

1, 1957 to the date of restoration; such payment to be made at the time and in the manner as the board shall determine.

Approved May 2, 1957.

Passed the Senate the Thirtieth day of April, in the year of our Lord, One Thousand Nine Hundred and Fifty-seven.

Approved May 2, 1957.

---

## EXTRA SESSION

### CHAPTER 19—S. F. No. 12

[Coded]

*An act relating to the state employees retirement association.*

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

**Section 1. [352.61] Scope and application.** This act applies to any member of the state employee retirement association included in any agreement or modification made between the state and secretary of health education and welfare making the provisions of the federal old age and survivor insurance act applicable to such member. This act also applies to any department or agency employing such member. Except as otherwise specifically provided in this act, the provisions of Minnesota Statutes 1953, Chapter 352 shall apply.

**Sec. 2. [352.62] Contributions by employer and employees.** Subdivision 1. The employee contribution to the state employees retirement fund shall be an amount equal to three percent of the salary of each member not exceeding \$4,800 in any calendar year. This contribution shall be made by deduction from salary. No deduction shall be made from any salary in excess of \$4,800 in any calendar year. Where any portion of a member's salary is paid from other than state funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any calendar year.

Subd. 2. The employer contribution to the fund shall be an amount equal to the total amount deducted from the salary of each member plus an additional percentage of the salary of each member not exceeding \$4,800 in any calendar year as provided in subdivision 3.

Subd. 3. The additional employer contribution shall

be computed on the percentage rates below for the years indicated:

	For Years	Percentages
(a)	1957-1959	2 percent
(b)	1960-1964	1½ percent
(c)	1965-1969	1 percent
(d)	1970-1974	½ percent
(e)	1975-and on	0

**Sec. 3. Retirement benefits.** Subdivision 1. The retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in subdivision 2 hereof on the basis of each member's average salary for the period of his allowable service.

(a) For years prior to July 1, 1957, average salary for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions are based for any five consecutive years prior to that date.

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary not exceeding in any one year \$4,800 and for which he had made contribution to the retirement fund by payroll deductions.

Subd. 2. The average salary, as defined in subdivision 2 (a) and (b), of any member multiplied by the applicable percentages indicated below shall determine the amount of the annuity to which the member qualifying therefor is entitled:

Years of allowable service:	Percentages at the rate of:
(a) First ten years	5/8 of 1 percent per year of service.
(b) Second ten years or completed months of service less than such period	7/8 of 1 percent per year of service.
(c) Third ten years or completed months of service less than such period	1.66 percent per year of service.
(d) Subsequent years or completed months of service less than such period	1.75 percent per year of service.

Subd. 3. When any person retires who on July 1, 1957, had ten or more years of allowable service as a member and who does not qualify for old age and survivors primary benefits, he shall have the option to receive the annuity provided in

subdivisions 1 and 2 or the annuity provided in Minnesota Statutes 1953, Section 352.11 as amended by Laws 1955, Chapter 239.

Subd. 4. When any person retires who on July 1, 1957, has ten or more years of allowable service as a member, he shall receive in addition to the annuity provided in subdivisions 1 and 2, an amount which when added to his old age survivors insurance primary benefit equals the annuity he would have received under Minnesota Statutes 1953, Section 352.11 as amended by Laws 1955, Chapter 239.

Sec. 4. [352.64] **Optional retirement annuities.** The retirement board shall establish optional annuities at retirement which shall take the form of an annuity payable for a period certain and for life thereafter; or as a joint and survivor annuity. Such optional forms shall be actuarially equivalent to the normal forms provided in section 3 based at age 65. In establishing these optional forms the board shall obtain the written recommendation of approved actuary and these recommendations shall be a part of the permanent records of the board.

Sec. 5. [352.65] **Retirement before becoming eligible for social security.** Any member who retires before he is eligible for social security retirement benefits, may elect to receive retirement benefits from the association in an amount greater than his normal annuity computed on the basis of his age when he retires provided in section 3. He shall exercise this option by making application to the board on a form provided by the board. This greater amount shall be the actuarial equivalent to the member's normal retirement annuity computed on the basis of his age when he retires. This greater amount shall be paid until the member reaches the age of 65 at which time the payment from the association shall be reduced. These annuities provided in this section shall be computed by an approved actuary.

Sec. 6. [352.66] **Payments after death.** Subdivision 1. Where a member dies before retirement, there shall be paid to his beneficiary or legal representative, as the case may be, an amount equal to his accumulated deductions plus interest credited to this account to the date of death.

Subd. 2. Where a former member dies after retirement a death benefit shall be paid in accordance with his optional annuity selected pursuant to section 4 or any other reversionary annuity selected by the member before retirement.

Subd. 3. Under the terms of this act there are no survivor's benefits payable as such to the surviving spouse or

dependent children of any deceased member. However, any member may provide for payments to a surviving spouse or any dependent child by selecting an appropriate optional or reversionary annuity payable after his death to any such person in the manner authorized by the board as provided in section 4.

**Sec. 7. [352.67] Disability benefits.** The amount of the disability benefit shall be \$90 per month until the member reaches the age of 50. In addition he shall receive an annuity computed in the manner provided in section 3 with interest computed as provided in paragraphs (a) and (b) of that subdivision to the date of disability rather than the date of retirement.

**Sec. 8. [352.68] Military service credit.** After any agreement or modification is made pursuant to section 9, an employee given a leave of absence to enter military service and who returns to state service upon discharge from military service as provided in Minnesota Statutes, Section 192.262 shall obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such members shall obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be three percent of his salary not to exceed \$4,800 in any fiscal year. In such cases the matching employer contribution and additional contribution shall be paid by the department employing such member upon his return to state service from funds available to the department.

**Sec. 9. Effective.** This act takes effect on the date any agreement or modification is made between the state and secretary of health, education and welfare making such agreement or modification applicable, to service performed in position covered by the state employees retirement association after a referendum was held and a majority voted in favor thereof. The act shall apply to any coverage group consisting of members of the state employees retirement association included in any such agreement or modification.

Approved May 2, 1957.

---