

## CHAPTER 67 — S.F.No. 219

*An act relating to state historic sites; adding the Wayzata Depot to the registry of state historic sites; amending Minnesota Statutes 1980, Section 138.56, by adding a subdivision.*

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

Section 1. Minnesota Statutes 1980, Section 138.56, is amended by adding a subdivision to read:

Subd. 14. WAYZATA DEPOT. Wayzata Depot, owned by the city of Wayzata, is in Hennepin county and is located at 402 East Lake Street in the city of Wayzata.

Approved April 30, 1981

## CHAPTER 68 — S.F.No. 305

*An act relating to retirement; various retirement funds; crediting service for vesting and benefit accrual purposes in the Minnesota demonstration job-sharing program; removing certain transitional provisions governing the fire state aid program; providing police state aid for municipalities which employ police officers with less than a full year of service; allowing disability benefit recipients to elect actuarially equivalent joint and survivor optional annuities; providing retirement coverage in the public employees retirement association for employees of the Range Association of Municipalities and Schools, the soil and water conservation districts and the Suburban Public Health Nursing Service, Incorporated; increasing the minimum salary requirement for inclusion in membership in the public employees retirement association; requiring various public pension plans to provide information on annuity forms to retiring members and notification to spouse of annuity form elected; authorizing certain former members of the Minneapolis municipal employees retirement fund to repay refund amounts under certain conditions; authorizing benefit increases for the Chisholm police relief association, the Chisholm firefighters relief association, the Eveleth police and firefighters retirement trust fund, the Thief River Falls police retirement trust fund, and the Buhl police relief association; specifying the investment authority of the St. Paul police relief association and the St. Paul firefighters relief association; amending Minnesota Statutes 1980, Sections 43.60, Subdivision 3; 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 1, 2, 6 and 7; 69.031, Subdivision 5; 352.113, Subdivisions 3 and 12; 352.95, Subdivision 5 and by adding a subdivision; 352B.10; 352B.105; 353.01, Subdivisions 2a, 2b and 6; 353.33, Subdivision 11 and by adding a subdivision; 353.656, Subdivision 6 and by adding a subdivision; 354.48, Subdivision 10 and by adding a subdivision; 354A.36, Subdivision 10 and by adding a subdivision; Laws 1945, Chapter 74, Sections 2, as amended, 3 and 4, as amended; 1955, Chapters 151, Section 7, as amended; and 375, Section 12, as amended; 1961, Chapter 631, Section 1, as amended; 1974, Chapter 435, Section 3.03; 1977, Chapter 61, Section 6; and 1978, Chapter 689, Section 5; proposing new law coded in Minnesota Statutes, Chapters 43; 353; 356; and 422A; repealing Minnesota Statutes 1980, Section 353.022.*

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

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

Section 1. Minnesota Statutes 1980, Section 43.60, Subdivision 3, is amended to read:

Subd. 3. Employees in shared positions shall be eligible for the following benefits and subject to the following obligations:

(1) Membership in the Minnesota state retirement system, the teachers retirement association, or the highway patrol retirement fund, whichever is appropriate, except that, notwithstanding any provision of sections 352.01, subdivisions 11 and 16, 352B.01, subdivision 3, 354.05, subdivisions 13 and 25, or 354.091, employees who are members of the Minnesota state retirement system or the highway patrol retirement fund shall have allowable service for purposes of section 352.01, subdivisions 11 and 16, the purpose of meeting the minimum service requirements for eligibility to a retirement annuity or other retirement benefit credited in full, but shall have benefit accrual service for the purpose of computing a retirement annuity or other retirement benefit 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;

(2) Vacation and sick leave accrual at the rate of the appropriate shared-time percent of the entitlement of comparable full-time employees;

(3) Employee dental, medical and hospital benefits coverage shall be available of the same type and coverage afforded to comparable full-time employees. Employees in shared positions who elect such coverage shall pay, by payroll deduction, the difference between the actual cost to the employer and the appropriate shared-time percent of the actual cost. The remaining percent shall be paid by the employer. Employee life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees;

(4) Dependent life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees. Dependent medical, hospital and dental benefits coverage shall be available to employees in shared positions of the same type and coverage afforded to comparable full-time employees, except that the employer shall contribute the appropriate shared-time percent of the dollar amount contributed for comparable full-time employees electing the same program, the remainder to be paid by payroll deduction by the employee electing such coverage;

(5) Employees in shared positions shall be entitled to the appropriate shared-time percent of the holiday pay to which comparable full-time employees are entitled for holidays observed by the full-time employees whenever the employee in a shared position would otherwise be scheduled to work on that

day. The employee may be allowed to reschedule working hours to avoid any loss in pay due to the prorating of holiday pay. When an employee in a shared position is not scheduled to work on an observed holiday the next scheduled working day shall be treated as the holiday:

(6) Employees in shared positions shall accrue seniority time in every relevant category at the same rate accorded to comparable full-time employees. No full-time employee accepting a shared position shall suffer any loss of or gap in seniority time in the relevant categories applicable to the full-time employment; and

(7) Any other benefits of employment for employees in shared positions shall be prorated at a rate of the appropriate shared-time percent of those available to comparable full-time employees, whenever the benefits are divisible. Contributions by the employer toward the benefits, if any, shall be equal to the appropriate share time percent of the full-time benefits. When not divisible, the cost of the full-time benefits normally allocable to the employer shall be allocated, the appropriate shared-time percent to the employee in a shared position, by payroll deduction, and the remaining percent to the employer.

**Sec. 2. [43A.465] CREDIT FOR PRIOR PART-TIME SERVICE.**

Any person who was employed in a shared position in the Minnesota demonstration job-sharing program pursuant to Laws 1980, Chapter 572, prior to the effective date of this act shall have service credit for that service in the applicable retirement fund recalculated in accordance with the provisions of section 1.

Sec. 3. 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 424 have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner or director of insurance.
- (b) "Municipality" means any city of any class, and organized town.
- (c) "Minnesota Firetown Premium Report" means a blank form containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums less return premiums and dividends received upon risks located or to be performed in this state.
- (d) "Firetown" means any municipality having a qualified fire department or a qualified incorporated fire department having a retirement plan.

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(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) (e) "Assessed Property Valuation" means latest available assessed value of all property in a taxing jurisdiction, whether such property is subject to taxation, or exempt from ad valorem taxation for any reason, appearing on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

(g) (f) "Minnesota Aid to Police Premium Report" means a blank form containing space for reporting by each fire and casualty insurer of all premiums less return premiums and dividends received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported on lines 19, 20, and 21 of page 14 of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations.

(h) (g) "Police officer" means any person:

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

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

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

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

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

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

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

(i) (h) "Full time equivalent number of police officers providing contract service" means the integral or fractional number of police officers which would

be necessary to provide the contract service if all were employed on a full time basis as defined by the employing unit in the municipality receiving the contract service.

Sec. 4. Minnesota Statutes 1980, Section 69.011, Subdivision 2, is amended to read:

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

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

On or before March 1 annually, the clerk of each municipality and the auditor of each county employing one or more police officers as defined in subdivision 1, clause (h), shall certify the number of such police officers to the commissioner on forms prescribed by him. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for one-twelfth of the payment for employment of a police officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a police officer shall commence when the police officer is entered on the payroll of the respective municipal police department or county sheriff's department. No police officer shall be included in the certification of the number of police officers by more than one municipality or county for the same month.

Sec. 5. Minnesota Statutes 1980, Section 69.021, Subdivision 1, is amended to read:

Subdivision 1. **MINNESOTA FIRETOWN PREMIUM REPORT AND MINNESOTA AID TO POLICE PREMIUM REPORT.** The commissioner of insurance shall, at the time he mails annual statement and tax forms, send blank copies of the Minnesota Firetown Premium Report and when applicable the Minnesota Aid to Police Premium Report to each insurer.

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including township and farmers mutual insurance companies licensed to write insurance as described in section 69.011, subdivision 1, ~~clause~~ clauses (c) and ~~clause (g)~~ (f) in this state. These reports shall contain space for the insurers name, address, gross premiums less return premiums, dividends, net premiums, certification and other facts the commissioner may require.

Sec. 6. Minnesota Statutes 1980, Section 69.021, Subdivision 2, is amended to read:

Subd. 2. **REPORT OF PREMIUMS.** Each insurer, including township and farmers mutual insurers where applicable, shall return to the commissioner with its annual financial statement the reports described in subdivision 1 certified by its secretary and president or chief financial officer. The Minnesota Firetown Premium Report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, and sprinkler leakage insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multi-peril and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner. The Minnesota Aid to Police Premium Report shall contain a true and accurate statement of the total premiums, less return premiums and dividends received, on all direct business received by such insurer in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for perils described in section 69.011, subdivision 1, clause ~~(g)~~ (f).

Sec. 7. Minnesota Statutes 1980, Section 69.021, Subdivision 6, is amended to read:

Subd. 6. **CALCULATION OF APPORTIONMENT OF AID TO COUNTIES.** With respect to firefighters, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their assessed property valuation, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns or townships in other counties as evidenced by valid fire service contracts filed with the commissioner of insurance and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. ~~The amount of firefighter's state aid apportioned to each county shall not be less than 100 percent nor more than 150 percent of the average state aid calculated~~

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for apportionment to the county. ~~Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each county's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. Other Necessary adjustments shall be made to subsequent apportionments. No county shall receive less than provided for under this subdivision.~~

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

Sec. 8. Minnesota Statutes 1980, Section 69.021, Subdivision 7, is amended to read:

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

In the case of municipalities or independent fire departments qualifying for the aid the county auditor shall calculate the state aid for the municipality or relief association on the basis of the population and the property valuation of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with him. If one or more fire departments are furnishing contracted fire service to a city, town or township only the population and valuation of the area served by each fire

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department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the assessed property valuation of each service area. Agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

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

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

(2) The county auditor shall apportion the state police aid received by him to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed by the county auditor in proportion to the total number of police officers, as ~~defined in~~ determined pursuant to section 69.011, subdivision 1, clause (h) (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

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

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

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

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be adjusted in proportion to the total number of police officers in the municipalities and the county, so that the amount of police state aid apportioned shall not exceed the amount of police state aid available for apportionment.

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

Sec. 9. Minnesota Statutes 1980, Section 69.031, Subdivision 5, is amended to read:

Subd. 5. **DEPOSIT OF STATE AID.** (1) The municipal treasurer, when the state aid and tax is received by him, shall within 30 days after receipt pay over the portion of it attributed to premiums reported on the Minnesota Firetown Premium Report to the treasurer of the duly incorporated 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 424.31~~ section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in those sections.

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

(a) For a municipality in which a local police relief association exists and all police officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, 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 officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in this subdivision, to

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use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full time police officers, as defined in section 69.011, subdivision 1, clause (h) (g).

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

Sec. 10. Minnesota Statutes 1980, Section 352.113, Subdivision 3, is amended to read:

Subd. 3. **COMPUTATION OF BENEFITS.** The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. ~~The optional annuities provided for in section 352.116 do not apply to this section. Employees covered by the system whose total and permanent disability shall have been established prior to July 1, 1961, and approved by the trustees, shall continue to receive the disability benefits provided by the law then in effect so long as the total and permanent disability continues. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability begins to accrue as provided in subdivision 2, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.~~

Sec. 11. Minnesota Statutes 1980, Section 352.113, Subdivision 12, is amended to read:

Subd. 12. **RETIREMENT STATUS AT AGE 65.** The disability benefit paid to ~~an a~~ a disabled employee hereunder shall terminate when ~~he~~ the employee reaches age 65. ~~If he~~ the disabled employee is still totally and permanently disabled. ~~At that time he~~ when the employee reaches age 65, the employee shall be deemed to be a retired employee and, ~~if the employee had elected an optional annuity pursuant to subdivision 3, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if~~

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the employee had not elected an optional annuity pursuant to subdivision 3, may then elect to receive either a normal retirement annuity equal in amount to the disability benefit paid to him before he the employee reached age 65 or an optional annuity as provided in section 352.116, subdivision 3. Election of an optional annuity must shall be made within 60 days prior to reaching age 65 and. If an optional annuity is elected, the election shall be effective on the date on which the employee attains the age of 65 years and the optional amount annuity shall begin to accrue the first of the month following the month in which the employee attains age 65.

Sec. 12. Minnesota Statutes 1980, Section 352.95, is amended by adding a subdivision to read:

Subd. 1a. OPTIONAL ANNUITY ELECTION. A disabled correctional employee may elect the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue as provided in subdivision 3, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 13. Minnesota Statutes 1980, Section 352.95, Subdivision 5, is amended to read:

Subd. 5. RETIREMENT STATUS AT AGE 65. The disability benefit paid to an a disabled correctional employee hereunder shall terminate when the employee reaches age 62. At that time he or she If the disabled correctional employee is still disabled when the employee reaches age 62, the employee shall be deemed to be a retired employee and, if the employee had elected an optional annuity pursuant to subdivision 1a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the employee had not elected an optional annuity pursuant to subdivision 1a, may then either elect to receive a normal retirement annuity computed in the manner provided in section 352.115 or elect to receive an optional annuity as provided in section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity shall be made prior to attaining the age of 62 years. The reduction for retirement prior to age 65 as provided in section 352.116, subdivision 1, shall not be applicable. The savings clause provision of section 352.93, subdivision 3, shall be applicable. If an optional annuity is elected, the optional annuity shall begin to accrue on the first of the month following the month in which the employee attains the age of 62 years.

Sec. 14. Minnesota Statutes 1980, Section 352B.10, is amended to read:  
352B.10 **DISABILITY BENEFITS.**

(1) Any member less than 55 years of age, who shall become disabled and physically unfit to perform his duties as a direct result of an injury,

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sickness, or other disability incurred in or arising out of any act of duty, which shall render the member physically or mentally unable to perform his or her duties, shall receive disability benefits during the period of such disability. The benefits shall be paid in monthly installments equal to that portion of the average monthly salary of the member multiplied (a) by 50 percent and, (b) by an additional two percent for each year and pro rata for completed months of service in excess of 20 years.

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

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

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

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

(6) A disabled member not eligible for survivorship coverage pursuant to section 352B.11, subdivision 2, may elect the normal disability benefit or an optional annuity as provided in section 352B.08, subdivision 2. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of this election or the date on which the disability benefit begins to accrue, whichever occurs later.

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Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 15. Minnesota Statutes 1980, Section 352B.105, is amended to read:

**352B.105 TERMINATION OF DISABILITY BENEFITS.**

All disability benefits payable under section 352B.10 shall terminate when the beneficiary becomes 55 years of age. ~~Thereafter, retirement benefits shall be paid to the beneficiary in the same amount as the disability benefits which he was previously receiving, except that he may elect when he attains 55 years of age to receive retirement benefits in accordance with any option then available to other members retiring at the time. If the beneficiary is still disabled when the beneficiary attains the age of 55 years, the beneficiary shall be deemed to be a retired member and, if the beneficiary had elected an optional annuity pursuant to section 352B.10, clause (6), shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the beneficiary had not elected an optional annuity pursuant to section 352B.10, clause (6), may then elect to receive either a normal retirement annuity computed pursuant to section 352B.08, subdivision 1, or an optional annuity as provided in section 352B.08, subdivision 2. Election of an optional annuity shall be made prior to attaining the age of 55 years. If an optional annuity is elected, the optional annuity shall begin to accrue the first of the month following the month in which the beneficiary attains the age of 55 years.~~

Sec. 16. Minnesota Statutes 1980, Section 353.01, Subdivision 2a, is amended to read:

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

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

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(i) Employees of the Minnesota Municipal Utilities Association.

(j) Elected or appointed officers and employees of the city of Minneapolis, or 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, if the officer's assumption of the position or the employee's employment initially commences on or after July 1, 1979.

(k) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.

(l) Employees of the Minneapolis municipal employees retirement fund, if employment initially commences on or after July 1, 1979.

(m) Employees of special school district number 1 who are not members of the Minneapolis teachers retirement fund association if employment initially commences on or after July 1, 1979.

(n) Employees of the Range Association of Municipalities and Schools.

(o) Employees of the soil and water conservation districts.

Sec. 17. Minnesota Statutes 1980, Section 353.01, Subdivision 2b, is amended to read:

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

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

(b) Election officers.

(c) Independent contractors and their employees.

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

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

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of ~~\$250~~ \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

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

(g) Part-time employees other than firefighters who receive monthly compensation not exceeding ~~\$250~~ \$325, and part-time employees other than firefighters and elected officials whose annual compensation is stipulated in advance to be not more than ~~\$3,000~~ \$3,900 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed ~~\$250~~ \$325 per month.

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

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full-time by a governmental subdivision shall be exempt under this paragraph.

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

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

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

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees 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

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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 person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of ~~\$250~~ \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) Volunteer firefighters as defined in subdivision 34.

(t) A 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 person's regular nonteaching occupation; 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.

(u) A person exempt from licensure pursuant to section 125.031.

Sec. 18. 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;~~ or any hospital district organized or reorganized prior to July 1, 1975 pursuant to legislation enacted by the 1959 legislature.

Sec. 19. **[353.024] RETIREMENT; PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; EMPLOYEES OF SUBURBAN PUBLIC HEALTH NURSING SERVICE, INCORPORATED.**

From and after June 1, 1981, employees of the Suburban Public Health Nursing Service, Incorporated, shall become members of the public employees retirement association unless specifically exempt under section 353.01, subdivision 2b, and the Suburban Public Health Nursing Service, Incorporated, shall be deemed to be a governmental subdivision for the purpose of this chapter.

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



Retirement coverage by the public employees retirement association shall be provided by the appropriate retirement program as follows:

(a) an employee who was a basic member of the public employees retirement association prior to December 2, 1977, and who chose to be excluded from federal old age, survivors, disability and health insurance coverage during an authorized referendum for the period from December 2, 1977, to June 1, 1981, shall be deemed to be a basic member and shall be entitled to coverage by the basic retirement program; and

(b) an employee who was either a basic member or a coordinated member prior to December 2, 1977, and who chose to be included in federal old age, survivors, disability and health insurance coverage during an authorized referendum for the period December 2, 1977, to June 1, 1981, or an employee who was a coordinated member prior to December 2, 1977, and who chose to be excluded from federal old age, survivors, disability and health insurance coverage during an authorized referendum for the period from December 2, 1977, to June 1, 1981, shall be deemed to be a coordinated member and shall be entitled to coverage by the coordinated retirement coverage.

**Sec. 20. [353.025] RETIREMENT; PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS.**

From and after January 1, 1982, employees of the Range Association of Municipalities and Schools hereinafter referred to as the association, shall become coordinated members of the public employees retirement association unless specifically exempt under section 353.01, subdivision 2b, and the association shall be deemed to be a governmental subdivision for the purposes of this chapter.

Sec. 21. Minnesota Statutes 1980, Section 353.33, is amended by adding a subdivision to read:

Subd. 3a. OPTIONAL ANNUITY ELECTION. A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue as provided in subdivision 2, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 22. Minnesota Statutes 1980, Section 353.33, Subdivision 11, is amended to read:

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

Subd. 11. **RETIREMENT STATUS AT AGE 65.** No person shall be entitled to receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person hereunder shall terminate when ~~he~~ the person reaches age 65. ~~If he~~ the person is still totally and permanently disabled. ~~At that time he~~ when the person attains the age of 65 years, the person shall be deemed to be on retirement status and, ~~if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at his option be paid of the person either elect to receive either a normal retirement annuity as provided in section 353.29 or normal retirement annuity equal to the disability benefit paid to him before he~~ the person reached age 65, whichever amount is greater, or elect to receive an optional annuity as provided in section 353.30, subdivision 3. Any disabled person who becomes age 65 after June 30, 1973, shall have ~~his~~ the annuity computed in accordance with the law in effect upon attainment of age 65. ~~A person who elects an annuity under section 353.29 may, prior to age 65, select an optional annuity pursuant to section 353.30, subdivision 3.~~ Election of an optional annuity shall be made prior to the person attaining the age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the age of 65 years.

Sec. 23. Minnesota Statutes 1980, Section 353.656, is amended by adding a subdivision to read:

Subd. 1a. **OPTIONAL ANNUITY ELECTION.** A disabled member of the police and fire fund may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 24. 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. If the person is still disabled when the person attains the age of 55 years, the person shall be deemed to be a retired member and, if the person had elected an optional~~

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annuity pursuant to subdivision 1a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 1a, may then elect to receive either a normal retirement annuity computed pursuant to section 353.651, or an optional annuity as provided in section 353.30, subdivision 3. Any disabled person who becomes age 55 after June 30, 1973, shall have his the 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. Election of an optional annuity shall be made prior to the person attaining the age of 55 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 55 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the age of 55 years.

Sec. 25. Minnesota Statutes 1980, Section 354.48, is amended by adding a subdivision to read:

Subd. 3a. OPTIONAL ANNUITY ELECTION. A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 354.45, subdivision 1. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 26. 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~~ the person reaches age 65. If ~~he~~ the person is still totally and permanently disabled. At that time ~~he~~ when the person attains the age of 65 years, the person shall be deemed to be on retirement status and ~~he~~, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at his the option be paid of the person elect to receive either a straight life retirement annuity as provided in computed pursuant to section 354.44 or a straight life retirement annuity equal to the disability benefit paid to him before ~~he~~ the person reached age 65, whichever amount is greater, or elect to receive an optional annuity as provided in section 354.45, subdivision 1. He may instead of taking the straight life annuity provided herein, however, select an optional retirement annuity as provided in section 354.45. Any

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disability benefit recipient who is age 65 after June 30, 1973 shall have his retirement annuity computed in accordance with Minnesota Statutes 1974, section 354.44, subdivision 6 or 7, if such annuity is larger than the annuity otherwise payable. Any increase in retirement annuities shall begin to accrue July 1, 1975. Election of an optional annuity shall be made prior to the person attaining the age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the age of 65 years.

Sec. 27. Minnesota Statutes 1980, Section 354A.36, is amended by adding a subdivision to read:

Subd. 3a. OPTIONAL ANNUITY ELECTION. A disabled coordinated member may elect to receive the normal disability benefit or an optional annuity as provided in section 354A.32. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 28. Minnesota Statutes 1980, Section 354A.36, Subdivision 10, is amended to read:

Subd. 10. RETIREMENT STATUS UPON ATTAINING AGE 65. No person shall be entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining age 65, the disability benefit shall terminate and the former disability benefit recipient shall be deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity pursuant to subdivision 3a, the recipient shall receive an annuity in accordance with the terms of the optional annuity previously elected, or if the recipient had not elected an optional annuity pursuant to subdivision 3a, the recipient shall be entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to section 354A.31 or the disability benefit paid to the recipient immediately prior to the recipient's attaining age 65. The former disability benefit recipient shall be entitled to or elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity shall be made prior to the person attaining the age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the age of 65 years.

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

**Sec. 29. [356.371] APPLICATION FOR RETIREMENT ANNUITY; PROCEDURE FOR ELECTING ANNUITY FORM.**

Subdivision 1. DEFINITIONS. As used in this section, the following terms shall have the meanings given.

(1) "Annuity form" means the payment procedure and duration of a retirement annuity available to a member of a public pension fund, based on the period over which a retirement annuity is payable, determined by the number of persons to whom the retirement annuity is payable, and the amount of the retirement annuity which is payable to each person.

(2) "Joint and survivor optional annuity" means an optional annuity form which provides a retirement annuity to a retired member and the spouse of the member on a joint basis during the lifetime of the retired member and all or a portion of the original retirement annuity amount to the surviving spouse in the event of the death of the retired member.

(3) "Optional annuity form" means an annuity form which is elected by a member and is not provided automatically as the standard annuity form of the public pension fund.

(4) "Public pension fund" means a public pension plan as defined pursuant to Minnesota Statutes, Section 356.60, Subdivision 1, Clause (a).

(5) "Retirement annuity" means a retirement annuity, retirement allowance or service pension.

**Subd. 2. PROVISION OF INFORMATION ON ANNUITY FORMS.**  
Every public pension fund which provides for an annuity form other than a single life retirement annuity as an option which can be elected by the active or retiring member shall provide as a part of, or accompanying the annuity application form, a written statement summarizing the optional annuity forms which are available, a general indication of the consequences of selecting one annuity form over another, a calculation of the actuarial reduction in the amount of the retirement annuity which would be required for each optional annuity form and the procedure to be followed to obtain more information from the public pension fund concerning optional annuity forms.

**Subd. 3. REQUIREMENT OF NOTICE TO MEMBER'S SPOUSE.**  
If a public pension fund provides optional annuity forms which include a joint and survivor optional annuity form potentially applicable to the surviving spouse of a member, the public pension fund shall send a copy of the written statement required by subdivision 2 to the spouse of the member prior to the member's election of an optional annuity.

Following the election of an annuity form by the member, a copy of the completed annuity application shall be sent by certified mail to the spouse of the retiring member.

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

**Sec. 30. [422A.221] AUTHORIZATION FOR REPAYMENT OF REFUND IN CERTAIN INSTANCES.**

Subdivision 1. ENTITLEMENT. Any person who was a member of the Minneapolis municipal employees retirement fund by virtue of the person's employment and was required to receive a refund of accumulated member contributions and interest pursuant to Minnesota Statutes 1957, Section 422.09 shall be entitled to repay to the Minneapolis municipal employees retirement fund any amounts refunded and, when otherwise qualified, to receive a retirement annuity from the fund calculated under the applicable law in effect upon the termination of covered service.

Subd. 2. CALCULATION OF REPAYMENT. The refund repayment shall be an amount equal to the amount previously refunded plus interest from the date of the refund until the date of the repayment at the rate of six percent per annum, compounded annually. No service credit shall be credited prior to the receipt of the amount refunded plus interest thereon.

Sec. 31. Laws 1945, Chapter 74, Section 2, as amended by Laws 1949, Chapter 164, Section 1; Laws 1953, Chapter 235, Section 1; Laws 1959, Chapter 211, Section 1; Laws 1961, Chapter 290, Section 1; and Laws 1971, Chapter 810, Section 1, is amended to read:

**Sec. 2. CHISHOLM, CITY OF; POLICE RELIEF ASSOCIATION, PENSIONS.**

The members of the municipal police department of Chisholm are hereby authorized to become incorporated pursuant to the provisions of General Statutes 1923, Chapter 58, and the laws amendatory thereto, and adopt a constitution and bylaws as a relief association, and provide for and permit and allow such police relief association, so incorporated, and organized, to pay out of and from any funds it may have received from any source a service, disability or dependency pension in such amounts and in such manner as its articles of incorporation and bylaws shall designate, subject to the provisions of Laws 1945, Chapter 74, as amended.

When a member has reached the age of ~~55~~ 50 years or more and served as a member of such municipal police department for a period of 20 years or more, or has been disabled physically or mentally because of any injury received or suffered after at least one year of service as a member of the police department, so as to render necessary his retirement from active police service and cause a total and permanent disability, such retirement member shall be paid each month a pension equal to one-half of his average monthly ~~base~~ total pay during the last six months of his service with said police department. No pension authorized by this act shall be paid to any person after he removes his residence from the United States, or to any person who shall have been convicted of a felony for which he shall have been adjudged to be imprisoned.

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

or who is an habitual drunkard, or to any person receiving a pension or sick relief from any other public relief association.

When any member retires from said service who either is not entitled to, or does not care to accept a pension, he may withdraw all moneys deducted from his salary, minus any moneys that have been paid out of such fund for his benefit for hospitalization or doctors' services, or in insurance premiums therefor. In that event, neither he nor his dependents shall be entitled to further benefits under Laws 1945, Chapter 74, as amended. Alternatively, a member of the association who completes 20 years of service but has not attained 55 50 years of age may retire without forfeiting his right to a retirement pension. Upon application he shall be placed upon the preferred pension roll of the association. After he has attained the age of 55 50 years the association shall, upon application, commence payment of his pension from the date upon which it approves his application.

These monthly payments may be increased by adding thereto an amount not exceeding \$5 per month for each year of active duty over 20 years of service before retirement not to exceed five years for purposes of pension computation. No such pension shall be paid to any person while he remains a member of the police department and no person receiving such pension shall be entitled to any other relief from the association.

Sec. 32. Laws 1945, Chapter 74, Section 3, is amended to read:

**Sec. 3. WIDOWS AND CHILDREN MAY RECEIVE PENSION SURVIVORS' BENEFITS.**

Subdivision 1. DEFINITIONS. For the purposes of Laws 1945, Chapter 74, as amended, the terms defined in this section have the meanings given them.

(1) "Surviving spouse" means a person who became the member's legally married spouse during or prior to the time the member was on the payroll of any such police department as a police officer, and remained such continuously after their marriage until the member's death, without having been granted a marriage dissolution or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member before the member's retirement from the police department; and who, in any case, was residing with the member at the time of the member's death. No temporary absence for purposes of business, health or pleasure shall constitute a change of residence for purposes of this clause.

(2) "Surviving child" means any child born the issue of the lawful wedlock of a service, disability or deferred pensioner or of a deceased active member, who is under the age of 18 or who is a full-time student under the age of 22.

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

**Subd. 2. ELIGIBILITY.** Pensions may be paid to any widow surviving spouse or surviving child under sixteen years of age of such a pensioned and retired member of the police department, or to any widow or child under sixteen years of age of any member who dies while in the service of the police department of any such this city.

Sec. 33. Laws 1945, Chapter 74, Section 4, as amended by Laws 1953, Chapter 235, Section 2; and Laws 1971, Chapter 810, Section 3, is amended to read:

**Sec. 4. SURVIVORS' PENSIONS, TO WHOM AMOUNTS PAYABLE.**

Pension may be paid by such police relief association to any widow or child under 19 years of age of any such pensioned and retired member of the police department and to any widow or child under 19 years of age of any member who dies while in the service of the police department of such city, and such widow or child shall receive such sums as may be provided for in the bylaws of such police relief association. In the event any such widow remarries, she shall receive no further benefits under this law.

A surviving spouse shall receive a monthly benefit equal to 25 percent of the member's average monthly total pay during the last six months of allowable service preceding death. If a surviving spouse remarries, the pension shall cease and terminate as of the date of the remarriage.

Each surviving child shall receive a monthly benefit equal to \$125 per month.

If both the member and the member's spouse are deceased, a monthly benefit equal to 25 percent of the member's average monthly total pay during the last six months of allowable service preceding death shall be paid to the surviving child or children. The benefit shall be divided equally if there is more than one surviving child.

This fund shall not be used for any other purpose than the payment of service, disability or dependency pensions, as herein provided, and for the relief of a sick, injured and disabled policeman. The word "member" as used in this act includes policewomen, police matrons and assistant police matrons.

Sec. 34. Laws 1955, Chapter 151, Section 7, as amended by Laws 1963, Chapter 271, Section 4, Laws 1965, Chapter 465, Section 1, and Laws 1969, Chapter 442, Section 2, is amended to read:

**Sec. 7. ST. PAUL POLICE RELIEF ASSOCIATION; AUTHORIZED INVESTMENTS.**

In addition to the rate allowed to be expended for cost of government by the charter of the city or state statute, the city shall levy a tax on all taxable

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



property within the city of Saint Paul at a mill rate which is the greater of (a) or (b) but not greater than (c) where

(a) is the benefits to be paid from the plan in the ensuing calendar year (all other income will be added to the assets as a net increase in such assets) and

(b) is the "adjusted normal cost" for the ensuing calendar year less all other income other than investment income during the ensuing calendar year where the term "adjusted normal cost" is defined as the normal cost figure indicated in the most recent actuarial report required by law increased or decreased by the same ratio as participating (covered) payroll has increased or decreased since the date of the most recent actuarial report required by law, plus interest on the actual deficit as shown by the most recent actuarial valuation at the rate of three percent per annum, and,

(c) is an amount not greater than four mills in the year 1969 and an additional one mill each year thereafter unless a greater amount is required by the police and firemen's relief associations guidelines act of 1969.

The results of (a), (b) and (c) above will be adjusted so as to reflect any differences between estimates for prior calendar years and actual circumstances during such prior calendar years.

The tax so levied under the provisions of this section shall be levied in the same manner as the city levies other taxes, and the proceeds of this tax shall be paid into the St. Paul policemen's pension fund. The tax levy authorized by this section shall not be considered a part of the tax levy under any limitation in the charter of the city or state statute, but shall be in addition to any existing charter or statutory tax levy limitation.

~~Said relief association may deposit all funds available for investment with any bank or savings and loan association in Saint Paul in the form of time deposits or with the state board of investment for the purchase of shares of participation in the supplemental retirement fund or any similar fund created by the legislature for police pension investment purposes. At the determination of the board of trustees of the association, up to 20 percent of the funds deposited with the state board of investment may be invested in the growth share account, with the remainder to be invested in the income share account. Such shares shall be credited to the account of and owned by the Saint Paul police retirement association and not to the account of any individual employee. The investment of the funds of the relief association shall be governed pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, Clause (7).~~

Sec. 35. Laws 1955, Chapter 375, Section 12, as amended by Laws 1957, Chapter 256, Section 1, Laws 1967, Chapter 708, Section 1, and Laws 1969, Chapter 443, Section 1, is amended to read:

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

**Sec. 12. ST. PAUL, CITY OF; FIREMEN'S FIREFIGHTERS' RELIEF ASSOCIATION; TAX LEVY.**

The city council or other governing body of such city wherein such a relief association is located shall, each year, at the time the tax levies for the support of the city are made, and in addition thereto levy a tax on all taxable property within the city of Saint Paul in an amount which is the greater of (a) or (b) but not greater than (c) where

(a) is the benefits to be paid from the plan in the ensuing calendar year (all other income will be added to the assets as a net increase in such assets), and

(b) is the "Adjusted Normal Cost" for the ensuing calendar year less all other income other than investment income during the ensuing calendar year where the term "Adjusted Normal Cost" is defined as the Normal Cost figure indicated in the most recent actuarial report required by law increased or decreased by the same ratio as participating (covered) payroll has increased or decreased since the date of the most recent actuarial report required by law, plus interest on the actual deficit as shown by the most recent actuarial valuation at the rate of three percent per annum, and

(c) is an amount not greater than four and one half mills in the year 1969 and an additional one mill each year thereafter unless a greater amount is required by the Police and Firemen's Relief Associations Guidelines Act of 1969.

The results of (a), (b) and (c) above will be adjusted so as to reflect any differences between estimates for prior calendar years and actual circumstances during such prior calendar years.

The tax so levied under the provisions of this section shall be levied in the same manner as the city levies other taxes, and the proceeds of this tax shall be paid into the St. Paul Fire Department Relief Association's pension fund. The tax levy authorized by this section shall not be considered a part of the tax levy under any limitation in the charter of the city or state statute, but shall be in addition to any existing charter or statutory tax levy limitation.

The tax so levied shall be transmitted with other tax levies to the auditor of the county in which such city is situated, and by said county shall be collected and payment thereof enforced when and in like manner as state and county taxes are paid.

Said relief association may deposit all funds available for investment with any bank or savings and loan association in Saint Paul in the form of time deposits or with the state board of investment for the purchase of shares of participation in the Supplemental Retirement Fund or any similar fund created by the legislature for fire and police pension investment purposes. At the

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determination of the board of trustees of the association, up to 20 percent of the funds deposited with the state board of investment may be invested in the Growth Share Account, with the remainder to be invested in the Income Share Account. Such shares shall be credited to the account of and owned by the Saint Paul fire department relief association and not to the account of any individual employee. The investment of the funds of the relief association shall be governed pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, Clause (7).

Sec. 36. Laws 1961, Chapter 631, Section 1, as amended by Laws 1971, Chapter 809, Section 1, is amended to read:

**Sec. 1. CHISHOLM, CITY OF; FIREMEN'S RELIEF ASSOCIATION.**

In the city of Chisholm, which has a fire department relief association organized under the laws of this state and authorized to pay pensions under Mason's Minnesota Statutes of 1927, Sections 1919, 1920, and 3723 to 3728, or any amendments thereof, such association may pay retirement pensions in excess of the amounts so authorized, but not in excess of the following total amounts:

When a member has reached the age of \$5 50 years or more and has served as a member of such municipal fire department for a period of 20 years or more, or has been disabled physically or mentally because of any injury received or suffered after at least one year of service as a member of the fire department so as to render necessary his retirement from active fire service and cause a total and permanent disability, ~~such retirement~~ the member shall be paid each month a pension equal to one half of his average monthly base total pay during the last six months of his service with said fire department. The monthly payments may be increased by adding thereto an amount not exceeding \$5 per month for each year of active duty over 20 years of service before retiring not to exceed five years for purposes of pension computation. No such pension shall be paid to any person while he remains a member of the fire department. The amounts of the retirement pensions hereby authorized shall not apply to members who have retired prior to the enactment hereof, except as may be hereinafter provided.

**Sec. 37. CHISHOLM FIREFIGHTERS' RELIEF ASSOCIATION; SURVIVORS' BENEFITS.**

Subdivision 1. DEFINITIONS. For the purposes of Laws 1961, Chapter 631, as amended, the terms defined in this section have the meanings given them.

(1) "Surviving spouse" means a person who became the member's legally married spouse during or prior to the time the member was on the payroll of any such fire department as a firefighter, and remained such continuously after

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their marriage until the member's death, without having been granted a marriage dissolution or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member prior to the member's retirement from the fire department; and who, in any case, was residing with the member at the time of the member's death. No temporary absence for purposes of business, health or pleasure shall constitute a change of residence for purposes of this clause.

(2) "Surviving child" means any child born the issue of the lawful wedlock of a service, disability or deferred pensioner, or of a deceased active member, who is under the age of 18 or who is a full-time student under the age of 22.

**Subd. 2. ELIGIBILITY.** Notwithstanding any law to the contrary, pensions may be paid to any surviving spouse or surviving child of a pensioned and retired member of the fire department or of any member who dies while in the service of the fire department of this city.

**Subd. 3. AMOUNTS PAYABLE.** A surviving spouse shall receive a monthly benefit equal to 25 percent of the member's average monthly total pay during the last six months of allowable service preceding death. If a surviving spouse remarries, the pension shall cease and terminate as of the date of the remarriage.

Each surviving child shall receive a monthly benefit equal to \$125 per month.

If both the member and the member's spouse are deceased, a monthly benefit equal to 25 percent of the member's average monthly total pay during the last six months of allowable service preceding death shall be paid to the surviving child or children. The benefit shall be divided equally if there is more than one surviving child.

Sec. 38. Laws 1974, Chapter 435, Section 3.03, is amended to read:

**Sec. 3.03. RETIREMENT.**

Notwithstanding the provisions of the Veterans Preference Act or other statutes of the state of Minnesota to the contrary, Each employee of the county of Ramsey, except each an elected official, who is 65 70 years of age, must shall retire from his employment by Ramsey county on the first day of the month after the month in which he the employee becomes 65 70.

Sec. 39. Laws 1977, Chapter 61, Section 6, is amended to read:

**Sec. 6. FINANCIAL REQUIREMENTS OF THE TRUST FUND.**

Commencing January 1, 1978, the city of Eveleth shall provide by annual levy an amount sufficient to pay the greater of either (a) an amount which when added to the investment income of the trust fund is sufficient to

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pay the benefits provided under the trust fund for the succeeding year as certified by the board of trustees of the trust fund; or (b) an amount equal to the level annual dollar amount sufficient to amortize the unfunded accrued liability of the trust fund by December 31, 1991, as determined in accordance with Minnesota Statutes, Sections 69.77, 356.215 and 356.216, in the latest actuarial valuation.

The annual levy under this section shall not be included in any limitation as to rate or amount set by charter and shall be a special levy for purposes of Minnesota Statutes, Section 275.50, Subdivision 5. All revenues generated by the levy required under this section shall be transferred to the trust fund.

**Sec. 40. EVELETH POLICE AND FIREFIGHTERS.**

Notwithstanding any general or special law to the contrary, retirement benefits payable to retired police officers and firefighters by the Eveleth police and fire trust fund may be increased by \$40 per month. Survivor benefits payable to a surviving spouse or surviving dependent child may be increased by \$20 per month. Increases may be made retroactive to January 1, 1981.

Sec. 41. Laws 1978, Chapter 689, Section 5, is amended to read:

**Sec. 5. FINANCIAL REQUIREMENTS OF THE TRUST FUND.**

Commencing January 1, 1979, the city of Thief River Falls shall provide by annual levy an amount sufficient to pay the greater of either:

(a) the aggregate amount of service pensions, disability benefits, and survivorship benefits projected by the board of trustees of the trust fund established pursuant to section 4 for the following calendar year less the amount of assets in the trust fund as reported in the last audited financial report of the association prepared pursuant to Minnesota Statutes, Section 69.051, or

(b) an amount equal to the level annual dollar amount sufficient to amortize the unfunded accrued liability of the trust fund by December 31, 1996, as determined in accordance with Minnesota Statutes, Sections 69.77, 356.215 and 356.216, in the latest actuarial valuation. All revenues generated by any levy required under this section shall be transferred to the trust fund.

**Sec. 42. THIEF RIVER FALLS POLICE; SURVIVOR BENEFITS.**

Subdivision 1. BENEFITS. Notwithstanding Minnesota Statutes, Section 423.58, when a service pensioner, disability pensioner, deferred pensioner, or an active member of the Thief River Falls police 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 as follows:

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(1) To the surviving spouse a pension in an amount not to exceed \$250 per month payable for life; provided, however, that if the surviving spouse shall remarry, the pension shall terminate as of the date of remarriage.

(2) To the child or children, until the child reaches the age of 18 years, a monthly benefit in an amount not to exceed \$125 per month. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent or if none, to the legal guardian of the child. The maximum monthly benefit for any one family shall not exceed \$750. If the member shall die under circumstances which entitle his surviving spouse and dependent children to receive benefits under the workers' compensation law, the amounts so received by them shall not be deducted from the benefits payable under this section.

Subd. 2. DEFINITIONS. (a) "Surviving spouse" means a person who became the member's legally married spouse while or prior to the time he was on the payroll of the police department as a police officer, and remained such continuously after their marriage until his death, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member before his retirement from the police department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health or pleasure, shall constitute a change of residence for the purposes of this section.

(b) "Surviving child" means any child born the issue of the lawful wedlock of a service, disability or deferred pensioner, or of a deceased active member.

#### **Sec. 43. BUHL POLICE SURVIVOR BENEFITS.**

Notwithstanding any provision of any general or special law to the contrary, the Buhl police relief association may provide in its bylaws or articles of incorporation for the payment of survivor benefits to the surviving spouse of a deceased member, or the surviving dependent children equally if there be no surviving spouse, in an amount equal to 50 percent of the pension the deceased member was receiving on the date of death. The service pension is to be based on one-half of the total pay of the previous 12 month period. Payment shall continue until the surviving spouse remarries or until the dependent children reach the age of 18 years, or 22 years if a full-time student. In the event of the death of a member prior to retirement, dependent children shall receive survivor benefits in the amount of \$125 per month per child, payable until age 18 or age 22 if a full-time student.

#### **Sec. 44. ELECTION OF RETIREMENT COVERAGE.**

Subdivision 1. ELECTION. Any person who was an employee of the Suburban Public Health Nursing Service, Incorporated, on or after December 2, 1977, who was excluded from membership in the public employees retirement

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association shall be entitled to receive allowable service credit in the public employees retirement association in the applicable retirement program for any service as an employee of the Suburban Public Health Nursing Service, Incorporated, during the period from December 2, 1977, to June 1, 1981, if:

(a) the employee had deposited an amount equal to the applicable employee contribution rate specified in Minnesota Statutes, Section 353.27, Subdivision 2, applied to the salary rates which the employee actually earned during the period in a retirement contribution escrow account established by the Suburban Public Health Nursing Service, Incorporated;

(b) the Suburban Public Health Nursing Service, Incorporated, had deposited an amount equal to the applicable employer and employer additional contribution rate specified in Minnesota Statutes, Section 353.27, Subdivisions 3 and 3a, applied to the salary rates which the employee actually earned during the period in the retirement contribution escrow account;

(c) the accumulated moneys of the retirement contribution escrow account, including any investment income earned, is transferred on or before the effective date of this act; and

(d) proof of service is established by documentation from the Suburban Public Health Nursing Service, Incorporated, to the executive director of the public employees retirement association in whatever form and to whatever extent required by the executive director.

Allowable service credit shall only be granted based on amounts deposited in the retirement contribution escrow account representing contributions for actual service rendered. Purchase of allowable service credit shall be limited to service attributable to the moneys representing contributions transferred from the escrow account to the public employees retirement association. In the event that the moneys representing contributions transferred to the retirement association are not equal to the amount of contributions which should have been made for the service certified, service credit shall be granted in the proportion that the actual moneys representing contributions bear to the contributions that should have been contributed for the amount of service certified.

For any person, the service credit granted pursuant to this section shall be allowable service for the purposes of Minnesota Statutes, Chapter 353.

Any person covered by this act who is currently receiving an annuity from the public employees retirement association for service other than service credit granted pursuant to this subdivision shall have their annuity recomputed to include the service credit granted pursuant to this section. The recomputed annuity shall be paid commencing the first day of the month following the effective date of the act.

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Subd. 2. REPAYMENT OF REFUND. Notwithstanding any minimum service period of Minnesota Statutes 1980, Section 353.35, upon resuming active membership in the public employees retirement association, any person employed by the Suburban Public Health Nursing Service, Incorporated, shall be entitled to repay any refund amounts received pursuant to Minnesota Statutes, Section 353.34, Subdivisions 1 and 2, plus interest at six percent per annum, compounded annually.

**Sec. 45. TEMPORARY PROVISION.**

Any person whose disability benefit is authorized and in effect pursuant to Minnesota Statutes, Sections 352.113, 352.95, 352B.10, 353.33, 353.656, 354.48, or 354A.36, on the day of final enactment of this act may, on or before December 31, 1981, elect an actuarially equivalent optional annuity pursuant to the provisions of this act. The optional annuity shall be calculated based on the ages of all persons involved as of the date on which the optional annuity begins to accrue. The optional annuity shall begin to accrue on the first day of the month occurring two months after the month in which the optional annuity is elected.

**Sec. 46. REPEALER.**

Minnesota Statutes 1980, Section 353.022, is repealed.

**Sec. 47. EFFECTIVE DATE.**

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27, 28, 30, and 45 are effective on the day following final enactment. Section 16 with respect to the addition of clause (n) shall be effective on January 1, 1982, and with respect to the addition of clause (o) shall be effective on July 1, 1981. Section 17 shall be effective on the day following final enactment, except that for any person subject to the provisions of this section who, on or prior to July 1, 1980, had established an individual retirement account pursuant to section 408 of the federal internal revenue code of 1954 as amended through December 31, 1980, this section is effective retroactively to the first day of the payroll period including January 1, 1980. Sections 18, 29, and 46 are effective on July 1, 1981. Sections 19 and 44 are effective on June 1, 1981. Section 20 is effective on January 1, 1982. Sections 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, and 43 are effective upon compliance with Minnesota Statutes, Section 645.021.

Approved April 30, 1981

**CHAPTER 69 — S.F.No. 330**

*An act relating to the Riley-Purgatory Creek Watershed District; authorizing certain tax levies.*

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