

CHAPTER 480—S.F.No. 1935

An act relating to retirement; making changes in laws governing the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.12, subdivision 2; 422A.14, subdivision 1; and 422A.23, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 422A.101, subdivision 1; and 422A.17; repealing Minnesota Statutes 1990, section 422A.14, subdivision 2.

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

Section 1. Minnesota Statutes 1991 Supplement, section 422A.101, subdivision 1, is amended to read:

Subdivision 1. **FINANCIAL REQUIREMENTS OF FUND.** Prior to August 31 annually, the retirement board, in consultation with the commission-retained actuary, shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund, the board of special school district No. 1, and the state commissioner of finance prior to September 15 annually. The statement shall be itemized and shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, which shall be determined by multiplying, by the factor of 1.035, the figure for administrative expenses as reported in the most recent actuarial valuation prepared by the commission-retained actuary, including any amounts related to the amount necessary to amortize through June 30, 2020, the annual costs that are determined by the retirement board to be related to investment activities of the deposit accumulation fund other than actual investment transaction amounts; by the factor of 1.035;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation prepared by the commission-retained actuary and expressed as a percentage of covered payroll to the estimated total covered payroll of all employees covered by the fund for the following year;

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded actuarial accrued liability of the fund by June 30, 2020, using an interest rate of six percent compounded annually as reported in the most recent actuarial valuation, prepared by the commission-retained actuary expressed as a dollar amount. In determining the amount of the unfunded actuarial accrued liability of the fund, all assets other than the assets of the retirement benefit fund shall be valued as current assets as defined under section 356.215, subdivision 1, clause (6), and the assets of the retirement benefit fund shall be valued equal to the actuarially determined required reserves for benefits payable from that fund;

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(4) the amount of any deficiency in the actual amount of any employer contribution provided for in this section when compared to the required contribution amount certified for the previous year, plus interest on the amount at the rate of six percent per annum.

Sec. 2. Minnesota Statutes 1990, section 422A.12, subdivision 2, is amended to read:

Subd. 2. At the close of each fiscal year there shall be credited within the deposit accumulation fund to accounts representing contributions by the municipality and to accounts representing the accumulated amount of each contributing employee in proportion to the average quarterly balance in each such account during said fiscal year; ~~and computed on the balance at the end of each quarter,~~ the amount of income from investments earned on the accumulated funds in possession of the board, after having deducted from the total of such income (1) the amounts otherwise required as interest for various allowances or purposes specified in sections 422A.01 to 422A.25 and (2) an amount to be set aside to liquidate actual or to amortize prospective losses on investments in the accumulation account. The net balance of the investment earnings to be so distributed shall be distributed at the greatest multiple of one-tenth of one percent up to and including a maximum of the interest assumption rate provided for in section 422A.06, subdivision 5 of all such accounts. ~~Any excess then remaining from such investment earnings shall be credited to a reserve fund and be added to and distributed with the investment earnings of the next succeeding year. Any undistributed excess earnings or losses determined to be earnings or losses attributable to the employers' contributions shall be distributed or charged to the employers' reserve accounts in proportion to the employers' average quarterly balances. Any undistributed excess earnings or losses determined to be earnings or losses attributable to the employees' contributions shall be distributed or charged to the employers' reserve accounts in proportion to the number of covered employees employed by each employer. If income from investments is insufficient to enable the crediting of the maximum interest amount to the employee and employer accounts, the maximum interest will first be credited to the employee accounts. If income is insufficient to cover the amounts credited to the employee accounts, the insufficiency attributable to each employer group of employees' accounts will be made up by a charge against the reserve account of that employer.~~ The amount that shall be set aside annually to liquidate ~~past~~ losses on investments ~~or to create a reserve from which to liquidate future losses~~ shall be such amount as the board may deem necessary for such purpose but not in excess of one mill on the dollar of the gross amount received as income on the cash and investments in the fund.

Sec. 3. Minnesota Statutes 1990, section 422A.14, subdivision 1, is amended to read:

Subdivision 1. No disability benefit or retirement allowance shall be granted to any employee who may become eligible for retirement as provided in sections 422A.01 to 422A.25 until the employee, or one authorized to act in the employ-

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ee's behalf, shall have filed with the retirement board, in such form as may be prescribed by the board, an application for such allowance. No installment of any such allowance shall be paid for any period prior to the effective date of retirement or the date of application, whichever occurs later.

Sec. 4. Minnesota Statutes 1991 Supplement, section 422A.17, is amended to read:

422A.17 RETIREMENT ALLOWANCE; OPTIONS.

At retirement, any employee who is eligible to receive a service allowance may elect to receive benefits in a retirement allowance payable throughout life or may on retirement elect to receive the actuarial equivalent at that time of annuity, pension, or retirement allowance in a lesser annuity, or a lesser pension, or a lesser retirement allowance, payable throughout life, with the provisions that:

Option I. If the benefit recipient dies before receiving in payments an amount equal to the present value of the benefit recipient's annuity, pension, or retirement allowance, as of the date of the benefit recipient's retirement, the balance shall be paid to the benefit recipient's legal representatives or to such person; ~~having an insurable interest in the benefit recipient's life;~~ as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option II. Upon the death of the benefit recipient, the benefit recipient's annuity, pension, or retirement allowance shall be continued throughout the life of and paid to the person; ~~having an insurable interest in the benefit recipient's life;~~ as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option III. Upon death of the benefit recipient, one-half of the benefit recipient's annuity, pension, or retirement allowance shall be continued throughout the life of and paid to the person; ~~having an insurable interest in the benefit recipient's life;~~ as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option IV. Other optional retirement allowance forms, including a joint and survivor option under which the benefit recipient receives a normal single-life annuity if the designated optional annuity beneficiary dies before the benefit recipient, shall be paid to the benefit recipient or other person or persons the benefit recipient nominates, provided that the optional annuity is of equivalent actuarial value to the applicable single life annuity calculated under section 422A.15 and is approved by the retirement board.

Any optional retirement allowance shall be computed and determined under a procedure specified by the commission-retained actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the commission-retained actuary and using the

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applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In adopting optional annuity forms, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board of trustees.

Sec. 5. Minnesota Statutes 1990, section 422A.23, is amended by adding a subdivision to read:

Subd. 11. EFFECT OF SPOUSE REMARRIAGE. A monthly survivor benefit is not suspended, terminated, or otherwise stopped due to a surviving spouse's remarriage.

Sec. 6. REPEALER.

Minnesota Statutes 1990, section 422A.14, subdivision 2, is repealed.

Sec. 7. EFFECTIVE DATE.

Sections 1 to 6 are effective the day following final enactment. The recalculated administrative expenses under section 1 are effective for special school district No. 1 on July 1, 1992. Section 2 applies retroactively to the fiscal year ending June 30, 1991. Section 5 does not require payments for any period before the effective date of the section.

Presented to the governor April 15, 1992

Signed by the governor April 17, 1992, 5:12 p.m.

CHAPTER 481—H.F.No. 2849

An act relating to state parks; authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

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

Section 1. Minnesota Statutes 1990, section 85.053, is amended by adding a subdivision to read:

Subd. 2a. SPLIT ROCK LIGHTHOUSE STATE PARK. Notwithstanding subdivision 2, the commissioner of natural resources may negotiate with the Minnesota historical society a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park.

Sec. 2. EFFECTIVE DATE.

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