

was on the payroll of the fire department, or who were born within nine months after said decedent was withdrawn from the payroll of said fire department, such widow and said child or children shall be entitled to a pension as follows:

(1) To such widow a *monthly pension in of* the sum of ~~\$65~~ *\$100* per month for her natural life, and a pension ~~\$15~~ *\$20* per month for each child, not exceeding two, of such deceased member under eighteen years of age, and a pension of \$10 per month for each child in excess of two of the deceased member under eighteen years of age. The amount of such pension for such child or children shall be determined by the association, but the total amount of such pension or pensions shall not exceed the sum of ~~\$125~~ *\$175* per month, and provided if such widow shall remarry, then her pension shall cease and terminate as of the date of her said marriage.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension, or pensions, in such amount or amounts in excess of ~~\$15~~ *\$20* per month for each child as the board of trustees of such association shall deem necessary to properly support such child or children until they reach the age of eighteen years, but not to exceed the sum of ~~\$125~~ *\$175* per month to the children of any one family.

(c) *The amendments to subsection (b) adopted by the 1967 session of the legislature shall not apply to widows and children who began drawing pensions before July 1, 1967, although such widows and children shall continue to draw the pensions to which they are entitled under the law as it existed before the adoption of said amendments.*

Sec. 3. *This act shall take effect upon its approval by the governing body of the city of Faribault and upon compliance with Minnesota Statutes, Section 645.021.*

Approved May 24, 1967.

CHAPTER 808—H. F. No. 1780

[Coded in Part]

An act authorizing the teachers retirement fund to purchase and redeem shares of the Minnesota supplemental retirement fund for the benefit of certain personnel employed by the state college board and the state junior college board; appropriating money; amending Minnesota Statutes 1965, Section 136.80, Subdivision 1;

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repealing Minnesota Statutes 1965, Section 136.80, Subdivisions 2 to 6.

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

Section 1. Minnesota Statutes 1965, Section 136.80, Subdivision 1, is amended to read:

136.80 Teachers' retirement; supplemental retirement fund.
Subdivision 1. A supplemental retirement plan for personnel employed by the state college board and the state junior college board who are in the unclassified service of the state and who *have tenure on July 1, 1965 and all other persons upon acquiring tenure but not later than the period commencing with service under their third contract shall have permanent tenure* or who shall be employed as an administrative officer, college president or dean is hereby established effective July 1, 1965, in accordance with the terms and conditions of *this section sections 2 to 7.*

Sec. 2. **[136.81] Salary deductions, matching funds.**
Subdivision 1. *Beginning July 1, 1967, there shall be deducted from the salary of each person described in Minnesota Statutes, Section 136.80, Subdivision 1, a sum equal to five percent of the portion of such person's annual salary between \$6,000 and \$15,000. Such deduction is to be made in the same manner as other retirement deductions are made from the salary of such a person only after the first \$6,000 has been paid in a fiscal year. The moneys so deducted, together with an equal sum contributed by the state, shall be deposited to the credit of the supplemental retirement account of the teachers retirement fund, which account is hereby established as an account separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The moneys required from time to time to match the person's salary deductions as provided in this subdivision are appropriated to the board of trustees of the teachers retirement fund from the general revenue fund.*

Subd. 2. *With the moneys deposited to the credit of the supplemental retirement account of the teachers retirement fund pursuant to subdivision 1, the board of trustees of the teachers retirement fund shall on the first business day of each month purchase shares in the accounts of the Minnesota supplemental retirement fund to the extent of funds available. The moneys to be invested from time to time pursuant to this subdivision are appropriated to the board of trustees of the teachers retirement fund for the purchase of such shares.*

Subd. 3. *Prior to July 1 of each year, each person described in Minnesota Statutes, Section 136.80, Subdivision 1, may indicate*

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in writing on forms provided by the board of trustees of the teachers retirement fund the account of the Minnesota supplemental retirement fund in which he wishes his salary deductions and state matching funds attributable to his salary deductions invested for the year beginning July 1. For that year and thereafter until a different written indication is made by such person, the board of trustees of the teachers retirement fund shall purchase with the salary deductions and state matching funds attributable to the salary deductions shares in the account of the Minnesota supplemental retirement fund chosen by the person. If a person fails to indicate his choice as provided herein, the board of trustees of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental retirement fund for the coming year. The shares so purchased shall stand in the name of the board of trustees of the teachers retirement fund, but a record shall be kept indicating the number of shares in each account of the Minnesota supplemental retirement fund purchased with the salary deductions and state matching funds attributable to the salary deductions of each person. Such record shall be known as the "employee's share account record". The employee's share account record shall show, in addition to the number of shares therein, any cash balance of salary deductions or state matching funds attributable to those deductions which stands uninvested in shares.

Sec. 3. [136.82] Redemption. *Subdivision 1. The board of trustees of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and regulations governing the Minnesota supplemental retirement fund:*

(1) When requested to do so in writing on forms provided by the board of trustees of the teachers retirement fund by a person having shares to the credit of his employee's share account record, if the person is 65 years of age or older and is no longer employed by the state college board or state junior college board. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of his shares in his employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state college board in the case of a person employed by the state college board, and the state junior college board in the case of a person employed by the state junior college board, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided

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by the board of trustees of the teachers retirement fund by a person having shares to the credit of his employee's share account record, if the person has left his employment by the state college board or state junior college board because of his total and permanent disability as defined in Minnesota Statutes 1965, Section 354.05, Subdivision 14, and if the board of trustees of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of his shares in his employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state college board in the case of a person employed by the state college board, and the state junior college board in the case of a person employed by the state junior college board, may, upon application, in their sole discretion, permit greater withdrawals in any one year. Should the person return to good health he shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of his employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the board of trustees of the teachers retirement fund by such surviving spouse. Such surviving spouse shall receive the cash realized on the redemption of the shares. Such surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state college board in the case of a person employed by the state college board, and the state junior college board in the case of a person employed by the state junior college board, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In such case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of such surviving spouse any shares remaining in the employee's share account record shall be redeemed by the board of trustees of the teachers retirement fund and the cash realized therefrom distributed to the estate of such surviving spouse.

(4) In the event of the death of a person having shares to the credit of his employee's share account record and leaving no surviving spouse, then the board of trustees of the teachers retirement fund shall redeem all shares to the credit of the employee's share

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account record and pay the cash realized therefrom to the estate of the deceased person.

(5) *When requested to do so in writing on forms provided by the teachers retirement fund by a person having shares to the credit of his employee's share account record, if the person is no longer employed by the state college board or state junior college board, but does not qualify under the provisions of paragraphs (1) through (4) of this subdivision. In such case one half of the cash realized on the redemption of shares shall be received by the person and one half shall become the property of the supplemental retirement account of the teachers retirement fund. Annually on July 1 the cancellations of the previous 12 months shall be pro-rated among the employees share accounts in the proportions of the value of each such account to the total of all such share accounts.*

Subd. 2. A person having shares to the credit of his employee's share account record, who is authorized to request redemption of such shares pursuant to paragraphs (1) or (2) of subdivision 1 of this section, or a surviving spouse of such person who is authorized to request redemption of such shares pursuant to paragraph (3) of subdivision 1 of this section, may, if he requests redemption within one year before or after the date on which the person or spouse is entitled to request such redemption, redeem all or part of such shares, and for the purpose of purchasing an annuity as herein provided (and such election to purchase an annuity may be made only once by any individual) deposit the cash realized on such redemption with the board of trustees of the teachers retirement fund and receive in exchange therefor an annuity for life or an optional annuity as hereinafter provided. In the event such election is made prior to the date on which he is entitled to such redemption, the redemption shall not be made prior to date upon which he would be entitled thereto. The annuity purchase rates shall be based on the 1937 standard annuity table of mortality set back two years, with interest at the rate of three percent, and shall be calculated separately as to sex. The amount of the annuity for life is an amount equal to the annuity which could be purchased with the cash realized on the redemption of the shares. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares will be paid to the designated beneficiary. Such optional forms of annuity shall be actuarially equivalent to the normal annuity for life. In establishing these optional forms the board of trustees shall obtain the written recommendation of an ap-

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proved actuary and these recommendations shall be a part of the permanent records of the board of trustees.

Subd. 3. The cash realized from the redemption of shares from time to time as provided in subdivisions 1 and 2 of this section is hereby appropriated to the board of trustees of the teachers retirement fund for payment as provided in subdivisions 1 and 2.

Subd. 4. A person who is authorized to request a redemption of a portion of his shares may, in writing on forms provided by the board of trustees, authorize one or more shares to be redeemed per month on a continuing basis so that such requests need not be submitted each month, and such person may change such continuing order for any subsequent month by similar written request.

Sec. 4. [136.83] Prospectus. *The board of trustees of the teachers retirement fund shall distribute to each person having shares to the credit of his employee's share account record a prospectus of the Minnesota supplemental retirement fund when received from the latter fund.*

Sec. 5. [136.84] Title to assets, personal rights. *The right of a person who has shares to the credit of his employee's share account record to redeem his shares or any portion thereof is a personal right only and shall not be assignable. Legal title to the assets of the supplemental retirement fund shall be in the state of Minnesota or the state board of investment or the nominee of either, subject to the rights of the teachers retirement fund. Any assignment or attempted assignment of shares to the credit of an employee's share account record by any person is null and void. Such shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota.*

Sec. 6. [136.85] Budget. *Each biennium the board of trustees of the teachers retirement fund shall submit to the department of administration a proposed budget for the administration of this supplementary benefit for the coming biennium, and such budget, with such recommendation in connection with it as the governor may make, shall be submitted to the legislature.*

Sec. 7. [136.86] Transfer of funds. *All moneys which on July 1, 1967, are in the supplementary retirement account of the state treasury created by Minnesota Statutes, Section 136.80, Subdivision 2, and all assets held by the state board of investment pursuant to the provisions of section 136.80, subdivision 2, are hereby transferred and appropriated to the teachers retirement fund supplemental retirement account and shall be used to purchase shares as provided in this act for the credit of the employee's share ac-*

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count records of persons having contributed to the fund created by Minnesota Statutes, Section 136.80.

Sec. 8. *The sum of \$22,300 is hereby appropriated to the teachers retirement fund from the general revenue fund for the biennium July 1, 1967, to June 30, 1969, for the use of the teachers retirement fund in the administration of the supplementary benefit provided by this act.*

Sec. 9. *Minnesota Statutes 1965, Section 136.80, Subdivisions 2, 3, 4, 5, and 6 are repealed.*

Sec. 10. **[136.87] Tax shelter provisions.** *Subdivision 1. For the purpose of, and to permit the participation in the tax-shelter provisions of Section 501 (c) and Section 403 (b) and related provisions of the internal revenue code the state college board and junior college board are authorized to enter into agreements to reduce or adjust salaries downward for persons defined in section 136.80, subdivision 1, and to pay as employer an amount equivalent to such reduction in the same manner as deductions would have been paid by such person under this act.*

Subd. 2. The board of trustees is authorized to establish such rules and regulations and procedures consistent with this act, that will permit, if possible, the participation in the aforesaid tax shelter provisions.

Subd. 3. The board of trustees, the state college board and the junior college board shall study the tax-shelter provisions and the general subject of tax shelter annuities and report to the 1969 legislature in order that consideration might be given to any necessary changes in the law for providing, if possible, of tax sheltered annuities or similar tax shelter arrangements.

Sec. 11. *This act shall be in effect on July 1, 1967.*

Approved May 24, 1967.

CHAPTER 809—H. F. No. 1813

[Not Coded]

An act authorizing and directing the commissioner of conservation to convey the interest of the state in certain lands in Pine county.

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

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