

buildings and the usual contents of both those dwellings and churches and outbuildings, in any city, village and borough of 1,800 or less inhabitants, and any county poor farm together with contents and such personal property as is used in connection therewith, and which real property, contents and personal property are situated in the county wherein these township mutual fire insurance companies are operating; provided, when at a duly called special or annual meeting of the policyholders it shall be duly decided by them by a majority vote to do so.

Approved March 27, 1951.

CHAPTER 169—S. F. No. 443

An act relating to the payment of retirement allowances to employees of cities of the first class; amending Minnesota Statutes 1949, Section 422.10.

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

Section 1. Minnesota Statutes 1949, Section 422.10, is amended to read :

422.10. **Salary deductions.** Beginning on the first day of July, following the effective date of this act, 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 five per cent of such salary, pay, or compensation, except as hereinafter provided.

Employees who are members of and contributing to the retirement fund on the first day of July next following the passage of this act, and who at said time are contributing to said fund at a rate of less than five per cent, may continue to contribute at said lesser rate. Any such employee may make an application in writing to the retirement board for permission to have the lesser rate of contribution increased to five per cent. Such application, when accepted, shall be final and irrevocable.

The retirement board is authorized to increase the per-

centage rate of contribution to the retirement fund of any employee or employees for the purpose of establishing and maintaining on an actuarial basis a plan of insurance, survivors' benefits, or other type of benefit or benefits, the cost of which shall be paid out of such extra percentage so authorized and deducted from the employee's compensation, except as hereinafter provided.

Any plan or plans so established and placed in operation may be amended from time to time, or may be abandoned, but if abandoned, any surplus remaining from the operation of a plan shall be the property of the fund, and shall be credited to the reserve for loss on investment account.

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, provided such employee was a member of the contributing class of the retirement fund at the time of entrance into military service. Employees on leave of absence or lay-off at time of entrance into military service as herein provided shall be considered employees for the purpose of the act.

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 determining the amount of contributions that the employee would have made if he had not entered military service, consideration shall be given to the employment service of employees who did not enter military service with like classification, seniority rights, length of city service, and other factors determining probable time of employment.

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. If an employee returns to the service of the city after being

separated as provided herein, credit shall be granted upon payment of the separation refund required by section 422.09. In determining the five year period, there shall be included only time of actual employment by the city.

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 March 27, 1951.

CHAPTER 170—S. F. No. 445

An act relating to the payment of retirement allowances to employees of cities of the first class; amending Minnesota Statutes 1949, Section 422.37, Subdivision 3.

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

Section 1. Minnesota Statutes 1949, Section 422.37, Subdivision 3, is amended to read:

422.37 Subd. 3. If such contributing member dies before reaching the age of 55 years, or having attained the age of 55 years without having made the election provided for herein, the net accumulated amount of deductions from his or her salary, pay or compensation to his or her credit on date of death shall be paid to such person, or persons, as he or she shall have nominated by written designation filed with the retirement board, in such form as the retirement board shall require.

If the employee fails to make a designation, or if the person or persons designated by such employee predeceases such employee, the net accumulated amount of deductions from his or her salary, pay, or compensation, to the credit of such employee on date of death shall be paid to such employee's estate.

The net accumulated city deposits shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member; if there be no surviving spouse, or surviving child or children, then to a person actually dependent on and receiv-