

Legislative Commission on Pensions & Retirement  
March 4, 1976 Legislative Session Meeting  
Room 118 - 7:00 P.M.

The chairman, Rep. Donald M. Moe, opened the meeting.

PRESENT: Senators Chenoweth, Stokowski, Mel Hansen, McCutcheon, Ogdahl  
Representatives Moe, Biersdorf, Beauchamp, Patton,

Also present: Senator Gearty and Rep. St. Onge

Rep. Beauchamp moved the the actuarial bill from Stennes and Associates  
for 1/1/76 to 1/31/76 be paid. Motion carried.

SF 1479 (Gearty); HF 1444 (Parish) - Judges  
Staff amendments to HF 1444; SF 1479:

Amendment A - "judges retirement fund, established pursuant to sections 490.121  
to 490.132 " added. Passed

Amendment B - Senator Chenoweth moved that the staff prepare an amendment  
setting a maximum that they (judges) can receive for services after retirement.  
Passed

Amendment C - "Disability" means permanent inability to perform the functions  
of judge prior to the normal retirement date by reason of physical or mental  
impairment resulting from sickness or injury. Passed

Amendment D -

Page 2, line 15, strike "1974" and insert ", 1975 Supplement"

Page 2, strike lines 17 through 32 and insert:

~~Subd. 2. Years of service.~~ No judge shall be eligible for an annuity at normal or  
early retirement date if he has less than ten years of service. A judge who shall re-  
tire on or, as permitted under sections 490.121 to 490.132, after mandatory retire-  
ment date, shall be entitled to a proportionate annuity based upon his service at  
date of retirement.

A judge who was in office on December 31, 1973 and  
thereafter and who, by the date on which his term expires,  
would not be eligible to retire with ~~full benefits~~ such  
benefits as may be available, whether full or partial,  
solely under statutes in effect on December 31, 1973, may  
apply to the governor for an extension to serve up to three  
additional years, stating his intention to retire upon such  
eligibility. Notwithstanding section 490,125 hereof, the  
governor shall forthwith make a written order accepting such  
retirement application, and extending the term of office of

such judge for such period of time, not exceeding three years, as may be necessary to make such judge eligible for such retirement, solely for purposes of computing benefits to be paid hereunder.

Page 3, strike lines 1 and 2

Mel Hansen moved (in amendment D) to strike the word "mandatory" and insert "normal". Motion carried

Rep. Al Patton moved that Amendment D be accepted. Passed.

E.

Page 3, line 8, after "each month" insert "he is under age 65 on his retirement date."

Page 3, strike lines 9 and 10

Sen. Stokowski moved that Amendment E. be accepted. Passed

\* \* \* \* \*

F.

Page 4, line 3, strike "60 days" and insert "six months"

Page 4, line 4, strike the new language and insert "July 1, 1976"

Sen. Stokowski moved that Amendment F. be accepted. Passed

G.

Page 4, line 23, strike "1974" and insert ", 1975 Supplement"

Page 4, strike lines 25 through 32 and insert:

Subd. 9. [SURVIVORS' ANNUITY.] Except as qualified hereinafter, upon the death of a judge prior to retirement, his surviving spouse or, if there be no surviving spouse or there shall be a surviving spouse who shall thereafter die leaving one or more dependent children, his dependnet children, shall receive an annuity, payable monthly, equal to 60 percent of the normal retirement annuity which would have been payable to the judge had-computed as though he were at least age 65 on the date of his death been-the-normal-retirement-date, provided that the surviving spouse or dependent children shall receive an annuity of not less than 25 percent of the judge's final-average-compensation salary earned in the 12 full calendar months immediately preceding his retirement. With respect to a judge who was

in office on December 31, 1973 and shall die in office thereafter, the  
benefits to be paid to a surviving spouse or dependent children hereunder shall  
in no event be less than as provided under statutes in effect on December 31,  
1973.

If a judge, whose surviving spouse was not entitled to survivors benefits provided solely for judges under statutes in effect prior to January 1, 1974, shall have died prior to retirement on or after May 23, 1973 and before January 1, 1974, his surviving spouse and dependent children, if any, shall be entitled to survivors benefits as provided hereunder as if such judge had died on January 1, 1974.

Page 5, strike lines 1 through 9

Rep. Patton moved that Amendment G. be accepted. Passed  
H. \* \* \* \* \*

Pages 6, 7 and 8, strike sections 11, 12, 13 and 14

Rep. Patton motion that Amendment H. be accepted. Passed  
\* \* \* \* \*

I.  
Page 8, line 8, strike "This act is" and insert "Sections 2, 9, 10, and 13 are"  
Page 8, line 9, after "1974" insert "The remainder of this act shall be  
effective on July 1, 1976."

\* \* \* \* \*

Further, amend the title as follows:

Page 1, line 5, after "Subdivisions 2" insert ",4"  
Page 1, line 5, after "and" strike "4" and insert "13"  
Page 1, line 5, before "490.124," insert "490.123, Subdivision 1;"  
Page 1, line 6, strike "2," and "9,"  
Page 1, line 8, after "subdivisions" and before the period insert "; and  
Minnesota Statutes, 1975 Supplement, Sections 356.30, Subdivision 3; and  
490.124, Subdivisions 2 and 9" "

Mr. Patton moves to amend HF 1444 (SF 1479), the  
typewritten bill, as follows:

Page 8, after line 7, insert a new section to read:

"Sec. \_\_\_\_\_. Any judge in office on December 31, 1973 who failed  
to elect to continue contributions as authorized by Minnesota Statutes,  
Section 490.124, Subdivision 10, may elect to resume said contributions as  
of July 1, 1976 by giving notice to the executive director of the Minnesota  
state retirement system prior to July 1, 1976. The notice shall be  
accompanied by a remittance equal to four percent of the salary earned by  
the judge between January 1, 1974 and July 1, 1976 plus six percent of the  
amount remitted in lieu of interest."

Page 8, line 9, after "1974." insert "Section \_\_\_\_\_ is effective  
the day following final enactment." Passed

SF 1479 (Gearty); HF 1444 (Parish) passed as amended.

SF 1844 (O'Neill); HF 1966 (Faricy) - Health Insurance for Retired Judges - Recommended to pass

MSRS Housekeeping Bill

SF 2417 (Stokowski); HF 2535 (Beauchamp)

Mr. Groschen, Exec. Dir, explained the bill.

Page 1, after line 6, insert a new section to read:

Section 1. Minnesota Statutes 1975 Supplement, Section 43.051, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of subdivision 1, any employee of the state of Minnesota in a covered classification as defined in the special retirement program for correctional personnel defined in chapter 352, must retire from such covered classification upon having reached or upon reaching the mandatory retirement age as of the effective dates established herein:

Effective Date	Mandatory Retirement Age
July 1, 1974	65
January 1, 1975	62
July 1, 1975	59
January 1, 1976	57
July 1, 1976	55

A covered correctional employee may be employed beyond the mandatory retirement age <sup>for a period of one year not to</sup> ~~extend beyond July 1, 1976,~~ but in no event beyond age of <sup>62,</sup> ~~62,~~ subject to an annual medical examination and the written approval of the commissioner of corrections, whose decision <sup>shall be final.</sup> A correctional employee desiring employment beyond mandatory retirement age shall be examined at his own expense and the results and findings of the medical examination shall be transmitted to the commissioner of corrections prior to the date the employee would otherwise have to retire pursuant to this subdivision."

Page 6, line 10, after "employed" insert "in positions designated by the department of personnel"

Page 6, after line 15, insert new sections to read:

" Sec. 4. Minnesota Statutes 1974, Section 352C.02, Subdivision 2, is amended to read:

Subd. 2. "Commissioner" means a person who was duly elected and qualified and is serving as an elected member of the department of public service of

Minnesota. "Constitutional officer" means a person who was duly elected and qualified and is serving as a governor, a lieutenant governor, an attorney general, a secretary of state, a state auditor, or a state treasurer of the state of Minnesota. "Former constitutional officer or commissioner" means a person who has ceased to be a constitutional officer or commissioner subsequent to the effective date of this act for any reason, including but not limited to expiration of the term of office for which elected, retirement, or death.

Sec. 5 . Minnesota Statutes 1974, Section 352C.02, Subdivision 3, is amended to read:

Subd. 3. ~~"Widow"~~ "Surviving spouse" means the surviving wife or husband of a constitutional officer or commissioner or former constitutional officer or commissioner.

Sec. 6. Minnesota Statutes 1974, Section 352C.02, is amended by adding a subdivision to read:

Subd. 4. "Dependent child" means any natural or adopted child of a deceased constitutional officer or commissioner or former constitutional officer or commissioner who is under the age of 18, or who is under the age of 22 and is a full time student, and who in either case is unmarried and was actually dependent for more than one-half of his support upon such constitutional officer or commissioner for a period of at least 90 days immediately prior to the death of the constitutional officer or commissioner. It also includes a posthumous child of such constitutional officer or commissioner.

Sec. 7. Minnesota Statutes 1974, Section 352C.04, Subdivision 1, is amended to read:

352C.04 [SPOUSE'S AND DEPENDENT CHILDREN'S SURVIVOR BENEFITS.]

Subdivision 1. Upon the death of a constitutional officer or commissioner while serving in such office, or a former constitutional officer or commissioner with at least eight years of allowable service, who-en-the-date-thereof-was-entitled-to-a-retirement-allowance,-has the surviving spouse widow is entitled to a survivor benefit in the amount of one half of the retirement allowance of such constitutional officer or commissioner

computed as though such constitutional officer or commissioner were at least age 65 on the date of death and based upon the attained allowable service or eight years whichever is greater, ~~had-not-died-~~. Such benefit shall be paid to a ~~widow~~ surviving spouse eligible therefor during the remainder of ~~her~~ the spouse's natural life or until ~~she-remarries-~~ remarriage . Upon ~~remarriage~~ such ~~widow~~ spouse shall no longer be eligible for such benefit except as provided by Minnesota Statutes 1975 Supplement, Section 356.31 .

Sec. 8. Minnesota Statutes 1974, Section 352C.04, Subdivision 2a, is amended to read:

Subd. 2a. Upon the death of a constitutional officer or commissioner while serving in such office, or a former constitutional officer or commissioner with at least eight years of allowable service, who-on-the date-thereof-was-in-all-respects-entitled-to-a-retirement-allowance-except that-(a)-he-had-not-retired-or-(b)-he-had-not-reached-the-age-of-65, each dependent child of such deceased constitutional officer or commissioner member- shall be paid a survivor benefit in the following amount: First dependent child a monthly ~~allowance~~ benefit which equals 25 percent of the monthly retirement allowance of the constitutional officer or commissioner computed as though the constitutional officer or commissioner ~~had-retired-at-the age-of~~ were at least age 65 on the date of his death and based upon the attained allowable service or eight years whichever is greater; for each additional dependent child a monthly ~~allowance~~ benefit which equals 12 1/2 percent of the monthly retirement allowance of the constitutional officer or commissioner computed as in the case of the first child; but the total amount paid to the surviving spouse and dependent children shall not exceed in any one month 100 percent of the monthly allowance of the constitutional officer or commissioner computed as in the case of the first child. The payments for dependent children shall be made to the surviving spouse or the guardian of the estate of the dependent child, if there is one. A posthumous child qualifies as a dependent child for benefits provided herein from the date of its birth.

Sec. 9. Minnesota Statutes 1974, Section 352C.05, is amended to read:

352C.05 [APPLICATION FOR SURVIVOR BENEFIT.] Widows- Surviving spouses or guardians of the estate of the dependent children entitled to payment of benefits under section 352C.04 shall file their applications therefor with the executive director of the Minnesota state retirement system, and payments shall commence as of the first of the month next following the filing of the application, but shall be retroactive to the first of the month following the death of the constitutional officer or commissioner, but no payment shall be retroactive for more than 12 months prior to the month the application is filed with the director.

Sec. 10. Minnesota Statutes 1974, Section 352C.09, Subdivision 1, is amended to read:

352C.09 [CONTRIBUTIONS.] Subdivision 1. Every constitutional officer or commissioner shall contribute ~~seven~~ eight percent of his or her total salary beginning the first full pay period after July 1, 1976, paid after January 1, 1967, by payroll deduction, to be paid into the state treasury and deposited in the general fund. ~~Deductions as to total salary for the period between January 1, 1967 and July 1, 1967 shall become immediately payable or if not so paid, payroll deductions during the ensuing six months shall be increased sufficiently to amount to total payment.~~ In case of retirement any unpaid deductions shall be deducted from any retirement allowance that becomes payable. All deductions and payments, if any, in lieu of deductions are to be paid into the state treasury and deposited in the general fund. It shall be the duty of the executive director of the Minnesota state retirement system to record the contributions of each constitutional officer or commissioner and credit such contribution to such officer's or commissioner's account.

Sec. 11. Minnesota Statutes 1974, Chapter 352C, is amended by adding a section to read:

[352C.091] [ADMINISTRATION.] Subdivision 1. The provisions of Minnesota Statutes, Chapter 352C, shall be administered by the Minnesota state retirement system.

Subd. 2. Sections 4 to 11 of this act shall apply to constitutional officers in office on and after the effective date of this act.

Sec. 12. Minnesota Statutes, 1975 Supplement, Section 352D.02, Subdivision 1, is amended to read:

352D.02 Coverage, Subdivision 1. The following employees in the unclassified service of the state who are eligible for coverage under the Minnesota state retirement system shall participate in the unclassified program unless such employee gives notice to the executive director of the state retirement system within one year following June 5, 1975 or the commencement of his employment, whichever is later, that he desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file such notice with the executive director shall be deemed to have exercised his option to participate in the unclassified plan. The employee and applicable employer contributions for those employees covered by the regular plan on June 5, 1975, who after such date participate in the unclassified plan, shall be transferred to the supplemental fund in accordance with sections 352D.02, subdivision 4 and 352D.03 as though the employee had elected to participate when first eligible to make such election. This subdivision shall also be applicable to any person who was an employee in an eligible position on or after January 1, 1975, has terminated service before June 5, 1975 with less than ten years of allowable service, and has not taken a refund of his contributions.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, revisor of statutes or the state board of investment,

(2) Any department, division, or agency head, the assistant department head or deputy, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 3, and



(3) Any permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature or a part-time legislative employee having shares in the supplemental retirement fund whether or not eligible for coverage under the Minnesota state retirement system.

(4) Any person employed in a position established pursuant to section 43.09, subdivision 2a which is at the deputy or assistant head of department or agency or director level, and

(5) The chairman and chief administrator of the Metropolitan Waste Control Commission and the chairman and executive director of the Metropolitan Council and not exceeding nine each division directors or administrative deputies as designated by the council or commission.

The eligibility to participate of those employees specified in clauses (4) and (5) employed in such positions on the effective date of this act, shall be retroactive to their date of appointment to such positions.

<sup>32</sup>  
Sec. 13. The surviving spouse of a member of the public employees retirement association who died between May 1, 1974 and June 1, 1974 and who as of the date of death had attained the age of not less than 63 years, received credit for not less than 33 years of allowable service, and had selected an optional 100 percent joint and survivor annuity, may elect to receive benefits which would have been payable pursuant to the 100 percent joint and survivor annuity had the member been qualified therefor on his date of death. Payments pursuant to this section shall be in lieu of further payments pursuant to Minnesota Statutes, section 353.31, subdivision 1, and shall commence on the first day of the month following application therefor.

Sec. 14. Minnesota Statutes 1974, Section 352C.04, Subdivisions 2 and 2b, are repealed."

Page 6, line 18, after "coverage" insert "by section 3"

Remember sections in sequence

Rep. Patton moved that HF 2435; SF 2417 be recommended to pass as amended.  
Motion carried.

SF 1576 (R. Moe); HF 1592 (Patton) - 4th Class City Police

Rep. Patton moved to amend H F 1592; SF 1576 - restore the stricken language and retain language that has to do with survivor benefits.

Rep. Moe moved that SF 1576; HF 1592 be recommended to pass. Motion carried.

SF 1923 (Kleinbaum); HF 2012 (Patton) - Volunteer Fire

Rep. Patton moved to amend as follows: Motion carried

Page 1, line 12, strike "\$40" and insert "\$80"  
Page 2, line 6, strike "\$2" and insert "\$4"  
Page 2, line 10, strike "\$60" and insert "\$120"  
Page 2, line 14, strike "\$1,000" and insert "\$600"

Sec. 9. Section 2 shall be effective December 31, 1976. The remainder of the act shall be effective on July 1, 1977.

Renumber sections in sequence

Further, amend the title

Page 1, line 3, after "sum" insert "and monthly"  
Page 1, line 3, after "benefits;" insert "distribution of state aid to policemen's relief associations;"  
Page 1, line 3, after "1974," insert "Sections 69.011, Subdivisions 1, 2, and 4; 69.021, Subdivisions 5, 6, and 7; and 69.031, Subdivision 5; and"

Rep. Patton moved that SF 1923; HF 2012 as amended be recommended to pass. Passed.

SF 2309 (Chenoweth); HF 2434 (Patton) - Distribution of State Police Aid

Senator Chenoweth moved that HF 2434; SF 2309 be recommended to pass. Carried.