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**CHAPTER 563-H.F.No.1864**

[Coded in Part]

*An act relating to retirement; providing for biennial local police and paid fire fund actuarial valuations; amending Minnesota Statutes 1976, Sections 69.77, Subdivisions 1, 2 and by adding a subdivision; 69.773, Subdivision 2; 69.78; 356.20, Subdivisions 1, 2 and 4; 356.215, Subdivisions 2 and 4; Chapter 356, by adding a section; Laws 1955, Chapter 75, Section 9, as added and Section 12, as amended; Laws 1959, Chapter 131, Section 10, Subdivision 1, as amended; Laws 1965, Chapter 446, Section 7, Subdivision 1; Laws 1965, Chapter 458, Section 3, Subdivision 2; Laws 1965, Chapter 498, Section 1, Subdivision 1; Laws 1967, Chapter 736, Section 11, Subdivision 1; Laws 1967, Chapter 775, Section 8; Laws 1967, Chapter 798, Section 1, Subdivisions 1 and 2; Laws 1969, Chapter 576, Section 1; Laws 1969, Chapter 641, Section 2, Subdivision 1; Laws 1971, Chapter 51, Section 9, and Section 10, Subdivisions 1 and 2; Laws 1971, Chapter 810, Section 7; Laws 1973, Chapter 587, Section 1; Laws 1975, Chapter 424, Sections 10 and 11; repealing Minnesota Statutes 1976, Sections 69.71; 69.72; 69.73; 69.74; 69.75; 69.76; 490.131; and Laws 1963, Chapter 643, Section 27.*

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

Section 1. Minnesota Statutes 1976, Section 69.77, Subdivision 1, is amended to read:

**69.77 POLICE AND FIREMEN'S RELIEF ASSOCIATION GUIDELINES ACT.**  
 Subdivision 1. ~~Commencing July 1, 1974,~~ It shall be unlawful for any governmental subdivision to contribute any public funds for the operation and maintenance of a police or firemen's relief association, ~~to which sections 69.71 to 69.76, apply enumerated in subdivision 1a,~~ however organized, which pays retirement benefits to a police officer or a fire fighter or a dependent thereof, or to levy taxes for the support thereof except in accordance with the provisions of this section. The commissioner of insurance shall not include any municipality in the apportionment of police or fire state aid to the county auditor pursuant to section 69.021, subdivision 6, nor shall any county auditor include any municipality in the apportionment of police or fire aid pursuant to section 69.021, subdivision 7, in which there exists a local police or paid firefighters relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association. The commissioner of insurance shall determine if a municipality with a local police or paid firefighters relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Sec. 2. Minnesota Statutes 1976, Section 69.77, is amended by adding a subdivision to read:

Subd. 1a. The provisions of this section shall apply to the following retirement funds:

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(1) Any police pension fund or relief association established pursuant to chapter 423;

(2) Any firefighters pension fund or relief association established pursuant to chapter 424;

(3) Any pension fund or relief association established pursuant to this chapter which has five or more members who receive compensation for services rendered and which provide for benefits based on the compensation paid to members for their service;

(4) Any pension fund or relief association established and operating under special legislation which provides benefits based on compensation paid to members for service as police officers or firefighters but not covered by clauses (1), (2) or (3); and

(5) Any governmental subdivision retirement fund established pursuant to any law providing for the payment of benefits to police officers or firefighters or their dependents as retirement or survivorship benefits and not otherwise described in this subdivision.

Sec. 3. Minnesota Statutes 1976, Section 69.77. Subdivision 2, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association described enumerated in subdivision 1 la under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1970, a contribution for retirement and survivorship benefits of not less than six percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that such contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1970 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firemen, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year commencing in 1970 the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

~~Until a later actuarial survey is prepared in accordance with sections 69.74 to 69.76, the association shall determine its financial requirements by basing the same on the actuarial survey prepared as of December 31, 1967, copies of which are on file with the legislative commission on pensions and retirement, the chief clerk of the house of~~

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~~representatives, and the secretary of the senate; thereafter~~ The financial requirements are determined by shall be based on the most recent actuarial survey prepared in accordance with sections ~~69.74 to 69.76~~ 10 and 11 of this act.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the

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officers of the association may shall certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

(6) *Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.*

(7) The funds of the association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation applicable to the Minnesota state retirement system would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on the ~~date of enactment of this section~~ April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 11 of this act as of December 31, 1970 ~~1978~~, and ~~not less frequently than each four~~ shall procure an actuarial survey every two years thereafter. ~~Such~~ The association shall also procure a quadrennial experience study pursuant to section 11 of this act as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the chief clerk of the house of representatives; the secretary of the senate director of the legislative reference library, the governing body of the municipality in which the association is organized, and the executive secretary of any the legislative committee or commission duly created and having within its jurisdiction the study of pension plans and pension funds on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year in the manner described in sections 69.74 to 69.76.

Sec. 4. Minnesota Statutes 1976, Section 69.773, Subdivision 2, is amended to read:

Subd. 2. ~~Prior to September 1, 1971~~, Each relief association governed by this section shall have an actuarial survey made of its special fund showing the condition of the fund as of December 31, ~~1970~~ 1978. This survey, and future surveys shall be in accordance with the provisions of ~~sections 69.73, 69.75 and 69.76~~ section 11 of this act, except that normal cost shall be expressed as a dollar amount, and the amortization period of any existing or new deficit created by benefit changes shall be 20 years from inception, or less. Such survey, and each succeeding survey, shall be filed with the governing body of the municipality in which the association is organized, and with the insurance commissioner's office. However, any relief association presently operating

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under special laws that provide for actuarial surveys at least every four years and in accordance with ~~section 69.73 applicable actuarial standards set forth in statute~~, said associations may continue to have surveys made according to the time schedule therein, except as modified by subdivision 3. The relief association shall also procure a quadrennial experience study pursuant to section 11 of this act to accompany the survey, and shall procure a quadrennial experience study every four years thereafter.

Sec. 5. Minnesota Statutes 1976, Section 69.78, is amended to read:

**69.78 APPLICATION OF OTHER LAWS TO CONTRIBUTION RATE.** In the absence of specific provision to the contrary, no general or special law heretofore or hereafter enacted shall be construed as reducing the amount or rate of contribution to a police or firemen's relief association to which ~~sections 69.74 to 69.76, apply section 69.77, subdivision 1a, applies~~, by a municipality or member of the association, which is required by the Police and Firemen's Relief Associations Guidelines Act of 1969 as a condition for the use of public funds or the levy of taxes for the support of the association. Each such association, the municipality in which it is organized, and the officers of each, are authorized to do all things required by the Guidelines Act as a condition for the use of public funds or the levy of taxes for the support of the association.

Sec. 6. Minnesota Statutes 1976, Section 356.20, Subdivision 1, is amended to read:

**356.20 FINANCIAL REPORTS REQUIRED.** Subdivision 1. The governing or managing board or administrative officials of the public pension and retirement funds enumerated in subdivision 2 shall annually prepare and file a financial report following the close of each fiscal year. This requirement shall also apply to any fund which may be a successor to any organization so enumerated or to any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, with the exception of any local police or fire fund now governed by ~~chapter 69 sections 69.771 to 69.776~~. Such report shall be prepared under the supervision and at the direction of the management of each fund and shall be signed by its chairman and secretary.

Sec. 7. Minnesota Statutes 1976, Section 356.20, Subdivision 2, is amended to read:

Subd. 2. (1) State employees retirement fund.

(2) Public employees retirement fund.

(3) Teachers retirement fund.

(4) Highway patrolmen's retirement fund.

(5) ~~Twin City lines~~ Metropolitan transit commission - transit operating division employees retirement plan.

(6) Minneapolis teachers retirement fund association.

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- (7) St. Paul teachers retirement fund association.
- (8) Duluth teachers retirement fund association.
- (9) Municipal employees retirement board of Minneapolis.
- (10) University of Minnesota police retirement plan.
- (11) University of Minnesota faculty retirement plan.

(12) Judges retirement fund.

(13) Any police or firefighter's relief association enumerated in section 69.77, subdivision 1a.

Sec. 8. Minnesota Statutes 1976, Section 356.20, Subdivision 4, is amended to read:

Subd. 4. Each financial report required by this section shall include:

(1) An exhibit prepared according to applicable actuarial standards enumerated in section 356.215, by an approved actuary as defined in section 356.215, subdivision 6 showing the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the accrued unfunded liability of the fund. Such exhibit shall contain the certificate of an approved actuary certifying that the required reserves for any benefits provided under a benefit formula are computed in accordance with the Entry Age Normal Cost (Level Normal Cost) basis.

(a) *Assets shown in the exhibit shall include the following items of actual assets:*

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received

Investment in bonds at amortized cost

Investment in stocks at cost

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Investment in real estate

Equipment at cost, less depreciation

Other

Total assets .....

(b) The exhibit shall include a statement of the unfunded accrued liability of the fund. Should the assets of the fund exceed the liabilities, the excess shall be listed as surplus and indicated in the exhibit following the item of reserves.

(c) The exhibit shall include a footnote showing accumulated member contributions without interest.

(d) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Annuity payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities .....

(e) The exhibit shall include an item for accrued necessary reserves which shall be listed as "total reserves required as per attached schedule." Such attached schedule shall contain the following information on the reserves required:

1. For active members

a. Retirement benefits

b. Disability benefits

c. Refundment liability due to death or withdrawal

d. Survivors' benefits

2. For deferred annuitants

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3. For former members without vested rights

4. For annuitants

a. Retirement

b. Disability annuities

c. Surviving spouses' annuities

d. Surviving children's annuities

5. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing four items of reserves required, they should be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. It shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, widows' benefits, surviving children's benefits, refundments to members terminating employment, refundments due to death of members and due to death of annuitants, the increase in total reserves required, general expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics as to membership and beneficiaries of the fund, with indications of changes in such statistical data which may result from the current year's operation.

(5) Such additional statements or exhibits as will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in such additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

(7) For any police or firefighter's relief association referred to in subdivision 2, clause (13), a financial report duly filed pursuant to and meeting the requirements of section 69.051 shall be deemed to have met the requirements of this subdivision.

Sec. 9. Minnesota Statutes 1976, Section 356.215, Subdivision 2, is amended to read:

Subd. 2. **REQUIREMENTS.** It is necessary and appropriate to determine annually the financial status of tax supported retirement and pension plans for public employees.

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In order to achieve this goal, the governing or managing board or administrative officials of the public pension and retirement funds enumerated in section 356.20, subdivision 2, shall cause to be made annual actuarial valuations and quadrennial experience studies of their respective funds as herein provided. This requirement shall also apply to any fund which may be a successor to any organization enumerated in section 356.20, subdivision 2, or to any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, ~~with the exception of and any local police or fire fund now governed by chapter 69 coming within the provisions of section 11 of this act.~~

Sec. 10. Minnesota Statutes 1976, Section 356.215, Subdivision 4, is amended to read:

Subd. 4. **ACTUARIAL VALUATIONS; CONTENTS.** Actuarial valuations shall be made in conformity with the requirements of the definition contained in subdivision 1. Each actuarial valuation shall measure all aspects of the fund in accordance with such changes in benefit plans, if any, and salaries as will be in force during the ensuing fiscal year. Each actuarial valuation shall be in accordance with the entry age normal cost (level normal cost) method.

Each actuarial valuation required under this section shall include:

(1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the laws governing the fund as of the date of the valuation, computed in accordance with the entry age normal cost (level normal cost) method. The normal cost shall be expressed as a level percentage of the future payroll of the active participants of the fund as of the date of the valuation.

(2) The accrued liabilities of the fund which shall be equal to the present value of all benefits minus the present value of future normal costs calculated in accordance with the entry age normal cost method.

(3) For each fund providing benefits under the money purchase method, the member contributions accumulated at interest, as apportioned to members accounts, to the date of the valuation. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase annuity rates which may apply.

(4) An interest assumption of five percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

(5) Other assumptions as to mortality, disability, retirement ~~and~~ withdrawal, average entry age and average retirement age that are appropriate to the fund, which shall be set forth in the valuation report.

(6) An actuarial balance sheet showing accrued assets, accrued liabilities, and the

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deficit from full funding of liabilities (unfunded accrued liability). The accrued liabilities shall include the following required reserves:

- (a) For active members
  - 1. Retirement benefits
  - 2. Disability benefits
  - 3. Refund liability due to death or withdrawal
  - 4. Survivors' benefits
- (b) For deferred annuitants' benefits
- (c) For former members without vested rights
- (d) For annuitants
  - 1. Retirement annuities
  - 2. Disability annuities
  - 3. Surviving spouses' annuities
  - 4. Surviving children's annuities

In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(7) In addition to the level normal cost, such additional rate of support as is required to amortize any deficit in the fund by the end of the fiscal year occurring in 1997.

(8) An actuarial balance sheet shall not include as an asset the present value of the contributions required under clause (7).

(9) An analysis by the actuary explaining the increase or decrease in the unfunded accrued liability since the last valuation. The explanation shall subdivide the increase or decrease in unfunded accrued liability into at least the following parts:

(a) Increases or decreases in unfunded accrued liability because of changes in benefits;

(b) Increases and decreases in unfunded accrued liability because of each change, if any, in actuarial assumptions;

(c) Actuarial gains or losses resulting from any deviations of actual investment earnings, actual mortality rates, actual salary increase rates, actual disability rates, actual withdrawal rates and actual retirement rates from the assumptions on which the valuations are based;

(d) Increases or decreases in unfunded accrued liability because of other reasons, including the effect of the amortization contribution required under clause (7); and

(e) Increases or decreases in unfunded accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

(10) A tabulation of active membership and annuitants in the fund. If the **Changes** or **additions** indicated by underline deletions by ~~strikeout~~

membership of a fund is under more than one general benefit program, a separate tabulation shall be made for each general benefit program. The tabulations shall be submitted in the following form:

	Number	Annual Payroll
(a) Active members		
As of last valuation date		
New entrants		
Total		
Separations from active service		
Refund of contributions		
Separation with deferred annuity		
Separation with neither refundment nor deferred annuity		
Disability		
Death		
Retirement with service annuity		
Total separations		
As of current valuation date		
(b) Annuitants	Number	Annual Annuity Benefit
As of last valuation date		
New entrants		
Total		
Terminations		
Deaths		
Other		
Total terminations		
As of current valuation date		

The tabulation required under (b) shall be made separately for each of the following classes of annuitants:

- (a) Service retirement annuitants
- (b) Disabled annuitants
- (c) Surviving spouse annuitants
- (d) Surviving children annuitants
- (e) Deferred annuitants

(11) A statement of the administrative expenses in dollars and also as a percentage of covered payroll.

(12) A summary of the principal provisions of the plan upon which the valuation is based.

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Sec. 11. Minnesota Statutes 1976, Chapter 356, is amended by adding a section to read:

**[356.216] CONTENTS OF ACTUARIAL VALUATIONS AND EXPERIENCE STUDIES FOR LOCAL POLICE AND FIRE FUNDS.** The provisions of section 356.215, governing the contents of actuarial valuations and experience studies shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which member contributions are calculated and deducted;

(2) unless a special law or general statute requires the amortization of any deficit in the fund, in lieu of the amortization requirement calculated pursuant to section 356.215, subdivision 4, clause (7), an additional rate of support required to pay interest at a rate of five percent on the amount of the deficit with payment as of the beginning and as of the end of the year shall be calculated;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4, clause (10), the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required under section 69.773, subdivision 2 shall be made at least every four years and actuarial valuations required under section 69.77 shall be made at least every two years; and

(5) experience studies shall be made as of December 31, 1978 and as of December 31 of every fourth year thereafter.

Sec. 12. Laws 1955, Chapter 75, Section 9, as added by Laws 1969, Chapter 138, Section 1, is amended to read:

Sec. 9. A copy of each actuarial survey of the association prepared in accordance with Minnesota Statutes, ~~Sections 69.74 to 69.76~~ Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act, shall be filed with the city clerk.

Sec. 13. Laws 1955, Chapter 75, Section 12, as amended by Laws 1965, Chapter 190, Section 1 and amended and renumbered by Laws 1969, Chapter 138, Section 1, is amended to read:

Sec. 10. Subdivision 1. The financial requirements of the association shall be determined in the manner prescribed by this section from the actuarial surveys prepared in accordance with Minnesota Statutes, Sections 69.74 to 69.76 Periodically, the association shall have prepared an actuarial survey and experience study in accordance  
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with Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.

Subd. 2. ~~The normal level cost and additional annual rate of support required to amortize the deficit, determined pursuant to Minnesota Statutes, Section 69.73, for each year, shall be converted to dollar amounts. The total of these two amounts is the financial requirement of the association for the year in question. The secretary of the relief association shall prepare and certify an estimate of the minimum obligation of the governmental subdivision in accordance with Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the unfunded accrued liability of the association by December 31, 2007.~~

Subd. 3. Each member of the association who is a regular, full time fireman shall pay into the retirement funds of the association during his term of covered employment, for retirement, disability, and survivor benefits, a contribution of six percent of his salary. The contributions shall be deducted from his salary by the city of Moorhead, transmitted to the association, and deposited to the credit of the proper fund thereof. The contributions of a member who is a volunteer fireman shall be in an amount prescribed by the bylaws and shall be paid to the treasurer of the association, who shall place the same in a special fund to the credit of the individual fireman. No member shall be required to make contributions to the association for any term of service in excess of 30 years.

Subd. 4. ~~The minimum obligation of the city of Moorhead for each year shall be the financial requirement of the association for that year, less the anticipated contribution of members for that year under subdivision 3 and the anticipated amount of state aid for that year.~~

Subd. 5 4. The city of Moorhead shall provide in its annual budget and shall pay to the association each year an amount at least as great as its minimum obligation the amount certified for that year. ~~The city may levy taxes sufficient to yield the amount of its payment, without limitation as to the rate or amount of taxation. The levy of taxes for the association shall not cause the amount or rate of other taxes which the city may levy to be reduced.~~

Sec. 14. Laws 1959, Chapter 131, Section 10, Subdivision 1, as amended by Laws 1969, Chapter 694, Section 2, is amended to read:

Sec. 10. TAX LEVY. Subdivision 1. At the time and in the manner it levies other taxes, the common council of the city of Rochester shall annually levy a tax to be paid into the relief association's special fund in an amount which, ~~together with member contributions and other income available to the special fund, will be sufficient to meet current normal costs determined by the entry age normal cost method based upon a three percent interest assumption is equal to the minimum obligation of the governmental subdivision calculated in accordance with Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the accumulated deficit by the year 2072. To avoid an excessive increase in the amount of the levy during the first three years after passage of this act, the tax levy shall be two mills in 1969, three mills in 1970, four mills in~~

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~~1971, and such amount each year thereafter as may be required by this section. The tax levy of the city in 1972 and thereafter shall not be less than an amount equal to one and one half times the total amount of the member salary deductions for the preceding year. The relief association shall have actuarial surveys and experience studies made of the special fund in accordance with the provisions of Minnesota Statutes, Sections 69.74 to 69.76 Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act, except that the survey shall determine the annual rate of support required to retire the deficit by the year 2072.~~

Sec. 15. Laws 1965, Chapter 446, Section 7, Subdivision 1, is amended to read:

Sec. 7. Subdivision 1. The treasurer of the city of Bloomington and the secretary of the firemen's relief association of the city of Bloomington, maintaining and administering the firemen's pension fund, shall during the month of June of each year, prepare and certify an estimate of the necessary appropriation which, including the members' contributions, will be sufficient to meet the current normal cost determined by the entry age normal cost method based upon a three percent interest assumption minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act. This estimate of pension appropriations shall be submitted to the city council of the city of Bloomington prior to the setting of the yearly budget of the city for the following year. ~~During the first year after passage of this act and at least once every four years thereafter the city firemen's relief association shall obtain an actuarial survey and report, prepared by an approved actuary as defined in Chapter 11, Laws of 1957, to assist in the preparation of the annual estimates required by this section. The relief association shall periodically obtain an actuarial survey and an experience study as required by Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.~~

Sec. 16. Laws 1965, Chapter 458, Section 3, Subdivision 2, is amended to read:

Subd. 2. The amount to be so estimated and certified shall be the sum necessary to bear the total normal cost of the pension plan during the ensuing calendar year, determined by the entry age normal cost method based upon a three percent interest assumption minimum obligation of the governmental subdivision calculated pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, plus the sum necessary to achieve full funding of the pension plan within 40 years of the passage of this act, less the estimated amount of salary deductions payable into the fund during the ensuing year under the provisions of this act. ~~During the first year after passage of this act and at least once every four years thereafter the city policemen's relief association shall obtain an actuarial survey and report, prepared by an approved actuary as defined in Chapter 11, Laws of 1957, to assist in the preparation of the annual estimates required by this section. The relief association shall periodically obtain an actuarial survey and an experience study as required by Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.~~

Sec. 17. Laws 1965, Chapter 498, Section 1, Subdivision 1, is amended to read:

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Section 1. CITY OF BLOOMINGTON; POLICEMEN'S RELIEF ASSOCIATION. Subdivision 1. The treasurer of the city of Bloomington and the secretary of the policemen's relief association of the city of Bloomington, maintaining and administering the policemen's pension fund in accordance with Minnesota Statutes, Sections 423.801 to 423.815, shall during the month of June of each year, prepare and certify an estimate of the necessary appropriation which, including the members' contributions, will be sufficient to meet the current normal cost determined by the entry age normal cost method based upon a 3% interest assumption minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act. This estimate of pension appropriations shall be submitted to the city council of the city of Bloomington prior to the setting of the yearly budget of the city for the following year. ~~During the first year after passage of this act and at least once every four years thereafter the city policemen's relief association shall obtain an actuarial survey and report, prepared by an approved actuary as defined in Chapter 11, Laws 1957, to assist in the preparation of the annual estimates required by this section~~ The relief association shall periodically obtain an actuarial survey and an experience study as required by Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.

Sec. 18. Laws 1967, Chapter 736, Section 11, Subdivision 1, is amended to read:

Sec. 11. Subdivision 1. The city manager of the city of Brooklyn Center shall administer the policemen's pension fund and he shall, during the month of June each year prepare and certify an estimate of the necessary appropriation which, in addition to the policemen's contributions and any other contributions to the fund, will be sufficient to meet the current normal cost determined by the entry age normal cost method based upon a three percent interest assumption minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act. This estimate of pension appropriation shall be submitted to the city council of the city of Brooklyn Center prior to the setting of the annual budget for the city for the following year. ~~During the first year after passage of this act, and at least once every four years thereafter, the city shall obtain an actuarial survey and report prepared by an approved actuary as defined in Chapter 11, Laws 1957, to assist in the preparation of the annual estimates required by this section~~ The relief association shall periodically obtain an actuarial survey and an experience study as required by Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.

Sec. 19. Laws 1967, Chapter 775, Section 8, is amended to read:

Sec. 8. ACTUARIAL SURVEYS. ~~On December 31, 1967, and every four years thereafter, Periodically~~ the Association shall have prepared an actuarial survey and an experience study in accordance with Laws of Minnesota 1965, Chapter 751, as amended, copies of which actuarial surveys shall be filed with the City Clerk of the City of Moorhead and with the Chief Clerk of the House of Representatives and the Secretary of the Senate Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.

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The financing requirements of the Association shall be determined by the actuarial surveys; as follows:

The normal level cost expressed as a percentage of payroll determined from the actuarial survey shall be translated to a dollar amount of normal cost. To the dollar amount of normal cost shall be added the amount of one year's payment toward amortization of the unfunded liability (deficit) by December 31, 2007. The total of these two amounts represents the financial requirements of the Association for the following year.

The minimum obligation of the City of Moorhead shall be the financial requirements of the Association less members' contributions of 6 percent of covered salary and less one year's estimated receipts expected from the State of Minnesota through state aid, if any. The foregoing determination of obligation of the City of Moorhead shall be submitted to its governing body not later than September 1 of each year so that it may ascertain whether it has been prepared in accordance with law. The city's obligation is contingent, however, upon compliance with this act by the association. The secretary of the relief association shall prepare and certify an estimate of the minimum obligation of the governmental subdivision in accordance with Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the unfunded accrued liability of the association by December 31, 2007.

The City of Moorhead shall provide in its annual budget and shall pay; to the Association at least the amount of the minimum obligation certified each year. The City of Moorhead shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount; the levy of taxes for the policemen's relief association shall not cause the amount of other taxes levied or to be levied by the City of Moorhead, which are subject to any limitation, to be reduced in any amount whatsoever. To avoid an undue increase in the amount of tax levy in any one year, the increased levy which may be required under this provision may be spread over several years, but the increased levy in any one year shall not be less than one mill until the appropriate level of the required tax levy is reached.

Sec. 20. Laws 1967, Chapter 798, Section 1, Subdivision 1, is amended to read:

Section 1. **RICHFIELD, CITY OF; FIREMEN'S RELIEF ASSOCIATION.**  
 Subdivision 1. The mayor and treasurer of the city and the secretary of the firemen's relief association of the city of Richfield, maintaining and administering the firemen's pension fund, shall during the month of June of each year, prepare and certify an estimate of the necessary appropriation which, including the members contributions, and fire insurance premium tax, will be sufficient to meet the current normal cost determined by the entry age normal cost method based upon a three percent interest assumption minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, plus an additional amount sufficient to retire the present accumulated deficit within 40 years of the passage of this act. During the first year after passage of this act and at least once every four years thereafter the city firemen's relief association shall obtain an actuarial survey and report, prepared by an approved actuary as defined in Minnesota Statutes, Section 356.21, to assist in the preparation of the annual

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~~estimates required by this section.~~ This estimate of pension ~~appropriation~~ shall be submitted to the city council of the city of Richfield prior to the setting of the yearly budget of the city for the following year. The relief association shall periodically obtain an actuarial survey and an experience study as required by Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.

Sec. 21. Laws 1967, Chapter 798, Section 1, Subdivision 2, is amended to read:

Subd. 2. The city shall levy a tax for the firemen's pension fund equal to the amount so certified, in the manner and at the time that it levies other taxes and the proceeds of such tax shall be paid into such fund. ~~To avoid an undue increase in the amount of the tax levy in any one year the increased levy which may be required under this provision may be spread over several years; but the increased levy in any one year shall not be less than one mill until the appropriate level of the required tax levy is reached.~~ In lieu of all or part of such tax levy or as a supplement thereto the city council in its discretion may by resolution irrevocably appropriate and shall thereafter transfer to the firemen's pension fund money available from the city's general fund or profits from its municipal liquor dispensary. Any such appropriation resolution shall precede the making of the tax levy for the fund, and the total so appropriated plus the amount levied shall be equal to the amount so certified.

Sec. 22. Laws 1969, Chapter 576, Section 1, is amended to read:

**Section 1. ST. LOUIS PARK; FIRE DEPARTMENT RELIEF ASSOCIATION.**

Subdivision 1. The director of finance of the city of St. Louis Park and the secretary or treasurer of the fire department relief association of the city of St. Louis Park, maintaining and administering a firemen's pension fund in accordance with Minnesota Statutes, Sections 424.01 to 424.31, shall, during the month of June of each year ~~commencing in 1970~~ prepare and certify to the city manager an estimate of the financial requirements and minimum obligation of the association for the following calendar year, in accordance with the following requirements: minimum obligation of the governmental subdivision made pursuant to Minnesota Statutes, Section 69.77, Subdivision 2

~~Until a later actuarial survey is prepared in accordance with Minnesota Statutes, Sections 69.71 to 69.76, the association shall determine its financial requirements by basing the same on the actuarial survey prepared as of December 31, 1967, copies of which are on file with the legislative retirement study commission, the chief clerk of the house of representatives, and the secretary of the senate; thereafter the financial requirements are determined by the most recent actuarial survey prepared in accordance with Minnesota Statutes, Sections 69.71 to 69.76.~~

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at three percent on the amount of the (deficit) unfunded liability found

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by the actuarial survey of the fund.

The total of these two amounts, plus \$750 to be paid into the general fund annually represents the financial requirements of the association for the following year.

Except as otherwise provided, the minimum obligation of the city of St. Louis Park shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the city council of the city of St. Louis Park, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, ten percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph. Periodically, the association shall have prepared an actuarial survey and experience study in accordance with Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act.

Subd. 2. The foregoing determination estimate of the obligation of the city of St. Louis Park shall be submitted to the city council not later than September 1 of each year. The city shall levy a tax for the fire department relief association equal to the net estimated amount so determined in the manner and at the time that it levies other taxes and the proceeds of such tax shall be paid into such fund; provided that the amount of tax so levied shall never be more than the smaller of the following, unless, by vote of the city council of the city of St. Louis Park a greater levy is authorized:

(1) That amount which, together with any other support to the fund, will be equal to normal cost plus interest on the deficit determined by the entry age normal cost method based upon a three percent interest assumption and assumed pay increases of three percent per year. Such amounts will be based upon the most recent actuarial survey.

(2) That amount which, together with any other support, will be adequate to maintain the deficit at the same amount as determined by the most recent actuarial survey

Subd. 3. The city of St. Louis Park shall provide and pay as promptly as funds are available to the fire department relief association at least the amount of the minimum obligation estimate each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the city.

Subd. 4. The city of St. Louis Park shall provide in its annual budget an amount at least its minimum obligation equal to the certified estimate and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations

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imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the city of St. Louis Park, which are subject to any such limitation, to be reduced in any amount whatsoever. If the city of St. Louis Park does not include the full amount of the minimum obligation in its levy for any year, the association may certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

Sec. 23. Laws 1969, Chapter 641, Section 2, Subdivision 1, is amended to read:

Sec. 2. **CITY OF ROCHESTER: POLICEMEN'S RELIEF ASSOCIATION.** Subdivision 1. At the time and in the manner it levies other taxes, the common council of the city of Rochester shall annually levy a tax to be paid into the policemen's pension fund in an amount which, ~~together with member contributions and other income available to the policemen's pension fund, will be sufficient to meet current normal costs determined by the entry age normal cost method based upon a three percent interest assumption is equal to the minimum obligation of the governmental subdivision calculated in accordance with Minnesota Statutes, Section 69.77, Subdivision 2,~~ plus an additional amount sufficient ~~to retire the accumulated deficit by the year 2072. To avoid an excessive increase in the amount of the levy during the first three years after passage of this act, the tax levy shall be two mills in 1969, three mills in 1970, four mills in 1971, and such amount each year thereafter as may be required by this section.~~ The tax levy of the city in 1972 and thereafter shall not be less than an amount equal to one and one half times the total amount of the member salary deductions for the preceding year. The policemen's relief association shall have actuarial surveys and experience studies made of the policemen's pension fund in accordance with the provisions of Minnesota Statutes, ~~Sections 69.74 to 69.76~~ Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act, except that the surveys shall determine the annual rate of support required to retire the deficit by the year 2072.

Sec. 24. Laws 1971, Chapter 51, Section 9, is amended to read:

Sec. 9. An actuarial survey and an experience study of the association shall be prepared in accordance with the provisions of Minnesota Statutes, ~~Sections 69.74 to 69.77~~ Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act. An actuarial survey of the association shall be prepared after passage of this act by the legislature but prior to ratification by the Crookston city council showing the condition of its funds as of ~~December 31, 1970.~~

Sec. 25. Laws 1971, Chapter 51, Section 10, Subdivision 1, is amended to read:

Sec. 10. Subdivision 1. The financial requirements of the association and minimum obligation of the city shall be determined ~~in the manner prescribed by this section from the actuarial surveys prepared~~ in accordance with Minnesota Statutes, ~~Sections 69.74 to 69.77~~ Section 69.77, Subdivision 2.

Sec. 26. Laws 1971, Chapter 51, Section 10, Subdivision 2, is amended to read:

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Subd. 2. The normal level cost and additional annual rate of support required to amortize the deficit determined pursuant to Minnesota Statutes, Sections 69.73 and 69.77 for each year shall be converted to dollar amounts. The total of these two amounts is the financial requirement of the association for the year in question. In addition to the minimum obligation of the city determined pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, the estimate of the officers of the association of the amount to be raised by the city by tax levy shall include an amount sufficient to amortize the accumulated deficit by December 31, 2007.

Sec. 27. Laws 1971, Chapter 810, Section 7, is amended to read:

Sec. 7. (1) No provision of this act shall be construed as exempting, abridging, repealing or amending the compliance with the provisions of the Police and Firemen's Relief Association Guidelines Act of 1969, as amended, except as provided for in this section.

(2) Notwithstanding Minnesota Statutes, Section 69.77, Subdivision 2, the governmental subdivision's minimum obligation shall not be reduced, but shall be the financial requirements of the association less member contributions and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The governmental subdivision shall provide in its annual budget commencing in 1971 the above minimum obligation, and shall levy taxes sufficient for the payment thereof.

(3) In addition to the above minimum obligation, the governmental subdivision shall provide in its annual budget commencing in 1971, an additional amount sufficient to amortize the deficit as determined by actuarial survey in accordance with Minnesota Statutes, ~~Sections 69.74 to 69.76~~ Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act, within a period of 30 years.

(4) Prior to the approval of this act by the city council of Chisholm, the relief association shall secure from their actuary amendments to the actuarial survey required by Minnesota Statutes, Chapter 69, revising the findings of the survey to conform with the benefit changes in this act if approved by the local governing body, and shall submit to the governing body the amended survey which shall be presented at a public hearing in terms of mill rate increase prior to the approval of this act. If this act is approved by the local governing body, the amended survey shall be the basis for all computations and determinations required by Minnesota Statutes, Section 69.77.

Sec. 28. Laws 1973, Chapter 587, Section 1, is amended to read:

**Section 1. ANOKA, CITY OF; POLICE RELIEF ASSOCIATION.** Subdivision 1. Contributions of members of the Anoka police relief association, hereafter referred to as the relief association, to said association shall be determined as a percent of a top grade patrolman's salary equal to the percent of salary which public employees who are members of the public employees police and fire fund contribute to said fund as provided by Minnesota Statutes, Section 353.65, Subdivision 2, and any amendments thereto.

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Subd. 2. The minimum obligation of the city of Anoka in respect to the relief association shall be determined and provided in accordance with the provisions of Minnesota Statutes, ~~Sections 69.71 to 69.77~~ Section 69.77, Subdivision 2, except that the normal cost shall be computed as a percentage of the payroll only of members of said association.

Subd. 3. Commencing in the year 1980, in addition to the minimum obligation required by subdivision 2, the city of Anoka shall provide additional financing to the relief association sufficient to amortize by the year 2010 the deficits of said association as determined in accordance with Minnesota Statutes, ~~Section 69.73~~ 356.215, Subdivision 4, Clause (7).

Subd. 4. Notwithstanding any other law, any state aid received by the city of Anoka pursuant to Minnesota Statutes, Chapter 69, shall be transferred to the relief association in accordance with the provisions of ~~Laws 1974, Chapter 695~~ Minnesota Statutes, Section 69.031, Subdivision 5.

Subd. 5. The relief association shall procure an actuarial survey showing the condition of its fund at least once every two years subsequent to the effective date of this act pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, Clause (8) and sections 10 and 11 of this act. The cost of such surveys shall be split equally between the relief association and the city of Anoka.

Sec. 29. Laws 1975, Chapter 424, Section 10, is amended to read:

Sec. 10. The minimum obligation of the city of Columbia Heights to the firemen's relief association shall be determined ~~and provided by~~ in accordance with Minnesota Statutes, ~~Sections 69.71 to~~ Section 69.77, except that the normal cost shall be computed as a percentage of the salary paid only to members of the association.

Sec. 30. Laws 1975, Chapter 424, Section 11, is amended to read:

Sec. 11. Commencing in the year 1982, in addition to the minimum obligation required by ~~sections 69.71 to 69.77~~ Minnesota Statutes, Section 69.77, Subdivision 2, the city of Columbia Heights shall provide additional financing to the firemen's relief association sufficient to amortize by the year 2012 ~~the fund deficits~~ deficit of the fund as determined in accordance with Minnesota Statutes, ~~Section 69.73~~ 356.215, Subdivision 4, Clause (7).

Sec. 31. **REPEALER.** Minnesota Statutes 1976, Sections 69.71; 69.72; 69.73; 69.74; 69.75; 69.76; 490.131 and Laws 1963, Chapter 643, Section 27 are repealed.

Sec. 32. **EFFECTIVE DATE.** This act is effective for actuarial valuations made for plan years commencing on or after July 1, 1977. Any local police or paid fire pension fund or relief association which did not make an actuarial survey as of December 31, 1976, and is required to make an actuarial survey as of December 31, 1977, pursuant to Minnesota Statutes 1976, Sections 69.71 and 69.77, shall make an actuarial survey as of December 31, 1977 and as of December 31, 1978.

Approved March 23, 1978.

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