved actuary certifying that the required reserves for any benefits provided under a benefit formula are computed in accordance with the Entry Age Normal Cost (Level Normal Cost) basis actuarial method.

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

(a) Assets shown in the exhibit shall include the following items of actual assets:

- Cash in office
- Deposits in banks
- Accounts receivable:
- Accrued members' contributions
- Accrued employer contributions
- Other
- Accrued interest on investments
- Dividends on stocks, declared but not yet received
- Investment in bonds at amortized cost
- Investment in stocks at cost
- Investment in real estate
- Equipment at cost, less depreciation
- Other
- Total assets .....

(b) The exhibit shall include a statement of the unfunded accrued liability of the fund. ~~Should~~ If the assets of the fund exceed the liabilities; the excess shall be listed as surplus and indicated in the exhibit following the item of reserves.

(c) The exhibit shall include a footnote showing accumulated member contributions without interest.

(d) Current liabilities shown in the exhibit shall include the following items:

- Current:
- Accounts payable
- Annuity payments
- Survivor benefit payments
- Refund to members
- Accrued expenses
- Suspense items
- Total current liabilities .....

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

(e) The exhibit shall include an item for accrued necessary reserves which shall be listed as "total reserves required as per attached schedule." ~~Such~~ The attached schedule shall contain the following information on the reserves required:

1. For active members
  - a. Retirement benefits
  - b. Disability benefits
  - c. ~~Refundment~~ Refund liability due to death or withdrawal
  - d. Survivors' benefits
2. For *deferred annuitants*
3. For former members without vested rights
4. For annuitants
  - a. Retirement
  - b. Disability annuities
  - c. Surviving spouses' annuities
  - d. Surviving children's annuities

5. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing four items of reserves required, they ~~should~~ shall be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. ~~It~~ The statement shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, ~~widows'~~ surviving spouse benefits, surviving children's benefits, ~~refundments~~ refunds to members terminating employment, ~~refundments~~ refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics as to membership and beneficiaries of the fund, with indications of changes in ~~such~~ the statistical data which may result from the current year's operation.

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

(5) ~~Such~~ Any additional statements or exhibits as which will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in ~~such~~ the additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

(7) ~~Subd. 4a.~~ Subd. 4a. For any police or firefighter's relief association referred to in subdivision 2, ~~clause (13)~~ (12), a financial report duly filed pursuant to and meeting the requirements of section 69.051 shall be deemed to have met the requirements of ~~this~~ the subdivision 4.

Subd. 5. **DEFERRED YIELD ADJUSTMENT ACCOUNT.** There is hereby established, in each fund enumerated in subdivision 2, a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, ~~unless such~~ the amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in any accounting or actuarial computations or listing of assets. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.

Sec. 169. Minnesota Statutes 1980, Section 356.215, is amended to read:

#### 356.215 ACTUARIAL VALUATIONS AND EXPERIENCE STUDIES.

Subdivision 1. **DEFINITIONS.** For the purposes of sections 356.20 to 356.23 the terms hereinafter defined have the meanings given:

(1) "Actuarial valuation" means a calculation to determine the normal cost and accrued liabilities of a benefit plan, according to a stated actuarial cost method and based upon stated assumptions as to rates of interest, mortality, salary increase ~~rates~~, disability, withdrawal, and retirement: ~~Such valuation also includes and a~~ determination of the payment necessary to amortize over a stated period any unfunded accrued liability disclosed as a result of the actuarial valuation and resulting actuarial balance sheet of the benefit plan, and a determination of the payment necessary to prevent any increase in any ~~such~~ disclosed unfunded accrued liability.

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

(2) "Experience study" means a report which furnishes experience data and an actuarial analysis which substantiate the actuarial assumptions on which valuations are based.

Subd. 2. **REQUIREMENTS.** It is the policy of the legislature that it is necessary and appropriate to determine annually the financial status of tax supported retirement and pension plans for public employees. In order to achieve this goal, the governing or managing board or administrative officials of ~~the~~ each public pension and retirement ~~funds fund~~ fund or plan enumerated in section 356.20, subdivision 2, shall cause to be made annual actuarial valuations and quadrennial experience studies of their respective funds as herein provided. This requirement shall also apply to any fund which may be a successor to any organization enumerated in section 356.20, subdivision 2, or to any newly ~~formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, and any local police or fire fund coming within the provisions of section 356.216.~~

Subd. 3. **REPORTS.** The actuarial valuations required annually shall be made as of the beginning of each fiscal year. Two copies of each valuation shall be delivered to ~~the chief clerk of the house of representatives and two copies thereof to the~~ executive secretary of the senate legislative commission on pensions and retirement and to the legislative reference library, not later than ~~five months~~ the first day of the sixth month occurring after the beginning end of each the previous fiscal year. ~~An additional two copies of each valuation shall likewise be delivered to any committee or commission of the legislature in existence at the time the report is made and which committee or commission has assigned to it the subject of public pensions or public retirement plans. Each~~ Every fourth year occurring after 1975, two copies of an experience study in duplicate covering four fiscal years shall likewise be filed with each of the enumerated officers executive secretary of the legislative commission on pensions and committees or commissions. The experience study shall be filed within five months retirement and to the legislative reference library, not later than the first day of the sixth month occurring after the close end of the last fiscal year of the period which such the experience study covers. The first quadrennial experience study required of each pension fund by this section shall accompany the annual valuation which is prepared as of the end of the first fiscal year which ends after June 1, 1975.

Subd. 4. **ACTUARIAL VALUATIONS; CONTENTS.** Actuarial valuations shall be made in conformity with the requirements of the definition contained in subdivision 1. Each actuarial valuation shall measure all aspects of the fund in accordance with ~~such~~ changes in benefit plans, if any, and salaries as will be in force during the ensuing fiscal year. Each actuarial valuation shall be in accordance with the entry age normal cost (level normal cost) method.

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

Each actuarial valuation required under this section shall include:

(1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the laws governing the fund as of the date of the valuation, computed in accordance with the entry age normal cost (level normal cost) method. The normal cost shall be expressed as a level percentage of the future payroll of the active participants of the fund as of the date of the valuation.

(2) The accrued liabilities of the fund which shall be equal to the present value of all benefits minus the present value of future normal costs calculated in accordance with the entry age normal cost method.

(3) For each fund providing benefits under the money purchase or defined contribution method, the member contributions accumulated at interest, as apportioned to members accounts, to the date of the valuation. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase or defined contribution annuity rates which may apply.

(4) An interest assumption of five percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

(5) Other assumptions as to mortality, disability, retirement, withdrawal, ~~average~~ entry age and ~~average~~ retirement age that are appropriate to the fund, which shall be set forth in the valuation report.

(6) An actuarial balance sheet showing accrued assets, accrued liabilities, and the deficit from full funding of liabilities (unfunded accrued liability). The accrued liabilities shall include the following required reserves:

- (a) For active members
  - 1. Retirement benefits
  - 2. Disability benefits
  - 3. Refund liability due to death or withdrawal
  - 4. Survivors' benefits
- (b) For deferred annuitants' benefits
- (c) For former members without vested rights
- (d) For annuitants
  - 1. Retirement annuities
  - 2. Disability annuities

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

## 3. Surviving spouses' annuities

## 4. Surviving children's annuities

In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(7) In addition to the level normal cost, the additional annual contribution which would be required to retire the current unfunded accrued liability on a level dollar basis by the established date for full funding which is in effect at the time of the valuation.

If, after the first actuarial valuation date occurring after June 1, 1979, there has not been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1979 and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, 2009.

If after the first actuarial valuation date occurring after June 1, 1979, there has been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) The unfunded accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect prior to an applicable change;

(ii) The level annual dollar contribution needed to amortize the unfunded accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in clause (4) in effect prior to the change;

(iii) The unfunded accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining

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

plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect prior to the change;

(iv) The level annual dollar contribution needed to amortize the difference between the unfunded accrued liability amount calculated pursuant to subclause (i) and the unfunded accrued liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change;

(v) The level annual dollar amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution calculated pursuant to subclause (ii);

(vi) The period in which the unfunded accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect prior to the change; and

(vii) The period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

(8) An actuarial balance sheet shall not include as an asset the present value of the contributions required under clause (7).

(9) An analysis by the actuary explaining the increase or decrease in the unfunded accrued liability since the last valuation. The explanation shall subdivide the increase or decrease in unfunded accrued liability into at least the following parts:

(a) Increases or decreases in unfunded accrued liability because of changes in benefits;

(b) Increases and decreases in unfunded accrued liability because of each change, if any, in actuarial assumptions;

(c) Actuarial gains or losses resulting from any deviations of actual investment earnings, actual mortality rates, actual salary increase rates, actual disability rates, actual withdrawal rates and actual retirement rates from the assumptions on which the valuations are based;

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(d) Increases or decreases in unfunded accrued liability because of other reasons, including the effect of the amortization contribution required under clause (7); and

(e) Increases or decreases in unfunded accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

(10) A tabulation of active membership and annuitants in the fund. If the membership of a fund is under more than one general benefit program, a separate tabulation shall be made for each general benefit program. The tabulations shall be submitted in the following form:

		Annual
		Number Payroll
(a) Active members		
As of last valuation date		
New entrants		
Total		
Separations from active service		
Refund of contributions		
Separation with deferred annuity		
Separation with neither <del>refundment</del> <u>refund</u>		
nor deferred annuity		
Disability		
Death		
Retirement with service annuity		
Total separations		
As of current valuation date		
		Annual Annuity
(b) Annuitants	Number	Benefit
As of last valuation date		
New entrants		
Total		
Terminations		
Deaths		

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

Other

Total terminations

As of current valuation date

The tabulation required under subclause (b) shall be made separately for each of the following classes of annuitants:

- (a) Service retirement annuitants
- (b) Disabled annuitants
- (c) Surviving spouse annuitants
- (d) Surviving children annuitants
- (e) Deferred annuitants

(11) A statement of the administrative expenses in dollars and also as a percentage of covered payroll.

(12) A summary of the principal provisions of the plan upon which the valuation is based.

Subd. 5. **EXPERIENCE STUDY; CONTENTS.** Each experience study shall contain ~~the~~ an actuarial analysis required by subdivision 4, clause (2).

In addition, each experience study which substantiates the actuarial assumptions on which the most recent actuarial valuation of the retirement fund or relief association was based, and shall also contain:

(1) A statement of the average entry ages at which employment commences;

(a) For all those currently active members at the date of the experience study.

(b) Separately as to new entrants for each of the last five fiscal years.

(2) A statement of the average ages at which service retirements have taken place;

(a) For all service retirement annuitants living at the date of the experience study.

(b) Separately as to new retirements for each of the last five fiscal years.

Subd. 6. **APPROVED ACTUARIES.** Each actuarial valuation or experience study shall be made by an approved actuary. An approved actuary is an actuary with who has not less than 15 years of service to major public employee pension or retirement funds, or who is a fellow in the society of

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actuaries, or any firm retaining such an actuary on its staff. Each valuation or experience study shall state that it has been completed in accordance with the provisions of sections 356.20 to 356.23.

Sec. 170. Minnesota Statutes 1980, Section 356.216, is amended to read:

**356.216 CONTENTS OF ACTUARIAL VALUATIONS AND EXPERIENCE STUDIES FOR LOCAL POLICE AND FIRE FUNDS.**

The provisions of section 356.215, governing the contents of actuarial valuations and experience studies shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which member contributions are calculated and deducted;

(2) ~~unless a special law or general statute requires the amortization of any deficit in the fund, in lieu of the amortization requirement calculated pursuant to date specified in section 356.215, subdivision 4, clause (7), an additional rate of support required to pay interest at a rate of five percent on the amount of the deficit with payment as of the beginning and as of the end of the year shall be calculated the appropriate amortization target date specified in sections 69.77, subdivision 2, clause (2), or 69.773, subdivision 4, clause (b), shall be used in calculating the required amortization contribution;~~

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4, clause (10), the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required under pursuant to section 69.773, subdivision 2 shall be made at least every four years and actuarial valuations required ~~under~~ pursuant to section 69.77 shall be made at least every two years; and

(5) experience studies required pursuant to section 69.77 shall be made as of December 31, 1978 and as of December 31 of every fourth year thereafter and experience studies required pursuant to section 69.773, subdivision 2, shall be made as of December 31, 1978, and as of the date of each actuarial valuation made thereafter to accompany the actuarial valuation.

Sec. 171. Minnesota Statutes 1980, Section 356.22, Subdivision 1, is amended to read:

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

Subdivision 1. No provision in sections 356.20 to 356.23 shall be construed to in any way limit any of the enumerated pension and retirement funds from furnishing additional actuarial valuations or experience studies, or data and calculations, as may be requested by the legislature or any standing committee or the legislative commission thereof now in existence or hereafter created, which committee or commission has assigned to it the subject of public pensions or public retirement plans on pensions and retirement.

Sec. 172. Minnesota Statutes 1980, Section 356.24, is amended to read:

**356.24 SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.**

~~Upon passage of this section, It shall be is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan which is established, maintained and operated in addition to a primary pension program for the benefit of the governmental subdivision employees. This section shall not apply other than to a supplemental pension plans plan which are was established, maintained and operated prior to passage of this section, except that, any changes May 6, 1971, to any plan which provides solely for group health, hospital, disability or death benefits or to any plan which provides solely for severance pay as authorized pursuant to section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after the passage of this section May 6, 1971 shall be made pursuant to effective without prior legislative authorization. This section does not apply to plans that provide only for group health, hospital, disability, or death benefits, nor to a plan which provides for the payment of severance pay as authorized by section 465.72 to a retiring or terminating employee.~~

Sec. 173. Minnesota Statutes 1980, Section 356.25, is amended to read:

**356.25 ~~CITY LOCAL~~ GOVERNMENTAL PENSION FUND PROHIBITIONS; EXCLUSIONS.**

Notwithstanding any other provision of law or charter, no city, county, public agency or instrumentality, or other political subdivision shall, after August 1, 1975, establish for any of its employees any local pension plan paid for or fund financed in whole or in part from public funds, other than a volunteer firefighter's relief association established pursuant to chapter 422A and governed by sections 69.771 to 69.776.

Sec. 174. Minnesota Statutes 1980, Section 356.32, Subdivision 1, is amended to read:

Subdivision 1. **PROPORTIONATE RETIREMENT ANNUITY.** Notwithstanding any provision to the contrary of the laws governing any of the

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retirement funds referred to in subdivision 2, any person who is an active member of any applicable fund, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to a mandatory retirement law or policy or at age 65 or older for any reason shall be entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in which the person has allowable service credit. The proportionate annuity shall be calculated under the applicable laws governing annuities based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section shall prevent the imposition of the appropriate early retirement reduction of an annuity which commences prior to normal retirement age.

Sec. 175. Minnesota Statutes 1980, Section 356.39, is amended to read:

**356.39 TRANSFER OF RESERVES; ORIGINALLY DETERMINED BENEFITS BASIS FOR SUBSEQUENT POST RETIREMENT ADJUSTMENTS.**

In the case of annuities or benefits for which the required reserves have been transferred to the Minnesota post-retirement investment fund, each retirement fund shall transfer to the Minnesota post-retirement investment fund the additional required reserves for the increases provided by Laws 1976, Chapter 326, no later than October 15, 1976, and the moneys necessary for such transfer are hereby appropriated from each such retirement fund to the Minnesota post-retirement investment fund. The increased benefit amounts pursuant to sections 356.35 to 356.39 shall thereafter be considered the "originally determined benefit;" base annuity or benefit amount for the purpose of further adjustments pursuant to section 11A.18.

Sec. 176. Minnesota Statutes 1980, Section 356.45, Subdivision 2, is amended to read:

Subd. 2. **COVERED FUNDS.** The provisions of this section shall apply to the following retirement funds or plans:

- (1) ~~metropolitan transit commission - transit operating division employees retirement plan;~~
- (2) University of Minnesota faculty retirement plan;
- (3) (2) University of Minnesota faculty supplemental retirement plan;
- (4) ~~University of Minnesota police retirement plan;~~
- (5) (3) any municipal retirement fund or plan providing pension or retirement coverage for police officers or paid firefighters which was established and is governed in whole or in part by special legislation;

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~~(6)~~ (4) any retirement fund or plan established, maintained, or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources which provides pension or retirement coverage for public employees, other than police officers or paid firefighters, who are not covered by a retirement fund enumerated in section 356.30, subdivision 3; or

~~(7)~~ (5) any supplemental retirement plan established, maintained, or supported by any government subdivision or public body whose revenues are derived from taxation, fees, assessments or other public sources.

Sec. 177. Minnesota Statutes 1980, Section 356.60, Subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(a) "Public pension plan" is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources; ~~which provides pension or retirement coverage for public employees other than volunteer firefighters.~~

(b) "Year of covered service" is a year of covered, credited, formula or allowable service as defined by a public pension plan which provides formula pension or retirement benefits, or a period of 12 consecutive months of service commencing with the date or anniversary date of membership with a public pension plan or program which does not provide formula or other defined benefits and for which contributions on behalf of the covered employee or member have been made. With respect to any public pension plan which provides formula pension or retirement benefits and defines two or more types of service credit, the term shall mean the type of service credit which is utilized for determining formula pension or retirement benefits and shall not mean the type of service credit which is utilized for determining vesting or minimum service for entitlement to pension or retirement benefits.

Sec. 178. [356.65] **DISPOSITION OF ABANDONED PUBLIC PENSION FUND AMOUNTS.**

Subdivision 1. **DEFINITIONS.** For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

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(a) "Public pension fund" means any public pension plan as defined in section 356.60, subdivision 1, clause (a) and any Minnesota volunteer firefighters relief association which is established pursuant to chapter 424A and governed pursuant to sections 69.771 to 69.776.

(b) "Unclaimed public pension fund amounts" means any amounts representing accumulated member contributions, any outstanding unpaid annuity, service pension or other retirement benefit payments, including those made on warrants issued by the commissioner of finance, which have been issued and delivered for more than six years prior to the date of the end of the fiscal year applicable to the public pension fund, and any applicable interest to the credit of:

(1) an inactive or former member of a public pension fund who is not entitled to a defined retirement annuity and who has not applied for a refund of those amounts within five years after the last member contribution was made;

(2) a deceased inactive or former member of a public pension fund if no survivor is entitled to a survivor benefit and no survivor, designated beneficiary or legal representative of the estate has applied for a refund of those amounts within five years after the date of death of the inactive or former member.

**Subd. 2. DISPOSITION OF ABANDONED AMOUNTS.** Any unclaimed public pension fund amounts existing in any public pension fund shall be presumed abandoned, but shall not be subject to the provisions of sections 345.31 to 345.60. Unless the benefit plan of the public pension fund specifically provides for a different disposition of unclaimed or abandoned funds or amounts, any unclaimed public pension fund amounts shall cancel and shall be credited to the public pension fund. If the unclaimed public pension fund amount exceeds \$25 and the inactive or former member again becomes a member of the public pension fund or applies for a retirement annuity pursuant to sections 3A.12, 352.72, 352B.30, 352C.051, 353.71, 354.60, 356.30, or 422A.16, subdivision 8, whichever is applicable, the cancelled amount shall be restored to the credit of the person.

Sec. 179. Minnesota Statutes 1980, Section 422A.01, Subdivision 11, is amended to read:

Subd. 11. "Employee" means any person not exempted from the contributing class pursuant to section 422A.09, subdivision 3, who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of city government or independently if financed in whole or in part by city funds, including any person employed by a public corporation as herein defined, and including any person employed by the Minneapolis school district Special School District No. 1, each of whom are who is not a member of any other retirement system, and also including any

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person who is employed by the county of Hennepin, who was entitled by law to elect and has previously elected to retain his membership in the municipal employees retirement fund and is a contributing member of who makes any required member contributions to the fund.

Sec. 180. Minnesota Statutes 1980, Section 422A.06, Subdivision 2, is amended to read:

Subd. 2. **ACTUARIAL VALUATIONS REQUIRED.** At the end of each class year an actuarial valuation of the retirement fund shall be prepared and filed in conformance with the provisions and requirements of sections 356.215 to 356.23. Actuarial valuations Experience studies shall be included in actuarial surveys prepared at such times as an actuarial survey is required by statute or is ordered by the board.

Sec. 181. Minnesota Statutes 1980, Section 422A.06, Subdivision 3, is amended to read:

Subd. 3. **DEPOSIT ACCUMULATION FUND.** The deposit accumulation fund shall consist of the assets held in ~~such~~ the fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, by the state and by income from investments. There shall be paid from the fund the amounts required to be transferred to the Minnesota adjustable fixed-benefit post retirement investment fund or the disability benefit fund, refunds of contributions, death benefits payable on death before retirement which are not payable from the survivors' benefit fund, post retirement increases in retirement allowances granted pursuant to Laws 1965, Chapter 688, or Laws 1969, Chapter 859, and expenses of administration.

Sec. 182. Minnesota Statutes 1980, Section 422A.06, Subdivision 5, is amended to read:

Subd. 5. **VALUATION OF ASSETS; ADJUSTMENTS OF BENEFITS.** (a) For those members retiring pursuant to ~~sections 422A.01 to 422A.25~~ this chapter, assets equal to the required reserves as determined in accordance with a mortality table appropriate to the fund with an interest assumption of five percent set at the rate specified in section 356.215, subdivision 4, clause (4), shall be transferred to the Minnesota adjustable fixed-benefit post retirement investment fund or the disability benefit ~~fund~~ fund as provided in subdivision 7, except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of sections 422A.09 and 422A.15, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

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

(d) All annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for ~~such~~ the annuities determined by using an interest assumption of 3-1/2 percent bears to the actuarially computed reserve for ~~such~~ the annuities determined by using an interest assumption of five percent. The reserves upon which ~~such~~ the increases shall be based shall be the actuarially determined reserves for all Minnesota adjustable fixed-benefit fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of 3-1/2 percent and five percent. The ratio of increase computed to the last full 1/100 of one percent shall be applied to all annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973. Any additional annuity shall begin to accrue on July 1, 1973 and shall be considered as part of the base amount to be used in determining any increase ~~which may become effective on January 1, 1974 under adjustments payable pursuant to the provisions of section 11.25, subdivisions 12 and 13 11A.18.~~

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

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

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

Sec. 183. Minnesota Statutes 1980, Section 422A.08, Subdivision 1, is amended to read:

Subdivision 1. ~~Interest as provided in sections 422A.01 to 422A.25 and the payment of all pensions, annuities, retirement allowances, refunds and death benefits granted by the retirement board under the provisions of sections 422A.01 to 422A.25 are hereby made obligations of the city.~~ All income, interest and dividends derived from deposits and investments authorized by ~~sections 422A.01 to 422A.25~~ this chapter shall be placed to the credit of the retirement fund.

Sec. 184. Minnesota Statutes 1980, Section 422A.08, Subdivision 5, is amended to read:

Subd. 5. Any contributor or retired employee who prior to entering the service of the city was an employee of a public corporation, shall be allowed credit in the retirement fund for employment by ~~such~~ the public corporation in the same manner as though the service had been rendered to the city. Before receiving credit for service rendered to a public corporation as herein set forth, the contributing or retired employee shall make application therefor in writing to the retirement board, and shall contribute to the retirement fund the amount which would have been contributed had the employee been a contributing member of the fund during the time ~~such~~ the service was rendered to the public corporation, plus six percent compound interest to date of payment or date of retirement, ~~such~~ with the total amount to be determined by the retirement board.

Sec. 185. Minnesota Statutes 1980, Section 422A.09, Subdivision 3, is amended to read:

Subd. 3. The exempt class shall consist of:

(1) Employees who are members of any other organization or association of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position; provided that any elective officer holding an elective city office, ~~excepting judges except a judge~~ of a municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of ten or more years of service and attaining at least age 60.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an

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executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county in which they served as an elected official, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution as required pursuant to section 422A.10. The employer cost of allowances and benefits credited to a contribution on behalf of the elected officer as set forth above shall be paid from by the county revenue fund by the proper county officials upon certification of such costs by the retirement board in the same manner as prescribed in section 422A.08 for the payment of costs by public corporations. A tax shall be levied by Hennepin county to defray the cost of such retirement allowances which may be in addition to all other taxes levied by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service under pursuant to this section shall contribute to the fund an amount equal to the amount of contributions to the fund which such the person would have made had he the person been a contributor to the fund since the date he the person first became eligible for membership in the fund, in accordance with the method of contribution herein provided for section 422A.10, plus six percent compound interest.

(3) Persons serving without pay.

(4) Persons employed on a temporary basis, as doorkeepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who are were contributing members of the fund on July 1, 1959 shall not be affected by the exclusions contained in this section.

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, Section 422A.09, Subdivision 3, Clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation as herein defined, and including any person employed by the Minneapolis Special School District No. 1, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify such at that time for credit by paying into the fund an amount equal to the amount of contributions to the fund which such the person would have made had he the person been a contributor to the fund since the date he the person first qualified as an exempt member of the contributing class, in accordance with the method of contribution herein provided section 422A.10, plus six percent compound interest.

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(6) Any person who is employed by the city or any of its boards, departments, commissions or a public corporation, ~~as herein outlined~~, and is excluded from participation in the fund by paragraph (4) shall be separated from the service upon reaching the age of 70 regardless of the provisions of the veterans preference act.

(7) Any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the city council of the city of Minneapolis specifies that the person is to be considered as a provisional member of the retirement fund pursuant to section 356.451 or unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing to make the required employer contribution in addition to the required employee contribution.

Sec. 186. Minnesota Statutes 1980; Section 422A.101, is amended to read:

**422A.101 PREPARATION OF FINANCIAL REQUIREMENTS OF FUND; EMPLOYER CONTRIBUTIONS.**

Subdivision 1. **FINANCIAL REQUIREMENTS OF FUND.** Prior to August 31 annually, the retirement board shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund, the board of Special School District No. 1, and the state commissioner of finance prior to September 15 annually. The statement shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, less any amount which the retirement board may charge against the interest income account of the fund as the cost of handling the investment securities of the fund;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation and expressed as a percentage of covered payroll to the total covered payroll of all employees covered by the fund for the following year;

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

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded accrued liability of the fund by the year 2017 using an interest rate of five percent compounded annually as reported in the most recent actuarial valuation, expressed as a dollar amount;

(4) the amount of any deficiency in the actual amount of any employer contribution provided for in this section when compared to the required contribution amount for the previous year, plus interest on the amount at the rate of six percent per annum.

**Subd. 1a. CITY CONTRIBUTIONS.** Prior to August 31 of each year, the retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the city for the succeeding fiscal year, and a copy of the statement shall be submitted to the board of estimate and taxation and to the city council by September 15. The financial requirements of the fund payable by the city shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees covered by the ~~basic program of the~~ retirement fund which equals the difference between the level normal cost plus administrative cost as reported in the annual actuarial valuation and the employee contributions provided for in section 422A.10 less any amounts contributed toward the payment of the balance of the normal cost not paid by employee contributions by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district number 1 pursuant to ~~section 422A.084~~ subdivision 2;

(b) an additional employer contribution of an amount equal to the percent, ~~provided specified~~ provided specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees covered by the ~~basic program of the~~ retirement fund less any amounts contributed toward amortization of the unfunded accrued liability by the year 2017 attributable to their respective covered employees by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district number 1 pursuant to ~~section 422A.084~~ subdivision 2; and

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until the year 2017 based upon the share of the ~~Minneapolis municipal employees retirement~~ fund's unfunded accrued liability attributed to the city as disclosed in the annual actuarial valuation.

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

The city council shall, in addition to all other taxes levied by the city, annually levy a tax equal to the amount of the financial requirements of the fund which are payable by the city. The tax, when levied, shall be extended upon the county lists and shall be collected and enforced in the same manner as other taxes levied by the city. If the city does not levy a tax sufficient to meet the requirements of this subdivision, the retirement board shall submit the tax levy statement directly to the county auditor, who shall levy the tax. The tax, when levied, shall be extended upon the county lists and shall be collected and paid into the city treasury to the credit of the retirement fund. Any amount to the credit of the retirement fund shall constitute a special fund and shall be used only for the payment of obligations authorized pursuant to this chapter.

**Subd. 2. CONTRIBUTIONS BY OR FOR CITY OWNED PUBLIC UTILITIES, IMPROVEMENTS, OR MUNICIPAL ACTIVITIES.** Contributions by or for any city owned public utility, improvement project and other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government ~~or by~~ Special School District No. 1 or Hennepin County, on account of any employee covered by the fund shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees of the employing unit covered by the basic program of the retirement fund which equals the difference between the level normal cost plus administrative cost reported in the annual actuarial valuation and the employee contributions provided for in section 422A.10;

(b) an additional employer contribution of an amount equal to the percent, ~~provided~~ specified in section 353.27, subdivision 3c, clause (a), multiplied by the salaries and wages of all employees of the employing unit covered by the basic program of the retirement fund;

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until the year 2017 based upon the share of the ~~Minneapolis municipal employees retirement~~ fund's unfunded liability attributed to the employer as disclosed in the annual actuarial valuation.

The city council or any board or commission may, by proper action, provide for the inclusion of the cost of the retirement contributions for employees of any city owned public utility or for persons employed in any improvement project or other municipal activity supported in whole or in part by revenues other than taxes who are covered by the retirement fund in the cost of operating the utility, improvement project or municipal activity. The cost of retirement contributions for these employees shall be determined by the retirement board and the respective governing bodies having jurisdiction over the financing of these operating costs.

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The cost of the employer contributions on behalf of employees of Special School District No. 1 who are covered by the retirement fund shall be the obligation of the school district. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the school district, which shall be submitted prior to September 15. Contributions by the school district shall be made at times designated by the retirement board. The school district may levy for its contribution to the retirement fund only to the extent permitted pursuant to section 275.125, subdivision 6a.

The cost of the employer contributions on behalf of elective officers or other employees of Hennepin County who are covered by the retirement fund pursuant to sections 422A.09, subdivision 3, clause (2), 422A.22, subdivision 2, or 488A.115, or Laws 1973, Chapter 380, Section 3, Laws 1975, Chapter 402, Section 2, or any other applicable law shall be the obligation of Hennepin County. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by Hennepin County, which shall be submitted prior to September 15. Contributions by Hennepin County shall be made at times designated by the retirement board. Hennepin County may levy for its contribution to the retirement fund.

Subd. 3. **STATE CONTRIBUTIONS.** The state shall pay to the Minneapolis municipal employees retirement fund annually an amount equal to the financial requirements of the ~~basic program of the~~ Minneapolis municipal employees retirement fund reported by the actuary in the actuarial valuation of the fund prepared pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded liabilities by the year 2017 less the amount of employee contributions ~~made required~~ pursuant to section 422A.10, and the amount of employer contributions ~~made required~~ pursuant to ~~subdivision 1, clauses (a), (b) and (c), subdivisions 1a and subdivision 2, clauses (a), (b) and (c).~~ Payments made pursuant to this subdivision shall be made at the same time and in the same manner as ~~for~~ payments made pursuant to section 477A.01, subdivision 4b.

Sec. 187. Minnesota Statutes 1980, Section 422A.11, Subdivision 1, is amended to read:

Subdivision 1. Any employee who engages in or has engaged in active service in time of war or other emergency declared by proper authority, in any of the military or naval forces of the state or of the United States, and returns to the employment of the city within 90 days following release from military or naval service, shall receive credit for ~~such~~ the period of military service as ~~hereinafter~~ provided in this section as though actually employed by the city, provided ~~such~~ the employee was a member of the contributing class of the retirement fund at the time of entrance into military service, or was a member of the exempt class at the time of ~~his~~ entrance into military service prior to December 31, 1945, or qualifies as a member of the exempt class as specified in

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section 422A.09, subdivision 3, clause (5), notwithstanding the provisions of the veterans preference act or any other law, rule or bylaw providing for credit for military service for pension purposes. Employees on leave of absence or layoff at time of entrance into military service as herein provided shall be considered employees for the purpose of ~~sections 422A.01 to 422A.25~~ this chapter. Credit shall be granted for military service rendered, provided ~~such that~~ credit for military service shall not exceed six calendar years.

Sec. 188. Minnesota Statutes 1980, Section 422A.15, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided in subdivision 3, ~~all each~~ contributing ~~members subsequent to the effective date of this act~~ member who, at the time of retirement, ~~shall have fulfilled~~ fulfills the conditions necessary to enable ~~them~~ the member to retire, shall receive what shall be known as a "formula pension and annuity" equal to two percent for each year of allowable service for the first ten years and thereafter 2.5 percent per year of allowable service of ~~his~~ the arithmetic average annual salary, wages or compensation of the member from the city for any five calendar years out of the last ten calendar years of service except as provided for in section 422A.16, which may include the year in which the employee retires, as selected by the employee, multiplied by ~~his~~ the years of service with credited by the city retirement fund. The formula pension and annuity shall be computed on the single life plan but subject to the option selections provided for in section 422A.17.

In order to be entitled to the formula pension and annuity herein provided for, the retiring employee at the time of cessation of employment and of actual retirement ~~must shall~~ have attained the age of 60 years or have been employed by the city not less than 30 years, or meet the qualifications provided for in section 422A.16, and in addition thereto have contributed to the retirement fund at the percentage rate prescribed by the retirement law prior to the passage of this act applicable when the salary, wages or compensation was paid on all salaries, wages, or compensation received from the city, and at the percentage rate of 7 1/4 percent on all salaries, wages or compensation received from the city subsequent to the effective date of this act or from an applicable employing unit. The years of service to be applied in the formula pension and annuity shall be found and determined by the retirement board, except that no credit shall be allowed for ~~the any year or years~~ in which a back charge is owing at time of retirement and the earnings from such any year or years in which a back charge is owing shall not be used in determining the average annual salary.

Sec. 189. Minnesota Statutes 1980, Section 422A.16, Subdivision 8, is amended to read:

Subd. 8. **SERVICE IN MORE THAN ONE FUND.** Any person who was a member of the ~~city~~ Minneapolis municipal employees retirement fund

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and also a member of a plan administered by the director of the Minnesota state retirement system having a like provision or a member of the public employees retirement association or the teachers retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if his the person's total allowable service in any two or more of these funds totals ten or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that any refundment received from the city Minneapolis municipal employees retirement fund has been repaid to that fund. The annuity from each fund shall be determined by the appropriate provisions of that fund except the provision requiring at least ten years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equal ten or more years.

Sec. 190. Minnesota Statutes 1980, Section 422A.22, Subdivision 2, is amended to read:

Subd. 2. Any person who has had 15 years or more of service as a member of the contributing class prior to July 1, 1967, and who separates from ~~his then~~ employment and becomes an employee or an elected or appointed official of Hennepin county within 30 days after the separation from employment with the city, shall have the option of resuming or retaining his membership in this fund regardless of the provisions of any law which would otherwise require membership in some other retirement fund, or of taking any retirement allowance or refund to which ~~he~~ the person would otherwise be entitled upon separation. The election of ~~such~~ the contributing member to so resume or retain his membership in this fund shall be made within three years from the date of separation by giving a written notice of ~~such~~ election to the retirement board and a copy thereof to the employing Hennepin County, and provided further that such person who has separated from his employment with the city must have commenced his employment with Hennepin County within 30 days after such separation from employment with the city. The ~~employer~~ cost of employer contributions to the retirement allowances and all other benefits inuring to such member fund subsequent to his entering the service of said Hennepin County shall be an obligation of and ~~paid by the said county to the retirement fund upon certification of such costs by the retirement board in the same manner as provided in section 422A.08 for the payment of such costs by public corporations referred to therein as provided in section 422A.101, subdivision 2. Any person who so elects to remain in this fund shall be entitled to all the benefits and subject to all the restrictions of ~~sections 422A.01 to 422A.25~~ this chapter.~~

Sec. 191. Minnesota Statutes 1980, Section 422A.23, Subdivision 5, is amended to read:

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

Sec. 192. Minnesota Statutes 1980, Section 422A.24, is amended to read:

**422A.24 ALLOWANCES NOT ASSIGNABLE OR SUBJECT TO EXECUTION.**

~~None of the~~ No moneys mentioned in sections 422A.01 to 422A.25 payable pursuant to chapter 422A shall be assignable either in law or equity or be subject to execution, levy, attachment, garnishment, or other legal process, nor shall any of the proceeds of payments due ~~under sections 422A.01 to 422A.25~~ pursuant to this chapter be subject to the inheritance tax provisions of this state upon transfer to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 193. Minnesota Statutes 1980, Section 422A.26, is amended to read:

**422A.26 COVERAGE BY THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.**

Notwithstanding section 422A.09, or any other law to the contrary, any person whose employment by, or assumption of a position as an appointed or elected officer of, the city of Minneapolis, any of the boards, departments, or commissions operated as a department of the city of Minneapolis or independently if financed in whole or in part by funds of the city of Minneapolis, the metropolitan airports commission, the Minneapolis municipal employees retirement fund, or special school district number 1 if the person is not a member of the Minneapolis teachers retirement fund association by virtue of that employ-

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ment or position, initially commences on or after July 1, 1979 shall be a member of the public employees retirement association unless excluded from membership pursuant to section 353.01, subdivision 2b. In no event shall there be any new members of the contributing class of the Minneapolis municipal employees fund in either the basic program or the coordinated program on or after July 1, 1979.

Sec. 194. Minnesota Statutes 1980, Section 423.075, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any contrary provisions of sections 197.455 to 197.48, every employee, officer, or person on the payroll of any fire or police department in any city of the first class who is ~~designated as a future beneficiary by the rules member~~ of any tax aided pension, relief, or retirement fund established and maintained by authority of laws of this state, shall retire upon reaching the age of 65 years; ~~provided that any such employee, officer, or person on the payroll of any such fire or police department serving as such on or before January 1, 1939, who has attained the age of 65 years and who has not served a sufficient length of time to entitle him to benefits under the terms and provisions of any such pension act now in effect providing for benefits for such firefighters and policemen, employees, officers, or persons on the payroll of the fire or police department in such city, may, subject to the provisions of any charter of any such city providing for a civil service commission and the rules and regulations of the civil service commission enacted pursuant thereto, remain in the service of any such city as an employee, officer, or person on the payroll of such fire or police department until he has served a sufficient length of time to entitle him to such benefits. This proviso shall not apply to substitutes and persons employed irregularly from time to time in either the fire or the police departments of such city.~~

Sec. 195. Minnesota Statutes 1980, Section 423.38, is amended to read:

**423.38 PURPOSES FOR WHICH EXPENDITURES MAY BE MADE.**

All moneys received by ~~such~~ a relief association and deposited by it in its special fund shall be appropriated and disbursed by ~~each such~~ the association only for the following purposes:

(a) For the relief of sick, injured and disabled members of the association, their surviving spouses and orphans.

(b) For the payment of disability and service pensions to members of ~~such the relief associations~~ association.

(c) For the payment of administrative expenses of the association as authorized pursuant to section 69.80.

Sec. 196. Minnesota Statutes 1980, Section 423.801, Subdivision 2, is amended to read:

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

Subd. 2. "Member" means a ~~policeman, policewoman, police matron~~ any person who is employed as a police officer, radio engineer, or clerk, or any other person who is duly appointed and regularly entered on the police payroll and on active duty. The term shall not include any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978 unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the relief association to meet the minimum vesting requirements for a deferred service pension, or the city agrees in writing to make the total required employer contributions on account of that individual from revenue sources other than funds provided under the federal comprehensive employment and training act, or the person agrees in writing to make the required employer contribution in addition to the member contribution.

Sec. 197. Minnesota Statutes 1980, Section 423.802, is amended to read:

423.802 ~~POLICEMEN'S~~ ESTABLISHMENT OF POLICE RELIEF ASSOCIATION.

Subdivision 1. The members of the police department of each city of the second class which was so classified on December 31, 1979 shall organize a ~~policemen's~~ police relief association or maintain the relief association now existing.

Subd. 2. This association shall create, maintain, and administer a ~~policemen's~~ police pension fund for the benefit of its members, their surviving spouses, and their surviving children.

Sec. 198. Minnesota Statutes 1980, Section 423.805, is amended to read:

423.805 ~~POLICEMEN'S~~ POLICE PENSION FUND.

The association shall establish a ~~policemen's~~ police pension fund or continue to maintain the police pension fund now existing in the city and shall have the management and control of ~~any such~~ the fund.

Sec. 199. Minnesota Statutes 1980, Section 423.806, Subdivision 1, is amended to read:

Subdivision 1. These funds are derived from the following sources:

- (a) Gifts made for ~~such~~ that purpose;
- (b) Rewards received by members;
- (c) Moneys ~~coming~~ which comes into the ~~hands~~ possession of members ~~remaining~~ which remains unclaimed for six months;

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(d) Proceeds from sales of property coming which comes into the hands possession of members and remaining which remains unclaimed for three months, which property shall be sold by the chief of police;

(e) ~~An amount equal to two percent of the monthly salary of a first grade patrolman deducted from the monthly salary of each member; or in the event that the pension fund becomes less than \$75,000 an amount equal to four percent of the monthly salary of a first grade patrolman deducted from the monthly salary of each member until the pension fund again reaches \$75,000 or more; but in no event shall any such deduction be less than two percent or more than four percent of the monthly salary of a first grade patrolman~~ Contributions made by members through payroll deduction, the amount of which shall be specified in the bylaws of the relief association;

(f) All moneys derived from taxations, as provided by section 423.807;

(g) Moneys ~~now in any police~~ the special fund continuing to be of the relief association maintained by the association and all interest thereon or gains therefrom;

(h) Any other income allowed by law.

Sec. 200. Minnesota Statutes 1980, Section 423.807, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, in addition to all other taxes it may levy, the city shall levy a tax of one-third of one mill at the time and in the manner it levies other taxes, and the proceeds of this tax shall be paid into the policemen's police pension fund.

Sec. 201. Minnesota Statutes 1980, Section 423.807, Subdivision 2, is amended to read:

Subd. 2. ~~At any time that the balance in the policemen's pension fund reaches \$150,000 Any levy in an ensuing year shall be only such as will be calculated to maintain this amount, but in no event shall any levy exceed one-third of one mill, or by the city for support of the relief association shall not be less than one-tenth of one mill.~~

Sec. 202. Minnesota Statutes 1980, Section 423.808, is amended to read:

#### 423.808 USES OF PENSION FUND.

The policemen's police pension fund shall be used only for the payment of:

(a) service, disability, or dependency pensions;

(b) salaries, in an amount not in excess of \$500 per year; and

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(c) expenses of administration of the association as authorized pursuant to section 69.80.

Sec. 203. Minnesota Statutes 1980, Section 423.809, Subdivision 1, is amended to read:

Subdivision 1. The association shall grant pensions payable from the ~~police~~ police pension fund in monthly installments, in the manner and for the following purposes:

(1) Any member of the age of 50 years or more, who performs duty as a member of the police department of the city for 20 years or more, upon ~~his~~ his written application after retiring from ~~such~~ such duty, shall be paid monthly during ~~his~~ his the retiring member's lifetime a pension equal to 35 units and an additional unit for each year of ~~such~~ such service in excess of 20 years, but not to exceed 42 units.

(2) Any member who performs duty as a member of the police department of the city for 20 years or more who retires from ~~such~~ such duty before ~~he~~ he attains attaining the age of 50 years, upon ~~his~~ his written application after reaching the age of 50 years shall be paid monthly during ~~his~~ his the retiring member's lifetime a pension equal to 35 units and an additional unit for each year of ~~such~~ such service in excess of 20 years, but not to exceed 40 units.

(3) Any member who, after ten years service but with less than 20 years service with the police department of the city, becomes superannuated so as to be permanently unable to perform ~~his~~ his the member's duties, shall be paid monthly during ~~his~~ his the retiring member's lifetime a pension equal to 16 units and an additional two units for each completed year of ~~such~~ such service over ten years and less than 20 years.

(4) Any member not eligible for a service pension who, while a member of the police department of the city, becomes diseased or sustains an injury which permanently unfits ~~him~~ him the member for the performance of police duties, shall be paid monthly during ~~his~~ his the disabled member's lifetime a pension equal to 36 units while so disabled.

Sec. 204. Minnesota Statutes 1980, Section 423.809, Subdivision 2, is amended to read:

Subd. 2. If a member of the police department of the city is separated from the service under ~~such~~ such circumstances that no pension benefits are payable to ~~him~~ him the member or to ~~his~~ his widow the member's surviving spouse or to ~~his~~ his the member's surviving children, the treasurer of the city shall return to ~~him~~ him the member 75 percent of the amount ~~he~~ he the member has paid in without interest. In the event the member is reinstated to police duty all moneys paid ~~him~~ him to the member shall be returned to the pension fund within six months from the date of the reinstatement. Failure to do so relieves the association from any liability

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as to prior years of service credit as to of the reinstatement date. In case of the death of the member, any ~~such~~ sums shall be paid to his the member's heirs, executors, or administrators.

Sec. 205. Minnesota Statutes 1980, Section 423.810, Subdivision 1, is amended to read:

Subdivision 1. ~~The association shall grant pensions or benefits payable from the policemen's pension fund to any member or to any surviving spouse or to any child under 18 years of age or any member from the time and for the following purposes:~~

When a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving a surviving spouse, one or more surviving children, or both, the surviving spouse and child, or children, shall be entitled to a pension, or pensions, from the relief association as follows:

(a) To the surviving spouse, a pension of 18 units per month, for the surviving spouse's natural life; but if the surviving spouse shall remarry the pension shall cease as of the date of the remarriage.

(b) To each surviving child, a pension of six units per month until the child reaches the age of 18 years.

The total pensions hereunder for the surviving spouse and children of a deceased member shall not exceed 36 units per month.

"Surviving spouse" means a person who was the member's legally married spouse, residing with the member, and who was married during or prior to the time the member was on the payroll of the police department, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member at least one year before the member's retirement from the police department. "Surviving child" means any child of the deceased member who was living while the deceased member was on the payroll of the police department or was born within ten months after the deceased member was withdrawn from the payroll of the police department and who has not attained the age of 18 years.

Sec. 206. Minnesota Statutes 1980, Section 423.815, Subdivision 1, is amended to read:

Subdivision 1. When the governing board of the policemen's police relief association of any city of the second class determines what is necessary to adequately protect, maintain, and administer the policemen's police pension fund created by section 423.802, subdivision 2 of ~~section 423.802~~, neither the governing body of the city nor any official of the city may thereafter deny adequate representation therefor.

Sec. 207. Minnesota Statutes 1980, Section 423A.04, is amended to read:

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

**423A.04 ALTERNATIVE BENEFIT INCREASE.**

Notwithstanding any provision of law to the contrary, and in lieu of the benefit increase provided for in section 423A.01, subdivision 3, the governing body of a participating municipality, except the city of Minneapolis, is authorized by resolution approved by a majority of the members of the governing body, following consideration of an actuarial analysis of the effect of any change, to increase the service pension or retirement benefits provided by or modify any provision of the benefit plan of either a police relief association or a salaried firefighters relief association unless the municipality elects to retain the local relief association by the adoption of a municipal resolution pursuant to section 423A.01, subdivision 1. The total cost of any increase or modification, including amortization by ~~the applicable date to amortize specified in any prior applicable special legislation~~ December 31, 2010, shall not exceed 1.26 percent of covered payroll.

Sec. 208. Minnesota Statutes 1980, Section 424A.02, Subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZATION.** Any volunteer firefighters' relief association or volunteer firefighters division or account of a partially salaried and partially volunteer firefighters' relief association organized and incorporated under chapter 317 and any laws of the state and directly associated with a fire department established by municipal ordinance or any separate incorporated volunteer firefighters' relief association subsidiary to and providing service pension and retirement benefit coverage for members of an independent nonprofit firefighting corporation organized under the provisions of chapter 317 and operating exclusively for fire fighting purposes, whether or not the nonprofit firefighting corporation qualifies for fire state aid pursuant to chapter 69, when its articles of incorporation or bylaws so provide, may pay out of the assets of the special fund of the volunteer firefighters' relief association or volunteer firefighters' account, a service pension to each of its members who separates from active service with the fire department or the independent nonprofit firefighting corporation, who reaches the age of 50 years and who completes at least ten years of active service as an active member of the municipal fire department to which the relief association is associated or of the independent nonprofit firefighting corporation to which the relief association is subsidiary, and who completes at least ten years of active membership with the volunteer firefighters' relief association or volunteer firefighters' account prior to separation from active service and who complies with any additional conditions as to age, service and membership which are prescribed by the bylaws of the relief association. In the case of a member who has completed at least ten years of active service as an active member of the municipal fire department to which the relief association is associated or of the independent nonprofit firefighting corporation to which the relief association is subsidiary on the date that the volunteer firefighters' relief association is established and

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incorporated, the requirement that the member complete at least ten years of active membership with the volunteer firefighters' relief association or volunteer firefighters' account prior to separation from active service may be waived by the board of trustees of the relief association if the member completes at least ten years of inactive membership with the volunteer firefighters' relief association or volunteer firefighters' account prior to the payment of the service pension. During the period of inactive membership, the member shall not be entitled to receive any disability benefit coverage, shall not be entitled to receive any additional service credit towards computation of a service pension, and shall be deemed to have the status of a person entitled to a deferred service pension pursuant to subdivision 7.

No municipality or nonprofit firefighting corporation is authorized to delegate the power to take final action in setting a service pension or retirement benefit amount or level to the board of trustees of the volunteer firefighters relief association or to approve in advance a service pension or retirement benefit amount or level equal to the maximum amount or level which this chapter would allow rather than a specific dollar amount or level.

Sec. 209. Minnesota Statutes 1980, Section 424A.02, Subdivision 8, is amended to read:

**Subd. 8. LUMP SUM SERVICE PENSIONS; INSTALLMENT PAYMENTS.** Any relief association or account, if the governing bylaws so provide, may, at the option of the retiring member and in lieu of a single payment of a lump sum service pension, pay a lump sum service pension in installments.

The election of installment payments shall be irrevocable and shall be made by the retiring member in writing and filed with the secretary of the relief association no later than 30 days prior to the commencement of payment of the service pension. The amount of the installment payments shall be determined so that the present value of the aggregate installment payments computed at an interest rate of five percent, compounded annually, is equal to the amount of the single lump sum payment which would have been made had the installment payments option not been elected. *The payment of each installment shall include interest at the rate of five percent, compounded annually on the reserve supporting the remaining installment payments as of the date on which the previous installment payment was paid computed from the date on which the previous installment payment was paid to the date of payment for the current installment payment.*

To the extent that the commissioner of insurance deems it to be necessary or practical, the commissioner may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

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

Sec. 210. Minnesota Statutes 1980, Section 424A.04, is amended to read:

**424A.04 VOLUNTEER RELIEF ASSOCIATIONS; BOARD OF TRUSTEES.**

Subdivision 1. MEMBERSHIP. Every volunteer firefighters' relief association shall be managed by a board of trustees consisting of nine members. Six trustees shall be elected from the membership of the relief association and three trustees shall be drawn from the officials of the municipality which has a fire department to which the relief association is directly associated or the municipality which contracts or the municipalities which contract with the independent nonprofit firefighting corporation of which the relief association is a subsidiary. The bylaws of a volunteer firefighters' association may provide that one of the six trustees required to be elected from the membership of the relief association may be a retired member of the relief association receiving a monthly pension elected by the membership of the fire department. The three ex officio trustees, if the relief association is directly associated with the fire department of a municipality, shall be the mayor, the clerk of, clerk-treasurer or finance director, and the chief of the municipal fire department. The three ex officio trustees, if the relief association is a subsidiary of an independent nonprofit firefighting relief corporation, shall be three elected officials of the contracting municipality designated by the governing body of the municipality if only one municipality contracts with the independent nonprofit firefighting corporation, two elected officials of the largest municipality in population and one elected official of the next largest municipality in population designated by the governing bodies of the applicable municipalities if two municipalities contract with the independent nonprofit firefighting corporation, or one elected official of each of the three largest municipalities in population designated by the governing bodies of the applicable municipalities if three or more municipalities contract with the independent nonprofit firefighting corporation. An ex officio trustee shall have all of the rights and duties accorded to any other trustee except the right to be an officer of the board of trustees. A board shall have at least three officers, which shall be a president, a secretary and a treasurer. These officers shall be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, and in no event shall any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board shall be specified in the bylaws of the relief association but shall not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership shall initially and shall thereafter continue to be staggered on an equal basis as is practicable.

Subd. 2. FIDUCIARY DUTY. It shall be the duty of the board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and consistent with the expressed

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intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, the taxpayers who aid in its financing and the firefighters who are its beneficiaries.

Sec. 211. Minnesota Statutes 1980, Section 424A.05, Subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT OF SPECIAL FUND.** Every volunteer firefighters' relief association shall establish and maintain a special fund within the relief association.

Sec. 212. Minnesota Statutes 1980, Section 458.18, Subdivision 1, is amended to read:

Subdivision 1. **PERSONNEL; CONTRACTS.** The port authority shall have power and authority, in its own behalf, to employ such engineering, legal, technical, clerical, stenographic, accounting, and other assistance as it may deem advisable; any employee of any port authority created and existing under and pursuant to the provisions of this ~~act~~ chapter shall be considered as an "employee" as the term is used and defined in Laws of Minnesota 1955, Chapter 665 section 355.01, subdivision 4, and shall by appropriate action of ~~said~~ the port authority be entitled to the benefits provided for in this statute; to enter into contracts for the erection, repair, maintenance or operation of docks, warehouses, terminals, elevators, or other structures upon or in connection with property owned or controlled by it; to contract or make other arrangements with the United States government, or any department thereof, with persons, public corporations, the state of Minnesota or any of its political subdivisions, commissions, or agencies, for separate or joint action, with reference to any matter related to the exercise of the powers or the fulfillment of the duties of such port authority; to contract for the purchase and sale of real and personal property; provided that no ~~such~~ obligation or expense shall be incurred save upon ~~such~~ those terms and at ~~such~~ those times when existing appropriations, together with the reasonable expected revenue of the port authority from other sources, shall be sufficient to enable the same to be discharged when due; and neither the state nor any municipal subdivision thereof shall be liable on any ~~such obligation of these obligations.~~

Sec. 213. Minnesota Statutes 1980, Section 484.61, is amended to read:

**484.61 RETIRED DISTRICT COURT JUDGES, ASSIGNMENTS.**

Upon the retirement of any judge of the district court under the provisions of ~~sections 490.101 and 490.102 or sections 490.121 to 490.132~~ chapter 490, ~~he~~ the retired judge may be appointed and assigned to hear any cause properly assignable to a judge of the district court and act thereon with full powers of ~~such~~ a judge of the district court pursuant to section 2.724 with his consent.

**Changes or additions are indicated by underline, deletions by strikeout.**

Sec. 214. Minnesota Statutes 1980, Section 484.68, Subdivision 8, is amended to read:

Subd. 8. **RETIREMENT.** A member of the public employees retirement association appointed as district administrator pursuant to this chapter, shall remain a member of the fund unless the member elects, within 12 months of the appointment, to be covered by the Minnesota state retirement system. If a district court administrator elects retirement coverage by the Minnesota state retirement system pursuant to this subdivision, that coverage shall commence with first day of the first payroll period occurring after the election. No person shall receive credit for more than one month of service from the affected retirement funds for the month in which the change in retirement coverage is elected.

Sec. 215. Minnesota Statutes 1980, Section 487.01, Subdivision 7, is amended to read:

Subd. 7. When the judicial business of a county court permits, the chief justice of the supreme court, upon the recommendation of all of the county boards of a county court district may, by order filed in the office of the secretary of state, reduce the number of county court judges. The office of any judge shall not be terminated until the expiration of his the term and of the judge shall be eligible for retirement compensations under the provisions of section 487.06.

Sec. 216. Minnesota Statutes 1980, Section 487.01, Subdivision 9, is amended to read:

Subd. 9. (1) All probate judges in office on July 1, 1972 shall be the county court judges of their respective counties and shall continue in office as such for the balance of the terms for which they were last elected and shall be eligible for reelection to office. In counties hereby combined into county court districts and for which only one judge is provided, the probate judge of the county having the largest population determined by the last United States census shall be the judge of the county court if he consents, and files his consent prior to July 1, 1972 in the office of the secretary of state. If he does not consent, the probate judge of the smaller county shall be the judge of the county court. In counties combined into county court districts for which only one judge is provided, a probate judge in any of the affected counties who at the effective date of this act, is, or before or at the expiration of his then current term of office will become, eligible for retirement pursuant to section ~~487.06~~ 222 shall not become county court judge upon the effective date of this act, but he shall serve as a judicial officer until his retirement which shall occur not later than the expiration of his then current term of office. If all probate judges in such a county court district will qualify for retirement pursuant to section ~~487.06~~ 222 at or before the expiration of their current term of office as of the effective date of this act, the county court judge shall be selected according to

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the population of the respective counties in the county court district as hereinbefore provided in subparagraph 1. The probate judge who is not hereby designated as judge of the county court shall continue in office until the expiration of his term and become a part time judicial officer of the county court, hearing and trying matters assigned to him by the judge of the county court but, if he is not learned in the law, then he shall hear and try only matters assigned to him by the judge of the county court he was heretofore authorized by law to hear and try.

(1a) The probate judges of St. Louis county probate court in office on January 1, 1974 shall be county court judges of the county court of St. Louis county and shall continue in office as such for the balance of the terms for which they were last elected and shall be eligible for reelection to office.

(2) Except as provided in subparagraph 1, the judges required by the application of this section shall be appointed by the governor from among the municipal court judges or magistrates serving pursuant to a municipal ordinance, charter, or legislative act other than special municipal court judges serving within the county who are learned in the law and consent thereto. A judge so appointed shall serve until his successor is elected and qualifies. If there are no serving municipal court judges, such county court judges shall be elected at the next general election following July 1, 1972.

(2a) Except as provided in subparagraph 1a, the judges required by the application of this section in the south district of the county court of St. Louis county shall be appointed by the governor from among the full time judges of the municipal court of the city of Duluth in office on January 1, 1974, and a judge so appointed shall serve until his successor is elected and qualifies; and the judges required in the northwest and northeast districts of the county court of St. Louis county shall be appointed by the governor from among persons learned in the law residing in each district, and a judge so appointed shall serve until his successor is elected and qualifies.

Sec. 217. Minnesota Statutes 1980, Section 488A.115, is amended to read:

**488A.115 EMPLOYEES OF THE MUNICIPAL COURT OF THE CITY OF MINNEAPOLIS.**

Except as otherwise provided in Laws 1963, Chapter 877, the judges and employees of the municipal court of the city of Minneapolis, including court reporters and the employees in the probation office, on December 31, 1964, shall become employees of the municipal court of Hennepin county in the same positions for the same terms and at the same salaries. ~~The judges, court reporters, employees of the probation office and other employees of the municipal court of the city of Minneapolis who become employees of the county court may elect to remain members of the Minneapolis Employee's~~

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~~Retirement association and the county shall pay the employer's contribution to the Minneapolis Employee's Retirement association. Such person desiring to remain a member of the Minneapolis Employee's Retirement association shall notify the clerk of the municipal court in writing of his election within six months after the effective date of this section.~~

Sec. 218. Minnesota Statutes 1980, Section 488A.285, is amended to read:

**488A.285 TRANSFER OF EMPLOYEES; RETIREMENT FUND.**

Subdivision 1. Notwithstanding any other provision of law to the contrary, and except as may otherwise be provided in Laws 1973, Chapter 708, all employees of the municipal courts in the cities of New Brighton, Roseville, Maplewood, North Saint Paul, White Bear Lake and Saint Paul on ~~the effective date of Laws 1973, Chapter 708~~ January 1, 1975 shall become the employees of the municipal court of Ramsey county, and the salary of any ~~such~~ employees shall not be reduced by virtue of Laws 1974, Chapter 397.

Subd. 2. Any person employed by the municipal courts in the cities of New Brighton, Roseville, Maplewood, North Saint Paul, White Bear Lake and Saint Paul on ~~the effective date of Laws 1973, Chapter 708~~ January 1, 1975 shall be entitled to and be given credit for all benefits heretofore accrued to ~~him~~ the person as an employee of ~~such a~~ municipal court and ~~shall continue membership in the public employees retirement association without losing any rights or benefits as a member of such retirement association.~~

Sec. 219. Minnesota Statutes 1980, Section 490.101, Subdivision 2, is amended to read:

Subd. 2. ~~When~~ If a judge of the district court becomes mentally or physically incapacitated from performing his official duties and the governor has determined that ~~such the~~ judge shall be retired ~~either on his own the~~ application of either the judge or that of his the legally appointed guardian of the judge or if a judge is retired by the supreme court because of a disability pursuant to Minnesota Statutes 1964, section 490.04, such 490.16, subdivision 3, ~~the judge shall be entitled to receive as retirement benefits the following: a disability benefit.~~

~~When such~~ If the judge of the district court has served for not less than 15 years as ~~such a judge of district court,~~ or as ~~such a~~ judge of district court and as a judge of a court of record, ~~he the disabled judge shall be entitled to receive the maximum retirement allowances allowance provided by law for a judge of the district court pursuant to section 490.102. If such the judge has served less than the number of years required for the maximum retirement benefits allowance pursuant to section 490.102 but for a period of not less than six years, he the disabled judge shall be entitled to receive a retirement pay as allowance in an amount equal to that portion of the maximum retirement~~

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allowances allotted to the office for allowance pursuant to section 490.102, that the years of service as a district court judge, or as such a judge of district court and as a judge of a court of record, prior to his retirement for disability, bears to the number of years required for the maximum retirement allowance of a district court judge. Years of service shall be determined by the only on the basis of a whole year and not by on the basis of any fraction thereof fractional service.

Sec. 220. Minnesota Statutes 1980, Section 490.106, is amended to read:

**490.106 AGREEMENT TO ACCEPT BENEFITS, EFFECT.**

(1) Upon submission of an agreement to the director of the Minnesota state retirement system prior to July 1, 1975, signed by a retired district or supreme court judge whereby such the retired judge who is entitled to receive benefits computed under laws in effect on or prior to December 31, 1973 shall agree to accept as of July 1, 1975, and thereafter, a benefit based on the salary allotted his the retired judge's former office at the salary level in effect on January 1, 1975, and in the same proportion of such the salary as the proportion to which he the retired judge was entitled upon retirement; the state shall agree to accept the liability for payment of his the retirement benefit for the life of the retired judge and upon his the death of the retired judge the payment of the benefit of the surviving spouse, if any and provided spouse is otherwise entitled thereto, with such adjustments in the benefit amount only as may be provided under the provisions of the Minnesota post-retirement investment fund after January 1, 1976, and to pay to such the judge any accrued benefits due him to the retired judge as a result of the nonpayment of benefits since January 1, 1975, or as a result of any deficiency in benefits paid him to the retired judge from and after November 1971.

Upon receipt of such agreements, for each such retired judge who signed an agreement, the director shall make the appropriate transfer of funds to the judges' retirement fund from the assets, if any, in the account for payment of retirement benefits to such the retired district or supreme court judges. The benefit shall be paid from the judges' retirement fund but and shall be adjusted in the same manner at the same time as other benefits payable from the Minnesota post-retirement investment fund to state employees.

(2) Upon submission of agreements to the director of the Minnesota state retirement system by each district court judge who elected to continue contributions to the survivors' account as provided by section 490.124, subdivision 10, wherein each such judge shall agree to accept at time of retirement and for life a benefit based on a salary not greater than the salary allotted his to the office of the judge at the date of retirement and agreements signed by surviving spouses of deceased district and supreme court judges who served as a judge between May 1961 and July 1967 wherein each such surviving spouse shall

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agree to accept as of July 1, 1975, and thereafter, a benefit based on the salary of ~~such~~ the deceased judge's former office at the salary level in effect on January 1, 1975; the contributions to the survivors' account made by ~~such~~ the district court judges. Notwithstanding the provisions of section 490.102, subdivision 8, shall not be required and upon retirement of ~~such~~ the judge, his the benefit and in the event of ~~his the death of the judge, his the surviving spouse's~~ benefit, if any and provided the spouse is otherwise entitled thereto, shall be paid from the judges' retirement fund but such and benefits shall be adjusted at the same time and in the same manner as the benefits payable from the Minnesota post-retirement investment fund to state employees; the liability for payment of the benefits payable on July 1, 1975, from the special supreme and district court survivors' account shall be transferred to the judges retirement fund and ~~such~~ benefits shall be adjusted in the same manner at the same time as benefits payable from the Minnesota post-retirement investment fund; and the director shall pay to each ~~such~~ surviving spouse any deficiency in the amount of the benefit due the spouse since November, 1971.

Upon receipt of the agreements provided in clause 2 the director shall commence payment from the judges' retirement fund of the benefits payable as of July 1, 1975, from the special district and supreme court survivor's account. If ~~such~~ agreements are not submitted, the contribution rate to the survivors' account shall be as required by section 490.102, subdivision 8, and such the surviving spouse benefits shall not be payable from the judges' retirement fund.

District and supreme court judges not referenced in this subdivision may, prior to their retirement, submit comparable agreements to the director and thus be *afforded the same benefits*. The contributions to the survivors' account by any supreme court judge who makes ~~such~~ an agreement shall not be waived but shall be thereafter paid to the judges' retirement fund.

(3) Notwithstanding any law to the contrary, except as provided by ~~Laws 1975, Chapter 418~~ this section, the reserve to pay a retirement benefit of a judge who served as a district or supreme court judge prior to July 1, 1967, and who elected or elects to have ~~his the retirement~~ benefit computed under laws in effect on December 31, 1973, shall not remain or be transferred to nor shall the benefit be payable from the post-retirement investment fund.

Sec. 221. *Minnesota Statutes 1980, Section 490.107, is amended to read:*

#### 490.107 RETIREMENT BENEFITS; INCREASE AND PAYMENT.

(1) Effective July 1, 1978, all retirement and disability benefits payable pursuant to sections 490.11, 490.12, subdivisions 1 and 2, and ~~487.06~~ 222, commencing with the monthly benefit payment accruing on and after July 1, 1978 shall be paid by the ~~Minnesota state retirement system~~ judges retirement fund.

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

(2) On March 30, 1978 the balance of the sums appropriated to the commissioner of finance by Laws 1977, Chapter 432, for payment of the disability benefit made pursuant to sections 490.11 and 490.12, subdivision 1, shall be paid to the Minnesota state retirement system, judges retirement fund.

(3) Prior to July 1, 1978, The county auditors of the counties which on March 30, 1978 are liable for the payment of retirement benefits pursuant to sections section 490.12, subdivision 2 or 9, or Minnesota Statutes 1978, Section 487.06 and 490.12, subdivision 2, shall certify to the executive director of the Minnesota state retirement system the amount of the monthly benefit that the former judge of that county is ~~or will be~~ entitled to receive and, ~~on June 30, 1978, annually and on each June 30 thereafter,~~ shall pay to the Minnesota state retirement system for deposit in the judges retirement fund an amount equal to the annual retirement benefit due ~~such to each~~ retired judge for the following fiscal year plus \$25 for administrative expense. In the event of the death of the retired judge, the director shall refund to the county from the judges retirement fund the amount of any unexpended balance of the moneys the county had paid.

(3) All payments made pursuant to sections 490.11 and 490.12, subdivision 1, after January 1, 1978, shall be made by the state regardless of the date on which the payments commenced or commence.

(4) On July 1, 1978, the retirement benefits due and payable as certified by the county auditors and disability benefit paid by the state pursuant to Minnesota Statutes, 1977 Supplement, Section 15A.083, Subdivision 3, shall be increased in accordance with the following schedule:

<del>Benefit payments which initially had commenced:</del>	Shall be increased on July 1, 1978 by the following percentages:
<del>Prior to July 1, 1969</del>	19.4 percent
<del>Between July 1, 1969 and June 30, 1970</del>	15.3 percent
<del>Between July 1, 1970 and June 30, 1971</del>	13.0 percent
<del>Between July 1, 1971 and June 30, 1972</del>	8.2 percent
<del>Between July 1, 1972 and June 30, 1976</del>	4.0 percent

(5) On and after July 1, 1978, these All retirement and disability benefits to which this section applies shall be payable from the judges retirement fund but shall thereafter be adjusted in the same manner and at the same time as other benefits payable from the Minnesota post-retirement investment fund. The benefit level in effect on July 1, 1978, including the any increase pursuant to this clause (4), shall be deemed to be the originally determined benefit the base for the purpose of any future adjustments made pursuant to section 11A.18.

Sec. 222. Minnesota Statutes 1980, Section 490.12, is amended by adding a subdivision to read:

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

**Subd. 9. RETIREMENT COVERAGE FOR CERTAIN PROBATE COURT JUDGES.** A probate judge who has served as a probate judge, or as a probate judge and a judge of a court of record or a referee in probate, and who is not elected, is not appointed or does not seek election as a county court judge, who serves in a county which has been combined with another county to form a county court district, and who has served for a period of at least ten years shall, upon retirement after attaining the age of 65 years, be entitled to receive a retirement allowance. The retirement allowance shall be equal to one-half of the compensation allotted to the office of the probate judge for the year 1970 if the retiring probate judge has credit for at least 24 years of service and that amount reduced by 1/24 of the amount for each year which the retiring probate judge has credit for less than 24 years of service if the retiring probate judge does not have credit for at least 24 years of service.

A probate judge who has attained the age of at least 65 years but less than 70 years at the expiration of the term of office of the judge, or who has attained the age of at least 70 years at or prior to the expiration of the term of office of the judge, and who has served for a period of at least ten years shall upon retirement be entitled to receive a retirement allowance. The retirement allowance shall be equal to one-half of the compensation allotted to the office of the probate judge for the year 1970 plus the salary increase granted pursuant to Extra Session Laws 1971, Chapter 32, Section 26, if the retiring probate judge has attained the age of at least 65 years but less than 70 years and has credit for at least 24 years of service or if the retiring probate judge has attained the age of at least 70 years and has credit for at least 20 years of service, and that amount reduced by 1/24 of the amount for each year of service less than 24 years of service if the retiring probate judge has attained the age of at least 65 years but less than 70 years and does not have credit for at least 24 years of service or by one-twentieth of the amount for each year of service less than 20 years of service if the retiring probate judge has attained the age of at least 70 years and does not have credit for at least 20 years of service.

The retirement allowance shall be payable for the life of the retired probate judge.

A probate judge to whom this subdivision is applicable may continue survivor benefit coverage for the spouse of the probate judge pursuant to section 490.1091 by making the survivor benefit contribution pursuant to section 490.109, based on the salary allotted to the office of the probate judge for the year 1970. The provisions of this section and section 490.11 shall apply to judges of county court and to probate judges who have become judicial officers and who have met the minimum eligibility requirements for coverage specified in those sections.

Any judge whose office is terminated pursuant to section 487.01, subdivision 7, shall be eligible for a retirement allowance pursuant to the provisions of this section.

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

Sec. 223. Minnesota Statutes 1980, Section 490.121, Subdivision 1, is amended to read:

Subdivision 1. For purposes of sections 490.121 to ~~490.126~~ 490.132, terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Sec. 224. Minnesota Statutes 1980, Section 490.121, Subdivision 4, is amended to read:

Subd. 4. "~~Year~~ of Allowable service" means a whole year, or any fraction thereof, served as a judge at any time, or served as a referee in probate for all ~~such~~ referees in probate who were in office prior to January 1, 1974.

Sec. 225. Minnesota Statutes 1980, Section 490.121, Subdivision 6, is amended to read:

Subd. 6. "Annuity" means the payments made each year to an annuitant from the judges' retirement fund, pursuant to the provisions of sections 490.121 to ~~490.126~~ 490.132.

Sec. 226. Minnesota Statutes 1980, Section 490.121, Subdivision 7, is amended to read:

Subd. 7. "Annuitant" means a judge, surviving spouse or dependent child entitled to an annuity under the provisions of sections 490.121 to ~~490.126~~ 490.132.

Sec. 227. Minnesota Statutes 1980, Section 490.122, is amended to read:

#### 490.122 ADMINISTRATION OF JUDGES' RETIREMENT.

The polycymaking, management and administrative functions governing the operation of the judges' retirement fund and the administration of sections 490.025 to 490.132 shall be ~~considered a part vested in the board of directors and executive director~~ of the Minnesota state retirement system established by section 352.021 and shall be administered by the board of directors established by section 352.03. ~~Except for section 352.03, and as used herein, judges are not, however, "employees" or "employees covered by the system" within the meaning and for the purposes of sections 352.01 to 352.73, nor are those sections generally applicable to the judges' retirement fund with such duties, authority and responsibility as are provided in chapter 352. Except as otherwise specified, no provision of chapter 352 shall apply to the judges' retirement fund or any judge.~~

Sec. 228. Minnesota Statutes 1980, Section 490.123, Subdivision 1, is amended to read:

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

Subdivision 1. **CREATION; CONTRIBUTIONS.** There is hereby created a special fund known as the "judges' retirement fund". The fund shall be credited with all contributions, all interest and all other income authorized by law. From this fund there are appropriated the payments authorized by sections 490.121 to 490.132 in the amounts and at times provided herein, including the expenses of administering the fund. ~~Except as provided in section 490.128, subdivision 2,~~ Each judge shall contribute to the fund from each salary payment a sum equal to one-half of one percent of salary, plus a sum equal to the salary multiplied by the rate of employee tax ~~under~~ specified in the Federal Insurance Contributions Act as defined in section 355.01, subdivision 9, but in aggregate not less than seven percent of salary. The balance of all money necessary for administering sections 490.121 to 490.132 and the judges' retirement fund, including payment of retirement compensation and other benefits under sections 490.121 to 490.132, shall be contributed to the fund by the state.

Money certified by the executive director of the Minnesota state retirement system to the commissioner of finance as needed to meet the state's obligations to the judges' retirement fund shall be transferred to the fund at least once a month.

Sec. 229. Minnesota Statutes 1980, Section 490.124, Subdivision 1, is amended to read:

Subdivision 1. **BASIC RETIREMENT ANNUITY.** Except as qualified hereinafter from and after mandatory retirement date, normal retirement date, early retirement date, or two years from the disability retirement date, as the case may be, a retirement annuity shall be payable to a retiring judge from the judges' retirement fund in an amount equal to: (1) 2-1/2 percent of the judge's final average compensation multiplied by the number of years and fractions of years of allowable service rendered prior to July 1, 1980; plus (2) three percent of the judge's final average compensation multiplied by the number of years and fractions of years of allowable service rendered after June 30, 1980; provided that ~~such~~ the annuity shall not exceed 65 percent of the judge's annual salary for the year immediately preceding ~~his~~ retirement.

Sec. 230. Minnesota Statutes 1980, Section 490.124, Subdivision 2, is amended to read:

Subd. 2. **YEARS OF SERVICE MINIMUM SERVICE REQUIREMENT; EXTENSION OF TERM.** No judge shall be eligible for an annuity at normal or early retirement date if ~~he~~ the judge has less than ten years of allowable service. A judge who shall retire on or, as permitted under sections 490.121 to 490.132, after mandatory retirement date, shall be entitled to a proportionate annuity based upon ~~his~~ the allowable service of the judge at date of retirement.

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

A judge who was in office on December 31, 1973 and thereafter and who, by the date on which his the current term expires, would not be eligible to retire with full benefits under statutes in effect on December 31, 1973, may apply to the governor for an extension to serve up to three additional years, stating his the intention of the judge to retire upon such attaining eligibility to receive a retirement allowance. Notwithstanding section 490.125 ~~hereof~~, the governor shall forthwith make a written order accepting such the retirement application, and extending the term of office of such the judge for such the period of time, not ~~exceeding~~ to exceed three years, as may be necessary to make such the judge eligible for such retirement, solely for purposes of computing benefits hereunder.

Sec. 231. Minnesota Statutes 1980, Section 490.124, Subdivision 6, is amended to read:

Subd. 6. **PART-TIME JUDGES.** Notwithstanding other provisions of this section, except as provided herein, service by a judge who was not paid an annual salary or who served in a jurisdiction in which the judge was entitled to practice law while serving as a judge shall be credited only at one-half of the regular rate of 50 percent thereof. ~~All disqualified~~ Any period of part time uncredited judicial service may be credited to ~~years~~ of service for the purposes of sections 490.121 to 490.132 only if:

(a) The judge or his employer pays to the judges' retirement fund a sum equal to ~~5.85 percent~~ of the rate of employee tax specified in the Federal Insurance Contributions Act during the period of part time service applied to one-half of the average salary earned during such the period of part time service, plus accrued interest thereon at the rate of five percent per year compounded annually from the period of service so credited to the date payment is made;

(b) ~~Such~~ The payment is made in not more than 36 monthly installments; and

(c) ~~Such~~ The judge or his employer shall elect to make such the payment and shall commence doing so within ~~60~~ 90 days after the ~~effective date of Laws 1973, Chapter 744~~ or after the commencement of such the judge's first term in office, ~~whichever is later~~.

Sec. 232. Minnesota Statutes 1980, Section 490.124, Subdivision 10, is amended to read:

Subd. 10. **PRIOR SURVIVORS' BENEFITS; LIMITATION.** Benefits provided ~~under pursuant to~~ sections 490.102, subdivision 6, ~~and 490.12, subdivision 7~~ or 490.1091, for a surviving spouse of a retired judge, payable after the death of the judge, shall be limited to:

(a) Spouses of judges who have retired prior to January 1, 1974; and

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

(b) Spouses of judges in office on December 31, 1973 and thereafter who elect to continue contributions ~~under said~~ pursuant to sections 490.102, subdivision 6 or 490.12, subdivision 7 490.109. ~~Such~~ The contributions shall be in addition to contributions ~~under~~ pursuant to section 490.123, and upon retirement ~~such the~~ judge may not elect to receive any of ~~the~~ optional annuities ~~under~~ annuity pursuant to subdivision 11 unless ~~such the~~ judge and ~~his the~~ spouse shall waive any benefits ~~under said~~ pursuant to sections 490.102, subdivision 6 or ~~490.12, subdivision 7~~ 490.1091.

No other judge in office on or after January 1, 1974, shall be required to contribute ~~under said section~~ pursuant to sections 490.102, subdivision 6 or ~~490.12, subdivision 7~~ 490.109.

Sec. 233. Minnesota Statutes 1980, Section 490.126, Subdivision 1, is amended to read:

Subdivision 1. **COMPULSORY RETIREMENT.** Proceedings for compulsory retirement of a judge, if necessary, shall be conducted in accordance with ~~the provisions of sections 490.04 to 490.09~~ rules issued by the supreme court pursuant to section 490.16.

Sec. 234. Minnesota Statutes 1980, Section 490.129, is amended to read:

**490.129 BENEFITS OFFSET.**

Upon any event of maturity of benefits for any judge referred to in section ~~490.128~~ 158, subdivision 6 1, clause (b), or for ~~such the~~ judge's surviving spouse or dependent children, the amount payable from the judges' retirement fund shall be reduced by 75 percent of the amount of the ~~employee's~~ judge's primary benefit payable upon ~~such the~~ event of maturity of benefits under the social security act.

Sec. 235. Minnesota Statutes 1980, Section 490.132, is amended to read:

**490.132 ELECTION COVERAGE FOR CERTAIN SUPREME COURT JUSTICES.**

A judge of the supreme court, who holds office on or prior to January 1, 1974, is shall be covered by the retirement applicable provisions of ~~this chapter~~ sections 490.025 to 490.106, and shall continue to receive all the benefits thereunder and shall not be covered by the provisions of sections 490.121 to 490.132 unless he elects the judge had elected, in writing, to come under be covered by the provisions of sections 490.121 to 490.132 by notifying the director of the state retirement system ~~thereof~~ by January 1, 1974. ~~None of the provisions of sections 490.121 to 490.132 shall apply to a judge of the supreme court who does not make such election.~~

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

Sec. 236. Laws 1955, Chapter 75, Section 12, Subdivision 2, as amended by Laws 1965, Chapter 190, Section 1, and amended and renumbered by Laws 1969, Chapter 138, Section 1, and amended by Laws 1978, Chapter 563, Section 13, Subdivision 2, is amended to read:

**Subd. 2. MOORHEAD FIREFIGHTERS RELIEF ASSOCIATION; CERTIFICATION OF REQUIREMENTS.** The secretary of the relief association shall prepare and certify an estimate of the minimum obligation of the governmental subdivision in accordance with Minnesota Statutes, Section 69.77, Subdivision 2; plus an additional amount sufficient to retire the unfunded accrued liability of the association by December 31, 2007.

Sec. 237. Laws 1959, Chapter 131, Section 10, Subdivision 1, as amended by Laws 1969, Chapter 694, Section 2, and Laws 1978, Chapter 563, Section 14, is amended to read:

**Sec. 10. ROCHESTER FIREFIGHTERS RELIEF ASSOCIATION; TAX LEVY.**

Subdivision 1. At the time and in the manner it levies other taxes, the common council of the city of Rochester shall annually levy a tax to be paid into the relief association's special fund in an amount which is equal to the minimum obligation of the governmental subdivision calculated in accordance with Minnesota Statutes, Section 69.77, Subdivision 2; plus an additional amount sufficient to retire the accumulated deficit by the year 2072. The tax levy of the city in 1972 and thereafter shall not be less than an amount equal to one and one half times the total amount of the member salary deductions for the preceding year. The relief association shall have actuarial surveys valuations and experience studies made of the special fund in accordance with the provisions of Minnesota Statutes, ~~Section~~ Sections 69.77, Subdivision 2, Clause (8) and sections 10, 356.215 and 44 of this act, ~~except that the survey shall determine the annual rate of support required to retire the deficit by the year 2072~~ 356.216.

Sec. 238. Laws 1965, Chapter 446, Section 7, Subdivision 1, as amended by Laws 1978, Chapter 563, Section 15, is amended to read:

**Sec. 7. BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION.**

Subdivision 1. **CERTIFICATION OF REQUIREMENTS.** The treasurer of the city of Bloomington and the secretary of the firemen's firefighters relief association of the city of Bloomington, maintaining and administering the firemen's firefighters pension fund, shall during the month of June of each year, prepare and certify an estimate of the minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2; plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act. This estimate of pension appropria-

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tions shall be submitted to the city council of the city of Bloomington prior to the setting of the yearly budget of the city for the following year. The relief association shall periodically obtain an actuarial survey valuation and an experience study as required by Minnesota Statutes, ~~Section~~ Sections 69.77, Subdivision 2, Clause (8) and sections 40, 356.215 and 44 of this act 356.216.

Sec. 239. Laws 1965, Chapter 458, Section 3, Subdivision 2, as amended by Laws 1978, Chapter 563, Section 16, is amended to read:

Subd. 2. **RICHFIELD POLICE RELIEF ASSOCIATION; CERTIFICATION OF REQUIREMENTS.** The amount to be so estimated and certified shall be the minimum obligation of the governmental subdivision calculated pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, ~~plus the sum necessary to achieve full funding of the pension plan within 40 years of the passage of this act.~~ The relief association shall periodically obtain an actuarial survey valuation and an experience study as required by Minnesota Statutes, ~~Section~~ Sections 69.77, Subdivision 2, Clause (8) and sections 40, 356.215 and 44 of this act 356.216.

Sec. 240. Laws 1965, Chapter 498, Section 1, Subdivision 1, as amended by Laws 1978, Chapter 563, Section 17, is amended to read:

Subdivision 1. **BLOOMINGTON POLICE RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** The treasurer of the city of Bloomington and the secretary of the police ~~police~~ relief association of the city of Bloomington, maintaining and administering the police ~~police~~ pension fund in accordance with Minnesota Statutes, Sections 423.801 to 423.815, shall during the month of June of each year, prepare and certify an estimate of the minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, ~~plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act.~~ This estimate of pension appropriations shall be submitted to the city council of the city of Bloomington prior to the setting of the yearly budget of the city for the following year. The relief association shall periodically obtain an actuarial survey valuation and an experience study as required by Minnesota Statutes, ~~Section~~ Sections 69.77, Subdivision 2, Clause (8) and sections 40, 356.215 and 44 of this act 356.216.

Sec. 241. Laws 1967, Chapter 575, Section 9, Subdivision 2, is amended to read:

Subd. 2. **FAIRMONT VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** ~~After the effective date of this act and~~ Every four years following 1967, prior to the fixing of tax levies for the ensuing year by the city of Fairmont, the firemen's ~~firemen's~~ firefighters relief association shall procure an actuarial survey and report valuation prepared by an approved actuary as defined in ~~Laws 1965, Chapter 751, as amended~~ Minnesota Statutes,

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Section 356.215, Subdivision 6. ~~Such survey~~ The actuarial valuation shall comply with the provisions and requirements of the aforesaid chapter Minnesota Statutes, Sections 356.215 and 356.216 except that normal level cost shall be expressed as a total dollar amount and a per member dollar amount, and all findings including amortization of the unfunded accrued liability shall conform with this act. A similar actuarial survey shall be procured at least every four years thereafter.

Sec. 242. Laws 1967, Chapter 742, Section 2, is amended to read:

**Sec. 2. NEW BRIGHTON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.**

Subdivision 1. TAX LEVY; AMORTIZATION. The governing body of the ~~village~~ city of New Brighton for the benefit of the relief fund of the fire department relief association shall each year at the time tax levies are made for the general revenues of the ~~village~~ city, levy taxes on all taxable property of the ~~village~~ city in excess of the limits permitted by law at such rate and in such amount as is determined by the procedure herein set forth to be necessary to finance currently accruing liability and to amortize the unfunded accrued liability (~~deficit~~) in of the fund, if any, ~~within not more than 20 years from the effective date of this act in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776.~~ Each year the required financing for the fund for the ensuing calendar year shall consist of the annual normal level cost of the fund plus such yearly additional payment as may be necessary to ~~retire~~ amortize the deficit unfunded accrued liability of the fund ~~not later than December 31, 1988 as required by law.~~

The amount that ~~must~~ be raised by the tax levy shall be determined for each ensuing year by subtracting from the required financing an amount equal to members contributions, if any, during the preceding twelve months and an amount equal to the fire state aid by ~~distribution of the tax on premiums for fire insurance and related coverage pursuant to Minnesota Statutes, Sections 69.011 to 69.051~~ received during the preceding twelve months.

Normal level cost and payments necessary to amortize the unfunded accrued liability in the fund shall be determined by the actuarial procedure as set forth in subdivision 2. ~~The provisions of this subdivision + shall not be in effect until after January 1, 1968.~~

Subd. 2. ACTUARIAL VALUATIONS. Prior to January ~~next following the effective date of this act 1968,~~ and every four years thereafter, the fire department relief association shall procure an actuarial ~~survey and report~~ valuation prepared by an approved actuary meeting the requirements in Chapter 751, Laws of 1965, as amended as defined in Minnesota Statutes, Section 356.215, Subdivision 6. ~~Such survey~~ The actuarial valuation shall comply with the provisions and requirements of the aforesaid chapter Minneso-

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ta Statutes, Sections 356.215 and 356.216 except that normal level cost shall be expressed as a total amount and a per member dollar amount, and the finding as to amortization of the unfunded accrued liability shall conform with this act. ~~A similar actuarial survey shall be procured at least every four years thereafter.~~

Copies of each actuarial ~~survey and report~~ valuation shall be filed with the governing body of the village city of New Brighton and with ~~any commission of the legislature~~ commissioner of insurance of the state of Minnesota as ~~may be assigned the study of pension funds.~~

Sec. 243. Laws 1967, Chapter 775, Section 8, as amended by Laws 1978, Chapter 563, Section 19, is amended to read:

**Sec. 8. MOORHEAD POLICE RELIEF ASSOCIATION; ACTUARIAL SURVEYS.**

Periodically the Association shall have prepared an actuarial ~~survey~~ valuation and an experience study in accordance with Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) ~~and sections 40, 356.215 and 44 of this act 356.216.~~

The secretary of the relief association shall prepare and certify an estimate of the minimum obligation of the governmental subdivision in accordance with Minnesota Statutes, Section 69.77, Subdivision 2; ~~plus an additional amount sufficient to retire the unfunded accrued liability of the association by December 31, 2007.~~

The City of Moorhead shall provide in its annual budget and shall pay to the Association at least the amount certified each year. The City of Moorhead may levy taxes for the payment thereof without limitation as to rate or amount; the levy of taxes for the ~~police~~ police relief association shall not cause the amount of other taxes levied or to be levied by the City of Moorhead, which are subject to any limitation, to be reduced in any amount whatsoever.

Sec. 244. Laws 1967, Chapter 798, Section 1, Subdivision 1, as amended by Laws 1978, Chapter 563, Section 20, is amended to read:

**Subdivision 1. RICHFIELD FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** The mayor and treasurer of the city and the secretary of the ~~firemen's firefighters~~ relief association of the city of Richfield, maintaining and administering the ~~firemen's firefighters~~ pension fund, shall during the month of June of each year, prepare and certify an estimate of the minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2; ~~plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act.~~ This estimate shall be submitted to the city council of the city of Richfield prior to the setting of the yearly budget of the city for the

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following year. The relief association shall periodically obtain an actuarial survey valuation and an experience study as required by Minnesota Statutes, ~~Section~~ Sections 69.77, Subdivision 2, Clause (8) and sections 49, 356.215 and 44 of this act 356.216.

Sec. 245. Laws 1967, Chapter 815, Section 8, Subdivision 1, is amended to read:

**Subdivision 1. BROOKLYN CENTER VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** The treasurer of the city of Brooklyn Center and the secretary of the ~~firemen's~~ firefighters relief association of the city of Brooklyn Center, maintaining and administering the ~~firemen's~~ firefighters pension fund, shall during the month of June of each year, prepare and certify an estimate of the necessary appropriation which will be sufficient to meet the current normal cost determined by using the entry age normal cost method based upon a three percent an interest assumption equal to the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (7), plus an additional amount sufficient to retire the present accumulated deficit within 20 years of the passage of this act unfunded accrued liability of the fund in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776. ~~During the first year after the passage of this act, and~~ At least once every four years thereafter following 1967, the ~~firemen's~~ firefighters relief association shall obtain an actuarial survey and report valuation to assist in the preparation of annual estimates required by this section, which ~~survey and report~~ actuarial valuation shall be prepared in accordance with the provisions of ~~Chapter 751, Laws of 1965, as amended~~ Minnesota Statutes, Sections 356.215 and 356.216.

The records of account shall be maintained under the direction of the treasurer of the city of Brooklyn Center and the secretary of the ~~firemen's~~ firefighters relief association. The system of accounting employed shall be in accordance with generally accepted accounting principles, and shall employ applicable actuarial assumptions in a manner which will provide an actuarial measurement of the liabilities for accumulated pension reserves needed for in-service members, the liabilities for rights which have become vested, and the overall financial solvency of the fund. Within 90 days following the end of each fiscal year the treasurer of the city of Brooklyn Center shall submit a report to the city council which shall reflect the financial condition of the relief association fund.

Sec. 246. Laws 1969, Chapter 526, Section 11, Subdivision 1, is amended to read:

**Subdivision 1. FALCON HEIGHTS VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** The treasurer of the ~~village~~ city of Falcon Heights and the secretary of the fire department relief association of the ~~village~~ city of Falcon Heights, maintaining and administering

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the ~~firemen's~~ firefighters relief fund, shall during the month of June of each year, prepare and certify an estimate of the necessary appropriation which will be sufficient to meet for the ensuing year the current normal cost determined by using the entry age normal cost method based upon a three percent an interest assumption equal to the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (7), plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the date on which this act becomes effective unfunded accrued liability of the fund in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776. ~~Said~~ The estimate shall take into account the members' expected contributions, if any, for the ensuing year, and fire state aid by distribution of the tax on premiums for fire insurance and related coverage pursuant to Minnesota Statutes, Sections 69.011 to 69.051, which is estimated to be received during the ensuing year. During the first year after the date on which this act becomes effective, and At least once every four years thereafter following 1969, the fire department relief association of the village city of Falcon Heights shall obtain an actuarial survey and report valuation to assist in the preparation of annual estimates required by this section, which survey and report actuarial valuation shall be prepared in accordance with the provisions of Chapter 751, Laws of 1965, as amended Minnesota Statutes, Sections 356.215 and 356.216, except as otherwise provided in this act.

The records of account shall be maintained under the direction of the treasurer of the village city of Falcon Heights and the secretary of the fire department relief association of the village city of Falcon Heights. The system of accounting employed shall be in accordance with generally accepted accounting principles, and shall employ applicable actuarial assumptions in a manner which will provide an actuarial measurement of the liabilities for accumulated relief association reserves needed for in-service members, the liabilities for rights which have become vested, and the overall financial solvency of the fund. Within 90 days following the end of each fiscal year the treasurer of the village city of Falcon Heights shall submit a report to the village city council which shall reflect the financial condition of the relief association fund.

Sec. 247. Laws 1969, Chapter 576, Section 1, Subdivision 1, as amended by Laws 1978, Chapter 563, Section 22, Subdivision 1, is amended to read:

Subdivision 1. **ST. LOUIS PARK FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATION.** The director of finance of the city of St. Louis Park and the secretary or treasurer of the fire department relief association of the city of St. Louis Park, maintaining and administering a firemen's firefighters pension fund in accordance with Minnesota Statutes, Sections 424.01 to 424.31 Chapter 424, shall, during the month of June of each year prepare and certify to the city manager an estimate of the minimum obligation of the governmental subdivision made pursuant to Minnesota Stat-

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utes, Section 69.77, Subdivision 2, plus \$750 to be paid into the general fund annually. Periodically, the association shall have prepared an actuarial survey valuation and experience study in accordance with Minnesota Statutes, ~~Section Sections~~ 69.77, Subdivision 2, Clause (8) ~~and sections 40, 356.215 and 44 of this act~~ 356.216.

Sec. 248. Laws 1969, Chapter 641, Section 2, Subdivision 1, as amended by Laws 1978, Chapter 563, Section 23, is amended to read:

Subdivision 1. **ROCHESTER POLICE RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** At the time and in the manner it levies other taxes, the common council of the city of Rochester shall annually levy a tax to be paid into the ~~police~~ police pension fund in an amount which is equal to the minimum obligation of the governmental subdivision calculated in accordance with Minnesota Statutes, Section 69.77, Subdivision 2 ; ~~plus an additional amount sufficient to retire the accumulated deficit by the year 2072.~~ The tax levy of the city in 1972 and thereafter shall not be less than an amount equal to one and one half times the total amount of the member salary deductions for the preceding year. The ~~police~~ police relief association shall have actuarial ~~surveys~~ valuations and experience studies made of the ~~police~~ police pension fund in accordance with the provisions of Minnesota Statutes, ~~Section Sections~~ 69.77, Subdivision 2, Clause (8) ~~and sections 40, 356.215 and 44 of this act, except that the surveys shall determine the annual rate of support required to retire the deficit by the year 2072~~ 356.216.

Sec. 249. Laws 1969, Chapter 719, Section 2, is amended to read:

Sec. 2. **ALEXANDRIA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; TAX LEVY.**

In each year, the governing body of the city of Alexandria shall levy a tax sufficient in amount to cover the normal support rate required to finance currently accruing ~~liabilities~~ liabilities of the association and ~~such sum as is required to amortize the deficit unfunded accrued liability of the fund as required by the end of the fiscal year of the fund occurring in 1989 law.~~ The tax so levied shall be transmitted to the auditor of the county in which the city is located at the time all other tax levies are transmitted, and shall be collected and the payment thereof enforced in the same manner as other tax levies. If the governing body of the city fails to include the required tax in its levy for any year, the board of trustees of the association may certify that fact to the county auditor, who shall add the omitted levy to the city levy for that year or, if then too late, then for the following year. The city treasurer, when the tax is received by him, shall pay the same over to the treasurer of the association. For purposes of this section, the normal support rate and amount required to amortize the ~~deficit unfunded~~ accrued liability shall be determined in the manner described by Minnesota Statutes, ~~Section 69.73~~ Sections 356.215 and 356.216.

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Sec. 250. Laws 1969, Chapter 1088, Section 8, Subdivision 1, as amended by Laws 1978, Chapter 753, Section 7, Subdivision 1, is amended to read:

Subdivision 1. **CRYSTAL VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** The treasurer of the city of Crystal and the secretary of the association, maintaining and administering the firefighter's pension fund, shall during the month of June of each year prepare and certify an estimate of the necessary appropriation which will be sufficient to meet the minimum municipal obligation determined pursuant to Minnesota Statutes, Section 69.773. The association shall have an actuarial survey valuation made and filed in accordance with Minnesota Statutes, ~~Section~~ Sections 69.773, Subdivision 2, 356.215 and 356.216.

The records of account shall be maintained under the direction of the city treasurer and the secretary of the association. The system of accounting employed shall be in accordance with generally accepted accounting principles, and shall employ applicable actuarial assumptions in a manner which will provide an actuarial measurement of the liabilities for accumulated pension reserves needed for in-service members, the liabilities for rights which have become vested, and the overall financial solvency of the fund. Within 90 days following the end of each fiscal year the city treasurer shall submit a report to the city council which shall reflect the financial condition of the relief association fund.

Sec. 251. Laws 1969, Chapter 1105, Section 4, is amended to read:

Sec. 4. **ROBBINSDALE VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.**

~~Before January 1, At least once every four years following 1971, the~~ association shall obtain an actuarial survey valuation showing the normal support rate required to finance currently accruing liabilities and the annual rate of support required to amortize the deficit unfunded accrued liability, if any, ~~in~~ of the fund by January 1, 1991 in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776. ~~Commencing in 1971,~~ The city shall annually levy against its assessed valuation an amount which, together with other revenue to the fund, is sufficient to equal the normal support rate and annual rate of support required to amortize the deficit unfunded accrued liability, if any, by the applicable amortization date specified above. The proceeds of the levy shall be paid by the city to the fiscal officer of the association.

Sec. 252. Laws 1971, Chapter 51, Section 9, as amended by Laws 1978, Chapter 563, Section 24, is amended to read:

Sec. 9. **CROOKSTON FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.**

An actuarial survey valuation and an experience study of the association shall be prepared periodically in accordance with the provisions of Minnesota

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Statutes, ~~Section Sections~~ 69.77, Subdivision 2, Clause (8) ~~and sections 40, 356.215 and 44 of this act~~ 356.216.

Sec. 253. Laws 1971, Chapter 51, Section 10, Subdivision 2, as amended by Laws 1978, Chapter 563, Section 26, is amended to read:

Subd. 2. **CROOKSTON FIREFIGHTERS RELIEF ASSOCIATION; CERTIFICATION OF REQUIREMENTS.** ~~In addition to the minimum obligation of the city determined pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, the estimate of The officers of the association of shall annually certify to the city the amount of the minimum obligation of the city determined pursuant to subdivision 1 which is to be raised by the city by tax levy shall include an amount sufficient to amortize the accumulated deficit by December 31, 2007.~~

Sec. 254. Laws 1971, Chapter 114, Section 8, Subdivision 1, is amended to read:

Subdivision 1. **NEW HOPE VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** ~~The treasurer of the village city of New Hope and the secretary of the association maintaining and administering the firemen's firefighters pension fund shall during the month of June of each year prepare and certify an estimate of the necessary appropriation which will be sufficient to meet the current normal cost determined by using the entry age normal cost method based upon a three percent an interest assumption equal to the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (7), plus an additional amount sufficient to retire the accumulated deficit by the year 1994 or as otherwise provided by law unfunded accrued liability of the fund in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776. The estimate shall be reduced by aids or estimated aids from the state of Minnesota, and. At least once every four years following 1971, the association shall obtain an actuarial survey and report valuation to determine annual estimates required by this section, which survey and report actuarial evaluation shall be prepared in accordance with the provisions of Minnesota Statutes 1969, Sections 69.70 to 69.76 as applicable to volunteer fire departments 356.215 and 356.216.~~

The records of account shall be maintained under the direction of the ~~village city~~ treasurer and secretary of the association. The system of accounting employed shall be in accordance with generally accepted accounting principles, and shall employ applicable actuarial assumptions in a manner which will provide an actuarial measurement of the liabilities for accumulated pension reserves needed for in-service members, the liabilities for rights which have become vested, and the over-all financial solvency of the fund. Within 90 days following the end of each fiscal year the ~~village city~~ treasurer shall file

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with the village city clerk a detailed report which shall reflect the financial condition of the relief association fund.

Sec. 255. Laws 1971, Chapter 184, Section 4, is amended to read:

**Sec. 4. ANOKA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; TAX LEVY.**

The governing body of the city of Anoka for the benefit of the relief fund of the fire department relief association shall each year at the time tax levies are made for the general revenues of the city, levy taxes on all taxable property of the city in excess of the limits permitted by law if necessary at such rate and in such amount as is determined by the procedure herein set forth to be necessary to finance currently accruing liability and to amortize the unfunded accrued liability ~~or deficit in~~ of the fund, if any, ~~within not more than 40 years from the effective date of this act in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776.~~ Each year the required financing for the fund for the ensuing calendar year shall consist of the annual normal level cost of the fund plus the yearly additional payment ~~as may be which is necessary to retire the deficit unfunded accrued liability of the fund not later than December 31, 2009 as required by law.~~

The amount that ~~must~~ shall be raised by the tax levy shall be determined for each ensuing year by subtracting from the required financing an amount equal to the ~~fire state aid by distribution of the tax on premiums for fire insurance and related coverage pursuant to Minnesota Statutes, Sections 69.011 to 69.051~~ received during the preceding 12 months.

Normal level cost and payments necessary to amortize the unfunded liability in the fund shall be determined ~~by pursuant to the~~ actuarial procedure as set forth in section 5.

Sec. 256. Laws 1971, Chapter 184, Section 5, is amended to read:

**Sec. 5. ANOKA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL SURVEY.**

Prior to January ~~next~~ every four years following the effective date of this act ~~1972~~, the fire department relief association shall procure an actuarial survey and report valuation prepared by an approved actuary ~~meeting the requirements of as defined in Minnesota Statutes, Sections 69.74 to 69.76 Section 356.215, Subdivision 6. Such survey~~ The actuarial valuation shall comply with the provisions and requirements of said Minnesota Statutes, Sections 69.74 to 69.76 356.215 and 356.216 except that normal level cost shall be expressed as a total dollar amount and a per member dollar amount, and the finding as to amortization of unfunded accrued liability shall conform with this act. ~~A similar actuarial survey shall be procured at least every four years thereafter.~~

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Copies of each actuarial survey and report valuation shall be filed with the governing body of the city of Anoka and with any commission of the legislature as may be assigned the study commissioner of pension funds insurance.

Sec. 257. Laws 1971, Chapter 214, Section 10, is amended to read:

**Sec. 10. WHITE BEAR LAKE VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.**

Subdivision 1. **TAX LEVY.** The governing body of the city of White Bear Lake for the benefit of the special pension fund of the association shall each year at the time tax levies are made for the general revenues of the city, levy taxes on all taxable property of the city in excess of the limits permitted by law at such rate and in such amount as is determined by the procedure herein set forth to be necessary to finance currently accruing liability and to amortize the unfunded accrued liability (~~deficit~~) in of the fund, if any, within not more than 20 years from the effective date of this act in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776. In order to determine the total required financing for the ensuing year, there shall be added to the annual normal level cost of the fund the yearly amount sufficient to retire the deficit unfunded accrued liability of the fund within 20 years of the passage of this act as required by law.

The amount that must be raised by tax levy shall be determined by subtracting from the required financing for the ensuing year the amount of any expected members contributions for that year and the amount of fire state aid by distribution of the tax on premiums for fire insurance and related coverage pursuant to Minnesota Statutes, Sections 69.011 to 69.051 estimated to be received during the year.

Normal level cost and amounts necessary to amortize the unfunded liability in the fund shall be determined by pursuant to the actuarial procedure as set forth in subdivision 2.

Subd. 2. **ACTUARIAL VALUATIONS.** Prior to ratification of this act by the city council and prior to fixing of tax levies for the ensuing year by the city of White Bear Lake June 1 every four years following 1971, the firemen's firefighters relief association shall procure and deliver to the city council an actuarial survey and report valuation prepared by an approved actuary as defined in Minnesota Statutes 1969, Sections 69.74 to 69.76 Section 356.215, Subdivision 6. Such survey The actuarial valuation shall be determined upon benefit levels as provided for by the bylaws of the association. Such bylaws and Any amendments thereto to the bylaws shall not become effective until approved by the governing body of the city of White Bear Lake. Such survey The actuarial valuation shall comply with the provisions and requirements of the aforesaid chapter Minnesota Statutes, Section 356.215

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except that normal level cost shall be expressed as a total dollar amount and a per member dollar amount, and all findings including amortization of any unfunded accrued liability shall conform with this act. ~~A similar actuarial survey shall be procured at least every four years thereafter.~~

Sec. 258. Laws 1971, Chapter 407, Section 1, Subdivision 2, is amended to read:

Subd. 2. **MANKATO POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS; DETERMINATION OF REQUIREMENTS.** The minimum obligation of the city of Mankato in respect to the police relief association and the firemen's firefighters relief association therein shall be determined and provided in accordance with the provisions of Minnesota Statutes, Sections ~~69.71 to 69.77, 356.215 and 356.216~~ except that the normal cost shall be computed as a percentage of the compensation paid only to members of any such the association.

Sec. 259. Laws 1971, Chapter 407, Section 1, Subdivision 3, is amended to read:

Subd. 3. **MANKATO POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS; MINIMUM MUNICIPAL OBLIGATION.** ~~Commencing in the year 1980,~~ In addition to the minimum obligation required by subdivision 2 of this section, the city of Mankato shall provide additional financing to the police relief association and the firemen's firefighters relief association therein, sufficient to amortize by the year 2010 the fund deficits as determined in accordance with meet the requirements of Minnesota Statutes, Section ~~69.73 69.77.~~

Sec. 260. Laws 1971, Chapter 614, Section 2, is amended to read:

Sec. 2. **HIBBING FIREFIGHTERS RELIEF ASSOCIATION; MINIMUM MUNICIPAL OBLIGATION.**

(1) No provision of this act shall be construed as exempting, abridging, repealing or amending the compliance with the provisions of the Police and Firemen's Relief Association Guidelines Act of 1969, as amended, except as provided for in this section.

(2) Notwithstanding Minnesota Statutes, Section 69.77, Subdivision 2, the governmental subdivision's minimum obligation shall not be reduced, but shall be the financial requirements of the association less member contributions and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The governmental subdivision city of Hibbing shall provide in its annual budget commencing in 1971 for the above minimum municipal obligation calculated pursuant to Minnesota Statutes, Section 69.77, and shall levy taxes sufficient for the payment thereof of that obligation.

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(3) In addition to the above minimum obligation, the governmental subdivision shall provide in its annual budget commencing in 1971 an additional amount sufficient to amortize the deficit as determined by actuarial survey in accordance with Minnesota Statutes, Sections 69.71 to 69.76 within a period of 30 years.

(4) Prior to the approval of this act by the governing body of the village of Hibbing, the relief association shall secure from their actuary amendments to the actuarial survey required by Minnesota Statutes, Chapter 69, revising the findings of the survey to conform with the benefit changes in this act if approved by the local governing body, and shall submit to the governing body the amended survey which shall be presented at a public hearing in terms of mill rate increase prior to approval of this act. If this act is approved by the local governing body, the amended survey shall be the basis for all computations and determinations required by Minnesota Statutes, Section 69.77.

Sec. 261. Laws 1971, Chapter 810, Section 7, as amended by Laws 1978, Chapter 563, Section 27, is amended to read:

**Sec. 7. CHISHOLM POLICE RELIEF ASSOCIATION; MINIMUM MUNICIPAL OBLIGATION.**

(1) No provision of this act shall be construed as exempting, abridging, repealing or amending the compliance with the provisions of the Police and Firemen's Relief Association Guidelines Act of 1969, as amended, except as provided for in this section.

(2) Notwithstanding Minnesota Statutes, Section 69.77, Subdivision 2, the governmental subdivision's minimum obligation shall not be reduced, but shall be the financial requirements of the association less member contributions and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The governmental subdivision city of Chisholm shall provide in its annual budget commencing in 1971 for the above minimum municipal obligation calculated pursuant to Minnesota Statutes, Section 69.77, and shall levy taxes sufficient for the payment thereof of that obligation.

(3) In addition to the above minimum obligation, the governmental subdivision shall provide in its annual budget commencing in 1971, an additional amount sufficient to amortize the deficit as determined by actuarial survey in accordance with Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act, within a period of 30 years.

(4) Prior to the approval of this act by the city council of Chisholm, the relief association shall secure from their actuary amendments to the actuarial survey required by Minnesota Statutes, Chapter 69, revising the findings of the survey to conform with the benefit changes in this act if approved by the local governing body, and shall submit to the governing body the amended survey

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which shall be presented at a public hearing in terms of mill rate increase prior to the approval of this act. If this act is approved by the local governing body, the amended survey shall be the basis for all computations and determinations required by Minnesota Statutes, Section 69.77.

Sec. 262. Laws 1973, Chapter 304, Section 3, Subdivision 1, is amended to read:

Subdivision 1. COON RAPIDS VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; ACTUARIAL VALUATIONS. The treasurer of the city of Coon Rapids and the secretary of the firemen's firefighters relief association in the city of Coon Rapids, maintaining and administering the firemen's firefighters pension fund, shall during the month of June of each year, prepare and certify an estimate of the necessary appropriation which will be sufficient to meet the current normal cost determined by using the entry age normal cost method based upon a three percent ~~an~~ interest assumption equal to the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (7), plus an additional amount sufficient to retire the accumulated deficit by 1991 unfunded accrued liability of the fund in accordance with the applicable provisions of Minnesota Statutes, Sections 69.771 to 69.776. ~~During the first year after passage of this act, but prior to ratification by the city, and~~ At least once every four years thereafter following 1973, the firemen's firefighters relief association shall obtain an actuarial survey and report valuation to assist in the preparation of annual estimates required by this section, which survey and report actuarial valuation shall be prepared in accordance with the provisions of Laws 1965, Chapter 641, as amended Minnesota Statutes, Sections 356.215 and 356.216, except that normal costs and amortization costs shall be determined as dollar amounts, and except that any deficit shall be retired by 1991.

The records of account shall be maintained under the direction of the treasurer of the city of Coon Rapids by the secretary of the firemen's relief association. The system of accounting employed shall be in accordance with generally accepted accounting principles, and shall employ applicable actuarial assumptions in a manner which will provide an actuarial measurement of the liabilities for accumulated pension reserves needed for in-service members, and the liabilities for rights which have become vested, and the overall financial solvency of the fund. Commencing August 1, 1973 and Pursuant to Minnesota Statutes, Section 69.772, the secretary of the relief association shall submit a ~~an~~ annual report to the city council which shall reflect the financial condition of the relief association fund, and the financial requirements for the following year.

Sec. 263. Laws 1973, Chapter 587, Section 1, Subdivision 3, as amended by Laws 1978, Chapter 563, Section 28, Subdivision 3, is amended to read:

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Subd. 3. **ANOKA POLICE RELIEF ASSOCIATION; MINIMUM MUNICIPAL OBLIGATION.** ~~Commencing in the year 1980,~~ In addition to the minimum obligation required by subdivision 2, the city of Anoka shall provide additional financing to the relief association sufficient to ~~amortize by the year 2010 the deficits of said association as determined in accordance with~~ meet the requirements of Minnesota Statutes, Section ~~356.215, Subdivision 4, Clause (7)~~ 69.77.

Sec. 264. Laws 1973, Chapter 587, Section 1, Subdivision 5, as amended by Laws 1978, Chapter 563, Section 28, Subdivision 5, is amended to read:

Subd. 5. **ANOKA POLICE RELIEF ASSOCIATION; ACTUARIAL VALUATIONS.** The relief association shall procure an actuarial survey valuation showing the condition of its fund pursuant to Minnesota Statutes, ~~Section Sections 69.77, Subdivision 2, Clause (8) and sections 40, 356.215 and 44 of this act 356.216.~~ The cost of ~~such surveys~~ actuarial valuations shall be split equally between the relief association and the city of Anoka.

Sec. 265. Laws 1974, Chapter 251, Section 1, Subdivision 2, is amended to read:

Subd. 2. **NEW ULM POLICE RELIEF ASSOCIATION; MINIMUM MUNICIPAL OBLIGATION.** The minimum obligation of the city of New Ulm in respect to the ~~policemen's~~ police relief association ~~therein~~ shall be determined and provided in accordance with the provisions of Minnesota Statutes, Section ~~69.74 to 69.77,~~ except that the normal cost shall be computed as a percentage of the compensation paid only to members of the association.

Sec. 266. Laws 1974, Chapter 251, Section 1, Subdivision 3, is amended to read:

Subd. 3. **NEW ULM POLICE RELIEF ASSOCIATION; MUNICIPAL SUPPORT.** ~~Commencing in the year 1980,~~ In addition to the minimum obligation required by subdivision 2 ~~of this section,~~ the city of New Ulm shall provide additional financing to the ~~policemen's~~ police relief association ~~therein,~~ sufficient to ~~amortize by the year 2010 the fund deficit as determined in accordance with~~ meet the requirements of Minnesota Statutes, Section ~~69.73 69.77.~~

Sec. 267. Laws 1975, Chapter 424, Section 11, as amended by Laws 1978, Chapter 563, Section 30, is amended to read:

Sec. 11. **COLUMBIA HEIGHTS FIREFIGHTERS RELIEF ASSOCIATION; MUNICIPAL SUPPORT.**

~~Commencing in the year 1982,~~ In addition to the minimum obligation required by Minnesota Statutes, Section ~~69.77, Subdivision 2~~ section 10, the city of Columbia Heights shall provide additional financing to the ~~firemen's~~ firefighters relief association sufficient to ~~amortize by the year 2012 the deficit of~~

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the fund as determined in accordance with meet the requirements of Minnesota Statutes, Section ~~356.215, Subdivision 4, Clause (7)~~ 69.77.

Sec. 268. Laws 1976, Chapter 36, Section 2, is amended to read:

**Sec. 2. AUSTIN POLICE AND FIREFIGHTERS RELIEF ASSOCIATION; MINIMUM MUNICIPAL OBLIGATION.**

The minimum obligation of the city of Austin in respect to the police relief association and the ~~firemen's~~ firefighters relief association shall be determined and governed in accordance with the provisions of Minnesota Statutes, ~~Sections 69.74 to~~ Section 69.77, except that the normal cost shall be computed as a percentage of the compensation paid to the members of each association. The compensation paid to police officers and to ~~firemen~~ firefighters first employed by the city of Austin after the effective date of this act shall not be included in any of the computations in determining the obligation of the city of Austin in respect to the police relief association and the ~~firemen's~~ firefighters relief association.

Sec. 269. Laws 1976, Chapter 36, Section 3, is amended to read:

**Sec. 3. AUSTIN POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS; MEMBER CONTRIBUTIONS.**

Contributions of members of the police relief association and of the ~~firemen's~~ firefighters relief association shall be governed by Minnesota Statutes, Section ~~69.74 to~~ 69.77. Contributions of all police officers and ~~firemen~~ firefighters first employed by the city of Austin after ~~the effective date of this act~~ April 5, 1976 shall be governed by Minnesota Statutes, Section 353.65.

Sec. 270. Laws 1976, Chapter 36, Section 4, is amended to read:

**Sec. 4. AUSTIN POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS; MUNICIPAL SUPPORT.**

Commencing in the year 1980, In addition to the minimum obligation required by section 2, the city of Austin shall provide additional financing to the police relief association and to the ~~firemen's~~ firefighters relief association sufficient to ~~amortize by the year 2040 the unfunded liability of each fund as determined in accordance with~~ meet the requirements of Minnesota Statutes, Section ~~69.73~~ 69.77. Notwithstanding Minnesota Statutes, Section 275.50, Subdivision 5, ~~Clause (e)~~, all municipal payments for the police relief association and for the ~~firemen's~~ firefighters relief association shall be considered a special levy.

Sec. 271. Laws 1977, Chapter 61, Section 5, Subdivision 2, as added by Laws 1978, Chapter 562, Section 33, Subdivision 2, is amended to read:

**Subd. 2. EVELETH JOINT POLICE AND FIREFIGHTERS RETIREMENT TRUST FUND; REPORTING.** Upon the transfer of money

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and the establishment of the joint trust fund pursuant to subdivision 1 and periodically thereafter, the board of trustees shall have an actuarial valuation or survey made for the joint trust fund in accordance with the filing requirements and the applicable actuarial standards set forth in the general statute governing actuarial reporting by police and fire funds. The board of trustees shall also complete and file a financial report for the joint trust fund in accordance with Minnesota Statutes, Section 69.051.

Sec. 272. Laws 1978, Chapter 689, Section 4, Subdivision 2, is amended to read:

Subd. 2. **THIEF RIVER FALLS POLICE RETIREMENT TRUST FUND; REPORTING.** Upon the transfer of money and the establishment of the trust fund pursuant to subdivision 1 and periodically thereafter, the board of trustees shall have an actuarial valuation or survey made of the trust fund in accordance with the filing requirements and applicable actuarial standards set forth in the general statute governing actuarial reporting by police and fire funds. The board of trustees shall also complete and file a financial report for the trust fund in accordance with Minnesota Statutes, Section 69.051.

Sec. 273. Laws 1978, Chapter 689, Section 8, is amended to read:

Sec. 8. **AUTHORITY TO BOND TO ACCOMPLISH THE PURPOSES OF THIS ACT THIEF RIVER FALLS POLICE RETIREMENT TRUST FUND.**

The city of Thief River Falls is hereby authorized to sell bonds in such amount as will provide the necessary funds to pay the employer's share of the purchase of prior service in the public employees police and fire fund for relief association beneficiaries pursuant to section ~~4~~ 2. The maturity of these bonds shall not be more than 15 years from the date of sale. The bonds may be issued and sold without a vote of the electorate and shall not be included in the net debt of the city for purposes of any charter or statutory debt limitation. Taxes for the payment of the bonds and interest thereon shall not be subject to any statutory or charter limitation on the rate or the amount.

Sec. 274. **INSTRUCTIONS TO REVISOR.**

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall make the following changes in terminology and statutory reference:

(1) substitute the statutory reference "this chapter" for the statutory reference "sections 3A.01 to 3A.10" wherever that statutory reference appears in Minnesota Statutes, Chapter 3A;

(2) substitute the term "peace officer" for the term "police officer" wherever that term appears in Minnesota Statutes, Sections 69.011 to 69.051;

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(3) substitute the term "highway patrol retirement association" for the term "highway patrolmen's retirement association" or the term "highway patrol retirement fund" for the term "highway patrolmen's retirement fund" wherever those terms appear in Minnesota Statutes, Chapter 352B;

(4) substitute the statutory reference "this chapter" for the statutory reference "sections 352D.01 to 352D.09" wherever that statutory reference appears in Minnesota Statutes, Chapter 352D;

(5) substitute the term "post retirement investment fund annuity" for the term "adjustable fixed benefit annuity" wherever that term appears in Minnesota Statutes, Chapters 354 or 422A; and

(6) substitute the statutory reference "this chapter" for the statutory reference "sections 424A.01 to 424A.09" wherever that statutory reference appears in Minnesota Statutes, Chapter 424A.

#### Sec. 275. EFFECT OF LEGISLATION.

Nothing in this act shall be construed or interpreted as reducing the amount of the retirement annuity or benefit of any person receiving an annuity or benefit as of the date of final enactment.

#### Sec. 276. REPEALER.

Minnesota Statutes 1980, Sections 136.86; 352.115, Subdivision 13; 352.1181; 352B.075; 352D.10; 354.09, Subdivisions 1 and 4; 354.41, Subdivisions 6 and 8; 355.302; 355.303; 355.304; 355.305; 355.306; 355.307; 355.308; 355.309; 355.53; 355.73, Subdivisions 5, 6 and 7; 356.18, Subdivision 2; 422A.01, Subdivisions 14, 15 and 16; 422A.08, Subdivisions 2, 3, 4 and 6; 422A.081; 422A.091; 422A.30; 422A.31; 422A.32; 422A.33; 422A.34; 422A.35; 422A.39; 423.075, Subdivision 2; 423.815, Subdivision 3; 487.06; 490.104; 490.127; 490.128; and 490.13; and Laws 1969, Chapter 252; Laws 1973, Chapter 481; Laws 1975, Chapter 429; Laws 1978, Chapter 538, Section 6; and Laws 1980, Chapters 342, Section 20; and 509, Section 135 are repealed.

#### Sec. 277. EFFECTIVE DATE.

The eligibility of the position specified in section 68, subdivision 1, clause (7), to participate in the unclassified employees retirement plan of the Minnesota state retirement system for the person who is employed in that position on the date of final enactment shall be retroactive to the date of the initial appointment to that position. Section 76 is effective retroactively to July 1, 1979. Section 207 is effective retroactively to June 15, 1980. The balance of this act is effective on the day following final enactment.

Approved May 18, 1981

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