

schools shall, prior to employment and ~~annually~~ periodically thereafter as prescribed by the commissioner of health by rule, show freedom from tuberculosis in accordance with rules and ~~regulations~~ promulgated by the state commissioner of health. The school district, private or parochial school, day care center or nursery school shall assume the payment of the cost of the services necessary for the diagnosis and report but the obligation shall be limited to the actual examination and diagnosis and shall not include travel or incidental expenses. The physical examinations, chest x-rays or tuberculin tests shall not be required of any employee who files with the school board or with the person or persons legally responsible for the private or parochial school, day care center or nursery school an affidavit setting forth that he depends exclusively upon prayer or *spiritual means for healing, that he is to the best of his knowledge and belief in good health, and that he claims exemption from health examination on those grounds.* An employee who is in compliance with the requirements of this section for a school district, private or parochial school, day care center or nursery school in this state shall be deemed to be in compliance with this section for any other school district, private or parochial school, day care center or nursery school.

Sec. 2. **EXPIRATION DATE.** Minnesota Statutes 1978, Section 123.69, expires July 1, 1983.

Approved May 31, 1979.

---

#### CHAPTER 293—H.F.No.746

*An act relating to retirement; various retirement funds; increasing employer contributions to the teachers retirement association and the teacher retirement fund associations in cities of the first class; increasing the employee contribution rate to the Minneapolis municipal employees retirement fund; providing a post retirement adjustment to certain retirees and benefit recipients of various retirement funds; appropriating money; amending Minnesota Statutes 1978, Sections 354.42, Subdivisions 3 and 5; 354A.12; 422A.03, Subdivisions 1 and 2; 422A.08, Subdivision 2; 422A.10, Subdivision 1; and Chapter 355, by adding a section.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 354.42, Subdivision 3, is amended to read:

Subd. 3. ~~Prior to July 1, 1975 the employer contribution to the fund shall be an amount equal to three and one-half percent of the salary of every coordinated member and seven percent of the salary of every basic member. Effective July 1, 1975 The employer contribution to the fund shall be an amount equal to four and one-half percent of the salary of each coordinated member and eight and one-half percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. For purposes of financing the various options related to the variable annuity division , employer contributions equal to the employee variable annuity contributions~~

Changes or additions indicated by underline deletions by ~~strikeout~~

prescribed in section 354.62, subdivision 2, ~~will~~ shall be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3.

Sec. 2. Minnesota Statutes 1978, Section 354.42, Subdivision 5, is amended to read:

Subd. 5. An additional employer contribution shall be made in the amount of ~~three~~ 3.05 percent of the salary of each member for the purpose of amortizing the deficit in the fund. This contribution shall be made in the manner provided in section 354.43.

Sec. 3. Minnesota Statutes 1978, Section 354A.12, is amended to read:

**354A.12 CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.** Subdivision 1. EMPLOYEE CONTRIBUTIONS. The contribution required to be paid by each member of a teachers retirement fund association shall not be less than the percentage of total salary specified below for the applicable association and program:

<u>Association and Program</u>	<u>Percentage of Total Salary</u>
<u>Duluth teachers retirement association</u>	
<u>coordinated program</u>	<u>4 percent</u>
<u>Minneapolis teachers retirement association</u>	
<u>basic program</u>	<u>8.5 percent</u>
<u>coordinated program</u>	<u>4.5 percent</u>
<u>St. Paul teachers retirement association</u>	
<u>basic program</u>	<u>8 percent</u>
<u>coordinated program</u>	<u>4.5 percent</u>

Subd. 2. EMPLOYER CONTRIBUTIONS. Notwithstanding any law to the contrary, for taxes levied in 1975 payable in 1976 and thereafter, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by a fully or partially coordinated teachers retirement social security fund the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed and the state shall assume the total employer obligation. Effective July 1, 1975 the state shall pay to said retirement fund association an employer contribution equal to the amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay for all contributing members of the state teachers retirement association including social security taxes; in accordance with the provisions of Minnesota Statutes 1974, Section 354A.07, Subdivisions 3, 3a and 4, except that:

(4) employer contributions which are paid to the retirement fund associations pursuant to this section shall be appropriated and remitted directly to said retirement fund associations each month in accordance with the procedures described in section 354.43, subdivisions 1, 2, and 5; and

Changes or additions indicated by underline deletions by ~~strikeout~~

(2) with respect to any city of the first class having a fully or partially coordinated teachers retirement fund association; employer social security taxes on salaries paid after June 30, 1975 shall be paid by the state in accordance with the provisions of section 355.46, subdivision 3, clause (b); and employer contributions to said retirement fund association shall be reduced by the amount of such taxes. The contribution required to be paid by each coordinated member of a teachers retirement fund association in a city of the first class which does have a fully coordinated teachers retirement social security fund shall not be less than four percent of total salary; the contribution required to be paid by each coordinated member of a teachers retirement fund association which does have a partially coordinated teachers retirement social security fund shall not be less than four and one-half percent of total salary and the contribution required to be paid by each basic member of a teachers retirement fund association in a city of the first class which does not have a fully coordinated teachers retirement social security fund shall not be less than eight percent of total salary.

The state shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the state shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b):

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the state shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

<u>Duluth teachers retirement</u>	
<u>fund association</u>	<u>5.79 percent</u>
<u>Minneapolis teachers retirement</u>	
<u>fund association</u>	<u>4.50 percent</u>
<u>St. Paul teachers retirement</u>	
<u>fund association</u>	<u>4.50 percent</u>

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the state shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

<u>Minneapolis teachers retirement</u>	
<u>fund association</u>	<u>13.35</u>
<u>percent</u>	
<u>St. Paul teachers retirement</u>	
<u>fund association</u>	<u>12.63</u>
<u>percent</u>	

The state employer contributions shall be appropriated and remitted directly to each teachers retirement fund association each month in accordance with the procedures

Changes or additions indicated by underline deletions by ~~strikeout~~

described in section 354.43, subdivisions 1, 2, and 5.

Once each month the executive secretary of each teachers retirement fund association shall determine the amount of money necessary and presently needed to meet the state obligation as provided in this subdivision by applying the percentage of payroll figure to the estimated payroll amounts for the current month and shall certify the amount to the commissioner of finance. The moneys required to meet the amounts certified by each executive secretary of a teachers retirement fund association shall be appropriated and remitted directly to the applicable teachers retirement fund association from the general fund each month. If subsequent actual experience deviates from the anticipated experience upon which the amount certified was determined, the allocation to the first class city teachers retirement fund association involved next following the discovery of the deviation shall be adjusted. If the state makes an excess employer contribution to a teachers retirement fund association as the result of a false or wrongful certification, the state shall be entitled to recover the excess employer contribution by any appropriate means, including recovery from future state allocations, state aid or other funds payable to the school district in which the association is located. If an employee of that school district is responsible for the false or wrongful certification, any excess employer contribution recovered by the state shall be the obligation of the school district.

**Subd. 3. CERTIFICATION OF SALARIES PAID FROM OTHER THAN NORMAL SCHOOL OPERATING FUNDS.** The executive secretary of each teachers retirement fund association in a city of the first class shall certify to the commissioner of finance the total amount of salaries paid from normal school operating funds and the total amount of salaries paid from other than normal school operating funds. The certification shall include for each individual who receives a salary paid in whole or in part from other than normal school operating funds the name of the person, the salary or portion of the salary paid from other than normal school operating funds and the amount of employer contributions on the salary paid from other than normal school operating funds determined by applying the percentage of payroll figure as reported by the state teachers retirement association to the salary or portion of the salary paid from other than normal school operating funds.

**Subd. 4. LIMITATION ON CERTAIN ARTICLES OF INCORPORATION OR BYLAW AMENDMENTS.** No change in amendment to the bylaws or articles of incorporation of a teachers retirement fund association in a city of the first class affecting benefits, contributions or actuarial assumptions shall be made without approval by the legislature. Approval shall be deemed granted and the amendment shall become effective only upon enactment of special or general legislation detailing the substance of the amendment and upon submission of the text of the proposed amendment to the articles of incorporation or bylaws by the teachers retirement fund association involved to the legislative commission on pensions and retirement prior to the effective date of the amendment. Notwithstanding any provision of the articles of incorporation or bylaws to the contrary, amendments may be made adopted at the an annual meeting or at a special meeting called for such that purpose, without further local approval.

Sec. 4. Minnesota Statutes 1978, Chapter 355, is amended by adding a section to read:

Changes or additions indicated by underline deletions by ~~strikeout~~

**[355.311] SECOND SOCIAL SECURITY REFERENDUM. Subdivision 1. 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 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 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.

**Subd. 2. APPROPRIATION.** The amounts required by this section are hereby appropriated from the Minneapolis municipal employees retirement fund and the executive secretary of the fund is authorized to make any necessary disbursements and transfers. The amounts so required shall be paid to the contribution fund provided for in the enabling act.

**Subd. 3. BALANCES DUE AFTER PAYMENT OF RETROACTIVE SOCIAL SECURITY EMPLOYEE AND EMPLOYER TAXES.** Any municipal employee 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 Minneapolis municipal employees fund 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 fund in an amount equal to the difference between employee contributions at the rate of eight percent of his total salary for the period of retroactive social security coverage and the aggregate of four percent of his 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 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.

Sec. 5. Minnesota Statutes 1978, Section 422A.03, Subdivision 1, is amended to read:

Changes or additions indicated by underline deletions by strikethrough

**422A.03 MEETINGS; EMPLOYEES; RULES AND REGULATIONS.**

Subdivision 1. The retirement board shall meet on the third Tuesday of each calendar month of each year and may adjourn from time to time. Special meetings may be held upon the call of the president. The board shall, by a ~~four-fifths~~ four-sevenths vote of all members of the board, appoint an executive secretary, who shall have charge of the performance of the duties required by the provisions of sections 422A.01 to 422A.25, and shall appoint other necessary clerical help. If at the time of his appointment as executive secretary the appointee holds a position subject to the civil service rules and regulations of the city he shall be deemed to be on leave of absence from such civil service position during his tenure as executive secretary, and upon termination of such service shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classified position, seniority shall prevail, and the person most recently certified to such position shall be returned to the permanent civil service classification held by him prior to such certification.

Sec. 6. Minnesota Statutes 1978, Section 422A.03, Subdivision 2, is amended to read:

Subd. 2. The executive secretary may be removed by a ~~four-fifths~~ four-sevenths vote of all members of the board at a meeting called for such purpose. Before exercising the power of removal 15 days written notice shall be given to the executive secretary setting forth the cause for removal and stating the time and place where such charges will be heard. The hearing shall be open to the public. Other employees under the supervision of the board and employees appointed hereafter shall be subject to applicable civil service laws and rules of the city. The compensation of the executive secretary and the other employees under the supervision of the board shall be fixed by such board.

Sec. 7. Minnesota Statutes 1978, Section 422A.08, Subdivision 2, is amended to read:

Subd. 2. Prior to August 31 of each year the retirement board shall prepare an itemized statement of its financial requirements from tax revenue for the succeeding fiscal year. A copy of the statement shall be submitted to the board of estimate and taxation and to the city council prior to September 15 of each year. This statement shall include:

(1) An estimate of the administrative expense of the board less:

(a) Such amount as the board may charge against the interest income account of the fund as cost of handling the investment securities of the fund.

(b) The cost of handling the retirement benefits of any city-owned public utility, improvement project, or other municipal activities supported in whole or in part by revenues other than taxes.

(c) The cost of handling the retirement benefits of any public corporation and its employees who have availed themselves of the provisions of sections 422A.01 to 422A.25.

(2) An estimated amount not to exceed 7-1/4 percent of the salaries and wages of

**Changes or additions indicated by underline deletions by ~~strikeout~~**

all employees covered by the retirement fund less any amounts contributed for current cost of future retirement benefits by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(3) The estimated amount to meet the requirements of section 422A.06, subdivision 3, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(4) The cost of all monthly survivor's benefits provided in section 422A.23 as an obligation of the city and any of its boards, departments, commission or public corporations as therein provided, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(5) Such other levies and financing as are required by law.

(6) The total of items 1, 2, and 3 above shall be increased or decreased as the case may be by any deficiency or excess of the amount of tax revenue actually collected within the preceding fiscal year under or over the amount actually determined to meet the financial requirements of the fund for such year. In no event shall the amount requested for levy exceed the total of entry age normal cost, less the amounts contributed by the employees, plus administrative expense, ~~interest on the actuarial deficit at the rate of five percent per annum, plus an amount necessary to reduce amortize on a level annual dollar basis the principal amount of the actuarial deficit in equal installments by the year 2017 using an interest rate of five percent, compounded annually~~, plus interest upon any deficiency from the previous year's levy at the rate of four percent per annum. This limit does not apply to the requirements for survivors benefits provided in section 422A.23 nor to any levy which is administered by the retirement board pursuant to special act.

Sec. 8. Minnesota Statutes 1978, Section 422A.10, Subdivision 1, is amended to read:

422A.10 SALARY DEDUCTIONS, Subdivision 1. There shall be deducted and withheld from the basic salary, pay or compensation of each employee in the contributing class, prior to January 1, 1980 an amount equal to 7-1/4 percent, after December 31, 1979 but prior to January 1, 1981 an amount equal to 8-1/4 percent and after December 31, 1980 an amount equal to 9-1/4 percent of such salary, pay or compensation, except as hereinafter provided. The retirement board may increase the percentage rate of contribution to the retirement fund of any employee or employees for the purpose of establishing and maintaining on an actuarial basis a plan of insurance, survivors' benefits, or other type of benefit or benefits, the cost of which shall be paid out of such extra percentage so authorized and deducted from the employee's compensation, except as hereinafter provided. Any plan or plans so established and placed in operation may be amended from time to time, or may be abandoned, but if abandoned, any surplus remaining from the operation of a plan shall be the property of the fund, and shall be credited to the reserve for loss in investment account.

Changes or additions indicated by underline deletions by ~~strikeout~~

Sec. 9. [422A.155] DETERMINATION OF SERVICE CREDIT. Notwithstanding the provisions of section 422A.15, subdivision 1, no employee of the contributing class of the Minneapolis municipal employees retirement fund shall be entitled to receive a year of service credit during the employee's final year of service unless the employee is employed and has received compensation from the city of Minneapolis or other applicable employing unit during each of the calendar months making up the year for which the employee would usually be employed. Any employee of the contributing class who is employed and receives compensation in fewer than the usual number of calendar months during the final year of service shall receive credit for that portion of a year that the employee's completed months of employment and receipt of compensation bears to the usual number of months which the employee would usually be employed.

Sec. 10. POST RETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS. Subdivision 1. ENTITLEMENT. Any person who, on or before July 1, 1979, has attained the age of 65 years and who is receiving a retirement annuity from, or any person who is receiving a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 4, clauses (1) to (5) which was computed under the laws in effect prior to June 1, 1973, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 4, clause (4), or prior to July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 4, clause (1), (2), (3) or (5), and any person who, on or before July 1, 1979, has attained the age of 65 and who is receiving a "\$2 bill and annuity" annuity from the retirement fund specified in subdivision 4, clause (6), shall be entitled to receive a post retirement adjustment from the applicable retirement fund in the amount specified in subdivision 3.

Subd. 2. LIMIT ON NUMBER OF POST RETIREMENT ADJUSTMENTS PAYABLE. Each lump sum post retirement adjustment provided for in this section for any person who is entitled to receive more than one post retirement adjustment payment in one year shall be reduced by dividing the amount of each post retirement adjustment payment by the total number of post retirement adjustment payments to which the person is entitled.

Subd. 3. AMOUNT OF POST RETIREMENT ADJUSTMENT; PAYMENT. For any person receiving an annuity or benefit on November 30, 1979, or on November 30, 1980, and entitled to receive a post retirement adjustment pursuant to subdivision 1, the post retirement adjustment shall be a lump sum payment in an amount equal to \$15 for each full year of allowable service credited to the person by the respective retirement fund. The post retirement adjustment provided for in this section shall be payable for those persons receiving an annuity or benefit on November 30, 1979, on December 1, 1979, and for those persons receiving an annuity or benefit on November 30, 1980, on December 1, 1980. Nothing in this section shall authorize the payment of a post retirement adjustment to an estate. Notwithstanding Minnesota Statutes, Section 356.18, the post retirement adjustment provided for in this section shall be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the post retirement adjustment not be paid.

Subd. 4. COVERED RETIREMENT FUNDS. The post retirement adjustment provided for in this section shall apply to the following retirement funds:

Changes or additions indicated by underline deletions by ~~strikeout~~

- (1) Public employees retirement fund;
- (2) Public employees police and fire fund;
- (3) Teachers retirement fund;
- (4) Highway patrolmen's retirement fund;
- (5) State employees retirement fund of the Minnesota state retirement system; and
- (6) Minneapolis municipal employees retirement fund.

Subd. 5. **APPROPRIATION.** There is hereby appropriated on December 1, 1979, the amount of \$11,600,000 for the purpose of funding the post retirement adjustments provided for in this section. The appropriation shall be apportioned to the retirement funds paying the post retirement adjustment as follows:

<u>public employees retirement fund</u>	\$4,576,185
<u>public employees police and fire fund</u>	202,761
<u>teachers retirement fund</u>	3,169,648
<u>highway patrolmen's retirement fund</u>	129,661
<u>state employees retirement fund</u>	2,893,845
<u>Minneapolis municipal employees retirement fund</u>	627,900

Sec. 11. **EFFECTIVE DATE.** Sections 4, 5, 6, 7, 8 and 9 are effective the day following final enactment. The remainder of this act is effective July 1, 1979.

Approved May 31, 1979.

---

**CHAPTER 294—H.F.No.772**

*An act relating to highways; allowing private landowners to install drainage tiles along and across highway right-of-way under certain conditions; prescribing a penalty; amending Minnesota Statutes 1978, Section 160.20, by adding a subdivision.*

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

Section 1. Minnesota Statutes 1978, Section 160.20, is amended by adding a subdivision to read:

Changes or additions indicated by underline deletions by ~~strikeout~~