

EXTRA SESSION  
CHAPTER 5—H. F. No. 63

[Not Coded]

*An act relating to the office of court commissioner in St. Louis County, and providing for his appointment.*

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Subdivision 1. **Saint Louis County, court commissioner.** Notwithstanding provisions of any law to the contrary thereto, in St. Louis county, from and after the first Monday in January, 1963, the office of court commissioner shall be abolished.

Subd. 2. Notwithstanding the provisions of Minnesota Statutes 1957, Section 357.28, Subdivision 2, he shall receive the fees provided for in Minnesota Statutes 1957, Section 357.28, Subdivision 1, until such office is abolished.

Sec. 2. This act shall become effective after its approval by a majority vote of the board of county commissioners of St. Louis county and upon compliance with Laws 1959, Chapter 368.

Approved May 8, 1959.

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EXTRA SESSION  
CHAPTER 6—S. F. No. 24

[Coded in Part]

*An act relating to the state employees retirement fund; amending Minnesota Statutes 1957, Chapter 352, by adding new sections thereto; amending Minnesota Statutes 1957, Sections 352.01, Subdivisions 2 and 11; 352.01, by adding new subdivisions thereto; 352.021, Subdivisions 1 and 2; 352.03; 352.113; 352.115, Subdivisions 2, 3 and 5; 352.116, Subdivision 1; 352.117, Subdivisions 1 and 2; 352.15; 352.22, Subdivisions 3 and 4; 352.23; 352.24, Subdivisions 1 and 2; 352.24, by adding new subdivisions thereto; 352.26; 352.27; 352.32; 352.35; 352.36, Subdivision 2; 352.62, Subdivision 3; 352.63, Subdivisions 1, 2 and 3; 352.67; 352.68; and repealing Minnesota Statutes 1957, Sections 352.30 and 352.021, Subdivision 4.*

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Minnesota Statutes 1957, Section 352.01, Subdivision 2, is amended to read:

Subd. 2. **State employee.** (1) "State employee" means any employee or officer in the classified and unclassified service of the state except any employee designated by the civil service board as a labor service employee who is paid on an hourly basis. The term also includes the special classes of persons listed in paragraph 2 of this subdivision but excludes the special classes of persons listed in paragraph 3.

(2) The following persons are included in the meaning of state employee:

(a) Employees of the Minnesota Historical Society.

(b) Employees of the State Horticultural Society.

(c) Employees of the Disabled American Veterans Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, the Minnesota Crop Improvement Association.

(d) Employees of the adjutant general who are paid from federal funds and who are not eligible to benefits from any federal civilian retirement fund.

(e) Employees of the State Colleges employed under the College Activities program and currently contributing members of the association who are temporarily employed by the legislature during a legislative session or any currently contributing member employed for any special service as defined in item (h) of paragraph (3).

(f) Employees of the armory building commission.

(g) Employees of Minnesota-Wisconsin-Minneapolis-St. Paul Survival Plan Project.

(h) Permanent employees of the legislature *and persons employed* or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation.

(i) *Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.*

(j) *Employees of the deputy registrar of motor vehicles in the city of Minneapolis.*

(3) The following persons are excluded from the meaning of state employee:

- (a) Elective state officers;
- (b) Students employed by the University of Minnesota and the State Colleges unless approved for membership by the Board of Regents of the State College Board, as the case may be;
- (c) Employees who are eligible to membership in the state teachers retirement fund except employees of the department of education who have elected or may elect to become members of the state employees retirement association instead of the teachers retirement fund;
- (d) Employees of the University of Minnesota who are excluded from membership by action of the Board of Regents;
- (e) Officers and enlisted men in the national guard and the naval militia except such as are assigned to permanent peacetime duty;
- (f) Election officers;
- (g) Persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;
- (h) Officers and employees of the senate and house of representatives *who are temporarily employed for a period of less than four months* except permanent employees of the legislative research committee who may become members upon notifying the secretary in writing within six months from the date of their respective employment of their election to become a member;
- (i) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except employees of the supreme court and referees and adjusters employed by the industrial commission;
- (j) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota Soldiers Home;
- (k) Persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;
- (l) Employees of the Sibley House Association;

(m) Employees of the Grand Army of The Republic and employees of the ladies of the G.A.R.;

(n) Operators and drivers employed pursuant to Laws 1941, Chapter 478;

(o) Members of the board of tax appeals, the civil service board, and the members of any other state board or commission who serve the state intermittently and are paid on a per diem basis; and the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year;

(p) State highway patrolmen;

(q) Temporary employees of the Minnesota state fair employed during the state fair;

(r) Emergency employees in the classified service whose status shall be noted by symbol on all payroll abstracts;

(s) State game wardens;

(t) *All temporary employees in the classified service, and all seasonal help in the unclassified service employed by either the Motor Vehicle Division or the Department of Taxation, Income Tax Division, to perform clerical duties:*

(u) *Trainees paid under budget classification number 41, and other Trainee employees, except those listed in paragraph 2 (i) of this subdivision;*

(v) *Persons whose compensation is paid on a fee basis.*

Sec. 2. Minnesota Statutes 1957, Section 352.01, Subdivision 11, is amended to read:

Subd. 11. Allowable service. "Allowable service" means:

(1) Any service rendered by a state employee for which on or before July 1, 1957, he received credit to his account in the retirement fund by reason of employee contributions in the form of salary deductions, *payments in lieu of salary deductions, or in any other manner* authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or

(2) Any service rendered by a state employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Section 352.24, Subdivision 2, or

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(3) Any service rendered by a state employee after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, or

(4) Any service rendered by a person after July 1, 1957, for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund, as provided in sections 352.23, 352.27 and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

Sec. 3. Minnesota Statutes 1957, Section 352.01, is amended by adding new subdivisions to read as follows:

[Subd. 16.] **Year of allowable service.** *"Year of allowable service" means any 12 calendar months not necessarily consecutive in which a member received compensation from the state or was eligible to credit for service. It also means 12 months credit each year for employees in the state colleges and state institutions who are paid on a yearly basis and who may or may not receive compensation in every calendar month in the year.*

[Subd. 17.] **Total and permanent disability.** *"Total and permanent disability" means a disability which results from some impairment of mind or body that substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation that he would be competent to perform were it not for that impairment, and whose impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely.*

Sec. 4. Minnesota Statutes 1957, Section 352.03, is amended to read:

**352.03 Board of trustees; membership, duties.** The management of the state employees retirement fund is hereby vested in a board of seven members, who shall be known as the board of trustees. This board shall consist of the state auditor, the state treasurer, the insurance commissioner, and four state employees who shall be elected by the members of the retirement association at a time and in a manner to be fixed by the board of trustees. Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The terms of the two board members whose terms expire in 1949 and 1950 shall terminate on the first Monday in March, 1950, and the terms of the two board members whose terms expire in 1951 and 1952 shall terminate on the first Monday in March,

1952. The members of the board so elected shall hold office for a term of four years and until their successors are elected, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of trustees; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period. Any vacancy in the board caused by death, resignation, or removal of any member so elected shall be filled by the board of trustees for the unexpired portion of the term in which the vacancy occurs. The members of the board of trustees shall serve without compensation, but shall be reimbursed out of the retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties, and shall suffer no loss of salary or wages through service on the board. The board shall elect a chairman and appoint a secretary and such other employees including actuarial services as may be necessary, and fix their compensation. The board shall, from time to time, subject to the limitations of this chapter and of the law, establish rules and regulations for the administration of the retirement and other provisions of this chapter and for the transaction of its business. *It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustee with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the state employees who are its beneficiaries.*

Sec. 5. Minnesota Statutes 1957, Section 352.021, Subdivision 1, is amended to read:

352.021 Subdivision 1. There is hereby established a state employees retirement association, the membership of which shall consist only of state employees. Any person who was a member of the association on June 30, 1959, shall continue his membership with the association.

Sec. 6. Minnesota Statutes 1957, Section 352.021, Subdivision 2, is amended to read:

Subd. 2. *Every state employee not a member of the association on July 1, 1957, becomes a member by acceptance of state employment or continuance in state service. Acceptance of employment is deemed consent to have deductions made from salary for deposit to the credit of the member's account in the fund.*

Sec. 7. Minnesota Statutes 1957, Section 352.115, Subdivision 2, is amended to read:

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Subd. 2. Computation of normal retirement annuity. The retirement annuity hereunder *payable at age 65 or thereafter* shall be computed in accordance with the applicable provisions of the formula stated in subdivision 3 hereof, on the basis of *the* member's average salary for the period of his allowable service. *Such retirement annuity is known as the "normal" retirement annuity.*

(a) For years prior to July 1, 1957, "average salary" for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions were based for any five consecutive years prior to that date;

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary not exceeding in any one year \$4,800 and for which he had made contributions to the retirement fund by payroll deductions;

(c) *Average salary in no case shall exceed \$4,800 per year.*

Sec. 8. Minnesota Statutes 1957, Section 352.63, Subdivision 1, is amended to read:

352.63 Subdivision 1. The retirement annuity hereunder *payable at age 65 thereafter* shall be computed in accordance with the applicable provisions of the formula stated in subdivision 2 hereof, on the basis of *the* member's average salary for the period of his allowable service. *Such retirement annuity is known as the "normal" retirement annuity.*

(a) For years prior to July 1, 1957, "average salary" for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions were based for any five consecutive years prior to that date;

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary not exceeding in any one year \$4,800 and for which he had made contributions to the retirement fund by payroll deductions;

(c) *Average salary in no case shall exceed \$4,800 per year.*

Sec. 9. Minnesota Statutes 1957, Section 352.115, Subdivision 3, is amended to read:

Subd. 3. Amount of retirement annuity. The average

salary, as defined in subdivision 2 of any member multiplied by the applicable percentages indicated below shall determine the amount of the *retirement* annuity to which the member qualifying therefor is entitled:

Years of Allowable Service	Percentages at the Rate of:
(a) First ten years	1 percent per year of service
(b) Second ten years or completed months of service less than such period	2 percent per year of service
(c) Third ten years or completed months of service less than such period	2½ percent per year of service
(d) Subsequent years of completed months of service less than such period	3 percent per year of service

Sec. 10. Minnesota Statutes 1957, Section 352.63, Subdivision 2, is amended to read:

Subd. 2. The average salary, as defined in subdivision 2, of any member multiplied by the applicable percentages indicated below shall determine the amount of the *retirement* annuity to which the member qualifying therefor is entitled:

Years of allowable service	Percentages at the rate of:
(a) First ten years	5/8 of 1 percent per year of service
(b) Second ten years of completed months of service less than such period	7/8 of 1 percent per year of service
(c) Third ten years of completed months of service less than such period	1.66 percent per year of service
(d) Subsequent years or completed months of service less than such period	1.75 percent per year of service

Sec. 11. Minnesota Statutes 1957, Section 352.116, Subdivision 1, is amended to read:

352.116 Subdivision 1. **Retirement before age 65.** Where any member retires prior to age 65, he shall be paid a *retirement annuity in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, or 352.63,*

*as the case may be, reduced by one-half of one percent for each month that the member is under age 65 at the time of retirement.*

Sec. 12. Minnesota Statutes 1957, Section 352.117, Subdivision 1, is amended to read:

**352.117 Subdivision 1. Surviving dependent spouse and dependent children.** Upon the death of a member before retirement who has had at least 18 months of credited allowable service, his surviving *dependent* spouse and dependent children under the age of 18 shall receive the monthly benefit provided below.

- (a) Surviving *dependent* spouse \$65 per month.
- (b) Each dependent child \$45 per month.

In addition to the amounts provided in (a) and (b) hereof, \$20 per month shall be paid to be divided equally among the dependent children. Payments for the benefit of any dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed \$200 for any one family. The surviving *dependent* spouse benefit shall terminate upon his or her remarriage, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Sec. 13. Minnesota Statutes 1957, Section 352.113, is amended to read:

**352.113 Disability benefits.** Subdivision 1. Where any member who is less than 65 years of age who becomes totally and permanently disabled after 10 years of allowable service, he shall be entitled to a disability benefit in an amount provided in subdivision 2. If such disabled person's state service has terminated at any time, at least five of the required ten years of allowable service must have been rendered after last becoming a member. If a disabled person receives disability benefits under the provisions of the federal Social Security Act, his benefits computed under subdivision 2 of this section shall be reduced by the amount of disability benefits paid under the federal act.

Subd. 2. *The benefit shall begin to accrue 90 days following the commencement of disability or 30 days after the application is filed whichever is greater. If annual or sick leave is paid for more than the said 90 or 30-day period, whichever applies, the benefit shall accrue from the date salary*

*ceased.* This disability benefit is an amount equal to the annuity based on his age when disabled *in the manner* provided in section 352.116, *subdivision 1*, plus a supplementary monthly *benefit* computed in accordance with the following table:

Age when Disabled	Supplementary <i>benefit</i>
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

Subd. 3. A member shall be considered totally and permanently disabled after the board has received written certification by at least two licensed physicians selected by the board, that the member is totally and likely to be permanently disabled for further performance of the duties of any assigned position in the service of the employer, and upon consideration of the report of such physicians and such other evidence as shall have been presented to it by the member or others interested therein, the board finds the member to be totally and permanently disabled, it shall grant him a disability *benefit* upon written certification from his employer that the member has been separated from the service of the employer because of total disability of such nature as to reasonably prevent further service for the employer, and as a consequence is not entitled to compensation from the employer. The fact *that* an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability *benefit*. Any person receiving a disability benefit shall not be required to undergo a medical examination after reaching the age of 65. *The disability benefit shall cease with the last payment received by the annuitant during his lifetime unless he leaves a spouse surviving him in which event the surviving spouse shall be entitled to the disability benefit for the calendar month in which the annuitant died.*

Subd. 4. The disability benefit shall be reduced by any amounts received or receivable by a member from the employer under applicable workmen's laws.

Subd. 5. At least once each year during the first five years following the allowance of a disability benefit to any

member, and at least once in every three-year period thereafter, the board shall require any *person disabled* to undergo a medical examination to be made at the place of residence of *such person*, or at any other place mutually agreed upon, by a physician or physicians engaged by the board. If any examination indicated that he is no longer physically or mentally incapacitated for service, or that he is engaged or is able to engage in a gainful occupation, payments of the disability benefit by the fund shall be discontinued as soon as he is reinstated to the payroll following sick leave, but in no case shall payment be made for more than 60 days after physicians engaged by the board find *that such person* is no longer incapacitated for service.

Subd. 6. Should the disabled *person* resume a gainful occupation and his earnings are less than his salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount which when added to such earnings does not exceed his salary at the date of disability or the salary currently paid for similar positions, whichever is lower, *provided the disability benefit in such case does not exceed the disability benefit originally allowed.*

Subd. 7. Should only such disabled *person* refuse to submit to a medical examination as herein provided, payments by the fund shall be discontinued and all rights of the member in any disability benefit shall be revoked by the board.

Subd. 8. Any *person receiving a disability benefit* who is restored to active state service shall have deductions taken for the retirement fund and upon subsequent retirement have his retirement *annuity* based upon all allowable service including that upon which the disability benefits were based. No person shall be entitled to receive disability benefits and a retirement *annuity* at the same time.

Sec. 14. Minnesota Statutes 1957, Section 352.22, Subdivision 3, is amended to read:

Subd. 3. Any person with *at least ten years* of allowable service when such termination occurs may at his option leave his accumulated deductions in the fund and thereby be entitled to a deferred retirement annuity commencing at age 65. This annuity shall be computed in the manner provided in section 352.115 or 352.63 *whichever applies*, on the basis of allowable service prior to termination of service, *but the provisions of Section 352.23, Subdivision 1, and Section 352.63, Subdivision 3, shall not apply thereto. Such deferred*

*annuity shall begin on the first day of the calendar month following the month in which the application is filed in the office of the retirement association, but no application for a deferred annuity shall be made prior to the time the former member reaches the required age to entitle him to such annuity payment. Application for the accumulated deduction left on deposit with the fund may be made at any time after 90 days following the date of his termination of service.*

Sec. 15. Minnesota Statutes 1957, Section 352.22, Subdivision 4, is amended to read:

352.22 Subd. 4. Former members who hold numbered certificates of deferred annuity and who again become members of the retirement association shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates. Former members who hold numbered certificates of deferred annuity may surrender them at any time prior to receiving an annuity and receive a refundment of their accumulated deductions upon application. Membership in the retirement association of any person shall terminate upon his ceasing to be a "state employee" whether by resignation, dismissal, *retirement* or termination of temporary or provisional appointment.

Sec. 16. Minnesota Statutes 1957, Section 352.62, Subdivision 3, is amended to read:

Subd. 3. The additional employer contribution shall be computed *at the rate of two percent.*

Sec. 17. Minnesota Statutes 1957, Section 352.117, Subdivision 2, is amended to read:

Subd. 2. **Surviving spouse.** Upon the death of a member before retirement who has had at least 20 years of credited, allowable service, his surviving spouse shall be paid a deferred annuity in an amount equal to 75 percent of the members annuity computed on the basis provided in sections 9 and 10 not to exceed \$150 per month. This annuity shall be paid when such surviving spouse reaches the age of 62 and shall terminate upon remarriage. The surviving spouse has the option, if qualified, to receive the benefits provided in *subdivision 1 or the annuity provided in subdivision 2* but not both.

Sec. 18. Minnesota Statutes 1957, Section 352.24, is amended to read:

**Payments to receive credit for prior service.** Subdivi-

sion 1. After July 1, 1961, no member shall be entitled to make payments in lieu of salary deductions to the retirement fund to receive credit for any period of service prior to that date for which employee contributions were not deducted from his salary. Prior to that date, credit for such service may be received in the manner provided in this section. After that date credit can only be received for services rendered for which employee contributions are made as a deduction from salary.

Subd. 2. Before July 1, 1961, any member may make payments to the retirement fund to receive credit in any case where those payments were authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239. The retirement board may make any agreement with the member it deems proper, providing for installment payments if the member cannot pay the amount due before the cut-off date. The amount of payment and interest rate charged to the member shall be as provided in Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239. These installment payments shall be made in full within five years or before termination of service whichever is sooner.

Subd. 3. Any member qualified to do so who failed to enter into an agreement with the retirement board on or before June 30, 1957, as provided in subdivision 2 of this section, may make the payment authorized therein without entering into an agreement with the retirement board, provided payment thereof is made on or before July 1, 1961. Such payment may be made either in a lump sum, or in installments as agreed upon with the retirement board.

Subd. 4. Any member who has made payment in installments in order to obtain additional service credit, and then fails to make the final payment on or before July 1, 1962, shall be entitled to have credit for all service for which the payments he has made will entitle him under the provisions of this chapter. In determining "the service for which the payments he has made will entitle him," service credit shall extend retroactively from the latest service for which he is making payment.

Sec. 19. [352.70] **Temporary, seasonal, etc. employees; continuation of membership.** Subdivision 1. Labor service employees paid on an hourly basis, and employees listed in Section 352.01, Subdivision 2, paragraph (3), items (t) (u) and (v) who are members of the association on June 30, 1959, will continue as members of the association until state service terminates unless they elect to terminate their

membership. In the event such members elect to terminate their membership in the association, refundment shall be made of the accumulated deductions to the member's credit in the retirement fund, and upon taking such refundment all rights and benefits under the provisions of this chapter shall terminate and shall not be restored.

Subd. 2. Former members of the association referred to in Subdivision 1 of this section who have not taken refundments of their accumulated deductions since their state service last terminated and who are again employed in any of these classifications, may at their option again become members of the association upon return to state employment, but after taking a refundment an employee is not entitled to membership in the association if he is employed as specified in Subdivision 1 hereof.

Sec. 20. Minnesota Statutes 1957, Section 352.115, Subdivision 5, is amended to read:

**Accrual of annuity.** Each member shall fix in his application for an annuity a date for retirement. This application, however, shall not be made prior to the time the member is eligible to retire by reason of both age and service requirements. An annuity shall begin to accrue 30 days after the application is filed with the retirement board but in no event prior to the day following the last day for which the applicant is paid salary or prior to the termination of state service. The retirement benefits shall cease with the last payment received by a retired employee during his lifetime unless the retired employee elected a reversionary annuity or an optional annuity provided in section 352.116, subdivision 3. The reversionary annuity and joint and last survivor annuity shall cease with the last payment received by the surviving spouse or beneficiary in his or her lifetime. If a retired employee had not selected an optional annuity and leaves a spouse surviving him, such spouse shall be entitled only to the annuity payment for the calendar month in which the retired employee died.

Sec. 21. Minnesota Statutes 1957, Section 352.15, is amended to read:

**352.15 Exemption from process and taxation.** None of the moneys, annuities, or other benefits mentioned herein shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, or to any state income tax or state inheritance tax.

Sec. 22. Minnesota Statutes 1957, Section 352.23, is amended to read:

**352.23 Termination of rights.** When any member accepts a refundment as provided in section 352.22, all existing service credits and all rights and benefits to which the member was entitled prior to the acceptance of such refundment shall terminate and shall not again be restored until the former member acquires not less than five years' allowable service credit subsequent to taking his last refundment. In that event, he may repay all refundments *which he had taken from the retirement fund plus interest at four percent per annum compounded annually. Repayment of refundments will entitle the member only to credit for service covered by salary deductions. Credit for forfeited service prior to July 1, 1929, and for forfeited military service credit may be obtained by making payments at a deduction rate of five percent based on the average salary upon which deductions for the retirement fund were based for the three-year period beginning with the date of first becoming a member of the association for service credit prior to July 1, 1929, and on the rate of salary received at the time of entering military service for military service credit.*

Sec. 23. Minnesota Statutes 1957, Section 352.32, is amended to read:

**352.32 Prior service credit payments; prior applications for benefits.** *Subd. 1. Payments heretofore made into the retirement fund in order to obtain service credit, by persons who became members of the association prior to July 1, 1951, shall for all purposes of laws 1951, Chapter 441, Section 10, as amended, or of other provisions of this chapter, be declared to be in full compliance of all the provisions thereof.*

*Subd. 2. Applications for annuities and retirement allowances made between July 1, 1957 and July 1, 1959, pursuant to Minnesota Statutes 1957, Section 352.115, Subdivision 5, by members qualified to do so, who filed applications for annuities less than 30 days prior to the last day they were paid salary, or after state service had terminated, shall be considered for the purposes of entitlement to benefits under this chapter, and for the commencement of payments therefor during said period, to be in full compliance with all the provisions thereof.*

Sec. 24. Minnesota Statutes 1957, Section 352.26, is amended to read:

**352.26 Finality of board's decision; teachers' retirement**

**fund, eligibility.** *Subdivision 1.* The final power to determine the status of any individual in the employ of the state for the purposes of this chapter is vested in the retirement board and its decision is final.

*Subd. 2.* Any individual who has made contributions to the retirement fund for a period of five years and who thereafter continuing in state service become eligible to membership in the state teachers retirement fund shall have the option of continuing as a member of the state employees retirement association if he so desires but in the event he exercises such option he shall not be entitled to membership in the teachers retirement fund. This option shall also extend to any member of the state employees retirement association who has been required to become a member of the state teachers retirement fund subsequent to December 30, 1957.

Sec. 25. Minnesota Statutes 1957, Section 352.27, is amended to read:

**352.27 Credit for military service.** Any employee given a leave of absence to enter military service and who returns to state service upon discharge from military service as provided in Minnesota Statutes, section 192.262, shall obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such member shall obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be six percent of his salary not to exceed \$4800 in any calendar year plus interest at four percent per annum compounded annually. *Such payments shall be reduced by the amount of the social security tax that would have been transferred to the social security contribution fund for the calendar years 1956 and 1957, or any portion thereof, had the member been receiving salary from the State of Minnesota and assuming such salary received would have been the salary received upon his return to state service.* In such cases the matching employer contribution and additional contribution provided in section 352.04 shall be paid by the department employing such member upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.

Sec. 26. **352.28 Preservation of provisions of earlier laws.** *Subd. 5.* In case any member who was removed from membership under the provisions of Minnesota Statutes

1957, Section 352.021, Subdivision 1, died before he was returned to membership as provided in Extra Session Laws 1957, Chapter 18, Section 15, there shall be paid beginning upon the day following his death, to his surviving spouse and dependent children, the survivor benefits specified in Minnesota Statutes, Section 352.117, Subdivisions 1 and 2, provided application for such benefits are made on or before October 1, 1959; and provided further that if refundment of accumulated deductions has been made, such refundment shall be fully repaid to the association prior to the accrual of rights under this subdivision.

Subd. 6. (a) Any person who at June 30, 1957, was a member of the retirement association with credit for not less than five years service as such member and who because of age restrictions under the state civil service law was not permitted to continue in his employment through December 31, 1957, on which date he would have been covered under the provisions of the federal social security act had he been in such employer-employee relationship and a member of the retirement association on that date, shall be entitled to a retirement allowance from the retirement fund computed as provided in Minnesota Statutes 1953, Section 352.11, Subdivision 1 (2) as amended by Laws 1955, Chapter 239, Section 13.

(b) The provisions of this subdivision shall also apply to any member of the retirement association who was not covered under federal social security on December 31, 1957, because the federal social security law did not permit it, and who, because of age restrictions under the state civil service law, was not permitted to continue his employment and was thereby prevented from being covered under the provisions of the federal social security act on October 31, 1958, as he would have been if in such employer-employee relationship and a member of the retirement association on that date.

(c) Application for any annuity authorized by this subdivision must be made on or before October 1, 1959; payments thereof to begin on the first day of the calendar month following the month in which state service terminated.

Sec. 27. [352.241] Refundment of amounts paid to receive additional service credits. Any member qualified to do so, to whom Section 352.24 of this chapter applies, who has made payment permitted by that section to obtain additional service credit as therein provided, who reaches the compulsory retirement age, under either the state civil service law or the compulsory retirement age fixed by the board of regents of

*the University of Minnesota or the state college board, prior to the time he has acquired ten years service credit as a member of the association, and who therefore would not be entitled to any retirement benefits under this chapter, shall upon his application in writing be entitled to refundment of the amount paid by him for such additional service credit.*

**Sec. 28. [352.71] Retroactive social security tax, payment.** *Subdivision 1. Any person who was a member of the retirement association on December 31, 1957, and who prior thereto had taken a refundment or refundments of his accumulated salary deductions for the calendar years 1956 and 1957 or any part thereof, with the result he did not then have to his credit in the fund the sums required for the retroactive social security tax for those years or any part thereof, is required to pay into the retirement fund a sum sufficient to pay such social security tax with interest at four percent per annum; and any such person who again left state service without having made the payment required for the retroactive social security tax and without having had deducted from his salary for the retirement fund a sum sufficient to pay such tax, is required to pay to the association such tax with interest at four percent per annum.*

*Subd. 2. Any member of the retirement association who did not have to his credit in the retirement fund a sum over and above an amount sufficient to pay the required retroactive social security tax at the time state service terminated subsequent to December 31, 1957, is not entitled to a refundment from the retirement fund, and the transfer therefrom of the amount of such tax to the social security contribution fund shall be considered the equivalent of a refundment of the amount thereof and shall terminate all rights and benefits to which the member was entitled immediately prior thereto from the retirement fund. Such rights and benefits may be restored thereafter by making payment to cover the salary deductions required for the periods of service involved at the deduction rate in effect at the time the service was rendered less payment, if any, made to obtain the retroactive social security coverage. Such payment for restoration of service credit shall be made as provided in section 352.23.*

**Sec. 29. Minnesota Statutes 1957, Section 352.35, is amended to read:**

**352.35 Refundment, limitation upon time for application.** *If a former member of the association does not apply for refundment within five years after the last deduction was taken from his salary for the retirement fund, and the total*

amount of his accumulated deductions is not over \$25, such accumulated deductions shall be credited to and become a part of the retirement fund. In the event the former member should return to state service and become a member of the retirement association, the amount so credited to the retirement fund shall be restored to his individual account.

Sec. 30. Minnesota Statutes 1957, Section 352.36, Subdivision 2, is amended to read :

**352.36 Unclaimed annuities.** Subd. 2. *If the beneficiary or beneficiaries of a deceased member or former member, or of an annuitant should die before receiving a refundment of the sum to the credit of the deceased member, former member or annuitant at the time of his death, the refundment shall be made to the estate of the deceased member.*

Sec. 31. Minnesota Statutes 1957, Section 352.63, Subdivision 3, is amended to read :

**352.63** Subd. 3. *When any person retires who on July 1, 1957, had ten or more years of allowable service as a member and who does not qualify for old age and survivors primary benefits, he shall have the option to receive the annuity provided in subdivisions 1 and 2 or the annuity provided in Minnesota Statutes 1953, section 352.11 as amended by Laws 1955, Chapter 239, but without rights to a reversionary annuity; provided however, that in the event he becomes eligible to receive the primary social security benefit, the provisions of section 352.63, subdivisions 1 and 2 shall apply for the purpose of ascertaining his retirement benefit under this section.*

Sec. 32. Minnesota Statutes 1957, Section 352.67, is amended to read :

**352.67 Disability benefits.** *The disability benefit shall be computed in the manner provided in section 352.63, and in addition, the member shall be paid \$50 per month until he becomes eligible to receive either the primary benefit or the disability benefit under the Federal Social Security Act. Upon becoming eligible to receive a benefit under the Federal Social Security Act, the \$50 a month payment terminates. The total disability benefit paid including the \$50 monthly, as aforesaid, from the retirement fund shall be limited to 50% of the salary upon which it is based. The disability benefit shall be the "normal" annuity without reduction for each month the member is under age 65 at the time of retirement. The optional annuities provided for in section 352.64 and the provision in*

*section 352.113, subdivision 1, that "benefits computed under subdivision 2 of this act shall be reduced by the amount of disability benefits paid under the federal act" do not apply to this section. Provided, however, that the provisions of this section shall be operative only through June 30, 1961; but members whose total and permanent disability shall have been established prior to July 1, 1961, shall continue to receive the disability benefits provided herein so long as the total and permanent disability continues.*

Sec. 33. Minnesota Statutes 1957, Section 352.68 is amended to read:

**352.68 Military service credit.** After any agreement or modification is made pursuant to section 352.69, an employee given a leave of absence to enter military service and who returns to state service upon discharge from military service as provided in Minnesota Statutes, Section 192.262 shall obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such members shall obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be three percent of his salary not to exceed \$4800 in any *calendar year plus interest at four percent per annum compounded annually*. In such cases the matching employer contribution and additional contribution shall be paid by the department employing such member upon his return to state service from funds available to the department.

Sec. 34. Minnesota Statutes 1957, Sections 352.30 and 352.021, subdivision 4, are hereby repealed.

Sec. 35. This act takes effect July 1, 1959.

Approved May 11, 1959.

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EXTRA SESSION

CHAPTER 7—H. F. No. 19

[Not Coded]

*An act relating to the municipal court of the City of Minneapolis; providing for a clerk and deputy clerks of the*