

MINNESOTA STATUTES 1975 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.20

eight percent of total salary. Provided, however, that the changes in the employee contribution to the teachers retirement fund are contingent upon a determination of benefit adjustment by the legislature before March 1, 1976, as provided in this section. After April 1, 1975, no teachers retirement fund association in a city of the first class shall enact any amendment to the bylaws or articles of incorporation; provided, however, that benefits for a teachers retirement fund association in a city of the first class may be increased by special law or general statute.

[1975 c 306 s 30]

354A.21 Mandatory retirement; proportionate annuity.

Notwithstanding the provisions of sections 197.45 to 197.48 or 354A.05, a teacher subject to the provisions of this chapter shall terminate employment on August 31, 1976, or at the end of the academic year in which such teacher reaches the age of 65, whichever is later. For purposes of this section, an academic year shall be deemed to end August 31. A teacher who terminates employment at any time during the academic year at the end of which such person is required to terminate employment pursuant to this section and who has less than the minimum required number of years of service to otherwise qualify for a retirement annuity shall be entitled upon application to a proportionate retirement annuity based on service prior to termination.

[1975 c 306 s 32]

CHAPTER 355. SOCIAL SECURITY COVERAGE

Sec.
355.301 Repealed.

355.301 [Repealed, 1975 c 368 s 51]

CHAPTER 356. RETIREMENT SYSTEMS, GENERALLY

Sec. 356.20	Financial reports required.	Sec. 356.25	City pension fund prohibitions; exclusions. [New]
356.21	Repealed.	356.26	Administrative expenses, salary deduction. [New]
356.211	Repealed.	356.30	Combined service annuity. [New]
356.212	Repealed.	356.31	Restoration of survivor benefits. [New]
356.215	Actuarial valuations and experience studies. [New]	356.32	Proportionate annuity in certain cases. [New]
356.22	Interpretation.		
356.23	Optional basis or assumptions; specification.		

356.20 Financial reports required.

[For text of subd 1, see M.S.1974]

- Subd. 2. (1) State employees retirement fund.
- (2) Public employees retirement fund.
- (3) Teachers retirement fund.
- (4) Highway patrolmen's retirement fund.
- (5) Twin City lines employees retirement plan.
- (6) Minneapolis teachers retirement fund association.
- (7) St. Paul teachers retirement fund association.
- (8) Duluth teachers retirement fund association.

MINNESOTA STATUTES 1975 SUPPLEMENT

356.20 RETIREMENT SYSTEMS, GENERALLY

(9) Municipal employees retirement board of Minneapolis.

(10) University of Minnesota police retirement plan.

(11) University of Minnesota faculty retirement plan.

[For text of subd 3, see M.S.1974]

Subd. 4. Each financial report required by this section shall include:

(1) An exhibit prepared according to applicable actuarial standards enumerated in section 356.215, by an approved actuary as defined in section 356.215, subdivision 6 showing the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the accrued unfunded liability of the fund. Such exhibit shall contain the certificate of an approved actuary certifying that the required reserves for any benefits provided under a benefit formula are computed in accordance with the Entry Age Normal Cost (Level Normal Cost) basis.

(a) Assets shown in the exhibit shall include the following items of actual assets:

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received.

Investment in bonds at amortized cost

Investment in stocks at cost

Investment in real estate

Equipment at cost, less depreciation

Other

Total assets

(b) The exhibit shall include a statement of the unfunded accrued liability of the fund. Should the assets of the fund exceed the liabilities, the excess shall be listed as surplus and indicated in the exhibit following the item of reserves.

(c) The exhibit shall include a footnote showing accumulated member contributions without interest.

MINNESOTA STATUTES 1975 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.20

(d) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Annuity payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities

(e) The exhibit shall include an item for accrued necessary reserves which shall be listed as "total reserves required as per attached schedule." Such attached schedule shall contain the following information on the reserves required:

1. For active members
 - a. Retirement benefits
 - b. Disability benefits
 - c. Refundment liability due to death or withdrawal
 - d. Survivors' benefits
2. For deferred annuitants
3. For former members without vested rights
4. For annuitants
 - a. Retirement
 - b. Disability annuities
 - c. Surviving spouses' annuities
 - d. Surviving children's annuities

5. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing four items of reserves required, they should be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. It shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

MINNESOTA STATUTES 1975 SUPPLEMENT

356.20 RETIREMENT SYSTEMS, GENERALLY

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, widows' benefits, surviving children's benefits, refundments to members terminating employment, refundments due to death of members and due to death of annuitants, the increase in total reserves required, general expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics as to membership and beneficiaries of the fund, with indications of changes in such statistical data which may result from the current year's operation.

(5) Such additional statements or exhibits as will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in such additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

[1975 c 192 s 1,2]

[For text of subd 5, see M.S.1974]

356.21 [Repealed, 1975 c 192 s 7]

356.211 [Repealed, 1975 c 192 s 7]

356.212 [Repealed, 1975 c 192 s 7]

356.215 Actuarial valuations and experience studies.

Subdivision 1. Definitions. For the purposes of sections 356.20 to 356.23 the terms hereinafter defined have the meanings given:

(1) "Actuarial valuation" means a calculation to determine the normal cost and accrued liabilities of a benefit plan, according to a stated actuarial cost method and based upon stated assumptions as to rates of interest, mortality, salary increase rates, disability, withdrawal, and retirement. Such valuation also includes a determination of the payment necessary to amortize over a stated period any unfunded accrued liability disclosed as a result of the actuarial valuation and resulting actuarial balance sheet of the benefit plan, and a determination of the payment necessary to prevent any increase in any such unfunded accrued liability.

(2) "Experience study" means a report which furnishes experience data and actuarial analysis which substantiate the actuarial assumptions on which valuations are based.

Subd. 2. Requirements. It is necessary and appropriate to determine annually the financial status of tax supported retirement and pension plans for public employees. In order to achieve this goal, the governing or managing board or administrative officials of the public pension and retirement funds enumerated in section 356.20, subdivision 2, shall cause to be made annual actuarial valuations and quadrennial experience studies of their respective funds as herein provided. This requirement shall also apply to any fund which may be a successor to any organization enumerated in section 356.20, subdivision 2, or to any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, with the exception of any local police or fire fund now governed by chapter 69.

Subd. 3. Reports. The actuarial valuations required annually shall be made as of the beginning of each fiscal year. Two copies of each valuation shall be delivered to the chief clerk of the house of representatives and two copies thereof to the secretary of the senate, not later than five months after the beginning of each fiscal

MINNESOTA STATUTES 1975 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.215

year. An additional two copies of each valuation shall likewise be delivered to any committee or commission of the legislature in existence at the time the report is made and which committee or commission has assigned to it the subject of public pensions or public retirement plans. Each fourth year, an experience study in duplicate covering four fiscal years shall likewise be filed with each of the enumerated officers and committees or commissions. The experience study shall be filed within five months after the close of the period which such experience study covers. The first quadrennial experience study required of each pension fund by this section shall accompany the annual valuation which is prepared as of the end of the first fiscal year which ends after June 1, 1975.

Subd. 4. Actuarial valuations; contents. Actuarial valuations shall be made in conformity with the requirements of the definition contained in subdivision 1. Each actuarial valuation shall measure all aspects of the fund in accordance with such changes in benefit plans, if any, and salaries as will be in force during the ensuing fiscal year. Each actuarial valuation shall be in accordance with the entry age normal cost (level normal cost) method.

Each actuarial valuation required under this section shall include:

(1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the laws governing the fund as of the date of the valuation, computed in accordance with the entry age normal cost (level normal cost) method. The normal cost shall be expressed as a level percentage of the future payroll of the active participants of the fund as of the date of the valuation.

(2) The accrued liabilities of the fund which shall be equal to the present value of all benefits minus the present value of future normal costs calculated in accordance with the entry age normal cost method.

(3) For each fund providing benefits under the money purchase method, the member contributions accumulated at interest, as apportioned to members accounts, to the date of the valuation. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase annuity rates which may apply.

(4) An interest assumption of five percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

(5) Other assumptions as to mortality, disability, retirement and withdrawal that are appropriate to the fund, which shall be set forth in the valuation report.

(6) An actuarial balance sheet showing accrued assets, accrued liabilities, and the deficit from full funding of liabilities (unfunded accrued liability). The accrued liabilities shall include the following required reserves:

- (a) For active members
 - 1. Retirement benefits
 - 2. Disability benefits
 - 3. Refund liability due to death or withdrawal
 - 4. Survivors' benefits
- (b) For deferred annuitants' benefits
- (c) For former members without vested rights
- (d) For annuitants
 - 1. Retirement annuities
 - 2. Disability annuities
 - 3. Surviving spouses' annuities
 - 4. Surviving children's annuities

In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(7) In addition to the level normal cost, such additional rate of support as is required to amortize any deficit in the fund by the end of the fiscal year occurring in 1997.

(8) An actuarial balance sheet shall not include as an asset the present value of the contributions required under clause (7).

MINNESOTA STATUTES 1975 SUPPLEMENT

356.215 RETIREMENT SYSTEMS, GENERALLY

(9) An analysis by the actuary explaining the increase or decrease in the unfunded accrued liability since the last valuation. The explanation shall subdivide the increase or decrease in unfunded accrued liability into at least the following parts:

(a) Increases or decreases in unfunded accrued liability because of changes in benefits;

(b) Increases and decreases in unfunded accrued liability because of each change, if any, in actuarial assumptions;

(c) Actuarial gains or losses resulting from any deviations of actual investment earnings, actual mortality rates, actual salary increase rates, actual disability rates, actual withdrawal rates and actual retirement rates from the assumptions on which the valuations are based;

(d) Increases or decreases in unfunded accrued liability because of other reasons, including the effect of the amortization contribution required under clause (7); and

(e) Increases or decreases in unfunded accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

(10) A tabulation of active membership and annuitants in the fund. If the membership of a fund is under more than one general benefit program, a separate tabulation shall be made for each general benefit program. The tabulations shall be submitted in the following form:

(a) Active members	Number	Annual Payroll
As of last valuation date		
New entrants		
Total		
Separations from active service		
Refund of contributions		
Separation with deferred annuity		
Separation with neither refundment nor deferred annuity		
Disability		
Death		
Retirement with service annuity		
Total separations		
As of current valuation date		
(b) Annuitants	Number	Annual Annuity Benefit
As of last valuation date		
New entrants		
Total		
Terminations		
Deaths		
Other		
Total terminations		
As of current valuation date		

The tabulation required under (b) shall be made separately for each of the following classes of annuitants:

- (a) Service retirement annuitants
- (b) Disabled annuitants
- (c) Surviving spouse annuitants
- (d) Surviving children annuitants
- (e) Deferred annuitants

(11) A statement of the administrative expenses in dollars and also as a percentage of covered payroll.

Subd. 5. Experience study; contents. Each experience study shall contain the analysis required by subdivision 1, clause (2).

In addition, each experience study shall contain:

MINNESOTA STATUTES 1975 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.26

- (1) A statement of the average entry ages at which employment commences;
 - (a) For all those currently active members at the date of the experience study.
 - (b) Separately as to new entrants for each of the last five fiscal years.
- (2) A statement of the average ages at which service retirements have taken place;
 - (a) For all service retirement annuitants living at the date of the experience study.
 - (b) Separately as to new retirements for each of the last five fiscal years.

Subd. 6. Approved actuaries. Each actuarial valuation or experience study shall be made by an approved actuary. An approved actuary is an actuary with not less than 15 years of service to major public employee pension or retirement funds, or who is a fellow in the society of actuaries, or any firm retaining such an actuary on its staff. Each valuation or experience study shall state that it has been completed in accordance with the provisions of sections 356.20 to 356.23.

[1975 c 192 s 3]

356.22 Interpretation.

Subdivision 1. No provision in sections 356.20 to 356.23 shall be construed to in any way limit any of the enumerated pension and retirement funds from furnishing additional actuarial valuations or experience studies, or data and calculations, as may be requested by the legislature or any committee or commission thereof now in existence or hereafter created, which committee or commission has assigned to it the subject of public pensions or public retirement plans.

[For text of subd 2, see M.S.1974]

Subd. 3. The legislature or any committee or commission thereof now in existence or hereafter created which has assigned to it the subject of public pensions or public retirement plans may require actuarial valuations and experience studies in conformity with the provisions of sections 356.20 to 356.23 from any public pension and retirement fund, whether enumerated in sections 356.20 to 356.23 or otherwise.

[1975 c 192 s 4,5]

356.23 Optional basis or assumptions; specification.

In addition to the financial reports and actuarial valuations required by sections 356.20 to 356.23, the governing or managing board of the funds concerned may submit reports and valuations for distribution to the legislature or any of its commissions or committees on a different basis or on different assumptions that are specified in sections 356.20 to 356.23; provided the assumptions and basis of such reports and valuations are clearly set forth therein.

[1975 c 192 s 6]

356.25 City pension fund prohibitions; exclusions.

Notwithstanding any other provision of law or charter, no city shall, after August 1, 1975, establish for any of its employees any local pension plan paid for in whole or in part from public funds, other than a volunteer firemen's relief association governed by sections 69.771 to 69.776.

[1975 c 405 s 1]

356.26 Administrative expenses, salary deduction.

Notwithstanding the provisions of any law to the contrary, the administrative expenses incurred by any employing governmental unit in connection with the purchase of individual annuity contracts for employees pursuant to sections 121.48; 123.35, subdivision 12; 136.55; 136.70; 471.615; or any other like provision of law shall be paid from deductions from the salaries of the employees on whose behalf

356.26 RETIREMENT SYSTEMS, GENERALLY

such contracts are purchased. For such purpose, each employing governmental unit shall deduct from the salary of each such employee an amount equal to two percent of the amounts deducted for the purpose of purchasing such individual annuity contracts. All receipts shall be deposited in the general fund.

[1975 c 433 s 12]

356.30 Combined service annuity.

Subdivision 1. Eligibility; computation of annuity. Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has allowable service totaling ten or more years in any two or more of such funds and has at least six months of allowable service with the last such fund earned during his last period of employment and has not begun to receive an annuity from any such funds, may, upon retirement, in lieu of any augmentation of deferred annuities provided by the laws of such funds, elect to receive a retirement annuity from each fund in which he has allowable service, based upon the allowable service in each fund, except that: (a) the laws governing annuities shall be the law in effect on the date of his final termination from the last public service under a covered fund; (b) the "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during his entire service in covered funds; (c) the formula percentages to be used by each fund shall be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds; and (d) allowable service in all the funds shall be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement. The benefit amount payable for any allowable service under a nonformula plan of a covered fund shall not be affected but such service and covered salary shall be used in the above calculation. This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975. For the purpose of computing benefits under this section the formula percentages used by any covered fund shall in no event exceed two and one-half percent per year of service for any year of service or fraction thereof.

Any period of time for which a person has credit in more than one of the covered funds shall be used only once for the purpose of determining total allowable service. Such period shall be used in the computation of the benefit by the fund having primary and principal coverage prior to and following the period. However, if such dual coverage is the result of two part time employments each fund shall apply a pro rata fraction of its formula.

Subd. 2. Repayment of refunds. Any person who is employed in a position covered by one of the funds enumerated in subdivision 3 who has received a refund from any other of such funds may repay such refund to the respective fund under such terms and conditions as are consistent with the laws governing such other fund, except that he need not be a currently contributing member of the fund to which the refund is repaid at the time the repayment is made.

Subd. 3. Covered funds. The provisions of this section shall apply to the following retirement funds:

- (1) state employees retirement fund established pursuant to chapter 352;
- (2) correctional employees retirement program, established pursuant to chapter 352;
- (3) unclassified employees retirement plan, established pursuant to chapter 352D;
- (4) highway patrolmen's retirement fund, established pursuant to chapter 352B;
- (5) legislators' retirement plan, established pursuant to chapter 3A;
- (6) elective state officers' retirement plan, established pursuant to chapter 352C;

MINNESOTA STATUTES 1975 SUPPLEMENT

RETIREMENT SYSTEMS, GENERALLY 356.32

(7) public employees retirement association, established pursuant to chapter 353;

(8) public employees police and fire fund, established pursuant to chapter 353;

(9) *teachers retirement fund, established pursuant to chapter 354;*

(10) Minneapolis municipal employees retirement fund, established pursuant to chapter 422A;

(11) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;

(12) St. Paul teachers retirement fund association, established pursuant to chapter 354A;

(13) Duluth teachers retirement fund association, established pursuant to chapter 354A.

[1975 c 232 s 1]

356.31 Restoration of survivor benefits.

Subdivision 1. Restoration upon termination of remarriage. Notwithstanding any provision to the contrary of the laws governing any of the retirement funds enumerated in subdivision 2, any person who was receiving a surviving spouse's benefit from any of such funds and whose benefit terminated solely because of remarriage shall, if the remarriage terminates for any reason, again be entitled upon reapplication to a surviving spouse's benefit; provided, however, that such person shall not be entitled to retroactive payments for the period of remarriage. The benefit shall resume at the level which such person would have been receiving if there had been no remarriage. This section shall apply prospectively to any person who first becomes entitled to receive a surviving spouse's benefit on or after May 18, 1975, and shall also apply retroactively to any person who first became entitled to receive a surviving spouse's benefit before May 18, 1975; provided, however, that no such person shall be entitled to retroactive payments for any period of time prior to May 18, 1975.

Subd. 2. Covered funds. The provisions of this section shall apply to the following retirement funds:

(1) Public employees retirement fund, established pursuant to chapter 353;

(2) Public employees police and fire fund, established pursuant to chapter 353;

(3) Highway patrolmen's retirement fund, established pursuant to chapter 352B;

(4) Legislators' retirement plan, established pursuant to chapter 3A;

(5) Elective state officers retirement plan, established pursuant to chapter 352C;

(6) Teachers retirement fund, established pursuant to chapter 354;

(7) Minneapolis municipal employees retirement fund, established pursuant to chapter 422A.

[1975 c 183 s 1]

356.32 Proportionate annuity in certain cases.

Subdivision 1. Proportionate retirement annuity. Notwithstanding any provision to the contrary of the laws governing any of the retirement funds enumerated in subdivision 2, any person who is employed in a position covered by any such fund, who has credit for at least three years but less than ten years of allowable service in such fund or a combination of such funds, and who is required to terminate service at age 65 or earlier pursuant to a mandatory retirement statute or a uniformly applied mandatory retirement policy established by the employer, shall be entitled upon application to a proportionate retirement annuity from each such fund in which he has allowable service credit, based upon his allowable service credit at the time of mandatory retirement; provided, however, that nothing in this section shall prevent the actuarial reduction of an annuity for which application is made

MINNESOTA STATUTES 1975 SUPPLEMENT

356.32 RETIREMENT SYSTEMS, GENERALLY

prior to normal retirement age.

Subd. 2. Covered funds. The provisions of this section shall apply to the following retirement funds:

- (1) State employees retirement fund, established pursuant to chapter 352;
- (2) Correctional employees retirement program, established pursuant to chapter 352;
- (3) Highway patrolmen's retirement fund, established pursuant to chapter 352B;
- (4) Public employees retirement fund, established pursuant to chapter 353;
- (5) Public employees police and fire fund, established pursuant to chapter 353;
- (6) Teachers retirement fund, established pursuant to chapter 354.

[1975 c 183 s 2]

CHAPTER 357. FEES

Sec.
357.26 Compensation and mileage of jurors.

357.26 Compensation and mileage of jurors.

Subdivision 1. Each grand juror, petit juror and talesman shall receive \$15 for each day in actual attendance in court, except in counties containing a city of the first class where such persons shall receive an amount established by the board of county commissioners and mileage for each such day in actual attendance at a rate of not less than 13 cents and not to exceed the maximum rate provided in section 43.328 for each mile of the distance from his residence to the place of trial or hearing and from the place of trial or hearing to his residence, the distance to be computed by the usually traveled route, or 50 cents, whichever amount is greater.

[1975 c 318 s 1]

[For text of subs 2 and 3, see M.S.1974]

CHAPTER 360. AERONAUTICS

Sec.		Sec.	
360.015	Commissioner; powers and duties.	360.121	Repealed.
360.021	State airports; acquisition, operation.	360.122	Repealed.
360.042	Joint operations.	360.123	Repealed.
360.101	Repealed.	360.124	Repealed.
360.102	Repealed.	360.125	Repealed.
360.103	Repealed.	360.126	Repealed.
360.104	Repealed.	360.127	Repealed.
360.105	Repealed.	360.128	Repealed.
360.106	Repealed.	360.129	Repealed.
360.107	Repealed.	360.131	Repealed.
360.1071	Repealed.	360.132	Repealed.
360.108	Repealed.	360.133	Repealed.
360.109	Repealed.	360.135	Repealed.
360.111	Repealed.	360.141	Repealed.
360.112	Repealed.	360.142	Repealed.
360.113	Repealed.	360.143	Repealed.
360.114	Repealed.	360.144	Repealed.
360.115	Repealed.	360.74	Repealed.
360.116	Repealed.	360.75	Repealed.
360.1161	Repealed.	360.76	Repealed.
360.117	Repealed.	360.77	Repealed.
360.118	Repealed.	360.78	Repealed.
360.1191	Repealed.	360.79	Repealed.
		360.80	Repealed.

360.015 Commissioner; powers and duties.

[For text of subs 1 to 6, see M.S.1974]

Subd. 7. Technical services to municipalities. He may, in so far as is reasonably possible, offer the engineering or other technical services of the department, without charge, to any municipality desiring them in connection with the planning, acquisition, construction, maintenance, zoning or operation or proposed planning, acquisition, construction, maintenance, zoning or operation of an airport or restricted