

CHAPTER 356

RETIREMENT SYSTEMS, GENERALLY

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356.18 REQUESTS FOR RELIEF AND RETIREMENT INCREASES.

Subdivision 1. No increase authorized by any law hereafter enacted, in any pension, annuity, or retirement paid by the public employees retirement association, the Minnesota state retirement system, the state teachers retirement fund, any police or firefighter's retirement fund or relief association, or from any relief association or retirement fund to which contributions are made from moneys derived from taxation, shall be paid to any pensioner, annuitant, or recipient unless that person first requests in writing that payment of the increase be made.

Subd. 2. [Repealed, 1981 c 224 s 276]

History: 1981 c 224 s 167

356.20 PUBLIC PENSION FUND FINANCIAL REPORTING REQUIREMENT.

Subdivision 1. **Report required.** The governing or managing board or administrative officials of the public pension and retirement funds enumerated in subdivision 2 shall annually prepare and file a financial report following the close of each fiscal year. This requirement shall also apply to any fund which may be a successor to any organization so enumerated 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. The report shall be prepared under the supervision and at the direction of the management of each fund and shall be signed by the presiding officer of the managing board of the fund and the chief administrative official of the fund.

Subd. 2. **Covered public pension funds.** (1) State employees retirement fund.

(2) Public employees retirement fund.

(3) Teachers retirement fund.

(4) Highway patrol retirement fund.

(5) Minneapolis teachers retirement fund association.

(6) St. Paul teachers retirement fund association.

(7) Duluth teachers retirement fund association.

(8) Minneapolis municipal employees retirement fund.

(9) University of Minnesota faculty retirement plan.

(10) University of Minnesota faculty supplemental retirement plan.

(11) Judges retirement fund.

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(12) Any police or firefighter's relief association enumerated in sections 69.77, subdivision 1a or 69.771, subdivision 1.

(13) Public employees police and fire fund.

(14) Minnesota state retirement system correctional officers retirement plan.

Subd. 3. Filing requirement. Each financial report is a public record. A copy thereof or a synopsis containing the information required by this section shall be distributed annually to each member of the fund and to the governing body of each governmental subdivision of the state which makes employers contributions thereto or in whose behalf taxes are levied for the employers' contribution. A signed copy of each report shall be delivered not later than six months after the close of each fiscal year to the executive secretary of the legislative commission on pensions and retirement and to the legislative reference library.

Subd. 4. Contents of financial report. 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. The 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) actuarial method.

(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. If 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.

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

Current:

Accounts payable

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- 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." The attached schedule shall contain the following information on the reserves required:

1. For active members
 - a. Retirement benefits
 - b. Disability benefits
 - c. Refund 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 shall be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. The statement 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.

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, surviving spouse benefits, surviving children's benefits, refunds to members terminating employment, refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative 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 the statistical data which may result from the current year's operation.

(5) Any additional statements or exhibits which 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 the 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.

Subd. 4a. For any police or firefighter's relief association referred to in subdivision 2, clause (12), a financial report duly filed pursuant to and meeting the requirements of section 69.051 shall be deemed to have met the requirements of subdivision 4.

Subd. 5. **Deferred yield adjustment account.** There is hereby established, in each fund enumerated in subdivision 2, a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless the amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in any accounting or actuarial computations or listing of assets. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.

History: 1981 c 224 s 168

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, disability, withdrawal, and retirement and 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 disclosed unfunded accrued liability.

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

Subd. 2. **Requirements.** It is the policy of the legislature that 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 each public pension and retirement fund or plan 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, and any local police or fire fund coming within the provisions of section 356.216.

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 executive secretary of the legislative commission on pensions and retirement and to the legislative reference library, not later than the first day of the sixth month occurring after the end of the previous fiscal year. Every fourth year

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occurring after 1975, two copies of an experience study covering four fiscal years shall be filed with the executive secretary of the legislative commission on pensions and retirement and to the legislative reference library, not later than the first day of the sixth month occurring after the end of the last fiscal year of the period which the experience study covers.

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 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 or defined contribution 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 or defined contribution 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, withdrawal, entry age and retirement age 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

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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, the additional annual contribution which would be required to retire the current unfunded accrued liability on a level dollar basis by the established date for full funding which is in effect at the time of the valuation.

If, after the first actuarial valuation date occurring after June 1, 1979, there has not been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1979 and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, 2009.

If after the first actuarial valuation date occurring after June 1, 1979, there has been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) The unfunded accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect prior to an applicable change;

(ii) The level annual dollar contribution needed to amortize the unfunded accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in clause (4) in effect prior to the change;

(iii) The unfunded accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect prior to the change;

(iv) The level annual dollar contribution needed to amortize the difference between the unfunded accrued liability amount calculated pursuant to subclause (i) and the unfunded accrued liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change;

(v) The level annual dollar amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution calculated pursuant to subclause (ii);

(vi) The period in which the unfunded accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar amortization contribution computed pursuant to subclause (v) shall be calculated using the

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interest assumption specified in clause (4) in effect subsequent to any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect prior to the change; and

(vii) The period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

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

(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:

	Annual Number Payroll
(a) Active members	
As of last valuation date	
New entrants	
Total	
Separations from active service	
Refund of contributions	
Separation with deferred annuity	
Separation with neither refund nor deferred annuity	
Disability	
Death	
Retirement with service annuity	
Total separations	
As of current valuation date	

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	Annual Annuity	
	Number	Benefit
(b) Annuitants		
As of last valuation date		
New entrants		
Total		
Terminations		
Deaths		
Other		
Total terminations		
As of current valuation date		

The tabulation required under subclause (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.

(12) A summary of the principal provisions of the plan upon which the valuation is based.

Subd. 5. Experience study; contents. Each experience study shall contain an actuarial analysis which substantiates the actuarial assumptions on which the most recent actuarial valuation of the retirement fund or relief association was based, and shall also contain:

- (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 who has 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.

History: 1981 c 224 s 169

356.216 CONTENTS OF ACTUARIAL VALUATIONS AND EXPERIENCE STUDIES FOR LOCAL POLICE AND FIRE FUNDS.

The provisions of section 356.215, governing the contents of actuarial valuations and experience studies shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

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(1) in calculating normal cost and other requirements expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 4, clause (7), the appropriate amortization target date specified in sections 69.77, subdivision 2, clause (2), or 69.773, subdivision 4, clause (b), shall be used in calculating the required amortization contribution;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4, clause (10), the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required pursuant to section 69.773, subdivision 2 shall be made at least every four years and actuarial valuations required pursuant to section 69.77 shall be made at least every two years; and

(5) experience studies required pursuant to section 69.77 shall be made as of December 31, 1978 and as of December 31 of every fourth year thereafter and experience studies required pursuant to section 69.773, subdivision 2, shall be made as of December 31, 1978, and as of the date of each actuarial valuation made thereafter to accompany the actuarial valuation.

History: 1981 c 224 s 170

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 standing committee or the legislative commission on pensions and retirement.

[For text of subs 2 and 3, see M.S.1980]

History: 1981 c 224 s 171

356.24 SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan which is established, maintained and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan which was established, maintained and operated prior to May 6, 1971, to any plan which provides solely for group health, hospital, disability or death benefits or to any plan which provides solely for severance pay as authorized pursuant to section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 shall be effective without prior legislative authorization.

History: 1981 c 224 s 172

356.25 LOCAL GOVERNMENTAL PENSION FUND PROHIBITIONS; EXCLUSIONS.

Notwithstanding any other provision of law or charter, no city, county, public agency or instrumentality, or other political subdivision shall, after August 1, 1975, establish for any of its employees any local pension plan or fund financed in whole or in part from public funds, other than a volunteer firefighter's relief association established pursuant to chapter 422A and governed by sections 69.771 to 69.776.

History: 1981 c 224 s 173

356.32 PROPORTIONATE ANNUITY AT AGE 65.

Subdivision 1. **Proportionate retirement annuity.** Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any person who is an active member of any applicable fund, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to a mandatory retirement law or policy or at age 65 or older for any reason shall be entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in which the person has allowable service credit. The proportionate annuity shall be calculated under the applicable laws governing annuities based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section shall prevent the imposition of the appropriate early retirement reduction of an annuity which commences prior to normal retirement age.

[For text of subd 2, see M.S.1980]

History: 1981 c 224 s 174

356.371 APPLICATION FOR RETIREMENT ANNUITY; PROCEDURE FOR ELECTING ANNUITY FORM.

Subdivision 1. **Definitions.** As used in this section, the following terms shall have the meanings given.

(1) "Annuity form" means the payment procedure and duration of a retirement annuity available to a member of a public pension fund, based on the period over which a retirement annuity is payable, determined by the number of persons to whom the retirement annuity is payable, and the amount of the retirement annuity which is payable to each person.

(2) "Joint and survivor optional annuity" means an optional annuity form which provides a retirement annuity to a retired member and the spouse of the member on a joint basis during the lifetime of the retired member and all or a portion of the original retirement annuity amount to the surviving spouse in the event of the death of the retired member.

(3) "Optional annuity form" means an annuity form which is elected by a member and is not provided automatically as the standard annuity form of the public pension fund.

(4) "Public pension fund" means a public pension plan as defined pursuant to section 356.60, subdivision 1, clause (a).

(5) "Retirement annuity" means a retirement annuity, retirement allowance or service pension.

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Subd. 2. **Provision of information on annuity forms.** Every public pension fund which provides for an annuity form other than a single life retirement annuity as an option which can be elected by the active or retiring member shall provide as a part of, or accompanying the annuity application form, a written statement summarizing the optional annuity forms which are available, a general indication of the consequences of selecting one annuity form over another, a calculation of the actuarial reduction in the amount of the retirement annuity which would be required for each optional annuity form and the procedure to be followed to obtain more information from the public pension fund concerning optional annuity forms.

Subd. 3. **Requirement of notice to member's spouse.** If a public pension fund provides optional annuity forms which include a joint and survivor optional annuity form potentially applicable to the surviving spouse of a member, the public pension fund shall send a copy of the written statement required by subdivision 2 to the spouse of the member prior to the member's election of an optional annuity.

Following the election of an annuity form by the member, a copy of the completed annuity application shall be sent by certified mail to the spouse of the retiring member.

History: 1981 c 68 s 29; 1981 c 156 s 6

356.39 BASIS FOR SUBSEQUENT POST RETIREMENT ADJUSTMENTS.

The increased benefit amounts pursuant to sections 356.35 to 356.39 shall be considered the base annuity or benefit amount for the purpose of further adjustments pursuant to section 11A.18.

History: 1981 c 224 s 175

356.45 MEMBERSHIP OF CERTAIN PERSONS IN VARIOUS RETIREMENT FUNDS OR PLANS.

[For text of subd 1, see M.S.1980]

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

- (1) University of Minnesota faculty retirement plan;
- (2) University of Minnesota faculty supplemental retirement plan;
- (3) any municipal retirement fund or plan providing pension or retirement coverage for police officers or paid firefighters which was established and is governed in whole or in part by special legislation;
- (4) any retirement fund or plan established, maintained, or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources which provides pension or retirement coverage for public employees, other than police officers or paid firefighters, who are not covered by a retirement fund enumerated in section 356.30, subdivision 3; or
- (5) any supplemental retirement plan established, maintained, or supported by any government subdivision or public body whose revenues are derived from taxation, fees, assessments or other public sources.

History: 1981 c 224 s 176

356.60 LIMITATION OF PUBLIC RETIREMENT ANNUITIES.

Subdivision 1. **Definitions.** For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(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.

(b) "Year of covered service" is a year of covered, credited, formula or allowable service as defined by a public pension plan which provides formula pension or retirement benefits, or a period of 12 consecutive months of service commencing with the date or anniversary date of membership with a public pension plan or program which does not provide formula or other defined benefits and for which contributions on behalf of the covered employee or member have been made. With respect to any public pension plan which provides formula pension or retirement benefits and defines two or more types of service credit, the term shall mean the type of service credit which is utilized for determining formula pension or retirement benefits and shall not mean the type of service credit which is utilized for determining vesting or minimum service for entitlement to pension or retirement benefits.

[For text of subs 2 and 3, see M.S.1980]

History: 1981 c 224 s 177

356.65 DISPOSITION OF ABANDONED PUBLIC PENSION FUND AMOUNTS.

Subdivision 1. **Definitions.** For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(a) "Public pension fund" means any public pension plan as defined in section 356.60, subdivision 1, clause (a) and any Minnesota volunteer firefighters relief association which is established pursuant to chapter 424A and governed pursuant to sections 69.771 to 69.776.

(b) "Unclaimed public pension fund amounts" means any amounts representing accumulated member contributions, any outstanding unpaid annuity, service pension or other retirement benefit payments, including those made on warrants issued by the commissioner of finance, which have been issued and delivered for more than six years prior to the date of the end of the fiscal year applicable to the public pension fund, and any applicable interest to the credit of:

(1) an inactive or former member of a public pension fund who is not entitled to a defined retirement annuity and who has not applied for a refund of those amounts within five years after the last member contribution was made;

(2) a deceased inactive or former member of a public pension fund if no survivor is entitled to a survivor benefit and no survivor, designated beneficiary or legal representative of the estate has applied for a refund of those amounts within five years after the date of death of the inactive or former member.

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Subd. 2. **Disposition of abandoned amounts.** Any unclaimed public pension fund amounts existing in any public pension fund shall be presumed abandoned, but shall not be subject to the provisions of sections 345.31 to 345.60. Unless the benefit plan of the public pension fund specifically provides for a different disposition of unclaimed or abandoned funds or amounts, any unclaimed public pension fund amounts shall cancel and shall be credited to the public pension fund. If the unclaimed public pension fund amount exceeds \$25 and the inactive or former member again becomes a member of the public pension fund or applies for a retirement annuity pursuant to sections 3A.12, 352.72, 352B.30, 352C.051, 353.71, 354.60, 356.30, or 422A.16, subdivision 8, whichever is applicable, the cancelled amount shall be restored to the credit of the person.

History: 1981 c 224 s 178