

Section 1. **OWATONNA, CITY OF; FIREMEN'S RELIEF ASSOCIATION.** Notwithstanding any provision to the contrary of Minnesota Statutes, Section 69.06, the fire department relief association of the city of Owatonna may pay to a retired fireman after 20 years service and age 50, a lump sum benefit not in excess of ~~\$600~~\$800 per year of service for the first 20 years, plus an amount not in excess of ~~\$600~~\$800 for each additional year of service up to a maximum of ~~\$24,000~~\$32,000.

Sec. 2. This act is effective upon approval by the Owatonna city council and upon compliance with Minnesota Statutes, Section 645.021.

Approved June 3, 1975.

CHAPTER 368—H.F.No.593

[Coded in Part]

An act relating to retirement; computation of legislative annuities; mandatory age for legislative employees; miscellaneous changes in the Minnesota state retirement system law; authorizing the public employees retirement association to make a feasibility study; amending Minnesota Statutes 1974, Chapters 3A, 352, and 352B, by adding sections; Sections 3A.01, Subdivisions 2 and 4; 3A.02, Subdivisions 1, 3, and 4; 3A.03, Subdivision 2; 3A.04, Subdivisions 1 and 2; 3A.05; and 3A.10, Subdivision 1; 43.051, Subdivision 1; 352.01, Subdivision 17; 352.03, Subdivisions 4, 11, and by adding a subdivision; 352.113, Subdivisions 1, 5, and 12; 352.115, Subdivisions 2, 10, and 11; 352.12, Subdivisions 1, 2, 6, 7, 8, and 11; 352.15; 352.22, Subdivisions 3 and 8; 352.72, Subdivision 2, and by adding a subdivision; 352.91, by adding a subdivision; 352.93, Subdivision 1; 352B.03, Subdivisions 1 and 2; 352D.015, Subdivision 9; 352D.02, Subdivisions 1 and 3; 352D.05, Subdivision 3; 352D.06, Subdivisions 1 and 2; 352D.065, Subdivisions 2 and 3; and 352D.075, Subdivisions 2 and 3; Laws 1969, Chapter 641, Section 1, by adding a subdivision; repealing Minnesota Statutes 1974, Sections 352.28; 352.32; 352.38; 352.715; 352B.01, Subdivision 5; 352B.021; 352B.04; 352D.015, Subdivision 10; 352D.05, Subdivision 2; 352D.065, Subdivision 1; 352D.075, Subdivision 1; 352D.085, Subdivision 2; and 355.301.

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

Section 1. Minnesota Statutes 1974, Section 3A.01, Subdivision 2, is amended to read:

Subd. 2. **RETIREMENT; RETIREMENT OF PUBLIC EMPLOYEES AND OFFICERS; DEPENDENT CHILD.** "Dependent child" means any natural or adopted child of a deceased member of the legislature or former legislator who is under the age of 18, or who is under the age of 22 and is a full time student, and who in either case is unmarried and was actually dependent for more than one-half of his support upon such member of the legislature—legislator for a period of at least 90

Changes or additions indicated by underline deletions by ~~strikeout~~

days immediately prior to the member of the legislature's- legislator's death. It also includes any child of the member of the legislature or former legislator conceived during his lifetime and born after his death. This subdivision shall be retroactive as to any dependent child under the age of 22 years as of April 1, 1975.

Sec. 2. Minnesota Statutes 1974, Section 3A.01, Subdivision 4, is amended to read:

Subd. 4. **RETIREMENT.** "~~Retirement~~" means ~~ceasing the time after a former legislator is entitled to a retirement allowance.~~ "Former legislator" means a legislator who has ceased to be a member of the legislature for any reason, including, but not limited to, expiration of the term for which a member of the legislature was elected, or death of such member.

Sec. 3. Minnesota Statutes 1974, Section 3A.02, Subdivision 1, is amended to read:

3A.02 RETIREMENT ALLOWANCE. Subdivision 1. **QUALIFICATIONS.** Any ~~member of the legislature- former legislator~~ :

(1) Who has served at least eight years or who has served during all or part of four regular sessions as such member of the legislature, which service need not be continuous, but must have been after January 1, 1965 except as hereinafter provided; and

(2) Who attains the age of 60 years; and

(3) Who has retired as a member of the legislature; and

(4) Who has made all contributions provided for in sections 3A.01 to 3A.10, or who has made payments in lieu of all contributions provided for in sections 3A.01 to 3A.10 as provided for in subdivision 2; shall be entitled upon written application to the director to receive a retirement allowance monthly of 40 percent of his average monthly salary during the ~~period of his service-final term of office~~ as a member of the legislature ~~since January 1, 1973~~; beginning with the first day of the month of receipt of such application and for the remainder of his life, provided he is not serving as a member of the legislature or as a constitutional officer or commissioner.

In addition to the amount provided above, the retired member who meets the qualifications of clauses (1), (2), (3) and (4) shall receive for every year of service over eight years a monthly allowance which equals two and one half percent of the average monthly salary determined pursuant to clause (4).

The retirement allowance shall cease with the last payment which had accrued to the retired legislator during his lifetime except that the surviving spouse, if any, shall be entitled to the retirement allowance

Changes or additions indicated by underline deletions by ~~strikeout~~

for the calendar month in which the retired legislator died.

This subdivision is applicable to members of the legislature who ~~retire-terminate service~~ after January 1, 1973, and to any widow or dependent child of any such member ~~who retires after January 1, 1973~~. Clauses (1) and (2) shall also be applicable to any former legislator who applies for a deferred annuity after the effective date of this act. Any former legislator who was in office on or after January 1, 1965, who had at least eight years of service but less than ten years of service as a member of the legislature, and who took a refund of his contributions, may upon application to the director repay to the director for credit to his account all refundments taken plus interest thereon at six percent per annum compounded annually. Upon repayment of the refundment, he shall then be entitled when otherwise qualified to a retirement allowance pursuant to subdivision 1, provided however that the retirement allowance shall be based on his salary at the time of his termination of service as a member of the legislature.

Sec. 4. Minnesota Statutes 1974, Section 3A.02, Subdivision 3, is amended to read:

Subd. 3. **APPROPRIATION.** The amounts required for payment of retirement allowances provided by this section are appropriated annually to the director from the ~~general fund in the state treasury-participation in the Minnesota adjustable fixed benefit fund~~ and shall be paid by him monthly to the recipients entitled thereto.

Sec. 5. Minnesota Statutes 1974, Section 3A.02, Subdivision 4, is amended to read:

Subd. 4. **DEFERRED ANNUITIES AUGMENTATION.** The deferred annuity of any ~~member of the legislature who retires after July 1, 1973, former legislator~~ shall be ~~computed in the manner provided in subdivision 1 and~~ augmented as provided herein. The required ~~resources reserves~~ applicable to the deferred annuity, determined as of the date the benefit begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented by interest at the rate of ~~three and one-half-five~~ percent per annum compounded annually from the date of ~~retirement-termination of service, or July 1, 1973, whichever is later,~~ to the first day of the month in which the annuity begins to accrue.

Sec. 6. Minnesota Statutes 1974, Section 3A.03, Subdivision 2, is amended to read:

Subd. 2. **REFUNDMENT.** (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a member of the legislature and has less than eight years service as a member of the legislature and is not receiving, has not received, or is not entitled to receive any allowance or benefit under sections 3A.01 to 3A.10 is entitled to receive upon application to the director a refundment of all contribu-

Changes or additions indicated by underline deletions by ~~strikeout~~

tions credited to his account without interest thereon. The moneys required for such refundments are appropriated annually to the director from the general fund in the state treasury.

(2) The refundment of contributions as provided in clause (1) above terminates all rights of a former member of the legislature or his survivors under sections 3A.01 to 3A.10. Should the former member of the legislature again be a member of the legislature after having taken a refundment as provided above, he shall be considered a new member. However, such new member may ~~receive credit for the services rendered as a prior member of the legislature providing he complies with the requirements of section 3A.02, subdivision 2, and in addition thereto; pays interest at the rate of five percent per annum on the amount of his prior refundment, which he repays—reinstates the rights and credit for service forfeited, provided the new member repays all refundments taken plus interest thereon at six percent per annum compounded annually.~~

(3) No person shall be required to apply for or accept a refundment.

Sec. 7. Minnesota Statutes 1974, Section 3A.04, Subdivision 1, is amended to read:

3A.04 SURVIVING BENEFIT. Subdivision 1. **SURVIVING SPOUSE.** Upon the death of a member of the legislature while serving as such member after June 30, 1973, ~~who has served as a member of the legislature for at least two years~~; or upon the death of a former member of the legislature with at least eight years of service as required by section 3A.02, subdivision 1, clause (1), ~~whether in the legislature or not and regardless of age~~, the surviving spouse shall be paid a survivor benefit in the amount of one-half of the retirement allowance of the member of the legislature computed as though the member ~~had retired at~~ were at least age 60 on the date of his death and shall be based upon his allowable service or eight years whichever is greater. Such benefit shall be paid during the lifetime of the surviving spouse, but shall cease and terminate upon the remarriage of the surviving spouse.

Sec. 8. Minnesota Statutes 1974, Section 3A.04, Subdivision 2, is amended to read:

Subd. 2. **DEPENDENT CHILDREN.** Upon the death of a member of the legislature while serving as such member after June 30, 1973, ~~who has served as a member of the legislature for at least two years~~; or upon the death of a former member of the legislature with at least eight years of service as required by section 3A.02, subdivision 1, clause (1), ~~whether in the legislature or not and regardless of age~~; each dependent child of such member shall be paid a survivor benefit in the following amount: First dependent child, a monthly allowance which equals 25 percent of the monthly retirement allowance of the member

Changes or additions indicated by underline deletions by ~~strikeout~~

of the legislature computed as though the member ~~had retired at~~ were at least age 60 on the date of his death and based upon his allowable service or eight years whichever is greater ; for each additional dependent child, a monthly allowance which equals 12 1/2 percent of the monthly retirement allowance of the member computed as in the case of the first child; but the total amount paid to the surviving spouse and dependent children shall not exceed in any one month 100 percent of the monthly retirement allowance of the member computed as in the case of the first child. The payments for dependent children shall be made to the surviving spouse or the guardian of the estate of the dependent children, if there is one. A posthumous child qualifies as a dependent child for benefits provided herein from the date of its birth.

Sec. 9. Minnesota Statutes 1974, Section 3A.05, is amended to read:

3A.05 APPLICATION FOR SURVIVOR BENEFIT. Applications for survivor benefits under sections 3A.01 to 3A.10 shall be filed with the director by the surviving spouse and dependent children entitled to such benefits under section 3A.04, or by the guardian of the estate, if there is one, of the dependent children; and payments shall commence as of the first of the month next following the filing of the application, and shall be retroactive to the first day of the month following the death of the member of the legislature or former member with respect to any application filed after June 30, 1973. With respect to applications made after July 1, 1975, no payment shall be retroactive for more than 12 months prior to the month the application is filed with the director.

Sec. 10. Minnesota Statutes 1974, Section 3A.10, Subdivision 1, is amended to read:

3A.10 ONE TERM OF SERVICE BEING A CERTAIN TIME. Subdivision 1. In the case of a member of the house of representatives one full term of office shall be considered two full years service notwithstanding the fact that the oath of office may be taken on different days each biennium. In the case of a member of the senate, one full term of office shall be considered four full years service notwithstanding the fact that the oath of office may be taken on different days at the start of each term. For purposes of this chapter, a legislative term shall be deemed to commence on January 1st and to end on December 31st.

Sec. 11. Minnesota Statutes 1974, Chapter 3A, is amended by adding a section to read:

[3A.12] COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION. Subdivision 1. ENTITLEMENT TO ANNUITY. Any legislator who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association policemen and firemen fund, or the teachers retirement as-

Changes or additions indicated by underline deletions by ~~strikeout~~

sociation, or the Minneapolis municipal employees retirement fund, or the highway patrolmen's retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for policemen or firemen, shall be entitled when qualified to an annuity from each fund if his total allowable service for which he has credit in all funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ten years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years. The augmentation of deferred annuities provided in section 3A.02, subdivision 4, shall apply to the annuities accruing hereunder.

Subd. 2. REFUND REPAYMENT. Any former legislator who has received a refund as provided in section 3A.03, subdivision 2, who is a currently contributing member of a retirement fund specified in subdivision 1, may repay the refund as provided in section 3A.03, subdivision 2. Any member of the legislature who has received a refund from any of the funds specified in subdivision 1, may repay the refund to the respective fund under such terms and conditions consistent with the law governing such fund if the law governing such fund permits the repayment of refunds. If the total amount to be repaid, including principal and interest exceeds \$2,000, repayment may be made in three equal installments over a period of 18 months, with interest accrued during the period of repayment added to the final installment.

Sec. 12. Minnesota Statutes 1974, Section 43.051, Subdivision 1, is amended to read:

43.051 AGE FOR RETIREMENT. Subdivision 1. Notwithstanding the provisions of sections 197.45, 197.46, 197.47, 43.30, effective July 1, 1974, an officer or employee of the state of Minnesota in the classified or unclassified service of the state civil service and who is subject to the provisions of the Minnesota state retirement system must retire from his employment by the state if such officer or employee has reached the age of 68 prior to July 1, 1974, or upon reaching the age of 68. Effective July 1, 1975, an officer or employee of the state of Minnesota in the classified or unclassified service of the state civil service and who is subject to the provisions of the Minnesota state retirement system must retire from his employment by the state if such officer or employee has reached the age of 65 prior to July 1, 1975, or upon reaching the age of 65. The mandatory retirement age for all other classified officers and employees of the state, if not otherwise provided for by law, shall be 70. Nothing in this subdivision shall apply to persons in the legislative branch or judicial branch.

Changes or additions indicated by underline deletions by ~~strikeout~~

Sec. 13. Minnesota Statutes 1974, Section 352.01, Subdivision 17, is amended to read:

Subd. 17. **TOTAL AND PERMANENT DISABILITY.** "Total and permanent disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long-continued and indefinite duration which is a period of at least one year .

Sec. 14. Minnesota Statutes 1974, Chapter 352, is amended by adding a section to read:

[352.022] RIGHTS LIMITED. No provision of chapter 3A, 352, 352B, 352C, 352D or 490, shall create or give any contract rights to any person.

Sec. 15. Minnesota Statutes 1974, Section 352.03, Subdivision 4, is amended to read:

Subd. 4. **DUTIES AND POWERS OF BOARD OF DIRECTORS.** It is the duty of the board and it has power to:

(1) Elect a chairman;

(2) Appoint an executive director;

(3) Fix the compensation of the executive director and the assistant executive director;

~~(3)-(4)~~ Establish rules and regulations for the administration of the provisions of ~~chapter 362~~ chapters 3A, 352, 352B, 352C, 352D and 490 and transaction of the business of the system, all subject to the limitations of said chapter and the law;

~~(4)-(5)~~ Consider and dispose of, or take such other action as the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system;

~~(5)-(6)~~ Advise the director on any matters relating to the system and the carrying out of the functions and purposes of said chapter, which advice shall be controlling; and

The director and assistant director shall be in the unclassified service but appointees may be selected from civil service lists if it is desired to do so.

Sec. 16. Minnesota Statutes 1974, Section 352.03, Subdivision 11, is amended to read:

Changes or additions indicated by underline deletions by ~~strikeout~~

Subd. 11. **LEGAL ADVISER, ATTORNEY GENERAL.** The attorney general shall be the legal adviser of the board and of the director. The board may sue or be sued in the name of the board of directors of the Minnesota state retirement system and in all actions brought by it or against it, the board shall be represented by the attorney general provided that venue of all such actions shall be in the Ramsey county district court.

Sec. 17. Minnesota Statutes 1974, Section 352.03, is amended by adding a subdivision to read:

Subd. 16. DATA PROCESSING SERVICES. Notwithstanding Minnesota Statutes, Chapter 16, or any law to the contrary, the executive director of the Minnesota state retirement system may use the services of the department of administration, information services division, for electronic data processing and related services or may contract for all or a portion of such services.

Sec. 18. Minnesota Statutes 1974, Section 352.113, Subdivision 1, is amended to read:

352.113 PERMANENT DISABILITY BENEFITS. Subdivision 1. **AGE AND SERVICE REQUIREMENTS.** Any employee covered by the system who is less than 65 years of age who becomes totally and permanently disabled after ten or more years of allowable service and any employee who is at least 50 years of age but less than 65 years of age who becomes totally and permanently disabled after five or more years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled employee's state service has terminated at any time, at least five of the required ten years of allowable service must have been rendered after last becoming a state employee covered by the system.

Sec. 19. Minnesota Statutes 1974, Section 352.113, Subdivision 5, is amended to read:

Subd. 5. **BENEFITS PAID UNDER OTHER LAWS.** The disability benefit shall be reduced by any amounts received or receivable by an employee from the employer under applicable workmen's compensation laws except by that amount of the award approved by the commission for payment of attorney fees .

Sec. 20. Minnesota Statutes 1974, Section 352.113, Subdivision 12, is amended to read:

Subd. 12. **RETIREMENT STATUS AT AGE 65.** The disability benefit paid to an employee hereunder shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be deemed to be a retired employee and may then elect to receive a normal retirement annuity equal to the disability benefit paid to him before he reached age 65 or an optional annuity as provided in section

Changes or additions indicated by underline deletions by ~~strikeout~~

352.116, subdivision 3. Election of an optional annuity must be made within 60 days prior to reaching age 65 and, if elected, the optional amount shall begin to accrue the first of the month following the month in which the employee attains age 65 .

Sec. 21. Minnesota Statutes 1974, Section 352.115, Subdivision 2, is amended to read:

Subd. 2. **AVERAGE SALARY.** The retirement annuity hereunder payable at age 65 or thereafter shall be computed in accordance with the applicable provisions of the formula stated in subdivision 3 hereof, on the basis of the employee's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, "average salary" of an employee for the purpose of determining his retirement annuity means the average of the highest five successive years of salary upon which he has made contributions to the retirement fund by payroll deductions.

"Average salary" shall not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor shall it include the reduced salary, if any, paid during the period the employee is entitled to benefit payments from the workmen's compensation commission for temporary disability.

Sec. 22. Minnesota Statutes 1974, Section 352.115, Subdivision 10, is amended to read:

Subd. 10. **RE-EMPLOYMENT OF ANNUITANT.** Should any retired employee again become entitled to receive salary or wages from the state, other than salary or wages received as a temporary employee of the legislature during a legislative session, his annuity or retirement allowance shall cease when he has earned ~~\$2000~~ \$3,000 in any calendar year. The annuity shall be resumed when state service terminates, or, if the retired employee is still employed at the beginning of the next calendar year, at the beginning of such calendar year, and payment shall again terminate when he has earned ~~\$2000~~ \$3,000 . No payroll deductions for the retirement fund shall be made from the earnings of such retired employee. If such retired employee is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed during the period of sick leave. No change shall be made in the monthly amount of such annuity or retirement allowance because of such employment.

Sec. 23. Minnesota Statutes 1974, Section 352.115, Subdivision 11, is amended to read:

Subd. 11. **ACCRUED ANNUITY AT DEATH.** Any annuity which
Changes or additions indicated by underline deletions by ~~strikeout~~

had accrued prior to the death of a retired employee, and any disability benefit which had accrued prior to the death of a disabled employee shall be paid to the beneficiary whom the retired employee or the disabled employee had last designated. If (a) no beneficiary has been so designated, or (b) the designated beneficiary should die before making claim for payment of such annuity or benefit, payment shall be made 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 legal representative of such retired employee or disabled employee. If such designated beneficiary, surviving spouse, or legal representative entitled thereto does not apply for payment within five years from the date of death of the retired employee or disabled employee, the annuity or disability benefit which had accrued at the time of death shall be credited to and become a part of the retirement fund.

Sec. 24. Minnesota Statutes 1974, Section 352.12, Subdivision 1, is amended to read:

352.12 REFUNDMENT AFTER DEATH OF EMPLOYEE OR FORMER EMPLOYEE. Subdivision 1. **DEATH BEFORE TERMINATION OF SERVICE.** If an employee dies before his state service has terminated and neither a survivor annuity nor a reversionary annuity is payable or if a former employee who has sufficient service credit to be entitled to an annuity dies before the benefit has become payable, the director shall make a refundment to his last designated beneficiary or, if there be none, to his 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 his estate in an amount equal to his accumulated contributions plus interest thereon to the date of death at the rate of three and one-half percent per annum compounded annually. In the event an employee dies who has received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the repayment was made in installments, interest shall be paid only from the date installment payments began. The designated beneficiary, surviving spouse or representative of the estate of an employee who had received a disability benefit shall not be entitled to interest upon any balance remaining to his credit in the fund at the time of death.

Sec. 25. Minnesota Statutes 1974, Section 352.12, Subdivision 2, is amended to read:

Subd. 2. **SURVIVING SPOUSE BENEFIT.** If an employee who has attained the age of at least 62 years and has credit for not less than ten years allowable service or who has attained the age of at least 58 years and has credit for not less than 20 years allowable service dies before his state service has terminated or if an employee who has filed a valid application for an annuity or disability benefit prior to the termination of his state service dies before the benefit has become payable, not-

Changes or additions indicated by underline deletions by ~~strikeout~~

withstanding any designation of beneficiary to the contrary, his surviving spouse may elect to receive, in lieu of the refundment with interest provided in subdivision 1, an annuity equal to the joint and 50 percent survivor annuity which the employee could have qualified for had he retired on the date of death, computed as provided in section 352.115, subdivisions 2 and 3, and section 352.116, subdivisions 1 and 3. The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. 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 benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of such deceased ~~employee-spouse~~. Any employee may request in writing that this subdivision not apply and that payment be made only to his designated beneficiary as otherwise provided by this chapter.

Sec. 26. Minnesota Statutes 1974, 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 he has not received an annuity, a retirement allowance or a disability benefit, a refundment shall be made to his last designated beneficiary or, if there be none, to his 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 his estate in an amount equal to his accumulated contributions.

Sec. 27. Minnesota Statutes 1974, Section 352.12, Subdivision 7, is amended to read:

Subd. 7. **ABSENCE OF OPTIONAL OR REVERSIONARY ANNUITY.** If a retired employee dies who selected neither an optional annuity or a reversionary annuity, there shall be paid to his designated beneficiary or, if there be none, to his 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 his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the retired employee immediately prior to his retirement over and above the aggregate of (1) all annuities, retirement allowances and disability benefits he had received and which had accrued in his lifetime, and (2) the annuity, retirement allowance or disability benefit if applicable, payable to his surviving spouse under section 352.115, subdivision 8, or section 352.113, subdivision 4, for the calendar month in which the retired employee died.

Changes or additions indicated by underline deletions by ~~strikeout~~

Sec. 28. Minnesota Statutes 1974, Section 352.12, Subdivision 8, is amended to read:

Subd. 8. **OPTIONAL OR REVERSIONARY ANNUITY.** ~~If a retired employee the last eligible recipient of an optional annuity dies who selected either an optional annuity or a reversionary annuity;~~ and the total amounts paid thereunder are less than the accumulated contributions to the credit of the retired employee immediately prior to his retirement, the balance of such accumulated contributions shall be paid to the person designated by the retired employee in writing to receive the same, but if no such designation has been made by the retired employee the remaining balance of such accumulated contributions shall be paid to the surviving children of the deceased recipient of the optional annuity in equal shares or, if none, to the deceased recipient's parents or, if none, to the representative of his the deceased recipient's estate.

Sec. 29. Minnesota Statutes 1974, Section 352.12, Subdivision 11, is amended to read:

Subd. 11. **DEATH OF DISABILITY ANNUITANT.** If an employee who has received a disability benefit dies, there shall be paid to his last designated beneficiary or, if there be none, to his 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 his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the employee at the time the disability benefit began to accrue over and above the aggregate of (1) all disability benefits he had received and which had accrued in his lifetime, and (2) the benefit for the month in which the disabled employee died, payable, if applicable, to his surviving spouse under section 352.113, subdivision 4, and acts amendatory thereof.

Sec. 30. Minnesota Statutes 1974, Section 352.15, is amended to read:

352.15 EXEMPTION FROM PROCESS AND TAXATION. Subdivision 1. None of the moneys, annuities, or other benefits mentioned herein shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, or to any state income tax or state inheritance tax, except that none shall be exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit. Provided, however, the executive director may pay an annuity, benefit or refund to a banking institution, qualified under Minnesota Statutes, Chapter 48, that is trustee for a person eligible to receive such annuity, benefit or refund. Upon the request of a retired, disabled or former employee, the executive director may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such employee's account or joint account with his spouse. The board of directors may prescribe the

Changes or additions indicated by underline deletions by ~~strikeout~~

conditions under which such payments will be made.

Subd. 2. Upon certification to the director by the commissioner of finance or the regents of the university of Minnesota or the head of any other department or agency responsible for the processing of its payrolls, the director shall release part or all of any moneys held for an employee in a retirement fund to correct a salary overpayment to an employee who has been erroneously paid. Provided however that the director shall not release such moneys until such time as the former employee or person otherwise entitled thereto would be eligible to apply for a refund and has been given proper notice. Amounts paid under the provisions of this subdivision shall be the equivalent of a refund. If an employee or survivor is entitled to an immediate or deferred annuity or survivor benefit, no funds shall be paid from his retirement account under this provision. The director shall prescribe the form and manner of certification.

Sec. 31. Minnesota Statutes 1974, Section 352.22, Subdivision 3, is amended to read:

Subd. 3. **DEFERRED ANNUITY.** (1) Any employee with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service during the period his name is carried on a layoff list pursuant to civil service law or regulation shall have any annuity, deferred annuity or other benefit to which he may become entitled computed under the law in effect on his last working day.

(3) The provisions of section 352.28, subdivision 1, and section 352.115, subdivisions 4 and 5 shall not apply to paragraphs (1) and (2) hereof.

(4) No application for a deferred annuity shall be made prior to the time the former employee reaches the required age to entitle him to the payment of such annuity. Such deferred annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed in the office of the system except that if an optional annuity as provided in section 352.116 is selected the annuity shall begin to accrue 30 days after the application is filed but in no event prior to the date the employee reaches the required age to entitle him to such annuity nor prior to the day following the termination of state service in a position not covered by the retirement system nor prior to the day following the termination of employment in a position which requires the employee to be a member of either the public employees retirement asso-

Changes or additions indicated by underline deletions by ~~strikeout~~

ciation or the teachers retirement association.

(5) Application for the accumulated contributions left on deposit with the fund may be made at any time after 60 days following the date of his termination of service.

Sec. 32. Minnesota Statutes 1974, Section 352.22, Subdivision 8, is amended to read:

Subd. 8. **REFUND SPECIFICALLY LIMITED.** If a former employee covered by the system does not apply for ~~refundment~~ refund within five years after the last deduction was taken from his salary for the retirement fund, and he does not have sufficient service to qualify for a deferred annuity such accumulated contributions shall be credited to and become a part of the retirement fund. In the event the former employee returns to state service and becomes a state employee covered by the system, the amount so credited to the retirement fund, if more than ~~\$1-\$2~~, shall be restored to his individual account. If the amount so credited to the fund is over ~~\$25-\$2~~ and the former employee applies for ~~refundment-refund~~ or an annuity pursuant to the provisions of section 352.72, the amount shall be restored to the former employee's individual account and ~~refundment-refund~~ made or annuity paid whichever applies.

Sec. 33. Minnesota Statutes 1974, Section 352.72, Subdivision 2, is amended to read:

Subd. 2. **COMPUTATION OF DEFERRED ANNUITY.** The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, shall be computed in the manner provided in section 352.22, subdivision 3, and acts amendatory thereof, on the basis of allowable service prior to termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity shall be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be ~~two and one-half~~ five percent compounded annually. If a person has more than one period of uninterrupted service, 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 present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refundment, the service restored by such repayment shall be considered as continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period

Changes or additions indicated by underline deletions by ~~strikeout~~

of uninterrupted service shall be those as would be applicable to a new employee. The mortality table and interest assumption used to compute such annuity shall be those in effect at the time the employee files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

Sec. 34. Minnesota Statutes 1974, Section 352.72, is amended by adding a subdivision to read:

Subd. 5. EARLY RETIREMENT. The requirements and provisions for retirement prior to age 65 in Minnesota Statutes, Sections 352.115, Subdivision 1, and 352.116 shall also apply to an employee fulfilling such requirements with a combination of service as provided in subdivision 1.

Sec. 35. Minnesota Statutes 1974, Section 352.91, is amended by adding a subdivision to read:

Subd. 3. Covered correctional service includes service rendered prior to July 1, 1973, in a classification of farmer or farm manager by an employee employed in a covered correctional position on July 1, 1973. Services performed before July 1, 1974 in a classification defined in subdivisions 1, clause (a) and (b) and 2 by an employee in a covered correctional position on or after July 1, 1974, shall be covered correctional service and shall be applicable to employees retiring after July 1, 1974. The portion of the retirement benefit payable to any special teacher who was covered by the correctional plan under subdivision 2 and who retires after July 1, 1974, which is based on service rendered prior to July 1, 1974, if such service was covered by the state teachers retirement basic formula, shall be not less than the benefit determined using such basic formula and shall never be less than the benefit which would have been payable on such service under the basic formula adjusted for the number of months the employee is under age 65 at date of retirement.

Sec. 36. Minnesota Statutes 1974, Section 352.93, Subdivision 1, is amended to read:

352.93 RETIREMENT ANNUITY. Subdivision 1. After separation from state service an employee covered under section ~~352.1101~~ **352.91** who has attained the age of at least 55 years and has credit for not less than a total of ten years of covered correctional service and regular Minnesota state retirement system service shall be entitled upon application to a retirement annuity under this section based only on covered correctional employees' service. Application may be made no earlier than 60 days prior to the date the benefit will begin to accrue.

For the purpose of this section, average salary means the average of the monthly salary during the employees' highest five successive years of salary as ~~a correctional~~ an employee covered by the Minnesota state retirement system .

Changes or additions indicated by underline deletions by ~~strikeout~~

Sec. 37. Minnesota Statutes 1974, Section 352B.03, Subdivision 1, is amended to read:

352B.03 OFFICERS, TERMS. Subdivision 1. **OFFICERS.** ~~The officers of the association shall consist of the chief of the state highway patrol, who shall be president, the state treasurer, who shall be ex-officio treasurer, and a secretary, who shall be a member of the association, to be chosen by the membership thereof for a term of two years. These officers shall administer the provisions of chapter 362B, and may make such rules and regulations therefor, not inconsistent herewith, as may be necessary for such purposes. The general bond of the state treasurer shall cover all liability for his acts as treasurer, and no additional bond shall be required. The policymaking, management and administrative functions governing the operation of the highway patrolmen's retirement fund shall be vested in the board of directors and executive director of the Minnesota state retirement system with such duties, authority and responsibility as is provided in chapter 352.~~

Sec. 38. Minnesota Statutes 1974, Section 352B.03, Subdivision 2, is amended to read:

Subd. 2. **DUTIES OF TREASURER.** The state treasurer shall be ex officio treasurer of the highway patrolmen's retirement fund and his general bond to the state shall cover all liability for his actions as treasurer of the fund.

All moneys of the association received by the treasurer pursuant to chapter 352B, shall be set aside by him in the state treasury and credited to the highway patrolmen's retirement fund. He shall transmit, monthly, to the ~~secretary of the association-director~~, a detailed statement showing all credits to and disbursements from said fund. He shall disburse moneys from such fund only on warrants issued by the commissioner of finance upon vouchers signed by the ~~secretary of the association-director~~.

Sec. 39. Minnesota Statutes 1974, Chapter 352B, is amended by adding a section to read:

[352B.262] DISABILITY BENEFIT INCREASE. The disability benefits authorized and in effect on May 31, 1973, shall be increased by 25 percent. The increase shall apply to the accrual of such benefits commencing January 1, 1974.

Sec. 40. Minnesota Statutes 1974, Chapter 352B, is amended by adding a section to read:

[352B.30] COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION. Subdivision 1. ENTITLEMENT TO ANNUITY. Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement

Changes or additions indicated by underline deletions by ~~strikeout~~

association policemen and firemen fund, or the teachers retirement association, or the highway patrolmen's retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for policemen or firemen shall be entitled when qualified to an annuity from each fund if his total allowable service in all funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that he has not taken a refundment from any one of these funds since his service entitling him to coverage under the system or his membership in any of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ten years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years.

Subd. 2. COMPUTATION OF DEFERRED ANNUITY. Deferred annuities shall be computed in the manner provided by this chapter and acts amendatory thereof, on the basis of allowable service prior to termination of service and augmented as provided herein. The required reserves applicable to a deferred annuity shall be augmented by interest compounded annually from the first day of the month following the month in which the member terminated service, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent per annum compounded annually. The mortality table and interest assumption used to compute such annuity shall be those in effect at the time the member files application for annuity.

Subd. 3. REFUND REPAYMENT. Any person who has received a refund from the highway patrolmen's retirement fund who is a member of a public retirement system included in subdivision 1, may repay such refund with interest to the highway patrolmen's retirement fund as provided in section 352B.11, subdivision 4.

Sec. 41. Minnesota Statutes 1974, Section 352D.015, Subdivision 9, is amended to read:

Subd. 9. "Value" means cash value at the end of the month following receipt of an application ~~or if no application is required then the end of the month in which the event necessitating the transfer occurs~~ in the case of applications received prior to the 21st day of any month, or at the end of the next succeeding month in the case of applications received after the 20th day of any month. If no application is required, "value" means the cash value at the end of the month in which the event necessitating the transfer occurs.

Sec. 42. Minnesota Statutes 1974, Section 352D.02, Subdivision 1, Changes or additions indicated by underline deletions by ~~strikeout~~

is amended to read:

352D.02 COVERAGE. Subdivision 1. The following employees in the unclassified service of the state who are eligible for coverage under the Minnesota state retirement system shall be eligible for participation—participate in the unclassified program : unless such employee gives notice to the executive director of the state retirement system within one year following the effective date of this act or the commencement of his employment, whichever is later, that he desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file such notice with the executive director shall be deemed to have exercised his option to participate in the unclassified plan. The employee and applicable employer contributions for those employees covered by the regular plan on the effective date of this act, who after such date participate in the unclassified plan, shall be transferred to the supplemental fund in accordance with sections 352D.02, subdivision 4 and 352D.03 as though the employee had elected to participate when first eligible to make such election. This subdivision shall also be applicable to any person who was an employee in an eligible position on or after January 1, 1975, has terminated service before the effective date of this act with less than ten years of allowable service, and has not taken a refund of his contributions.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, revisor of statutes or the state board of investment,

(2) Any department, division, or agency head, assistant department head or deputy or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 3, and

(3) Any permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature or a part-time legislative employee having shares in the supplemental retirement fund whether or not eligible for coverage under the Minnesota state retirement system ; provided he gives notice of his desire to participate to the executive director of the Minnesota state retirement system. In the case of a new or present employee in the unclassified service, notice shall be given within six months following commencement of his employment or July 1, 1973. In the case of a former employee with coverage in the regular fund, notice shall be given not less than six nor more than 12 months following commencement of his eligibility under this chapter .

Sec. 43. Minnesota Statutes 1974, Section 352D.02, Subdivision 3, is amended to read:

Subd. 3. An election to not participate is irrevocable during any period of covered employment. An employee on returning unclassified service after separation from the unclassified service may make an

Changes or additions indicated by underline deletions by ~~strikeout~~

election under this section if his position is covered by the unclassified program. An employee with employee shares to his credit in the unclassified program, after acquiring credit for ten years of allowable service but prior to termination of covered employment, may, notwithstanding other provisions of this subdivision, elect to terminate his participation in the unclassified plan and be covered by the regular plan by filing such election with the executive director. The executive director shall thereupon redeem the employee's total shares and shall credit to the employee's account in the regular plan the amount of contributions that would have been so credited had the employee been covered by the regular plan during his entire covered employment. The balance of moneys so redeemed and not credited to the employee's account shall be transferred to the state contribution reserve of the state employees retirement fund.

Sec. 44. Minnesota Statutes 1974, Section 352D.05, Subdivision 3, is amended to read:

Subd. 3. Upon termination of covered employment or at any time thereafter a ~~qualified person-participant~~ shall be entitled to withdraw the cash value of his total shares or may leave such shares on deposit with the supplemental retirement fund. Shares not withdrawn shall remain on deposit with the supplemental retirement fund until the former participant attains the age of at least 58 years, and applies for an annuity as provided in section 352D.06, subdivision 1.

Sec. 45. Minnesota Statutes 1974, Section 352D.06, Subdivision 1, is amended to read:

352D.06 ANNUITIES. Subdivision 1. When a ~~qualified person-participant~~ attains at least age 58, is retired from covered service, and applies for a retirement annuity, the cash value of his shares shall be transferred to the Minnesota adjustable fixed benefit fund and used to provide an annuity for the retired employee based upon his age when the benefit begins to accrue according to the reserve basis used by the regular fund in determining pensions and reserves.

Sec. 46. Minnesota Statutes 1974, Section 352D.06, Subdivision 2, is amended to read:

Subd. 2. A ~~qualified person-participant~~ may, at his option, in his application for an annuity apply for and receive the value of ~~the employee-one half of the total~~ shares and thereafter receive an annuity, as provided in subdivision 1, based on the value of ~~the employer-one half of the total~~ shares.

Sec. 47. Minnesota Statutes 1974, Section 352D.065, Subdivision 2, is amended to read:

Subd. 2. If a ~~qualified person-participant~~ becomes totally and permanently disabled he may, at his option, even if on leave of absence

Changes or additions indicated by underline deletions by ~~strikeout~~

without pay, receive:

(1) The value of his total shares;

(2) ~~The value of the employee one half of the total shares and an annuity based on the value of the employer one half of the total shares;~~ or

(3) An annuity based on the value of his total shares.

Sec. 48. Minnesota Statutes 1974, Section 352D.065, Subdivision 3, is amended to read:

Subd. 3. The annuity payable under this section shall begin to accrue the first day of the month following the date of disability and shall be based on the ~~qualified person's participant's~~ age when the annuity begins to accrue. The shares shall be valued as of the end of the month following authorization of payments.

Sec. 49. Minnesota Statutes 1974, Section 352D.075, Subdivision 2, is amended to read:

Subd. 2. If a ~~qualified person-participant~~ dies leaving a spouse and ~~there is no named beneficiary is named who survives to receive payment~~ or the spouse is named beneficiary, the spouse may receive:

(1) The value of his total shares;

(2) The value of ~~his employee one half of the total~~ shares and beginning at age 58 or thereafter receive an annuity based on the value of ~~the employer one half of the total~~ shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; or

(3) Beginning at age 58 or thereafter receive an annuity based on the value of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; and further provided, if said spouse dies after receiving annuity payments but before receiving payments equal to the value of the employee shares, the value of the employee shares remaining shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse.

Sec. 50. Minnesota Statutes 1974, Section 352D.075, Subdivision

Changes or additions indicated by underline deletions by ~~strikeout~~

3, is amended to read:

Subd. 3. If a qualified person-participant dies and has named a beneficiary, the value of the total shares shall be paid to such beneficiary, but if such beneficiary dies before receiving payment, or if no beneficiary has been named and there is no spouse, the value of said shares shall be paid to the estate of such qualified person children of the participant in equal shares, but if no such children survive then in equal shares to the parents of the participant, but if no such children or parents survive, then to the estate of the participant.

Sec. 51. Minnesota Statutes 1974, Sections 352.28; 352.32; 352.38; 352.715; 352B.01, Subdivision 5; 352B.021; 352B.04; 352D.015, Subdivision 10; 352D.05, Subdivision 2; 352D.065, Subdivision 1; 352D.075, Subdivision 1; 352D.085, Subdivision 2 and 355.301; are repealed.

Sec. 52. Notwithstanding the provisions of Minnesota Statutes, Section 352.115, Subdivision 10, a permanent employee of the legislature who has been paid a retirement annuity from the Minnesota state retirement system for a period of time and who desires to reinstate the allowable service credit upon which the annuity is based and to be covered by the Minnesota state retirement system for his current period of employment shall be entitled to such service credit and coverage upon repayment in a lump sum to the retirement fund within 90 days after the effective date of this act an amount equal to

(1) the total of the retirement annuities paid him and (2) the employee contributions due on his salary as required by section 352.04 together with interest thereon at the rate of six percent per annum. Upon repayment there shall be transferred from the adjustable fixed benefit fund to the retirement fund an amount equal to the amount transferred to the adjustable fixed benefit fund on behalf of that employee at his earlier date of retirement less an amount equal to the annuities paid to the employee. Upon subsequent retirement of that employee, his retirement annuity shall be computed on the basis of his total allowable service and the law then in effect.

Sec. 53. (1) The board of trustees of the public employees retirement association may study the feasibility of purchasing or leasing land and constructing a building thereon or of acquiring such land or building pursuant to a lease-purchase agreement for its occupancy and to lease space to other public agencies as an investment of association funds. To this end the board is authorized to retain the services of architectural, real estate, investment and other experts to aid in carrying out the study.

(2) The commissioner of administration is authorized to cooperate with the board of trustees in carrying out the study.

(3) The board of trustees is authorized to expend not more than \$25,000 to carry out the purposes of this act and such sum is hereby

Changes or additions indicated by underline deletions by ~~strikeout~~

appropriated from the funds of the association, provided such authorization shall terminate May 31, 1976.

Sec. 54. Laws 1969, Chapter 641, Section 1, is amended by adding a subdivision to read:

Subd. 3. "Member" shall not include any person who is employed by the city of Rochester as a member of the bicycle patrol and who is employed on a seasonal basis.

Sec. 55. This act is effective the day following final enactment.

Approved June 4, 1975.

CHAPTER 369—H.F.No.597

An act relating to the Minnesota society for the prevention of cruelty; eliminating jurisdiction of society over matters of cruelty to children; amending Minnesota Statutes 1974, Sections 343.01, Subdivision 1; 343.04; 343.05; 343.06; 343.07; 343.08; 343.10; 343.11; and 343.12.

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

Section 1. Minnesota Statutes 1974, Section 343.01, Subdivision 1, is amended to read:

343.01 ANIMALS; SOCIETY FOR PREVENTION OF CRUELTY; JURISDICTION; PURPOSES; POWERS; COUNTY ORGANIZATION. Subdivision 1. The Minnesota society for the prevention of cruelty which may also be known or designate itself as the Minnesota humane society is hereby confirmed and continued, with all existing powers, for the purpose of inculcating humane principles, the enforcement of law, and the prevention of cruelty, especially to ~~children and~~ animals. The Minnesota humane society may make reasonable rules governing the humane care, treatment, transportation, and in extreme cases the disposition by death or sale of animals as it deems expedient to accomplish its purposes. It may appoint representatives in any county where no active county society exists, for the purpose of receiving and accounting for funds from any source, and may also appoint agents at large to ~~prosecute~~ carry out the work of the society throughout the state. This society and all county societies may appoint agents for the purpose of investigating or otherwise assisting prosecuting lawfully empowered officials in the prosecution of persons guilty of ~~charged with cruelty to children or animals. Every such agent whose appointment has been approved and made a matter of record by the probate judge of the county from which he was appointed may arrest any person in his county found violating any law for the protection of children or animals, take him before any court or magistrate having jurisdic-~~

Changes or additions indicated by underline deletions by ~~strikeout~~