

Sec. 3. Minnesota Statutes 1990, section 248.07, subdivision 5, is amended to read:

Subd. 5. AIDS. The commissioner shall further be empowered to aid the blind: (1) By home instruction and training; (2) by assisting them in securing tools, appliances, and supplies; (3) by any other practicable means of improving their social, economic, or educational condition; ~~and~~ (4) by providing to eligible persons, or purchasing for sale at cost plus handling charges, special materials and supplies needed by blind or visually handicapped persons that are difficult to obtain elsewhere; and (5) by promoting literacy and access to print materials through production of alternative reading formats such as Braille, audio tapes, radio signals, newspaper reading services, and other services originating from the division's communication center. Equipment may be leased or sold under written rehabilitation plans at cost plus handling charges to persons who wish to lease or purchase them. Receipts under this subdivision, as well as gifts to aid the blind, are subject to section 268.0121, subdivision 5.

Sec. 4. Minnesota Statutes 1990, section 248.10, subdivision 2, is amended to read:

Subd. 2. **REMOVAL; VACANCIES; EXPIRATION.** The compensation, removal of members, and filling of vacancies on the council are as provided in section 15.0575. ~~The council expires on June 30, 1993.~~

Presented to the governor April 14, 1992

Signed by the governor April 17, 1992, 9:50 a.m.

#### CHAPTER 471—S.F.No. 2547

*An act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.*

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

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## ARTICLE 1

## MINNEAPOLIS POLICE RELIEF ASSOCIATION

## SPECIAL LAW RECODIFICATION

## Section 1. MINNEAPOLIS POLICE RELIEF ASSOCIATION; DEFINITIONS.

Subdivision 1. TERMS. For purposes of this article, unless the context clearly indicates otherwise, each of the terms defined in this section has the indicated meaning.

Subd. 2. ACTIVE MEMBER. "Active member" means a person who was hired and duly appointed by the city of Minneapolis before May 1, 1959, as a police stenographer, police clerk, police telephone operator, police radio operator, or police mechanic or before June 15, 1980, as a police officer, police matron, or assistant police matron, who is regularly entered on the payroll of the police department, and who serves on active duty.

Subd. 3. AGE. "Age" means a person's age at the person's latest birthday.

Subd. 4. ANNUAL POSTRETIREMENT PAYMENT. "Annual postretirement payment" means the payment of a lump sum postretirement benefit under section 15 to an eligible member on June 1 following the determination date in any year.

Subd. 5. DETERMINATION DATE. "Determination date" means December 31 of each year.

Subd. 6. DISABILITY. "Disability" means a physical or mental incapacity of an active member to perform the duties of the person's position in the service of the police department.

Subd. 7. DISCHARGE. "Discharge" means a complete separation from service in the police department.

Subd. 8. ELIGIBLE MEMBER. "Eligible member" means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit from the relief association during the 12 months before the determination date.

Subd. 9. EXCESS INVESTMENT INCOME. "Excess investment income" means the amount, if any, by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a first grade patrol officer in the most recent fiscal year plus two percent, and must be expressed as a dollar amount and may not exceed one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of

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return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a first grade patrol officer during the previous five calendar years.

Subd. 10. FUND. "Fund" means the special fund of the relief association.

Subd. 11. RETIRED MEMBER. "Retired member" means a former active member who has terminated active service in the police department and who is entitled to receive a pension or benefit under this article, as amended, or any predecessor law.

Subd. 12. SURVIVING SPOUSE MEMBER. "Surviving spouse member" means the person who was the legally married spouse of the member, who was residing with the decedent, and who was married while or before the time the decedent was an active member and was on the payroll of the police department, and who, in case the deceased member was a pensioner or deferred pensioner, was legally married to the member at least one year before the decedent's termination of active service with the police department. The term does not include the surviving spouse who has deserted a member or who has not been dependent upon the member for support, nor does it include the surviving common law spouse of a member.

Subd. 13. TIME WEIGHTED TOTAL RATE OF RETURN. "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

Subd. 14. UNIT. "Unit" means one-eightieth of the current monthly salary of a first grade patrol officer.

## **Sec. 2. EXCLUSION FROM MEMBERSHIP; POLICE CHIEF.**

(a) Notwithstanding any provision of law to the contrary, the chief of the police department of the city of Minneapolis is excluded from membership in the Minneapolis police relief association and the public employees police and fire fund, unless the person at the time of appointment is either a member of the Minneapolis police relief association or of the public employees police and fire fund, whichever applies. In that case, the person may elect by irrevocable written application within 30 days of the person's appointment as chief of police to continue membership in the applicable pension fund.

(b) If the person is excluded from membership in the Minneapolis police relief association and the public employees police and fire fund by operation of this section, the city of Minneapolis may pay to the person compensation in addition to the salary allowed under any limitations imposed by law on the salaries of public employees, on the condition that the person agrees that the additional compensation must be deposited by the city in a deferred compensation program. The additional compensation is the dollar amount equal to the employer contribution to meet the normal cost obligation of the Minneapolis

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police relief association as specified in the most recent actuarial valuation of the relief association prepared and reported under Minnesota Statutes, sections 69.77, 356.215, and 356.216, applied to the salary currently payable to a first grade patrol officer.

**Sec. 3. LEAVE OF ABSENCE; CONTINUATION OF MEMBERSHIP.**

Subdivision 1. LEAVE OF ABSENCE. A member of the police department who is an active member of the police relief association of the city of Minneapolis and who after January 1, 1969, is elected to a public office of the city may apply for and must be granted a leave of absence from the police department during the time the person is an incumbent of the elective public office of the city.

Subd. 2. CONTINUATION OF MEMBERSHIP. Upon obtaining a leave of absence provided in subdivision 1, a member with ten or more years of service in the police department and the police relief association has the option to continue active membership in the police relief association of the city of Minneapolis. This option applies to future service as well as past service. The member desiring to exercise this option must make application to the governing body of the association, must designate the period of service for which the person desires coverage, and must pay the employee contribution to the police relief association to the same extent that the member would have paid had the person been on active duty with the police department during that period.

Subd. 3. NO SIMULTANEOUS COVERAGE. A payment into the pension fund as provided in subdivision 2 may not be made or accepted and pension credit may not be allowed for any period of time for which the member pays into or earns pension credit from any other Minnesota pension plan for public employees.

Subd. 4. WAIVER OF OTHER RIGHTS. A qualified member who exercises the option provided in subdivision 2 and is at that time a contributing member of another retirement fund or relief association by whatever name known, organized under any other law, and supported in whole or in part by the taxes on the same city, shall waive all benefits from the other retirement fund or relief association, for concurrent time, and shall be entitled to receive a refund of the net accumulated contributions made by the member to the other retirement fund or relief association, with interest, regardless of the provision of any law, rule, bylaw, or other action permitting or requiring membership in the other retirement fund or relief association, however organized.

**Sec. 4. RELIEF ASSOCIATION AND RETIREMENT FUND.**

Subdivision 1. RELIEF ASSOCIATION. The active and retired members of the police department of the city of Minneapolis and their surviving spouses shall maintain the Minneapolis police relief association.

Subd. 2. PENSION FUND. This association shall create, maintain, and administer a police officer's pension fund for the benefit of its members, and

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their survivors and beneficiaries. The sources of revenue of the fund are governed by section 6. The authorized disbursements from the fund are governed by section 7.

Subd. 3. MEMBERSHIP. All members as defined in section 1 are members of the Minneapolis police relief association.

Subd. 4. MANAGEMENT OF RELIEF ASSOCIATION AND FUND. The board created in section 5 shall manage and control the fund.

#### Sec. 5. INCORPORATION, GOVERNMENT BY BOARD.

Subdivision 1. MEMBERS, TERMS, ELECTIONS. The association must be incorporated. It must be governed by a board of nine members. The Minneapolis city council shall appoint two persons to serve as members. Those members must be appointed for a term of two years. All city appointments are effective from January 1 in the odd-numbered years through December 31 in the even-numbered years. The other members of the board must be elected by the members of the association. Board members elected from the active membership have a term of five years. Board members elected from the retired or surviving spouse membership must have a term of three years. An elective member of the board holds office until the person's successor is elected and has qualified. A vacancy in the office of an elective member of the board must be filled by a special election called for that purpose. There are three classes of board members, consisting of a class comprised of active board members, a class comprised of retired board members, and a class comprised of surviving spouse board members. Active members of the relief association may only vote for active board member positions. Retired members of the relief association may only vote for retired board member positions. Surviving spouse members of the relief association may only vote for the surviving spouse board member positions. Once established, a retired board member position and a surviving spouse board member position must remain as such.

In 1994, for the election for board member seat G, the board member position must be filled by a surviving spouse member. In 1995, for the regular election for board member seat C, previously held by an active member, the board member position must be filled by a retired member. In 1999, for the regular election for board member seat B, previously held by an active member, the board member position must be filled by a retired member.

The following sets forth the schedule for the election of the seven elected board member positions on the Minneapolis police relief association board:

<u>year</u>	<u>Active board member position</u>	<u>Retired board member position</u>	<u>Surviving spouse board member position</u>
<u>1992</u>	<u>five-year term</u>	<u>three-year term</u>	<u>three-year term</u>
<u>1993</u>	<u>seat A</u>	<u>seat C</u>	
<u>1994</u>	<u>seat B</u>	<u>seat E</u>	<u>seat G</u>

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<u>1995</u>		<u>seats C and D</u>	
<u>1996</u>		<u>seat E</u>	
<u>1997</u>		<u>seat F</u>	<u>seat G</u>
<u>1998</u>	<u>seat A</u>	<u>seats C and D</u>	
<u>1999</u>		<u>seats B and E</u>	
<u>2000</u>		<u>seat F</u>	<u>seat G</u>
<u>2001</u>		<u>seats C and D</u>	
<u>2002</u>		<u>seats B and E</u>	
<u>2003</u>	<u>seat A</u>	<u>seat F</u>	<u>seat G</u>
<u>2004</u>		<u>seats C and D</u>	
<u>2005</u>		<u>seats B and E</u>	
<u>2006</u>		<u>seat F</u>	<u>seat G</u>
<u>2007</u>		<u>seats C and D</u>	
<u>2008</u>	<u>seat A</u>	<u>seats B and E</u>	
<u>2009</u>		<u>seat F</u>	<u>seat G</u>
<u>2010</u>		<u>seats C and D</u>	

As long as there remains at least one active member on active duty with the Minneapolis police department, there must be a member of the board of directors from the active ranks in accordance with the election procedures outlined in this section.

Subd. 2. ARTICLES OF INCORPORATION. The affairs of the association must be regulated by its articles of incorporation and bylaws.

Subd. 3. CONTINUATION OF BOARD. Notwithstanding the provisions of Minnesota Statutes, section 423A.01, subdivision 2, or any other law, the board of trustees and its successors established under subdivision 1 shall continue to govern the association until there are no more than 100 members of the police pension fund. The fund thereafter must become a trust fund in accordance with Minnesota Statutes, section 423A.01, subdivision 2.

**Sec. 6. SOURCE OF FUNDS.**

Subdivision 1. SOURCES. The fund is derived from the following sources:

- (1) gifts provided to the fund;
- (2) rewards received by active members;
- (3) money coming into the hands of active members in their official capacity and remaining unclaimed for six months;
- (4) proceeds from sales of property coming into the hands of active members in their official capacity and remaining unclaimed for six months, upon sale by the chief of police of the city;
- (5) an amount equal to the minimum percentage specified in Minnesota Statutes, section 69.77, subdivision 2a, of the salary of a first grade patrol officer deducted from the monthly salary of each active member;

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(6) all money derived from taxation as provided by Minnesota Statutes, sections 69.77, subdivisions 2b, 2c, 2d, 2e, and 2f; and 423A.01, subdivision 2;

(7) all money received from the state amortization aid programs under Minnesota Statutes, section 423A.02, to fund the unfunded actuarial accrued liability of the association;

(8) all money received from the state under Minnesota Statutes, chapter 69, as state police aid;

(9) all money provided by the state for the association in addition to clauses (7) and (8);

(10) all money derived from taxation by the municipality for the support of the association and the payment of pensions; and

(11) money from the investment of, earnings on, and interest on the assets of the fund.

Subd. 1a. SALES OF UNCLAIMED PROPERTY. The chief of police of the city shall sell property coming into the hands of active members in their official capacity and remaining unclaimed for six months.

Subd. 2. CONTINUATION OF ASSETS. Assets remaining in the fund at the close of a fiscal year continue.

Subd. 3. TAX LEVY LIMITS INAPPLICABLE. (a) The amount of tax levies required under Minnesota Statutes, sections 69.77, and 423A.01, subdivision 2, must not be included as a part of the general tax levy for city purposes or in the calculation of any limitation of any percent of the assessed valuation upon which taxes are required to be extended.

(b) Any appropriation made to the fund from a city tax levy must not be considered a part of the cost of government as defined in the charter of the city.

Subd. 4. IMPACT ON OTHER LAWS. No provision of this act may be construed as reducing the amount or rate of contribution to the association by the municipality or a member of the association from the minimum contributions prescribed by Minnesota Statutes, section 69.77.

#### Sec. 7. AUTHORIZED FUND DISBURSEMENTS.

The police pension fund may be used only for the payment of:

(1) service, disability, or dependency pensions;

(2) notwithstanding a contrary provision of Minnesota Statutes, section 69.80, the salary of the secretary of the association in an amount not to exceed 30 percent of the base salary of a first grade patrol officer, the salary of the president of the association in an amount not to exceed ten percent of the base salary of a first grade patrol officer, and the salaries of the other elected members of the board of trustees in an amount not to exceed three units;

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(3) expenses of officers and employees of the association in connection with the protection of the fund;

(4) expenses of operating and maintaining the association;

(5) support for hospital and medical insurance for pensioners who have completed 20 years or more of service or permanent disabilitants and surviving spouses of deceased active members, disabilitants, or service pensioners who have completed 20 years or more of service in an amount equal to one unit per month, to be added to the pension otherwise provided;

(6) health and welfare benefits of one unit per month in addition to other benefits for members who retired after July 1, 1980, and have completed 20 years or more of service or for members who are permanent disabilitants; and

(7) other expenses authorized by Minnesota Statutes, section 69.80, or other applicable law.

#### Sec. 8. INSURANCE PLAN.

The board of the association may adopt a hospital and medical insurance plan for pension and benefit recipients, to be funded by the participating pension and benefit recipients. A pensioner or surviving spouse may authorize, in writing, a deduction from the person's pension or benefit for the insurance plan adopted by the association board.

#### Sec. 9. RELIEF ASSOCIATION SERVICE PENSIONS AND DISABILITY PENSIONS.

Subdivision 1. MINNEAPOLIS POLICE; PERSONS ENTITLED TO RECEIVE. The association shall grant pensions payable from the police pension fund in monthly installments to persons entitled to pensions in the manner and for the following purposes.

(a) An active member or a deferred pensioner who has performed duty as a member of the police department of the city for five years or more, upon written application after retiring from duty and reaching at least age 50, is entitled to be paid monthly for life a service pension equal to eight units. For full years of service beyond five years, the service pension increases to a maximum of 40 units, as follows:

<u>Sixth through 20th years</u>	<u>1.6 units per year of service</u>
<u>21st through 24th years</u>	<u>1.0 units per year of service</u>
<u>25th year</u>	<u>4.0 units</u>

Fractional years of service may not be used in computing pensions.

(b) An active member who after five years' service but less than 20 years' service with the police department of the city, becomes superannuated so as to be permanently unable to perform the person's assigned duties, is entitled to be

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paid monthly for life a superannuation pension equal to two units for five years of service and an additional two units for each full year of service over five years and less than 20 years.

(c) An active member who is not eligible for a service pension and who, while a member of the police department of the city, becomes diseased or sustains an injury while in the service that permanently unfits the member for the performance of police duties is entitled to be paid monthly for life a pension equal to 32 units while so disabled.

Subd. 2. DEATH REFUND. No refund of member contributions is payable upon separation from service. If an active member dies leaving no surviving spouse or children entitled to survivor benefits, the member's heirs, executors, or administrators are entitled to a refund of \$100 for each completed year of service.

Subd. 3. SERVICE IN MILITARY FORCES, EFFECT. (a) An applicant for a pension under subdivision 1, paragraph (a) or (b), who, after becoming an active member has served in the military forces of the United States in a war or national defense emergency after January 1, 1940, and thereafter returned honorably discharged from military service and resumed active membership in the association, is entitled to have the period that the applicant spent in military service counted in computing periods of service required for benefits under this section, but the total credit for military service involving service rendered after June 1, 1963, may not exceed six years.

(b) During the period of military service or defense emergency service, the person is not considered to be an active member of the association and is not entitled to any pension provided by subdivision 1, paragraphs (b) and (c).

(c) If the member does not return to employment in the police department of the city within one year from the time peace is declared or within one year from the termination of the period of emergency, whichever is later, the provisions of this subdivision do not apply.

(d) The provisions of this subdivision apply notwithstanding the provisions of the veteran's preference law or any other law, rule, or bylaw providing for credit for military service in computing the pensions for members of the Minneapolis police relief association.

Subd. 4. CERTIFICATE OF PHYSICIANS REQUIRED. No member is entitled to a pension under subdivision 1, paragraph (b) or (c), except upon the certificate of two or more physicians or surgeons chosen by the governing board. This certificate must set forth the cause, nature, and extent of the disability, disease, or injury of the member. No active member may be awarded, granted, or paid a disability pension under subdivision 1, paragraph (c), unless the certificate states that the disability, disease, or injury was incurred or sustained by the member while in the service of the police department of the city. The certificate must be filed with the secretary of the association.

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Subd. 5. MEMBER CONVICTED OF FELONY. A member who has been convicted of a felony is not entitled to any pension during the period of incarceration in a penal institution as a punishment for the commission of a felony.

**Sec. 10. SURVIVOR BENEFITS.**

Subdivision 1. ENTITLEMENT; BENEFIT AMOUNT. (a) The surviving spouse of a deceased service pensioner, disability pensioner, deferred pensioner, superannuation pensioner, or active member, who was the legally married spouse of the decedent, residing with the decedent, and who was married while or before the time the decedent was on the payroll of the police department, and who, if the deceased member was a service or deferred pensioner, was legally married to the member for a period of at least one year before retirement from the police department, is entitled to a surviving spouse benefit. The surviving spouse benefit is equal to 18 units per month if the person is the surviving spouse of a deceased active member or disabilitant. The surviving spouse benefit is equal to 4.5 units per month, plus an additional nine-tenths of one unit for each year of service to the credit of the decedent in excess of five years, to a maximum of 18 units per month, if the person is the surviving spouse of a deceased service pensioner, deferred pensioner, or superannuation pensioner. The surviving spouse benefit is payable for the life of the surviving spouse.

(b) A surviving child of a deceased service pensioner, disability pensioner, deferred pensioner, superannuation pensioner, or active member, who was living while the decedent was an active member of the police department or was born within nine months after the decedent terminated active service in the police department, is entitled to a surviving child benefit. The surviving child benefit is equal to six units per month if the person is the surviving child of a deceased active member or disabilitant. The surviving child benefit is equal to 1.5 units per month, plus an additional three-tenths of one unit per month for each year of service to the credit of the decedent in excess of five years, to a maximum of six units, if the person is the surviving child of a deceased service pensioner, deferred pensioner, or superannuation pensioner. The surviving child benefit is payable until the person attains age 18, or, if in full-time attendance during the normal school year, in a school approved by the board of directors, until the person receives a bachelor's degree or attains the age of 22 years, whichever occurs first.

(c) The surviving spouse and surviving child benefits are subject to a family maximum benefit. The family maximum benefit is 32 units per month.

Subd. 2. SURVIVOR BENEFIT COVERAGE FOR A MEMBER CONVICTED OF A FELONY. The surviving spouse or a surviving child of a deceased member who was convicted of a felony may not be deprived of a survivor benefit by reason of the conviction unless the person was a party to the commission of the felony. For a member who is receiving a pension at the time of conviction, a survivor who was not a party to the commission of the felony remains entitled to receive the survivor benefit provided for in subdivision 1, in the event of the member's death.

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**Sec. 11. TEMPORARY DISABILITY BENEFITS.**

An active member who becomes disabled from performing duties as an active member of the police department of the city by reason of sickness or accident, who is off the payroll of the police department, and who has exhausted all accumulated vacation, overtime, and sick leave credits due to the member, is entitled to receive from the association temporary disability benefits in an amount as the bylaws of the association provide during the disability period. The temporary disability benefits may not extend beyond a six-month period except when an active member is disabled because of an injury sustained while on duty and then benefits may extend for an indefinite time during the existence of the disability. The bylaws may provide that an active member must have completed a minimum number of years of service in order to be entitled to temporary disability benefits. Before temporary disability benefits may be paid or allowed, notice of the disability and application for benefits on account of the disability must be made to the secretary of the association within 90 days after the sickness or disability.

The bylaws may provide that an active member's periods of disability up to one year may be included in computing the member's total years of service for pension entitlement and benefit calculation purposes.

**Sec. 12. MANDATORY RETIREMENT; CONSEQUENCE OF CONTINUED ACTIVE MEMBERSHIP.**

Notwithstanding the provisions of Minnesota Statutes, section 197.45, subdivision 2, and subject only to the provisions of Minnesota Statutes, section 423.075, an active member must retire upon attaining age 65, and upon attaining age 65 must cease to be an active member of the association. An active member who knowingly fails or refuses to comply with this section thereby renders the person and the person's survivors ineligible for any pension or benefits provided under this article, as amended. A person who has ceased to be an active member of the association or has knowingly failed or refused to retire, is entitled only for the refund in an amount equal to \$100 per year of service credit, payable in a lump sum.

**Sec. 13. HEALTH AND WELFARE BENEFIT.**

Notwithstanding any law to the contrary, a person who, after July 1, 1980, retires on a service pension with at least 20 years of service or a permanent disability benefit from the relief association is entitled on January 1, 1981, or upon the date of retirement, whichever occurs later, to receive a monthly health and welfare benefit. The monthly health and welfare benefit is an amount equal to one unit. The monthly health and welfare benefit is payable to the retired member unless the retired member designates in writing that the amount be paid to an insurance carrier to defray the cost of any health or welfare related insurance coverage.

**Sec. 14. HEALTH INSURANCE ACCOUNT.**

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(a) Notwithstanding any law to the contrary, contributions of active members of the relief association with at least 25 years of service made after the 25th year of service must be deposited in a separate account and used to pay the future health insurance costs of the individual member upon that member's retirement.

(b) A member who retires with at least 25 years of service is entitled to receive periodic distributions from the remaining balance in the member's health insurance account, in the amount and with the frequency specified by the retiring member in conformance with rules adopted by the board of trustees for this purpose.

**Sec. 15. INVESTMENT RELATED POSTRETIREMENT ADJUSTMENTS.**

Subdivision 1. ANNUAL POSTRETIREMENT PAYMENT AUTHORIZED. Notwithstanding the provisions of Minnesota Statutes, chapter 69, or any other law to the contrary, the relief association may provide annual postretirement payments to eligible members under this section.

Subd. 2. DETERMINATION OF EXCESS INVESTMENT INCOME. The board of trustees of the relief association shall determine by May 1 of each year whether or not the fund has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the chief administrative officer of the relief association to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the legislative commission on pensions and retirement. The dollar amount of excess investment income up to one percent of the assets of the fund must be applied for the purpose specified in subdivision 3. Excess investment income must not be considered as income to or assets of the fund for actuarial valuations of the fund for that year under Minnesota Statutes, sections 69.77, 356.215, and 356.216 and the provisions of this section except to offset the annual postretirement payment. Additional investment income is any realized or unrealized investment income other than the excess investment income and must be included in the actuarial valuations performed under Minnesota Statutes, sections 69.77, 356.215, and 356.216 and the provisions of this section.

Subd. 3. AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT. The amount determined under subdivision 2 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of excess investment income must be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under Minnesota Statutes, section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum

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amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the time weighted total rate of return exceeds by two percent the actual percentage increase in the current monthly salary of a top grade patrol officer in the most recent fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer of the previous five years. The total amount of all payments to members may not exceed the amount determined under this subdivision. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

A person who received a pension or benefit for the entire 12 months before the determination date is eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

**Subd. 4. ANNUAL POSTRETIREMENT PAYMENT IN THE EVENT OF DEATH.** In the event an eligible member dies after the determination date and before the payment of the annual postretirement payment, the chief administrative officer of the relief association shall pay that eligible member's estate the amount of the postretirement payment to which the eligible member was entitled.

**Subd. 5. REPORT ON ANNUAL POSTRETIREMENT PAYMENT.** The chief administrative officer of the relief association shall prepare a report on the amount of all postretirement payments made under this section and the manner in which those payments were determined. That report must be submitted to the state auditor, the executive director of the legislative commission on pensions and retirement, and the city clerk of the city.

**Subd. 6. NO GUARANTEE OF ANNUAL POSTRETIREMENT PAYMENT.** No provision of or payment made under this section may be interpreted or relied upon by any member of the relief association to guarantee or entitle a member to annual postretirement payments for a period when no excess investment income is earned by the fund.

#### **Sec. 16. SUIT FOR BENEFITS; BONDS.**

No person may sue for any pensions or benefits provided from the special fund of the relief association under this article, as amended, unless the person applying for a pension or benefit first posts a bond from a surety company com-

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petent to undertake the business in a sufficient amount to defray the expense of the governing board of defending the action. In the event that the governing board is sustained, the portion of the bond necessary to defray these expenses is forfeited to the relief association.

**Sec. 17. PAYMENTS EXEMPT FROM PROCESS.**

A payment made by the association under a provision of this article, as amended, is exempt from legal process except as provided in Minnesota Statutes, section 518.58, 518.581, or 518.611. No person entitled to a payment may assign the same. The association may not recognize an assignment or pay a sum on account of an assignment.

**Sec. 18. DISPOSITION OF ASSETS UPON CONCLUSION OF BENEFIT PAYMENTS.**

Upon the death of the last benefit recipient and the certification by the chief administrative officer of the city of Minneapolis to the state auditor of the absence of any remaining person with a benefit entitlement, the assets of the relief association or trust fund, whichever applies, reverts to the city and may be used by the city only for law enforcement expenditure purposes.

**Sec. 19. EFFECT ON ACCRUED BENEFITS AND BENEFITS PAYABLE.**

(a) The legislature intends by this article to recodify the prior local laws applicable to the Minneapolis police relief association.

(b) This article is not intended to increase or reduce the pensions or benefits currently payable to pension and benefit recipients of the Minneapolis police relief association. All pensions and benefits payable from the Minneapolis police relief association in force on the effective date of this section as reflected in the records of the relief association as of that date continue.

(c) This article is not intended to modify, impair, or diminish the pension or benefit entitlements accrued or service credited to active or deferred members of the Minneapolis police relief association on the effective date of this article as reflected in the records of the relief association as of that date. If the secretary of the relief association determines that any provision of this article does function to modify, impair, or diminish the pension or benefit entitlements that had been accrued or service that had been credited to an active or deferred relief association member, the secretary shall certify that determination and a recommendation as to the required legislative correction, if any, to the chairs of the legislative commission on pensions and retirement, the house governmental operations committee, the senate governmental operations committee, and to the executive director of the legislative commission on pensions and retirement.

**Sec. 20. REPEALER.**

(a) Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; and 423.775, are repealed.

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(b) Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90, are repealed.

#### Sec. 21. EFFECTIVE DATE.

Sections 1 to 20 are effective upon approval by a majority of the city council of the city of Minneapolis and compliance with Minnesota Statutes, section 645.021, subdivision 3.

## ARTICLE 2

### CONFORMING AMENDMENTS

Section 1. Laws 1980, chapter 607, article XV, section 8, is amended to read:

Sec. 8. **MINNEAPOLIS POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS: MINIMUM MEMBER CONTRIBUTION.** Notwithstanding any provision of Minnesota Statutes, Section 69.77, or any other law to the contrary, the minimum employee contribution to the special fund of the relief association for retirement and survivorship benefits by each member of the ~~Minneapolis police relief association or the Minneapolis firefighters relief association~~, during the remaining term of covered employment by the member shall be seven percent of the maximum salary from which retirement and survivorship credits and amounts of benefits are determined, effective July 1, 1980, and eight percent effective January 1, 1981.

Sec. 2. Laws 1980, chapter 607, article XV, section 9, as amended by Laws 1987, chapter 322, section 6, and chapter 372, article 2, section 5, is amended to read:

Sec. 9. **MINNEAPOLIS POLICE AND FIRE; HEALTH AND WELFARE BENEFIT.** Notwithstanding any law to the contrary, any person who, after July 1, 1980, retires on a service pension with at least 20 years of service or a permanent disability benefit from the ~~Minneapolis police relief association or the Minneapolis firefighters relief association~~ shall be entitled on January 1, 1981, or upon the date of retirement, whichever occurs later, to receive a monthly health and welfare benefit unless the city of Minneapolis elects to retain the local relief association by the adoption of a municipal resolution pursuant to

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section 4, subdivision 1. The monthly health and welfare benefit shall be an amount equal to one unit as defined pursuant to ~~Laws 1962, Chapter 315, Section 4, Subdivision 3, for the Minneapolis police relief association,~~ or Minnesota Statutes, Section 69.45, for the Minneapolis firefighters relief association; ~~whichever is applicable.~~ The monthly health and welfare benefit shall be paid to the retired member unless the retired member designates in writing that the amount be paid to an insurance carrier to defray the cost of any health or welfare related insurance coverage.

Sec. 3. Laws 1980, chapter 607, article XV, section 10, is amended to read:

**Sec. 10. DETERMINATION OF FINANCIAL REQUIREMENTS OF RELIEF ASSOCIATION AND MINIMUM MUNICIPAL OBLIGATION.**

The officers of the ~~Minneapolis police relief association and the~~ Minneapolis firefighters relief association shall include in their determinations of the financial requirements of the relief association and the minimum obligation of the governmental subdivision submitted to the city of Minneapolis on or before September 1, 1980, pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, Clauses (2) and (3), the cost of the health and welfare benefit as estimated by the actuary of the respective relief association based on the most recent actuarial valuation of the relief association prepared pursuant to Minnesota Statutes, Sections 69.77, 356.215 and 356.216. The city of Minneapolis shall provide sufficient financial support to ~~each~~ the relief association to meet the minimum obligation of the governmental subdivision including the cost of the health and welfare benefit, effective January 1, 1981.

Sec. 4. Laws 1989, chapter 319, article 19, section 6, is amended to read:

**Sec. 6. DISPOSITION OF ASSETS UPON CONCLUSION OF BENEFIT PAYMENTS.**

Upon the death of the last benefit recipient and the certification by the chief administrative officer of ~~a the~~ city of ~~the first class with a population of more than 300,000~~ Minneapolis to the state auditor of the absence of any remaining person with a benefit entitlement, the assets of the Minneapolis fire department relief association or trust fund, whichever applies, must revert to the city and may be used by the city only for ~~law enforcement or firefighting expenditure purposes; whichever applies.~~

Sec. 5. Laws 1989, chapter 319, article 19, section 7, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purposes of this section, each of the terms in this subdivision have the meanings given them in paragraphs (a) to (h).

(a) "Annual postretirement payment" means the payment of a lump sum postretirement benefit to an eligible member on June 1 following the determination date in any year.

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(b) "City" means a the city of the first class with a population of more than 300,000 Minneapolis.

(c) "Determination date" means December 31 of each year.

(d) "Eligible member" means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit from the relief association during the 12 months before the determination date. A person who received a pension or benefit for the entire 12 months before the determination date ~~are~~ is eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

(e) "Excess investment income" means the amount by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a ~~top grade patrol officer or top grade firefighter, whichever applies,~~ in the most recent fiscal year plus two percent. The excess investment income must be expressed as a dollar amount and may not exceed one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a ~~top grade patrol officer or top grade firefighter, whichever applies,~~ during the previous five calendar years.

(f) "Fund" means a ~~police relief association or firefighters~~ the Minneapolis fire department relief association; ~~whichever applies,~~ located in the city and governed by Minnesota Statutes, section 69.77.

(g) "Relief association" means the ~~police relief association or the firefighters~~ Minneapolis fire department relief association; ~~whichever applies,~~ located in the city.

(h) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

Sec. 6. Laws 1989, chapter 319, article 19, section 7, subdivision 4, as amended by Laws 1990, chapter 570, article 12, section 63, is amended to read:

Subd. 4. **AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.** The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of one percent of assets which constitute excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of one percent of assets which constitute excess investment income shall be applied to reduce the state amortization state aid or supplementary

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amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the time weighted total rate of return exceeds by two percent the actual percentage increase in the current monthly salary of a ~~top grade patrol officer or a top grade firefighter, whichever applies,~~ in the most recent fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a ~~top grade patrol officer or a top grade firefighter, whichever applies,~~ of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

Sec. 7. Laws 1990, chapter 589, article 1, section 6, is amended to read:

Sec. 6. **HEALTH INSURANCE ACCOUNT.**

Notwithstanding any law to the contrary, contributions of members of the ~~Minneapolis police relief association and the Minneapolis fire department relief association~~ with 25 or more years of service shall be deposited in a separate account and used to pay the future health insurance costs of the individual member upon that member's retirement.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective upon the effective date of article 1, section 21.

Presented to the governor April 14, 1992

Signed by the governor April 15, 1992, 1:22 p.m.

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