

free admission to any state high or graded school in any other district in which such courses are provided.

For the purpose of securing tuition reimbursement under this act high school courses of instruction shall mean instruction for pupils who have completed the eighth grade.

Sec. 2. Reimbursement from state funds.—Such state high or graded school district shall be entitled to tuition reimbursement from state funds for each such non-resident pupil at the rate of three (\$3.00) dollars per school month, or major fraction thereof, for not to exceed ten (10) months in any school year.

No central school district may claim such tuition reimbursement for any pupil resident in any of its associated school districts.

Sec. 3. Report to state high school board.—All claims for tuition reimbursement from state funds shall be reported to the state high school board or the state board of education, which board shall also establish rules for such reporting and shall make provisions for the payment of such tuition from the available current school fund; provided, that in all cases where such non-resident pupil is a resident of a state aided rural district the amount provided by the provisions of this act shall, by the disbursing board, be deducted from the aid otherwise going to such rural district in all cases where such state aided rural district does not levy at least six mills or more upon the property of such district for school purposes.

Sec. 4. Inconsistent acts repealed.—Section 2799, paragraph 2, General Statutes 1913; paragraph C, section 13, chapter 296, Laws 1915; all of section 14, chapter 296, Laws of 1915, and all other acts or portions of acts inconsistent herewith are hereby repealed.

Sec. 5. Effective July 1, 1919.—This act shall take effect and be in force from and after July 1st, 1919.

Approved April 25, 1919.

CHAPTER 522—H. F. No. 914.

An act authorizing and providing for the establishment of retirement board and for the payment of retirement allowances to employees of cities of the state of Minnesota having over 50,000 inhabitants not governed under a home rule charter, to provide the funds therefor and to define the procedure for the administration thereof.

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

Section 1. Retirement allowances.—Each city of the state of Minnesota now or hereafter having over 50,000 inhabitants and not governed under a charter adopted pursuant to section 36, article 4, of the state constitution, in addition to other pow-

ers by it possessed, is hereby authorized and empowered to pay retirement allowances to retired employees thereof as hereinafter specified.

Sec. 2. Expense and retirement fund.—For the purpose of this act there shall be created (1) an expense fund and (2) a retirement fund.

(a) The "expense fund" shall consist of such amounts as shall be paid by the city on the basis of statements submitted by the retirement board to defray the expense of the administration of this act, exclusive of the payment of retirement allowances and of other benefits provided for in this act.

(b) The "retirement fund" shall consist of such amounts as are deposited in the fund by or to the account of city employees and such amounts as shall be contributed by the city, for the purpose of the paying of retirement allowances.

Sec. 3. Definition.—The following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meanings:

(a) "Service allowance" shall mean the allowance to which an employee may be entitled who retires from the city service after having attained the minimum established age for retirement.

(b) "Disability allowance" shall mean the allowance to which an employee may be entitled who retires from the city service as a result of disability before having attained the minimum established age for retirement.

(c) "Retirement allowance" shall mean either a service allowance or a disability allowance.

(d) "Annuity" shall mean payments for life derived from contributions made by an employee, as provided in this act.

(e) "Pension" shall mean payments for life derived from credits allowed and appropriations made by the city, as provided in this act.

(f) "Supplementary allowance" shall mean the allowance which may be granted to a present incumbent, division "B," in addition to a pension and an annuity.

(g) "Present incumbent" shall mean an employee who is in the service of a city at the date the provisions of this act become effective therein, who elects to become a contributor to and a prospective beneficiary of the fund created by this act.

(h) "Future entrant" shall mean an employee who enters the service of a city at a date subsequent to the date when the provisions of this act become effective therein, who becomes a contributor to the retirement fund.

(i) "Actuarial equivalent" shall mean the annual amount, determined by calculations based on mortality tables, purchasable with a given amount at a stated age.

(j) "Accumuated amount" shall mean the amount to which any given instalment or periodic instalments of money would accumulate when increased by interest additions compounded at regular intervals.

(k) "Net accumulated contributions" shall mean the amount standing to the credit of any contributor after deducting annual premium charges for disability allowances.

(l) "Established age" shall mean the minimum age for retirement of an employe on a service allowance, as specified by the rules of the retirement board.

(m) "Separation refund" shall mean the amount returned to an employe who is separated from the service of the city prior to having become entitled to a retirement allowance, or to his or her heirs, executors or assigns.

(n) "Present worth" of an annuity, pension or retirement allowance shall mean the value or cost price thereof at the date of retirement or other date, when specified.

(o) "Actuarial deficit or surplus" of an allowance or of allowances shall mean the difference between the estimated cost of said allowance or allowances and the actual cost thereof.

(p) "Employe" as herein used shall mean each and every person not an elective officer of said city, paid by the city or any of its various boards, departments, or commissions, and any person employed by any of the various boards, departments or commissions operating as a department of the city government or independently in care of any of its governmental activities, the funds of which board, department, or commission are wholly or in part raised by taxation in such city, and each and all of the employes of such boards, departments, or commissions, the funds of which boards, departments, or commissions are raised wholly or in part by taxation upon the property in such city, shall be entitled to all of the privileges conferred by this act to the same extent as persons employed directly by the municipality.

Sec. 4. When effective.—Any person who shall have been employed by a city to which this act applies, and who shall have fulfilled the conditions herein specified, shall be entitled to receive a retirement allowance therefrom, as set forth in the provisions of this act; provided, however, that the provisions of the act shall not apply to an employe in the exempt class, except on application of said employe, and with the consent of the retirement board, and provided further that no retirement allowance shall be paid any retired employe of such city prior to the expiration of the calendar year next succeeding the date this act becomes effective therein.

The minimum age for retirement on a service allowance, except as otherwise provided, shall be established by the retire-

ment board, may be greater for men than for women, may differ for different classes or grades of employment, but shall not be less than 60 years for men and 58 years for women, nor greater than 65 years for men and 63 years for women. The ages so established shall not be subject to revision prior to the expiration of a five-year period from the establishment thereof. The ages that are first established shall be the minimum ages for retirement of employees who are then in the service and of future employees who enter the service prior to a revision thereof. Any revised schedule of ages shall be the ages for retirement of employees who enter the service subsequent to said revision and prior to a later revision.

Subject to the limitations stated in this act, any employee not in the exempt class who shall have attained the established age for retirement shall be entitled to retire, and any such employee who shall remain in the service of the city for five years thereafter, shall be retired, and receive a service allowance as specified in this act; provided, that if in not less than 90 days before the arrival of an employee at the age of compulsory retirement, the head of the department, branch or independent board of the municipality in which he or she is employed, certifies to the retirement board that by reason of his or her efficiency and his or her willingness to remain in the service of the municipality the continuance of such an employee therein would be advantageous to the public service, such employee may be retained for a term not exceeding two years upon certification by the retirement board, and at the end of the two years he or she may, by similar certification, be continued for one additional term not to exceed three years.

Sec. 5. Classification of employees.—Employees of the city shall be divided into a contributing class, a non-contributing class and an exempt class.

The contributing class shall consist of all employees not included in either of the other two classes, and shall be subdivided into present incumbents, employees in the service of the city at the date this act becomes effective therein, who elect to become contributors to and prospective beneficiaries of the fund created by this act, and future entrants, employees who enter the service of the city subsequent to the date this act becomes effective therein.

The non-contributing class shall consist of all employees, including common laborers, whose individual salaries, pay or compensations do not exceed \$750.00 per annum.

The exempt class shall consist of:

(a) Employees who are members of, or who are eligible to become members of, an organization or association on behalf of which a tax is levied against the city for the purpose of

paying retirement allowances to disabled or superannuated employees.

- (b) Persons filling elective positions.
- (c) Persons serving without pay.
- (d) Persons serving on executive boards.
- (e) Non-resident employees.
- (f) Pupil nurses, interns and staff physicians employed at the city hospitals.
- (g) Employees in the service of the city at the time this act is adopted, who, after its adoption, have not given written notice of a desire to accept the provisions of this act.
- (h) Persons not citizens of the United States.

The provisions of this act shall not apply to employees in the exempt class.

Sec. 6. Retirement allowance for employees in the non-contributing class including common laborers.—A retirement allowance, payable in equal monthly installments shall be granted to any laborer or other employe in the non-contributing class who satisfies the conditions hereafter specified.

Such retirement allowance shall be the actuarial equivalent of the accumulated amount of monthly installments of \$12.50 throughout the period of service of the retiring employe, accumulated to the date of retirement at four per cent compound interest; provided, that no such allowance shall exceed \$500.00 per annum.

Upon receipt of proof of death of any common laborer or other employe in the non-contributing class who has fulfilled the minimum age and service requirements for retirement on an allowance, (a) who is employed by the city, or (b) who is temporarily separated from the service of the city, or (c) who has been retired on an allowance, there shall be paid to the heir or heirs of such employe or to such trustee or trustees as the retirement board may select, the sum of \$150.00.

In order to be entitled to a retirement allowance, a common laborer or other employe in the non-contributing class shall be a resident of the city, shall have been employed thereby for a period which in the aggregate shall equal 20 or more periods of five or more months each in not to exceed an equal number of years, the last two of which shall have immediately preceded the date of retirement, and in addition thereto shall either (1) have attained the age of 55 years and have been declared by the medical board to be incapacitated for further service to the city or (2) shall have attained the age of 70 years.

(a) The retirement board may require any such beneficiary while still under the age of 70 years, to undergo a medical examination by the medical board once each year. Should the medical board report and certify to the retirement board that such beneficiary is no longer physically or mentally incapacitated

tated for the performance of duty, such retirement allowance shall cease and the head of the department in which such beneficiary was employed at the time of his retirement shall, upon notification by the retirement board, re-employ said beneficiary.

(b) Should any such retired beneficiary, while under the age of 70 refuse to submit to at least one medical examination in any year by a physician or physicians designated by the medical board, his pension shall be discontinued until the withdrawal of such refusal, and should such refusal continue for one year, all his rights in and to the retirement allowance shall be forfeited.

(c) Upon application of any such beneficiary under the age of 70, drawing a pension or a retirement allowance under the provisions of this act, approved by the retirement board, said beneficiary may be restored to active service by the head of the department in which said beneficiary was employed at the time of his retirement. Upon the restoration of a beneficiary to active service, his retirement allowance shall cease.

Sec. 7. Retirement allowances for employes other than common laborers.—(a) The retirement allowances for present incumbents in the contributing class who are over 50 years of age at the date this act becomes effective, entitled present incumbents, division "A," shall consist of the allowance provided for the appropriate group in the following schedule:

Class A shall include all employes to whom this act applies who shall have served the city for a total period of thirty years or more.

Class B shall include all employes to whom this act applies who shall have served the city for a total period of 25 years or more.

Class C shall include all employes to whom this act applies who shall have served the city for a total period of 20 years or more, but less than 25 years.

The service allowance to a retired employe in class A shall equal 60% of such employe's average annual basic salary, pay or compensation from the said city for the 10 years next preceding the date on which he or she retired; provided, that in no case shall a pension in this class exceed \$600.00 per annum for persons under 65 years of age, or \$660.00 for persons over 65 years of age.

The service allowance to a retired employe in class B shall equal 50% of such employe's average annual basic salary, pay or compensation from the said city for the 10 years next preceding the date on which he or she retired; provided, that in no case shall a pension in this class exceed \$500.00 per annum for persons under 65 years of age or \$550.00 for persons over 65 years of age.

The service allowance to a retired employe in class C shall equal 40% of such employe's average annual basic salary, pay or compensation from the said city for the 10 years next preceding the date on which he or she retired; provided, that in no case shall a pension in this class exceed \$400.00 per annum for persons under 65 years of age or \$440.00 per persons over 65 years of age.

(b) The service allowances for present incumbents in the contributing class who are less than 50 years of age at the date this act becomes effective, entitled present incumbents, division "B," shall consist of an "annuity," a "pension" and a "supplementary allowance" as herein defined.

(c) The service allowances for future entrants in the contributing class shall consist of an "annuity" and a "pension" as herein defined.

(d) The annuity shall be the actuarial equivalent of the net accumulated contributions of the retiring employes, calculated at his or her age at the date of retirement.

(e) The pension shall be the actuarial equivalent of the accumulated amount of annual installments of \$60.00 throughout the period of service of the retiring employe, not to exceed 25 years, accumulated to the date of retirement at 4% compound interest.

(f) The supplementary allowance shall be the actuarial equivalent of the net accumulated amount of the contributions which a retiring present incumbent, division "B" would have been required to make during the period of employment by the city prior to the date this act became effective therein, had this act been in effect throughout that period, accumulated at 4% compound interest to the date of retirement.

(g) Except as otherwise provided in this act, the amount of service of an employe shall be computed from the date of original appointment and shall include periods of service at different times and service for one or more departments, branches or independent boards of the municipality. It is further provided that in computing length of service of contributing employes for the purpose of this act, periods of separations from the service shall not be included.

(h) Retirement allowance as herein provided shall be paid monthly and checks shall be issued and mailed to the last known address of the beneficiary on the first Wednesday of the month succeeding the month in which the allowances become due; provided, however, that where a beneficiary is laboring under legal disabilities the allowances in such cases may be paid to the duly appointed guardian.

Sec. 8. Disability allowances.—Upon the application of the head of the department in which a contributing employe is employed, or upon the application of said contributing employe or of one acting in his behalf, the retirement board shall retire said contributor

for disability, provided the medical board, after a medical examination of said contributor made at the place of residence of said contributor or at a place mutually agreed upon, shall certify to the retirement board that said contributor is physically or mentally incapacitated for the performance of further service to the city and that said contributor ought to be retired.

(a) Disability of an employe resulting from injury received in the performance of the duties of the city service shall be defined as accident disability. Disability incurred as a result of injury not connected with the performance of such service shall be defined as ordinary disability. In order to be entitled to a retirement allowance for ordinary disability an employe shall have rendered ten or more years of service to the city.

Both the ordinary disability allowance and the accident disability allowance for a present incumbent, division "A" shall equal 30% of such employe's average annual basic salary, pay or compensation from the city for the 10 years next preceding the date on which he or she retires; provided, that in no case shall a disability allowance in this class exceed \$360.00 per annum.

The ordinary disability allowance to a retired present incumbent, division "B" and to any future entrant shall be the actuarial equivalent of the net amount to which the contributions already made by the employe and the credits allowed or contributions already made by the city on his or her behalf would accumulate if allowed to remain at 4% compound interest until the earliest permissible date for retirement on a service allowance.

The accident disability allowance to which a retired present incumbent, division "B," or a retired future entrant may be entitled shall equal the actuarial equivalent of the net amount which would be accumulated to the credit of the employe if his or her annual contributions at the time of disability and the annual credits or contributions of the city were continued to the earliest permissible date for retirement on a service allowance, interest for such period being calculated at 4% compound interest.

Any employe eligible to an accident disability allowance who may also be entitled to an allowance under a workmen's compensation act, may elect to accept the latter benefit in place of the former, or vice versa, but shall not be permitted to accept both. In case such an employe accepts the benefits provided under the workmen's compensation act he or she shall be entitled to a refund of his or her net accumulated contributions.

At the close of each fiscal year a charge shall be entered against the account of each contributing employe, which shall be one-half the premium or yearly cost of the risk on behalf of disability retirement.

(b) Once each year the retirement board may require any di-

ability beneficiary while still under the established age for retirement to undergo medical examination by a physician or physicians designated by the retirement board, said examination to be made at the place of residence of said beneficiary or other place mutually agreed upon. Should the medical board report and certify to the retirement board that such disability beneficiary is no longer physically or mentally incapacitated for the performance of duty, his or her allowance shall be discontinued and the head of the department in which said beneficiary was employed at the time of his retirement shall upon notification by the retirement board of such report of the medical board, re-employ said beneficiary at a rate of salary not less than the amount of his or her retirement allowance, but after the expiration of five years subsequent to the retirement of such beneficiary his restoration to duty, notwithstanding the recommendation of the medical board, shall be optional with the head of the department.

(c) Should any disability beneficiary while under the established age for retirement refuse to submit to at least one medical examination in any year by a physician or physicians designated by the medical board, his or her allowance shall be discontinued until the withdrawal of such refusal, and should such refusal continue for one year, all his or her rights in and to any retirement or disability allowance constituted by this act shall be forfeited.

(d) Upon application of any beneficiary under the established age for retirement drawing a pension or a retirement allowance under the provisions of this act, approved by the retirement board, said beneficiary may be restored to active service by the head of the department in which said beneficiary was employed at the time of his retirement. Upon the restoration of a beneficiary to active service, his or her retirement allowance shall cease.

(e) The medical board shall consist of the city physician, a physician to be selected by the retirement board, and a physician to be selected by the employe.

Sec. 9. Optional retirement allowances.—At the time of his or her retirement any beneficiary may elect to receive his or her benefits in a retirement allowance payable throughout life or may on retirement elect to receive the actuarial equivalent at that time of his or her annuity, pension or retirement allowance in a lesser annuity, or a lesser pension, or a lesser retirement allowance, payable throughout life, with the provision that:

Optional 1. If said beneficiary die before receiving in payments the present value of his or her annuity, pension, or retirement allowance, as it was at the time of his or her retirement, the balance shall be paid to his or her legal representatives or to such person, having an insurable interest in his or her life, as said beneficiary

shall nominate by written designation duly acknowledged and filed with the retirement board at the time of retirement, or

Option II. Upon the death of the beneficiary, his or her annuity, pension, or retirement allowance, shall be continued throughout the life of and paid to such person, having an insurable interest in his or her life, as said beneficiary shall nominate by written designation duly acknowledged and filed with the retirement board at the time of retirement, or

Option III. Upon death of the beneficiary one-half of his or her annuity, pension, or retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his or her life, as said beneficiary shall nominate by written designation duly acknowledged and filed with the retirement board at the time of retirement, or

Option IV. Other benefit or benefits shall be paid the beneficiary or such other person or persons as said beneficiary shall nominate, provided such other benefit or benefits shall be certified by the executive secretary of the retirement board to be of equivalent actuarial value and shall be approved by the retirement board.

Sec. 10. Refunds.—(a) In case of an employe to whom this act applies who shall become absolutely separated from the service without being entitled to a retirement allowance the total net accumulated amount of deductions from his or her salary, pay or compensation, made for the purpose of accumulating a fund from which to pay retirement allowances, shall be returned to such employe with accrued interest.

(b) Upon the death of a contributor before retirement there shall be paid to his or her estate or to such person as he or she shall have nominated, the net accumulated salary deductions standing to his or her credit.

(c) Upon reinstatement of a former employe to the service, credit for such past service or for any part thereof shall be granted only upon repayment within 90 days of such reinstatement of the amount of the separation refund, with interest from the time of separation; provided this provision shall not apply to service rendered prior to the date that this act becomes effective.

Sec. 11. Contributions from employes.—(a) Beginning on the first day of the year next succeeding that in which this act becomes effective in any city, and thereafter throughout the period of employment, there shall be deducted and withheld from the basic salary, pay or compensation of each present incumbent in division "A," \$2.00 per month; and from the basic salary, pay or compensation of each future entrant and of each present incumbent, division "B," the following percentage of salary, pay or compensation:

Employes who enter the service at 20 years of age or younger, 3% of salary, pay or compensation; employes who enter the service

at 45 years of age or older, 8% of salary, pay or compensation; employees who enter the service after the age of 20 and prior to age 45, a percentage of salary, pay or compensation, which shall be equal to 3%, plus as many times $\frac{2}{10}$ of 1% as the age of the employee exceeds 20 at the time service begins.

Every employee to whom this act applies who shall continue in the service after the passage of this act, as well as every person to whom this act applies who may hereafter be appointed to a position or place, shall be deemed to consent and agree to the deductions made and provided for herein, and payment with such deductions, for service, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all services rendered by such person during the period covered by such payment; except his or her claim to the benefits to which he or she may be entitled under the provisions of this act.

(b) No present incumbent, in division "A," shall be paid a retirement allowance until he or she has contributed to the retirement fund, in not more than 60 equal monthly instalments, an amount equal to \$2.00 per month, with accumulated interest, for the period of service rendered by such employee prior to the date this act became effective in such city, but not to exceed 15 years. In the event that any such employee be retired before he or she has paid into the retirement fund the above indicated amount, the instalments of the retirement allowance to which such employee would otherwise have been entitled shall be applied to the payment of such sums as are due and payable to the retirement fund, and such employee shall not receive any money as a retirement allowance under the provisions of this act until all sums due from said employee have been paid in full.

(c) No employee shall be required to contribute to the retirement fund for a period in excess of 30 years; all contributions made thereafter to said fund shall be voluntary.

(d) Subject to such terms and conditions and to such rules and regulations as the retirement board may adopt, any contributor, from time to time may:

(1) Increase or decrease his or her rate of contribution to the retirement fund, but in any event shall the contribution be less than the minimum contribution specified in the provisions of this act.

(2) Withdraw from his or her individual account in the retirement fund the amount in excess of the minimum accumulation resulting from the deductions specified in the provisions of this act.

(3) Withdraw, after having become eligible for service retirement, such part of his or her net accumulated contributions as shall be in excess of the amount necessary to procure the minimum annuity to which he or she would be entitled at the expiration of 30 years of service.

Sec. 12. Individual record of credits required.—The city comptroller or other person having supervision of the payment of salaries to employes shall cause the deductions to be withheld from all specific appropriations for the particular salaries or compensation from which the deductions are made and from all allotments out of lump sum appropriations for payments of such salaries or compensation for each fiscal year; and a record of said sums shall be entered to the credit of the various employes from whose salaries deductions have been made. The amount of said deductions shall be deposited with the city treasury and credited to the retirement fund.

Salary deductions to the credit of an employe shall bear semi-annual interest, the rate therefor being the average rate of income from the invested portion of the retirement fund; provided, however, that interest shall not be calculated at a rate less than the average rate paid on savings deposits by the bank of the city.

At the end of each calendar year and throughout the first 300 months of actual employment there shall be entered to the credit of each employe from whose salary or compensation deductions are made, a credit of \$60.00 per employe, the accumulated amount of which shall be charged to the municipality and payable by the municipality. It shall be the duty of the proper authorities to levy from time to time a sufficient sum in addition to all other sums to be levied by taxation to meet the liabilities against the municipality created thereby.

Sec. 13. City treasurer to be custodian.—The city treasurer shall be the custodian of the fund or funds created by this act.

For the purpose of meeting disbursements for retirement allowances and other payments in excess of the receipts, there may be kept an available fund, not exceeding ten per centum of the total amount in the several funds created by this act on deposit in any bank in the city, organized under the laws of the state of Minnesota or under the laws of the United States, or with any trust company incorporated under any law of the state of Minnesota; provided said bank or trust company shall furnish adequate security for said funds; and provided that the sum so deposited in any one bank or trust company shall not exceed twenty-five per centum of the paid-up capital and surplus of said bank or trust company.

Except as herein provided, no trustee or any person connected with the retirement board shall have any interest, direct or indirect, in the gains or profits of any investment made by the retirement board, nor, as such, directly or indirectly, receive any pay or emoluments for his or her services. No trustee or person connected with said retirement board, directly or indirectly, for himself or herself, or as an agent or partner of others, shall borrow any of its funds or deposits, or in any manner use the same, except to make such

current and necessary payments as are authorized by the board of trustees; nor shall any trustee or person connected with said retirement board become an endorser or surety or become in any manner an obligor, for moneys loaned or borrowed of said retirement board.

Sec. 14. Financial responsibility of city.—Interest as provided for in this act and the payment of all pensions, annuities, retirement allowances, refunds and death benefits granted by the retirement board under the provisions of this act are hereby made obligations of the city. All income, interest and dividends derived from deposits and investments authorized by this act shall be placed to the credit of the retirement fund.

Prior to August 31st of each successive year the retirement board shall prepare an itemized statement showing (1) the aggregate present worth of all retirement allowances and portions thereof chargeable against the city on behalf of employees who were retired during the twelve months ending with the last preceding month of June, (2) the net aggregate of the amounts credited to the employees and charged to the city during the preceding fiscal year, (3) the actuarial deficit or surplus for the preceding fiscal year and (4) an estimate of the administrative expense of the retirement board for the next succeeding fiscal year. This statement shall be submitted to the board of tax levy or other corresponding body, on or before the first day of the next succeeding month of September, together with such recommendations as the retirement board deem advisable. The said board of tax levy or other corresponding body, shall thereupon make an appropriation for the benefit of the retirement fund which shall be not less than the sum of the estimated administrative expense and the said net present worth of all retirement allowances and portions thereof chargeable against the city on behalf of employees who were granted allowances during the twelve months ending with the last preceding month of June, increased or decreased, as the case may be, by the actuarial deficit or surplus for the preceding fiscal year.

It shall be the duty of the city council or other chief governing body of such city, in addition to all other taxes levied by such city, to annually levy a tax for such purpose and such tax when levied shall be extended upon the county lists and collected and enforced in the same manner as other taxes levied by such city are extended, collected and enforced. The proceeds of such taxes shall be paid into the city treasury to the credit of the retirement fund, which shall constitute and remain a special fund and shall be used only for the payment of obligations created, pursuant to the provisions of this act.

The rate of interest to be used as a basis for calculations, except as otherwise specified, shall be the average rate of interest received

from the invested portion of the retirement fund, but not less than the average rate of interest paid by the banks of the city on savings deposits, calculated to the nearest one-fourth per cent.

Sec. 15. Retirement board.—A retirement board of five members is hereby constituted which shall consist of the following:

(a) Mayor.

(b) The city comptroller or corresponding official.

(c) The chairman of the ways and means committee of the city council or corresponding member of the chief governing body of the city.

(d) Two legally qualified voters of the city, residents thereof for the preceding five years, to be chosen by the employes of the city who are contributors to the retirement fund created by this act. Said employers are hereby authorized to form an association for that purpose. The person first selected shall be chosen to serve for one year from the first of the next succeeding January after his appointment, the second for two years from the first of the next succeeding January after his appointment, after the expiration of which times the respective successors in office shall be appointed to serve for a term of two years, and each shall continue to serve until his or her successor is duly elected. The first two representatives chosen in any city shall be chosen during the first week of June after this act becomes effective therein. Thereafter, such selection shall be made by the employes during the first week of December of each year. Vacancies occurring by death, resignation, or removal of such representative shall be filled by representatives chosen by the employes.

Sec. 16. Board to be trustees of various funds.—(a) The members of the retirement board shall be the trustees of the several funds created by the act, and shall have exclusive control and management of said funds, and shall have power to invest the same, subject, however, to all the terms, conditions, limitations, and restrictions imposed by law upon savings banks in the making and disposing of their investments; and subject to like terms, conditions, limitations, and restrictions, said trustees shall have full power to hold, purchase, sell assign, transfer, or dispose of any of the securities and investments in which any of the funds created by the act shall have been invested as well as of the proceeds of said investments, and of the money belonging to said funds, except that any reserve built up from the city's contributions shall be invested in bonds of that city in preference to other bonds paying an equal or a less rate of interest.

(b) All payments from the funds created by this act shall be made by the treasurer of the city only upon warrant signed by the president of the retirement board and countersigned by the execu-

tive secretary, and no warrant shall be drawn except by order of the retirement board duly entered in the records of its proceedings.

(c) The retirement board is hereby authorized and empowered in carrying out the provisions of this act to establish special funds supplementing individual contributions by the employes and to receive, invest and disburse for such purpose all moneys in the form of donations, gifts, legacies, bequests, or otherwise, which may be contributed by private individuals or corporations or organizations for the benefit of the city employes generally, or any special employe or class of employes of the city.

Sec. 17. To serve without compensation.—The members of the retirement board shall serve without compensation but shall be reimbursed for any necessary expenditures and no employe shall suffer loss of salary or wages through serving on the retirement board.

(b) Every member of the retirement board shall take a similar oath of office as taken by other employes of the city, and such oath shall be subscribed to by each member and filed with the city clerk of said city.

(c) The retirement board shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds and accounts created by this act.

(d) The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning employes, pensions, and annuities; and said retirement board shall submit said report to the mayor of the city and shall file at least one copy thereof with each board or department for the use of its members.

(e) The retirement board shall prepare and keep all needful tables, records, and accounts required for carrying out the provisions of this act, including data showing the mortality and disability experience of the officers and employes of the service and the date of withdrawal from such service, and any other information that may serve as a guide for future valuations and adjustments of the plan for the retirement of officers and employes.

(f) Mortality tables shall be adopted as a basis of calculation for retirement allowances, which tables may be modified from time to time. Pending the action of the retirement board, McClintock's tables shall constitute the basis for all calculations.

(g) The retirement board shall perform such other functions as are required for the execution of the provisions of this act.

(h) For the purposes of this act, the retirement board shall possess the powers and privileges of a corporation, and as such may sue and be sued, and shall have the right to issue subpoenas and to compel the attendance of witnesses.

Sec. 18. Meetings of board.—(a) The retirement board shall meet on the second Tuesday of each calendar month of each year, and may adjourn from time to time. Special meetings may be held upon the call of the president. At the first regular meeting, which shall be held on the first Tuesday of July following the date this act becomes effective in any city, or as soon thereafter as practicable, the retirement board shall appoint an executive secretary, who shall have charge of the performance of the duties required by the provisions of this act, and shall appoint other necessary clerical help.

(b) The executive secretary and all other employes under the supervision of the retirement board shall possess all the rights and privileges and be subject to all the obligations and restrictions of other employes of the city. The compensation of all employes of the retirement board shall be fixed by said board.

(c) At the regular meeting in January of each year, the board shall elect one of its members as president, one member as vice-president, and one member as recording secretary, who shall hold office for one year or until successors have been elected and qualified. The president shall preside at all meetings at which he is present. In the absence of the president the vice-president shall preside and shall have all the powers of the president while acting as such. The recording secretary shall keep a record of all proceedings of such board, which shall be open to public inspection. At least one of the officers of said board shall be one of the representatives elected by the employes of said city to said board.

(d) Subject to the limitations of this act and of the law of the state, the retirement board shall from time to time establish rules and regulations for the administration of the fund or funds created by this act and for the transaction of its business. Roberts rules of order shall be the rules of order of the retirement board except as otherwise specifically adopted.

(e) For the purpose of administration, except as otherwise herein provided, the executive secretary, under the direction of the retirement board, shall be, and is hereby authorized and directed to perform or cause to be performed any and all acts and to make such regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

Sec. 19. Membership in independent retirement fund and relief associations.—In the event that the members of any retirement fund organization or relief association, on behalf of which a tax is levied against the city, surrender its charter or other legal right to demand the levy of such tax and cease to receive further contributions from either employes or from the city, then and in that case the trustees of such organization or association or other legally constituted representatives thereof shall transfer the total assets of

such organization or association to the retirement fund constituted by this act and the city shall thereupon assume and become responsible for the cost of the retirement allowance previously granted by such association or organization. Employees who were members of such organization or association or who were eligible to become members thereof shall thereupon automatically become subject to all the terms imposed by this act on contributing employees, except as hereinafter provided.

Any contributor to the retirement fund who theretofore has been a member of and a contributor to any such retirement fund organization or relief association who claims credit for service during the time of such membership, shall be required to pay into the retirement fund an amount equal to the difference between the accumulated amount that would have been contributed under the provisions of this act and the accumulated cost of membership in said organization or association, not including permissible refunds.

At the time of retirement of an employee on an allowance, any such employee shall be entitled to receive an allowance, in addition to other allowances, which shall be the actuarial equivalent of the net cost of such former membership.

On and after the passage of this act no employee of any city to which this act thereafter applies shall be required to become a member of any retirement fund or relief association or to contribute to any fund established for such purpose except a fund established pursuant to the terms of this act.

Sec. 20. Retiring employees to apply for allowances.—No disability or service allowance shall be granted to any employee who may become eligible for retirement as provided in this act until the said employee, or one authorized to act in his behalf, shall have filed with the retirement board, in such form as may be prescribed by said board, an application for such allowance; no instalment or instalments of any such allowance shall be paid for any period prior to the filing of said application and no instalment or instalments of a service allowance shall be paid for any period prior to the expiration of a period of 60 days subsequent to the filing of such application.

Upon receipt of satisfactory evidence the retirement board shall forthwith adjudicate the claim of the applicant, and, if title to the allowance be established, a proper certificate shall be issued to the retiring employee and such certificate shall become evidence of the right of the retiring employee to the allowance as herein provided.

Sec. 21. General statutory provisions.—None of the moneys mentioned in this act shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment or other legal process.

Sec. 22. Subject to supervision of state department of in-

urance.—On and after the passage of this act all organizations in any city in the state to which this act applies, existing for the purpose of paying retirement allowances or other benefits to civil employes of such city, and all funds from which such allowances are to be paid shall be subject to the supervision of the state department of insurance.

Sec. 23. **System to be ratified by voters.**—No such pension system shall be effective until it shall have been ratified by a majority of the votes of the electors of the city cast upon the question at a general or special election. The pension system shall provide for such submission.

Approved April 25, 1919.

CHAPTER 523—H. F. No. 943.

An act to amend Section 1 of Chapter 24, Laws 1907, and Section 8 of Chapter 24, Laws 1907, as amended by Chapter 318, Laws 1913, said Chapter 24, Laws 1907, being entitled, an act creating a fund and providing for the disbursement thereof, for pensions and relief by firemen's relief associations, in cities having a population of more than fifty thousand inhabitants.

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

Section 1. Service in army to be added to police service for pension purposes.—That section 1 of chapter 24, Laws 1907, be and the same is hereby amended so as to read as follows:

Section 1. Every firemen's relief association, now or hereafter organized in any city in this state having a paid fire department and now or hereafter having a population of more than fifty thousand (50,000) inhabitants which is now incorporated, or which may hereafter be incorporated under chapter 58, Revised Laws of Minnesota 1905, may pay out from any funds it may have heretofore received, or which it may hereafter receive, from the state of Minnesota, or any other source, pensions and relief money to any of its sick and disabled members, or for service pensions as hereinafter provided, in such amounts, and in such a manner, as its articles of incorporation and by-laws shall designate, not exceeding, however, the sum of \$40.00 per month to any of its pensioned members; provided, however, that any one who has served or is serving, on a paid municipal fire department, shall be placed on the service pension roll, upon his making application for the same, when he has complied with the following conditions: He shall have done active duty for a period of 20 years or more; he shall have arrived at the age of 50 years or more; he shall have been, or shall be, entitled to be retired from the service on the fire department; and, provided further, that no service pension shall be paid to any person while he remains a member of the fire department. *Where any mem-*