

EXTRA SESSION

CHAPTER 18—S. F. No. 11

[Not Coded]

An act relating to the state employees retirement association, public employees retirement association and state teachers' retirement fund providing for the coverage of certain of its members under the old-age and survivors insurance provisions of title II of the Federal Social Security Act as amended, appropriating moneys therefor.

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

Section 1. Definitions. Subdivision 1. Unless the context indicates otherwise, the terms used in this section have the meanings ascribed to them by Laws 1955, Chapter 665, and the meanings ascribed to them in this section.

Subd. 2. The term "state employee" means any employee of the state or of a political subdivision who performs services in any position covered by the retirement system provided for in Minnesota Statutes 1953, Chapter 352, relating to the state employees retirement association, excepting any position the compensation for which is on a fee basis.

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Subd. 3. The term "public employee" includes all employees of the state and its political subdivisions as defined in section 2, subdivision 7 of the enabling act, who hold positions which are covered by the retirement system provided for in Minnesota Statutes Chapter 353, relating to the public employees retirement association excepting any position performing service which under the Social Security Act may not be included in an agreement between the state and secretary of health, education and welfare entered into under this act.

Subd. 4. The term "educational employee" means any employee of the state and its political subdivisions who performs services in any position covered by the teachers retirement fund provided for in Minnesota Statutes, Sections 135.01 to 135.13, as amended.

Subd. 5. The term "employee" includes an officer of the state or political subdivision thereof.

Subd. 6. The term "political subdivision" includes an instrumentality of the state, of one or more of its political subdivisions, or of the state and one or more of its political subdivisions, but only if such instrumentality is a juristic entity which is legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their

relation to such juristic entity employees of the state or subdivision.

Sec. 2. Referendum. Pursuant to the provisions of Laws 1955, Chapter 665, the governor shall designate an agency to supervise a referendum for each of the following groups:

(a) The public employees retirement association shall be deemed a single retirement system with respect to the political subdivisions and the state having positions covered thereby.

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(b) The state employees retirement association shall be deemed a single retirement system except as provided in paragraph (c).

(c) The employees of the University of Minnesota covered by the state employees retirement association shall be deemed a single retirement system.

(d) The teachers retirement fund shall be deemed a single retirement system with respect to the state departments, institutions, and political subdivisions having positions covered thereby except as provided in paragraph (e).

(e) The educational employees of the teachers colleges covered by the teachers retirement fund.

July 15, 1957
Sec. 3. Notice of referendum. The notice of referendum required by section 218 (d) (3) (c) of the Social Security Act which is to be given to the employees shall contain a statement, in such form as the agency designated to supervise the referendum shall deem necessary and sufficient, to inform the employees of the rights which accrue to them under the Social Security Act. The statement shall also inform the employees of the effect that coverage under the Social Security Act will have on their state retirement program.

Sec. 4. Certification by governor. If the governor receives satisfactory evidence that the conditions specified in section 218 (d) (3) of the Social Security Act have been met and the outcome of the referendum indicates that the majority of the employees desire to be covered by the Social Security Act, the governor shall so certify to the secretary of health, education and welfare.

Sec. 5. State agency to make agreement with secretary of health, education and welfare. Upon such certification the state agency, with the approval of the governor, shall be authorized to enter into an agreement with the secretary of health, education and welfare, or modify any such agree-

ment previously made with respect to employment by state employees, public employees, and educational employees. The agreement or modification shall take effect retroactively and apply to all such employment performed after December 31, 1955, by the employees who are such on that date, and shall include within its application effective with the date of entry into state, public or educational service, all employment by such employees on the date of and subsequent to the approval of the agreement or modification as well as those who are such on the approval date thereof.

Sec. 6. Retroactive effect. Effective retroactively with respect to employment after December 31, 1955, by state employees, public employees, and educational employees, who are employees on the date the agreement or modification is entered into or thereafter, each department or agency of the state and each political subdivision employing such employees shall pay into the contribution fund contributions with respect to wages paid to each employee in an amount equal to the sum of the taxes which would be imposed by the Federal Insurance Contribution Act in the services covered by such agreement or modification.

Sec. 7. Retroactive effect. Effective retroactively with respect to employment after December 31, 1955, by employees who are employed on the date the agreement or modification is entered into or thereafter, each retirement board shall pay out of their respective funds an amount for each member which is equal to the amount of employee tax which would have been imposed by the Federal Insurance Contribution Act, if such service constituted service within the meaning of the act.

Sec. 8. Employee contributions, deduction from wages. After the date the agreement or modification is entered into, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constitutes employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the state and each political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee or the state or the political subdivision of liability therefor.

Sec. 9. Reimbursement of administrative costs of state agency. Each department or agency of state and each political subdivision employing members of the association shall reimburse the state agency for its pro rata share of the cost of administration of said agency in accordance with rules

and regulations of the state agency. Such reimbursements shall be paid into the state agency's revolving fund.

Sec. 10. State employees, appropriation. With respect to state employees, the moneys necessary for the payments into the contribution fund and the state agency revolving fund, as provided herein, are hereby appropriated out of such revenue sources to each department and agency in such sums as are required to make the payments herein directed, and such payments shall be charged as an administrative cost by such units of state government.

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If there are insufficient moneys in any such accounts or fund or source of revenue to make the payments in the contribution fund required by this act by such departments or agencies, there is hereby appropriated to such department or agency from any moneys in the state treasury not otherwise appropriated such moneys as are required to meet such deficiencies. The amount of each appropriation made by these provisions shall be certified by the commissioner of administration to the state auditor at such times as the state auditor shall require.

For those employees of the state or its instrumentalities who as eligible members in the state employees retirement association are employed by the state horticultural society, the disabled American veterans, department of Minnesota, veterans of foreign wars, department of Minnesota, the Minnesota crop improvement association, the Minnesota historical society, the armory building commission and the Minnesota-Wisconsin—Minneapolis-St. Paul survival plan project, these units of government shall also pay into the contribution fund contributions with respect to wages equal to the sum of taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by such agreement or modification constituted employment within the meaning of that act.

Sec. 11. Delinquent payments, collection. Delinquent payments under this act with interest at the rate of six percent per annum may be recovered by action in a court of competent jurisdiction against each and every political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such political subdivision by any department or agency of the state.

Sec. 12. Obligations of political subdivisions, payment. Each and every political subdivision is hereby authorized and directed to pay its obligations under this act for moneys collected from taxes or other revenues. Each and every political subdivision authorized to levy taxes may include in its tax

levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation whatsoever upon the power of a political subdivision, as defined in section 1 of this act, to levy taxes, such political subdivision may levy taxes in excess of the limitation in such amount as is necessary to meet its obligations under this act. The expenditures authorized to be made under this act shall not be included in computing the cost of government as defined in any home rule charter of any city affected thereby. The governing body of a municipality, for the purpose of meeting its liabilities under this act in the event of a deficit, may issue its obligations payable in not more than two years, in an amount which may cause its indebtedness to exceed any statutory or charter limitations, without an election, and may levy taxes to pay therefor in the manner provided in Minnesota Statutes, Section 475.61.

Sec. 13. Limitation on referendums. This act allows a referendum for any separate retirement system provided in section 2 only if this session of the legislature authorizes a program of coordination for such system which provides a change in benefits and contributions to such state retirement system effective upon the making of any agreement with the secretary of health, education and welfare.

Sec. 14. Amendment of Federal Social Security Act, effect. If the Federal Social Security Act or any rule or regulation made thereunder is amended prior to any agreement or modification provided in this act, and such amendment permits retroactive coverage of governmental employees at some date after December 31, 1955, with the allowance of fully insured status with 18 months of service as a governmental employee, the retroactive coverage shall begin on such date notwithstanding any provision in this act to the contrary. In the event of such amendment, the agreements and contributions provided herein shall be retroactive to such date.

Sec. 15. Restoration to membership in retirement association or fund. Provided that all persons whose membership in a retirement fund or association is terminated July 1, 1957 by reason of state legislative action shall be restored as of July 1, 1957 to membership in the association or fund prior to any modification of the agreement between the state and the secretary of health, education, and welfare in the event that they are not before such date brought within the coverage of the Federal Social Security Act pursuant to authorizing federal legislation. Such restoration to membership shall be conditioned upon payment by affected members of required contributions to the fund accruing subsequent to July

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