

## CHAPTER 92—H. F. No. 614.

*An act relating to police pensions in cities of the third class having an assessed valuation of more than \$15,000,000 exclusive of moneys and credits.*

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

**Section 1. Application of act.**—This act shall apply to every city of the third class, whether governed by home rule charter or otherwise, having an assessed valuation of more than \$15,000,000. In the event any city shall at any time come under the terms of this act it shall continue thereunder notwithstanding any subsequent change in classification or valuation.

**Sec. 2. Police department may be incorporated.**—The police department in any such city is hereby authorized to become incorporated pursuant to the provisions of any laws of the State of Minnesota and to adopt articles of incorporation and by-laws as a relief association. All members of such department at the time of the taking effect of this act and all persons subsequently becoming members of such department shall be members of such association, except municipal court officers and persons appointed for temporary service or for probationary periods; provided that for purposes of this act no employment after six months shall be considered to be temporary or probationary.

**Sec. 3. Termination of membership.**—Every person shall cease to be a member of said association upon the termination, from any cause, of his employment in said police department, except as he may be entitled to receive benefits hereunder or under the by-laws of said association subsequent to such termination.

**Sec. 4. Pensions.**—When any member of said association shall have reached the age of 55 years he may retire and shall thereupon be entitled to a pension as long as he shall live, at the following rates:

(a) \$75.00 per month when such member shall have served as a member of said police department for a period of 20 years or more, excluding temporary employment or probationary periods, as hereinbefore defined.

(b) An additional five dollars per month for each year of service over 20 that said person may have served as a member of such police department after the age of 55 years. The total amount of pension hereunder shall in no event exceed \$100.00 per month.

(c) In the event such member shall retire after reaching the age of 55 or more and after having been a member of said department for at least ten years, but before having served 20 years in said department, the amount of pension which he shall receive shall be that proportion of \$75.00 per month which the years of service in said department prior to retirement bear to 20 years, major fractions of years of service to be treated as one year and minor fractions to be disregarded.

(d) In no event shall temporary employment or employment for probationary period, as hereinbefore defined, be considered in computing pension allowances hereunder.

(e) In the event any member shall be discharged from the service of said police department after having served 20 years or more and before such member has reached the age of 55, he may, upon a vote of a majority of the members of the relief association, be permitted to continue as a member of such association, notwithstanding that he is no longer a member of said police department, and upon reaching the age of 55 years, shall be entitled to a pension at the rate of \$75.00 per month; provided that in such event such member shall make application to said association for such privilege within six months from the time he is discharged and shall contribute each month after said discharge, and until reaching the age of 55 years, to the pension fund of said relief association a sum of money equal to  $3\frac{1}{2}\%$  of the then average monthly pay of members of said department holding the rank held by said member at the time of discharge. In the event such association approves such application, such member shall within 60 days thereafter pay into said association for the pension fund the monthly installments herein provided for the period between his discharge and the time of said first payment. Thereafter, in the event said member shall default in the payment of such monthly assessment and such default shall continue for a period of sixty days, all rights hereunder shall cease.

**Sec. 5. Retirement not to be compulsory.**—Retirement at the age of 55 years shall not be compulsory, but when such members shall have reached the age of 60 years the board or commission charged with the administration of the department of police in said city shall have the right to insist upon the retirement of such member at the age of 60 years, regardless of the provisions of any civil service laws.

**Sec. 6. Tax levy.**—For the support of the fund from which such pensions are paid the city council or other governing body of such city shall each year, at the time the tax levies are made for the general revenues of the city, levy within the limits then permitted by law, a tax on all taxable property of such city in the sum of \$10,000.00 per annum, which levy shall be transmitted to the county auditor of the county in which the city is located at the time the other tax levies are transmitted and shall be collected and the payment enforced in the same manner as other taxes of such city. In addition thereto, each member of said association shall be required to contribute to such fund each month one per cent of his monthly pay, such sum to be deducted at the time of the payment of his salary or wages by the city and transferred to such fund. In addition thereto, such relief association may transfer to such fund moneys raised from other sources and under the control of such association.

**Sec. 7. Tax levy may be omitted—when.**—If at any time the balance on hand in such fund, together with interest or other earnings accrued therein, exceeds the sum of \$50,000.00 then as often as this shall occur the levy of taxes for said fund shall be omitted for said year, and if at any time the whole amount of \$10,000.00 from taxation is not needed for the maintenance of said fund at \$50,000.00 then the sum to be raised by taxation shall be proportionately reduced to such amount as will be sufficient to keep said fund at \$50,000.00 or more.

**Sec. 8. Articles of incorporation and by-laws.**—The articles of incorporation or by-laws of such relief association shall provide for a board of directors to consist of five members, from whom there shall be elected by the board officers to consist of president, vice-president, secretary and treasurer. The mayor or principal executive officer of said city and the city treasurer shall ex officio be members of the said board, in addition to the five members also provided for. Members of such board and the officers thereof shall hold their terms of office for such times as may be provided in the articles of incorporation or by-laws of such association.

**Sec. 9. Custodian of funds.**—The city treasurer shall be the custodian of all funds of such relief association. All moneys raised by taxation as provided hereunder shall be paid and all other funds of such association shall be paid to the city treasurer and shall be kept by him in a separate fund called "Police Pension Fund"; upon the written direction of

the board of directors of said association, the city treasurer shall invest said funds in such interest-bearing securities as are specified from time to time by the board of directors; provided that the same shall be such securities as may be prescribed from time to time by the laws of Minnesota as permissible investments for trust funds of the State of Minnesota by the State Board of Investment, except that in addition thereto such funds may be invested in first mortgages upon improved real estate located in said city.

**Sec. 10. Board to file report.**—The board of directors of said association shall file annually, on or before the first day of September of each year, with the clerk of said city, a detailed report of the amount of money received, expended and remaining on hand to the credit of said fund. The books and records of said board shall be open to inspection and audit by any taxpayer of said city or his duly authorized representative, and shall be audited with other books and records of the city at the time of the making of any general city audit.

**Sec. 11. Expenses may be paid.**—Actual expenses in connection with the making of investments may be paid from said fund upon authorization by the board of directors, but no salaries or fees shall be paid to any officer or agent therefrom.

**Sec. 12. Members may receive amount paid in.**—Whenever a member of said association shall cease to be a member of said department for any reason other than death or retirement, he shall be paid, on demand, the full amount of the accumulated deductions from pay standing to his credit. Whenever any member shall die without having received a pension or without having received in pension payments, an amount equal to the total amount of the accumulated deductions from his salary hereinbefore provided for, the full amount of said accumulated deductions, less such pension payments, if any, as have been paid to said 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; provided, however, if no valid claim is established therefor, such accumulated dividends shall remain with and become the property of said association. No member shall be entitled to interest upon deductions under the provisions of this paragraph.

**Sec. 13. May pay help or accident benefits.**—In addition to the pension fund and pension payments provided here-

under, the said relief association may by proper by-laws provide for the payment of additional health or accident benefits to members of said association and to widows or dependents of deceased members thereof. For the payment of such additional benefits such relief association may assess all members of said police department an additional amount not to exceed  $2\frac{1}{2}\%$  of the monthly pay of such members. The plan and schedule of such benefits and the amount of such additional assessments upon members must be approved by a majority vote of the members of the department and may be changed by a majority vote of said members. Such additional payments shall be made from a fund to be known as the "Police Relief Fund", which shall be kept separate from all other funds of the city and separate from the police pension fund before provided. Such police relief fund shall not be supported by taxation, but shall be supported by the additional assessments herein provided for and in such other ways as the by-laws of such association may from time to time provide.

**Sec. 14. Payment of pensions—limitations.**—No pension payments shall be made hereunder to any person while he is in the employ of such city in any capacity or while he is an employee of the State of Minnesota, or while he is receiving a pension from any public funds; provided that if any such person is in the employ of the city or of the state, or is receiving pension from any public funds, and the amount of his monthly compensation or pension is not equal to the monthly pension to which he is entitled hereunder, the difference shall be paid to him.

**Sec. 15. Members need not become members of municipal employees retirement association.**—Members of such relief association shall not be compelled to become members of the Municipal Employees Retirement Association established by Laws 1933, Chapter 307, or acts amendatory thereof, and if already members of said association shall, upon the establishment of the relief association hereunder, cease to be members thereof and shall be entitled to receive from such association the amount of accumulated deductions of pay contributed to said association in the same manner as they would be entitled thereto upon ceasing to be employees of said municipality.

Approved April 1, 1935.