

CHAPTER 353

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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353.01 DEFINITIONS. Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of this chapter, shall be given the meanings subjoined to them.

Subdivision 2. **Public employee.** "Public employee" means any person holding a position, either by election, appointment, or contract in and for any of the several counties, cities, villages, or school districts which are now or hereafter may be affected by the provisions of this chapter, whose salary is paid, in whole or in part, through taxation, or by fees, assessments, or revenue from any one or more of the governmental subdivisions hereinbefore enumerated, irrespective of whether or not such person is directly employed by the authority of, or is under the control and supervision of the governing body of any such county, city, village, or school district, except (1) any temporary employee, as hereinafter defined; (2) any employee of any governmental subdivision affected by the provisions of this chapter, who, by virtue of his former employment in the public service is a beneficiary of, or a contributing member to, or who has an unrealized interest in, or is designated as a future beneficiary by the rules of, any pension, relief, or retirement fund established and maintained by authority of the laws of this state, provisions of any municipal charter, or ordinance of any municipality or other governmental subdivision thereof; or (3) any employee of any governmental subdivision who by virtue of his present employment is required to contribute to, or is eligible for membership in, or to be designated as a future beneficiary of, any retirement, relief, or pension system established and maintained by authority of and pursuant to any one or more of sections 352.01 to 352.18, relating to retirement annuities for state employees; Mason's Supplement 1940, sections 1264-6 to 1264-13½j, relating to police pensions in certain villages; sections 135.19 to 135.27, relating to pensions for teachers in certain cities; sections 423.01 to 423.11, relating to police pensions in cities of the first class; sections 425.01 to 425.09, relating to pensions for employees of the bureau of health in certain cities of the first class; sections 422.01 to 422.47, 448.50 and 448.51, relating to pensions and retirement allowances in certain cities of the first class; sections 423.12 to 423.20, relating to police pensions in cities of the second class; Mason's Supplement 1940, sections 1716-4 to 1716-18, relating to police pensions in certain cities of the third class; section 423.21, relating to pension funds in cities of the fourth class; sections 423.22 to 423.36, relating to police relief associations in cities of the fourth class; Mason's Supplement 1940, sections 1828-16¾ to 1828-16¾j, relating to firemen's relief associations in cities of the fourth class; sections 135.01 to 135.15, relating to teachers' pensions; sections 69.01 to 69.06, relating to the establishment of firemen's relief associations; sections 69.07 to 69.13 relating to firemen's relief associations in cities of the third class; and sections 69.25 to 69.61, relating to firemen's relief associations in cities of the first class. The term "public employee" shall also mean any person appointed as a district court reporter in this state.

Subdivision 3. **Head of department.** "Head of department" means the head of any department, institution, office, or branch of service of any governmental

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subdivision which directly pays salaries out of its revenue or is empowered to authorize the payment of such salaries.

Subdivision 4. Accumulated deductions. "Accumulated deductions" means the total of the amounts deducted from the salary of a member and the total amount of assessments paid by a member in lieu of such deductions and credited to his individual account in the retirement fund, without interest.

Subdivision 5. The retirement fund. "The retirement fund" means and includes the aggregate of all accumulated deductions from the salaries of members of the retirement association, all assessments paid by such members in lieu of such deductions, and all other moneys paid into the state treasury or received by the retirement board pursuant to the provisions of this chapter, together with all income and profits therefrom and interest thereon.

Subdivision 6. Governmental subdivision. "Governmental subdivision" means a county, a city, a village, or a school district, as the case may be.

Subdivision 7. City. "City" means and includes any incorporated city of this state whether operating under a home rule charter or not.

Subdivision 8. Village. "Village" means and includes any incorporated village of this state now or hereafter having more than 5,000 inhabitants.

Subdivision 9. School district. "School district" means and includes any independent, common, or special school district of this state which is now or hereafter may be wholly or partly within the limits of any city, or any village, and also means any unorganized school territory governed by any county board of education.

Subdivision 10. Salary. "Salary" means the periodical compensation of any public employee and also means "wages" and, in case of officers elected to a fee office, includes the term "fees."

Subdivision 11. Present public employee. "Present public employee" means any public employee receiving salary from any county, city, village, or school district on the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision by or for which he is employed or from whose funds his salary is paid.

Subdivision 12. New public employee. "New public employee" means any public employee who enters the public service in any county, city, village, or school district subsequent to the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision by or for which he is employed or from whose funds his salary is paid.

Subdivision 13. Temporary employee. "Temporary employee" means any person employed by or for any of the governmental subdivisions affected by the provisions of this chapter, who holds any position for a period not exceeding six months within any 12-month period as (1) a substitute for another regularly employed and on leave of absence, or (2) any employee holding any position of an essentially temporary character excepting seasonal employment. The term "temporary employee" also means any part-time employee whose compensation does not exceed \$300.00 per annum, but shall not be construed to include any person employed in the classified civil service of any such governmental subdivision, whether as a probationer or otherwise.

[1931 c. 307 s. 1; 1933 c. 374 s. 1; 1937 c. 466 s. 1; 1941 c. 285 s. 1] (254-23)

353.02 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ESTABLISHED.

There is hereby established a public employees retirement association, the membership of which shall consist only of public employees and employees of the association. Membership in the association shall be optional on the part of the present public employees, but all new public employees, except elective public officers, shall become members of the association by acceptance of public employment. In all governmental subdivisions heretofore operating under and affected by the provisions of this chapter prior to January 1, 1933, present public employees who apply for membership therein after January 1, 1932, shall pay a membership fee of \$10.00, but no present public employee shall be eligible to apply for membership in the retirement association after July 1, 1935, except upon the payment of such additional penalties as the retirement board may, by general rule, prescribe. In addition to this membership fee, every present public employee who becomes a member of the retirement association shall pay in a sum equal to all accrued deductions from his salary which would have been made had the employee become a member of the retirement association July 1, 1931, with interest thereon at the

rate of five per cent per annum, compounded annually. In all governmental subdivisions wherein the governing body has duly accepted the provisions of this chapter subsequent to January 1, 1933, and prior to May 1, 1935, present public employees who apply for membership in the retirement association after January 1, 1934, shall pay a membership fee of \$10.00, but no such present public employee shall be eligible to apply for membership in the retirement association after July 1, 1935, except upon the payment of such additional penalties as the retirement board may, by general rule, prescribe. In addition to such membership fee every such present public employee who becomes a member of the retirement association shall pay in a sum equal to all accrued deductions from his salary which would have been made had the public employee become a member of the retirement association July 1, 1933, with interest thereon at the rate of five per cent per annum, compounded annually. In all governmental subdivisions wherein the governing body thereof has duly accepted the provisions of this chapter subsequent to May 1, 1935, present public employees may apply for membership in the association at any time within a period of two years from the first day of the first calendar month next succeeding the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision concerned and at any time thereafter, upon the payment of such additional penalties as the retirement board may, by general rule, prescribe. Any such present public employee who shall apply for membership in the association shall be required to pay a membership fee of \$10.00. In addition thereto, any such present public employee shall pay into the retirement fund a sum equal to all accrued deductions which would have been made had such present public employee become a member of the association on the first day of the first calendar month next succeeding the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision concerned, together with interest thereon at the rate of five per cent per annum, compounded annually.

An elected public officer, eligible for membership in the association, may exercise his option to become a member thereof, but such option once exercised, may not be withdrawn during the incumbency of such officer in the office to which he was elected or reelected. If holding office at the time of the acceptance of the terms of this chapter by the governing body of the governmental subdivision concerned, the terms and conditions of membership pertaining to a present public employee shall govern the admission of such elected public officer to membership in the association. Any person elected to a public office in any governmental subdivision affected by the provisions of this chapter, subsequent to the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision concerned, may apply for membership in the association at any time within a period of two years from the date he first became eligible for membership in the association, and at any time thereafter upon the payment of such additional penalties as the retirement board may, by general rule, prescribe. Any such person who applies for membership in the association shall be required to pay a membership fee of \$10.00. In addition thereto, any such elected public officer shall pay into the retirement fund a sum equal to all accrued deductions which would have been made had such elected public officer become a member of the association on the first day of the first calendar month next succeeding the date he first assumed the office to which he was elected, together with interest thereon at the rate of five per cent per annum, compounded annually.

Any person appointed to fill a vacancy in an elective office and becomes eligible thereby to membership in the association may likewise exercise his option to become a member thereof under the terms and conditions that govern the admission of elective public officers to membership in the association.

Except as in this chapter otherwise provided, membership in the association may not be terminated by resignation, or in any manner other than by death, or by leaving the employ of the governmental subdivision concerned. No employee of any governmental subdivision shall be required to become a member of any retirement fund or relief association, or to contribute to any fund established for such purpose, except the retirement fund established pursuant to the provisions of this chapter.

[1931 c. 307 s. 2; 1933 c. 374 s. 1; 1935 c. 106 s. 1; 1937 c. 466 s. 2; 1941 c. 285 s. 2]
(254-24)

353.03 BOARD OF DIRECTORS. The management of the public employees' retirement fund is hereby vested in a board of nine members, who shall be known

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as the public employees' retirement board. This board shall consist of the state auditor, the state insurance commissioner, the state treasurer, and six public employees who shall be elected by the members of the retirement association at a time and in a manner to be fixed by the retirement board. The members of the board so elected shall hold office for a term of three years and until their successors are elected and qualified. Within 30 days after the passage of this chapter, at the call of the state auditor, the association shall meet and elect the six members to the retirement board. The members of the retirement board shall serve without compensation, but shall be reimbursed out of the retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties, and shall suffer no loss of salary or wages through service on the board. The board shall elect a chairman and appoint a secretary and such other employees as may be necessary and fix their compensation. The board shall from time to time, subject to the limitations of this chapter and of the law, establish rules and regulations for the administration of the retirement and other provisions of this chapter and for the transaction of its business.

[1931 c. 307 s. 3] (254-25)

Amended 1941 = 167-1

353.04 RETIREMENT FUND. Every member of the retirement association shall pay into the retirement fund three and one-half per cent of his salary as a public employee as and when paid. Such payment shall be made by deduction thereof from such salary; provided that under such regulations as the retirement board may by general rule prescribe any member may, at his option, continue to make contributions to the retirement fund on the basis of his last regular salary, in case this salary is diminished or reduced for any cause and thereby become entitled to the same annuity as though there had been no diminution or reduction in such salary. The head of each department is hereby directed to cause such deductions to be made at least once each month from the salary of each member of the retirement association and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries and to cause the same to be remitted within 15 days thereafter to the secretary of the retirement board, together with a statement showing the amount of each of such deductions, the amount of salaries from which such deductions have been made and the names of the employees on whose accounts the same have been made. Such statement may be furnished in the form of a carbon or duplicate copy of departmental pay-roll abstracts and if not submitted in such form, the head of each department of any governmental subdivision affected by the provisions of this chapter is hereby required to furnish the secretary of the retirement board a carbon or duplicate copy of his departmental pay-roll abstract for the first pay-period during the months of January and July, respectively, in each year and it shall be the duty of the secretary to check the copies of all such pay-roll abstracts against the membership records of the association so as to ascertain whether or not any omissions have been made by the several department heads in the reporting of any new public employees, as required by section 353.07. All remittances so received by the secretary of the retirement board shall be promptly deposited with the state treasurer. Deductions from the salaries of district court reporters shall be made by the several county auditors of the state. Each county auditor of the state shall make such deduction from the amount of each warrant issued by him in payment of the salary of a district court reporter and on or before the fifteenth day of each month issue a warrant to the order of the state treasurer for the aggregate amount of all such deductions made by him during the preceding month and transmit the same to the secretary of the retirement board with a statement showing the amount of each of such deductions and the names of the district court reporters on whose account the same have been made; provided that the deductions from the salary of a district court reporter in a judicial district consisting of two or more counties shall be made by the auditor of the county in which the bond and official oath of such district court reporter are filed from the portion of his salary paid by such county. All salary deductions shall be credited to a fund to be known as the retirement fund and all interest and other income of the association shall be credited to this fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of the association and the annuities herein provided upon retirement shall be paid only from this fund.

[1931 c. 307 s. 4; 1933 c. 374 s. 1; 1941 c. 285 s. 3] (254-26)

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353.05 STATE TREASURER CUSTODIAN OF FUNDS. The state treasurer shall be ex officio treasurer of the retirement funds of the association and his general bond to the state shall be so conditioned as to cover all liability for his acts as treasurer of these funds. If the general bond of the state treasurer, at the time of the passage of this chapter, shall cover all liability for his acts as treasurer of these funds, no additional bond shall be required; if not, the state treasurer shall execute to the State of Minnesota, for the use and benefit of the state and all persons injured by failure to observe its conditions, a penal bond in such a sum as may be fixed by the retirement board and with such sureties as the governor and the state auditor may approve, conditioned that he will pay over to all persons on demand all moneys to which they may be entitled which may have come into his hands in virtue or by reason of his office as such treasurer of these funds. All moneys of the association received by him shall be set aside in the state treasury to the credit of the proper fund. He shall transmit monthly to the secretary of the retirement board a detailed statement of all amounts so received and credited by him to the fund. He shall pay out the fund only on warrants issued by the state auditor, upon vouchers signed by the secretary of the retirement board; provided that vouchers for investment may be signed by the secretary of the state board of investment.

[1931 c. 307 s. 5] (254-27)

353.06 STATE BOARD OF INVESTMENT TO INVEST FUNDS. The retirement board shall from time to time certify to the state board of investment for investment such portions of the retirement fund as in its judgment may not be required for immediate use. The state board of investment shall thereupon invest the sum so certified in such securities as are duly authorized as legal investments for savings banks and trust companies and sell any such securities upon request of the retirement board when necessary to provide money for the payment of refunds or annuities to members and for other lawful obligations.

[1931 c. 307 s. 6] (254-28)

353.07 HEADS OF DEPARTMENTS TO MAKE MONTHLY STATEMENTS. Within 90 days after the acceptance of the terms of this chapter by the governing body of any governmental subdivision, the heads of departments affected shall submit to the retirement board a statement showing the name, age, sex, title, compensation, and length of service in his department of every public employee in his department, as defined in section 353.01, and on the first day of each calendar month thereafter furnish the retirement board a like statement of all new officers or employees who have entered the public service as public employees in his department and at the same time notify the board of all removals, withdrawals, and changes in salaries of any members of the retirement association which have occurred during the preceding month, and furnish to the board a like statement of all new officers or employees who have entered the service as public employees.

[1931 c. 307 s. 7; 1933 c. 374 s. 1; 1941 c. 285 s. 4] (254-29)

353.08 ATTORNEY GENERAL TO BE LEGAL ADVISER. The attorney general shall be the legal adviser of the retirement board. The board may sue or be sued in the name of the public employees' retirement board of the public employees' retirement association and, in all actions brought by it or against it, the board shall be represented by the attorney general.

[1931 c. 307 s. 8; 1933 c. 374 s. 1] (254-30)

See 193-167
353.09 PAYMENTS UPON RETIREMENT. When any member of the association shall cease to be a public employee for any reason other than death or retirement, he shall be paid on demand, after 15 days' notice, the full amount of the accumulated deductions standing to the credit of his individual account. Any such member who has been in the public service for not less than four consecutive years immediately prior thereto may in lieu thereof, upon application in writing to the retirement board within 60 days from the termination of his employment, be permitted to retain membership in the retirement association and to enjoy all the rights and privileges thereof upon such terms and conditions as to his employment and the payment of assessments in lieu of salary deductions as the retirement board may by general rule prescribe. Any member of the retirement association who has maintained his membership after leaving the public service by the payment of such assessments may terminate such membership by notice in writing to the retirement

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board, whereupon he shall be paid on demand, after 15 days' notice, the full amount of the accumulated deductions standing to the credit of his individual account.

[1931 c. 307 s. 9; 1933 c. 374 s. 3; 1937 c. 466 s. 1] (254-31)

353.10 FORFEITED RIGHTS RESTORED. When a public employee who has withdrawn his accumulated deductions shall reenter the public service within five years after such withdrawal the annuity rights forfeited by such employee at the time of such withdrawal shall be restored upon repayment by such employee to the retirement fund of the full amount so withdrawn, with interest thereon at the rate of five per cent per annum compounded annually from the date of withdrawal and in addition thereto an amount equal to the sum that he would have contributed to the fund had he elected to retain membership in the association, together with interest on the same computed at the rate of five per cent per annum compounded annually. Unless such public employee shall make these payments, with interest thereon at the rate of five per cent per annum compounded annually from the date he shall have so reentered the public service, he shall be required, before any retirement is granted to him, to make or to have made contributions to the retirement fund for a period of years equivalent to that originally required of him for the purpose of qualifying for a retirement annuity at the time he first became a member of the association.

[1931 c. 307 s. 10; 1933 c. 374 s. 1] (254-32)

Act 1937-167-3

353.11 RETIREMENT. Except as in this chapter otherwise provided, when any member of the retirement association has been a public employee for a period of 20 years and has attained the age of 65 years, or when any such employee has been a public employee for a period of 35 years, he shall be eligible for retirement. In computing such terms of service, the time during which any member of the association shall have maintained his membership by the payment of assessments after leaving the service as a public employee, in lieu of deductions, shall be included. No person admitted to membership in the association after May 1, 1937, shall be entitled to receive a retirement annuity unless he has either attained the age of 65 years and has been a public employee for a period of 20 years, or has attained the age of 60 years and has been a public employee for a period of at least 35 years. Such retirement shall be made upon application of the member or of someone acting in his behalf, or, in the case of any employee in active service, upon the application of the head of the department in which such member is employed. Except as in this chapter otherwise provided, upon such retirement such member shall receive an annuity for the remainder of his life equal to 50 per cent of the average annual salary received for the entire period of his membership in the association. In computing the average annual salary of members who have contributed by assessments, in lieu of salary deductions or otherwise, the average annual salary received while such member was in the public service as a member of the association shall, for the purpose of construing this section, be considered the salary of such member for that period of his membership in the association during which he made contributions to the retirement fund by assessments, in lieu of salary deductions or otherwise. In computing the period of past service, employment by or for any of the governmental subdivisions, as defined and enumerated by this chapter, shall be counted, irrespective of whether or not the governing body of such governmental subdivision has qualified its public employees for membership in the association. No such retirement annuity shall in any event exceed the sum of \$1,800 per annum. Membership in the association for any present public employee shall commence upon the date of the acceptance of the application for membership by the retirement board and in no event shall the retirement board grant to any member any pro rata annuity, as provided in section 353.14, until and unless four full years of membership in the association shall have elapsed, nor shall the retirement board grant any pro rata annuity based on a greater number of years of contributions to the retirement fund than then stand to the credit of such member on the books of the association, or any full retirement annuity, as hereinafter provided, until and unless five full years of membership have so elapsed. No taxes shall be levied or raised for the aid of the retirement association or the membership thereof by any governmental subdivision of this state affected by the provisions of this chapter, unless the governing body of any such governmental subdivision, or any agency, board, or commission thereof, by enactment of any ordinance, resolution, rule, or regulation, cause the retirement of any public employee solely by reason of having attained any fixed age. In the event that any such governmental

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subdivision shall adopt, by appropriate local legislation, compulsory retirement ages for public employees, then such governmental subdivision shall also assume the liability to pay one-half of the cost of all annuities thereafter granted by the retirement board pursuant to the provisions of this chapter to any public employee affected by such compulsory retirement requirements. The total amount of such contributory share of such annuities shall, before September 30th of each year, be duly determined by the retirement board and certified to any such governmental subdivision for the period of the previous 12 months ending June 30th immediately preceding. The amount so certified by the retirement board shall be included in the next budget of any such governmental subdivision subsequent to the certification by the retirement board and shall be levied, collected, and apportioned in the same manner as other taxes are levied, collected, and apportioned, and, for the express purposes of this section, the payment of all such annuities are hereby made obligations of the governmental subdivisions concerned in the proportion and to the extent provided. Any levy authorized under this section shall be in addition to and exclusive of all levies authorized for other purposes.

[1931 c. 307 s. 11; 1933 c. 374 s. 1; 1935 c. 106 s. 2; 1937 c. 466 s. 4; 1941 c. 285 s. 5] (254-33)

353.12 HEIRS OR LEGAL REPRESENTATIVES TO RECEIVE BENEFIT OF FUNDS. When any member of the association shall die without having received an annuity, or without having received in annuity payments an amount equal to the total amount of the accumulated deductions from his salary, and such additional accumulated deductions, if any, as may have been paid into the retirement fund under and pursuant to the provisions of section 353.14, exclusive of any payments representing accrued interest, the full amount of such total accumulated deductions and additional accumulated deductions, if any, less such annuity payments, if any, as have been paid to such member, shall be paid in one lump sum to the beneficiary or beneficiaries designated by such member, or, if none, to the legal representatives of such member, upon establishment of a valid claim therefor. If no valid claim is established therefor, the accumulated deductions shall remain with and become the property of the retirement association.

[1931 c. 307 s. 14; 1933 c. 374 s. 1; 1941 c. 285 s. 6] (254-36)

353.13 ANNUITIES PAYABLE MONTHLY. All annuities granted under the provisions of this chapter shall commence with the first day of the first calendar month next succeeding the date of termination of public service for the purpose of retirement and paid in equal monthly instalments commencing one month thereafter and continuing only during the lifetime of the annuitant, and shall not be increased, decreased, or revoked except as provided in this chapter.

[1931 c. 307 s. 15; 1933 c. 374 s. 1; 1941 c. 285 s. 7] (254-37)

Amended
43-167-4
353.14 DATE OF RETIREMENT. No retirement annuity shall be granted under the provisions of this chapter until July 1, 1935, nor shall any member of the retirement association 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 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 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; and, in either case, the same shall be granted to him 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:

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(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;

(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, 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 hereinafter 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 additional years' 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, four per cent; four additional years' credit, six per cent; five additional years' credit, eight per cent; six additional years' credit, ten per cent; seven additional years' credit, 12 per cent; eight additional years' credit, 14 per cent; nine additional years' credit, 16 per cent; ten 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 to 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, 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.

From and after May 1, 1937, 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, and with respect to any such member the retirement board may grant only a pro rata annuity in an amount bearing the same ratio to a full retirement annuity as the period of full years of salary deductions or assessments received in lieu thereof during his membership in the association, or its equivalent, with an additional amount representing accrued interest earnings, shall bear to the number of years expressed in the following schedule of requirements as to the years of contributions for a pro rata retirement annuity at any given age of the applicant: Age 59, 26 years; age 58, 27 years; age 57, 28 years; age 56, 29 years; age 55, 30 years; age 54, 31 years; age 53, 32 years; age 52, 33 years; age 51, 34 years; and age 50, 35 years.

The retirement board shall, by general rule, adopt regulations and schedules of rates of payments required of applicants who shall become eligible for retirement at ages earlier than 65, 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. 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 such member shall have been a member of the association for a period of five 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.

[1931 c. 307 s. 16; 1933 c. 374 s. 1; 1937 c. 466 s. 5; 1941 c. 285 s. 8] (254-38)

353.15 ANNUITIES NOT ASSIGNABLE. None of the moneys, annuities, or other benefits provided for in this chapter shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, nor shall the same be subject to any state income tax.

[1931 c. 307 s. 18] (254-40)

353.16 INSURANCE LAWS DO NOT APPLY. None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds. The books and accounts of the association and the retirement fund shall be examined and audited annually by the public examiner of the

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state and a full and detailed report thereof made to the retirement board, without expense to the retirement fund.

[1931 c. 307 s. 19; 1933 c. 374 s. 1] (254-41)

353.17 CONTRIBUTIONS TO RETIREMENT FUND. The retirement board is hereby authorized and empowered to credit to the fund any moneys received in the form of contributions, donations, gifts, appropriations, bequests, or otherwise; and every member of the retirement association who shall fail to demand the amount of his accumulated deductions within five years after his separation or withdrawal from the public service shall be deemed to have donated the same to the retirement fund, unless he shall have retained his membership in the retirement association, as hereinbefore provided.

[1931 c. 307 s. 20; 1937 c. 466 s. 6] (254-42)

353.18 REGULATIONS. All matters and administrative details not specifically provided for in this chapter shall be governed by rules and regulations issued and promulgated by the retirement board. The final power to determine the status of any individual in the employ of any governmental subdivision, for the purposes of this chapter, is hereby vested in the board.

[1931 c. 307 s. 22; 1941 c. 285 s. 9] (254-44)

353.19 PENALTIES FOR FALSE INFORMATION. Any person who shall give any false information to the retirement board or any officer or agent of the retirement association for the purpose of obtaining membership in such association, or any person, who shall wilfully fail or refuse to perform or discharge any duty prescribed by this chapter, shall, upon conviction thereof, be guilty of a misdemeanor.

[1931 c. 307 s. 23] (254-45)

353.20 APPLICATION. The provisions of this chapter shall not apply to any county, city, village, or school district, or the employees thereof, until and unless the governing body of any such county, city, village, or school district shall have duly approved, by a majority vote and by a resolution in writing, of salary deductions for public employees, as contemplated by section 353.04, and filed a duly certified copy of such resolution of approval with the proper officials of the county, city, village, or school district whose duty it is to pay or authorize the payment of salaries, and one such certified copy with the secretary of the retirement board. Salary deductions for present public employees in all governmental subdivisions heretofore operating under and affected by the provisions of this chapter prior to January 1, 1933, shall be computed from the first day of July, 1931, and in all governmental subdivisions wherein the governing body has duly accepted the provisions of this chapter subsequent to January 1, 1933, and prior to May 1, 1935, shall be computed from the first day of July, 1933. Salary deductions for present public employees in all governmental subdivisions wherein the governing body thereof has duly accepted the terms and provisions of this chapter subsequent to May 1, 1935, and who shall thereafter become members of the retirement association, shall be computed from the first day of the first calendar month next succeeding the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision concerned.

[1931 c. 307 s. 24; 1933 c. 374 s. 1; 1935 c. 106 s. 3; 1941 c. 285 s. 10] (254-46)