

Sec. 7. Minnesota Statutes 1978, Section 550.37, is amended by adding a subdivision to read:

Subd. 23. The debtor's aggregate interest not to exceed in value \$4,000 in any accrued dividend or interest under or loan value of any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

Sec. 8. Minnesota Statutes 1978, Section 550.37, is amended by adding a subdivision to read:

Subd. 24. The debtor's right to receive a payment under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

Sec. 9. **REPEALER.** Minnesota Statutes, 1979 Supplement, Section 48.185, Subdivision 2, is repealed.

Sec. 10. **REPEALER.** Section 5, subdivision 2 is repealed effective July 31, 1983.

Sec. 11. **EFFECTIVE DATES.** Sections 1, 2, 3, 5, subdivisions 1 and 3, 6, 7, 8 and 9 are effective the day following final enactment. Section 4 is effective December 31, 1981.

Approved April 23, 1980

CHAPTER 600—H.F.No. 1453

An act relating to retirement; changing the provisions governing and the coverage of various state and local public employee retirement plans; authorizing the payment of severance pay to retiring employees; amending Minnesota Statutes 1978, Sections 352.90; 352.91, Subdivisions 1 and 2, and by adding a subdivision; 352B.08, Subdivision 2; 356.24; 473.417, as amended; and Minnesota Statutes, 1979 Supplement, Sections 43.051, Subdivision 3; and 465.72; and Laws 1953, Chapter 91, Section 1, Subdivision 7, as amended; Laws 1955, Chapter 151, Sections 1, Subdivision 5, as amended; 3, Subdivision 2; 13, as amended; and 16; and repealing Laws 1959, Chapter 131, Section 25, as amended; and Laws 1969, Chapter 641, Section 5.

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

Section 1. Minnesota Statutes, 1979 Supplement, Section 43.051, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of subdivision 1, any employee of the state of Minnesota in a covered classification as defined in section 352.91, who is a member of the special retirement program for correctional personnel established pursuant to sections 352.90 to 352.95, shall may elect or be required to

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retire from employment in the covered correctional position upon reaching the age of 55 years, ~~unless the person applies for and receives from the commissioner of corrections, or the commissioner of public welfare if the appointing authority is the Minnesota security hospital an extension beyond the conditional mandatory retirement age.~~

~~A covered correctional employee may be employed beyond the mandatory retirement age, but not beyond the age of 65 years. A correctional employee occupying a position specified as covered by the provisions of section 352.91, desiring employment beyond the conditional mandatory retirement age shall, at least 30 days prior to the date of reaching the conditional mandatory retirement age of 55 years, and annually thereafter, request in writing to the person's appointing authority that he be authorized to continue in employment in the covered position. Upon receiving the request, the appointing authority shall have a medical examination made of the employee. If the results of the medical examination, together with the determination and certification of the appointing authority as to establish the mental and physical ability of the employee to continue to fulfill the duties of his employment, he shall be continued in his employment for the following year - shall be transmitted to the commissioner of corrections or the commissioner of public welfare if the appointing authority is the Minnesota security hospital. If the determination of the appointing authority relating to an employee based upon the results of the physical examination is adverse, the disposition of the matter shall be decided by the commissioner of corrections or of public welfare, whichever is applicable, if the appointing authority is the Minnesota security hospital. Based on the information provided to him, the decision of the applicable commissioner shall be made in writing and shall be final.~~

Sec. 2. Minnesota Statutes 1978, Section 352.90, is amended to read:

352.90 CORRECTIONAL EMPLOYEES. It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who, ~~because of the nature of their employment, are may be~~ required to retire at an early age because they are unable to retain the mental or physical capacity required to maintain the safety, security, discipline and custody of inmates at state adult correctional facilities. For the purpose of chapter 356, the actuary shall make separate reports with respect to these employees. Except as otherwise provided, the provisions of this chapter, apply to covered correctional employees.

Sec. 3. Minnesota Statutes 1978, Section 352.91, Subdivision 1, is amended to read:

352.91 COVERED CORRECTIONAL SERVICE. Subdivision 1. Covered correctional service means: (a) services performed on, before, or after July 1, 1973, by a state employee, as defined in section 352.01, as an attendant guard, attendant guard supervisor, correctional captain, correctional counselor I, correctional counselor II, correctional counselor III, correctional counselor IV, correctional lieutenant, correctional officer, correctional sergeant, director of attendant guards and guard farmer garden, provided the employee was employed in such

position on July 1, 1973 or thereafter; (b) services performed before July 1, 1973 by an employee covered under clause (a) in a position classified as a houseparent, special schools counselor, shop instructor or guard instructor; and (c) services performed before July 1, 1973 in a position listed in clause (a) and positions classified as houseparent, guard instructor and guard farmer dairy, by a person employed on July 1, 1973 in a position classified as a license plant manager, prison industry foreman (general, metal fabricating and foundry), prison industry supervisor, food service manager, prison farmer supervisor, prison farmer assistant supervisor or rehabilitation therapist employed at the Minnesota security hospital. However an employee shall not be covered hereunder if first employed after July 1, 1973 and who because of his age could not acquire ten years of sufficient service to qualify for an annuity as a correctional employee.

Sec. 4. Minnesota Statutes 1978, Section 352.91, Subdivision 2, is amended to read:

Subd. 2. Covered correctional service shall also mean service rendered at any time by state employees as special teachers, tradesmen and maintenance personnel certified by the commissioner of personnel as being regularly engaged in rehabilitation, treatment, custody or supervision of inmates employed at the ~~Minnesota state reformatory for men~~ correctional facility-St. Cloud, the state prison Minnesota correctional facility-Stillwater and the Minnesota correctional institution for women facility-Shakopee on or after July 1, 1974, other than any such employees who are 62 years of age or older as of July 1, 1974, and, effective the first payroll period after June 1, 1980, shall also include those employees of the Minnesota correctional facility-Lino Lakes and the employees of any other adult state correctional facility which may be established, who perform covered correctional service after June 1, 1980. For each special teacher who on July 1, 1974 is employed at one of the foregoing ~~institutions~~ facilities and is a member of the teachers retirement association, the teachers retirement association shall transfer to the Minnesota state retirement system an amount equal to accumulated employee and employer contributions, including any additional employer contributions on behalf of such employee. The term special teacher shall also include the classifications of ~~institution~~ facility educational administrator and supervisor.

Sec. 5. Minnesota Statutes 1978, Section 352.91, is amended by adding a subdivision to read:

Subd. 4. Upon the recommendation of the commissioner of corrections or the commissioner of public welfare, whichever is the appropriate employing authority, with the approval of the legislative advisory committee and with notification to and receipt of comments from the legislative commission on pensions and retirement, the commissioner of personnel may certify additional civil service classifications at state adult correctional or security hospital facilities to the executive director of the Minnesota state retirement system as positions rendering covered correctional service.

Sec. 6. Minnesota Statutes 1978, Section 352B.08, Subdivision 2, is amended to read:

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Subd. 2. The annuity shall be paid in monthly installments equal to that portion of the average monthly salary of the member multiplied by 2-1/2 percent for each year and pro rata for completed months of service not exceeding 20 years and two percent for each year and pro rata for completed months of service in excess of 20 years. Effective June 1, 1973, "average monthly salary" shall mean the average of the monthly salaries for the five high years of service as a member. The monthly salary for the period prior to July 2, 1969 shall be deemed to be \$600. In lieu of the life annuity herein provided, the member or former member with ten years or more of service may elect a joint and survivor annuity, payable to ~~the surviving spouse~~ a designated beneficiary for life, adjusted to the actuarial equivalent value of such life annuity. The joint and survivor annuity elected by a member may also provide that the elected annuity be reinstated to the life annuity herein provided, if after drawing the elected joint and survivor annuity, the ~~spouse designated beneficiary~~ dies prior to the death of the member. This reinstatement shall not be retroactive but shall be in effect for the first full month subsequent to the death of the ~~surviving spouse~~ designated beneficiary. This additional joint and survivor option with reinstatement clause shall be adjusted to the actuarial equivalent value of a regular life annuity. The member with ten or more years of service or the former member with 20 years or more of allowable service credit is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the member's 55th birthdate.

Sec. 7. Minnesota Statutes 1978, Section 356.24, is amended to read:

356.24 SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS. Upon passage of this section, it shall be unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan which is maintained and operated in addition to a primary pension program for the benefit of the governmental subdivision employees. This section shall not apply to supplemental pension plans which are maintained and operated prior to passage of this section, except that, any changes in benefits or employer contributions after the passage of this section shall be made pursuant to legislative authorization. This section does not apply to plans that provide only for group health, hospital, disability, or death benefits, nor to a plan which provides for the payment of severance pay as authorized by section 465.72 to a retiring or terminating employee.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 465.72, is amended to read:

465.72 SEVERANCE PAY. Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, all counties, cities, townships, and school districts or other governmental subdivisions are hereby authorized and empowered to pay severance pay to all of its employees and to establish, prescribe and promulgate provisions, rules and regulations for the payment of such severance pay upon leaving employment on or prior or subsequent to the normal retirement date. Severance pay shall also include the payment of accumulated vacation leave, accumulated sick leave or a combination thereof. Such severance pay shall be

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excluded from retirement deductions and from any calculations in retirement benefits, and shall be paid in a manner mutually agreeable to the employee and employer over a period not to exceed five years from retirement or termination of employment. In the event that a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. In no event shall severance pay provided for an employee except a teacher as defined in section 179.63, subdivision 13, leaving employment exceed an amount equivalent to 100 days pay. Severance pay for a teacher as defined in section 179.63, subdivision 13, shall not exceed an amount equivalent to one year of pay.

Sec. 9. **[465.721] FUNDING.** No county, city, township, school district or other governmental subdivision shall implement a plan for payment of severance pay pursuant to section 8 until a plan providing for full funding has been developed and approved by the governing body.

Sec. 10. Minnesota Statutes 1978, Section 473.417, as amended by Laws 1980, Chapter 342, Section 16, is amended to read:

473.417 ADDITIONAL EMPLOYER OBLIGATION TO AMORTIZE UNFUNDED ACCRUED LIABILITIES. In order to amortize the additional unfunded accrued liability incurred by the Minnesota state retirement system as a result of the consolidation of the metropolitan transit commission—transit operating division employees retirement fund, and to place the metropolitan transit commission on an equivalent basis with the other employing units and agencies having employees covered by the Minnesota state retirement system, the metropolitan transit commission shall make an annual contribution to the Minnesota state retirement system in addition to the employer contribution specified in section 352.04, subdivision 3. The additional contribution shall be an amount equal to 3-8/10 percent of the salaries of employees of the transit operating division on each payroll abstract, commencing July 1, 1978, and payable until the unfunded accrued liability amount of ~~\$7,260,518~~ \$7,307,545 plus compound interest from July 1, 1978 at the rate of six percent per annum on the average unpaid balance is amortized, as determined by the executive director of the Minnesota state retirement system.

Sec. 11. Laws 1953, Chapter 91, Section 1, Subdivision 7, as amended by Laws 1975, Chapter 408, Section 1, is amended to read:

Subd. 7. **DULUTH, CITY OF; POLICE PENSIONS.** "Spouse" means a person who was the legal husband or wife of a member at the time of the member's death, and includes a person who was the legal husband or wife of any pensioner or deferred service pensioner at the time of the member's death who was married to the member at least a ~~total of three years~~ one year prior to the member's retirement from the department.

Sec. 12. Laws 1955, Chapter 151, Section 1, Subdivision 5, as amended by Laws 1963, Chapter 271, Section 2, is amended to read:

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Subd. 5. "~~Widow~~" "Surviving spouse" means a ~~woman~~ person who was the wife spouse of a member or a pensioner while he or she was an active member, and who, in case the deceased member was a service pensioner, deferred pensioner, or on duty or non duty disability pensioner, was married to the member at least one year before his or her retirement from the police department; but does not include a surviving ~~wife spouse~~ wife spouse of a member or a pensioner who deserts him or her or a common law wife spouse of a member or a pensioner.

Sec. 13. Laws 1955, Chapter 151, Section 3, Subdivision 2, is amended to read:

Subd. 2. This association shall create, maintain, and administer a policemen's pension fund for the benefit of its members, their ~~widows~~ surviving spouses, and their children.

Sec. 14. Laws 1955, Chapter 151, Section 13, as amended by Laws 1963, Chapter 271, Section 7, and Laws 1971, Chapter 549, Section 2, is amended to read:

Sec. 13. The association shall pay a pension to the ~~widow~~ surviving spouse or any child under 18 years of age of any pensioned and retired member, or to the ~~widow~~ surviving spouse or any child under 18 years of age of any member who dies while in the service of the city police department, or to the ~~widow~~ surviving spouse or any child under 18 years of age of any member who, after being a member of the city police department for not less than 20 years, severs his or her connection with the department, and dies before attaining the age of 50 years. The association shall pay to any such ~~widow~~ surviving spouse a pension of 20 units per month. The association shall pay to any such child under 18 years of age a pension of five units per month until the child attains the age of 18 years, provided, however, that if such child is married at the time of the death of the member or marries or becomes legally adopted after the death of the member, ~~such the~~ child shall not be entitled to such benefits. If the ~~widow~~ surviving spouse and children reside together, the pension payable to the children shall be paid to the ~~widow~~ surviving spouse and shall be used for the support of ~~such the~~ children. If a ~~widow~~ surviving spouse remarries, ~~her~~ the pension immediately ceases and the association shall not make any further pension payments ~~to her~~. For the purposes of this section, all provisions governing a child under 18 shall be extended to include a full time student under the age of 23.

Sec. 15. Laws 1955, Chapter 151, Section 16, is amended to read:

Sec. 16. **SURVIVING SPOUSE AND CHILD OF MEMBER CONVICTED OF FELONY.** If a member convicted of a felony is receiving a pension at the time of his conviction and his ~~wife~~ or her surviving spouse and any of his children under 18 years of age had no part in the commission of ~~such the~~ felony, in the event of the death of ~~such the~~ member, ~~such widow the~~ surviving spouse and children may receive ~~such any~~ pensions as they would otherwise be entitled to receive from the association.

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Sec. 16. PENSION COVERAGE FOR MOORHEAD POLICE CHIEF. Notwithstanding Minnesota Statutes, Section 353.64, Subdivision 1, or any other general or special law to the contrary, the person employed by the city of Moorhead on the effective date of this act as chief of police shall be a member of the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68 and not of the local police relief association. Any employee contributions made to the local police relief association shall be transferred to the public employees police and fire fund. In addition an amount which together with the amount transferred is equal to the total employer and employee contributions pursuant to Minnesota Statutes, Section 353.65, which would have been required by the public employees police and fire fund during the period between initial employment as chief of police and the effective date of this act, shall be paid by the city into the public employees police and fire fund, which shall credit the chief of police with service as a member for this period only upon receipt of the required amounts.

Sec. 17. RETIREMENT COVERAGE FOR CERTAIN ST. LOUIS PARK POLICE OFFICERS. Notwithstanding any provision of Minnesota Statutes, Section 353.64, Subdivision 1, or any other general or special law to the contrary, a person who was employed by the city of St. Louis Park as a police officer during the period from September of 1967 through July of 1977 shall upon (1) reemployment as a St. Louis Park police officer and (2) repayment of employee contributions previously refunded to him plus interest on the refund amount at the rate of six percent per annum compounded annually from the date the refund was taken until the date the refund was repaid and (3) the completion of additional service sufficient to total ten years or more, be entitled to transfer all allowable service credit in the St. Louis Park police relief association to the public employees police and fire fund. Upon fulfillment of the above conditions and application by the individual, but not later than December 31, 1986, the St. Louis Park police relief association shall pay to the public employees police and fire fund an amount equal to the combined employer and employee contributions made by or on behalf of the individual plus compound interest thereon at the rate of six percent per annum from the date originally received. In calculating the amount of employer contributions made on behalf of the individual, the amounts which represent the annual pro rata share of all amounts received by the St. Louis Park police relief association, excluding interest on the accumulated assets of the relief association and member contributions, determined on basis of the number of active members each year, shall be utilized. If the amount thus paid is greater than the total of contributions which would have been required had the individual been a member of the public employees police and fire fund during the periods when the service was rendered, the amount of the excess shall be refunded to the St. Louis Park police relief association. If the amount paid is less than the required amount, the individual shall pay this amount, unless the governing body of the city of St. Louis Park elects to make the payment. No service credit in the public employees police and fire fund shall be granted until all conditions of this section have been fulfilled and all required payments have been made.

Sec. 18. INVESTMENT OF FUNDS. The funds of either the Rochester fire department relief association or the Rochester police relief association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation applicable to the Minnesota state retirement system would necessitate a lesser investment. The governing board of the applicable association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of Minnesota Statutes, Section 11.21, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

Sec. 19. PURCHASE OF PRIOR SERVICE BY CERTAIN EMPLOYEES OF THE METROPOLITAN TRANSIT COMMISSION—TRANSIT OPERATING DIVISION. Subdivision 1. ELIGIBILITY. A person who was employed continuously by the Twin City Lines bus company and by the metropolitan transit commission, its successor in interest from March 3, 1948 until October 1, 1970, who was employed from October 1, 1970 until June 26, 1978 by the management firm retained by the metropolitan transit commission to manage the transit operating division, and who was reemployed since June 26, 1978 by the metropolitan transit commission, may elect to purchase prior service credit in the Minnesota state retirement system for prior service as an employee of the management firm; not to exceed three years and 11 months of service credit.

Subd. 2. PAYMENT FOR PURCHASE OF PRIOR SERVICE. To purchase the prior service credit, the person described in subdivision 1 shall make a payment equal to four percent of the salary of the person for the period of prior service to be purchased, plus interest at the rate of six percent per annum compounded annually from the date the contributions otherwise would have been made to the date payment is actually made. If the person described in subdivision 1 elects to make the purchase of prior service, the payment of the required amounts shall be made in a lump sum prior to July 1, 1981. The period of allowable service shall be credited to the person only after receipt of the necessary payment by the executive director of the Minnesota state retirement system. The person described in subdivision 1 shall supply certified documentation of prior service and the compensation received for that service. The prior service to be purchased shall be the most recent period of prior service.

Subd. 3. ENTITLEMENT TO ANNUITY. A person who purchases a period of prior service pursuant to subdivision 2 shall be entitled: (1) to have the period of prior service purchased considered as "allowable service" within the meaning of Minnesota Statutes, Section 352.01, Subdivision 11 and considered as continuous state service within the meaning of section 352.113, subdivision 1; (2) to have the salary for the period of prior service purchased considered as "salary" within the meaning of section 352.01, subdivision 13; and (3) to have the

remaining period of prior service as an employee of the management firm in excess of three years and 11 months considered as service in a public employee retirement system in the state of Minnesota having a like provision within the meaning of section 352.72, subdivision 1.

Sec. 20. **RETROACTIVE DISABILITY BENEFITS FOR CERTAIN MEMBERS OF THE TEACHERS RETIREMENT ASSOCIATION.** Notwithstanding any contrary provision of Minnesota Statutes, Section 354.48, Subdivision 2, an employee of the Brainerd Community College who was totally and permanently disabled as defined in Minnesota Statutes, Section 354.05, Subdivision 14, for the period of December 18, 1976, through January 8, 1978, shall be entitled to retroactive disability benefits for the period of the disability, not to exceed one year. The retroactive disability benefits paid shall not exceed the amount of \$2,840.80.

Sec. 21. **VALIDATION OF PRIOR PAYMENTS.** Any payments or agreements for payments of severance pay made or authorized by a county, city, township, school district or other governmental subdivision prior to the effective date of this section which are within the limitations contained in sections 7 and 8 are hereby validated.

Sec. 22. **REPEALER.** Laws 1959, Chapter 131, Section 25, as amended by Laws 1969, Chapter 694, Section 7; and Laws 1969, Chapter 641, Section 5, are repealed.

Sec. 23. **EFFECTIVE DATE.** Sections 1, 2, 3, 4 and 5 are effective June 1, 1980. Section 6 is effective the day following final enactment and shall apply to a member or former member making application for benefits thereafter. Sections 7, 8, 9, 10, 19, 20 and 21 are effective the day following final enactment. Sections 11, 12, 13, 14, 15, 16, 17, and 18 are effective upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3. Section 22 is effective upon approval by the governing body of the city of Rochester and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Approved April 23, 1980

CHAPTER 601—H.F.No. 1731

An act relating to labor; regulating certain steam engines and boilers and steam engine and boiler operators; amending Minnesota Statutes 1978, Chapter 183, by adding a section.

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

Section 1. Minnesota Statutes 1978, Chapter 183, is amended by adding a section to read:

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