

EXTRA SESSION

CHAPTER 20—S. F. No. 13

[Coded]

An act relating to public employees retirement association and appropriating money therefor.

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

Section 1. [353.51] Scope and application. This act applies to any member of the public employee retirement association included in any agreement or modification made between the state and the secretary of health, education and welfare, making the provisions of the federal old age and survivors insurance act applicable to such member. This act also applies to any government subdivision employing such member. Except as otherwise specifically provided in this act, the provisions of Minnesota Statutes, Chapter 353 shall apply.

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Sec. 2. [353.52] Contributions by employer and employees. Subdivision 1. The employee contribution to the public employees retirement fund shall be an amount equal to three percent of the salary of every member. 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 public funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any calendar year.

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Subd. 2. The employer contribution to the fund shall be an amount equal to three percent of the salary of each member not exceeding \$4,800 in any calendar year.

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Subd. 3. An additional contribution shall be made to the fund based on the salary of each member not to exceed \$4,800 in any calendar year for the purpose of amortizing the deficit in the fund. This contribution shall be made from funds available to the employing subdivision. The amount of this additional contribution shall be the amounts specified below for the years noted :

| | | |
|-----|----------------|------------|
| (a) | 1958-59 | 3½ percent |
| (b) | 1960-64 | 3 percent |
| (c) | 1965-69 | 2½ percent |
| (d) | 1970-74 | 2 percent |
| (e) | 1975 and after | 1½ percent |

Sec. 3. [353.53] 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 | $\frac{5}{8}$ of 1 percent per year of service |
| (b) Second ten years or completed months of service less than such period | $\frac{7}{8}$ 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 of 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, Chapter 353 as amended by Laws 1955.

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, Chapter 353, as amended by Laws 1955.

Sec. 4. [353.54] 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. In establishing these optional forms the board shall obtain the written recommendation of an approved actuary and these recommendations shall be a part of the permanent records of the board.

Sec. 5. [353.55] 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 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 of the member's 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. [353.56] 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 survivors 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 annuity payable after his death to any such person in the manner authorized by the board as provided in section 4.

Sec. 7. [353.57] Disability benefits. The amount of the disability benefits shall be \$90 per month until the member reaches the age of 50. In addition he shall receive an annuity based on his age when disabled computed in the manner provided in section 3, with interest computed as provided in

paragraphs (a) and (b) of that section, to the date of disability rather than the date of retirement.

Sec. 8. [353.58] 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 public 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 member 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 public service and the governmental subdivision involved is hereby authorized to appropriate money therefor.

Sec. 9. Effective date. 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 positions covered by the public employee retirement association after a referendum was held and a majority voted in favor thereof as provided by law. This act shall apply to any coverage group consisting of members of the public employee retirement association included in any such agreement or modification. This act does not apply nor have any effect upon any member who holds a position which under the social security act may not be included in an agreement between the state and secretary of health, education and welfare.

Approved May 2, 1957.

EXTRA SESSION

CHAPTER 21—S. F. No. 14

[Not Coded]

An act establishing a commission to investigate and report to the legislature on the question of the reimbursement of utilities for the relocation of their facilities on account of the construction or reconstruction of highways.