

CHAPTER 269 — S.F.No. 132

An act relating to retirement; Duluth teachers retirement fund association; authorizing an increase in retirement allowances and benefits for certain teachers; establishing a new coordinated retirement program within the retirement fund association; amending Minnesota Statutes 1980, Sections 354A.011, Subdivision 11; 354A.092; 354A.093; 354A.12, Subdivision 1; 354A.24; 354A.32; 354A.39; and 354A.41.

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

Section 1. Minnesota Statutes 1980, Section 354A.011, Subdivision 11, is amended to read:

Subd. 11. **COORDINATED MEMBER.** "Coordinated member" means any member of the teachers retirement fund association who is covered by the coordinated program of the association due to the fact that the member is covered by any agreement or modification made between the state and the secretary of health, education and welfare making the provisions of the federal old age, survivors and disability insurance act applicable to certain teachers covered by the association; except in the case of a member of the Duluth teachers retirement fund association, in which it means additionally that the member either first became a member prior to July 1, 1981 and elected to be covered by the new law coordinated program of the Duluth teachers retirement fund association or first became a member on or subsequent to July 1, 1981.

Sec. 2. 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 or any teacher in the new law coordinated program of the Duluth teachers retirement fund association who 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 applicable 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

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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 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. 3. Minnesota Statutes 1980, Section 354A.093, is amended to read:

354A.093 MILITARY SERVICE CREDIT.

If a Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or any teacher in the new law coordinated program of the Duluth teachers retirement fund association who is granted a leave of absence to enter military service and if the teacher who returns to active teaching service upon discharge from military service as provided in section 192.262, ~~the teacher~~ shall be entitled to receive allowable service credit in the applicable association for all or a portion of the period of military service but not for any voluntary extension of military service beyond the initial period of enlistment, induction or call to active duty which occurred at the instance of the teacher. If the teacher granted the military service leave of absence makes the employee contribution for a period of military service leave of absence pursuant to this section, the state shall make an employer contribution on behalf of the teacher to the applicable association for the period of the military service leave of absence 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 annual salary rate at the date of return from military service, multiplied by the number of years constituting the period of the military service leave of absence which the teacher seeks to purchase. Payment shall include interest on the amount payable pursuant to this section at the rate of six percent compounded annually from the year the military service was rendered to the date of payment. If the payments made by a teacher pursuant to this section are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's annual salary rate at the date of return from military service, multiplied by the number of years constituting the period of the military service leave of absence, service credit shall be prorated.

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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. In order to be entitled to receive service credit under this section, payment shall be made within five years from the date of discharge from military service.

Sec. 4. Minnesota Statutes 1980, Section 354A.12, Subdivision 1, is amended to read:

Subdivision 1. **EMPLOYEE CONTRIBUTIONS.** The contribution required to be paid by each member of a teachers retirement fund association shall not be less than the percentage of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth teachers retirement association	
coordinated program	4 <u>4.5</u> percent
Minneapolis teachers retirement association	
basic program	8.5 percent
coordinated program	4.5 percent
St. Paul teachers retirement association	
basic program	8 percent
coordinated program	4.5 percent

Sec. 5. Minnesota Statutes 1980, Section 354A.24, is amended to read:

354A.24 DULUTH TEACHERS RETIREMENT FUND ASSOCIATION COORDINATED PROGRAM.

There is established within the Duluth teachers retirement fund association a ~~coordinated program which shall be a continuation of the retirement program in existence prior to July 1, 1978 to provide retirement coverage~~ for teachers who are covered by an agreement or modification made between the state and the secretary of health, education and welfare making the provisions of the federal old age, survivors and disability insurance act applicable to teachers covered by the teachers retirement fund association, two coordinated programs:

(1) an old law coordinated program to provide retirement coverage for teachers who were first employed prior to July 1, 1981 and do not elect to be covered by the new law coordinated program, which program shall be a continuation of the retirement program in existence prior to July 1, 1978; and

(2) a new law coordinated program to provide retirement coverage for teachers who were first employed on or subsequent to July 1, 1981 or for

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teachers who were first employed prior to July 1, 1981 and elect to be covered by the new law coordinated program. The provisions governing the old law coordinated program shall be the ~~applicable~~ portions of this chapter which do not apply specifically to a coordinated program or a coordinated or former coordinated member, the articles of incorporation and bylaws in effect as of March 31, 1975, the provisions of Laws 1976, Chapter 238, Section 15, and any applicable amendments to the articles of incorporation or bylaws of the teachers retirement fund association adopted subsequent to July 1, 1979 in accordance with the provisions of section 354A.12, subdivision 4. The provisions governing the new law coordinated program shall be sections 354A.31 to 354A.41 and any other applicable portions of this chapter, the provisions of sections 9 and 10 of this act, and any applicable amendments to the articles of incorporation or bylaws of the teachers retirement fund association adopted subsequent to July 1, 1981 in accordance with the provisions of section 354A.12, subdivision 4.

Sec. 6. Minnesota Statutes 1980, Section 354A.32, is amended to read:

354A.32 OPTIONAL RETIREMENT ANNUITIES.

The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each 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. Each board shall also establish an optional retirement annuity which shall take the form of a guarantee that in the event of death the balance of the accumulated deductions shall be paid to a designated beneficiary. All optional forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional forms, the board shall obtain the written recommendation of an approved actuary and the recommendation shall be a part of the permanent records of the board.

Sec. 7. Minnesota Statutes 1980, Section 354A.39, is amended to read:

354A.39 SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.

Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota highway patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis municipal employees retirement fund, the Duluth teachers retirement fund association new law coordinated program, the Minneapolis teachers retirement

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fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the 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 used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund, or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least ten years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ten or more years.

Sec. 8. Minnesota Statutes 1980, Section 354A.41, is amended to read:

354A.41 ADMINISTRATION OF COORDINATED PROGRAM.

Subdivision 1. **ADMINISTRATIVE PROVISIONS.** The provisions of the articles of incorporation and bylaws of the Minneapolis or the St. Paul teachers retirement fund association, whichever is applicable, relating to the administration of the fund shall govern the administration of the coordinated program and the provisions of the articles of incorporation and bylaws of the Duluth teachers retirement fund association relating to the administration of the fund shall govern the administration of the new law coordinated program in instances where the administrative provisions are not inconsistent with the provisions of sections 354A.31 to 354A.41, including but not limited to provisions relating to the composition and function of the board of trustees, the investment of assets of the teachers retirement fund association, and the definition of the plan year.

Subd. 2. **ACTUARIAL VALUATIONS.** Whenever the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association shall make an actuarial valuation as required by section 356.215 after July 1, 1979, there shall be included in the report of the actuarial valuation a finding of the condition of the fund showing separately the basic and coordinated programs and ~~indicating~~ whenever the Duluth teachers retirement fund association shall make an actuarial valuation as required by section 356.215 after July 1, 1981, there shall be included in the report of the actuarial valuation a finding of the condition of the fund showing separately the old law coordinated and new law coordinated programs. The finding shall include the level normal cost, accrued liability, assets, unfunded accrued liability, contribu-

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tion required to meet the interest at the assumed rate on the unfunded accrued liability, and the contribution required to amortize the unfunded accrued liability by the date specified in section 356.215, subdivision 4, clause (7), for each program.

Sec. 9. RETIREMENT COVERAGE FOR CERTAIN TEACHERS.

Any person who is first employed as a teacher by Independent School District No. 709 on or after July 1, 1981 shall have retirement coverage if otherwise eligible provided by the new law coordinated program of the Duluth teachers retirement fund association and not by the old law coordinated program of the Duluth teachers retirement fund association. Any member of the old law coordinated program of the Duluth teachers retirement fund association may, at any time prior to termination of active service covered by the retirement fund association, elect to have retirement coverage for all service covered by the retirement fund association transferred to and provided by the new law coordinated program of the Duluth teachers retirement fund association.

Sec. 10. OLD LAW COORDINATED PROGRAM; INCREASE IN RETIREMENT BENEFITS AUTHORIZED.

Authorization is hereby granted in accordance with Minnesota Statutes, Section 354A.12, Subdivision 4, for the Duluth teachers retirement fund association to amend its articles of incorporation as follows:

(1) Clause (b) of subdivision 1 of article VIII of the articles of incorporation may be amended to provide for an increase in the normal retirement allowance annual formula accrual rate from 1.15 percent of the average final salary of a member as defined in section 3 of article IX to 1.25 percent of the average final salary of a member as defined in section 3 of article IX.

(2) A new clause (f) may be added to subdivision 1 of article VIII of the articles of incorporation to provide for an increase of 8.7 percent in the monthly retirement allowance or benefit, exclusive of any allowance or benefit based on shelter or additional contributions, to or on account of a member who retired or died prior to July 1, 1981, with payment of the increased amount commencing with the first regular monthly allowance or benefit payment occurring after the adoption of the applicable amendment to the articles of incorporation and compliance with the provisions of Minnesota Statutes, Section 354A.12, Subdivision 4.

(3) Clause (d) of subdivision 8 of article VIII may be amended to provide that the surviving spouse of a member who has attained the age of at least 55 years and has credit for not less than ten years of credited service and who has died in active service may elect to receive, in lieu of the death benefit or the immediate or deferred surviving spouse annuity provided in clause (d) of subdivision 8 of article VIII in effect as of June 30, 1981, an annuity equal to

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the remainder of the equivalent actuarial value joint and 100 percent survivor annuity which the member would have been entitled to had the member retired on the date of death, computed pursuant to clause (b) of subdivision 1 of article VIII, to cease with the last payment received by the surviving spouse during the surviving spouse's lifetime.

Sec. 11. EFFECTIVE DATE.

This act is effective July 1, 1981.

Approved May 27, 1981

CHAPTER 270 — S.F.No. 120

An act relating to corporations; modernizing and improving provisions governing business corporations; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 53.01; 290.61; 303.05, Subdivision 1; 308.341; 319A.03; 319A.05; 319A.12, Subdivisions 1a and 2; 319A.20; 333.055, Subdivision 4; 333.19, Subdivision 1; 367.42, Subdivision 1; 462.601; and 462.605; proposing new law coded in Minnesota Statutes, Chapters 300, 302A, and 316; repealing Minnesota Statutes 1980, Sections 300.082 and 301.01 to 301.67.

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

Section 1. [302A.011] DEFINITIONS.

Subdivision 1. SCOPE. For the purposes of sections 1 to 125, unless the language or context clearly indicates that a different meaning is intended, the words, terms, and phrases defined in this section have the meanings given them.

Subd. 2. ACQUIRING CORPORATION. "Acquiring corporation" means the domestic or foreign corporation that acquires the shares of a corporation in an exchange.

Subd. 3. ADDRESS. "Address" means mailing address. In the case of a registered office or principal executive office, the term means the office address, which shall not be a post office box.

Subd. 4. ARTICLES. "Articles" means, in the case of a corporation incorporated under or governed by sections 1 to 125, articles of incorporation, articles of amendment, a resolution of election to become governed by sections 1 to 125, a demand retaining the two-thirds majority for shareholder approval of certain transactions, a statement of change of registered office or registered agent, a statement establishing or fixing the rights and preferences of a class or series of shares, a statement of cancellation of authorized shares, articles of

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