

SESSION LAWS
of the
STATE OF MINNESOTA

ENACTED BY THE
SEVENTY-FIRST LEGISLATURE, AT THE 1980 SESSION
COMMENCING JANUARY 22, 1980

CHAPTERS 1 TO 340 APPEAR IN LAWS OF MINNESOTA 1979.

CHAPTER 341—S.F.No. 1128

An act relating to retirement; increasing employee contributions to local police and firefighters relief associations; providing for a study of police and firefighter relief associations; providing an exception from an increase in the minimum member contribution rate for the Austin police and firefighters' relief associations; amending Minnesota Statutes 1978, Section 69.77, Subdivision 2; Laws 1973, Chapter 432, Sections 2, by adding a subdivision; 3, Subdivision 1; and 6, Subdivision 1.

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

Section 1. Minnesota Statutes 1978, Section 69.77, Subdivision 2, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, ~~1970~~ 1981, a contribution for retirement and survivorship benefits of not less than ~~six~~ eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that such contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by

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this section may be spread over several years, but the increase in rate of contribution in each year commencing in ~~1970~~ 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the 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. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the 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 section 11.21, provided that there be no 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.

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 2. Laws 1973, Chapter 432, Section 2, is amended by adding a subdivision to read:

Subd. 2a. When, due to retirement or termination of active duty, there remain insufficient active members of the association to fill the board positions specified by subdivision 2, board members retiring or terminating shall be replaced by recipient beneficiaries of the association elected by the recipient bene-

ficiaries and approved by the city council. When the last active member of the association retires or terminates from active duty, the funds of the association shall become a trust fund managed by a board of trustees composed of recipient beneficiaries. The moneys in the trust fund shall not revert to the city until all obligations of the association are paid.

Sec. 3. Laws 1973, Chapter 432, Section 3, Subdivision 1, is amended to read:

Sec. 3. **SOURCES OF FUNDS.** Subdivision 1. Funds of the association shall be derived from the following sources:

- (a) Gifts made for such purpose.
- (b) Rewards received by members.
- (c) Moneys coming into the hands of members remaining unclaimed for six months.
- (d) Proceeds from sales of property coming into the hands of members and remaining unclaimed for three months, which property shall be sold by the chief of police.
- (e) Contributions of members in an amount equal to ~~six~~ the member contribution to the public employees police and fire fund plus an amount equal to one quarter of one percent of the monthly salary of a top grade patrolman, ~~which shall be increased by one half of one percent effective January 1, 1974 and again in identical increments on January 1 of each year thereafter until such time as the member's percentage of contribution shall equal that of a member of the public employees police and fire fund; after which time the percentage of contribution shall remain equal to that of a member of the public employees police and fire fund.~~
- (f) Moneys now in any police fund continuing to be maintained by the association and all interest thereon or gains therefrom.
- (g) Any other income allowed by law.

Sec. 4. Laws 1973, Chapter 432, Section 6, Subdivision 1, is amended to read:

Sec. 6. **BENEFITS.** Subdivision 1. The association shall grant pensions or benefits payable from the policemen's pension fund to any member or to any widow or to any child under 18 years of age or any member from the time and for the following purposes:

When a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving

- (1) a widow, who was his legally married wife, residing with him, and who was married while or prior to the time he was on the payroll of the police department; and who, in case the deceased member was a service or deferred pensioner, was legally married to the member at least one year before his retirement from the police department; or

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(2) a child or children, who were living while the deceased was on the payroll of the police department or born within ten months after the decedent was withdrawn from such payroll, the widow and child, or children, shall be entitled to a pension, or pensions, as follows:

(a) To the widow, a pension of ~~48~~ 24 units per month, for her natural life; but if she remarry the pension shall cease as of the date of the remarriage.

(b) To each child, a pension of six units per month until the child reaches the age of 18 years.

The total pensions hereunder for the widow and children of a deceased member shall not exceed 36 units per month.

Sec. 5. ST. CLOUD POLICE RELIEF ASSOCIATION; ADDITIONAL REQUIRED MUNICIPAL CONTRIBUTION. In addition to any municipal contribution required pursuant to Minnesota Statutes, Section 69.77, the city of St. Cloud shall make an additional municipal contribution to the St. Cloud police relief association in an amount equal to one-quarter of one percent of the monthly salary of a top grade patrol officer.

Sec. 6. PENSION COVERAGE FOR BLOOMINGTON 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 Bloomington 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 policemen's 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. 7. PUBLIC EMPLOYEES POLICE AND FIRE FUND; MEMBERSHIP FOR CERTAIN EMPLOYEES OF THE CITY OF ST. ANTHONY. Any person who is a full time employee of the public works department of the city of St. Anthony who has as part of his duties as an employee of the city the secondary responsibility of providing service as a firefighter and who was a full time firefighter employed by the fire department of the city of St. Anthony until July 9, 1973, shall be deemed to be an employee serving on less than a full time basis as a firefighter within the meaning of Minnesota Statutes, Section 353.64, Subdivisions 1 and 3. If the governing body of the city of St. Anthony adopts a resolution declaring the position which that person holds to be that of a firefighter for pension purposes as authorized by Minnesota Statutes, Section 353.64, Subdivision 1, that person shall be a member of the public employees police and fire fund established pursuant to Minnesota Statutes, Sections 353.63 to 353.657 and 353.68.

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Sec. 8. The senate and house committees on governmental operations shall study the benefit levels, administration and funding level of police and firefighter relief associations. They shall report their findings and recommendations in the form of proposed legislation to the legislature on or before January 1, 1980. *

Sec. 9. AUSTIN POLICE AND FIRE RELIEF ASSOCIATIONS; EXCEPTION TO MINIMUM MEMBER CONTRIBUTION REQUIREMENT. Notwithstanding any contrary provisions of Minnesota Statutes, Section 69.77, Subdivision 2, Clause (1), the required contribution for members of the Austin police relief association or the Austin firefighters' relief association shall not exceed six percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined.

Sec. 10. EFFECTIVE DATE. Section 1 of this act shall be effective January 1, 1981. Sections 2, 3, 4 and 5 of this act shall be effective upon approval by the city council of St. Cloud and upon compliance with Minnesota Statutes, Section 645.021. Section 6 of this act shall be effective upon approval by the city council of the city of Bloomington and upon compliance with Minnesota Statutes, Section 645.021. Section 7 of this act shall be effective upon approval by the city council of the city of St. Anthony and upon compliance with Minnesota Statutes, Section 645.021. Section 8 of this act is effective upon final enactment. Section 9 of this act is effective upon approval by the city council of the city of Austin and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved February 7, 1980

* See the amendment to section 8 in Laws 1980, Chapter 618, Section 7.

CHAPTER 342—S.F.No. 960

An act relating to retirement; various retirement funds; providing for a proportionate annuity at age 65 or older with one year of service; indexing the re-employed annuitant earnings maximum to the social security benefit recipient earnings maximum; clarifying applications for refunds from the Minnesota state retirement system; providing an occupational disability benefit in the Minnesota state retirement system correctional employees retirement plan; establishing qualifications for the executive director of the teachers retirement association; requiring annuitants and benefit recipients of the teachers retirement association to file quarterly evidence of receipt cards; removing the requirement for dependency for entitlement to certain refunds from the teachers retirement association; clarifying the amortization obligation of the metropolitan transit commission to the Minnesota state retirement system; calculating service credit for certain part time transit operating division employees covered by the Minnesota state retirement system; clarifying the provision of minimum disability coverage by the metropolitan transit commission; providing a retirement annuity from the Minnesota state retirement system to certain former transit operating division employees; providing for a purchase of service credit of certain military service leaves of absence for transit oper-

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