

(e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245.782.

(h) "Commissioner" means the commissioner of public welfare.

Sec. 11. EFFECTIVE DATE.

Sections 1 to 7 apply to acts of domestic child abuse committed on or after August 1, 1984. Sections 8 to 10 are effective August 1, 1984.

CHAPTER 574 — H.F.No. 1427

An act relating to retirement; altering the investment authority for police and firefighter's relief associations; making various changes in the benefits for various retirement funds and plans; making conforming changes in benefit calculations; amending Minnesota Statutes 1982, sections 3.082; 69.775; 136.82, subdivision 1; 352.113, subdivision 3; 352.95, subdivision 1a; 352D.02, by adding a subdivision; 353.34, by adding a subdivision; 354.62, subdivision 2; 422A.18, subdivision 3; 424.24, subdivision 2; 490.124, subdivision 3; and 490.129; Minnesota Statutes 1983 Supplement, sections 69.77, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; and 356.61; Laws 1947, chapter 43, section 23, as amended; Laws 1963, chapter 643, section 20; Laws 1973, chapters 359, section 5, subdivision 2; and 432, section 4; Laws 1977, chapter 275, section 1; Laws 1980, chapter 600, section 17; and Laws 1981, chapter 68, section 43; proposing new law coded in Minnesota Statutes, chapter 423A; repealing Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3.

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

Section 1. Minnesota Statutes 1982, section 3.082, is amended to read:

3.082 MEMBERS' EMPLOYMENT; CONTINUATION.

Any member of the legislature of the state of Minnesota who held a position, other than a temporary position, in the employ of any private employer in Minnesota at the commencement of his service in any legislative session, who makes application for reemployment not later than 30 days after the last legislative day in each calendar year, shall be continued in or restored to such position, or to a position of like seniority, status and pay. Retirement benefits under an employer-sponsored pension or retirement plan shall not be reduced by reason of time spent in legislative service.

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Sec. 2. Minnesota Statutes 1983 Supplement, section 69.77, subdivision 2, is amended to read:

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the following requirements are met:

(1) Each member of the relief association pays into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters.

(2) The officers of the relief association determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, as required pursuant to clause (8). In the event that an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of

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the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

(3) The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

(4) The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

(5) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment of the minimum obligation of the municipality without any 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 the special fund or any fund of the relief association

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has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

(6) Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24, 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~~ five percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. The association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust, provided that the amount of all investments in real property shall not exceed ten percent of the market value of the association's fund. 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 under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

(8) The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 of every year. A copy of the actuarial survey 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

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secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 3. Minnesota Statutes 1982, section 69.775, is amended to read:

69.775 INVESTMENTS.

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. 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 under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

Sec. 4. Minnesota Statutes 1982, section 136.82, subdivision 1, is amended to read:

Subdivision 1. The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and regulations governing the Minnesota supplemental retirement investment fund:

(1) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is ~~65~~ 60 years of age or older and is no longer employed by the state university board or state board for community colleges. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community

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colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14, and if the executive director of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the executive director of the teachers retirement fund by the surviving spouse. The surviving spouse shall receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record shall be redeemed by the executive director of the teachers retirement fund and the cash realized therefrom distributed to the estate of the surviving spouse.

(4) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, then the executive director of the teachers retirement fund shall redeem all shares to the credit of the employee's share account record and pay the cash realized therefrom to the estate of the deceased person.

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(5) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (1) to (4). In that case one-half of the cash realized on the redemption of shares shall be received by the person and one-half shall become the property of the supplemental retirement plan account of the teachers retirement fund. Annually on July 1 the cancellations of the previous 12 months shall be prorated among the employees share accounts in proportion to the value which each account bears to the total value of all share accounts.

Sec. 5. Minnesota Statutes 1983 Supplement, section 352.113, subdivision 2, is amended to read:

Subd. 2. **APPLICATION; ACCRUAL OF BENEFITS.** An employee making claim for a total and permanent disability benefit shall file a written application therefor in the office of the system in a form and manner prescribed by the executive director. The benefit shall begin to accrue 90 days the day following the commencement of disability or the day following the last day paid whichever is later but in no event earlier than 60 days prior to the date the application is filed with the director.

Sec. 6. Minnesota Statutes 1982, section 352.113, subdivision 3, is amended to read:

Subd. 3. **COMPUTATION OF BENEFITS.** The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability begins to accrue as provided in subdivision 2, whichever occurs later. ~~Upon becoming effective, the optional annuity shall begin to acerue on the same date as provided for the disability benefit.~~

Sec. 7. Minnesota Statutes 1983 Supplement, section 352.115, subdivision 8, is amended to read:

Subd. 8. **ACCRUAL OF ANNUITY.** State employees shall make application for an annuity but such application shall not be made more than 60 days prior to the time the employee is eligible to retire by reason of both age and service requirements. If the director determines an applicant for annuity has fulfilled all the requirements of the law to entitle him to an annuity, he shall authorize payment thereof in accordance with the provisions of this chapter and payment shall be made pursuant to this authorization. An annuity shall begin to

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accrue no earlier than 60 days prior to the date the application is filed with the director ~~except that if an optional annuity as provided in section 352.116, subdivision 3 is selected the annuity shall begin to accrue 30 days after the application is filed with the director,~~ but in no event prior to the day following the termination of state service or prior to the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued to the retired employee during his lifetime unless he elected an optional annuity provided in section 352.116, subdivision 3, and he had become entitled to payment thereof. The joint and last survivor annuity shall cease with the last payment received by the survivor in his or her lifetime. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, such spouse shall be entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor shall be entitled to the annuity for the calendar month in which the retired employee died.

Sec. 8. Minnesota Statutes 1982, section 352D.02, is amended by adding a subdivision to read:

Subd. 1b. An employee covered by the regular plan who is subsequently employed as a permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature may elect to transfer accumulated employee and matching employer contributions, as provided in section 352D.03.

Sec. 9. Minnesota Statutes 1982, section 352.95, subdivision 1a, is amended to read:

Subd. 1a. **OPTIONAL ANNUITY ELECTION.** A disabled correctional employee may elect the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective ~~30 days after receipt of the election or the date on which the disability benefit begins to accrue as provided in subdivision 3, whichever occurs later.~~ Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 10. Minnesota Statutes 1982, section 353.34, is amended by adding a subdivision to read:

Subd. 3a. DEFERRED ANNUITY; CERTAIN HOSPITAL EMPLOYEES. Any member employed by a public hospital, as defined in section 355.71, subdivision 3, who has at least five years of allowable service credit on the date the public hospital is taken over by a private corporation or organization, may elect to receive a deferred annuity pursuant to subdivision 3 notwithstanding the length of service requirement contained therein.

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Sec. 11. Minnesota Statutes 1982, section 354.62, subdivision 2, is amended to read:

Subd. 2. **INDIVIDUAL ELECTION.** Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

(1) Employee variable annuity contributions to the variable annuity division shall be pursuant to the option available in section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to ~~two percent of the salary of every eordinated member and four percent of the salary of every basic member~~ one-half of the employee rates specified in section 354.42, subdivision 2.

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to section 354.42, subdivision 5.

(3) There shall be provided for members participating in the variable annuity division a separate account for each member which will show his variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

(5) Effective July 1, 1978, no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation in the variable annuity division pursuant to section 354.621.

Sec. 12. Minnesota Statutes 1983 Supplement, section 356.61, is amended to read:

356.61 LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan shall be entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds the lesser of:

- (a) the amount of the final monthly salary of the person; or
- (b) one-twelfth of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a

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plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

The benefit limitation of clause (b) is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.

The maximum annual benefit of clause (b) for any limitation year is the lesser of (1) or (2) below:

(1) A dollar limitation of \$90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.

(2) A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which give the highest average. Compensation means any compensation which is includable in the employee's gross income.

A benefit shall be deemed not to exceed the maximum benefit limitation of clause (b) if:

(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not exceed the \$10,000 limit set in section 415(b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and

(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources. Final monthly salary is the hourly rate of compensation received by the person on

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account of the most recent public employment for the final pay period occurring prior to retirement multiplied by 174.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation shall not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable shall be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans shall be totalled in determining whether or not the limitation shall apply; provided however, that the limitation shall be based on the highest final monthly salary received by the individual from any plan. Any reduction in the amount of the retirement annuity or disability benefit required pursuant to this section shall be made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 13. Minnesota Statutes 1982, section 422A.18, subdivision 3, is amended to read:

Subd. 3. Payment of any disability allowance authorized by sections 422A.01 to 422A.25, shall commence ~~five~~ three months after date of application provided that the applicant has not been restored to duty. Such payment shall be retroactive to date of application and shall continue throughout the full period of the disability subject to the same optional selections as are provided for service allowances; provided that when a disability beneficiary shall have attained the minimum age for retirement on a service allowance the disability allowance shall be discontinued only as provided by the terms of the option selected. Any employee eligible for a disability allowance who is also entitled to an allowance under a workers' compensation act and/or resumes a gainful occupation shall be entitled to receive during the period of such compensation only that portion of the retirement allowance provided by this act which when added to such additional compensation does not exceed the salary of the employee at the time of disability.

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Sec. 14. **[423A.20] VESTING UPON LAYOFF.**

Notwithstanding any general or special law to the contrary, if a member of a salaried firefighters relief association with ten or more years of service is laid off and replaced with a volunteer firefighter, the member shall be entitled to receive a pro rata monthly benefit. For purposes of this section, "laid off" means terminated from employment with the fire department because of a shortage of funds or curtailment of service or for any other reason not reflecting discredit on the member beyond the member's control.

The retirement benefit is to commence at the later of either the minimum age for retirement or the date at which the member would have accumulated the minimum number of years of service for retirement if the member had remained on duty.

The pro rata benefit shall be calculated by multiplying the amount of the benefit payable to a member who met the minimum age and years of service requirements for a normal pension by the ratio of the laid off member's actual years of service to the minimum years of service required for retirement. The initial benefit payable shall be subject to the same post retirement adjustments as other benefits payable from the relief association.

Sec. 15. Minnesota Statutes 1982, section 424.24, subdivision 2, is amended to read:

Subd. 2. (a) "Surviving spouse" means a person who became the member's legally married spouse during or prior to the time the member was on the payroll of any such fire department as a firefighter, and remained such continuously after their marriage until the member's death, without having been granted a marriage dissolution or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member for at least three years one year prior to the member's retirement from the fire department; and who, in any case, was residing with the member at the time of the member's death. No temporary absence for purposes of business, health or pleasure shall constitute a change of residence for purposes of this clause.

(b) "Surviving child" means any child of the member living while the deceased member was on the payroll of the fire department, or who were born within nine months after the deceased member was withdrawn from the payroll of the fire department.

Sec. 16. Minnesota Statutes 1982, section 490.124, subdivision 3, is amended to read:

Subd. 3. **EARLY RETIREMENT.** The retirement annuity provided by subdivision 1 of any judge electing to retire at an early retirement date shall be reduced by 1/15th for each full year or fraction thereof one-half of one percent per month from his retirement date to normal retirement date.

Sec. 17. Minnesota Statutes 1982, section 490.129, is amended to read:

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490.129 BENEFITS OFFSET.

Upon any event of maturity of benefits for any judge referred to in section 355.392, subdivision 1, clause (b), ~~or for the judge's surviving spouse or dependent children,~~ the amount payable from the judges' retirement fund shall be reduced by 75 percent of the amount of the judge's primary benefit payable upon the event of maturity of benefits under the social security act.

Upon any event of maturity of benefits for the judge's surviving spouse or dependent children under section 490.124, subdivision 9, the amount payable from the judges' retirement fund shall be based (a) on the judge's normal retirement annuity or (b) upon the event of maturity of benefits under the social security act, on the judge's normal retirement annuity after reduction by 75 percent of the amount of the judge's primary benefit under the social security act; provided that the surviving spouse or dependent children shall receive an annuity of not less than 25 percent of the judge's final average compensation.

Sec. 18. BUHL POLICE RETIREMENT BENEFITS.

Notwithstanding the limitation contained in Minnesota Statutes, section 423.55 or any other law, the bylaws of the Buhl police relief association may be amended to provide for the payment of a service pension equal to 65 percent of the monthly base pay of a member at the time of retirement from the police department. All other provisions of section 423.55 shall apply to the extent not inconsistent with this section.

Sec. 19. Laws 1980, chapter 600, section 17, is amended to read:

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 or rule 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) (2) the completion of additional service sufficient to total ten years or more, or upon completion of at least six years of additional service to the city in a capacity other than that of police officer, be entitled to transfer all allowable service credit in a service pension from the St. Louis Park police relief association to the public employees police and fire fund based upon ten years of service. 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

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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 the individual shall pay to the St. Louis Park police relief association an amount equal to the employee contributions which would have been required had employment continued until the employee attained ten years of allowable service credit, plus compound interest thereon at the rate of six percent per annum from the date originally due. The city shall make the employer contribution. No service credit in the public employees police and fire fund St. Louis Park police relief association shall be granted until all conditions of this section have been fulfilled and all required payments have been made.

Sec. 20. Laws 1981, chapter 68, section 43, is amended to read:

Sec. 43. BUHL POLICE SURVIVOR BENEFITS.

Notwithstanding any provision of any general or special law to the contrary, the Buhl police relief association may provide in its bylaws or articles of incorporation for the payment of survivor benefits to the surviving spouse of a deceased member, or the surviving dependent children equally if there be no surviving spouse, in an amount equal to 50 65 percent of the pension the deceased member was receiving on the date of death. The service pension is to be based on one-half of the total pay of the previous 12 month period. Payment shall continue until the surviving spouse remarries or until the dependent children reach the age of 18 years, or 22 years if a full-time student. In the event of the death of a member prior to retirement, dependent children shall receive survivor benefits in the amount of \$125 per month per child, payable until age 18 or age 22 if a full-time student.

Sec. 21. EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and the surviving spouses thereof by the Eveleth police and fire trust fund may be increased by \$10 per month. Increases may be made retroactive to January 1, 1984.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 22. Laws 1947, chapter 43, section 23, as amended by Laws 1949, chapter 154, section 5, Laws 1951, chapter 43, section 4, Laws 1967, chapter 807, section 2, and Laws 1975, chapter 389, section 1, is amended to read:

Sec. 23. FARIBAULT, CITY OF; FIREMEN'S RELIEF; RETIREMENT AND PENSIONS; PAYMENTS UPON DEATH OF MEMBER. When a service pensioner, disability pensioner, or deferred pensioner, or an active member of such relief association dies, leaving:

(a) A widow who became his legally married wife while or prior to the time he was on the payroll of the fire department and remained such continuously after such marriage until his death without having applied for any divorce or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to such member at least three years one year before his retirement from said fire department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health, or pleasure shall constitute a change of residence for the purposes of this section.

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

(1) To such widow a monthly pension equal to 30 percent of the current monthly salary of a firefighter per month for her natural life, and a pension equal to ten percent of the current monthly salary of a firefighter per month for each child under eighteen years of age, or under the age of 21 years if unmarried and a full-time student. If such widow shall remarry, then her pension shall cease and terminate as of the date of her said marriage.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension, or pensions, in such amount as the board of trustees of such association shall deem necessary to properly support such child or children until they reach the age of eighteen years or, if unmarried and a full-time student, the age of 21 years.

(3) In no event shall the survivor's pension or pensions exceed 50 percent of the current monthly salary of a firefighter per month.

(c) The amendments to subsection (b) adopted by the 1975 session of the legislature shall not apply to widows and children who began drawing pensions before July 1, 1975, although such widows and children shall continue to draw the pensions to which they are entitled under the law as it existed before the adoption of said amendments.

Sec. 23. Laws 1963, chapter 643, section 20, is amended to read:

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Sec. 20. When a service pensioner, disability pensioner, or deferred pensioner, or an active member of the firemen's relief association in Albert Lea dies leaving:

(a) A widow who became his legally married wife while or prior to the time he was on the payroll of the fire department and remained such continuously after such marriage until his death without having applied for any divorce or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to such member at least ~~three years~~ one year before his retirement from said fire department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health, or pleasure shall constitute a change of residence for purposes of this section.

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

(1) To such widow a monthly pension equal to 30 percent of the monthly wages or salary of the deceased member as of the date of death for her natural life and an additional monthly pension equal to ten percent of said monthly wages or salary for each child of such member under 18 years of age, all thereafter adjusted according to wage increases or decreases granted to active firemen. However, the total amount of the pension payable per month to the widow and children shall not exceed fifty percent of the monthly wages or salary of such member at the time of death. If the widow shall remarry, then her pension, excluding the amounts paid for children, shall cease and terminate as of the date of her remarriage. Such amounts paid for a child or children may be increased after remarriage of the widow providing such increased amounts shall be based upon need of the children upon written findings signed by the board of trustees, and shall not in any event exceed for the total amount paid for the children a sum equal to 50 percent of the monthly wages or salary of such member at the time of death, all thereafter adjusted to wage increases or decreases granted to active firemen.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension or pensions equal to, but not to exceed for the children of any one deceased member, the sum of 50 percent of the monthly wages or salary of such member at the time of death, all thereafter adjusted to wage increases or decreases granted to active firemen.

Sec. 24. Laws 1973, chapter 359, section 5, subdivision 2, is amended to read:

Subd. 2. A widow must have been the fireman's legally married wife living with him at the time of his death and must have been married to him for a

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period of at least one year while or prior to the time he was an active member of the fire department. In the case the deceased fireman is retired, the widow must have been married to him at least ~~three years~~ one year before his retirement.

Sec. 25. Laws 1973, chapter 432, section 4, is amended to read:

Sec. 4. **USES OF PENSION FUND.** The policemen's pension fund shall be used only for the payment of:

(a) service, disability, or dependency pensions; and

(b) salaries, in an amount not in excess of \$1,000 per year;

(c) expenses of officers and employees of the association in connection with the protection of the fund; and

(d) all expenses of operating and maintaining the association administrative expenses authorized by Minnesota Statutes, section 69.80.

Sec. 26. Laws 1977, chapter 275, section 1, is amended by adding a subdivision to read:

Subd. 1a. POSTRETIREMENT ADJUSTMENT. A member who retires or who has retired from the Crookston police department and who receives or will receive a service pension from the relief association shall receive an annual automatic postretirement adjustment upon attaining the age of 55 years or on January 1 following the effective date of this subdivision, whichever occurs later. The adjustment shall be determined by the board of trustees on or before December 1 annually and shall accrue each year as of the January 1 following determination. The adjustment shall be first payable with the service pension payment made for January. Each adjustment shall be based on the percentage increase in the salary payable to a top grade patrol officer during the prior year. The percentage increase in the salary shall be applied to the amount of service pension payable to the member for the month immediately prior to the month in which the determination is made. The percentage increase shall not exceed 3.5 percent in any year and any increase in the salary of a top grade patrol officer in excess of 3.5 percent shall not carry over to or be used to calculate the increase for a retired member in any succeeding year.

Sec. 27. RAMSEY COUNTY; PUBLIC EMPLOYEES' RETIREMENT BENEFITS FOR SHERIFF'S PERSONNEL.

An employee of the Ramsey County sheriff's department in the position of radio dispatcher, who is a member of the public employees police and fire fund and who was employed by the department before January 1, 1970 in a position that becomes covered by the police and fire fund membership after December 31, 1969 may receive allowable service credit in the police and fire fund for prior service by paying into the fund before December 31, 1984, the difference between the employee, employer and employer additional contributions actually paid, and

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the employee, employer and employer additional contributions that would have been paid under applicable law if the employee had been in the police and fire fund before January 1, 1970, together with six percent compound interest from the time the deductions would have been made to time of payment. If an employee makes payment in accord with this section, allowable service credit in the general fund with respect to this prior service is eliminated and the executive director shall transfer the employee's account with respect to this service from the general to the police and fire fund. Ramsey County may assume the obligation for additional payments, with interest, with respect to each employee who elects to pay the employee contributions and interest authorized by this section.

Sec. 28. PURCHASE OF SERVICE CREDIT.

Notwithstanding any law to the contrary, a former employee of the senate, who was also employed by the city of Saint Paul, may purchase prior service credit from the Minnesota state retirement system for the periods of employment by the senate between January 1, 1971, and December 31, 1974.

The provisions of Laws 1982, chapter 578, article II, section 2, shall govern the amounts and manner of payment for the purchase of service credit.

Sec. 29. DISABILITY OPTION BENEFIT.

Notwithstanding the requirements of Minnesota Statutes, chapter 352, the surviving spouse of a deceased member of the Minnesota state retirement system who filed an application for a survivor's disability option benefit, but who died before the date the disability benefit became payable and who has not taken a refund of the retirement contributions shall be paid the joint and survivor's disability option benefit selected, computed according to Minnesota Statutes, section 352.113, subdivision 3, commencing within 60 days of the effective date of this act and retroactive to the date of death.

Sec. 30. PURCHASE OF PRIOR SERVICE CREDIT.

Subdivision 1. Notwithstanding any law to the contrary, a person who was employed by the St. Paul bureau of health from October 1948 to June 1955, including time spent on leave of absence for military service, and who contributed to the bureau of health retirement plan from April 1949 to April 1953, and who was reemployed by the city of St. Paul in the department of community services, division of public health on October 18, 1971, may purchase service credit for the period from October 1948 to June 1955 from the public employees retirement association for which that person has not previously received service credit.

Subd. 2. The provisions of Laws 1982, chapter 578, article II, section 2, shall govern the amount and manner of payment for the purchase of service credit authorized by subdivision 1, except that the authority to make a lump sum payment or to make an agreement to make installments expires July 1, 1984.

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Sec. 31. OWATONNA CITY HOSPITAL EMPLOYEES.

Subdivision 1. REFUND OF CONTRIBUTIONS. A member of the public employees retirement association who was employed by the Owatonna city hospital on the date the hospital was taken over by a private corporation or organization shall be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest thereon at the rate of six percent per annum. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest shall be refunded.

Subd. 2. DEFERRED ANNUITY. If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity pursuant to Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained therein. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Sec. 32. ST. PAUL BUREAU OF HEALTH PERSONNEL.

An employee of the St. Paul bureau of health who exercised the option to retire with benefits calculated pursuant to the law governing bureau of health pensions as authorized by Laws 1973, chapter 767, section 4, may, within 60 days after the effective date of this section, revoke the option by giving notice of revocation to the executive director of the public employees retirement association. Effective upon the giving of notice, the employee shall receive service credit in the basic plan of the public employees retirement association as if the employee had been a member of the association during the employee's entire period of service with the bureau of health.

Sec. 33. WEST ST. PAUL FIREFIGHTER'S BYLAW AMENDMENT.

The West St. Paul firefighter's relief association may amend article XIX of their bylaws to reduce from three years to one year the period of marriage required in order to qualify a surviving spouse for survivor benefits.

Sec. 34. AMENDMENT OF ARTICLES.

In accordance with the provisions of Minnesota Statutes, section 354A.12, subdivision 4, approval is hereby granted for an amendment to the articles of incorporation of the Minneapolis teachers' retirement fund association with respect to lump sum postretirement adjustments payable to retirees or beneficiaries. The amendment may reduce from five to three years the minimum period during which a recipient must have been receiving an annuity or benefits in order to be eligible for an adjustment, increase from one-half of one percent to one percent the percentage of the asset value of the fund available for distribution, and to give the board of trustees discretion to reduce or eliminate the postretire-

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ment adjustment in any fiscal year or set an eligibility period longer than three years as a prerequisite to eligibility for an adjustment.

Sec. 35. TRANSFER OF FUNDS.

An amount equal to one-fourth of one percent of the salary of each member electing to participate in the variable annuity division pursuant to Minnesota Statutes, section 354.62, subdivision 2, which salary was paid during the period from July 1, 1979, through June 30, 1984, plus interest which would have been earned if the contributions would have been credited to the member's variable account, shall be transferred to the variable annuity division and credited to the appropriate participating member's account on June 30, 1984.

Sec. 36. REPEALER.

Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3, are repealed.

Sec. 37. EFFECTIVE DATE.

Section 1 is effective the day following final enactment and applies to benefits that accrue or would have accrued prior or subsequent to that date. Section 14 is effective retroactively to July 1, 1981. Section 29 is effective for deaths occurring after July 1, 1982. Section 10 is effective retroactively to June 30, 1983. Sections 11 and 35 are effective July 1, 1984. Sections 18 to 27, and 33 are effective upon approval by the appropriate governing body and compliance with Minnesota Statutes, section 645.021. In the case of section 24, the appropriate governing body is the Red Wing city council. The remaining sections are effective the day following final enactment. Refunds shall be paid or options exercised and repayments of refunds made pursuant to section 32 prior to July 1, 1984. The repeal of Laws 1982, chapter 578, article II, section 1, subdivision 1, and section 3, is effective July 1, 1984. The change in calculations of survivors' benefits under the judges retirement and survivors' annuities law is retroactive to January 1, 1983.

Approved April 26, 1984

CHAPTER 575 — H.F.No. 1466

An act relating to courts; providing procedures for collection of conciliation court judgments; requiring conciliation court clerks to explain procedures of conciliation court to litigants and to assist them in filling out forms; amending Minnesota Statutes 1982, sections 487.30, by adding subdivisions; 488A.13, subdivision 2; 488A.16, subdivisions 1 and 8; 488A.30, subdivision 2; 488A.33, subdivisions 1 and 7; and 488A.34, subdivision 9.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.