

CHAPTER 355

SOCIAL SECURITY COVERAGE

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355.06 COSTS OF ADMINISTRATION.

Subdivision 1. **Revolving fund.** A revolving fund is hereby created to be known as the state agency revolving fund for the purpose of paying the costs of the administration of the state agency and to be used by it solely for that purpose. There shall be paid into such fund all amounts received in reimbursement of the state agency's costs of administration in carrying out the provisions of this chapter, as amended, and such reimbursements are hereby appropriated to said revolving fund.

Subd. 2. **Federal fund positions; appropriation.** In the case of state departments, agencies, and institutions that are financed in whole or in part with federal money, the portion of the cost of collecting social security contributions that is chargeable to federal money shall be reimbursed from federal money, and the amount necessary is appropriated from federal money for that purpose.

Subd. 3. **Dedicated fund positions; appropriation.** The cost of collecting employees' social security contributions and the state's matching share for reimbursement to the U.S. Secretary of the Treasury for state departments, agencies, and institutions whose salaries are provided by open, standing, continuing, or revolving appropriations or so called dedicated receipt accounts shall be reimbursed to the state agency revolving fund from those appropriations or dedicated receipt accounts, and the amount necessary is appropriated from those appropriations and accounts for that purpose.

History: 1981 c 356 s 356

355.07 DECLARATION OF POLICY.

In order to extend to employees of the state and its political subdivisions and to the dependents and survivors of such employees, the basic protection accorded to others by the old age and survivors insurance system embodied in the social security act, it is hereby declared to be the policy of the legislature, subject to the limitations of this chapter that these steps are taken to provide protection to employees of the state and its political subdivisions on as broad a basis as may be authorized by the legislature and is permitted under the social security act. It is also the policy of the legislature that the protection afforded employees in positions covered by a retirement system on the date an agreement under this chapter is made applicable to service performed in those positions, or receiving periodic benefits under the retirement system at that time, will not be impaired as a result of making the agreement so applicable or as a result of legislative enactment in anticipation thereof when combined with the benefits accorded the

employee by the social security act. To this end the agreement referred to in section 355.02 shall not be made applicable to any service performed in any position covered by a retirement system unless a referendum is first held by secret ballot in which a majority of "eligible employees," as defined in section 218(d) (3) of the social security act vote in favor thereof, or unless a retirement system is divided in two divisions or parts, one of which is composed of positions of members of the system who desire coverage and one of which is composed of positions of members of the system who do not desire coverage under section 218(d) (3) of the social security act, in accordance with subsections (6) and (7) thereof. Nothing in any provision of this chapter shall authorize the extension of the insurance system established by this chapter, as amended, to service in any police officer's or firefighter's position or in any position covered by a retirement system applicable exclusively to positions in one or more law enforcement or fire fighting units, agencies or departments.

History: 1981 c 224 s 142

355.11 DEFINITIONS.

[For text of subd 1, see M.S.1980]

Subd. 2. "Enabling act" means sections 355.01 to 355.07.

[For text of subd 3, see M.S.1980]

Subd. 4. "Employee" means any employee, other than elected officials, of municipal housing and redevelopment authorities or of any soil and water conservation district organized pursuant to chapter 40, or any port authority organized pursuant to chapter 458, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 462.415 to 462.711 and any soil and water conservation district organized pursuant to chapter 40 or any port authority organized pursuant to chapter 458, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

History: 1981 c 224 s 143-145

355.13 EMPLOYEES, CONTRIBUTIONS.

[For text of subd 1, see M.S.1980]

Subd. 2. Effective retroactively with respect to services performed after December 31, 1954, by persons who are its employees on the date of the agreement or modification, each and every employing unit is authorized, in consideration of the employee's retention in, or entry upon, employment after April 22, 1955, to impose upon each employee a contribution with respect to the employee's wages not exceeding the amount of the employee tax which would be imposed by the federal insurance contribution act if the employment services constituted employment within the meaning of that act, and to deduct the amount of the contribution from the employee's wages as and when paid. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of each and every employing unit in respect thereto. Failure to deduct the contribution shall not relieve the employee or the employing unit of liability therefor.

[For text of subd 3, see M.S.1980]

History: 1981 c 224 s 146

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355.21 DEFINITIONS.

[For text of subd 1, see M.S.1980]

Subd. 2. "Enabling act" means sections 355.01 to 355.07.

[For text of subd 3, see M.S.1980]

Subd. 4. "Teacher" means all employees of political subdivisions who hold positions covered by the Duluth teachers retirement fund association established pursuant to the provisions of chapter 354A.

[For text of subd 5, see M.S.1980]

History: 1981 c 224 s 147,148

355.22 TEACHERS TO BE DEEMED SEPARATE UNIT.

Pursuant to section 218(d) (6) of the Social Security Act, every teachers retirement fund association established under the provisions of chapter 354A shall be deemed to constitute a separate retirement system.

History: 1981 c 224 s 149

355.23 DULUTH REFERENDUM.

Subdivision 1. Upon the request of the governing body of the Duluth teachers retirement fund association and the board of education of Independent School District No. 709 or upon the petition of at least ten percent of the active members of the association and the board of education of Independent School District No. 709, the governor shall be empowered to authorize a referendum to be held at a date to be set by him, and to designate any agency or individual to supervise its conduct, in accordance with the requirements of section 218(d) (3) of the Social Security Act, on the question of whether service by teachers in positions covered by the Duluth teachers retirement fund association should be excluded from or included in an agreement under the enabling act. The notice of referendum required by section 218(d) (3) (C) of the Social Security Act to be given to teachers shall contain or shall be accompanied by a statement, in such form and such detail as the agency or individual designated to supervise the referendum shall deem necessary and sufficient, to inform the teachers of the rights which will accrue to them and their dependents and survivors, and the liabilities to which they will be subject, if their services are included in an agreement under the enabling act, and the statement shall contain in such form and such detail as deemed necessary the plan proposed for the integration, supplementation or combination of the teachers retirement fund association and social security. The cost of any referendum hereby authorized shall be paid by the teachers retirement fund association in reference to which the referendum is held.

[For text of subds 2 and 3, see M.S.1980]

History: 1981 c 224 s 150

355.29 DEFINITIONS.

Subdivision 1. For the purposes of sections 355.29 to 355.30, the terms defined in this section have the meanings ascribed to them.

[For text of subd 2, see M.S.1980]

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Subd. 3. "Political subdivision" means any political subdivision as defined in section 218(b) of the social security act, and includes any instrumentality of the state, any instrumentality of one or more of its political subdivisions including the League of Minnesota Cities, any instrumentality of the state and one or more of its political subdivisions, any governmental subdivision as defined in section 353.01, subdivision 6 and any instrumentality established under an agreement pursuant to section 471.59 wherein the instrumentality is responsible for the employment and payment of the salaries of employees of the instrumentality.

Subd. 4. "Enabling act" means sections 355.01 to 355.07.

History: 1981 c 224 s 151-153

355.302 [Repealed, 1981 c 224 s 276]

355.303 [Repealed, 1981 c 224 s 276]

355.304 [Repealed, 1981 c 224 s 276]

355.305 [Repealed, 1981 c 224 s 276]

355.306 [Repealed, 1981 c 224 s 276]

355.307 [Repealed, 1981 c 224 s 276]

355.308 [Repealed, 1981 c 224 s 276]

355.309 [Repealed, 1981 c 224 s 276]

355.311 SECOND SOCIAL SECURITY REFERENDUM.

Subdivision 1. **Election of social security coverage.** Any member of the basic program of the Minneapolis municipal employees retirement fund established under the provisions of chapter 422A shall be entitled to elect social security coverage retroactive to July 1, 1978 in a second social security referendum. Any member who so elects shall become a member of the coordinated program of the public employees retirement association and sufficient assets shall be transferred by the board of trustees of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association pursuant to section 353.023.

Subd. 2. **Payment of retroactive social security employee and employer taxes.** Effective retroactively with respect to any employment after the date of retroactive coverage by municipal employees who are employed on the date of the agreement or modification of the agreement with the secretary of health, education and welfare, the executive secretary of the Minneapolis municipal employees retirement fund shall cause to be paid out of the fund an amount for each municipal employee as defined pursuant to Minnesota Statutes 1978, Section 355.302, Subdivision 4, retroactively included, equal to the employee and employer taxes which would have been imposed by the Federal Insurance Contribution Act if the service by the employee constituted employment within the meaning of that act. This payment shall be computed from the date of retroactive coverage to the date that deductions are first taken from the wages of each municipal employee pursuant to Minnesota Statutes 1978, Section 355.309. Amounts paid to meet the required employee contribution shall first be deducted from the accumulated deductions of the municipal employee and then from the remaining assets of the fund.

[For text of subd 3, see M.S.1980]

Subd. 4. **Balances due after payment of retroactive social security employee and employer taxes.** Any municipal employee as defined pursuant to Minnesota Statutes 1978, Section 355.302, Subdivision 4, who elects social security coverage

from and after January 1, 1979, and thereby transfers from the basic program of the Minneapolis municipal employees fund to the coordinated program of the public employees retirement association and from whose account retroactive social security employee taxes are paid by the board of the Minneapolis municipal employees fund shall be required to reimburse the Minneapolis municipal employees retirement fund in an amount equal to the difference between employee contributions at the rate of eight percent of the employee's total salary for the period of retroactive social security coverage and the aggregate of six percent of the employee's total salary for the period of retroactive social security coverage plus the rate of retroactive social security employee taxes paid on the salary of the municipal employee restricted to the earnings limitations imposed by the Federal Insurance Contribution Act covering service as a municipal employee rendered from and after July 1, 1978. In the event that a municipal employee does not reimburse the Minneapolis municipal employees retirement fund within 30 days following notification by the executive secretary of the amount of reimbursement which is due, interest at the rate of six percent per annum compounded annually from the date the amount was first payable following notification until the date payment is made shall accrue. The city or the public corporation which employs a municipal employee electing social security coverage from and after January 1, 1979, for service on which retroactive social security employer taxes are paid from the Minneapolis municipal employees retirement fund shall reimburse the Minneapolis municipal employees retirement fund in an amount equal to the reimbursement amount payable by the municipal employee. The employer reimbursement may be paid from the proceeds of a tax levy made for this purpose or from any other funds available to the employer.

History: 1981 c 224 s 154-156.

355.391 DEFINITIONS.

Subdivision 1. **Terms.** Unless the context indicates otherwise, for the purposes of this section and sections 355.392 and 490.129, the terms defined in this section shall have the meanings given to them.

Subd. 2. **Enabling act.** "Enabling act" means sections 355.01 to 355.07.

Subd. 3. **Judge.** "Judge" means any person who is a judge within the meaning of section 490.121, subdivision 3.

Subd. 4. **Employing unit.** "Employing unit" means the state.

History: 1981 c 224 s 157

355.392 SOCIAL SECURITY COVERAGE FOR JUDGES.

Subdivision 1. **Social security coverage.** In accordance with section 218(d)(6)(C) of the social security act, the judges retirement fund is divided into two parts:

(a) the first part is composed of judges in office on and after December 31, 1973, who elected not to have coverage under an agreement pursuant to section 218(d) of the social security act in the referendum authorized pursuant to Laws 1973, Chapter 744, Sections 7 and 8;

(b) the second part is composed of judges in office on and after December 31, 1973, who elected to have coverage under an agreement pursuant to section 218(d) of the social security act in the referendum authorized pursuant to Laws 1973, Chapter 744, Sections 7 and 8 and of judges first entering office after December 31, 1973, whose service constitutes "employment" as defined in the social security act.

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Subd. 2. **Employer contributions.** For services by judges referred to in subdivision 1, clause (b), the state shall pay into the contribution fund established pursuant to section 355.04, an employer contribution on wages equal the employer tax rate imposed by the federal insurance contribution act.

Subd. 3. **Employee contributions.** For services by judges referred to in subdivision 1, clause (b), the judge shall pay into the contribution fund established pursuant to section 355.04, an employee contribution on wages equal to the employee tax rate imposed by the federal insurance contribution act. This contribution shall be made from the contribution made by the judge pursuant to section 490.123, subdivision 1.

Subd. 4. **Delinquent contributions.** Any delinquent contribution shall be payable with interest at the rate of six percent per annum.

Subd. 5. **Administrative expenses.** Every employing unit shall reimburse the state agency for its pro rata share of the cost of the administration of the agency in accordance with rules which the state agency prescribes. Reimbursements of administrative expenses shall be paid to the state agency revolving fund.

Subd. 6. **Reports.** Every employing unit shall make whatever reports in whatever form and containing whatever information which the state agency may from time to time require, and shall comply with whatever provisions which the state agency or the secretary of the federal department of health and human services may find from time to time necessary to assure the correctness of the reports.

History: 1981 c 224 s 158

355.41 DEFINITIONS.

[For text of subd 1, see M.S.1980]

Subd. 2. The term "state employee" means any employee of the state or a political subdivision who performs services in any position covered by the Minnesota state retirement system governed pursuant to chapter 352, relating to the state employees retirement association, excepting any position the compensation for which is on a fee basis.

Subd. 3. The term "public employee" includes all employees of the state and its political subdivisions as defined in section 2, subdivision 7 of the enabling act, who hold positions which are covered by the public employees retirement association governed pursuant to chapter 353, excepting any position performing service which under the Social Security Act may not be included in an agreement between the state and secretary of health, education and welfare entered into pursuant to sections 355.41 to 355.55.

Subd. 4. The term "educational employee" means any employee of the state and its political subdivisions who performs services in any position covered by the teachers retirement fund governed pursuant to chapter 354.

[For text of subds 5 and 6, see M.S.1980]

Subd. 7. The term "enabling act" means sections 355.01 to 355.07.

History: 1981 c 224 s 159-162

355.46 RETROACTIVE EFFECT.

[For text of subds 1 and 2, see M.S.1980]

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Subd. 3. **Social security contributions.** The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d) (6) (C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required for retroactive coverage shall be made in the manner provided in subdivision 2.

(b) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the state. The state's obligation for services performed subsequent to the date of the agreement or modification shall be paid by the commissioner of employee relations at such times and in such amounts as may be determined by the state agency to be necessary.

(c) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

[For text of subd 5, see M.S.1980]

History: 1981 c 224 s 163

355.53 [Repealed, 1981 c 224 s 276]

355.71 DEFINITIONS.

[For text of subs 1 to 5, see M.S.1980]

Subd. 6. "Enabling act" means sections 355.01 to 355.07 and acts amendatory thereof.

History: 1981 c 224 s 164

355.72 SEPARATE SYSTEM FOR HOSPITAL EMPLOYEES.

In accordance with section 218(d) (6) (A) or section 218(d) (6) (B) of the social security act, the hospital employees of each public hospital which was in existence prior to July 1, 1971 are deemed to be covered by a separate retirement system for the employees of that hospital, notwithstanding the provisions of section 355.42, clause (a).

History: 1981 c 224 s 165

355.73 REFERENDUM.

[For text of subs 1 to 4, see M.S.1980]

Subd. 5. [Repealed, 1981 c 224 s 276]

Subd. 6. [Repealed, 1981 c 224 s 276]

Subd. 7. [Repealed, 1981 c 224 s 276]

Subd. 8. Any hospital employee excluded from retirement coverage by the public employees retirement association pursuant to Minnesota Statutes 1980, Section 355.73, Subdivision 5, shall continue to be excluded from that retirement coverage so long as the person remains employed as a hospital employee.

History: 1981 c 224 s 166