

of highway No. 169; thence south 7 degrees and 13 minutes west along the right of way of highway No. 169 for a distance of 68.00 feet more or less to a point; thence south 82 degrees and 47 minutes east for a distance of 30.00 feet, said distance also right of way of highway No. 169; thence south 7 degrees and 13 minutes west along highway No. 169 right of way for a distance of 212.00 feet more or less to the point of beginning and there terminating; parcel to contain 2.11 acres more or less.

Approved May 23, 1967.

---

CHAPTER 687—S. F. No. 127

[Coded in Part]

*An act relating to the public employees retirement association and to coverage under the old age, survivors' and disability insurance provisions of the federal social security act and appropriating money therefor; amending Minnesota Statutes 1965, Section 353.36, by adding subdivisions, and amending Sections 355.01 by adding a subdivision; 353.52; 353.53; 353.57; 353.58; 353.59; 355.73, by adding a subdivision; and 355.84, Subdivision 2 and repealing Minnesota Statutes 1965, Section 355.01, Subdivision 7.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Section 353.36, is amended by adding subdivisions to read:

*Subd. 7. P.E.R.A.; social security coverage. The option to pay retroactive contributions on total salary as provided in subdivisions 8, 9 and 10 of this section may be exercised after January 1, 1968, except that any member who retires before January 1, 1968 and after the effective date of this act may exercise the option prior to such retirement if the member certifies his intent to so retire in writing at the time of exercising the option. Members whose benefits are governed by sections 355.71 to 355.89 and members whose benefits are governed by sections 353.51 to 353.59 shall pay contributions on past service in the amount of three percent of salary plus the interest provided in subdivision 2 hereof. Members whose benefits are governed by sections of the law providing benefits to members not covered by Title II of the federal social security act, as amended, shall pay contributions on past service in the amount of six percent of salary plus the interest provided in subdivision 2 hereof. It is the intent of this section to grant the option to purchase re-*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*troactive coverage on total salary to all members of the public employees retirement association within the time limits provided regardless of the member's benefit schedule.*

**Subd. 8. Retroactive purchase on total salary.** *For the period from July 1, 1957 to June 30, 1967, any member may exercise an option to pay employee contributions based on total salary received in excess of the \$4,800 per annum salary limitation which was in effect through June 30, 1965, and in excess of the \$6,000 per annum salary limitation which was in effect through June 30, 1967, providing (a) the member shall pay, in a lump sum, to the association an amount equivalent to six percent or three percent, as the case may be, of the total salary received in excess of the aforementioned annual salary limitations, plus accrued interest thereon at the rate of four percent per annum, compounded annually; and (b) the member at the same time shall pay additionally a matching amount equivalent to that required to be paid under (a); (c) as an alternative to the employee obligation under (b) hereof, the employer may, by appropriate action of its governing body and made a part of its official records, certify to the association, in writing, at the time of or prior to the payment by the member of the amount required under (a) hereof, that it assumes the obligation and will pay to the association the matching amount as required under (b) hereof from the proceeds of a tax levy made pursuant to section 353.28 or from other funds available to the employer. No member shall be entitled to credit based on total salary under this subdivision unless the association has first received in full (1) the employee's contributions, plus interest thereon; and (2) the matching amount from the employee or from the employer; or (3) in lieu of (2) hereof, the employer's certification assuming the obligation for the matching amount. The employer's obligation under (c), if assumed, shall be limited on a pro rata basis to that portion of the period of service involved in the purchase which was rendered by the member for the respective employing governmental subdivisions. The contributions paid pursuant to this subdivision shall be considered contributions by payroll deductions for the purpose of computing the member's average salary.*

**Subd. 9.** *Any employer which certifies to the association that it assumes the obligation set forth in clause (c) of subdivision 8 of this section shall certify that it agrees to pay the matching amount therein provided in respect to all of its employees who exercise the option provided for in this section.*

**Subd. 10.** *In lieu of the lump sum payment provided in subdivision 8 a member may enter into an agreement with the board of trustees wherein such amount would be paid in equal installments not exceeding a five year period, except such agreement shall not ex-*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*tend beyond the date of the member's retirement. Any such agreement shall provide for interest thereon at the rate of four percent per annum, compounded annually.*

*Subd. 11. All options provided by subdivisions 7, 8 and 9 of this section may be exercised until December 31, 1968.*

Sec. 2. Minnesota Statutes 1965, Section 353.52, is amended to read:

**353.52 Contributions by employer and employees.** Subdivision 1. The employee contribution to the public employees retirement fund shall be an amount equal to three percent of the salary of every member. This contribution shall be made by deduction from salary. ~~No deduction shall be made from any salary in excess of \$4,800 in any calendar year.~~ Where any portion of a member's salary is paid from other than public funds, ~~such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any calendar year~~ *employee and employer's contributions will be made only on that part of the salary paid from public funds.*

Subd. 2. The employer contribution to the fund shall be an amount equal to three percent of the salary of each member ~~not exceeding \$4,800 in any calendar year.~~

Subd. 3. An additional contribution shall be made to the fund based on the salary of each member ~~not to exceed \$4,800 in any calendar year~~ for the purpose of amortizing the deficit in the fund. This contribution shall be made from funds available to the employing subdivision. The amount of this additional contribution shall be ~~the amounts specified below for the years noted:~~

(a)— <del>1958-59</del>	3-1/2 percent
(b)— <del>1960-64</del>	3 — percent
(c)— <del>1965-69</del>	2-1/2 percent
(d)— <del>1970-74</del>	2 — percent
(e)— <del>1975 and after</del>	1-1/2 percent

*one and one-half percent.*

Sec. 3. Minnesota Statutes 1965, Section 353.53, is amended to read:

**353.53 Retirement benefits.** Subdivision 1. The retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in subdivision 2 hereof

**Changes or additions indicated by *italics*, deletions by ~~strikeout~~.**

on the basis of each member's average salary for the period of his allowable service.

(a) For years prior to July 1, 1957, average salary for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions are based for any five consecutive years prior to that date.

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary not exceeding in any one year \$4,800 *through June 30, 1965, and his total salary not in excess of \$6,000 through June 30, 1967, and his total salary in each year thereafter* and for which he had made contributions to the retirement fund by payroll deductions.

(c) ~~Average salary in no case shall exceed \$4,800.~~

Subd. 2. The average salary, as defined in subdivision 1, of any member multiplied by the applicable percentages indicated below shall determine the amount of the annuity to which the member qualifying therefor is entitled:

Years of allowable Service:	Percentages at the Rate of:
(a) First ten years	<del>1/2</del> of <del>1</del> .625 percent per year of service.
(b) Second ten years of completed months of service less than such period	<del>1</del> 1.25 percent per year of service.
(c) Third ten years of completed months of service less than such period	<del>1.25</del> 1.70 percent per year of service.
(d) Subsequent years of completed months of service less than such period	<del>1.50</del> 2.40 percent per year of service.

Sec. 4. Minnesota Statutes 1965, Section 353.57, is amended to read:

353.57 **Disability benefits.** ~~The amount of the disability benefit shall be \$90 per month until the member reaches the age of 50. In addition he shall receive an annuity based on his age~~

**Changes or additions indicated by italics, deletions by strikeout.**

when disabled computed in the manner provided in section 353.53, with interest computed as provided in paragraphs (a) and (b) of that section, to the date of disability rather than the date of retirement. *The disability benefit shall be computed in the manner provided in Minnesota Statutes, Section 353.53. The disability benefit shall be the "normal" annuity without reduction for each month the member is under age 65 at the time of retirement. The optional annuities provided for in Minnesota Statutes, Section 353.54 and the provision in Section 353.33, Subdivision 5, that "benefits computed under this section shall be reduced by the amount of disability benefits paid under the federal act" do not apply to this section.*

Sec. 5. Minnesota Statutes 1965, Section 353.58, is amended to read:

**353.58 Military service credit.** After any agreement or modification is made pursuant to section 353.59, an employee given a leave of absence to enter military service and who returns to public service upon discharge from military service as provided in Minnesota Statutes, Section 192.262, may obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such member may obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be three percent of his salary not to exceed \$4,800 in any fiscal year *through June 30, 1965, and his total salary not in excess of \$6,000 for any year through June 30, 1967, and his total salary for each year thereafter.* In such cases the matching employer contribution and additional contribution shall be paid by the department employing such member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor.

Sec. 6. Minnesota Statutes 1965, Section 353.59, is amended to read:

**353.59 Effective date; application.** Sections 353.51 to 353.59 take effect on the date any agreement or modification is made between the state and secretary of health, education and welfare, making such agreement or modification applicable to service performed in positions covered by the public employees retirement association after a referendum was held ~~and a majority voted in favor thereof~~ as provided by law. Sections 353.51 to 353.59 shall apply to any coverage group consisting of members of the public employees retirement association included in any such agreement or modification. Sections 353.51 to 353.59 do not apply nor have any effect

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

upon any member who holds a position which under the social security act may not be included in an agreement between the state and secretary of health, education and welfare.

Sec. 7. [353.591] **Election of benefits.** *No member of the public employees retirement association whose benefits are governed by sections 353.51 to 353.59 may elect to receive the optional benefits provided by section 353.46.*

Sec. 8. Minnesota Statutes 1965, Section 355.01, is amended by adding a subdivision to read:

*Subd. 10. "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 Municipalities, any instrumentality of the state and one or more of its political subdivisions, and an instrumentality established under an agreement pursuant to Minnesota Statutes, Section 471.59 wherein the instrumentality is responsible for the employment and payment of the salaries of employees of the instrumentality.*

Sec. 9. Minnesota Statutes, Section 355.84, Subdivision 2, is amended to read:

Subd. 2. The average salary, as defined in subdivision 1, of any such member multiplied by the applicable percentages indicated below shall determine the amount of the annuity to which the member qualifying therefor is entitled:

Years of allowable Service:	Percentages at the Rate of:
(a) First ten years	<del>5/8</del> of <del>±</del> 6.25 percent per year of service.
(b) Second ten years or of completed months of service less than such period	<del>7/8</del> of <del>±</del> 1.25 percent per year of service.
(c) Third ten years or of completed months of service less than such period	<del>1-66</del> 1.70 percent per year of service.
(d) Subsequent years or of completed months of service less than such period	<del>1-75</del> 2.40 percent per year of service.

**Changes or additions indicated by italics, deletions by strikeout.**

Sec. 10. **[355.29] Definitions.** *Subdivision 1. For the purposes of this act, the terms defined in this section have the meanings ascribed to them.*

*Subd. 2. "Public employee" means any officer or employee of any political subdivision of the state who performs services in any position covered by the public employees retirement association.*

*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 Municipalities, any instrumentality of the state and one or more of its political subdivisions, and an instrumentality established under an agreement pursuant to Minnesota Statutes, 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 the act of this state entitled, "An act to provide for the coverage of certain officers and employees of the state and local government under the old age and survivors insurance provisions of Title II of the Federal Social Security Act as amended and appropriating money therefor" which is codified in Minnesota Statutes, Sections 355.01 to 355.07.*

Sec. 11. **[355.291] Referendum.** *Subdivision 1. Pursuant to the provisions of the enabling act, the governor shall designate an agency or an individual to supervise a referendum for public employees at a date to be set by the governor in accordance with the requirements of the social security act.*

*Subd. 2. The referendum shall decide the question of whether or not the employment of public employees should be excluded from or included in an agreement or modification.*

*Subd. 3. In accordance with section 218 (d) (6) (C) of the social security act, the state agency shall divide into two divisions or parts, the public employees retirement association established by Minnesota Statutes, Chapter 353. One division or part of such retirement system shall be composed of positions of members of such system who desire coverage under an agreement pursuant to section 218 (d) of the social security act. The other division or part of such system shall be composed of positions of members of such system who do not desire coverage under such 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*

**Changes or additions indicated by italics, deletions by strikeout.**

*the public employees retirement association after such coverage is extended with the exception of positions that may not be included in an agreement with the secretary of health, education and welfare under section 15.*

Sec. 12. [355.292] **Notice of referendum.** *The notice of referendum required by section 218 (d) of the social security act which is to be given to the public employees shall contain a statement in such form as the agency or individual designated to supervise the referendum shall deem necessary and sufficient to inform these public employees of the rights which accrue to them under the social security act. The statement shall also inform the public employees of the effect that coverage under the social security act will have on their public employee retirement program.*

Sec. 13. [355.293] **Certification by governor.** *If the governor or an official of the state designated by him for the purpose receives satisfactory evidence that the conditions specified in section 218 (d) (7) of the social security act have been met, he shall so certify to the secretary of health, education and welfare.*

Sec. 14. [355.294] **Transfer of members.** *In accordance with section 218 (d) (6) (F) of the social security act and when the public employees retirement association is so divided into two parts, as herein provided, the position of any member of the division or part composed of positions of members who do not desire coverage may be transferred to the separate retirement system composed of members who desire such coverage, and a modification of an agreement between the state and the secretary of health, education and welfare may so provide, but only if prior to such modification or such later modification, as the case may be, the individual occupying such position files with the state agency a written request for such transfer.*

Sec. 15. [355.295] **State-federal agreement.** *Upon such certification as provided herein the state agency or individual so designated with the approval of the governor 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 public employees. The agreement or modification authorized hereunder shall take effect retroactively and apply to all employment performed after the last day of the fifth calendar year preceding the year in which the agreement or modification is entered into by the employees who are such on the effective date of the agreement or modification. The agreement or modification shall further include within its application, effective with the date of entry into service as public employees, all employment of such public employees*

**Changes or additions indicated by italics, deletions by strikeout:**

*on the date of and subsequent to the approval of the agreement or modification as well as those who are such on the effective date thereof.*

*The agreement shall not include employment of any public employee who performs service in (a) any position the compensation for which is on a fee basis, (b) any position performing services which, under the social security act, may not be included in any agreement between the state and secretary of health, education and welfare, (c) any position which is an elective office of the state, and (d) any position in a public hospital for which employees are provided coverage under the old age, survivors, and disability insurance provisions of Title II of the Federal Social Security Act under another provision of law.*

Sec. 16. **[355.296] Retroactive employer-employee contributions.** *Subdivision 1. Effective retroactively with respect to employment after the date of retroactive coverage by public employees who are employed on the date of the agreement or modification and who are included within such agreement or modification, the board of trustees of the public employees retirement association shall pay out of its fund an amount for each public employee so included which is equal to the amount of employee tax which would have been imposed by the federal insurance contribution act, if such service 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 taken from the wages of each such public employee as provided hereafter. The amount so paid by the trustees shall be deducted from the accumulated deductions of each such member of the public employees retirement association. If the accumulated deductions of any member are not sufficient to pay for his retroactive contribution, such member shall pay the difference to the fund.*

*Subd. 2. Effective retroactively with respect to employment after the date of retroactive coverage by public employees who are employed on the date of the agreement or modification and who are included within such agreement or modification, the board of trustees of the public employees retirement association shall pay out of the fund an amount for each member which is equal to the amount of employer tax which would have been imposed by the federal insurance contribution act if such service constituted employment within the meaning of the act. This amount shall be computed from the date of retroactive coverage to the date deductions are taken from the wages of such public employees.*

*Subd. 3. The amounts herein required by this section are*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*hereby appropriated from the public employees retirement fund and the trustees are hereby authorized to make the necessary disbursements and transfers thereof. The amounts so required shall be paid to the contribution fund provided for in the enabling act.*

**Sec. 17. [355.297] Current employer-employee contribution.** *Subdivision 1. With respect to services performed after the effective date of the agreement or modification, each political subdivision shall be obligated to pay employer contributions with respect to wages earned by public employees included in the agreement or modification in an amount equal to the employer tax which would be imposed by the federal contributions act if the services covered by the agreement or modification constituted employment within the meaning of the act. This amount shall be paid directly by the political subdivision. Contributions so made shall be paid into the contribution fund provided for in the enabling act.*

*Subd. 2. With respect to services performed after the effective date of the agreement or modification, each public employee included in the agreement or modification shall pay contributions with respect to wages and the same will be deducted from his wages as and when paid in an amount equal to the employee tax which would be imposed by the federal insurance contributions act if the services covered by the agreement or modification constituted employment within the meaning of that act. Contributions so made shall be paid into the contributions fund provided for in the enabling act in partial discharge of the liability of the state and each political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the political subdivision from liability therefor.*

**Sec. 18. [355.298] Administrative cost of state agency.** *Each political subdivision employing public employees included in the agreement or modification shall reimburse the state agency for its pro rata share of the cost of administration of said agency in accordance with the rules and regulations of the state agency. Such reimbursements shall be paid into the state agency revolving fund.*

**Sec. 19. [355.299] Obligations of political subdivisions.** *Each political subdivision is hereby authorized and directed to pay its obligations under this act from moneys collected from taxes or other revenues. Each political subdivision authorized to levy taxes may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation whatsoever under the power of the political subdivision to levy taxes, such political subdivision may levy taxes in excess of the limitation in such amount as is necessary to meet its obligation under this act. The expenditures au-*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*thorized to be made shall not be included in computing the cost of government as defined in any home rule charter or charter of any city affected thereby. The governing body of a municipality for the purposes of meeting its obligations hereunder, in the event of deficit, may issue its obligations payable in not more than two years in an amount which may cause its indebtedness to exceed any statutory or charter limitation without an election and may levy taxes and pay therefor in a manner provided in Minnesota Statutes, Section 475.61 and acts amendatory thereto.*

**Sec. 20. [355.30] Delinquent payments.** *Delinquent payments under this act with interest at the rate of six percent per annum may be recovered by action in a court of competent jurisdiction against each and every political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such political subdivision by any department or agency of the state.*

**Sec. 21. [355.301] Actuarial valuation or survey.** *Whenever the public employees retirement association shall make an actuarial valuation or survey in the manner provided in Minnesota Statutes, Sections 356.21 to 356.23, it shall include a finding of the condition of the fund showing separately the two divisions or parts of the retirement system and indicating a level normal cost for each division or part. The first such valuation after January 1, 1968, shall include a finding of the condition of the fund showing separately the two divisions or parts of the retirement system and indicating a level normal cost for each division or part. Any such valuation or survey shall give the condition of the fund on the basis of alternative assumptions of interest earnings at the rates of three percent and three and one-half percent and shall show the percent of payroll required of the employer in order to amortize the actuarial deficit in the fund over periods of 10, 20, 30 and 40 years. The public employees retirement association shall, as prescribed in Minnesota Statutes, Sections 356.21 to 356.23, furnish a copy of any actuarial valuation or survey to any commission, permanent or interim, of the state legislature, authorized to study public retirement.*

**Sec. 22.** Minnesota Statutes 1965, Section 355.73, is amended by adding a subdivision to read:

*Subd. 6. No hospital employee employed after July 1, 1967 may terminate his membership in the public employees retirement association as provided in subdivision 5 of this section.*

**Sec. 23. Appropriations.** *There is hereby appropriated out of the general revenue fund the sum of \$30,000 to the state agency revolving fund.*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

Sec. 24. *Minnesota Statutes 1965, Section 355.01, Subdivision 7, is repealed.*

Approved May 24, 1967.

---

CHAPTER 688—S.F. No. 187

[Coded]

*An act relating to the public employees retirement association; providing for increase in retirement annuities paid to certain annuitants.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **[353.83] P.E.R.A.; increase in retirement annuities to certain persons.** Payments of retirement annuities pursuant to Minnesota Statutes, Chapter 353, to annuitants who retired prior to July 1, 1962, and who had at least 20 years of allowable service as a member of the public employees retirement association, who were eligible for a pension upon their termination of public employment and who receive annuities of less than \$200 per month shall, effective July 1, 1967, be supplemented by additional payments by the public employees retirement association from moneys in the general revenue fund of the state in the amount of \$15 per month, provided that in no case shall such adjusted annuities exceed \$200 per month. Moneys necessary to pay the supplemental benefit provided by this section are hereby annually appropriated from the said general revenue fund.

Such additional payments shall be made only to annuitants who request in writing the payment thereof.

Approved May 24, 1967.

---

CHAPTER 689—S. F. No. 313

*An act relating to garnishment; limiting the amount of the garnishee's disclosure; providing penalties; amending Minnesota Statutes 1965, Sections 571.47; 571.48; 571.49, Subdivisions 1 and 3; and 571.67.*

Be it enacted by the Legislature of the State of Minnesota:

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**