

Sec. 3. **Classification and definitions.**—That Subdivision (5) of Section 3026, General Statutes of 1923, be and the same is hereby amended to read as follows:

“(5) A junior high school shall be a school having a separate organization and employing a principal and two or more teachers giving instruction in the seventh, eighth and ninth years of the twelve-year public school course.”

Sec. 4. **Classification and definitions.**—That Subdivision (6) of Section 3026, General Statutes of 1923, be and the same is hereby amended to read as follows:

“(6) A senior high school shall be a school having a separate organization and employing a principal and two or more high school teachers giving instruction in the tenth, eleventh and twelfth years of the twelve-year public school course. It shall be located in a school district which maintains a junior high school and which employs a superintendent for the entire system of public schools in such school district.”

Approved April 15, 1929.

CHAPTER 191—S. F. No. 434

An act to establish a State Employes Retirement Fund, to authorize deductions from salary therefor and the payment of annuities and benefits therefrom, to provide for the management of said fund by a retirement Board, and to define the powers and duties of such board.

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

Section 1. **Words and phrases defined.**—That 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:

1. “State Employe” shall mean any person holding a state office or regularly employed by the state by the year or by the month in any capacity whatever and whose salary is paid either by warrant of the state auditor or from the fees or income of any department or agency of the state, excepting court commission-

ers, commissioners of the supreme court, district judges, and the president, deans, professors and instructors in the state university and in the state teachers' colleges, but shall not include temporary employes or those employed for a definite period of less than six months.

2. "Head of Department" shall mean the head of any department, institution or branch of state service which directly pays salaries out of its income or which prepares, approves and submits salary abstracts of its employes to the state auditor and state treasurer.

3. "Accumulated Deductions" shall mean the total of the amounts deducted from the salary of a member and credited to his or her individual account in the retirement fund, without interest.

4. "The Retirement Fund" shall mean and include the aggregate of all accumulated deductions from the salaries of members of the retirement association with accumulated interest therefrom.

Sec. 2. State employes retirement association created.—There is hereby established a state employes' retirement association the membership of which shall consist only of state employes. Membership in said association shall be optional on the part of the present state employes but all new state employes except elective state officers shall become members of said association by acceptance of state employment. Present employes who apply for membership in the retirement association prior to January 1, 1930, shall pay a membership fee of One Dollar (\$1.00) and present employes who apply for membership therein after January 1, 1930, shall pay a membership fee of Ten Dollars (\$10.00), but no present employe shall be eligible to apply for membership in the retirement association after July 1, 1931. In addition to such membership fee, every present employe who becomes a member of the retirement association shall pay in a sum equal to all accrued deductions from his or her salary which would have been made had such employe become a member of the retirement association July 1, 1929, with interest thereon at the rate of four per cent (4%) per annum compounded annually.

Sec. 3. Board of managers created—Officers.—The management of said state employes' retirement fund is hereby vested in a board of seven members, who shall be known as the State Employes' Retirement Board. Said board shall consist of the state auditor, the state treasurer, the insurance commissioner and four state employes who shall be chosen annually by the mem-

bers of the retirement association at a time and in a manner to be fixed by the retirement board. Within 30 days after the passage of this act said association shall meet and elect the four members to the retirement board. The members of the retirement board shall serve without compensation, but shall be reimbursed for any necessary expenditures, and shall suffer no loss of salary or wages through service on such board. The board shall elect a chairman and shall appoint a secretary and such other employes as may be necessary and fix their compensation. The board shall from time to time, subject to the limitations of this act and of the law, establish rules and regulations for the administration of the retirement and other provisions of this act and for the transaction of its business.

Sec. 4. Members shall pay into retirement fund.—Every member of the retirement association shall pay into the retirement fund three and one-half per cent ($3\frac{1}{2}\%$) of his or her regular salary. Such payment shall be made by deduction thereof from such salary. The head of each department is hereby directed to cause such deduction to be made on each abstract from the salary of each member of the retirement association and to approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by said abstract. All such salary deductions shall be credited to a fund to be known as the retirement fund and all interest and other income of said association shall be credited to said fund. The retirement fund shall be disbursed only for the purposes of investment and refundment as herein provided. The expenses of said association and the annuities herein provided upon retirement shall be paid only from said fund.

Sec. 5. State Treasurer to be treasurer of association.—The state treasurer shall be ex-officio treasurer of the retirement funds of said association, and his general bond to the state shall cover all liability for his acts as treasurer of said funds. All monies of said association received by him shall be set aside in the state treasury to the credit of the proper fund. He shall transmit monthly to the secretary of the retirement board a detailed statement of all amounts so received and credited by him to said fund. He shall pay out said funds only on warrants issued by the state auditor, upon vouchers signed by the secretary of the retirement board, provided that vouchers for investments may be signed by the secretary of the state board of investment.

Sec. 6. State Investment board to invest funds.—The retirement board shall from time to time certify to the state board of

investment for investment such portions of the retirement fund as in its judgment may not be immediately required for loans to members or the payment of refunds. The state board of investment shall thereupon invest the sum so certified in such securities as are duly authorized legal investments for savings banks and trust companies, and may sell any such securities upon request of the retirement board when necessary to provide money for the payment of refunds to members.

Sec. 7. Department of Administration and Finance shall make list of employes.—Within thirty days after this bill becomes a law, the department of administration and finance shall submit to the retirement board a statement showing the name, age, sex, title, compensation, and length of service as a state employe of every employe of the state as defined in Section 1 of this act, and on the first day of each calendar month thereafter shall furnish the retirement board a like statement of all new officers, or employes who have entered the service of the state, and at the same time shall notify the board of all removals, withdrawals and changes in salary of any members of the retirement association which have occurred during the preceding month.

Sec. 8. Attorney General to be legal adviser.—The attorney general shall be the legal adviser of the retirement board.

Sec. 9. Amount paid in to be refunded in certain cases.—Whenever any member of said association shall cease to be a state employe for any reason other than death or retirement for disability or superannuation, he or she shall be paid, on demand, the full amount of the accumulated deductions standing to the credit of his or her individual account, provided that any such member may, upon application in writing to the retirement board within sixty days from the termination of his or her employment, be permitted to retain membership in the retirement association and to enjoy all the rights and privileges thereof upon such terms and conditions as to his employment and the payment of assessments in lieu of salary deductions as the retirement board may by general rule prescribe.

Sec. 10. Members may be reinstated.—Whenever a state employe, who has so withdrawn his accumulated deductions shall re-enter the employment of the state within five years, the annuity rights forfeited by such employe at the time of such separation shall be restored upon repayment by such employe to the retirement fund of the full amount so withdrawn, and thereupon such employe shall resume his or her obligation as a member of the retirement association.

Sec. 11. Retirement—Annuity.—Whenever any member of the retirement association has been an employe of the state for a period of twenty (20) years and has attained the age of sixty-five (65) years or when any such employe has been in the service of the state for a period of thirty-five years, he shall be eligible for retirement for superannuation, but such retirement shall not be compulsory. Such retirement shall be made upon application of the member or of someone acting in his or her behalf, or upon the application of the head of the department in which such member is employed. Upon such retirement such member shall receive an annuity for the remainder of his or her life equal to fifty (50) per centum of his or her average salary during the last five years of service, provided that no such retirement annuity shall exceed the sum of One Hundred and Fifty Dollars (\$150.00) per month.

Sec. 12. Total disability—Annuity.—Whenever any member of the retirement association, who has been an employe of the state for a period of five years, or more, and is under the superannuated retirement age, shall suffer a total disability, as defined in the workman's compensation act, such member shall become entitled to the full retirement annuity for superannuation, and whenever such a member shall suffer a permanent partial disability as the natural and proximate result of an accident not due to wilful negligence on his or her part, such member shall become entitled to a partial retirement annuity in such percentage of a full retirement annuity as in the judgment of the retirement board shall measure the decrease in his earning capacity caused by such permanent partial disability.

Sec. 13. Medical examination to be required by all applicants for disability retirement.—The retirement board shall require the medical examination of all applicants for retirement for disability under such general rules and regulations as it may prescribe, and may provide therein for the discontinuance of any disability annuity and the forfeiture of all rights under this act in case of persistent refusal to submit to such examination.

Sec. 14. Heirs or legal representatives to receive amount due member.—Whenever a member of said association shall die without having received an annuity, or without having received in annuities an amount equal to the total amount of the accumulated deductions from his or her salary, the full amount of said accumulated deductions, less such annuity payments, if any, as have been paid to such member, shall be paid in one lump sum to the beneficiary or beneficiaries designated by such member, or, if none, to the legal representatives of such member, upon the establishment of a valid claim therefor.

Sec. 15. To be paid in monthly instalments.—All annuities granted under the provisions of this act shall be paid in equal monthly instalments, and shall not be increased, decreased or revoked except as provided in this act, but the retirement board may ratably reduce such annuities whenever the condition of the maintenance fund shall require such reduction. All annuities for disability shall be in addition to any benefits accruing to a state employe under the workman's compensation act.

Sec. 16. Date of retirement.—No retirement on account of disability or superannuation shall be granted until July 1, 1931, nor shall any member of the retirement association be entitled to receive a retirement annuity for superannuation until he shall have paid into the retirement fund, either by deductions from salary or in a lump sum, before such retirement, an amount equal to five years accumulated deductions from his or her average salary during the last five years of service, and such additional amount as may be provided by law prior to July 1, 1931, and provided that until July 1, 1931, nothing done hereunder shall create or give any contract rights to anyone, except the right to receive back upon withdrawing from the association, any contributions made hereunder.

Sec. 17. Funds not subject to process.—None of the moneys, annuities or other benefits mentioned in this act shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment or other legal process, and shall be exempt from any state income tax.

Sec. 18. Insurance laws not to apply.—None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds.

Sec. 19. May receive gifts and bequests.—The retirement board is hereby authorized and empowered to credit to the fund any moneys received in the form of donations, gifts, appropriations, bequests or otherwise, or derived therefrom, and every member of said retirement association who shall not demand the amount of his accumulated deductions within two years after his separation from the service of the state shall be deemed to have donated the same to the fund, unless he shall have retained his membership in the retirement association as herein provided.

Sec. 20. Invalidity of one part not to affect balance of act.—If any provision of this act shall be held to be unconstitutional such unconstitutionality thereof shall not affect the validity of the remaining parts of this act.

Sec. 21. Payments to begin July 1, 1929.—This act shall take effect upon its passage and approval but no deductions from salary for the retirement fund shall be made from any salary earned prior to July 1, 1929.

Sec. 22. Board of Directors may make rules and regulations.—Any changes or additions which may be found necessary or advisable for the management of this fund, may be made by a majority vote of the board of directors, provided no increase is made in the amount of deductions from salaries, or decrease in the amount of benefits paid.

Approved April 15, 1929.

CHAPTER 192—S. F. No. 590

An act authorizing the issuance of duplicate bonds or other written obligations in place of lost, destroyed or stolen bonds or other written obligations of the State.

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

Section 1. Duplicate bonds, etc., may be issued in certain cases.—When any bond, certificate of indebtedness, or other written obligation of the state issued by the state or by any department, bureau, board, or other agency of the state government according to law has been lost, destroyed, or stolen, a duplicate of such obligation, with unpaid interest coupons, if any, which were attached at the time of the loss, destruction, or theft, shall be issued to the owner, his guardian, or the representative of his estate as hereinafter provided, upon the furnishing of satisfactory proof of ownership and of such loss, destruction, or theft to the authority empowered to approve indemnity bonds, as hereinafter provided, and upon the certification of the approval of such proof by such authority to the state treasurer.

Sec. 2. Execution.—Such duplicate obligation shall be prepared by the state treasurer and shall be an exact and complete copy of the original, including the signatures, but need not be a facsimile. Each such duplicate obligation shall have written or printed thereon a certificate, the form of which shall be approved by the attorney general, stating, in substance, that such obliga-