

## CHAPTER 977—H. F. No. 1599

[Coded]

*An act relating to retirement; providing for the participation of the retired members of the Minnesota highway patrolmen's retirement association in the Minnesota adjustable fixed benefit fund; amending Minnesota Statutes 1967, Chapter 352B, by adding a section thereto; and Chapter 11, by adding a section thereto.*

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

Section 1. Minnesota Statutes 1967, Chapter 352B, is amended by adding a section to read:

**Sec. [352B.26]. Highway patrolmen; participation in Minnesota adjustable fixed benefit fund.** *Subdivision 1. Authorization. Effective July 1, 1969, the highway patrolmen's retirement association shall participate in the Minnesota adjustable fixed benefit fund. In that fund there shall be deposited assets as required by this act and from which fund amounts shall be withdrawn only for the purpose of paying annuities as herein provided and such money is annually and from time to time appropriated.*

**Subd. 2. Adjustable fixed benefit annuity.** *Adjustable fixed benefit annuity means the payments made from the participation in the fund to an annuitant, including a joint and survivor annuitant and qualified recipients of widows' benefits, after retirement in accordance with the provisions of this section. It also means that the payments made to such persons, whether benefits were determined under Chapter 352B or 352A, shall never be an amount less than the amount determined on or before June 30, 1969, or on retirement, whichever is later.*

**Subd. 3. Valuation of assets; adjustment of benefits.**  
(1) *As of June 30, 1969, the present value of all annuities, including joint and survivor annuities and qualified recipients of widows' benefits, in force as of June 30, 1969, and as amended in accordance with this act, shall be determined in accordance with the United States Life Tables, 1959-61, white males and white females, calculated with an interest assumption of three and one-half percent and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund, during a period of one year in accordance with procedures specified in Minnesota Statutes, Section 11.25. The provisions of this clause also apply to all annuities under Chapter 352A, prior to July 2, 1969, which became payable under Chapter 352B on that date or subsequently.*

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

(2) *Effective July 1, 1969, for those employees commencing to receive annuities and qualified recipients of widows' benefits, or joint and survivor annuities, pursuant to Chapter 352B, and acts amendatory thereof, the required reserves as determined in accordance with this section shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue after June 30, 1969.*

(3) *Annually on July 1 of each fiscal year the annuity payments made from the participation in the Minnesota adjustable fixed benefit fund shall be adjusted in accordance with the following procedures. Any adjustment in the amount of annuity payments shall become effective with the first payment falling due after December 31 next succeeding the July 1 on which the adjustment was determined.*

(4) *A determination shall be made of the present value of all annuities in force payable from the participation in the Minnesota adjustable fixed benefit fund calculated in accordance with the mortality and interest assumptions then in effect. The ratio of the participation in the fund to such present values shall be determined and stated as a percentage of the total present value to the last full .5 of one percent. If such ratio is greater than 98 percent or less than 102 percent no adjustment of annuities will be made. If the ratio is equal to or greater than 102 percent or is equal to or less than 98 percent, the annuity payments currently payable shall be increased or decreased in the ratio so determined for the 12-month period beginning with the first payment due after December 31 next succeeding the valuation date, provided that the annuity payment to any annuitant shall never be an amount less than the amount originally determined on the date of retirement or on July 1, 1969, whichever is later. For the purpose of calculating the adjustments provided herein, all persons commencing to receive benefits during any fiscal year shall be deemed to have retired in the same class and all annuitants in such class are equally entitled to any adjustment of annuity payments. All persons commencing to receive benefits prior to July 1, 1969, shall be in the same class as those retiring between July 1, 1969 and June 30, 1970. If the value of the participation in the Minnesota adjustable fixed benefit fund goes below the value of the reserves required to support the amount originally determined on the date of retirement or on July 1, 1969, whichever is later for any annuitant or class of annuitants, the excess of the amount paid over the amount which the reserves would support must be recovered by withholding the amount of any future increases in annuity payments to which the annuitant or class of annuitants would be otherwise entitled until the sum of the amounts withheld equals such accumulated excess. After any deficiency is recovered in full, the annuity will be increased on the basis of the cu-*

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*mulative ratio of assets to reserves currently applicable to such annuitant or class of annuitants. Exact procedures to be followed in making determinations as to the amounts to be received by persons commencing to receive benefits during the various fiscal years shall be determined by the officers of the highway patrolmen's retirement association in accordance with accepted actuarial and accounting practices.*

(5) *Notwithstanding Minnesota Statutes, Section 356.18, increases in annuity payments pursuant to this section will be made automatically unless written notice is filed by the annuitant with the officers of the highway patrolmen's retirement association requesting that the increase shall not be made.*

Sec. 2. Minnesota Statutes 1967, Chapter 11, is amended by adding a section to read:

Sec. [11.28]. *All money necessary to meet the requirements of certification of withdrawal by funds authorized to participate in the Minnesota adjustable fixed benefit fund are hereby annually, and from time to time, appropriated from the Minnesota adjustable fixed benefit fund to the participating pension funds involved. Withdrawals for pensions is limited to those pensions for which reserves have been transferred to the Minnesota adjustable fixed benefit fund.*

Sec. 3. **Effective date.** *This act takes effect on July 1, 1969.*

Approved June 6, 1969.

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#### CHAPTER 978—H. F. No. 1662

*An act relating to taxes on and measured by net income; amending Minnesota Statutes 1967, Section 290.19, Subdivision 1.*

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

Section 1. Minnesota Statutes 1967, Section 290.19, Subdivision 1, is amended to read:

**290.19 Taxes; net income; allocation to state, methods.** Subdivision 1. **Computation, business conducted partly within state; apportionment.** The taxable net income from a trade or business carried on partly within and partly without this state

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