

## CHAPTER 297 — H.F.No. 247

*An act relating to retirement; authorizing certain persons to purchase prior service credit; authorizing certain persons to change retirement coverage for future services; providing for retroactive coverage by the Minnesota state retirement system correctional employees retirement plan in certain instances; amending Minnesota Statutes 1980, Section 352.91, by adding a subdivision.*

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

**Section 1. FUTURE PENSION COVERAGE FOR CERTAIN WEST ST. PAUL POLICE OFFICERS; REFUND OF CERTAIN MEMBER CONTRIBUTIONS.**

Subdivision 1. COVERAGE FOR FUTURE SERVICE. Notwithstanding any provision of law to the contrary, any West St. Paul police officer who was employed as a police officer by the city of West St. Paul on February 4, 1980, who became a member of the West St. Paul police relief association on August 4, 1980, and who was previously employed as a police officer by the city of Lilydale, shall be entitled, on or before January 1, 1982, to elect to have retirement coverage for all service as a police officer rendered subsequent to the date of the election be provided by the public employees police and fire fund governed pursuant to Minnesota Statutes, Chapter 353, and not be provided by the West St. Paul police relief association governed pursuant to Minnesota Statutes, Sections 69.77 and 423.37 to 423.392 and Laws 1967, Chapter 751. The election shall be made in writing and shall be filed with the clerk for the city of West St. Paul, who shall promptly notify the executive director of the public employees retirement association of the election of the change in retirement coverage.

Subd. 2. REFUND OF MEMBER CONTRIBUTIONS. If the election of a change in retirement coverage is made, any person to whom subdivision 1 applies shall be entitled, upon written application filed with the secretary of the West St. Paul police relief association, to a refund of all accumulated member contributions to the credit of the person, without interest, from the special fund of the West St. Paul police relief association.

**Sec. 2. PURCHASE OF PRIOR SERVICE CREDIT BY CERTAIN PERSONS.**

Subdivision 1. ELIGIBILITY. Notwithstanding any provision of law to the contrary, the following persons shall be entitled to purchase prior service credit from the appropriate retirement fund for service for which the person has not previously received service credit from that fund:

(a) from the Minnesota state retirement system, any person who was employed by the Minnesota department of veteran affairs from October 3,

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1949, to January 15, 1951, and from August, 1973, until November 3, 1973, and who is currently employed by the occupational safety and health division of the department of labor and industry, for the period from October 3, 1949, to January 15, 1951;

(b) from the public employees retirement association, any person who was employed by the city of Minneapolis as a municipal court reporter from January 1, 1943, until April 30, 1945, and from May 1, 1946, until August 31, 1949, who was granted a leave of absence to enter military service from April 30, 1945, until April 30, 1946, and who, subsequent to becoming an employee of the county of Hennepin, purchased prior service in the public employees retirement association for the non-military service rendered as an employee of the city of Minneapolis, for the one year of service credit representing the year of previously uncredited military service;

(c) from the public employees retirement association, a retired member of the public employees retirement association who served as a Mille Lacs county commissioner and who was born on June 18, 1915, for his actual period of service between January 1, 1957, and December 31, 1959;

(d) from the public employees police and fire fund, the person who was a firefighter in the city of St. Paul and who is currently employed by the city of Brainerd in the position of fire chief, for that period of service spent as an employee of the city of St. Paul and member of the St. Paul firefighters' relief association;

(e) from the teachers retirement association, any person currently employed as a professor by the University of Minnesota at the Duluth campus, who was born on July 5, 1919, who was previously a member of the teachers retirement association, and who, on June 23, 1961, completed an agreement to pay for the purchase of prior service arrears amounts to the teachers retirement association, for that period of time covered by the arrears agreement;

(f) from the public employees police and fire fund, any West St. Paul police officer who was employed as a police officer by the city of West St. Paul on February 4, 1980, who became a member of the West St. Paul police relief association on August 4, 1980, and who was previously employed as a police officer by the city of Lilydale, for the period of service as a police officer from February 4, 1980, until the date of the election of a change in retirement coverage made pursuant to section 1;

(g) from the Minnesota state retirement system, any person who is a member of the Minnesota state retirement system, who was employed by the military department at Camp Ripley commencing April 1, 1950, and ending February 15, 1951, and who was engaged in active military service commencing February 15, 1951, and ending February 21, 1953, for the period from April 1, 1950, to February 21, 1953;

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(h) from the Minnesota state retirement system, a state employee who prior to attaining that status in 1972 was employed by the house of representatives between January 1, 1963 and August 1, 1969, or any person with prior intermittent service as a legislative employee who is a current permanent employee of the legislature, for the period of prior intermittent legislative service; and

(i) from the Minnesota state retirement system, any employee or former employee of the department of employment services who was employed during the period January 1, 1942 to June 17, 1947, by the United States employment service and who became a public employee covered by one of the retirement funds enumerated in section 356.30, subdivision 3, subsequent to June 17, 1947, for the period of service with the United States employment service.

Subd. 2. PAYMENT. For the persons entitled to purchase prior service pursuant to subdivision 1, clauses (a), (b), (c), (d), (e), (f), (g), and (i), there shall be paid to the applicable retirement fund an amount equal to the present value, on the date of payment, of the amount of the additional service pension or retirement annuity which would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4), and the applicable mortality table adopted for the appropriate retirement fund or association and assuming continuous service until, and retirement at, the normal retirement age for the appropriate retirement fund or association and a future salary history which includes annual salary increases at the salary increase rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4). Payment shall be made in one lump sum, unless the executive director of the appropriate retirement fund or association agrees to accept payment in installments over a period of not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service shall be credited to the account of the person only after receipt of full payment by the executive director. Payment shall be made by the person entitled to purchase prior service, except that the current or former employer of the person may, at its discretion, pay all or any portion of the payment amount which exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent per annum compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. Authority to make a lump sum payment or to make an agreement to make installment payments shall expire on July 1, 1982.

For persons entitled to purchase prior service pursuant to subdivision 1, clause (h), the purchase may be made by paying to the Minnesota state retirement system an amount equal to the current employee contribution rates

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in effect for the Minnesota state retirement system applied to the current salary rate multiplied by the days and months of prior intermittent legislative service. Proof of employment by the legislature and the duration thereof shall be established for current or former senate employees by certification of the committee on rules and administration of the senate and for current or former house employees by certification of the committee on rules and legislative administration of the house of representatives. Certification to the director of the Minnesota state retirement system shall include the exact periods of employment for which the employee is entitled to obtain service credit. The service credit shall be computed and granted based on the relationship that the intermittent service bears to full employment. The payments permitted herein in the case of a person who is or was a senate employee shall be matched by the senate and in the case of a person who is or was a house employee shall be matched by the house of representatives. Any necessary sums are hereby appropriated from the respective legislative expense funds and transferred to the Minnesota state retirement system. If the employee at the time of payment is a participant in the unclassified program, the payment by the employee and employer shall be used to purchase shares in the Minnesota supplemental fund. Authority to make a lump sum payment or to make an agreement to make installment payments shall expire on July 1, 1982.

Subd. 3. RECALCULATION OF ANNUITY. After payment is received by the public employees retirement association from the person entitled to purchase prior service pursuant to subdivision 1, clause (c), the public employees retirement association shall recompute the retirement annuity to include the additional service credit. The recomputed benefit shall accrue on the first day of the month following the receipt of payment and the crediting of the additional service credit shall be payable as soon as is practicable thereafter.

Sec. 3. Minnesota Statutes 1980, Section 352.91, is amended by adding a subdivision to read:

Subd. 3a. SECURITY GUARDS. Covered correctional service shall also mean service rendered prior to January 1, 1981, in the classification of security guard by any employee employed in a covered correctional position on January 1, 1981.

#### Sec. 4. TEMPORARY PROVISION.

A person to whom section 3 applies shall make an additional contribution to the Minnesota state retirement system of an amount equal to the difference between the member contributions made during service by the person in the classification of security guard prior to January 1, 1981, and the amount of member contributions that would have otherwise been made if Minnesota Statutes, Section 352.92, Subdivision 1, had been applicable to that service, plus interest at the rate of six percent per annum compounded annually. Payment by the person shall be made in one lump sum. Covered

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correctional service shall be credited to the person only after receipt of full payment by the executive director. Authority to make a lump sum payment shall expire on July 1, 1982. When a person makes the additional member contribution required by this section, the department of corrections shall make an additional contribution to the Minnesota state retirement system of an amount equal to the difference between the contributions made on behalf of the person during service by the person in the classification of security guard prior to January 1, 1981, and the amount of the employer contributions that would have otherwise been made if Minnesota Statutes, Section 352.92, Subdivision 2, had been applicable to that service, plus interest at the rate of six percent per annum compounded annually. Payment by the department shall be made in one lump sum.

**Sec. 5. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved May 29, 1981

**CHAPTER 298 — H.F.No. 295**

*An act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees; removing the director from the state board investment advisory council; changing the investment authority of the fund; the Minneapolis employees retirement fund; establishing a new retirement benefit fund therein; transferring assets from the Minnesota post-retirement investment fund; appropriating funds; amending Minnesota Statutes 1980, Sections 11A.08, Subdivision 1; 422A.05, Subdivision 2c; and 422A.06, Subdivisions 1, 3, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 422A.05, Subdivision 3.*

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

**Section 1. POST RETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.**

Subdivision 1. ENTITLEMENT. Any person who is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 3, 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 3, clause (4), or prior to July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 3, clause (1), (2), (3) or (5), and any person who is receiving a "\$2 bill and annuity" annuity from the retirement fund specified in subdivision 3, clause (6), and any person who is receiving a retirement annuity, a disability benefit or a surviving spouse's

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