

## CHAPTER 353

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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**353.01 DEFINITIONS.**

*[For text of subs 1 to 8, see M.S.1982]*

Subd. 10. **Salary.** "Salary" means the periodical compensation of any public employee, before deductions for deferred compensation or supplemental retirement plans, and also means "wages" and includes net income from fees. Fees paid to district court reporters shall not be considered a salary. Lump sum annual leave payments and severance payments shall not be deemed to be salary. Prior to the time that all sick leave has been used, amounts paid to an employee pursuant to a disability insurance policy or program where the employer paid the premiums shall be considered salary, and after all sick leave has been used, the payment shall not be considered salary. Workers' compensation payments shall not be considered salary.

*[For text of subs 11 to 33, see M.S.1982]*

**History:** 1983 c 286 s 6

**353.27 PUBLIC EMPLOYEES RETIREMENT FUND.**

*[For text of subs 1 to 3a, see M.S.1982]*

Subd. 4. **Employers reporting requirements; contributions; member status.** The head of each department is hereby directed to cause employee contributions to be deducted from the salary of each member and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries, and at the same time to issue or approve one voucher for the aggregate amount of the employer contributions and the additional employer contributions for the same period of employment as that covered by the employee contributions, and to cause the same to be received not later than 20 days thereafter in the office of the association. The head of each department shall, for each pay period in which employee contributions are deducted, submit to the association a salary deduction report, in the form prescribed by the executive director, showing (a) the legal names and the association membership numbers, listed in alphabetical order, of all members; (b) the legal names of all new public employees and the effective dates of appointment; (c) the amount of each salary deduction; (d) the amount of salary from which each deduction was made; (e) effective dates of all terminations of public service on account of members and if such terminations were caused by death or retirement, there shall be inserted after such date the applicable word, "death" or "retirement"; (f) effective dates of all temporary layoffs and leaves of absence and if such leaves are sick leaves, there shall be inserted after such date the words, "sick leave"; and (g) the beginning and ending dates of the payroll period covered. Additionally, reports of contributions shall be accompanied by a membership enrollment form for each new employee in the form prescribed by the executive director, and it shall be the

responsibility of department heads to obtain such enrollment forms from new employees to be submitted to the association within 30 days following the date of employment. The employers shall furnish such additional reports on magnetic media or other form of report as may be requested by the association executive director.

*[For text of subs 7 and 8, see M.S.1982]*

**Subd. 9. Fee officers; contributions; obligations of employers.** Any appointed or elected officer of a governmental subdivision who was or is a "public employee" within the meaning of section 353.01 and was or is a member of the fund and whose salary was or is paid in whole or in part from revenue derived by fees and assessments, shall pay his employee contribution in the amount, at the time, and in the manner provided in subdivisions 2 and 4. This subdivision shall not apply to district court reporters. The employer contribution as provided in subdivision 3, and the additional employer contribution as provided in subdivision 3a, and section 353.36, subdivision 2a, with respect to such service shall be paid by the governmental subdivision. This subdivision shall have both retroactive and prospective application as to all such members; and every employing governmental subdivision is deemed liable, retroactively and prospectively, for all employer and additional employer contributions for every such member in its employ. Delinquencies under this section shall be governed in all respects by section 353.28.

*[For text of subs 10 and 11, see M.S.1982]*

**Subd. 12. Omitted salary deductions; obligations.** In the case of omission of required deductions from salary of an employee, past due for a period of 60 days or less, the head of the department shall deduct from the employee's next salary payment and forthwith remit to the executive director the amount of the employee contribution delinquency, with cumulative interest thereon at the rate of six percent per annum, compounded annually, from the date or dates each delinquent employee contribution was first payable, such interest to be paid by the employer. To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. After July 1, 1973, any such omitted required deductions, past due for a period in excess of 60 days, shall become the sole obligation of the governmental subdivision from the time such deductions were first payable, together with interest thereon as hereinbefore specified. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest thereon at the rate of six percent compounded annually from the date they were first payable, shall be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer. Unless otherwise indicated, this subdivision shall have both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due hereunder. No action for the recovery of delinquent employee and employer contributions or interest thereon shall be commenced and no payment of delinquent contributions shall be made or accepted after the expiration of three calendar years next following the calendar year in which the contributions were omitted.

*[For text of subd 13, see M.S.1982]*

**History:** 1983 c 73 s 1,2; 1983 c 286 s 7

**353.28 FINANCING OF EMPLOYER CONTRIBUTIONS.**

*[For text of subd 1, see M.S.1982]*

Subd. 5. Any amount which becomes due and payable pursuant to this section or section 353.27, subdivision 4 shall bear compound interest at the rate of six percent per year from the date due until the date paid, with a minimum charge of \$5.

*[For text of subds 6 and 8, see M.S.1982]*

**History:** 1983 c 73 s 3

**353.29 RETIREMENT ANNUITY UPON SEPARATION FROM PUBLIC SERVICE.**

*[For text of subds 1 to 4, see M.S.1982]*

Subd. 6. **Retirement before eligibility for social security benefits.** Any member who retires before he is eligible for social security retirement benefits may elect to receive a retirement annuity from the association in an amount greater than the annuity computed on the basis of age at retirement, provided in subdivisions 2 and 3. This option shall be exercised by making application to the board of trustees. This greater amount shall be the actuarial equivalent of the normal retirement annuity computed on the basis of age at retirement. This greater amount shall be paid until the annuitant reaches the age of 62, at which time the payment from the association shall be reduced. The method of computing an annuity under this subdivision shall be determined by an approved actuary.

*[For text of subd 7, see M.S.1982]*

Subd. 8. **Annuities; payment; evidence of receipt.** Payment of any annuity or benefit for a given month shall be mailed by the association to the annuitant, recipient of a disability benefit, or survivor, during the first week of that month. Evidence of receipt of warrants issued by the association in payment of an annuity or benefit shall be submitted by the payee thereof to the association periodically at times specified by the board of trustees, together with a written declaration that the annuitant or recipient of a disability benefit has or has not returned to public service; that the surviving dependent spouse has or has not remarried; and shall be furnished on forms provided by the executive director thereof, before the association shall pay to the annuitant, disability recipient, or survivor for the next ensuing month, the annuity or benefit to which the person otherwise may be entitled.

**History:** 1983 c 73 s 4,5

**353.30 ANNUITIES UPON RETIREMENT.**

*[For text of subds 1 and 1a, see M.S.1982]*

Subd. 1b. Any person with 30 years or more of allowable service credit, who elects early retirement under subdivision 1, shall receive an annuity reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

*[For text of subds 1c to 4, see M.S.1982]*

**History:** 1983 c 286 s 8

**353.32 REFUNDS AFTER DEATH OF MEMBER OR FORMER MEMBER.**

Subdivision 1. **Before retirement.** If a member or former member who terminated public service dies before retirement or before he has received any retirement annuity and no other payment of any kind is or may become payable to any person, a refund shall be paid to his designated beneficiary or, if there be none, to his surviving spouse, or, if none, to the legal representative of his estate. Such refund shall be in an amount equal to his accumulated deductions plus interest thereon at the rate of 3-1/2 percent per annum compounded annually less the sum of any disability or survivor benefits, if any, that may have been paid by the fund; provided that a survivor who has a right to benefits pursuant to section 353.31 may waive such benefits in writing, except such benefits for a dependent child under the age of 18 years may only be waived pursuant to an order of the district court.

*[For text of subds 1a to 9, see M.S.1982]*

**History:** 1983 c 73 s 6

**353.33 TOTAL AND PERMANENT DISABILITY BENEFITS.**

*[For text of subds 1 to 3, see M.S.1982]*

Subd. 3a. **Optional annuity election.** A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit. The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

*[For text of subd 4, see M.S.1982]*

Subd. 5. **Benefits paid under workers' compensation law.** Disability benefits paid shall be reimbursed and future benefits shall be reduced by any amounts received or receivable, including temporary total, permanent total, temporary partial or permanent partial benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabiltant.

*[For text of subds 6 to 11, see M.S.1982]*

**History:** 1983 c 73 s 7; 1983 c 85 s 1

**353.34 TERMINATION OF PUBLIC SERVICE.**

Subdivision 1. **Refund or deferred annuity.** Any member who ceases to be a public employee by reason of termination of public service, or who is on a continuous layoff for more than 120 calendar days, shall be entitled to a refund of his accumulated deductions as provided in subdivision 2, or to a deferred annuity as provided in subdivision 3. Application for a refund may not be made prior to date of termination of public service, or the expiration of 120 days of layoff, and a refund shall be paid within 120 days following receipt of application, provided applicant has not again become a public employee required to be covered by the association.

Subd. 2. **Refund without interest.** Except as provided in subdivision 1, any person who ceases to be a public employee shall receive a refund in an amount equal to his accumulated deductions without interest for the first three years of membership and thereafter accumulated deductions with interest to the first day of

the month in which the refund is processed at the rate of three and one-half percent per annum compounded annually after the third year of membership based on fiscal year balances.

*[For text of subs 3 to 6, see M.S.1982]*

**History:** 1983 c 58 s 1; 1983 c 73 s 8

### **353.656 DISABILITY BENEFITS.**

*[For text of subd 1, see M.S.1982]*

Subd. 1a. **Optional annuity election.** A disabled member of the police and fire fund may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit. The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

*[For text of subs 2 to 6, see M.S.1982]*

**History:** 1983 c 85 s 2