

MINNESOTA STATUTES 1979 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.20

tively and apply to all such employment performed after December 31, 1955, by the employees who are such on that date, and shall include within its application effective with the date of entry into state, public or educational service, all employment by such employees on the date of and subsequent to the approval of the agreement or modification as well as those who are such on the approval date thereof.

[1979 c 332 art 1 s 89]

355.56 Division of teachers retirement association.

In accordance with section 218(d) (6) (C) of the social security act, the state agency shall divide into two divisions or parts, the teachers retirement association established by chapter 354. One division or part of such retirement system shall be composed of positions of members of such system who desire coverage under an agreement under section 218(d) of the social security act. The other division or part of such retirement system shall be composed of positions of members of such system who do not desire coverage under such an agreement. Each division or part shall be deemed to be a separate retirement system for the purposes of section 218(d) of the social security act. There shall be included in such division or part composed of members desiring such coverage the positions of individuals who become members of the teachers retirement association, after such coverage is extended.

[1979 c 50 s 48]

355.60 Agreements with federal agency.

Upon such certification the state agency shall be authorized to enter into an agreement with the secretary of health, education, and welfare, or modify any such agreement previously made with respect to employment by educational employees. The agreement or modification shall contain such terms and provisions authorized by the social security act and the enabling act as the state agency finds proper.

[1979 c 332 art 1 s 90]

355.76 State-federal agreement.

Upon such certification the state agency shall be authorized to enter into an agreement with the secretary of health, education, and welfare or modify any such agreement previously made with respect to the employment by state employees, public employees, and educational employees. The agreement or modification authorized hereunder shall take effect retroactively and apply to all employment performed after December 31 of the year prior to the date of the agreement or modification, by the employees who are such on that date and shall include within its application, effective with the date of entry into service as a hospital employee, all employment by such hospital employees on the date of and subsequent to the approval of the agreement or modification as well as those who are such on the approval date thereof. The agreement under sections 355.71 to 355.81 shall not apply to services in positions the compensation for which is on a fee basis.

[1979 c 332 art 1 s 91]

CHAPTER 356. RETIREMENT SYSTEMS, GENERALLY

Sec. 356.20	Financial reports required.	Sec. 356.455	Correction of erroneous interpretation of exclusion of certain employees in certain federal programs.
356.215	Actuarial valuations and experience studies.	356.60	Limitation of public retirement annuities.
356.22	Interpretation.		
356.32	Proportionate annuity in certain cases.		

356.20 Financial reports required.

[For text of subd 1, see M.S.1978]

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

MINNESOTA STATUTES 1979 SUPPLEMENT

356.20 RETIREMENT SYSTEMS, GENERALLY

- (2) Public employees retirement fund.
- (3) Teachers retirement fund.
- (4) Highway patrolmen's retirement fund.
- (5) Minneapolis teachers retirement fund association.
- (6) St. Paul teachers retirement fund association.
- (7) Duluth teachers retirement fund association.
- (8) Municipal employees retirement board of Minneapolis.
- (9) University of Minnesota police retirement plan.
- (10) University of Minnesota faculty retirement plan.
- (11) Judges retirement fund.
- (12) Any police or firefighter's relief association enumerated in section 69.77, subdivision 1a.

[For text of subs 3 to 5, see M.S.1978]

[1979 c 50 s 49]

356.215 Actuarial valuations and experience studies.

[For text of subs 1 to 3, see M.S.1978]

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, 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 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

RETIREMENT SYSTEMS, GENERALLY 356.215

- (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, the additional annual contribution which would be required to retire the current unfunded accrued liability by the established date for full funding which is in effect at the time of the valuation.

If, after the first actuarial valuation date occurring after June 1, 1979, there has not been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1979 and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, 2009.

If after the first actuarial valuation date occurring after June 1, 1979, there has been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) The unfunded accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect prior to an applicable change;

(ii) The level annual dollar contribution needed to amortize the unfunded accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in clause (4) in effect prior to the change;

(iii) The unfunded accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect prior to the change;

(iv) The level annual dollar contribution needed to amortize the difference between the unfunded accrued liability amount calculated pursuant to subclause (i) and the unfunded accrued liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change;

(v) The level annual dollar amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution calculated pursuant to subclause (ii);

(vi) The period in which the unfunded accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full fund-

MINNESOTA STATUTES 1979 SUPPLEMENT

356.215 RETIREMENT SYSTEMS, GENERALLY

ing using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect prior to the change; and

(vii) The period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

(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 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:

(a) Active members	Number	Annual Payroll
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:

MINNESOTA STATUTES 1979 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.32

- (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.

[For text of subs 5 and 6, see M.S.1978]

[1979 c 184 s 1]

356.22 Interpretation.

[For text of subd 1, see M.S.1978]

Subd. 2. No provision in sections 356.20 to 356.23 shall be construed to preclude any public pension and retirement fund herein enumerated from requesting, or the legislature from providing for, the amortization of any deficit in a shorter time than by the established date for full funding as determined pursuant to section 356.215, subdivision 4, clause (7).

[For text of subd 3, see M.S.1978]

[1979 c 184 s 2]

356.32 Proportionate annuity in certain cases.

Subdivision 1. **Proportionate retirement annuity.** Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any person who is employed in a position covered by any such fund, who has credit for at least three years but less than ten years of allowable service in such fund or a combination of such funds, and who is required to terminate service pursuant to a mandatory retirement statute, or who terminates service at age 65 or older for any reason shall be entitled upon application to a proportionate retirement annuity from each such fund in which he has allowable service credit, based upon his allowable service credit at the time of retirement; provided, however, that nothing in this section shall prevent the actuarial reduction of an annuity for which application is made prior to normal retirement age.

Subd. 2. **Covered funds.** The provisions of this section shall apply to the following retirement funds:

- (1) State employees retirement fund, established pursuant to chapter 352;
- (2) Correctional employees retirement program, established pursuant to chapter 352;
- (3) Highway patrolmen's retirement fund, established pursuant to chapter 352B;
- (4) Public employees retirement fund, established pursuant to chapter 353;
- (5) Public employees police and fire fund, established pursuant to chapter 353;
- (6) Teachers retirement fund, established pursuant to chapter 354;
- (7) Minneapolis municipal employees retirement fund, established pursuant to chapter 422A;
- (8) Duluth teachers retirement fund association, established pursuant to chapter 354A;
- (9) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;

MINNESOTA STATUTES 1979 SUPPLEMENT

356.32 RETIREMENT SYSTEMS, GENERALLY

(10) St. Paul teachers retirement fund association, established pursuant to chapter 354A.

[1979 c 40 s 10; 1979 c 217 s 27]

356.455 Correction of erroneous interpretation of exclusion of certain employees in certain federal programs.

The employment of a person as an enrollee under the federal comprehensive employment and training act in a subsidized on-the-job training, work experience or public service employment position shall not be deemed to be two employments for purposes of implementing the exclusion from retirement fund coverage provided for in Laws 1978, Chapter 720, even though the compensation for the person is paid in part from federal comprehensive employment and training act subsidy funds and is paid in part from local supplementary revenue sources other than funds provided under the federal comprehensive employment and training act, and any contrary prior administrative interpretation of the provisions of Laws 1978, Chapter 720 is deemed to be erroneous. This section shall be deemed to be remedial in nature and shall be effective retroactively to March 30, 1978. Any employee contributions and any employer and employer additional contributions taken from or on behalf of any person who would have been excluded from retirement fund coverage pursuant to Laws 1978, Chapter 720 except for the erroneous prior administrative interpretation shall be deemed to be erroneous deductions and shall be refunded as soon as practicable to the person and employing unit involved. The refund shall be accompanied by interest at the rate of five percent per annum compounded, payable from the date that the erroneous deduction was taken to the first day of the month in which the refund is processed.

[1979 c 216 s 22]

356.60 Limitation of public retirement annuities.

Subdivision 1. **Definitions.** For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(a) "Public pension plan" is any Minnesota public pension plan or fund, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources, which provides pension or retirement coverage for public employees other than volunteer firefighters.

(b) "Year of covered service" is a year of covered, credited or allowable service as defined by a public pension plan which provides formula pension or retirement benefits, or a period of 12 consecutive months of service commencing with the date or anniversary date of membership with a public pension plan or program which does not provide formula or other defined benefits and for which contributions on behalf of the covered employee or member have been made.

[For text of subs 2 and 3, see M.S.1978]

[1979 c 50 s 51]

CHAPTER 357. FEES

Sec.
357.32 Witness in criminal cases; when and how paid.

357.32 Witness in criminal cases; when and how paid.

When it appears that any witness subpoenaed or required to appear on behalf of the state has come from another state or country or is indigent, the court may, by order upon the minutes, direct the county treasurer to pay the witness a reasonable sum for ex-