

been a relief association member during the eligible period, plus annual compound interest on that amount at the rate of five percent.

(c) The balance of the actuarial accrued liability for the service credit granted under paragraph (a) that was not paid under paragraph (b) must be included in the next actuarial valuation of the South St. Paul police relief association under Minnesota Statutes, sections 356.215 and 356.216, and the resulting amortization requirement must be included in the calculation of the minimum municipal obligation of the city of South St. Paul under Minnesota Statutes, section 69.77.

Sec. 4. EFFECTIVE DATE.

Section 1 is effective the day following final enactment. Section 2 is effective upon approval of the Bloomington city council and upon compliance with Minnesota Statutes, section 645.021. Section 3 is effective upon approval by the South St. Paul city council and compliance with Minnesota Statutes, section 645.021.

Presented to the governor April 28, 1994

Signed by the governor April 29, 1994, 2:32 p.m.

CHAPTER 542—H.F.No. 2478

An act relating to retirement; first class city teachers; defining salary; authorizing purchase of service credit for parental or maternity leave; resumption of teaching by basic program retirees; authorizing the board of the Minneapolis teachers retirement fund association to amend the bylaws or articles of incorporation to provide for parental or maternity leave; amending Minnesota Statutes 1992, sections 354A.011, subdivision 24; 354A.095; and 354A.31, subdivision 3.

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

Section 1. Minnesota Statutes 1992, section 354A.011, subdivision 24, is amended to read:

Subd. 24. **SALARY.** (a) "Salary" or "covered salary" means the entire compensation paid to a teacher excluding any lump sum annual leave or sick leave payments and all forms of severance payments, even if a portion of the compensation is paid from other than public funds, upon which member contributions are required and made, that is paid to a teacher before any allowable reductions permitted under the federal Internal Revenue Code of 1986, as amended, for employee selected fringe benefits, tax sheltered annuities, deferred compensation, or any combination of these items.

(b) "Salary" does not mean:

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- (1) lump sum annual leave payments;
- (2) lump sum wellness and sick leave payments;
- (3) payments in lieu of any employer-paid group insurance coverage;
- (4) payments for the difference between single and family premium rates that may be paid to a member with single coverage;
- (5) employer-paid fringe benefits including, but not limited to, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or automobile allowances and expenses;
- (6) payments to school principals and all other administrators for services in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any other nonduty day;
- (7) payments under section 356.24, subdivision 1, clause (4)(ii); and
- (8) payments made under section 125.12, subdivision 7, except for payments for sick leave accumulated under the provisions of a uniform school district policy that applies equally to all similarly situated persons in the district.

Sec. 2. Minnesota Statutes 1992, section 354A.095, is amended to read:

354A.095 PARENTAL AND MATERNITY LEAVE.

Basic or coordinated members of the St. Paul teachers retirement fund association, the Minneapolis teachers retirement fund association, and new coordinated members of the Duluth teachers retirement fund association, who are granted parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary rate upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

Sec. 3. Minnesota Statutes 1992, section 354A.31, subdivision 3, is amended to read:

Subd. 3. **RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.** Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 or any person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who

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has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount 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 under United States Code, title 42, section 403. The amount of the reduction must be one-third the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists. For the purpose of this subdivision, income from teaching service includes: (i) all income for services performed as a consultant or independent contractor; or income resulting from working with the school district in any capacity; and (ii) 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 the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

Sec. 4. MINNEAPOLIS TEACHERS RETIREMENT FUND BYLAW AMENDMENT.

Consistent with Minnesota Statutes, section 354A.12, subdivision 4, the board of the Minneapolis teachers retirement fund association may amend the bylaws or articles of incorporation to provide parental or maternity leave, providing that the leave is granted by the employing authority, and specifying that:

(a) the service credit obtained may not exceed one year for the period of the leave;

(b) to obtain the service credit, the individual must pay to the fund an amount equal to the total required contributions for the period of the leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary rate upon returning to teaching service; and

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(c) payment must be made by the end of the fiscal year following the fiscal year in which the leave terminates. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

**Sec. 5. ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION
AND MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION
BYLAW AMENDMENTS.**

Consistent with Minnesota Statutes, section 354A.12, subdivision 4, the board of the Minneapolis teachers retirement fund association and the board of the St. Paul teachers retirement fund association may amend the bylaws or articles of incorporation to provide that:

(1) a person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who resumes teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount 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 under United States Code, title 42, section 403;

(2) the amount of the reduction must be one-third the amount in excess of the applicable reemployment income maximum and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned;

(3) if the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits;

(4) if the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income must be prorated for that calendar year;

(5) after a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists; and

(6) for the purposes of the bylaw amendment, income from teaching service includes: (i) all income for services performed as a consultant, independent contractor, or income resulting from working with the school district in any capacity; and (ii) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent

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contractor in the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

Presented to the governor April 28, 1994

Signed by the governor April 29, 1994, 2:34 p.m.

CHAPTER 543—H.F.No. 2135

VETOED

CHAPTER 544—H.F.No. 2920

VETOED.

CHAPTER 545—H.F.No. 1788

An act relating to marriage; providing for postnuptial contracts; amending Minnesota Statutes 1992, section 519.11.

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

Section 1. Minnesota Statutes 1992, section 519.11, is amended to read:

519.11 ANTENUPTIAL ~~CONTRACT~~ AND POSTNUPTIAL CONTRACTS.

Subdivision 1. **ANTENUPTIAL CONTRACT.** A man and woman of legal age may enter into an antenuptial contract or settlement prior to solemnization of marriage which shall be valid and enforceable if (a) there is a full and fair disclosure of the earnings and property of each party, and (b) the parties have had an opportunity to consult with legal counsel of their own choice. An antenuptial contract or settlement made in conformity with this section may determine what rights each party has in the nonmarital property, defined in section 518.54, subdivision 5, clauses (a) to (d), upon dissolution of marriage, legal separation or after its termination by death and may bar each other of all rights in the respective estates not so secured to them by their agreement. This section shall not be

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