

tion of any such certificates issued hereunder, in the order of issuance, so long as any part of such certificates remain unpaid. Before such board shall issue certificates and incur obligations against such state and federal aids and apportionments or county school aid, it shall adopt a resolution determining the amount thereof which such unorganized school territory will probably receive in said year. Before such resolution shall be adopted, the county superintendent of schools and the county treasurer shall submit to the board itemized statements of the probable receipts from said state, county and federal aids and apportionments for each of said funds, accompanied by certificates that they have made diligent efforts to determine the probable amount of such aids and apportionments, including inquiries from the state, county and federal departments charged with the allowance or distribution thereof, and that, in their opinion, such aids and apportionments will not be less than the amounts shown by such itemized statements.

**Sec. 3. Board may issue bonds.** Said board of education, for the purpose only of paying and discharging its valid unfunded indebtedness existing on June 30, 1945, and interest thereon, may issue its bonds in the manner now provided by law, except that said bonds may be issued by vote of said board of education without a vote of the electors and may be in excess of existing limitations as to amount of bonded indebtedness of such unorganized territory, and except that the amount of the levy provided by Section 1 hereof shall be a part of and, to the extent of the amount thereof, shall reduce the levy which otherwise would have to be made or spread under existing law for the payment of such bonds. For the payment of such bonds the board may pledge the full faith and credit of the county board of education for such unorganized territory, and the tax levies herein provided for.

Approved April 23, 1945.

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#### CHAPTER 580—S. F. No. 1323

*An act relating to the payment of retirement allowances to employees of cities of the first class: amending Minnesota Statutes 1941, Section 422.10.*

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

Section 1. Minnesota Statutes 1941, Section 422.10, is amended to read as follows:

**422.10. Deductions from pay; amounts; retirements before full amounts have been deducted; increase, decrease or withdrawal of deductions.** Beginning on the first day of the year next succeeding that in which Sections 422.01 to 422.23 become 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 employee in the contributing class, except as hereinafter provided, the following percentage of such salary, pay, or compensation.

Employees who enter the service at 20 years of age or younger, three per cent of salary, pay, or compensation; employees who enter the service at 45 years of age or older, eight per cent 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 three per cent, plus as many times two-tenths of one per cent as the age of the employee exceeds 20 at the time service begins.

*Any employee who engages in or has engaged in active service in time of war or other emergency declared by proper authority, in any of the military or naval forces of the State or of the United States, shall receive credit for such period of military service as though actually employed by such city.*

*The retirement board shall determine and compute the amount of the contributions which said employee would have made to such fund if his employment had not been interrupted by such military service. The amount so determined and computed by the retirement board shall constitute an obligation of and be paid by the city, and shall be credited to the contribution account of such employee.*

*In the event that such employee becomes separated from the service of the city, except by retirement or death, prior to the expiration of five years subsequent to the date on which he was reinstated as an employee of the city, such contribution may not be withdrawn by said employee, but shall be cancelled and credited to the reserve for annuities account of this fund.*

Every employee to whom Sections 422.01 to 422.23 apply who shall continue in the service after the passage of Sections 422.01 to 422.23, as well as every person to whom Sections

422.01 to 422.23 applied 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 for all services rendered by such person during the period covered by such payment; except his claim to the benefits to which he may be entitled under the provisions of Sections 422.01 to 422.23.

Any employee who becomes entitled to a retirement allowance and who retires without having paid into the retirement fund the full amount required by Sections 422.01 to 422.23 shall have the option of electing to receive such allowance on the basis of the actuarial equivalent of the net balance of debits and credits to his account at the time, or on the basis of the actuarial equivalent of the total credits at date of retirement, initial and successive instalments of the allowance to be applied on any indebtedness of such employee to the retirement fund until such indebtedness is paid, any instalments so credited to be treated as if actually paid to the annuitant entitled to such allowance.

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

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 rate of contribution to the retirement fund, but in no event shall the contribution be less than the minimum contribution specified in the provisions of Sections 422.01 to 422.23.

(2) Withdraw from his individual account in the retirement fund the amount in excess of the minimum accumulation resulting from the deductions specified in the provisions of Sections 422.01 to 422.23.

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

Approved April 23, 1945.