

423B.01 MINNEAPOLIS POLICE RELIEF ASSOCIATION; DEFINITIONS.

Subdivision 1. **Terms.** For purposes of sections 423B.01 to 423B.18, unless the context clearly indicates otherwise, each of the terms defined in this section has the indicated meaning.

Subd. 2. **Active member.** "Active member" means a person who was hired and duly appointed by the city of Minneapolis before May 1, 1959, as a police stenographer, police clerk, police telephone operator, police radio operator, or police mechanic or before June 15, 1980, as a police officer, police matron, or assistant police matron, who is regularly entered on the payroll of the police department, and who serves on active duty.

Subd. 3. **Active member percentage.** The "active member percentage" is the total number of units accrued by active members of the association divided by the sum of the total number of units to which eligible members are entitled and active members of the association have accrued.

Subd. 4. **Age.** "Age" means a person's age at the person's latest birthday.

Subd. 4a. MS 2002 [Expired]

Subd. 5. **Annual postretirement payment.** "Annual postretirement payment" means the payment of a lump-sum postretirement benefit under section 423B.15 to an eligible member on June 1 following the determination date in any year.

Subd. 6. **Association.** "Association" means the Minneapolis Police Relief Association.

Subd. 7. **City.** "City" means the city of Minneapolis.

Subd. 8. **Determination date.** "Determination date" means December 31 of each year.

Subd. 9. **Disability.** "Disability" means a physical or mental incapacity of an active member to perform the duties of the person's position in the service of the police department.

Subd. 10. **Discharge.** "Discharge" means a complete separation from service in the police department.

Subd. 11. **Eligible member.** "Eligible member" means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit from the relief association during the 12 months before the determination date.

Subd. 12. **Excess investment income.** "Excess investment income" means the amount, if any, by which the average time weighted total rate of return earned by the fund in the most recent prior five fiscal years has exceeded the actual average percentage increase in the current monthly salary of a first grade patrol officer in the most recent prior five fiscal years plus two percent, and must be expressed as a dollar amount. The amount may not exceed one percent of the total

assets of the fund, except when the actuarial value of assets of the fund according to the most recent annual actuarial valuation prepared in accordance with sections 356.215 and 356.216 is greater than 102 percent of its actuarial accrued liabilities, in which case the amount must not exceed 1-1/2 percent of the total assets of the fund, and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a first grade patrol officer during the previous five calendar years.

Subd. 13. **Fund.** "Fund" means the special fund of the relief association.

Subd. 14. **Net excess asset amount payment.** "Net excess asset amount payment" means the payment of an additional postretirement payment under section 423B.151 to an eligible member on June 1 following the determination date in the given year.

Subd. 15. **Net total excess asset amount.** "Net total excess asset amount" is the total excess asset amount stated in dollars and multiplied by the quantity one minus the active member percentage.

Subd. 16. **Retired member.** "Retired member" means a former active member who has terminated active service in the police department and who is entitled to receive a pension or benefit under sections 423B.01 to 423B.18, as amended, or any predecessor law.

Subd. 17. **Surviving spouse member.** "Surviving spouse member" means the person who was the legally married spouse of the member, who was residing with the decedent, and who was married while or before the time the decedent was an active member and was on the payroll of the police department, and who, in case the deceased member was a pensioner or deferred pensioner, was legally married to the member at least one year before the decedent's termination of active service with the police department. The term does not include the surviving spouse who has deserted a member or who has not been dependent upon the member for support, nor does it include the surviving common law spouse of a member.

Subd. 18. **Time weighted total rate of return.** "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the State Board of Investment under section 11A.04, clause (11), and in effect on January 1, 1987.

Subd. 19. **Total excess asset amount.** (a) "Total excess asset amount" means the difference, if positive, expressed in dollars, between the fund's market value of assets after any deductions required by section 423B.15, subdivision 2, and 110 percent of the actuarial accrued liabilities based on the actuarial valuation indicated in paragraph (b).

(b) The total excess asset amount in paragraph (a) exists if the actuarial liability funding ratio, according to the most recent annual actuarial valuation for the fund prepared in accordance with sections 69.77, 356.215, and 356.216, with adjustments required by section 423B.15, subdivision 2, equals or exceeds 110 percent.

Subd. 20. **Unit.** "Unit" means 1/80 of the current monthly salary of a first grade patrol officer.

Subd. 21. **Actuarial equivalent or actuarially equivalent.** "Actuarial equivalent" or "actuarially equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board of directors based on the experience of the fund and approved by the actuary retained under section 356.214 and using the applicable preretirement or postretirement interest rate assumptions specified in section 356.216.

Subd. 22. **Covered salary.** "Salary" is subject to the limitations of section 356.611.

History: 1992 c 471 art 1 s 1; 1996 c 438 art 4 s 10; 1997 c 233 art 4 s 1,2; 2000 c 461 art 17 s 1; 1Sp2001 c 10 art 6 s 19,21; 2002 c 392 art 7 s 3; 1Sp2003 c 12 art 6 s 5; 1Sp2005 c 8 art 1 s 28; 2006 c 271 art 3 s 47