

Whoever violates a temporary injunction, permanent injunction, or abatement order granted under sections 1 to 8 may be adjudged in contempt of court.

Sec. 8. [617.87] RELEASE OF PROPERTY.

If, after an order of abatement has been entered, the owner appears and pays the costs of the action and files a bond in an amount determined by the court, but not to exceed \$50,000, conditioned that the owner will immediately abate the nuisance for a period of one year, the court may, if satisfied of the owner's good faith, order the release of the building or portion of it which is subject to the order of abatement. If the premises are released, for each day during the term of the bond that the owner knowingly permits any part of the premises to be used for any activity which was the basis of the abatement order, the owner shall forfeit \$1,000 under the bond. Forfeiture under the bond does not relieve the owner from prosecution for contempt. Release of the property pursuant to this section does not release it from an injunction issued under section 4 or any other judgment, penalty, lien, or liability to which it may be subject by law.

Sec. 9. REPEALER.

Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41, are repealed.

Approved May 28, 1987

CHAPTER 284—H.F.No. 1213

An act relating to retirement; various public pension plans; implementing various administrative changes; making private certain membership data; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; clarifying the obligation of the state auditor to undertake periodic public pension plan audits; establishing combined service disability and survivor benefits; amending Minnesota Statutes 1986, sections 13.43, by adding a subdivision; 43A.34, subdivisions 1 and 4; 136.81, subdivision 3; 136.82, subdivision 1; 181.81, subdivision 1; 181.811; 352.12, subdivision 6; 352.96, subdivision 1, and by adding a subdivision; 352D.015, subdivision 5; 353.01, subdivisions 2b and 20; 353.03, subdivision 3; 353.27, subdivisions 4, 10, and 12; 353.28, subdivision 5; 353.29, subdivision 8; 353.33, by adding a subdivision; 353.34, by adding a subdivision; 353.36, subdivision 2; 353.64, subdivisions 1 and 2; 353.656, subdivision 6, and by adding a subdivision; 353.657; 354.05, subdivision 35, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.094, subdivision 1; 354.44, subdivisions 1a and 5; 354.46, subdivision 5; 354.48, subdivision 7; 354.51, subdivision 5; 354.55, subdivision 11; 354.62, subdivision 5, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.21; 422A.09, subdivision 3; and 423.076; proposing coding for new law in Minnesota Statutes, chapters 13 and 356; repealing Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; 353.64, subdivision 6; 356.301; and 473.419.

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

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

ARTICLE 1

PUBLIC PENSION PLAN DATA PRIVACY

Section 1. Minnesota Statutes 1986, section 13.43, is amended by adding a subdivision to read:

Subd. 2a. DATA DISCLOSURE BY STATEWIDE PENSION PLANS. Notwithstanding any law to the contrary, with respect to data collected and maintained on members, survivors and beneficiaries by statewide retirement systems that is classified as public data in accordance with subdivision 2, those retirement systems may be only required to disclose name, gross pension, and type of benefit awarded, except as required by sections 13.03, subdivisions 4 and 6; and 13.05, subdivisions 4 and 9.

Sec. 2. [13.641] PUBLIC EMPLOYEES RETIREMENT ASSOCIATION DATA.

The following data on beneficiaries and survivors of public employees retirement association members is considered private data on individuals:

- (1) address;
- (2) birth date;
- (3) direct deposit account number; and
- (4) tax withholding data.

Sec. 3. [13.642] TEACHERS RETIREMENT ASSOCIATION DATA.

The following data on beneficiaries and survivors of teachers retirement association members is considered private data on individuals:

- (1) address;
- (2) birth date;
- (3) direct deposit account number; and
- (4) tax withholding data.

Sec. 4. EFFECTIVE DATE.

This article is effective the day following final enactment.

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

ARTICLE 2

MANDATORY RETIREMENT AGE FEDERAL LAW CONFORMANCE

Section 1. Minnesota Statutes 1986, section 43A.34, subdivision 1, is amended to read:

Subdivision 1. **MANDATORY RETIREMENT AGE.** Employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association and who are serving as faculty members or administrators under a contract of unlimited terms or similar arrangement providing for unlimited tenure at an institution of higher education, as defined by United States Code, title 20, section 1141(a), as amended through December 31, 1986, must retire from employment by the state upon reaching the age of 70, except as provided in other law. Other employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association, except as provided in subdivision 3 or 4, or as provided in section 354.44, subdivision 1a, are not subject to a mandatory retirement age provision.

Sec. 2. Minnesota Statutes 1986, section 43A.34, subdivision 4, is amended to read:

Subd. 4. **STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.** Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973 and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol division of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age specified in subdivision 1 of 70 years.

Sec. 3. Minnesota Statutes 1986, section 181.81, subdivision 1, is amended to read:

Subdivision 1. **RESTRICTION ON MANDATORY RETIREMENT AGE.** (a) It is unlawful for any private sector employer; public or private, excluding the United States government and any of its instrumentalities; to refuse to hire or employ, or to discharge, dismiss, reduce in grade or position, or demote any individual on the grounds that the individual has reached an age of less than 70, except in cases where federal statutes or rules or other state statutes, not including special laws compel or specifically authorize such action. Nothing in this section shall prohibit compulsory retirement of employees who have attained 70

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years of age or more; provided further that nothing in this section shall prohibit compulsory retirement of an employee who has attained at least 65 years of age and who for the two year period immediately before retirement is employed in an executive or a high policy making position if that employee is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profit sharing, savings or deferred compensation plan of an employer, or any combination of these benefits which totals in the aggregate at least \$27,000. If the retirement benefit is in a form other than a straight life annuity, the equivalent annualized payment value of the benefit shall be actuarially determined according to rules promulgated by the commissioner of labor and industry. Pilots and flight crew members shall not be subject to the provisions of this section or section 363.02, subdivision 6, but shall be retired from this employment pursuant to standards contained in regulations promulgated by the federal aviation administration for airline pilots and flight officers and are subject to the bona fide occupational requirements for these employees as promulgated by the federal aviation administration.

(b) Prior to June 1, 1982 every employer shall notify an employee in writing at least 90 days but no more than 120 days prior to the employee's 65th birthday of the option to continue employment beyond that date. The notice shall state in a conspicuous manner that the employee shall respond to the notice within 30 days of the employee's desire to continue employment beyond the employee's 65th birthday. Every employer shall post in a conspicuous place a notice written or approved by the commissioner of labor and industry stating that the mandatory retirement age is age 70. Employment shall continue for as long as the employee desires or until the employer demonstrates that the employee no longer can meet the bona fide requirements, consistently applied, for the job or position or until the employee reaches the compulsory retirement age established by the employer. When an employer intends to terminate an employee who is 65 years of age or older earlier than age 70 on the ground that the employee no longer can meet the bona fide requirements for the job or position the employer shall give the employee 30 days notice of that intention.

(c) If there exists a date on which the accrual of pension benefits or credits, or the contributions therefor by the employee or the employer, or the employee's employment related health and welfare benefits or insurance coverages are diminished or eliminated by virtue of the employee attaining a certain age, the employer shall notify the employee of the changes at least 90 but not more than 120 days prior to the effective date of the change. This section, in and of itself, shall not be construed to require any change in the employer contribution levels of any pension or retirement plan, or to require any employer to increase an employer's or employee's payments for the provision of insurance benefits contained in any employee benefit or insurance plan.

Sec. 4. Minnesota Statutes 1986, section 181.811, is amended to read:

181.811 MANDATORY RETIREMENT AGE.

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Laws 1978, chapter 649 is effective April 24, 1979, subject to the following exceptions:

(1) In the case of employees covered by a collective bargaining agreement which was entered into between a labor organization and an employer and which was in effect on September 1, 1977, it shall take effect upon the termination of the agreement or on January 1, 1980, whichever comes first.

(2) Nothing contained in Laws 1978, chapter 649 or Laws 1979, chapter 40 shall be construed as requiring the rehiring, reinstatement or payment of additional benefits to an employee who terminates service prior to April 24, 1979, with an employer who employs 20 or more employees, or the rehiring, reinstatement or payment of additional benefits to an employee who terminates service prior to June 1, 1980, with an employer who employs less than 20 employees, pursuant to a mandatory retirement law or policy which mandates retirement prior to attaining 70 years of age, or any other employee who terminates service prior to the termination of a collectively bargained contract containing a mandatory retirement provision.

(3) Laws 1978, chapter 649, section 3, is effective January 1, 1979. Any person who was previously a member of and has received a refund of accumulated employee or member contributions from one or more of the covered retirement funds enumerated in section 356.32, subdivision 2 and who terminated service at age 65 or older for any reason whether or not the person was required to terminate service pursuant to a mandatory retirement statute or a uniformly applied mandatory retirement policy established by the employer between January 1, 1979 and April 24, 1979 shall be entitled to repay the refund of accumulated employee or member contributions to the respective retirement fund with compound interest at the rate of six percent from the date the refund was received to the date the refund is repaid. Upon repayment of a refund, the person shall be entitled if otherwise qualified to a proportionate annuity, with accrual to commence upon the first day of the month following the filing of a valid application for the annuity.

(4) Employers who employ fewer than 20 employees shall not be subject to the provisions of Laws 1978, chapter 649, until June 1, 1980.

Sec. 5. Minnesota Statutes 1986, section 354.44, subdivision 1a, is amended to read:

Subd. 1a. **MANDATORY RETIREMENT.** Notwithstanding the provisions of sections 43A.11 or 197.455 to 197.48, a member who is serving as a faculty member or administrator under a contract of unlimited tenure or similar arrangement providing for unlimited tenure at an institution of higher education, as defined in section 1201(a) of the federal Higher Education Act of 1965, as amended through January 1, 1987, shall terminate employment at the end of the academic year in which the member reaches the age of 70. For purposes of this subdivision, an academic year shall be deemed to end August 31. No other member shall be subject to a mandatory retirement age provision. A member

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who terminates employment at any time during the academic year at the end of which the person is age 65 or older shall, for the purpose of determining eligibility for a proportionate retirement annuity, be considered to have been required to terminate employment at age 65 or older pursuant to section 356.32. Nothing contained in this subdivision shall preclude an employing unit covered by this chapter from employing a retired teacher as a substitute or part time teacher. Any person who has attained the age of at least 65 years, who is employed as a substitute or part time teacher and who earns an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute or part time teacher, shall terminate employment for the remainder of that academic year. No person who is ~~required to terminate employment as a teacher by virtue of this subdivision~~ shall have attained the age of at least 65 years and who has retired under this chapter may resume membership in the retirement association as a result of subsequent employment as a substitute or part time teacher.

Sec. 6. Minnesota Statutes 1986, section 354A.21, is amended to read:

354A.21 ~~MANDATORY RETIREMENT;~~ PROPORTIONATE ANNUITY.

~~Notwithstanding the provisions of sections 197.46 to 197.48 or 354A.05, a teacher subject to the provisions of this chapter shall terminate employment at the end of the academic year in which the teacher reaches the age of 70.~~ A teacher who terminates employment at any time during the academic year at the end of which the teacher is required to terminate employment pursuant to this section shall be entitled upon application to a proportionate retirement annuity pursuant to section 356.32. Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher but upon having earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute teacher, any person over the age of 70 years shall terminate employment for the remainder of that academic year. No person employed as a substitute teacher after reaching ~~the mandatory retirement age of~~ at least 65 years and who has retired under this chapter shall resume membership in the teachers retirement fund association by virtue of the employment as a substitute teacher.

Sec. 7. Minnesota Statutes 1986, section 422A.09, subdivision 3, is amended to read:

Subd. 3. **EXCEPTIONS FROM MEMBERSHIP.** The exempt class shall consist of:

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

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

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution as required pursuant to section 422A.10. The employer contribution on behalf of the elected officer shall be paid by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service pursuant to this section shall contribute to the fund an amount equal to the amount of contributions to the fund which the person would have made had the person been a contributor to the fund since the date the person first became eligible for membership in the fund, in accordance with section 422A.10, plus six percent compound interest.

(3) Persons serving without pay.

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

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, section 422A.09, subdivision 3, clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation, and including any person employed by Special School District No. 1, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may

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elect to qualify at that time for credit by paying into the fund an amount equal to the amount of contributions to the fund which the person would have made had the person been a contributor to the fund since the date the person first qualified as an exempt member of the contributing class, in accordance with section 422A.10, plus six percent compound interest.

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

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

Sec. 8. Minnesota Statutes 1986, section 423.076, is amended to read:

423.076 RETIREMENT; POLICE AND FIRE DEPARTMENTS.

A compulsory retirement age of not less than 65 years ~~may be established that was in effect on March 3, 1983,~~ for persons on the payroll of a police or fire department which does not come within the provisions of section 423.075 without being a violation of ~~section 431.84 or~~ section 363.02, subdivision 6, may be retained.

Sec. 9. **REPEALER.**

Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; and 473.419, are repealed.

Sec. 10. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

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

ARTICLE 3
STATE UNIVERSITY AND COLLEGE SUPPLEMENTAL
RETIREMENT PLAN CHANGES

Section 1. Minnesota Statutes 1986, section 136.81, subdivision 3, is amended to read:

Subd. 3. Prior to July 1 of each year, Each person described in section 136.80, subdivision 1, may indicate in writing, on forms provided by the executive director of the teachers retirement fund, the account of the Minnesota supplemental retirement investment fund in which salary deductions and state matching funds attributable to salary deductions be invested for the year beginning July 1. For that year and thereafter until a different written indication is made, the executive director of the teachers retirement fund shall purchase with the salary deductions and state matching funds attributable to the salary deductions shares in the account of the Minnesota supplemental retirement investment fund chosen by the person elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, or the common stock index account established in section 11A.17. The person may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director of the teachers retirement fund, the percentage of salary deductions and state matching funds to be used to purchase shares in each of the accounts.

Twice in any calendar year, each person described in section 136.80, subdivision 1, may indicate in writing on forms provided by the teachers retirement association a choice of options for subsequent purchases of shares. After a choice is made, and until a different written indication is made, the executive director shall purchase shares in the supplemental fund as selected.

A change in choice of investment option is effective no later than the first pay date that occurs 30 or more days after receipt of the request for a change.

Twice in any calendar year a person described in section 136.80, subdivision 1, may also change the investment options selected for all or a portion of the person's shares previously purchased. If a partial transfer is made a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option. A change is restricted to a transfer from one or more accounts to a single account. Changes in investment options for the person's shares must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

If a person fails to indicate a choice as provided herein, the executive director of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental retirement investment fund for the

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coming year. The shares so purchased shall stand in the name of the board of trustees of the teachers retirement fund, but a record shall be kept indicating the number of shares in each account of the Minnesota supplemental retirement ~~investment~~ fund purchased with the salary deductions and state matching funds attributable to the salary deductions of each person. The record shall be known as the "employee's share account record." The employee's share account record shall show, in addition to the number of shares therein, any cash balance of salary deductions or state matching funds attributable to those deductions which stands uninvested in shares.

Sec. 2. Minnesota Statutes 1986, section 136.82, subdivision 1, is amended to read:

Subdivision 1. The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(1) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is ~~60~~ 55 years of age or older and is no longer employed by the state university board or state board for community colleges. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14, and if the executive director of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. If the

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person returns to good health, the person shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the executive director of the teachers retirement fund by the surviving spouse. The surviving spouse shall receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record shall be redeemed by the executive director of the teachers retirement fund and the cash realized therefrom distributed to the estate of the surviving spouse.

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

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

Sec. 3. EFFECTIVE DATE.

Section 1 is effective January 1, 1988. Section 2 is effective July 1, 1987.

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

ARTICLE 4

MINNESOTA STATE RETIREMENT SYSTEM ADMINISTRATIVE
CHANGES

Section 1. Minnesota Statutes 1986, section 352.12, subdivision 6, is amended to read:

Subd. 6. **DEATH AFTER SERVICE TERMINATION.** Except as provided in subdivision 1, if a former employee covered by the system dies and has not received an annuity, a retirement allowance or a disability benefit, a ~~refund~~ refund shall be made to the last designated beneficiary or, if there be none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to accumulated employee contributions. The refund must include interest at the rate of five percent per year compounded annually. The interest must be computed to the first day of the month in which the refund is processed and be based on fiscal year balances.

Sec. 2. Minnesota Statutes 1986, section 352.96, subdivision 1, is amended to read:

Subdivision 1. **WRITTEN AGREEMENT FOR DEFERMENT ENTITLEMENT TO DEFER COMPENSATION.** At the request of an officer or employee of the state of Minnesota ~~or, an officer or employee of any political subdivision thereof, or an employee covered by any of the a retirement funds~~ fund enumerated in section 356.20, subdivision 2, the appointing authority shall by payroll deduction defer the payment of part of the compensation of the officer or employee. The amount to be deferred must be as provided in a written agreement between the officer or employee and the state of Minnesota, the political subdivision, or other employing unit whose employees are covered by any of the public retirement funds enumerated in section 356.20, subdivision 2. The agreement must be in a form specified by the executive director of the Minnesota state retirement system in such a manner as will qualify the deferred amount for benefits afforded under federal and state tax laws, rules, and rulings.

Sec. 3. Minnesota Statutes 1986, section 352.96, is amended by adding a subdivision to read:

Subd. 1a. FAILURE TO IMPLEMENT PLAN. Implementation of the deferred compensation plan by the employing unit must be completed within 30 days of the request as provided in subdivision 1. If the employing unit fails to implement the deferred compensation plan, the employing unit may not defer compensation under any existing or new deferred compensation plan from the date of the request until the date on which the deferred compensation plan provided for in this section is implemented. The executive director of the Minnesota state retirement system may order any employing unit that fails to implement the deferred compensation plan provided for in this section upon a valid request to undertake that implementation and may enforce that order in appropriate legal proceedings.

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Sec. 4. Minnesota Statutes 1986, section 352D.015, subdivision 5, is amended to read:

Subd. 5. **COVERED EMPLOYMENT.** "Covered employment" means employment covered by this chapter or by chapter 352.

Sec. 5. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 5

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

ADMINISTRATIVE CHANGES

Section 1. Minnesota Statutes 1986, 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. Service is incidental if compensation for it amounts to no more than 25 percent of a person's total annual gross earnings for all 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 or in any school year for school employees. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$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.

(g) Part-time employees who receive monthly compensation not exceeding

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\$325, and part-time employees and elected officials whose annual compensation is stipulated in advance, in writing, to be not more than \$3,900 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$3,900 per employment period for employment expected to be of less than a full year's duration, 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 \$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 prescribed by the executive director to make the required employer contributions;~~

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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.

(*) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$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.

(*) (r) 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.

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

Sec. 2. Minnesota Statutes 1986, section 353.01, subdivision 20, is amended to read:

Subd. 20. **SURVIVING SPOUSE.** "Surviving spouse" means the unmarried spouse of a deceased member who ~~was living with~~ had the same legal residence as the member at the time of death, or at the time the member became totally and permanently disabled.

Sec. 3. Minnesota Statutes 1986, section 353.03, subdivision 3, is amended to read:

Subd. 3. **DUTIES AND POWERS OF THE BOARD.** (a) The board shall elect a president and vice-president. The board shall approve the staffing complement necessary to administer the fund. The cost of administering this chapter must be paid by the fund.

(b) The board shall adopt bylaws for its own government and for the management of the fund consistent with the laws of the state and may modify them at pleasure. It shall adopt, alter, and enforce reasonable rules consistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits. It shall pass upon and allow or disallow all applications for membership in the fund and shall allow or disallow claims for withdrawals, pensions, or benefits payable from the fund. It shall adopt an appropriate mortality table based on experience of the fund as recommended by the associa-

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tion actuary, with interest set at the rate specified in section 356.215, subdivision 4, clause (4). It shall provide for the payment out of the fund of all necessary expenses for the administration of the fund and of all claims for withdrawals, pensions, or benefits allowed. The board shall approve or disapprove all recommendations and actions of the executive director made subject to its approval or disapproval by subdivision 3a.

(c) In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the fund, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine their validity and merit. The board shall establish procedures to assure that a benefit applicant and recipient may have a review of a benefit eligibility or benefit amount determination affecting the applicant or recipient. The review procedure may afford the benefit applicant or benefit recipient an opportunity to present views at any review proceeding conducted, but is not a contested case under chapter 14.

(d) The board may continue to authorize the sale of life insurance to members under the insurance program in effect on January 1, 1985, but must not change that program without the approval of the commissioner of finance. The association shall not receive any financial benefit from the life insurance program beyond the amount necessary to reimburse the association for costs incurred in administering the program. The association shall not engage directly or indirectly in any other activity involving the sale or promotion of goods or services, or both, whether to members or nonmembers.

(e) The board shall establish procedures governing reimbursement of expenses to board members. These procedures shall define the types of activities and expenses that qualify for reimbursement, shall provide that all out-of-state travel must be authorized by the board, and shall provide for independent verification of claims for expense reimbursement. The procedures must comply with applicable rules and policies of the department of finance, the department of administration, and the department of employee relations.

(f) The board may purchase fiduciary liability insurance and official bonds for the officers and members of the board of trustees and employees of the association and may purchase property insurance or may establish a self-insurance risk reserve including, but not limited to, data processing insurance and "extra-expense" coverage.

Sec. 4. Minnesota Statutes 1986, section 353.27, subdivision 4, is amended to read:

Subd. 4. **EMPLOYERS REPORTING REQUIREMENTS; CONTRIBUTIONS; MEMBER STATUS.** The head of each department is hereby directed to cause employee contributions to be deducted from the salary of each member and to issue or approve one voucher payable to the state treasurer for the

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aggregate amount so deducted from such salaries, and at the same time to issue or approve one voucher for the aggregate amount of the employer contributions and the additional employer contributions for the same period of employment as that covered by the employee contributions, and to cause the same to be received not later than 20 calendar days thereafter in the office of the association. The head of each department shall, for each pay period in which employee contributions are deducted, submit to the association a salary deduction report, in the form prescribed by the executive director, showing (a) the legal names and the association membership numbers, listed in alphabetical order, of all members; (b) the legal names of all new public employees and the effective dates of appointment; (c) the amount of each salary deduction; (d) the amount of salary from which each deduction was made; (e) effective dates of all terminations of public service on account of members and if such terminations were caused by death or retirement, there shall be inserted after such date the applicable ~~word~~; ~~"death"~~ or ~~"retirement"~~ status code as set by the association; (f) effective dates of all temporary layoffs and leaves of absence and if such leaves are sick leaves, there shall be inserted after such date the ~~words~~; ~~"sick leave"~~ applicable status code as set by the association; and (g) the beginning and ending dates of the payroll period covered and the date of actual payment. Additionally, reports of contributions shall be accompanied by a membership enrollment form for each new employee in the form prescribed by the executive director, and it shall be the responsibility of department heads to obtain such enrollment forms from new employees to be submitted to the association within 30 days following the date of employment. The employers shall furnish such additional reports on magnetic media or other form of report as may be requested by the association executive director.

Sec. 5. Minnesota Statutes 1986, section 353.27, subdivision 10, is amended to read:

Subd. 10. **EMPLOYERS; FURNISH COPIES OF PAYROLL ABSTRACTS.** The head of each department is required to furnish the executive director with a carbon or duplicate copy of the departmental payroll abstracts for the last pay period during the months of January and July ~~March and October~~, respectively, in each year. It shall be the duty of said executive director to check the copies of all such payroll abstracts against the membership records of the association to ascertain whether or not any omissions have been made by any department head in the reporting of any new public employees for membership.

Sec. 6. Minnesota Statutes 1986, section 353.27, subdivision 12, is amended to read:

Subd. 12. **OMITTED SALARY DEDUCTIONS; OBLIGATIONS.** In the case of omission of required deductions from salary of an employee, past due for a period of 60 days or less, the head of the department shall deduct from the employee's next salary payment and forthwith remit to the executive director the amount of the employee contribution delinquency, with cumulative interest thereon at the rate of six percent per annum, compounded annually, from the

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date or dates each delinquent employee contribution was first payable, such interest to be paid by the employer. To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. After July 1, 1973, any such omitted required deductions, past due for a period in excess of 60 days, shall become the sole obligation of the governmental subdivision from the time such deductions were first payable, together with interest thereon as hereinbefore specified. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest thereon at the rate of six percent compounded annually from the date they were first payable, shall be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer. Unless otherwise indicated, this subdivision shall have both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due hereunder. No action for the recovery of delinquent employee and employer contributions or interest ~~thereon shall on contributions may be commenced and no payment of delinquent contributions may be made or accepted unless the association has already commenced action for recovery of delinquent contributions~~, after the expiration of three calendar years next following the calendar year in which the contributions were omitted.

Sec. 7. Minnesota Statutes 1986, section 353.28, subdivision 5, is amended to read:

Subd. 5. Any amount which becomes due and payable pursuant to this section or section 353.27, subdivision 4 shall bear compound interest at the rate of six percent per year from the date due for the next five calendar days, and compound interest at the rate of ten percent per year for amounts past due in excess of five calendar days until the date paid payment is actually received in the office of the association, with a minimum charge of \$5 \$10.

Sec. 8. Minnesota Statutes 1986, section 353.29, subdivision 8, is amended to read:

Subd. 8. **ANNUITIES; PAYMENT; EVIDENCE OF RECEIPT.** Payment of any annuity or benefit for a given month shall be mailed by the association to the annuitant, recipient of a disability benefit, or survivor, during the first week of that month. Evidence of receipt of warrants issued by the association in payment of an annuity or benefit shall be submitted by the payee thereof to the association periodically at times specified by the board of trustees, together with a written declaration that the annuitant or recipient of a disability benefit has or has not returned to public service; that the surviving dependent spouse has or has not remarried; and shall be furnished on forms provided by the executive director thereof, before the association shall pay to the ~~annuitant~~, disability recipient, or survivor for the next ensuing month, the ~~annuity or benefit~~ to which the person otherwise may be entitled. In lieu of the evidence of receipt of warrants for recipients of an annuity or a benefit, the board may contract for

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professional services to identify deceased annuitants and benefit recipients through a review of nationally maintained death records.

Sec. 9. Minnesota Statutes 1986, section 353.33, is amended by adding a subdivision to read:

Subd. 5a. RECOVERY OF DISABILITY OVERPAYMENTS. An overpayment of disability benefits must be recovered by the executive director by suspending or reducing the payment of disability benefits, survivor benefits, survivor annuities, refunds, or retirement annuities until all overpaid money has been recovered.

Sec. 10. Minnesota Statutes 1986, section 353.34, is amended by adding a subdivision to read:

Subd. 7. SICK LEAVE. A member who is on an authorized sick leave and has received a maximum of one year of allowable service in accordance with section 353.01, subdivision 16, paragraph (4), and who does not return to public service for at least 120 calendar days following the year of allowable service may elect to receive a refund of accumulated deductions as provided in subdivision 2. Application for a refund may not be made before the expiration of 120 calendar days following the end of one year of allowable service for employees on authorized sick leave.

Sec. 11. Minnesota Statutes 1986, section 353.36, subdivision 2, is amended to read:

Subd. 2. EMPLOYEE CONTRIBUTIONS; INTEREST; MATCHING PAYMENT. A member who has at least one year of allowable service with the association, whose public service terminated before July 1, 1982, and who has prior public service on which salary deductions were not taken for the retirement fund and who does not have the required minimum number of years of allowable service credit to qualify for an annuity, may apply for an annuity if otherwise qualified, and within 90 days thereafter purchase whatever period of the member's prior public service which is necessary to bring the member's total allowable service credit to the minimum, provided that the most recent period of prior uncredited public service shall be purchased first. The member may gain allowable service credit by paying ~~the applicable percentage of~~ on the salary covered under the law in effect at the time that the prior public service was performed. The applicable member contribution percentage, if the member is a basic member, ~~the applicable percentage is eight percent,~~ and if the member is a coordinated member, ~~the applicable percentage is four percent.~~ An amount equal to the employer and employer additional contributions specified in section 353.27, subdivisions 3 and 3a, plus interest on the total amount representing employee, employer and employer additional contributions at the rate of six percent per annum compounded annually from the date first payable to the date payment is made, shall also be paid. The employer, at its sole discretion, may agree to pay the amount representing the employer and employer additional contributions pursuant to subdivision 2a. An annuity shall accrue as provided in

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section 353.29, subdivision 7, but no annuity shall be paid until the applicant's payment is made in full for the prior public service. If payment is not made within such 90 days, the application for retirement shall be void.

Sec. 12. Minnesota Statutes 1986, section 353.64, subdivision 1, is amended to read:

Subdivision 1. Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978 by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, other than a volunteer firefighter, shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. Any police officer or firefighter who by virtue of that employment is required to contribute to any other pension, relief, or retirement fund established for the benefit of officers or employees of a governmental subdivision other than a volunteer firefighters relief association to which sections 69.771 to 69.776 apply shall not be a member of this fund.

Sec. 13. Minnesota Statutes 1986, section 353.64, subdivision 2, is amended to read:

Subd. 2. Before a governing body may declare a position to be that of a police officer, the duties of the person so employed shall, as a minimum, include services as an officer of a designated police department or sheriff's office or person in charge of a designated police department or sheriff's office whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855, who is engaged in the hazards of protecting the safety and property of others and who has the power to arrest by warrant.

Sec. 14. Minnesota Statutes 1986, section 353.656, subdivision 6, is amended to read:

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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. 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 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, or normal retirement annuity equal to the disability benefit paid before the person reached age 55. Any disabled person who becomes age 55 shall have the annuity computed in accordance with the law in effect upon attainment of age 55. 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. 15. Minnesota Statutes 1986, section 353.656, is amended by adding a subdivision to read:

Subd. 7. **DISABLED MEMBERS.** Notwithstanding the age-55 requirement of section 353.651, subdivision 1, a member of the police and fire fund age 55 or over who has five or more years of allowable service but less than ten years of allowable service and who becomes disabled may elect to draw a retirement annuity in accordance with section 353.651, subdivision 3, based on the actual years of allowable service.

Sec. 16. Minnesota Statutes 1986, section 353.657, is amended to read:

353.657 SURVIVOR BENEFITS.

Subdivision 1. In the event any member of the police and fire fund shall die from any cause, the association shall grant survivor benefits to any surviving spouse who ~~was residing with~~ had the same legal residence as the member at the time of death and who was married to the member for a period of at least one year, except that if death occurs in the line of duty no time limit is required, and to a dependent child or children, unmarried and under the age of 18 years. The spouse and child or children shall be entitled to monthly benefits as provided in the following subdivisions.

Subd. 2. The spouse, for life or until remarriage, shall receive a monthly benefit equal to 30 percent of the member's average full-time monthly salary ~~earned rate~~ as a police officer or firefighter ~~on which employee contributions were paid over the last full six months of allowable service preceding death in effect over the last six months of allowable service preceding the month in which death occurred.~~

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Subd. 2a. If a member or former member who has attained the age of at least 50 years and has credit for not less than ten years allowable service or who has credit for at least 30 years of allowable service, regardless of age attained, dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2, an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

Subd. 3. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ten percent of the member's average full-time monthly salary earned rate as a police officer or firefighter ~~on which employee contributions were paid over the last full six months of allowable service preceding death in effect over the last six months of allowable service preceding the month in which death occurred.~~ Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child or to any adult person with whom the child may at the time be living, provided only that the parent or other person to whom any amount is to be paid shall have advised the board in writing that the amount will be held or used in trust for the benefit of the child. The maximum monthly benefit for any one family shall not exceed an amount equal to 50 percent of the member's specified average monthly salary, and the minimum benefit per family shall not be less than 30 percent of the member's specified average monthly salary.

Subd. 4. If the member shall die under circumstances which entitle a 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.

Sec. 17. RETROACTIVE AUTHORIZATION OF PAYMENTS TO CERTAIN DISABILITANTS.

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Notwithstanding any law to the contrary, a disabilitant who became eligible for an annuity under section 15 after May 31, 1986, but before June 1, 1987, may receive an annuity retroactive to the first of the month following the date of disability.

Sec. 18. **REPEALER.**

Minnesota Statutes 1986, section 353.64, subdivision 6, is repealed.

Sec. 19. **EFFECTIVE DATE.**

Sections 15 and 17 are effective June 1, 1986. Sections 1 to 14, 16, and 18 are effective the day following final enactment.

ARTICLE 6

**TEACHERS RETIREMENT ASSOCIATION ADMINISTRATIVE
CHANGES**

Section 1. Minnesota Statutes 1986, section 354.05, subdivision 35, is amended to read:

Subd. 35. **SALARY.** "Salary" means the compensation paid to a teacher excluding lump sum annual or sick leave payments and all ~~forms of severance payments in lieu of any employer paid group insurance coverage, including the difference between single and family rates, that may be paid to a member with single coverage.~~ "Salary" does not mean any form of payment made in lieu of any other employer paid fringe benefit or expense, or any form of severance payments. Severance payments ~~includes~~ include, but ~~is~~ are not limited to:

- (a) payments to an employee to terminate employment;
- (b) payments, or that portion of payments, that are not clearly for performance of services to the employer; and
- (c) payments to an administrator or former administrator serving as an advisor to a successor or as a consultant to the employer under an agreement to terminate employment within two years or less for compensation that is significantly different than the most recent contract salary.

Sec. 2. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 37. **TERMINATION OF TEACHING SERVICE.** "Termination of teaching service" means the withdrawal of a member from active teaching service by resignation or the termination of the member's teaching contract by the employer.

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

Sec. 3. Minnesota Statutes 1986, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund shall be vested in a board of eight trustees which shall be known as the board of trustees of the teachers retirement fund. It shall be composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of commerce, four members of the fund who shall be elected by the members of the fund and one retiree who shall be elected by the retirees of the fund. The five elected members of the board of trustees shall be chosen by mail ballot in a manner which shall be fixed by the board of trustees of the fund. In every odd numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd numbered year there shall be elected one retiree of the fund to the board of trustees for a term of two years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund. Each election shall be completed by June first of each succeeding odd numbered year. In the case of elective members, any vacancy shall be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree shall be appointed by the board, or elected by the members of the fund as a trustee if the person is not a member or retiree of the fund in good standing at the time of the appointment or election. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries.

Sec. 4. Minnesota Statutes 1986, section 354.07, subdivision 3, is amended to read:

Subd. 3. The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued in the name of the board of trustees of the teachers retirement fund and in all actions brought by or against it the board shall be represented by the attorney general. Venue of all actions is in the Ramsey county district court.

Sec. 5. Minnesota Statutes 1986, section 354.094, subdivision 1, is amended to read:

Subdivision 1. **SERVICE CREDIT CONTRIBUTIONS.** A member granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a or 1b, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave provided the member and the employing board make the required employer contribution in any proportion they may agree upon,

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during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall not pay employer contributions into the fund for any year for which a member is on extended leave. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before the later of June 30 of each fiscal year for which service credit is received or within 30 days after first notification ~~by the association~~ of the amount due, ~~whichever is later if requested by the member, is given by the association.~~ No payment is permitted after the following September 30. Payments received after June 30 must include six percent interest from June 30 through the end of the month in which payment is received.

Sec. 6. Minnesota Statutes 1986, section 354.44, subdivision 5, is amended to read:

Subd. 5. **RESUMPTION OF TEACHING.** Any person who retired under any provision of any retirement law applicable to schools and institutions covered by the provisions of this chapter and has thereafter resumed teaching in any school or institution to which this chapter applies shall continue to receive payments in accordance with the annuity except that during any year in which the person's income from the teaching service is in an amount equal to or greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403. For the purpose of this subdivision, income from teaching service shall include, but is not limited to:

(a) all income from for services performed as a consultant or an independent contractor for an employer unit covered by the provisions of this chapter; and

(b) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the annuity payable for the year immediately following the year in which the excess amount was earned. After a person has reached the age of 70, the person shall receive the annuity in full regardless of the amount of income.

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Sec. 7. Minnesota Statutes 1986, section 354.46, subdivision 5, is amended to read:

Subd. 5. **PAYMENT TO DESIGNATED BENEFICIARY.** Any member and the spouse of the member may make a joint specification in writing on a form prescribed by the executive director that the benefits provided in subdivision 2, or in section 354.47, subdivision 1, shall be paid only to a designated beneficiary. For purposes of this subdivision, a designated beneficiary may only be either a former spouse or a child, either natural or adopted, of the member, but more than one beneficiary may be designated for the benefit provided in section 354.47, subdivision 1.

Sec. 8. Minnesota Statutes 1986, section 354.48, subdivision 7, is amended to read:

Subd. 7. **PARTIAL REEMPLOYMENT.** Should the disabled person resume a gainful occupation ~~and have in which earnings are less than the person's salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount which when added to of such earnings does not exceed the person's plus the disability benefit originally granted may not exceed the salary at the date of disability or the salary currently paid for similar positions; whichever is lower; provided the disability benefit in such case does not exceed the disability benefit originally allowed. If the sum of such earnings plus the disability benefit originally granted exceeds the salary at the date of disability, the amount of excess earnings must be deducted from the disability benefit.~~ The provisions of this subdivision shall not prohibit the board from making a determination that a member is no longer totally and permanently disabled or that the member is engaged or is able to engage in a substantial gainful occupation based on the results of the regular physical examinations required by subdivision 6 or any other physical examinations required by the board. Payment of the disability benefit provided in this subdivision during a period of partial reemployment shall be discontinued if the board finds that the member is no longer totally and permanently disabled.

Sec. 9. Minnesota Statutes 1986, section 354.51, subdivision 5, is amended to read:

Subd. 5. In the event that full required member contributions are not deducted from the salary of a teacher, payment shall be made as follows:

(a) Payment of shortages in member deductions on salary earned after ~~July 1, 1964~~ June 30, 1957, and prior to July 1, 1981 ~~shall, may~~ be made ~~within one year from the end of the fiscal year in which the shortage in deductions occurred in order to be accepted without an interest charge. If payment is not made within this period of time, it may be paid by the member any time prior to retirement provided that the.~~ Payment shall include six percent interest compounded annually from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. If payment of a shortage in deductions is not made, the

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formula service credit of the member shall be prorated pursuant to section 354.05, subdivision 25, clause (3).

(b) Payment of shortages in member deductions on salary earned after June 30, 1981 shall be the sole obligation of the employing unit and shall be payable by the employing unit upon notification by the executive director of the shortage with interest at the rate of six percent per annum, compounded annually, from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. Effective July 1, 1986, the employing unit shall also pay the employer contributions as specified in section 354.42, subdivisions 3 and 5 for such shortages. If the shortage payment is not paid by the employing unit within 60 days of notification, the executive director shall certify the amount of the shortage payment to the applicable county auditor, who shall spread a levy in the amount of the shortage payment over the taxable property of the taxing district of the employing unit if the employing unit is supported by property taxes, or to the commissioner of finance, who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit if the employing unit is not supported by property taxes.

(c) Payment may not be made for shortages in member deductions on salary earned prior to July 1, 1957.

Sec. 10. Minnesota Statutes 1986, section 354.55, subdivision 11, is amended to read:

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

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

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

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

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

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

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 11. Minnesota Statutes 1986, section 354.62, subdivision 5, is amended to read:

Subd. 5. **VARIABLE RETIREMENT ANNUITY.** (1) At retirement the amount of the member's variable account accumulation in the employee variable annuity contribution account, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, and an equal amount from the employer variable annuity contribution account shall be transferred to the variable annuity reserve account, and the variable retirement annuity for the member shall be determined by the member's age, and sex, and the amount transferred for the member to the variable annuity reserve account at the date of retirement. The amount of the annuity shall be calculated on the basis of an appropriate annuity table of mortality with an interest assumption of eight percent, except that if the member elects to have the accumulation transferred to the Minnesota postretirement investment fund as authorized by clause (8), the annuity shall be calculated with an interest assumption of five percent.

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

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

(3) The death benefit payable in the event of a member's death prior to retirement shall be a lump sum refund of a member's variable account accumulation, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, to the surviving spouse, or if there is no surviving spouse to the designated beneficiary. Except that if a member has made an election in accordance with joint and survivor annuity is payable under section 354.46, subdivision 2, then ~~the surviving spouse shall receive~~ a joint and survivor variable annuity as described in section 354.44 must be paid and computed as provided in clause (1). An amount equal to the lump sum refund made in this clause shall be transferred from the employer contribution account to the variable annuity turnover account.

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

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

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

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

(8) At retirement, a member may elect to have the amount of the member's variable annuity accumulation in the employee variable annuity contribution account and an equal amount from the employer variable annuity contribution account transferred to the Minnesota postretirement investment fund as provided in section 354.63, subdivision 2, clause (2). This election may also be made by a surviving spouse who receives an annuity under clause (3). The election shall be made on a form provided by the executive ~~secretary~~ director.

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

Sec. 12. Minnesota Statutes 1986, section 354.62, is amended by adding a subdivision to read:

Subd. 6. RECALCULATION OF CERTAIN ANNUITIES. A variable annuity effective prior to May 1, 1984, must be recalculated on June 30, 1987, based on an appropriate annuity table of mortality with an interest assumption of eight percent, and the adjusted annuity must begin to accrue July 1, 1987.

Sec. 13. EFFECTIVE DATE.

Section 1 is effective July 1, 1987. Sections 2 to 12 are effective the day following final enactment.

ARTICLE 7

PUBLIC PENSION PLAN AUDIT RESPONSIBILITIES

Section 1. Minnesota Statutes 1986, section 354A.021, is amended by adding a subdivision to read:

Subd. 8. AUDIT BY LEGISLATIVE AUDITOR. The books and accounts of each teachers retirement fund association must be examined and audited periodically as considered necessary by the state auditor. A full and detailed report of the examination and audit must be made and a copy provided to the teachers retirement fund association board of trustees. The cost of any examination and audit must be paid by the teachers retirement fund association in accordance with section 6.56. For purposes of section 6.56, each teachers retirement fund association is considered a state agency.

Sec. 2. EFFECTIVE DATE.

This article is effective July 1, 1987.

ARTICLE 8

COMBINED SERVICE DISABILITY AND SURVIVOR BENEFITS

Section 1. [356.302] **DISABILITY BENEFIT WITH COMBINED SERVICE.**

Subdivision 1. DEFINITIONS. (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a disability benefit by the covered retirement plan and that is drawn from any period of credited service and covered salary in a covered retirement plan.

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

(c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 7.

(d) "Duty-related" means a disabling illness or injury that occurred while the person was actively engaged in employment duties or that arose out of the person's active employment duties.

(e) "General employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (1) to (8).

(f) "Occupationally disabled" means the condition of having any medically determinable physical or mental impairment that makes a person unable to satisfactorily perform the minimum requirements of the person's employment position or a substantially similar employment position.

(g) "Public safety employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (9) to (11).

(h) "Totally and permanently disabled" means the condition of having any medically determinable physical or mental impairment that makes a person unable to engage in any substantial gainful activity and that is expected to continue or has continued for a period of at least one year or that is expected to result directly in the person's death.

Subd. 2. ENTITLEMENT. Notwithstanding any law to the contrary governing any covered retirement plan, a member of a covered retirement plan may receive a combined service disability benefit from each covered retirement plan in which the person has credit for at least six months of allowable service if that person meets the applicable qualifying conditions. Subdivision 3 applies to a member of a general employee retirement plan. Subdivision 4 applies to a member of a public safety employee retirement plan. Subdivision 5 applies to a member of a covered retirement plan with general employee and public safety employee retirement plan service.

Subd. 3. GENERAL EMPLOYEE PLAN ELIGIBILITY REQUIREMENTS. A disabled member of a covered retirement plan who has credit for allowable service in a combination of general employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 65 years of age on the date of application for the disability benefit;

(2) has become totally and permanently disabled;

(3) has credit for allowable service in any combination of general employee retirement plans totaling at least ten years if the person has not reached age 50 or at least five years if the person has reached age 50;

(4) has credit for at least six months of allowable service with the current general employee retirement plan before the commencement of the disability;

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(5) has at least five continuous years of allowable service credit by the general employee retirement plan or has at least a total of five years of allowable service credit by a combination of general employee retirement plans in a 72-month period during which no interruption of allowable service credit from a termination of employment exceeded 29 days; and

(6) is not receiving a retirement annuity or disability benefit from any covered general employee retirement plan at the time of the commencement of the disability.

Subd. 4. PUBLIC SAFETY PLAN ELIGIBILITY REQUIREMENTS. A disabled member of a covered retirement plan who has credit for allowable service in a combination of public safety employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 55 years of age on the date of application for the disability benefit;

(2) has become occupationally disabled;

(3) has credit for allowable service in any combination of public safety employee retirement plans totaling at least one year if the disability is duty-related or totaling at least five years if the disability is not duty-related;

(4) has credit for at least six months of allowable service with the current public safety employee retirement plan before the commencement of the disability; and

(5) is not receiving a retirement annuity or disability benefit from any covered public safety employee retirement plan at the time of the commencement of the disability.

Subd. 5. GENERAL AND PUBLIC SAFETY PLAN ELIGIBILITY REQUIREMENTS. A disabled member of a covered retirement plan who has credit for allowable service in a combination of both public safety employee retirement plans and general employee retirement plans must meet the qualifying requirements in subdivisions 3 and 4 to receive a combined service disability benefit from the applicable general employee and public safety employee retirement plans, except that the person need only be a member of a covered retirement plan at the time of the commencement of the disability and that the minimum allowable service requirements of subdivision 3, clauses (3) and (5), and subdivision 4, clauses (3) and (4), may be met in any combination of covered retirement plans.

Subd. 6. COMBINED SERVICE DISABILITY BENEFIT COMPUTATION. (a) The combined service disability benefit from each covered retirement plan must be based on the allowable service in each retirement plan, except as specified in paragraphs (b) to (f).

(b) The disability benefit must be governed by the law in effect for each covered retirement plan on the date of the commencement of the member's most recent qualifying disability as a member of a covered retirement plan.

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

(c) All plans must base the disability benefit on the same average salary to the extent practicable.

(d) If the method of the covered retirement plan used to compute a disability benefit varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a disability benefit does not vary based on the length of allowable service credit, the portion of the specified benefit amount from the plan must bear the same proportion to the total specified benefit amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the disability benefit amount for allowable service under the plan is not affected, but the service and covered salary under the plan must be used in calculations by other covered retirement plans.

(f) A period for which a person has allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service disability benefit, with any period of duplicated service credit handled as provided in section 356.30, subdivision 1, clause (3), items (i) and (j).

Subd. 7. COVERED RETIREMENT PLANS. This section applies to the following retirement plans:

- (1) state employees retirement fund, established by chapter 352;
- (2) unclassified employees retirement plan, established by chapter 352D;
- (3) public employees retirement association, established by chapter 353;
- (4) teachers retirement fund, established by chapter 354;
- (5) Duluth teachers retirement fund association, established by chapter 354A;
- (6) Minneapolis teachers retirement fund association, established by chapter 354A;
- (7) St. Paul teachers retirement fund association, established by chapter 354A;
- (8) Minneapolis employees retirement fund, established by chapter 422A;
- (9) correctional employees retirement plan, established by chapter 352;
- (10) state patrol retirement fund, established by chapter 352B; and

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

(11) public employees police and fire fund, established by chapter 353.

Sec. 2. [356.303] SURVIVOR BENEFIT WITH COMBINED SERVICE.

Subdivision 1. DEFINITIONS. (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a survivor annuity or a survivor benefit, whichever applies, by the covered retirement plan and that is drawn from any period of credited service and covered salary in a covered retirement plan.

(c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 4.

(d) "Deceased member" means a person who on the date of death was an active member of a covered retirement plan and who has reached the minimum age, if any, required by the covered retirement plan as part of qualifying for a survivor annuity or survivor benefit.

(e) "Surviving child" means a child of a deceased member (1) who is unmarried, (2) who has not reached age 18, or, if a full-time student, who has not reached a higher age specified in the applicable covered retirement plan, and (3) if specified by that plan, who was actually dependent on the deceased member for a specified proportion of support before the deceased member's death. "Surviving child" includes a natural child, an adopted child, or a child of a deceased member who is conceived during the member's lifetime and is born after the member's death.

(f) "Surviving spouse" means the legally married husband or wife of the deceased member who was residing with the deceased member on the date of death and who, if specified by the applicable covered retirement plan, had been married to the deceased member for a specified period of time before the death of the deceased member.

(g) "Survivor annuity" means the entitlement to a future amount payable to a survivor as the remainder interest of an optional annuity form implied by law as having been chosen by a deceased member before the date of death and effective on the date of death or provided automatically.

(h) "Survivor benefit" means an entitlement to a future amount payable to a survivor that is not included in the definition of a survivor annuity.

Subd. 2. ENTITLEMENT; ELIGIBILITY. Notwithstanding any law to the contrary governing a covered retirement plan, a person who is the survivor of a deceased member of a covered retirement plan may receive a combined service survivor benefit from each covered retirement plan in which the deceased member had credit for at least six months of allowable service if the deceased member:

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

(1) had credit for sufficient allowable service in any combination of covered retirement plans to meet any minimum allowable service credit requirement of the covered retirement fund for qualification for a survivor benefit or annuity;

(2) had credit for at least six months of allowable service with the most recent covered retirement plan before the date of death and was an active member of that covered retirement plan on the date of death; and

(3) was not receiving a retirement annuity from any covered retirement plan on the date of death.

Subd. 3. COMBINED SERVICE SURVIVOR BENEFIT COMPUTATION. (a) The combined service survivor annuity or survivor benefit from each covered retirement plan must be based on the allowable service in each covered retirement plan, except as provided by paragraphs (b) to (f).

(b) The survivor annuity or survivor benefit must be governed by the law in effect for each covered retirement plan on the date of death of the deceased member.

(c) All plans must base the survivor annuity or survivor benefit on the same average salary.

(d) If the method of the covered retirement plan used to compute a survivor benefit or annuity varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a survivor benefit or annuity does not vary based on the length of allowable service credit, the portion of the specified benefit or annuity amount from the plan must bear the same proportion to the total specified benefit or annuity amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the survivor benefit amount for allowable service under the plan is not affected, but the service and covered salary under the plan must be used in calculations by other covered retirement plans.

(f) A period for which a person has allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service survivor annuity or survivor benefit. A period of duplicated service credit must be handled as provided in section 356.30, subdivision 1, clause (3), items (i) and (j).

Subd. 4. COVERED RETIREMENT PLANS. This section applies to the following retirement plans:

(1) legislators retirement plan, established by chapter 3A;

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

- (2) state employees retirement fund, established by chapter 352;
- (3) correctional employees retirement plan, established by chapter 352;
- (4) state patrol retirement fund, established by chapter 352B;
- (5) elective state officers retirement plan, established by chapter 352C;
- (6) unclassified employees retirement plan, established by chapter 352D;
- (7) public employees retirement association, established by chapter 353;
- (8) public employees police and fire fund, established by chapter 353;
- (9) teachers retirement fund, established by chapter 354;
- (10) Duluth teachers retirement fund association, established by chapter 354A;
- (11) Minneapolis teachers retirement fund association, established by chapter 354A;
- (12) St. Paul teachers retirement fund association, established by chapter 354A; and
- (13) Minneapolis employees retirement fund, established by chapter 422A.

Sec. 3. REPEALER.

Minnesota Statutes 1986, section 356.301, is repealed.

Sec. 4. EFFECTIVE DATE.

Section 1 is effective the day following final enactment and applies to any active member of a covered retirement plan whose applicable disability is determined to have begun on or after that date. Section 2 is effective the day following final enactment and applies to any person who became a survivor on or after June 15, 1986. Section 3 is effective the day following final enactment.

Approved May 28, 1987

CHAPTER 285—H.F.No. 1219

An act relating to taxation; authorizing Scott county to impose a tax on admissions to major amusement facilities; providing for expenditure of the proceeds of the tax.

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

Section 1. SCOTT COUNTY; ADMISSIONS TAX.

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