

422A.08 FINANCING OF CITY'S CONTRIBUTION.

Subdivision 1. **Financing.** All income, interest and dividends derived from deposits and investments authorized by this chapter shall be placed to the credit of the retirement fund.

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 [Repealed, 1981 c 224 s 276]

Subd. 3. [Repealed, 1981 c 224 s 276]

Subd. 4. [Repealed, 1981 c 224 s 276]

Subd. 5. **Service credit purchase.** Any contributor who prior to entering the service of the city was an employee of a public corporation, is authorized, using the procedure in subdivision 5a, to purchase allowable service credit in the retirement fund for employment by the public corporation in the same manner as though the service had been rendered to the city, providing that the individual has not received service credit and is not eligible to receive service credit for this period under any other plan or fund listed in section 356.30, subdivision 3. Before receiving credit for service rendered to a public corporation as herein set forth, the contributing employee shall make application therefor in writing to the retirement board, and shall contribute to the retirement fund the amount specified in subdivision 5a.

Subd. 5a. **Purchase payment amount.** (a) To purchase credit for prior service under this section, there must be paid to the Minneapolis Employees Retirement Fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. Calculation of this amount must be made using the applicable preretirement interest rate for the association specified in section 356.215, subdivision 8, and the mortality table adopted for the fund. The calculation must assume continuous future service in the fund until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the applicable salary increase rate for the fund or association specified in section 356.215, subdivision 8. The member must establish in the records of the fund proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director.

(b) Payment must be made in one lump sum.

(c) Payment of the amount calculated under this subdivision must be made by the member. However, the current or former governmental subdivision employer of the member may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the

employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Subd. 6. [Repealed, 1981 c 224 s 276]

History: 1973 c 133 s 8; 1973 c 770 s 2; 1974 c 73 s 2; 1977 c 399 s 13,14; 1979 c 293 s 7; 1980 c 607 art 16 s 15; 1981 c 224 s 183,184; 1993 c 307 art 10 s 3,4; 2002 c 392 art 11 s 52