

## CHAPTER 715—H. F. No. 494

*An act relating to the public employees retirement association, amending Minnesota Statutes 1961, Chapter 353, Section 353.36, Subdivisions 1 and 2; repealing Minnesota Statutes 1961, Section 353.36, Subdivision 4.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 353.36, Subdivision 1, is amended to read:

**353.36 Public employees retirement; purchases of prior service credit.** Subdivision 1. **Purchases of prior service credit authorized.** After July 1, 1961, no member shall be entitled to make payments in lieu of salary deductions to the board of trustees to receive credit for any period of service prior to that date for which employee contributions were not deducted from his salary. Prior to that date credit for such service may be received in the manner provided in this section. After that date credit can only be received for services rendered for which employee contributions are made as a deduction from salary, except as provided in sections 353.35 and 353.39. *Subject to the provisions of subdivision 2, any member may make payments in lieu of salary deductions to receive allowable service credit for prior public service rendered as a public employee, as defined in section 353.01, Subdivision 2 in all cases where such purchases of prior service were authorized by Minnesota Statutes 1953, Chapter 353, as amended by Laws 1955, Chapter 815.*

Sec. 2. Minnesota Statutes 1961, Section 353.36, Subdivision 2, is amended to read:

Subd. 2. **Employee contributions; interest; matching payment.** From July 1, 1957, until July 1, 1961, any member may make payments to receive credit in any case where these payments were authorized by Minnesota Statutes 1953, Chapter 353, as amended by Laws 1955, Chapter 815. The amount of these payments, however, shall be six percent of the average salary for each year for which credit is sought. The member shall pay in addition interest at the rate of four percent per annum compounded annually from the year of service purchased to the date payment is made. The board of trustees may make any agreement with the member it deems proper, providing for installment payments if the member cannot pay the amount due before the out off date. Each employing governmental subdivision shall match all payments made pursuant to this subdivision on a pro rata basis of past service rendered to each governmental subdivision. The board shall deter-

**Changes or additions indicated by *italics*, deletions by ~~strikeout~~.**

mine the amounts due and certify these amounts to the particular governmental subdivision involved. Any governmental subdivision making the employer contribution herein provided is hereby authorized to appropriate money for such purpose. Purchases of prior service credit are authorized and shall be effective only if (a) the member shall pay, in a lump sum, to the association an amount equivalent to the required employee contributions for the prior service sought to be purchased at the rate of six percent of salary not exceeding \$4,800 in any calendar year through June 30, 1965, and at the rate of six percent of salary on which employee contributions are based from and after July 1, 1965, plus accrued interest thereon at the rate of four percent per annum, compounded annually from the year of service purchased to the date payment is made; and (b) the member at the same time shall pay additionally a matching amount equivalent to that required to be paid under (a); (c) as an alternative to the employee obligation under (b) hereof, the employer may, by appropriate action of its governing body and made a part of its official records, certify to the association, in writing, at the time of or prior to the payment by the member of the amount required under (a) hereof, that it assumes the obligation and will pay to the association the matching amount as required under (b) hereof from the proceeds of a tax levy made pursuant to section 353.28 or from other funds available to the employer. No member shall be entitled to service credit under this subdivision unless the association has first received in full (1) the employee's contributions, plus interest thereon; and (2) the matching amount from the employee or from the employer; or (3) in lieu of (2) hereof, the employer's certification assuming the obligation for the matching amount. The employer's obligation under (c), if assumed, shall be limited on a pro rata basis to that portion of the service included in the purchase which was rendered by the member for the respective employing governmental subdivisions.

Sec. 3. *Nothing in this act shall be construed to confer membership, as that term is defined in Minnesota Statutes 1961, Section 353.01, Subdivision 7, as amended, on any public employee who would not otherwise be a member.*

Sec. 4. *Minnesota Statutes 1961, Section 353.36, Subdivision 4, is repealed.*

Approved May 25, 1965.

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