

*the provisions of this section shall be credited in the manner provided for in section 25.06.*

Approved March 4, 1949.

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CHAPTER 84—H. F. No. 103

*An act relating to the public employees retirement association; amending Minnesota Statutes 1945, Section 353.01, Subdivision 2, and sections 353.03, 353.04, amending Minnesota Statutes 1945, Sections 353.09, 353.11, as amended.*

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

Section 1. Minnesota Statutes 1945, Section 353.01, Subdivision 2, is amended so as to read :

**353.01. Definition.** Subd. 2. **Public employee.** "Public employee" means any person holding a position, either by election, appointment, or contract in and for any of the several counties, cities, villages, or school districts which are now or hereafter may be affected by the provisions of this chapter, whose salary is paid, in whole or in part, through taxation, or by fees, assessments, or revenue from any one or more of the governmental subdivisions hereinbefore enumerated, irrespective of whether or not such person is directly employed by the authority of, or is under the control and supervision of the governing body of any such county, city, village, or school district, except (1) any temporary employee (2) any employee of any governmental subdivision affected by the provisions of this chapter, who, by virtue of his former employment in the service of *any governmental subdivision* is a beneficiary of, or a contributing member to, or who has an unrealized interest in, or is designated as a future beneficiary by the rules of any *other* pension, relief, or retirement fund established and maintained by authority of the laws of this state, provisions of any municipal charter, or ordinance of any municipality or other governmental subdivision thereof; or (3) any employee of any governmental subdivision who by virtue of his employment is required to contribute to, or to be designated as a future beneficiary of, *or is eligible for membership in*, any *other* retirement, relief, or pension system established and maintained by authority of *the laws of this state for the benefit of officers and employees of governmental subdivisions.*

The term "public employee" shall also mean any person appointed as a district court reporter in this state.

Sec. 2. Minnesota Statutes 1945, Section 353.03, is amended so as to read:

**353.03. Board of Directors.** The management of the public employees retirement fund is hereby vested in a board of 12 members, who shall be known as the public employees retirement board. This board shall consist of the state auditor, the state insurance commissioner, the state treasurer, and *nine* public employees who shall be elected by the members of the retirement association at a time and in a manner to be fixed by the retirement board. *Except as hereinafter provided*, members of the board so elected shall hold office for a term of three years and until their successors are elected and qualified. *Present members of the retirement board shall serve for the terms for which they were elected. At the first annual meeting of the association held subsequent to July 1, 1949, three additional members of the retirement board shall be elected. One such additional member shall be elected for a term of one year only, another such additional member shall be elected for a term of two years only, and the third such additional member shall be elected for the full term of three years, and their successors in each case shall be elected for terms of three years each.* The members of the retirement board and members of any authorized committee of said retirement association 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 or on any authorized committee of said retirement association. The board shall elect a chairman and appoint a secretary and such other employees 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. *The legal custodian of public buildings within the state shall as soon as practicable make provision for suitable office space in the state capitol or other state office buildings for the use of the retirement board and its secretary.*

Sec. 3. Minnesota Statutes 1945, Section 353.04 is amended so as to read:

**353.04. Retirement fund.** Every member of the retirement association shall pay into the retirement fund three and

one-half per cent of his salary as a public employee as and when paid, which shall be credited to the accumulated deductions of such member, and from and after July 1, 1943, every member shall pay into the retirement fund an additional one-half of one per cent of his salary as a public employee as and when paid, such additional one-half of one per cent shall be credited to the accumulated deductions of such member until the date upon which he, as an employee member, shall become eligible for non-employee membership in the association, but thereafter such additional payments so paid, from and after July 1, 1943, and subsequent additional payments shall be irretrievable by such member, or in the case of his death shall be irretrievable by the beneficiary or beneficiaries designated by such member, or, if none, by the legal representative of such member, and non-refundable by the association. Such additional one-half of one per cent so paid by all employee members who have attained eligibility for non-employee membership on or before July 1, 1943, and by all non-employee members shall, on and after July 1, 1943, be irretrievable by such members or in the case of death shall be irretrievable by the beneficiary or beneficiaries designated by such members, or, if none, by the legal representative of such members, and non-refundable by the association. *After July 1, 1949, no deductions shall be made from salaries on any amount thereof in excess of \$400 per month.* Such payments shall be made by deduction thereof from such salary, provided, that under such regulations as the retirement board may by general rule prescribe, any member may, at his option, continue to make contributions to the retirement fund on the basis of his last regular salary, in case said salary is diminished or reduced for any cause and thereby become entitled to the same annuity as though there had been no diminution or reduction in such salary. The head of each department is hereby directed to cause such deductions to be made at least once each month from the salary of each member of the retirement association and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries and to cause the same to be remitted within 15 days thereafter to the secretary of the retirement board together with a statement showing the amount of each of such deductions, the amount of salaries from which such deductions have been made and the names of the employees on whose accounts the same have been made. Such statement may be furnished in the form of a carbon or duplicate copy of departmental payroll abstracts and if not submitted in such form, the head of each department of any governmental subdivision affected by

the provisions of this chapter is hereby required to furnish the secretary of the retirement board a carbon or duplicate copy of his departmental payroll abstract for the first pay period during the months of January and July, respectively, in each year and it shall be the duty of said secretary to check the copies of all such payroll abstracts against the membership records of said association so as to ascertain whether or not any omissions have been made by the several department heads in the reporting of any new public employees, as required by section 353.07. All remittances so received by the secretary of the retirement board shall be promptly deposited with the state treasurer. Deductions from the salaries of district court reporters shall be made by the several county auditors of the state. Each county auditor of the state shall make such deduction from the amount of each warrant issued by him in payment of the salary of a district court reporter and shall, on or before the fifteenth day of each month, issue a warrant to the order of the state treasurer for the aggregate amount of all such deductions made by him during the preceding month and shall transmit the same to the secretary of the retirement board with a statement showing the amount of each of such deductions and the names of the district court reporters on whose account the same have been made, provided that the deductions from the salary of a district court reporter in a judicial district consisting of two or more counties shall be made by the auditor of the county in which the bond and official oath of such district court reporter are filed from the portion of his salary paid by such county. All salary deductions shall be credited to a fund to be known as the retirement fund and all interest and other income of the association shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said association and the annuities herein provided upon retirement shall be paid only from said fund. On and after July 1, 1943, every non-employee member of the association shall be required to pay into the retirement fund an additional amount equal to a one-half of one per cent salary deduction, or one-seventh of the amount of his monthly assessment in lieu of such salary deduction, and such additional amounts so paid shall be irretrievable by such member, or in the case of his death shall be irretrievable by the beneficiary or beneficiaries designated by such member, or, if none, by the legal representative of such member, and non-refundable by the association. *However, in the case of any employee who shall become a non-employee member after July 1, 1949, and shall pay a monthly assessment equal to one and one-half times the*

*average monthly salary deductions or assessments paid in lieu thereof, or both, contributed by him during the period of his membership as a public employee, 11/12ths of such assessments shall be credited to the accumulated salary deductions of such member, but the remaining 1/12th of such assessments shall be irretrievable by such member, or in the case of his death shall be irretrievable by the beneficiary or beneficiaries designated by such member, or, if none, by the legal representative of such member, and non-refundable by the association.*

Sec. 4. Minnesota Statutes 1945, Section 353.09, as amended by Laws 1947, Chapter 18, Section 4, is amended so as to read:

**353.09. Payment upon retirement. Subdivision 1.**

When any member of the association ceases to be a public employee for any reason other than death or retirement, he shall be paid, on demand, after 30 days' notice, the full amount of the accumulated deductions standing to the credit of his or her individual account *or in lieu thereof, he may, if eligible, elect to proceed under one of the following subdivisions hereof.*

*Subd. 2. Such person who was a member of said association prior to March 10, 1945, who has been in the public service for not less than 10 consecutive years and who has been a contributing member for not less than four years immediately prior thereto, may, in lieu thereof, upon application in writing to the retirement board within 60 days from the termination of his or her employment, become a non-employee member and shall 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. The requirement for non-employee membership of any person who shall become a member of said association from and after March 10, 1945, shall be 10 years of contributory membership immediately prior to termination of his or her employment, and further, application for non-employee membership shall be made within 60 days from the date he or she shall cease to be a public employee, and assessment shall be paid as hereinbefore provided. After July 1, 1949, no application for non-employee memberships in this association shall be approved by the retirement board except upon condition that such non-employee member shall pay into the retirement fund a monthly*

*assessment equal to one and one-half times the average monthly salary deductions or assessments paid in lieu thereof, or both, contributed by him during the period of his membership as a public employee.*

*Subd. 3. Any person who has been a contributing member for not less than 10 years upon termination of his employment by a governmental subdivision may leave his accumulated deductions in the retirement fund and receive a deferred annuity at the time when he would have been eligible to receive a retirement annuity if he had remained a public employee. Such deferred annuity shall be in an amount bearing the same ratio to the full retirement annuity that the number of years of contributory service which such member is entitled to credit at the time of his separation from the service bears to the number of years of contributory service required had he continued as a public employee until eligible to receive a full retirement annuity but fractional parts of a year shall not enter into the computation of such deferred annuity. The option under this subdivision shall be available to a non-employee member under such conditions as the retirement board may by general rule prescribe.*

*Subd. 4. Any member of the retirement association who has maintained his or her membership after leaving the public service by the payment of such assessments, or any person who has elected to receive a deferred annuity, may terminate such membership by notice in writing to the retirement board, whereupon he or she shall be paid on demand, after 30 days' notice, the full amount of the accumulated deductions standing to the credit of his or her individual account.*

Sec. 5. Minnesota Statutes 1945, Section 353.11, as amended by Laws 1947, Chapter 18, Section 6, is amended so as to read:

**353.11 Retirement.** Except as in this chapter otherwise provided, when any member of the retirement association has been a public employee for a period of 20 years, and has attained the age of 65 years, or when any such employee has been a public employee for a period of 35 years and shall have attained the age of 60 years, he shall be eligible for retirement, provided that in computing such terms of service, the time during which any member of the association shall have maintained his membership by the payment of assessments after leaving the service as a public employee, in lieu of deductions,

shall be included. No person shall be entitled to receive a retirement annuity unless he has either attained the age of 65 years and has been a public employee for a period of 20 years, or has attained the age of 60 years and has been a public employee for a period of at least 35 years. Such retirement shall be made upon application of the member or of someone acting in his behalf, or, in the case of any employee in active service, upon the application of the head of the department in which such member is employed. Except as in this chapter otherwise provided, upon such retirement such member shall receive an annuity for the remainder of his life equal to 50 per cent of the average annual salary received for the entire period of his membership in the association. In computing the average annual salary of members who have contributed by assessments, in lieu of salary deductions or otherwise, the average annual salary received while such member was in the public service as a member of the association shall, for the purpose of construing this section, be considered the salary of such member for that period of his membership in the association during which he made contributions to the retirement fund by assessments, in lieu of salary deductions or otherwise. In computing the period of past service, employment by or for any of the governmental subdivisions, as defined and enumerated by this chapter, shall be counted. No such retirement annuity shall, in any event, exceed the sum of \$1,800 per annum. Membership in the association for any present public employee shall commence upon the date of the acceptance of the application for membership by the retirement board *except in the case of any public employee who is required to pay into the retirement fund any amount as fixed by law and the rules of this association, his membership shall be deemed to have commenced on the date on which this chapter became operative within the governmental subdivision by whom he is employed,* and, in no event, shall the retirement board grant to any person who shall have been a member of the association prior to the date of passage of Laws 1945, Chapter 78, any pro rata annuity, as provided for in section 353.14, until and unless four full years of membership in the association shall have elapsed, nor shall the retirement board grant any pro rata annuity based on a greater number of years of contributions to the retirement fund than then stand to the credit of such member on the books of the association, or any full retirement annuity, as hereinafter provided, until and unless five full years of membership have so elapsed. In no event, shall the retirement board grant to any person who shall become a member of the association from and after the date of passage of Laws 1945, Chapter 78, any annuity, as pro-

vided for in section 353.14, until and unless ten full years of membership have elapsed. After July 1, 1949, each governmental subdivision is hereby authorized, empowered and directed to pay into said retirement fund upon the certification of the retirement board an amount equal to one-half of the salary deductions of all members of this association then or thereafter carried on the payrolls of such governmental subdivision and assessments paid by members during periods of authorized leave from such employment with such governmental subdivision. Such payments shall be made out of moneys collected from taxes or other revenue of such governmental subdivision. On or before September 30th of each year beginning with 1950 the total amount due from each governmental subdivision shall be determined by the retirement board and shall be certified by the secretary or other authorized officer of said board to each governmental subdivision affected by the provisions of this section, which certification shall cover the period of the 12 months ending June 30th immediately preceding. The amount so certified shall be included in the next budget of any governmental subdivision subsequent to such certification and shall be levied, collected and apportioned in the same manner as other taxes are levied, collected and apportioned and for the express purposes of this section the payment of such contributory share of retirement cost is hereby made an obligation of the governmental subdivision concerned in the proportion and to the extent provided, but no such certification shall be made to any governmental subdivision if any surplus exists in the retirement fund, such surplus to be deemed to consist of excess of assets over accumulated deductions and other current liabilities. Assessments paid by non-employee members who were former public employees of such governmental subdivision shall be excluded from the amount certified. In the event that any governmental subdivision shall fail or neglect to pay into the retirement fund in full the amount properly certified by the board, through failure to collect the full amount through taxation or otherwise, such deficiency shall be added to the next subsequent levy made by any such governmental subdivision interest shall accrue on such delinquent payment. If the retirement of any member or members of said retirement association be not voluntary the governmental subdivision from which said member is or members are so retired shall assume the liability to pay one-half of the costs of all annuities granted such member or members by the retirement board pursuant to the provisions of this chapter, and such governmental subdivisions are hereby authorized, empowered and directed to pay such share

of said annuities from moneys collected from taxes or other revenues. The total amount of such contributory share of such annuities shall, before September 30th of each year, be duly determined by the retirement board and certified to any such governmental subdivision for the period of the previous 12 months ending June 30th immediately preceding. The amount so certified by the retirement board shall be included in the next budget of any such governmental subdivision subsequent to the certification by the retirement board and shall be levied, collected, and apportioned in the same manner as other taxes are levied, collected, and apportioned, and, for the express purposes of this section, the payment of all such annuities are hereby made obligations of the governmental subdivisions concerned in the proportion and to the extent provided. *If the taxes authorized to be levied under this section shall cause the total amount of taxes levied to exceed any limitation of any kind upon the power of any county, city, village or school district to levy taxes, the governmental subdivision concerned may levy taxes in excess of and over and above such taxing limitations such amount as may be necessary to meet its obligations under this section. The expenditures authorized to be made under the provisions of this chapter by any municipality shall not be included in computing the cost of government as defined in any home rule charter of any municipality affected by this chapter.* However, the governing body of any governmental subdivision affected by the provisions of this chapter may from time to time and under proper resolution, ordinance or rule, make contributions to the retirement fund of said retirement association from moneys derived from revenues other than general taxes, and such governmental subdivision is hereby authorized and empowered to make such contributions. Such resolution, ordinance or rule may limit the use of such contributions by the retirement association for specific purposes as set forth therein, and such limitations shall be binding upon said retirement association. The retirement board shall have the right to refuse acceptance of any or all of such conditional contributions.

Approved March 7, 1949.

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CHAPTER 85—H. F. No. 295

[Not Coded]

*An act fixing the salary of the county surveyor in any county having more than 300,000 and less than 450,000 inhabitants; amending Laws 1929, Chapter 422, Section 1.*