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

Section 1. City of Biwabik; assessor. Notwithstanding any other provision of law and the Biwabik city charter, an assessor of the city of Biwabik, St. Louis county, shall be appointed by the city council thereof. Such assessor shall be a resident of the state, but need not be a resident of the city for which the assessor is appointed. The assessor shall be selected and appointed because of the assessor's knowledge and training in the field of property taxation and shall serve at the pleasure of the city council at compensation to be fixed by the city council.

Sec. 2. This act shall become effective only after its approval by the governing body of the city of Biwabik, and upon compliance with Minnesota Statutes, Section 645.021.

Approved April 22, 1965.

## CHAPTER 230-H. F. No. 839

[Coded in Part]

An act relating to the State Employees Retirement Association; amending Minnesota Statutes 1961, Section 352.01, Subdivision 2, as amended by Laws 1963, Chapter 383, Section 1; Section 352.01, Subdivision 11, as amended by Laws 1963, Chapter 383, Section 6; Section 352.115, Subdivision 8, as amended by Laws 1963, Chapter 383, Section 31; Section 352.115, Subdivision 10, as created by Laws 1963, Chapter 383, Section 32; Section 352.115, Subdivision 11, as created by Laws 1963, Chapter 383, Section 32; Section 352.115, as amended by Laws 1963, Chapter 383, Section 32, by adding a new subdivision thereto; Section 352.12, Subdivision 2, as amended by Laws 1963, Chapter 383, Section 37; Section 352.12, Subdivision 3, as amended by Laws 1963, Chapter 383, Section 38; Section 352.12, as amended by Laws 1963, Chapter 383, Section 45, by adding new subdivisions thereto; Section 352.22, Subdivision 1, as amended by Laws 1963, Chapter 383, Section 46; Section 352.22, Subdivision 3, as amended by Laws 1963, Chapter 383, Section 48; Section 352.22, Subdivision 8, as amended by Laws 1963, Chapter 383, Section 52; Section 352.22, as amended by Laws 1963, Chapter 383, Section 52, by adding a new subdivision thereto; Section 352.23; Section 352.27, as amended by Laws 1963, Chapter 383, Section 53; Section 352.28, Subdivision 2, as amended by Laws 1963, Chapter 383, Section 55; and Section 352.72, Subdivision 3; repealing Minnesota Statutes 1961, Section 352.115, Subdivision 6,

as amended; Section 352.22, Subdivision 6, as amended; and Laws 1963, Chapters 427 and 741.

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

- Section 1. Minnesota Statutes 1961, Section 352.01, Subdivision 2, as amended by Laws 1963, Chapter 383, Section 1, is amended to read:
- Subd. 2. State Employees Retirement Association; state employee. (1) "State employee" means any employee or officer in the classified and unclassified service of the state. The term also includes the special classes of persons listed in paragraph 2 subdivision 2A of this subdivision section but excludes the special classes of persons listed in paragraph 3 subdivision 2B of this section.
- (2) Subd. 2A. Included employees. The following persons are included in the meaning of state employee:
  - (a) (1) Employees of the Minnesota Historical Society.
  - (b) (2) Employees of the State Horticultural Society.
- (e) (3) Employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed prior to July 1, 1963.
- (d) (4) Employees of the Minnesota Crop Improvement Association.
- (e) (5) Employees of the adjutant general who are paid from federal funds and who are not eligible to benefits from any federal civilian retirement fund.
- (f) (6) Employees of the state colleges employed under the college activities program.
- (g) (7) Currently contributing members of the association who are temporarily employed by the legislature during a legislative session or any currently contributing member employed for any special service as defined in item (h) (8) of paragraph (3) subdivision 2B of this section.
  - (h) (8) Employees of the armory building commission.
- (i) (9) Permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation including permanent employees of the legislative research committee.

- (j) (10) Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.
- (k) (11) Employees of the deputy registrar of motor vehicles in the city of Minneapolis Minnesota Safety Council.
- (3) Subd. 2B. Excluded employees. The following persons are excluded from the meaning of state employee:
  - (a) (1) Elective state officers;
- (b) (2) Students employed by the University of Minnesota and the state colleges unless approved for membership by the board of regents or the state college board, as the case may be;
- (e) (3) Employees who are eligible to membership in the state teachers retirement fund except employees of the department of education who have elected or may elect to become members of the state employees retirement association instead of the teachers retirement fund;
- (d) (4) Employees of the University of Minnesota who are excluded from membership by action of the board of regents;
- (e) (5) Officers and enlisted men in the national guard and the naval militia except such as are assigned to permanent peacetime duty;
  - (f) (6) Election officers;
- (g) (7) Persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;
- (h) (8) Officers and employees of the senate and house of representatives who are temporarily employed and those employees of the legislative research committee who are intermittently employed when needed;
- (i) (9) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except empoyees of the supreme court and referees and adjusters employed by the industrial commission;
- (j) (10) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota Soldiers Home;
  - (k) (11) Persons employed for professional services

where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

- (12) Employees of the Sibley House Association;
- (m) (13) Employees of the Grand Army of the Republic and employees of the ladies of the G. A. R.;
- (n) (14) Operators and drivers employed pursuant to Laws 1941, Chapter 478;
- (e) (15) Members of the board of tax appeals, the civil service board, and the members of any other state board or commission who serve the state intermittently and are paid on a per diem basis; officers and members of the state agricultural society as specified in Minnesota Statutes 1961, Section 37:04; and the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;
  - (p) (16) State highway patrolmen;
- (q) (17) Temporary employees of the Minnesota state fair employed on or after August July 1 for a period not to extend beyond September 30 October 15 of the same year; also persons employed at any time or times by the state fair administration for special events held on the fairgrounds;
- (r) (18) Emergency employees in the classified service whose status shall be noted by symbol on all payroll abstracts except that emergency employees who without interruption of service become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the date of their emergency appointment;
- (s) (19) State police officers as defined in section 352A.01;
- (t) (20) All temporary employees in the classified service, and all seasonal help in the unclassified service employed by either the motor vehicle division or the department of taxation, income tax division, to perform clerical duties;
- (u) (21) Trainees paid under budget classification number 41, and other trainee employees, except those listed in paragraph 2 (j) subdivision 2A (10) of this subdivision section;

- (v) (22) Persons whose compensation is paid on a fee basis;
- (w) (23) State employees who in any year have credit for 12 months service as teachers in the public schools of the state and as such teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;
- (x) (24) Temporary Employees of the adjutant general employed on an unlimited intermittent basis in the classified and unclassified service for opening; operating, or closing Camp Ripley for field training activities the support of army and air national guard training facilities;
- (y) (25) Chaplains and nuns who have taken a vow of poverty as members of a religious order;
- (z) (26) Labor service employees who do not have tenure under section 43.09, subdivision 7z;
- (27) Examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;
- (28) Members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4; and
- (29) Persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179.
- Sec. 2. Minnesota Statutes 1961, Section 352.01, Subdivision 11, as amended by Laws 1963, Chapter 383, Section 6, is amended to read:

## Subd. 11. Allowable service. "Allowable service" means:

- (1) Any service rendered by a state employee for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the association by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or
- (2) Any service rendered by a state employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or
  - (3) Any service rendered by a state employee after July 1,

- 1957, for any pay period when the member receives salary from which deductions are made, deposited and credited in the fund, or
- (4) Any service rendered by a person after July 1, 1957 for any pay period where payments in lieu of salary deductions are made, deposited and credited into the fund, as provided in sections 352.23, 352.27, and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any pay period is deemed the compensation for the entire pay period unless state service has terminated), or

- (5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the workmen's compensation law unless for the same period they are receiving a until the date authorized by the board of trustees for the commencement of payments of a total and permanent disability benefit from the retirement fund, or
- (6) The unused portion of a member's annual leave allowance for which he is paid salary if he does not apply for refundment. If he applies for refundment his on regular pay-period abstracts until his accumulated leave is exhausted; but, if payment of annual leave allowance is made as provided in section 351.12, the last working day is deemed the date state service terminates and credit for such service ceases on that date:, or
- (7) Any member who made payment in installments in order to obtain additional service credit but failed to make the final payment on or before July 1, 1962 shall be entitled to have credit for all service for which the payments he made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or
- (8) Former members who hold numbered certificates of deferred annuity who again become members of the retirement association shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates.
- Sec. 3. Minnesota Statutes 1961, Section 352.115, Subdivision 8, as amended by Laws 1963, Chapter 383, Section 31, is amended to read:
  - Subd. 8. Accrual of annuity. Each member Members

shall fix in his make application for an annuity a date for retirement., however this application, however, shall not be made prior to the time the member is eligible to retire by reason of both age and service requirements. An annuity shall begin to accrue 30 days after the application is filed with the board of trustees but in no event prior to the day following the last working day for which the applieant is paid salary or the last day for which he is paid for sick leave, or prior to the termination of state service. The retirement benefits shall cease with the last payment received by a retired employee during his lifetime unless the retired employee elected a reversionary annuity or an optional annuity provided in section 352.116, subdivision 3. The reversionary annuity and joint and last survivor annuity shall cease with the last payment received by the surviving spouse or beneficiary in his or her lifetime. If a retired employee had not selected an optional annuity and leaves a spouse surviving him, such spouse shall be entitled only to the annuity payment for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor under the optional annuity shall be entitled to the annuity payment for the calendar month in which the retired employee died.

- Minnesota Statutes 1961, Section 352.115, Subdivision 10, as created by Laws 1963, Chapter 383, Section 32, is amended to read:
- Reemployment of annuitant. Subd. 10. Should any former member who has received an annuity or retirement allowance while an annuitant again be become entitled to receive salary or wages from the state, other than salary or wages received as a temporary employee of the legislature during a legislative session, his annuity or retirement allowance shall cease during the period of employment if employment is for a longer period than authorized ten day emergency appointments when he has earned \$1200 in any calendar year, but no payroll deductions for the benefit of the retirement fund shall be made from the earnings of such annuitant. If such employee annuitant is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed without change during the period of the sick leave. Upon the termination of his employment the annuity or retirement allowance shall be resumed and there shall be No change shall be made in the monthly amount of such annuity or retirement allowance because of such employment. The provisions of this subdivision shall be construed consistently with section 352.72, subdivision 3.
  - Minnesota Statutes 1961, Section 352.115, Subdivi-Sec. 5.

- sion 11, as created by Laws 1963, Chapter 383, Section 32, is amended to read:
- Subd. 11. Accrued annuity at death. Any annuity, retirement allowance or disability benefit which had accrued prior to the death of an annuitant shall be paid to the beneficiary whom the annuitant had last designated. If (a) no beneficiary has been so designated, or (b) the designated beneficiary should die before making claim for payment of such retirement allowance or annuity, payment shall be made to the surviving spouse or, if none, to the legal representative of such annuitant, provided that if the designated beneficiary, surviving spouse, or legal representative entitled thereto does not apply for payment within five years from the date of death of the annuitant, the annuity which had accrued at the time of death shall be credited to and become a part of the retirement fund.
- Sec. 6. Minnesota Statutes 1961, Section 352.115, as amended by Laws 1963, Chapter 383, Section 32, is amended by adding a new subdivision to read:
- Subd. 12. **Death, return of warrants.** If at the time of death an annuitant has in his possession state auditor's warrants covering a retirement allowance, annuity, or disability benefit from the retirement fund, in the absence of probate proceedings, and upon the return of such warrants for cancellation, payment of such accrued benefit shall be paid as provided in section 352.115, subdivision 11, or 352.12, subdivision 4. Payments made under the provisions of this subdivision shall be a bar to recovery by any other person or persons.
- Sec. 7. Minnesota Statutes 1961, Section 352.12, Subdivision 2, as amended by Laws 1963, Chapter 383, Section 37, is amended to read:
- Subd. 2. Lack, or death, of beneficiary. If a member or former member dies (a) who did not designate a beneficiary, or (b) whose last designated beneficiary dies without making application for refundment, refundment shall be made to his surviving spouse, or if none, to the legal representative of the estate of such member or former member, provided that if neither the surviving spouse or, if none; such legal representative entitled thereto, does not apply for refundment within five years from the date of death of the member or former member, the accumulated contributions to his credit at the time of death shall be credited to and become a part of the retirement fund.
  - Sec. 8. Minnesota Statutes 1961, Section 352.12, Subdivi-

- sion 3, as amended by Laws 1963, Chapter 383, Section 38, is amended to read:
- Refundment of \$500 or less. If a member or Subd. 3. former member dies without having designated a beneficiary, or if the beneficiary should die before making application for refundment of the sum to the credit of such deceased member or former member, and the amount of the refundment does not exceed \$500 exclusive of interest the board of trustees may, 90 days after the date of death of the member or former member in the absence of probate proceedings, make refundment to the surviving spouse of the deceased member or former member, or, if none, the trustees may upon proper application make refundment to the next of kin of the deceased member or former member, as determined by the trustees to be entitled thereto consistent with the laws of descent and such determination and payment without notice shall be conclusive and final and shall be a bar against claims of all other persons. Any annuity, retirement allowance or disability benefit which shall have accrued at the time of death of an annuitant may be paid in like manner:
- Sec. 9. Minnesota Statutes 1961, Section 352.12, as amended by Laws 1963, Chapter 383, Section 45, is amended by adding new subdivisions to read:
- Subd. 12. Refundment, failure to request. If the last designated beneficiary, surviving spouse, or legal representative of a deceased member, former member, or annuitant fails to make claim for refundment as provided in this section within five years from the date of death of the member, former member, or annuitant, the accumulated contributions to his credit at the time of death shall be credited to the retirement fund. If claim to refundment is made within ten years from the date of death, and the amount transferred to the fund is over \$25, the sum shall be restored to the account of such deceased member, former member, or annuitant and refundment shall then be made.
- Subd. 13. Refundment, beneficiary. If at the time of death a former member has in his possession a state auditor's warrant which does not exceed \$500 covering a refundment of his accumulated contributions in the retirement fund, in the absence of probate proceedings such state auditor's warrant may be returned for cancellation, and then upon application made by the last designated beneficiary of such deceased former member, refundment of the accumulated contributions shall be made to the last designated beneficiary. Payments made under the provisions of this subdivision shall be a bar to recovery by any other person or persons.

- Sec. 10. Minnesota Statutes 1961, Section 352.22, Subdivision 1, as amended by Laws 1963, Chapter 383, Section 46, is amended to read:
- 352.22 **Refundment or deferred annuity.** Subdivision 1. Service termination. Any member who ceases to be a state employee by reason of termination of state service, shall be entitled to a refundment provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refundment may be made no sooner than 90 days after the termination of state service if the applicant has not again become a state employee required to be a member of the state employees retirement association; except that members having attained the age of 70 years or more, whose state service is terminated by operation of law, or by direction of the appointing authority, who are not eligible to receive an annuity under sections 352.115 or 352.72, may apply for refundment without any waiting period.
- Sec. 11. Minnesota Statutes 1961, Section 352.22, Subdivision 3, as amended by Laws 1963, Chapter 383, Section 48, is amended to read:
- Subd. 3. **Deferred annuity.** (1) Any person with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity commencing at age 65. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, or on the basis of allowable service prior to termination of service, but.
- (2) An employee on layoff who does not return to state service during the period his name is carried on a layoff list pursuant to civil service law or regulation shall have any deferred annuity to which he may become entitled computed under the law in effect on his last working day.
- (3) The provisions of section 352.28, subdivision 1, and section 352.115, subdivisions 4, and 5 and 6 shall not apply thereto to paragraphs (1) and (2) hereof.
- (4) Such deferred annuity shall begin on the first day of the calendar month following the month in which the application is filed in the office of the retirement association, but no application for a deferred annuity shall be made prior to the time the former member reaches the required age to entitle him to such annuity payment.
  - (5) Application for the accumulated contributions left on de-

posit with the fund may be made at any time after 90 days following the date of his termination of service.

- Sec. 12. Minnesota Statutes 1961, Section 352.22, Subdivision 8, as created by Laws 1963, Chapter 383, Section 52, is amended to read:
- Subd. 8. Refundment specifically limited. If a former member of the association does not apply for refundment within five years after the last deduction was taken from his salary for the retirement fund, and the total amount of his accumulated contributions is not over \$25 \$50, such accumulated contributions shall be credited to and become a part of the retirement fund. In the event the former member should return to state service and become a member of the retirement association, the amount so credited to the retirement fund shall be restored to his individual account. If the amount so credited to the fund is over \$25 and the former member should apply for refundment, the amount shall be restored to the former member's individual account and refundment made.
- Sec. 13. Section 352.22, as amended by Laws 1963, Chapter 383, Section 52, is amended by adding a new subdivision to read:
- Subd. 11. Refundment, membership in teachers retirement. A member who has no option or who does not exercise his option under section 352.021, subdivision 5, to continue membership in the state employees retirement association shall upon becoming eligible to membership in the state teachers retirement association, be entitled to an immediate refundment of his accumulated contributions without interest.
- Sec. 14. Minnesota Statutes 1961, Section 352.23, is amended to read as follows:
- 352.23. Termination of rights. When any member accepts a refundment as provided in section 352.22, all existing service credits and all rights and benefits to which the member was entitled prior to the acceptance of such refundment shall terminate and shall not again be restored until the former member acquires not less than five years' allowable service credit subsequent to taking his last refundment. In that event, he may repay all refundments which he had taken from the retirement fund plus interest at four percent per annum compounded annually. Repayment of refundments will entitle the member only to credit for service covered by (a) salary deductions., (b) payments made in lieu of salary deductions, and (c) payments made to obtain credit for service as permitted by laws in effect at the time payment was made. If a member before taking

one or more refundments had credit for prior service or for military service without payment in either case, he may obtain credit for such forfeited service prior to July 1, 1929, and for such forfeited military service credit may be obtained by making payments at a deduction contribution rate of five three percent based on the of his average salary upon which deductions for the retirement fund were based, for the three-year period beginning with the date of first becoming a member of the association immediately preceding repayment of refundment for service credit prior to July 1, 1929, and on the rate of salary received by him at the time of entering military service for to restore his military service credit. All such payments and repayment of refundments are to be paid with interest at four percent per annum compounded annually.

- Sec. 15. Minnesota Statutes 1961, Section 352.27, as amended by Laws 1963, Chapter 383, Section 53, is amended to read:
- Any employee given a 352.27 Military service credit. leave of absence to enter military service 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 be entitled to 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, nor to credit for any period of service following a voluntary return to military service. 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 the applicable amounts required in section 352.04, subdivision 2, plus interest at four percent per annum compounded annually. Such payments shall be reduced by the amount of the social security tax that would have been transferred to the social security contribution fund for the calendar years 1956 and 1957, or any portion thereof, had the member been receiving salary from the state of Minnesota and assuming such salary received would have been the salary received upon his return to state service. In such cases the matching employer contribution and additional contribution provided in section 352.04 shall be paid by the department employing such member upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.
- Sec. 16. Minnesota Statutes 1961, Section 352.28, subdivision 2, as amended by Laws 1963, Chapter 383, Section 55, is amended to read:

- Subd. 2. Certain elections continued. Any election made by a member prior to July 1, 1957, pursuant to Minnesota Statutes 1953, Section 352.11, Subdivision 1 (5), as amended by Laws 1955, Chapter 239, Section 13, shall be continued in effect until the member retires. Provided, however, that upon the death before retirement of any member who had made such election the surviving spouse shall have the option of receiving the reversionary annuity provided under such election or the survivor's benefit authorized in section 352.73; subdivision 4:
- Sec. 17. Minnesota Statutes 1961, Section 352.72, Subdivision 3, is amended to read:
- Subd. 3. Postponement of payment of annuity. No deferred annuity shall be paid from the state employees retirement fund during the time the former member is working and accruing service credit as a member of either the public employees retirement association or the teachers retirement association.
- Sec. 18. Minnesota Statutes 1961, Section 352.115, Subdivision 6, as created by Laws 1963, Chapter 383, Section 29; Section 352.22, Subdivision 6, as amended by Laws 1963, Chapter 383, Section 51; and Laws 1963, Chapters 427 and 741, are repealed.

Approved April 22, 1965.

## CHAPTER 231—H. F. No. 853

An act relating to imprest cash funds; establishing such a funa for the Department of Education; amending Minnesota Statutes 1961, Section 15.19, Subdivision 1.

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

- Section 1. Minnesota Statutes 1961, Section 15.19, Subdivision 1, is amended to read:
- 15.19 Department of Education; imprest cash funds. Subdivision 1. Emergency disbursements. Imprest cash funds, not otherwise provided for by law, for the purpose of making minor emergency disbursements and providing change, may be established, from existing appropriations, for the following state departments and agencies, in amounts not exceeding the following limits: