TO: Legislative Commission on Pensions and Retirement

FROM: Jim Heidelberg, Asst. Exec. Sec.

RE: Summaries of Legislation Enacted in 1983

DATE: June 3, 1983

I. Tax Sheltering and Two-Percent Contributions Provisions

A. Laws 1983, Chapter 286, (HF 652)

Section 23: provides
a) that moneys of public pension plans are for the exclusive benefit of employees and their beneficiaries; and
b) that if a plan terminates that covered members shall receive a prorata share of the assets of the plan.

These provisions were required by IRS before the IRS would grant Minnesota pension plans "qualified status". Qualified status is necessary for Minnesota plans to take advantage of the tax-sheltering provision authorized by the December 1982 Special Session. The tax sheltering allows employee pension contributions to be deducted from gross earnings for federal tax purposes. The contributions will be subtracted off the top just as IRA contributions are deducted.

Section 16: places a limit on pension fund annuities in compliance with federal laws. This provision was also required by IRS.

Section 10: specifies that the trustees of the first class cities teachers associations have fiduciary obligations. This provision was required so that these associations could receive the tax sheltering qualification.

B. Laws 1983, Chapter 301,Section 224-227 (HF 1290)

The two percent additional employer contribution enacted in the December 1982 Special Session is eliminated effective "with the last full pay period before July 1, 1983".

Sections 225 and 226: provides for reimbursement of the two percent additional employee contribution upon retirement. At the time of the retiring member's first annuity check, the retiring member will receive the amount he or she paid under the additional two percent plus any applicable interest. The interest rate is the rate paid on refunds by the particular pension fund during the period January 1 to June 30, 1983. (It is assumed that refunds taken by terminating members will include the two percent additional, so that new legislation was not required to satisfy terminating members.)

Section 227: provides that in 1984 the legislature will review the financial consequences to the funds of not having received the two percent contributions during July through December, 1983.

(Provisions of HF 1290, the "State Department's" bill, was not handled by the Pension Commission.)

II. General Provisions Applicable to the Statewide Funds

A. Laws 1983, Chapter 286 (HF 652)

Adds language to Chapter 356 to enable public pension funds in Minnesota to attain "qualified status" under IRS rules and, hence, extend tax sheltering of employee contributions to members.

See the discussion in IA above.

B. Laws 1983, Chapter 301, Sections 224-227 (HF 1290)

Ends the two percent additional employee contribution effective June 30, 1983.

See the discussion in IB above.

C. Laws 1983, Chapter 286, Sections 14 and 15 (HF 652)

Section 14 amends the Combined Service Annuity Law, 356.30, to handle the inequities that have resulted in the calculation of the combined annuity when a person has two full time or two half time positions, or one full time and one part time position during the same period of time [see new clauses (i) and (j)]. The amendment also rewrites the current law into paragraphs and clauses for ease of reading.

Section 15 amends the Combined Service disability benefit section 356.301 to provide that in certain instances a change of employment is not considered as a termination of service for eligibility for a disability benefit. The provision is needed to dissuade former public employees with prior service credit from returning to public service after a long absence for the sole purpose of becoming eligible for a disability benefit. The provision clarifies that the five year period before eligibility for a disability benefit remains in effect.

D. Laws 1983, Chapter 286, Section 17 (HF 652)

Amends Section 356.65, which deals with the disposition of abandoned public pension fund amounts, to correct an incorrect citation.

E. Laws 1983, Chapter 246 (HF 233)

Provides lump sum post retirement payments for about 16,000 retirees of the following funds:

1) PERA
2) PERA P&F
3) TRA
4) Highway Patrol
5) MSRS
6) MERF

Only the "$2 bill and annuity" retirees are included from MERF.

Each retiree will receive $16 for each full year of allowable service credit on December 1, 1983, and $17 for each full year of allowable service credit on December 1, 1984.

F. Laws 1983, Chapter 148, Section 6 (SF 900)

Section 6 requires the employing units not the pension funds to supply employees with year-end tax information concerning total employee contributions considered to be "picked-up" by the Employer.

Section 6 also specifies that the amount of tax sheltered employee contributions will be included in total salary when retirement and survivors' benefits are determined.

III. Provisions Applicable to MSRS

A. Laws 1983, Chapter 128 (HF 760)

Makes certain administrative changes and language changes in the laws governing funds administered by MSRS; adds two sections to the law; and repeals several obsolete provisions.

The most significant changes in the bill that affect the MSRS General Plan are:

1) Section 1 extends proportional service credit to all part-time employees covered by MSRS, not only those in the General Plans. The current provision, 352.01, subdivision 11, granted such proportional service credit only to part-time MTC bus drivers.

2) Section 7 allows MSRS to require follow-up medical examinations for disabled employees less often than once a year if deemed appropriate by the Executive Director. Such authority is already extended for other state plans.

3) Sections 9, 10, and 11 updates an old provision raising from $500 to $1,500 the amount that can be refunded to next of kin or an estate in the absence of probate, or to natural guardians, in the absence of guardianship.

4) Section 12 includes "actions for dissolution, legal separation, or child support" in the provision prohibiting attachment of retirement moneys. Including marital proceedings makes the MSRS General Plan law consistent with PERA and TRA law.

B. Laws 1983, Chapter 63 (HF 597)

Adds a representative of the correctional employees as the eleventh (11th) member of the MSRS board; moves the authorization for a state trooper representative on the board (the tenth board member) from the state trooper law, 352B, to the MSRS law, 352.

C. Laws 1983, Chapter 286, Sections 3 and 4 (HF 652)

Sections 3 and 4 specify that severance pay cannot be included in the salary figure used to calculate retirement benefits. This change was made necessary when a provision relating to severance pay was deleted from the rewriting of the chapter on Personnel Law, now codified in Chapter 43A. Section 3 amends the MSRS General Plan; Section 4 amends the State Troopers plan.

D. Laws 1983, Chapter 128, Sections 17, 19, 24, 25, 26, 29 (HF 760)

These sections amend 352D, the State Troopers Retirement Association Law.

Section 17 allows State Troopers to accrue retirement credit for periods of time they receive temporary Workers' Compensation. Other state funds already have this provision.

Section 19 adds to the definition of dependent child in the State Trooper plan a child conceived during the lifetime of the trooper and born after the trooper's death. PERA and TRA have similar definitions in their laws.

Section 24 includes "actions for dissolution, legal separation, or child support" in the provision prohibiting attachment of retirement moneys. Including marital proceedings makes the State Troopers law consistent with PERA, TRA and the new provision (see A above) in MSRS law.

Section 25 makes State Trooper annuity processing similar to that of other state funds.

Section 26 adds a section to the state trooper law specifying that a member making a claim for a disability benefit shall file a written application in the MSRS office, a provision that is consistent with other fund procedures.

Section 29 adds a section to the state trooper law specifying that an application for survivor benefits shall be filed in the MSRS office and limits retroactivity to six months.

E. Laws 1983, Chapter 49 (HF 624)

Reinstates language in the State Troopers law that sets average monthly salary as the "five high" years of service, replacing the current "five highest successive" years. It reinstates language that was enacted in 1973 and taken out in a Commission clean-up bill in 1981.

F. Laws 1983, Chapter 128, Sections 33 and 34 (HF 760)

Section 33 provides a refund for Unclassified Plan employees who elect to return to the General Plan. The refund is based on the amount contributions required by the unclassified plan in excess of the contributions required by the general plan.

Section 34 changes the date prior to which an unclassified member may change his choice of options for purchases of shares in the Supplemental Fund of the retirement program. The member may choose an account option prior to December 31 rather than July 1.

G. Laws 1983, Chapter 286, Sections 1 and 2 (HF 652)

Section 1 permits legislators to receive 3.5 percent interest on refunds after the third year of service and no interest on refunds for the first three years. The change from refunds at no interest is made to be consistent with the MSRS General Plan and PERA provisions.

Section 2 amends the Legislators' law to delete language which unintentionally included children's benefits to be paid from the Post Retirement Fund. The Post Retirement Fund is meant for payment of life annuities, but children's benefits are only paid until an age certain. Surviving spouse benefits are covered by Section 356.41.

H. Laws 1983, Chapter 286, Section 5 (HF652)

Permits elected state officers (constitutional officers and public utility commissioners) to receive 3.5 percent interest on refunds for service after three years, but no interest on refunds for the first three years. Requires elected state officers to repay refunds at six percent interest in order to reinstate prior service credit for which a refund had been taken. The provisions are consistent with those of MSRS general plan and PERA.

I. Laws 1983, Chapter 286, Section 22 (HF 652)

Amends the judges law to clarify the period in which the judge's full salary is payable when a judge is disabled. While disabled, the judge shall receive full salary for up to two years but not beyond the judge's mandatory retirement date.

J. Laws 1983, Chapter 293, Sections 98,99 (SF 1233)

Sections 98 and 99 of "Transportation Department Bill" amends the 1982 law which authorized a special department of ~~the~~ transportation Pilot's Retirement Plan. The pilot's program was written into law in 1982, but due to an age 60 retirement provision, could not be certified, as required, by the Commissioner of Transportation. The program was not initiated. Certification seems assured by raising the retirement age to 62, and it appears that the program will begin during the summer.

The three pilots in the Transportation Department are currently members of MSRS General Plan. When they move to the pilot's plan, additional employee and employer contributions of 1.6 percent will be contributed, according to the 1982 law. Sections 98 and 99 add a disability section and raise the retirement age from 60 to 62. Disability "due to injury, sickness, or other disability ... as a result of a physical examination required by applicable federal laws or regulations" entitles a member to disability benefits of 75 percent of current monthly salary for up to 5 years or until age 62. The disability is paid as salary by the employer as with the Judge's Plan.

(The Commission did not act on these provisions.)

IV Provisions Applicable to PERA

A. Laws 1983, Chapter 73 (HF 601)

Makes minor changes in administrative provisions of the PERA law.

Section 1 deletes extraneous language "at least once a month" from the law which requires employers to transfer employee, employer and employer additional contributions to PERA within 20 days after the employee has been paid; permits the executive director rather than the board to develop required forms; and requires employers to report the beginning and ending dates of the payroll period.

Section 2 limits to three years the period in which an employer is obligated to pay delinquent contributions. Previously, there was no statutory limit.

Section 4 permits basic as well as coordinated members to receive an actuarial equivalent annuity which is higher before age 62 than it otherwise would be, but lower after age 62 when the member begins receipt of social security benefits.

Section 5 allows the board of trustees to determine the frequency at which the disability or surviving spouse annuitant must report back to PERA. PERA has been reducing the frequency of such reports over time.

Section 7 clarifies that PERA disability benefits are to be reduced by temporary total, permanent total, temporary partial, or permanent partial Workers' Compensation benefits.

Sections 3, 6 and 8 eliminate reference to obsolete dates.

B. Laws 1983, Chapter 286, Sections 6, 7, 8 and 26 (HF 652)

Sections 6 and 7 exclude district court reporters fees from the definition of salary for PERA annuity calculations.

Section 8 and 26 reinstate an actuarial reduction factor for persons who retire with 30 years of service before age 62. Repeal of the factor was included in the 1982 Rule of 85 request, but was not removed when the Rule of 85 was changed to the Rule of 90. It should not have been repealed as part of the Rule of 90.

C. Laws 1983, Chapter 58 (HF 706)

Entitles PERA members to a refund of their contributions if they have been on continuous layoff for more than 120 calendar days; amends Minnesota Statutes 1982, Section 353.34, Subdivision 1, by expanding the meaning of "termination of public service".

It allows a laid off worker to claim a refund without having to resign and sacrifice certain civil service rights.

D. Laws 1983, Chapter 85 (SF 827)

Amends PERA and PERA police and fire law to remove the 30 day waiting period between the time of application for an optional annuity and the date the annuity is effective. Previously, if a disabilitant died during the 30 day wait, the surviving spouse received only a refund of employee contributions rather than a surviving spouse benefit. The change makes the treatment of disability optional annuities the same as for retirement optional annuities.

V. <u>Provisions Applicable to TRA</u>

Laws 1983, Chapter 148 (SF 900)

A. <u>Section 1</u> adds therapists to the definition of teacher.

<u>Section 2</u> changes the definition of salary to exclude from pension calculations certain consultant contract payments made to administrators prior to the resignation date.

<u>Section 3</u> changes the quarterly earnings limitation for retirees to an annual earnings limitation and in compliance with federal law; removed the earnings limitation for retirees over age 70.

<u>Section 4</u> reduces the time period after which employer units must pay penalties to TRA on late TRA employee contributions from 30 days to 15 days.

<u>Section 5</u> includes persons whose effective retirement date is July 1 in the post retirement increases made 18 months later.

B. Laws 1983, Chapter 67 (HF 157)

Authorizes allowable service years to be used for the teacher early retirement incentive program administered by the Department of Education.

See the discussion in IVB.

VI. Provisions Applicable to First Class City Funds

A. Laws 1983, Chapter 291, Sections 4 and 5, (HF 251)

Permits the first class city teachers funds and Minneapolis employees fund (and local police and fire funds) to invest along with private pension funds in a program of investment in Minnesota situs non-farm real estate ownership interests or loans secured by mortgages or deeds of trust. The state auditor is authorized to call an organizational meeting of interested public and private pension funds. First class city teachers funds have had the authority to invest in real estate since 1909, so that this new provision does not expand its authority. Minneapolis employees fund operates under the prudent person rule so that the new provision has little effect on its authority.

B. Laws 1983, Chapter 67, (HF 157);
(not a Commission bill)

Amends the teacher early retirement incentive program by authorizing allowable service years to be used to determine eligibility rather than the more restrictive full time teaching service. The effect is to make the counting of service credit years the same for pension purposes and for the incentive program. The program works as follows: Any person employed in a public elementary, secondary or area vocational-technical school as a member of the instructional or supervisory staff who has had at least 15 years of full time teaching service in the public schools and who is at least 55 years of age is authorized to apply to the school board of the employing district for a contract for termination of services, withdrawal from active teaching service, and payment of an early retirement incentive. Early retirement incentives are in the amount of $10,000, reduced by $500 for each year the teacher is over the age of 55 to a maximum of 60 years, and by $1500 for each year over 60. Teachers employed by a school district which is implementing a desegregation plan receive early retirement incentives of $15,000, reduced by $750 for each year over 55, and by $2,250 for each year over 60 for teachers retiring at the end of the 1979-1980, 1980-1981, and 1981-1982 school years. Early retirement incentives are paid by the school district with the state reimbursing the district for 50% of the amount. Teachers who retire under the program can later be re-employed as a substitute teacher. This program affects MERF because some non-teaching employees of the Minneapolis school district, such as nurses, who are eligible for early retirement under this early retirement incentive program are members of MERF rather than the teachers retirement fund associations.

VII. Provisions Applicable to the First Class City Teachers Funds

A. Laws 1983, Chapter 286, Sections 9 through 13 (HF 652);

Amends 354A, the first class city teachers law.

Section 9 corrects an incorrect citation.

Section 10 adds a section to the law specifying that the trustees of these associations have fiduciary responsibilities. This language along with language in Section 23 of this law was required by the IRS in order for the associations to gain "qualified status". Qualified status is necessary for Minnesota plans to take advantage of the tax sheltering provision authorized by the December 1982 special session law. See part IA of this memorandum.

Section 11 clarifies the language that exemption from legal process does not mean that pension assets are nonmarital property. The language was needed to settle disputes following passage of a 1982 amendment.

Section 12 provides for a "bounce-back" benefit to retirees whose spouse or designated beneficiary dies before they do. In order to provide for a spouse, a retiree may choose to take a smaller annuity that will be paid to the spouse in the event the retiree dies. Currently, when the spouse or designated beneficiary dies before the retiree dies, the retiree continues to draw the smaller annuity. The new provision allows the retiree to draw the larger amount that "bounces back" to the unreduced amount the retiree could have chosen.

Section 13 provides an automatic survivor benefit payable for life to survivors of persons who die when eligible to retire. Previously, the survivors benefit was optional.

B. Laws 1983, Chapter 291, Section 3 (HF 251);

Allows investment in Minnesota real estate. The first class city teachers funds have had broad authority since 1909 to invest in real estate.

See the discussion in IXB.

C. Laws 1983, Chapter 67 (HF 157)

Amends the teacher early retirement in VIB.

VIII. Provisions Applicable to MERF

A. Laws 1983, Chapter 286, Sections 18 through 20 (HF 652);

Amends 422A, the MERF law.

Section 18 removes extraneous language

Section 19 permits MERF to transfer assets among the four separate accounts within MERF.

Section 20 increases survivors benefits. Surviving spouses who received benefits prior to July 1, 1983 will receive $325 a month rather than $150 a month. Surviving children who received benefits prior to July 1, 1983 will receive $150 per month rather than $100 a month. Surviving spouses receiving benefits beginning after July 1, 1983 will receive 30 percent of member's final six months average salary. Surviving children receiving benefits beginning after July 1, 1983 will receive 10 percent of member's final six month average salary. These escalator provisions are new. Limits on children benefits for a family were raised from $450 a month to $750 a month.

B. Laws 1983, Chapter 286, Section 26 (HF 652);

Repeals section 422A.23, subd. 3, which limited survivors benefits to $2400 per year. The subdivision was no longer necessary due to the changes made in Section 20 of the bill as described in A.

Repeals section 422A.05, subd. 7, which permitted MERF specifically to invest in the Minneapolis/St. Paul family housing fund. The specific authority was unnecessary due to MERF's broad investment authority.

C. Laws 1983, Chapter 291, Section 4 (HF 251)

Allows investment in Minnesota real estate. MERF currently operates under the prudent person rule.

See the discussion in IXB.

D. Laws 1983, Chapter 67 (HF 157)

Amends the teacher early retirement incentive program. Some non teaching employees of the Minneapolis school district may be eligible under the program.

See the discussion in VIB.

IX. General Law Provisions applicable to local police and salaried firefighters' relief associations

A. Laws 1983, Chapter 38 (SF 81);

Repealed obsolete investment language covering third and fourth class city police relief associations. Investment authority remains as described in Section 69.77, subdivision 2.

B. Laws 1983, Chapter 291, Sections 1, 2, 5 (HF 251);

Permits fire and police funds (and also first class city teachers and MERF) to invest in a program of investment in Minnesota situs non-farm real estate ownership interests or loans secured by mortgages or deeds of trust along with private pension funds. The police and fire funds are limited to investing ten percent of their assets. The state auditor is authorized to call an organizational meeting of interested public and private pension funds. Amends Section 69.77, subdivision 2.

(Section 6 cleans up language from the 1980 bill which permitted a capped 3.5 percent escalation for certain relief associations that began phasing out.)

C. Laws 1983, Chapter 71 (HF 384);

Provides for annual actuarial valuations rather than every other year valuations; eliminates every fourth year experience studies; removes obsolete language covering the phase-in of employee contribution rates from 6 percent to 8 percent.

D. Laws 1983, Chapter 113 (SF 323);

Changed the date for filing the forms required for police and fire state aid from March 1 to June 1.

E. Laws 1983, Chapter 101 (HF 764);

Provides police state aid to park district police. The practical effect was to provide aid to Hennepin County Park Reserve District Park Rangers.

F. Laws 1983, Chapter 291 , Sections 6 and 7 (HF 251);

Alters the governance of the trust funds of phased-out relief associations.

Current law provides for the management of the trust fund by the board of five recipient beneficiary-trustees until the number of recipient beneficiaries drops below five. Then the governing body of the municipality is to manage the fund.

The enacted legislation would provide for the management of the trust fund by recipient-selected trustees. Once the number of recipient beneficiaries drops below five, then the municipality is permitted to select the remaining trustees.

G. Laws 1983, Chapter 219, Section 11 (SF 160);

Repeals section 424.26 which required the state auditor to audit the books of second class city fire funds. The repealed section has been superceded by the financing guidelines governing police and fire funds in section 69.051, which requires an outside auditing of the relief associations.

X. Special Law Provisions Governing Local Police and Salaried Firefighters' Relief Associations

[Minnesota Statutes, Section 645.021, provides that special laws require approval by the local government unit or units affected, and the filing of a certificate of approval with the Secretary. If a local government unit fails to file a certificate of approval before the first day of the next regular session, the law is deemed to be disapproved by the unit.]

A. Laws 1983, Chapter 291, Sections 9-17 (HF 251);

Authorizes benefit increases for Crookston firefighters. Section 12 authorizes a 1.5 percent longevity increase for salaried firefighters after age 60. Section 13 raises benefits to surviving spouse and children from the greater of $75 a month or one half of the retirement to which the firefighter would have been entitled to the greater of $300 a month or one half of the retirement to which the firefighter would have been entitled. Sections 14 and 15 increases death benefits; upon the death of an active member the heirs will receive $1000 rather than $500; upon the death of an active member from causes not connected with work duties the heirs will receive $500 rather than $100. Section 16 increases the basic pension of volunteer firefighters from $20 to $50 per month of service and raises the retirement age from 55 to 60. Section 17 requires a firefighter to take a physical exam upon reaching age 60. The Crookston City Council prea-proved the changes.

B. Laws 1983, Chapter 291, Section 8, (HF 251);

Authorizes Red Wing police to change their bylaws so that children of deceased divorced officer can obtain a surviving child benefit whether or not the mother remarries. The Red Wing City Council preapproved the change.

C. Laws 1983, Chapter 55, (HF 396);

Increases service pensions to Eveleth police and fire and to surviving spouses by $10 per month. The Eveleth City Council preapproved the changes.

D. Laws 1983, Chapter 69, (HF 277);

Authorizes $150 per month increases in retiree and survivor benefits for certain Virginia firefighters. The increases are for those annuitants receiving benefits under the laws governing Virginia firefighters prior to 1974. The Virginia City Council preapproved the changes.

E. Laws 1983, Chapter 74, (HF 638);

Authorizes the first benefit increases for surviving spouses and children of Hibbing police since 1971. Surviving spouses will receive $250 per month rather than $150 per month; surviving children as a family will receive $280 per month rather than $180 per month. The Hibbing City Council approved the changes.

F. Laws 1983, Chapter 88, (SF 936);

Adds retired members to the board of the Minneapolis police relief association which is a closed fund. The bill phases in retirees onto the board by adding a retired member in 1983 who will become the ninth member of the board; a retiree will replace an active fund member on the board in 1987, 1991, 1995 and 1999. Each active and retired person on the board is elected. The mayor, comptroller/treasurer, and police chief remain as automatic members. The bill also makes minor language changes to conform with the 1980 law that closed out the local police and fire funds. The Minneapolis City Council approves the changes.

G. Laws 1983, Chapter 47 (SF 101)

Amends the special laws governing the St. Paul Police Relief Association. Provides that the pension of a surviving spouse will be reinstated after the spouse's remarriage is dissolved. Reinstated pension payments begin after the remarriage has ended and with no retroactive payments. Previous law governing the St. Paul Police Relief Association called for a surviving spouse benefit to be terminated upon remarriage. The new legislation places into the St. Paul police law a reinstatement provision similar to those found in the laws of other police and fire funds and in the general law governing retirement systems in Minnesota.

XI. General Provisions Applicable to Volunteer Firefighter Relief Associations

A. Laws 1983, Chapter 219, Sections 4 through 10 (SF 160);

Rewrites Chapter 424A, the volunteer firefighters relief association law. The new law clarifies language in 424A, creates a definition section in order to delete repetitive language, and is intended to make reading and understanding of 424A easier.

Substantive changes include:

1) adds the fire chief to the board of trustees of non-profit firefighters corporations (fire chiefs are already on the boards of municipal relief associations);

2) clarifies that the retired member of board of trustees is to be elected by members of the relief association, rather than by member of the fire department;

3) clarifies that in partially salaried and partially volunteer associations that the pensions of volunteers shall be based on years of service, not on the call pay they may receive.

In addition, Section 6 adds a new section to 424A which provides a mechanism for pro-rata distribution of assets if the municipality eliminates the fire department. The assets of the relief association are to be distributed to members on the basis of months of service.

B. Laws 1983, Chapter 219, Sections 1, 2, 3 (SF 160);

Amends 69.772 which is the financing guidelines act for volunteer firefighters relief associations that pay lump sum service pensions. These sections remove an obsolete table used to determine the accrued liability of a relief association. The remaining accrued liability table is changed to reflect $100 increments. The change to a $100 basis is for ease of computation.

Section 3 clarifies the procedures used by the relief associations to calculate their accrued liability and to measure their municipality's financial requirements. The new law should smooth out the year to year changes in dollar totals a municipality is required to contribute to the relief association.

C. Laws 1983, Chapter 286, Section 21 (HF 652)

Amends the volunteer firefighters law in section 424A.02, subdivision 1, to clarify the definition of "separating from active service". The amendment continues the law in effect since 1895 which requires that fire personnel cease active firefighting service before they can receive a firefighters pension.

XII. Special Law Provisions Applicable to Volunteer Firefighters Relief Associations

[Minnesota Statutes, Section 645.021, provides that special laws require approval by the local government unit or units affected, and the filing of a certificate of approval with the Secretary. If a local government unit fails to file a certificate or approval before the first day of the next regular session, the law is deemed to be disapproved by the unit.]

A. Laws 1983, Chapter 72 (HF 430);

Permits the Tracy Volunteer Firefighters Relief Association to purchase an annuity contract for a retiring member who qualifies for a service pension under the provisions of the general law. If the relief association purchases the annuity contract with the amount of the accrued lump sum service pension, the retiring volunteer potentially would be able to defer the taxation of the annuity until distribution.

B. Laws 1983, Chapter 96 (HF 573)

Repeals the special law governing the Brooklyn Park Volunteer Firefighters Relief Association. Repeal of the special law clarifies that Brooklyn Park operates only under the provisions of the general law in Chapter 424A.

C. Laws 1983, Chapter 291, Sections 16 and 17 (HF 251)

Section 16 provides a benefit increase to Crookston Volunteer Firefighters from $20 per month to $50 per month, and increases the longevity increases for service in excess of 20 years from $2 per month to $5 per month. Section 17 requires a volunteer (and salaried) firefighter to take a medical exam upon reaching age 60.

These provisions are part of a larger benefit package for Crookston firefighters discussed in XA above.

D. Laws 1983, Chapter 86 (SF 833);

Reinstates the incentive benefit program of the White Bear Lake Fire Association and validates any actions taken since 1979 when the incentive program was repealed. (Also repeals outdated and unnecessary special law provisions.) White Bear Lake was unaware that a portion of their law was repealed as part of the 1979 recodification of volunteer firefighters relief association laws. Briefly, the incentive benefit program provides a higher retirement benefit to members who respond to a greater than minimum number of fire calls, but the higher benefit does not exceed the maximum allowed under the general law, 424A.

XIII Purchase of Prior Service Credit and Miscellaneous Provisions

A. Laws 1983, Chapter 84 (SF 659)
Laws 1983, Chapter 286, Section 25 (HF 652)

Permits a Polk County deputy sheriff to purchase service credit in PERA-P&F for time he was employed as a Crookston police officer. The amount and manner of payment is governed by current Commission policy which requires payment of the full actuarial value of the benefit purchased. The police relief association is required to transfer the employee contributions to PERA-P&F as a portion of the employee's payment. The city is given the option of paying a portion of the required payment amount.

The bill requires local approval.

Section 25 of Chapter 286 corrects the dates in Chapter 84.

B. Laws 1983, Chapter 360 (SF 767)

Entitles any current or former legislative employee who has not withdrawn from the unclassified program to purchase service credit for prior intermittent legislative time, either with the House, Senate or joint legislative agency or commission. It continues the current Commission policy on the calculation of the payment amount, which for the unclassified plan, a defined contribution plan, is current rates applied to current salary for the time period to be purchased.

The current employer is authorized to make the matching employer contribution.

C. Laws 1983, Chapter 286, Section 24 (HF 652)

Provides authority until July 1, 1984 for state employees who took voluntary unpaid leaves under the provisions of the Third Special Session law of December 1982 to purchase service credit for up to 160 hours of service; permits the employee to reestablish the salary for that time by paying the employee, employer and employer additional contributions for the period of leave.

The provision was enacted so that persons within five years of retirement would not have their salary and, hence, retirement benefit reduced.

D. Laws 1983, Chapter 100 (HF 631)

The law is intended to speed up the phase-out of the Hennepin County Supplemental Retirement Fund initiated by 1982 legislation. It makes two changes in the law governing the retirement program;

1) permits any current participant, with 180 days after passage of Chapter 100, to elect to terminate participation, and

2) permits any employee who is no longer participating to redeem all shares credited to their account.

Previously, only terminated employees who were at least 58 could redeem their shares, but they could generally redeem only 20 percent in any one year.