

CHAPTER 10—H. F. No. 21

An act relating to the public employees retirement association; amending Minnesota Statutes 1945, Section 353.14.
Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1945, Section 353.14, is amended so as to read:

353.14. Date of retirement. No retirement annuity shall be granted under the provisions of this chapter until July 1, 1935, nor shall any person who shall have been a member of the retirement association prior to the date of passage of this act be entitled to receive a retirement annuity until he shall have contributed to the retirement fund, either by salary deductions or otherwise, for a period of four full years and unless he shall have been a member of the association for a like period. If any such member who is eligible for retirement and who has attained the age of 65 years has contributed to the retirement fund for a period of less than 20 years, he shall be entitled to receive a pro rata retirement annuity for the remainder of his life in an amount bearing the same ratio to the full retirement annuity that the period of his salary deductions, or assessments in lieu thereof, bears to 20 years, but fractional parts of a year shall not enter into the computation of such pro rata retirement annuity. When any such member shall have become eligible to receive such a pro rata retirement annuity and shall have contributed to the retirement fund for a period of five full years, and shall have been a member of the association for a like period, such member may, if he shall so elect at any time before making application for such pro rata retirement annuity, make application for a full retirement annuity, or for a pro rata retirement annuity based on a greater number of years of contributions to the retirement fund than then stand to his credit on the books of the association. Provided, further, however, that any person who shall become a member of the association from and after *March 10, 1945*, and who shall attain eligibility for retirement as otherwise provided in this chapter, shall not be entitled to receive any retirement annuity until he shall have contributed to the retirement fund, either by salary deductions or otherwise, for a period of ten full years and unless he shall have been a member of the association for a like period. In either case, annuity shall be granted to the member upon compliance with the following terms and conditions:

(1) In case such member shall make application for a full retirement annuity, the retirement board, before granting the application, shall do the following things:

(a) Determine the number of full years of contributions required of such member to make a total of 20 full years of contributions by him to the retirement fund;

(b) Determine the average annual amount of the accumulated deductions of such member for the period of his membership in the association computed at $3\frac{1}{2}\%$;

(c) Determine the amount of the additional accumulated deductions to be required of such member by multiplying the number of years, as determined by the method prescribed in clause (a) hereof, by the average annual amount of his accumulated deductions, as determined in the manner prescribed by clause (b) hereof;

(d) Require that such member shall pay into the retirement fund, before such full retirement annuity shall be granted, the total amount of his additional accumulated deductions, as determined by the methods prescribed by clause (c) hereof; and, in addition thereto, one-half of one per cent ($\frac{1}{2}\%$) of his average annual salary for said additional years plus a further amount representing an accrued interest payment, to be determined as follows:

In the case of 15 years of additional contributions required, an amount equal to 48 per cent of the total accumulated deductions required for such period, and in case of 14 years of *additional contributions required, or less, an amount to be determined in like manner, based on percentages of the total accumulated deductions required in each instance, as herein-after set forth: 14 years, 50 per cent; 13 years, 52 per cent; 12 years, 54 per cent; 11 years, 56 per cent; ten years, 58 per cent; nine years, 60 per cent; eight years, 62 per cent; seven years, 64 per cent; six years, 66 per cent; five years, 68 per cent; four years, 70 per cent; three years, 72 per cent; two years, 74 per cent; one year, 76 per cent; after the total amounts required of such member have been determined, as hereinbefore set forth, credit thereon shall be allowed such member for the amount contributed by him to the retirement fund through salary deductions, or otherwise, during the fractional part of any year not included in the computation for a full retirement annuity.*

(2) In case such member shall make application for a pro rata retirement annuity based on a greater number of

full years of contributions than then stand to his credit on the books of the association, the retirement board, in the manner hereinbefore provided, shall determine the amount of the additional accumulated deductions required under such application and shall require that such applicant shall pay into the retirement fund before such greater pro rata retirement annuity is granted, all additional accumulated deductions required; and, in addition thereto, such further and additional amounts representing accrued interest payments as may be determined in the manner hereinafter set forth:

In case of one additional year's credit, an amount equal to that percentage of the total accumulated deductions required for one year as may be determined by multiplying the number of full years such member has contributed to the retirement fund by four per cent. In case of two additional years' credit, an amount equal to that percentage of the additional accumulated deductions required as in the case of one additional year's credit; and, in addition thereto, a further amount equal to two per cent of the total accumulated deductions required. In like manner for three years' additional credit, or more, an amount equal to that percentage required as in the case of one additional year's credit, and, in addition thereto, a further amount computed on the following percentage of the total accumulated deductions required in each instance as hereinafter set forth; three additional years' credit, 4 per cent; 4 additional years' credit, 6 per cent; 5 additional years' credit, 8 per cent; 6 additional years' credit, 10 per cent; 7 additional years' credit, 12 per cent; 8 additional years' credit, 14 per cent; 9 additional years' credit, 16 per cent; 10 additional years' credit, 18 per cent; 11 additional years' credit, 20 per cent; 12 additional years' credit, 22 per cent; 13 additional years' credit, 24 per cent; 14 additional years' credit, 26 per cent; 15 additional years' credit, 28 per cent; provided, that after such total amount required of such member has been determined, as hereinbefore set forth, credit thereon shall be allowed such member for any amount contributed by him to the retirement fund through salary deductions, or otherwise, during the fractional part of any year not included in the computation for such greater pro rata retirement annuity. Nothing done under the terms of this chapter shall create or give any contract rights to any person, except the right to receive back upon withdrawal from the association, through separation from the public service, any salary deductions made or assessments paid hereunder.

The minimum requirements for a retirement annuity for any applicant who has attained the age of 65 years shall be

20 years of contributions to the retirement fund, or its equivalent, with an amount representing accrued interest earnings, as hereinbefore set forth. In the case of any member who becomes eligible for retirement at any age earlier than 65 years, but not earlier than 60 years, the minimum requirements as to years of contributions before any full retirement annuity or any pro rata retirement annuity based on a greater number of years of contributions than then stand to his credit on the books of the association shall be granted, shall be 20 years increased by one year for each year that the applicant is under the age of 65 years, in accordance with the following schedule: Age 64, 21 years; age 63, 22 years, age 62, 23 years; age 61, 24 years; age 60, 25 years; provided, that in the case of any member who shall have reached the age of 60 years on May 1, 1937, and who, prior to June 1, 1936, shall have left the public service and maintained membership by payment of assessments, the minimum requirements for a full retirement annuity shall be 20 years, regardless of the attained age at the time of any such retirement.

No full retirement annuity or any pro rata retirement annuity based on a greater number of years of contributions than the number of years he shall have been a member of the association shall be granted to any member of the association who has not attained to the age of 60 years.

The retirement board shall, by general rule, adopt regulations and schedules of rates of payments required by applicants who shall become eligible for retirement at ages earlier than 65, but not earlier than 60 years, which regulations shall provide for the granting of pro rata retirement annuities in amounts bearing the same ratio to a full retirement annuity as the period in full years of salary deductions, or assessments received in lieu thereof, or its equivalent, with an additional amount representing accrued interest earnings, shall bear to the number of years expressed in the above schedule of minimum requirements as to years of contributions for a full retirement annuity at any given age of the applicant. In the case of any person who was a member of the retirement association prior to the date of the passage of this act the retirement board shall not grant any full retirement annuity or any pro rata retirement annuity based on a greater number of years of contributions to the retirement fund than then stand to the credit of the applicant until and unless such member shall have been a member of the association for a period of five full years. Also in the case of a person who shall have become a member of the retirement association from and after

date of passage of this act, and who shall have attained eligibility for retirement as otherwise provided in this chapter, the retirement board shall not grant any retirement annuity until and unless such member shall have been a member of the association for ten full years. The total amount available from the retirement fund for distribution in annuity payments during any one month shall in no event exceed the total amount received from salary deductions and assessments in lieu thereof during the preceding month and should the total of annuities previously granted and then in force exceed such amount, it shall be the duty of the retirement board to restrict the total amount available for distribution in annuities for any such month accordingly and all annuities payable shall be proportionately reduced. The balance of any annuities not paid in full by reason of such restriction shall be paid proportionately during the first and subsequent months when such salary deductions and assessments exceed the total of all outstanding annuities then payable.

Approved February 8, 1949.

CHAPTER 11—H. F. No. 45

[Not Coded]

An act to validate proceedings heretofore taken by certain villages for the authorization, issuance, and sale of bonds for the purchase of fire equipment, of bonds to enable contributions toward the erection of county hospitals, and bonds for the constructing, enlarging, and improving of municipal airports, authorizing the completion of such proceedings and the issuance of bonds and declaring such bonds binding, legal, valid and enforceable obligations of such villages.

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

Section 1. Village obligations validated. This act shall apply to any village with a population according to the last Federal census of more than 4,800 and which has heretofore submitted to the voters of the village at special elections held subsequent to January 1, 1945, a proposition of issuing bonds in the amount of \$15,000 for the purchase of fire equipment, a proposition of issuing bonds in the amount of \$15,000 to enable the village to contribute toward the erection of a coun-