

CHAPTER 135

TEACHERS RETIREMENT FUND

Sec.		Sec.	
135.01	Definitions	135.31	Scope and application
135.03	Board of trustees; membership, duties	135.32	Contributions by employer and employee
135.04	Powers of the board	135.33	Computation of retirement annuities
135.08	Rights of non-members to make payments to the fund	135.34	Optional retirement annuities
135.09	Teachers from other states or other schools	135.35	Retirement before becoming eligible for social security
135.11	Fund not subject to assignment or process; beneficiaries	135.36	Payments after death
135.12	Teachers to elect members of board	135.37	Disability benefits
135.13	Certification, amount of state's obligations	135.38	Military service credit
135.15	Application	135.39	Effective; application
135.16	County superintendents eligible to membership	135.41	Teachers retirement association, eligibility for membership
135.17	Credit for payments	135.42	Teachers retirement fund, contributions by employer and employee
135.18	Payments into fund deducted from salaries	135.43	Employer contributions, financing
135.19	Teachers retirement fund association in cities	135.44	Retirement benefit
135.20	Incorporation	135.45	Optional retirement annuities
135.21	Plan of association; fund; approval of council	135.46	Survivors and death benefits
135.22	Approval of board of education	135.47	Refundment after death
135.23	Contribution by teachers; taxation	135.48	Disability benefits
135.24	Tax levies	135.49	Refundment or deferred annuity
135.25	Power to hold property	135.50	Termination of rights
135.26	Pro rata distribution of funds	135.51	Payments to receive credit for prior service
135.27	Teachers; extension to employees of association	135.52	Reports
		135.53	Military service credit
		135.54	Application
		135.55	Options to certain members

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

Subd. 2. **Teacher.** The word "teacher" includes any person who has rendered, is rendering, or shall hereafter render, service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state, located outside of the corporate limits of the cities of the first class, in the state colleges, or in any charitable institution supported, in whole or in part, by public funds, or who has been engaged, is engaged, or shall hereafter be engaged, in educational administration in connection with the state public school system, including the state colleges, but excluding the state university, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with such system, or the officers of common, independent, special, or county school districts. The term does not mean any person who works for such school or institution as an independent contractor.

Subd. 3. **Teaching.** The word "teaching" includes the service performed by any person coming within the definition of "teacher" as set forth in subdivision 2.

Subd. 4. **Fund.** The term "fund" means the teachers retirement fund referred to in this chapter.

Subd. 5. **Member of fund.** The term "member of fund" means every teacher who joins and contributes to the teachers retirement fund as provided in this chapter.

Subd. 6. **Board.** The term "board" means the board of trustees of the teachers retirement fund.

Subd. 7. **Actuarial equivalent.** "Actuarial equivalent" means the annual amount determined by calculations based on mortality tables, purchasable with a given amount at a stated age.

Subd. 8. **Dependent child.** "Dependent child" means any natural or adopted child of a deceased member under the age of 18, unmarried and actually dependent for his support upon such member.

Subd. 9. **Association.** "Association" means the combined membership of all teachers who qualify and participate in the retirement program provided for in this chapter.

Subd. 10. **Approved actuary.** "Approved actuary" means any actuary who is either a fellow of the society of actuaries or who has at least 15 years of service to major public employee funds or any firm retaining such an actuary on its staff.

Subd. 11. **Accumulated deductions.** "Accumulated deductions" means the total of the sums deducted from the salary of a member and the total amount of assessments paid by a member in lieu of such deductions, credited to his individual fund, without interest.

Subd. 12. **Payments in lieu of deductions.** "Payments in lieu of deductions" means the assessments or payments made by any member to receive credit for service rendered when no salary deductions were made.

19AC 360 2. Subd. 13. **Allowable service.** "Allowable service" means:

(1) Any service rendered by a teacher for which on or before July 1, 1957 he received credit to his account in the retirement fund by reason of employee contributions in the form of deductions from salary or otherwise as authorized by Minnesota Statutes, Sections 135.01 to 135.13, as amended by Laws 1955, Chapters 361, 549, 550, 611 or

(2) Any service rendered by a teacher for which on or before July 1, 1957, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes, Section 135.01 to 135.13, as amended by Laws 1955, Chapters 361, 549, 550, 611 in the manner agreed upon with the retirement board or

(3) Any service rendered by a teacher after July 1, 1957 for any calendar month 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 calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund as provided in sections 135.09, subdivision 4, and 135.54.

[1931 c 406 s 1; 1957 c 576 s 1, 2; Ex1957 c 16 s 1, 2] (2950-1)

135.02 [Repealed, Ex1957 c 16 s 19]

19AC 360 3. **135.03 BOARD OF TRUSTEES; MEMBERSHIP; DUTIES.** Subdivision 1. The management of the fund shall be vested in a board of five trustees to be known as the board of trustees of the Teachers Retirement Fund. It shall be composed of the following persons: the commissioner of education, the state auditor, the commissioner of insurance, and two members of the fund who shall be elected by the members of the fund at the time and place of their annual meeting. At the first election of the members of the fund, one trustee shall be elected to serve for one year and one for two years. Thereafter the terms of the elective members shall begin on the first Monday in January next succeeding their election. In the case of elective members, vacancies shall be filled by appointment by the remainder of the board, the appointee to serve until the members of the fund have elected a trustee to serve for the unexpired term caused by such vacancy. No member shall be appointed by the board, or elected by the members of the fund, as a trustee who is not a member of the fund in good standing at the time of such appointment or election.

Subd. 2. The board shall annually elect one of its members as president, shall elect a secretary, and fix his salary, who shall serve during the pleasure of the board and be the executive officer of the board, with such duties as the board shall prescribe. The board shall employ all other clerks and employees necessary to properly administer the fund. One-half of the cost and expense of administering the provisions of sections 135.01 to 135.13 shall be paid by the fund and the balance thereof by the state.

Subd. 3. The state treasurer shall be ex officio treasurer of the fund and his general bond to the state shall cover any liabilities for his acts as treasurer of the fund. He shall receive all moneys payable to the fund and pay out the same only on warrants issued by the state auditor upon vouchers signed by the president and secretary of the board. The treasurer shall give receipts for all moneys received by him for the fund, keep a full, correct, and separate account of the financial transactions connected therewith, and make an annual report to the board at its annual meeting of the receipts and disbursements and other financial transactions connected with the fund.

Subd. 4. All members of the board shall serve without compensation but shall receive necessary expenses while attending all meetings of the board, to be paid out of the fund.

Subd. 5. The board shall meet regularly at its office at such times as it shall determine. Special meetings may be held at any time at the call of the president of the board or of any three members thereof.

Subd. 6. The fiscal year of the fund shall begin on the first day of July of each year and end on the 30th day of June of the following year.

Subd. 7. A suitable office shall be provided by the state through the proper officer for the use of the board and its secretary.

[1931 c 406 s 3; 1955 c 361 s 1] (2950-3)

135.04 POWERS OF THE BOARD. Subdivision 1. The board shall have, and is hereby granted, power to frame bylaws for its own government and for the management of the fund not inconsistent with the laws of the state and to modify them at pleasure; to adopt, alter, and enforce reasonable rules and regulations not inconsistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits; to pass upon and allow or disallow all applications for membership in the fund and for credit for teaching service; to pass upon and allow or disallow all claims for withdrawals, pensions, or benefits payable from the fund; to provide for the payment out of the fund of all necessary expenses for the administration thereof and of all claims for withdrawals, pensions, or benefits allowed.

Subd. 2. In passing upon all applications and claims, the board may summons, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the claimant, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine the validity and merit of the same.

Subd. 3. The board may sue or be sued in the name of the board of trustees of the teachers retirement fund and in all actions brought by or against it the board shall be represented by the attorney general.

Subd. 4. It shall be the duty of the board from time to time to certify to the state board of investment for investment as much of the funds in its hands as shall not be needed for current purposes. The state board of investment shall thereupon invest the sum so certified in such securities as are now or may hereafter be duly authorized legal investments for savings banks and trust companies and all such securities so purchased shall be deposited with the state treasurer; but in the case of necessity such securities shall be sold by the state board of investment upon request of the board in order to raise money for current purposes. All interest from this investment shall be credited to the fund and used for current purposes, except as hereinafter provided.

Subd. 5. The board shall keep a record of the receipts and disbursements of the fund and a separate account with each member of the fund. It shall determine annually the net annual interest earnings of the fund by deducting the expenses of the fund from the gross interest earnings. Five percent of the net annual interest earnings shall annually be set aside as a contingency reserve until the contingency reserve equals five percent of the assets of the fund. The contingency reserve so created shall be disbursed only by specific direction of the board. The remaining portion of the net annual interest earnings, computed to the last full quarter percent interest upon members' accounts and not in excess thereof, shall be apportioned and credited to the separate accounts of the members of the fund in proportion to the total amount to their credit therein. Any excess remaining shall be added to the reserve accounts of the fund. In the event the remaining portion of the net annual interest earnings of the fund falls below two percent, the board may in its discretion use the reserve accounts of the fund, excepting the contingency reserve hereby created, and the annuity reserves for the purpose of crediting to the accounts of the members a sum equal to the difference below two percent.

Subd. 6. The board shall present annually to the members of the fund at its annual meeting a report of the condition of the fund for the last preceding fiscal year, which shall include a statement of the receipts and disbursements of the fund, a list of the securities in which the fund is invested, and such other information as may be necessary or desirable. One copy of the report shall be filed in the office of the commissioner of education, one with the governor, and other copies filed or distributed as the board may determine. The report shall be published in the biennial report of the commissioner of education.

[1931 c 406 s 4; 1949 c 708 s 1; 1951 c 481 s 1; 1953 c 750 s 1] (2950-4)

135.05 [Repealed, Ex1957 c 16 s 19]

135.08 TEACHERS RETIREMENT FUND

1284

135.06 [Repealed, Ex1957 c 16 s 19]

NOTE: Section 135.06, Subdivisions 1 and 2, are amended by Laws 1957, Chapter 818, Sections 1 and 2 to read:

Subdivision 1. "Each member of the fund, except teachers who have resumed teaching after drawing an annuity, shall pay into the fund a sum equivalent to six percent of her annual salary, no payment to exceed \$288 per year, payable in the manner and at the times hereinafter provided. The payments shall be credited to the account of the teacher paying the same."

Subd. 2. "Teachers who ceased paying into the fund after teaching 35 years but who have continued to teach shall have the right to pay into the fund an additional sum either in cash or installments, which payment or payments shall not be in excess of six percent of their annual salary, but not more than \$175 for any year, for each year of teaching service beyond 35 years, together with interest thereon at the rate of four percent per annum from the time of rendering such additional teaching service until July 1, 1947, and six percent of the teacher's salary, but not more than \$175 per year for the period from July 1, 1947, until July 1, 1953, and not more than \$216 per year for the period from July 1, 1953, until July 1, 1955, and not more than \$288 per year for the period commencing July 1, 1955, without interest."

135.07 [Repealed, Ex1957 c 16 s 19]

135.08 RIGHTS OF NON-MEMBERS TO MAKE PAYMENTS TO THE FUND.

Any teacher who was not a member of the teachers insurance and retirement fund, created by Laws 1915, Chapter 199, but who rendered teaching service prior to August 1, 1931, in any public school or institution to which sections 135.01 to 135.13 apply, and who has become a member of the fund hereby created, shall have the right to pay into the fund hereby created and receive credit therefor as of the time paid, such sums as such teacher would have paid as assessments had such teacher been a member of the fund created by Laws 1915, Chapter 199, together with simple interest on the same at the rate of six percent from the time the service was rendered until paid and such additional sums as such teacher may elect to pay; the aggregate of which assessments, interest, and additional sums shall not exceed five percent of such teacher's average yearly salary for the five years of service immediately preceding the school year 1931-1932, or the first thereof, but not more than \$100 per year, multiplied by the number of years of such prior service. Members of the teachers retirement fund shall have the right to pay assessments, interest, and additional sums, as provided for in this section, for service rendered prior to August 1, 1931, in schools or institutions in Minnesota to which sections 135.01 to 135.13 apply; provided, that in the case of any such teacher who has rendered more than 15 years of such prior service there shall be assigned to such teacher's credit from state funds, if in the judgment of the teachers retirement fund board adequate funds are available, as a part of such teacher's savings, for each year of service beyond 15, five percent of the total additional amount that such teacher has a right to pay, as hereinbefore provided, not exceeding the amount paid by such teacher under such right and in no event more than 50 percent of the total additional amount which may be paid. The amount so assigned from state funds shall reduce to the extent thereof the total amount which the teacher may pay under the right as aforesaid. Any money so contributed by the state shall be used only to purchase an annuity, as hereinafter provided, and may not be withdrawn in cash as a part of such teacher's savings.

[1937 c. 112 s. 1] (2950-7)

135.09 TEACHERS FROM OTHER STATES OR OTHER SCHOOLS. Subdivision 1. Except as provided in subdivision 4, teachers who have rendered teaching service in other states or in the public schools of this state to which sections 135.01 to 135.13 do not apply, or in the University of Minnesota, who prior thereto have been, or thereafter become members of the fund, may be given credit for such teaching service by the board, provided that no credit may be given for any part thereof rendered subsequent to June 30, 1953, for which they are entitled to receive benefits under any other retirement system; and, after having acquired credit for 15 years of teaching service in schools or institutions to which sections 135.01 to 135.13 apply, of which at least five years shall have been rendered subsequent to such other teaching service, such teachers may then pay into the fund an amount equal to six percent of the average yearly salary, not exceeding \$175, received during the five years immediately before completion of the required Minnesota service or July 1, 1951, whichever is later, multiplied by the number of years of such teaching service for which credit is given, together with interest thereon at the rate of four percent per annum from the time of rendering such previous service until July 1, 1947. The payments hereunder shall not exceed \$175 per year for any such service rendered prior to July 1, 1953, and \$216 per year for any such service rendered thereafter and shall be without interest for any such service rendered subsequent to June 30, 1947.

Subd. 2. The board shall provide in its rules and regulations the method and means for reinstatement as members of the fund of teachers who have withdrawn

therefrom and who afterwards reenter teaching service. In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 135.01 to 135.13, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any calendar year. If a teacher teaches for only a fractional part of any year, credit shall be given for such fractional part of the year as the term of service rendered bears to the legal school year in such district or institution, but in no case shall the legal year be less than the minimum school year of this state. Commencing July 1, 1949, if a teacher teaches for only a fractional part of any year, credit shall be given for a year of teaching service if the period of teaching within the year be not less than 120 days. No credit shall be given thereafter for teaching service within a year where such teaching service is less than the minimum prescribed above.

Subd. 3. Teachers who while rendering teaching service in the schools to which sections 135.01 to 135.13 apply are given Sabbatical leave or who obtain a leave of absence for educational purposes in foreign countries under scholarships received from the Board of Foreign Scholarships or who render interchange teaching services in foreign countries pursuant to federal law, may receive credit for the period thereof by paying into the fund at the rate of six percent of the salary received by them during the year immediately preceding such leave or foreign teaching services. This shall also be applicable to any such period occurring prior to the enactment thereof, provided that the payments into the retirement fund for any year prior to July 1, 1953, shall not exceed \$175, and for any year subsequent thereto such payments shall not exceed \$216. Said payments shall be without interest.

Subd. 4. After July 1, 1957, payments made pursuant to subdivision 1, representing employee contributions, shall be accepted only if an equal additional amount, representing employer contributions, is received from the agency formerly employing such teacher. However, the teacher or the school district or institution which presently employs him, may pay such equal additional amount representing the employer contribution required by this subdivision. Interest shall be paid on both the employee and employer contribution at the rate of four percent per annum from the year on which such service was purchased to the date of payment. The board may authorize the collection of these payments in the form of installments rather than a lump sum. Any school district or institution which desires to make the employer contribution herein provided, is hereby authorized to appropriate money for such purpose.

All payments into the fund pursuant to subdivision 1, shall be considered accumulations after January 1, 1957, for the purpose of computing any annuity provided in Extra Session Laws 1957, Chapter 16.

In no case shall the provisions of subdivision 1, apply to teachers who become members of the fund after July 1, 1957.

[1931 c 406 s 8; 1949 c 708 s 4; 1953 c 750 s 4; 1955 c 361 s 6, 7; Ex1957 c 16 s 14, 15] (2950-8)

135.10 [Repealed, Ex1957 c 16 s 19]

NOTE: Section 135.10 is amended by Laws 1957, Chapter 752, Section 1, by adding a subdivision thereto to read:

[Subdivision 9.] "Each annuitant who as a member of the fund commenced drawing his annuity under this section between August 1, 1931, and June 30, 1953, but not including his beneficiaries, shall be paid the sum of \$25 per month, which payments shall be guaranteed by the state, in addition to the amounts such annuitant is otherwise entitled to receive under the provisions of sections 135.01 to 135.15."

Section 135.10, Subdivision 4, is amended by Laws 1957, Chapter 818, Section 3, to read:

Subdivision 4. "If such teacher shall elect to purchase an annuity, as hereinbefore provided, the state shall, at the time of the payment of such annuity, pay to the teacher or designated beneficiary an amount equivalent to such annuity, to be paid from state funds hereinafter provided; provided, the amount of the annuities so paid by the state shall not exceed in amount the term or life annuities which such annuitant could purchase with the moneys to her credit as teachers' savings.

"Annuities to be paid under the provisions of this section shall be payable quarterly on the first days of January, April, July and October."

See Section 135.55 and note.

135.11 FUND NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES. Subdivision 1. The right of a teacher to avail herself of the benefits of sections 135.01 to 135.13 is a personal right only and shall not be assignable. All moneys to the credit of a teacher's account in the fund or any moneys payable to her from the fund shall belong to the State of Minnesota until actually paid to the teacher or her beneficiary pursuant to the provisions of sections 135.01 to 135.13. Any assignment or attempted assignment of a teacher's interest in the fund, or of a beneficiary's interest therein, by a teacher or her beneficiary shall be null and void and the same shall be exempt from garnishment or levy under attachment or exe-

59K650243

cution and from all taxation by the State of Minnesota. Any beneficiary designated by a teacher under the terms of sections 135.01 to 135.13 may be changed or revoked by the teacher at her pleasure, in such manner as the board may prescribe. In case a designated beneficiary dies before the teacher designating him dies, and a new beneficiary is not designated, the teacher's estate shall be the beneficiary.

Subd. 2. [Repealed, Ex1957 c 16 s 19]

[1931 c 406 s 10; 1955 c 361 s 8] (2950-10)

135.12 TEACHERS TO ELECT MEMBERS OF BOARD. At the time and place of the annual meeting of the Minnesota education association or its delegate assembly the members of the teachers retirement fund shall meet at the call of the commissioner of education for the purpose of electing one or more members of the board of trustees, as hereinbefore provided, hearing the annual report of the board, and of transacting any other business that may properly come before them.

[1931 c. 406 s. 11] (2950-11)

89X690015 **135.13 CERTIFICATION, AMOUNT OF STATE'S OBLIGATIONS.** Subdivision 1. The board shall from time to time determine the amount of money necessary and presently needed to meet the state's obligations as provided in sections 135.01 to 135.13 and certify the amount so determined to the state auditor. In so certifying the board shall certify separately the amount required to make the payments provided for in section 135.10 on the account of teachers whose accredited teaching service was rendered for and in behalf of the state at large, together with the amount necessary to meet any operating cost for which the state is liable, and the amount required to make such payments on account of teachers whose accredited teaching service was rendered for and in behalf of the schools and institutions located outside of the cities of the first class. In case any teacher has rendered accredited teaching service in part for the state at large and in part for the schools and institutions located outside of the cities of the first class, the amount certified for payment on account of his teaching shall be prorated on the basis of the respective amounts contributed by such teacher to his teachers' savings while rendering such respective teaching service. The amount so certified shall be adjusted by the deficit or surplus of the preceding year.

Subd. 2. The auditor is hereby directed to include in each annual state tax levy the amounts so certified and not included in a previous levy, which amounts are hereby annually levied against the taxable property of the state, as herein provided. In certifying the rate to the several county auditors, the state auditor shall certify, subject to the maximum levy hereinbefore prescribed, the amount required for the payments on account of teaching service rendered for the state at large, together with the amount required for the state's share of operating costs, against all the taxable property of the state, and shall certify the amount required for payments on account of teaching services rendered for the schools and institutions outside of cities of the first class against all of the taxable property located outside of the cities of the first class. The proceeds of the tax levies so made are hereby appropriated to the fund for the purpose of making such payments.

[1931 c 406 s 12; 1935 c 301 s 1; 1949 c 708 s 6; 1955 c 361 s 9] (2950-12)

135.14 [Repealed, 1955 c 361 s 10]

135.15 APPLICATION. Sections 135.01 to 135.13 shall not apply to any city of the first class of this state, except as provided in section 135.01.

[1931 c. 406 s. 14] (2950-14)

135.16 COUNTY SUPERINTENDENTS ELIGIBLE TO MEMBERSHIP. All county superintendents of schools now in office, or who shall hereafter be elected or appointed thereto, and all former county superintendents of schools who have heretofore contributed to the teachers insurance and retirement fund, if otherwise eligible, are hereby made eligible to membership in this fund and admitted to membership therein upon written application to the board of trustees of the teachers insurance and retirement fund, or to its secretary, and shall thereafter be subject to all of the provisions of Laws 1915, Chapter 199.

[1931 c. 146 s. 1] (2953-1)

135.17 CREDIT FOR PAYMENTS. All such superintendents or former superintendents of schools who have heretofore contributed to the teachers insurance and retirement fund and who become members thereof, as provided in section 135.16, shall receive the same credit for payments made and for service rendered as if they had been members of the fund during the time of such payments. Any superintendent or former superintendent who has heretofore received or would be entitled to

receive, if he had been eligible to membership in the fund an annuity shall be paid such annuity from the fund as he would have been entitled to had he been a member during the time he contributed.

[1931 c. 146 s. 2] (2953-2)

135.18 PAYMENTS INTO FUND DEDUCTED FROM SALARIES. It is hereby made the duty of the county officials required by law to draw the warrants for the payment of the salaries of such county superintendents of schools to deduct and withhold from each month's salary due to each such superintendent the amount which such superintendent is required to pay into the teachers insurance and retirement fund, as specified in sections 135.16 to 135.18, and the county treasurer shall remit the amount so withheld to the state treasurer at the time and in the manner of remitting moneys belonging to the fund received from boards of education or other managing bodies of school districts or other educational institutions and report to the board of trustees of the fund the name of the county superintendent from whose salary such deductions were made and the amount of such deductions.

[1931 c. 146 s. 4] (2953-4)

135.19 TEACHERS RETIREMENT FUND ASSOCIATIONS IN CITIES. In every city of this state now or hereafter having a population of more than 10,000, the teaching body may, with the consent of the council in the city, establish an association to be known as the teachers retirement fund association, to be formed and organized and to have powers and privileges as provided in sections 135.21 to 135.27.

[1909 c. 343 s. 1; 1911 c. 383 s. 1] (1358)

135.20 INCORPORATION. Any plan for the establishment of such an association shall include a provision for the organization of a corporation under the provisions of Revised Laws 1905, Chapter 58, and acts amendatory thereof.

[1909 c. 343 s. 2] (1359)

135.21 PLAN OF ASSOCIATION; FUND; APPROVAL OF COUNCIL. When any teaching body of any city of this state having a population of more than 10,000, desires to avail itself of these privileges, that teaching body shall formulate a plan for the formation and incorporation of such an association and the collection and disbursement of a fund for the benefit of retired teachers in the city, which plan shall be submitted to the council of the city for approval, and when the same is approved by the council, the association so established and incorporated shall have full power and authority to receive and disburse funds in accordance with the plan so adopted.

[1909 c. 343 s. 3; 1911 c. 383 s. 2] (1360)

135.22 APPROVAL OF BOARD OF EDUCATION. No such association shall be incorporated and commence to collect and disburse funds until the plan so to be proposed by the teaching body shall be approved in writing by a majority of all the teachers in the employ of the board of education and when the corporation is formed there shall be filed with the articles of incorporation an affidavit made by some officer of the board of education that a majority of the teachers have approved in writing of the formation of the association.

[1909 c. 343 s. 4] (1361)

135.23 CONTRIBUTION BY TEACHERS; TAXATION. The plan shall include a provision that only such teachers as make a contribution to the fund, as provided in the plan, shall be entitled to the benefits thereof, and may include a provision that a portion of the fund shall be raised by taxation upon the property of the city, it being understood that all teachers who are willing to comply with the terms and conditions of the articles of association and bylaws of the association shall be entitled to participate in the benefits of the fund.

In any city of the first class where no automatic or compulsory retirement plan affecting such teachers has been established, every teacher coming within the provisions of this act who shall have attained the age of 70 years as of June 30, 1942, and any teacher who shall have attained the age of 69 years as of June 30, 1943, and any teacher who shall have attained the age of 68 years as of June 30, 1944, and thereafter any teacher who shall have attained the age of 68 as of June 30 of any year, shall be automatically retired and severed from the service in the respective school system.

In any city of the first class, the plan, subject to the approval of the city council of such city, may provide that any member applying for an annuity shall be entitled to an annuity on the single life plan, or its actuarial equivalent under any optional method of retirement provided in the articles of the association, from city deposits at least equal to \$2 per month for each year of teaching service in such city. Such annuity payments shall not commence until the member has reached the age of 55 years, and has completed 20 years of teaching service in such city, or until the member has reached the age of 62 years if he has not completed 20 years of teaching service in such city. Where the aggregate of the city deposit to the credit of such member will not provide the minimum annuity prescribed, the city deposit shall be increased in the year of retirement to the amount necessary to provide such minimum annuity. Except as herein provided, the provisions for city deposits in such plan in any city of the first class shall not be altered by the provisions of this paragraph. City deposits as used herein is hereby defined as that portion of the fund to be raised by taxation upon the property of the city.

[1909 c 343 s 5; 1941 c 214 s 1; 1945 c 390 s 1; 1951 c 25 s 1] (1362)

135.24 TAX LEVIES. When the plan is adopted, and the association is formed and incorporated, the proper officers of the association shall certify annually to the proper authorities, who have charge of the levying of taxes for school purposes in the city and in the county in which the city is located, the amount which it will be necessary to raise by taxation in order to carry out the plan so adopted, for the coming year, and it shall be the duty of the authorities so having charge of the levying of taxes to include in the tax levy for the ensuing year, a tax in addition to all other taxes, the rate allowed to be levied or expended for the cost of government by the charter of any city affected by Laws 1945, Chapter 390, sufficient to produce so much of the sum so certified as the said authorities having charge of the levying of taxes for school purposes in said city shall approve; provided, that any portion of the sum so certified which is not included in the tax so levied and collected shall be increased with interest at the rate currently earned on the invested funds of the association and added to the amount certified for the ensuing year, and provided that in cities other than those of the first class to which this law is applicable, the tax shall in no event exceed one-tenth of a mill upon each dollar of the assessed value of all taxable property of the city unless the authorities having charge of the levying of taxes for school purposes in such last mentioned cities shall determine that a larger tax than one-tenth of a mill upon all taxable property of the city should be levied, in which event the amount so determined shall be levied, which shall in cities other than cities of the first class, in no event exceed three-tenths of a mill upon each dollar of the assessed value of all taxable property of the city. The tax shall be collected as other taxes are collected in the city and when so collected paid over to the treasurer of the association to be held and disbursed in accordance with the provisions of the plan so to be adopted.

Any such association formed by the teachers employed by any independent school district, in any city of the first class the territorial limits of which school district coincide with the territorial limits of such city, and the government of the independent school district, not provided for in the charter of the city, shall not pay to any beneficiary more than \$1,200 as an annuity in any one year, from public funds in addition to the annuity which the member's contributions with interest to the time of retirement, would provide, or the equivalent thereof; provided that on and after August 1, 1957, nothing in this section shall prevent such association from paying an aggregate annuity and pension of up to \$2,400 in any one year to any teacher who retired or retires on or after July 31, 1948, if such teacher is entitled to such amount under the articles of incorporation and bylaws of such association.

Provided, that after the date the members of such association are covered under the act of Congress approved August 14, 1955, Chapter 531, 49 Stat. 620, officially cited as the "Social Security Act," as such act has been and may be from time to time amended, the amount of taxes levied by or for such independent school district for the purpose of carrying out the plan of the retirement fund association shall not exceed in any one year four percent of the total annual payroll of the members of such association, as determined in September of each year, plus one percent of payroll to retire the unfunded liability existing on the date that Social Security goes into effect. Provided, further that after the date the members of such association are covered under said "Social Security Act" the limitations contained in this section relative to the maximum amount of yearly benefits that may be paid from

public funds to any beneficiary may be increased or decreased at any time by the members of the association in the plan for the association for the amendment of the articles of incorporation of the association, except that the benefits to be provided by the association shall be limited to those which an actuarial valuation shows may be supported by the contributions of members and taxes levied for the purpose of carrying out the plan of the association not exceeding the limit herein provided. If the members of the association vote not to be covered by social security, the figure of \$1,200 set forth in this section shall be amended to read \$1,500, and the figure of \$2,400 set forth above in this section shall be amended to read \$3,000.

This enactment shall not affect the annuities or rights to annuities of any members of such association who, at the time of this enactment, are being paid annuities, or any members who now are, or, prior to July 31, 1948, will be eligible to retirement, and shall have retired prior to that date; and, at the time the association shall certify to the board of education in any year the amount necessary to be raised by taxation, it shall file with the clerk of the board an itemized statement of its assets and liabilities at the close of the fiscal year, an itemized statement of receipts and disbursements for the year, and a list of the annuities paid during the year; and all the records of such association shall be open to reasonable public inspection.

[1909 c 343 s 6; 1911 c 383; 1917 c 300; 1919 c 144; 1921 c 303; 1923 c 310; 1935 c 111 s 2; 1945 c 390 s 2; 1949 c 523 s 1; 1955 c 722 s 1; 1957 c 655 s 1]. (1363)

135.25 POWER TO HOLD PROPERTY. Any such association so to be formed shall be empowered to receive, hold, and dispose of real estate or personal property acquired by it, either by gift or purchase or in any other lawful way, as provided by its articles of association so to be adopted, as herein provided.

[1909 c. 343 s. 7] (1364)

135.26 PRO RATA DISTRIBUTION OF FUNDS. The plan may provide in the event that the funds of the association are not sufficient to pay annuities in full, as provided in the plan, in any particular year, that the amount available shall be prorated between those entitled to receive the same.

[1909 c. 343 s. 8] (1365)

135.27 TEACHERS; EXTENSION TO EMPLOYEES OF ASSOCIATION. The word "teachers," as used in sections 135.19 to 135.27, includes superintendents, supervisors, principals, as well as instructors, who are in the employ of the board of education or board of school inspectors in the city mentioned in sections 135.19 to 135.27, and the plan or articles of incorporation of any such association heretofore established or hereafter established may also provide by amendment thereto, or otherwise, that it shall include employees and former, or retired employees of such association, provided however, that no employee, former or retired employee who has a credit or credits to his account as a municipal employee under Minnesota Statutes, Chapter 422, shall be required to become a member of any such association unless he has given written notice to such association and to the retirement board of the municipality with which he has such a credit within two years after becoming eligible to such membership of his desire to avail himself of the provisions of sections 135.19 to 135.27 and become a member of such association. Upon so electing, the city treasurer and retirement board of the municipality with which such employee or former or retired employee so has a credit, shall transfer and pay over to such association all of the moneys remaining to the credit of such employee, former or retired employee, whereupon he shall become a member of such association, and such moneys shall be held by and applied toward his benefit in accordance with the articles of incorporation and by-laws of such association. The retirement fund so paying over and transferring said moneys shall thereupon be relieved of all further liability and responsibility to such employee, former or retired employee, of any nature whatsoever arising out of his former contributions to, credits, or participation in, the municipal pension and retirement plan adopted pursuant to Minnesota Statutes, Chapter 422.

No employee of a teachers' retirement fund association to whom sections 135.19 to 135.27 hereafter apply in accordance with this section, shall be required or permitted to become a member of any retirement fund or relief association or to contribute to any fund established for such purpose except a fund established pursuant to the terms of sections 135.19 to 135.27.

[1909 c 343 s 9; 1955 c 10 s 1] (1366)

135.31 SCOPE AND APPLICATION. Sections 135.31 to 135.39 apply to any member of the teachers 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 survivors insurance act applicable to such members. Sections 135.31 to 135.39 also apply to school district or institution employing such member. Except as otherwise specifically provided in sections 135.31 to 135.39, the provisions of Minnesota Statutes, sections 135.01 to 135.13 as amended by Laws 1955, shall apply.

[Ex1957 c 15 s 1]

135.32 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Subdivision 1. The employee contribution to the teachers retirement fund shall be an amount equal to three percent of the salary of every member. This contribution shall be made by deduction from salary. No deduction shall be made from any salary in excess of \$4,800 in any fiscal year. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any fiscal year.

Subd. 2. The employer contribution to the fund shall be an amount equal to three percent of the salary of each member not exceeding \$4,800 in any fiscal year.

Subd. 3. An additional contribution shall be made to the fund based on the salary of each member not to exceed \$4,800 in any fiscal year for the purpose of amortising the deficit in the fund. The amount of the additional contribution shall be as follows:

For years

(a) 1957-59	1¾ percent
(b) 1960-64	1¼ percent
(c) 1965-69	¾ percent
(d) 1970-74	¾ percent
(e) 1975 and after	0 percent

[Ex1957 c 15 s 2]

135.33 COMPUTATION OF RETIREMENT ANNUITIES. Subdivision 1. The amount of the retirement annuity is an amount equal to the annuity which could be purchased by the member's accumulated deductions, the employer's contribution surplus and interest as set forth in paragraphs (a) and (b) of this subdivision. The retirement 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 calculated separately as to sex. The accumulated deductions, employer's contribution surplus and interest earned shall be computed as follows:

(a) the members accumulated deductions plus interest to the date social security became effective, plus interest to the date of retirement, and

(b) the members accumulated deductions plus the employer's contribution from the date of social security coverage plus interest to the date of retirement.

(c) Surplus credited to the member's individual account annually as provided in subdivision 2, with interest to the date of retirement.

Subd. 2. The board shall annually credit to each member's individual account an amount prorated which represents the net accumulation or surplus in the fund other than interest. This surplus shall include the actuarial liability saved by reason of the discontinuance and reduction of survivors and disability benefits, the net amount of employers contributions of members who have withdrawn from the fund taking a refundment of their accumulated deductions plus other accumulations less the amounts expended by the fund as authorized by law.

Subd. 3. When any person retires who, on July 1, 1957 had ten or more years of allowable service as a member and who does not qualify for old age and survivors primary benefits, he shall have the option to receive the annuity provided in subdivision 1 or the annuity provided in Minnesota Statutes, sections 135.01 to 135.13, as amended by Laws 1955.

Subd. 4. When any person retires who, on July 1, 1957, has ten or more years of allowable service as a member, he shall receive in addition to the annuity provided in subdivision 1, an amount which when added to his old age survivors insurance primary benefit equals the annuity he would have received under Minnesota Statutes, sections 135.01 to 135.13, as amended by Laws 1955.

[Ex1957 c 15 s 3]

135.34 OPTIONAL RETIREMENT ANNUITIES. The retirement board shall establish optional annuities at retirement which shall take the form of an annuity

MINNESOTA STATUTES 1957

1291

TEACHERS RETIREMENT FUND 135.41

payable for a period certain and for life thereafter; or as a joint and survivor annuity. Such optional forms shall be actually equivalent to the normal forms. In establishing these optional forms the board shall obtain the written recommendation of an approved actuary and these recommendations shall be a part of the permanent records of the board.

[Ex1957 c 15 s 4]

135.35 RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY. Any member who retires before he is eligible for social security retirement benefits, may elect to receive retirement benefits from the association in an amount greater than his annuity computed on the basis of his age when he retires provided in section 135.33. He shall exercise this option by making an application to the board on a form provided by the board. This greater amount shall be the actuarial equivalent of the member's annuity computed on the basis of his age when he retires. The greater amount shall be paid until the member reaches the age of 65 at which time the payment from the association shall be reduced. These annuities provided in this section shall be computed by an approved actuary.

[Ex1957 c 15 s 5]

135.36 PAYMENTS AFTER DEATH. Subdivision 1. Where a member dies before retirement there shall be paid to his beneficiary or legal representative, as the case may be, an amount equal to his accumulated deductions plus interest credited to this amount to the date of death.

Subd. 2. Where a former member dies after retirement a death benefit shall be paid in accordance with his optional annuity selected pursuant to section 135.34 or any other reversionary annuity selected by the member before retirement.

Subd. 3. Under the terms of sections 135.31 to 135.39 there are no survivors benefits payable as such to the surviving spouse or dependent children of any deceased member. However any member may provide for payments to a surviving spouse or any dependent child by selecting an appropriate annuity payable after his death to any such person in the manner authorized by the board as provided in section 135.34.

[Ex1957 c 15 s 6]

135.37 DISABILITY BENEFITS. The amount of the disability benefit shall be \$90 per month until the member reaches the age of 50. In addition he shall receive an annuity based on his age when he is disabled, computed in the manner provided in section 135.33 with interest computed as provided in paragraphs (a) and (b) of that section to the date of disability rather than the date of retirement.

[Ex1957 c 15 s 7]

135.38 MILITARY SERVICE CREDIT. After any agreement or modification is made pursuant to section 135.39, an employee given a leave of absence to enter military service and who returns to teaching 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 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. 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 six percent of his salary not to exceed \$4,800 in any fiscal year. In such cases the matching employer contribution and additional contribution shall be paid by the school district or institution employing such member upon his return to teaching service.

[Ex1957 c 15 s 8]

135.39 EFFECTIVE; APPLICATION. Sections 135.31 to 135.39 take effect on the date any agreement or modification is made between the state and the secretary of health, education and welfare making such agreement or modification applicable to service performed in positions covered by the teachers retirement association after a referendum was held and a majority voted in favor therefor as provided by law. Sections 135.31 to 135.39 shall apply to any coverage group consisting of members of the teachers retirement association included in any such agreement or modification.

[Ex1957 c 15 s 9]

135.41 TEACHERS RETIREMENT ASSOCIATION, ELIGIBILITY FOR MEMBERSHIP. Subdivision 1. The teachers retirement fund created by Minnesota Statutes, Sections 135.01 to 135.13, is confirmed and continued. Hereafter membership in the fund is referred to as membership in the association. The membership in the association consists only of teachers. Except as provided in this subdivision,

any person who was a member of the association on June 30, 1957, shall continue his membership with the association. Any member over 60 years of age on June 30, 1957, with less than six years of membership is ineligible for further membership. The retirement board shall refund to such person his accumulated deductions on deposit with the fund after retaining for payment to the federal government such employee's share of the social security taxes retroactive to January, 1956, if any.

986506128 Subd. 2. Except as provided in this subdivision, every new teacher after June 30, 1957, entering the service of the state or its governmental subdivision as a teacher, except persons specially excluded, shall become a member of the association by the acceptance of such employment. Any new teacher over the age of 50 shall not be eligible to become a member unless he has accumulated deductions on deposit with the fund for a number of prior years equal to the number of years his age is greater than 50.

Subd. 3. Any temporary teacher or substitute teacher not on a regular appointment is not eligible for membership unless the retirement board accepts and approves an application for membership from such teacher.

986506128 Subd. 4. Any employee made ineligible for membership in the association by the terms of subdivisions 1 and 2 shall be eligible for membership after January 1, 1958, if on that date such employee is not covered by the provisions of the federal social security act. In that event, membership shall be retroactive to July 1, 1957.

Such employee shall pay to the fund an amount equal to six percent of his monthly salary as a teacher not exceeding \$400 per month for such retroactive coverage. He shall also repay to the fund any refundments paid him pursuant to subdivision 1. In addition to these payments, he shall pay interest based thereon at the rate of four percent per annum compounded annually. The matching employer contribution and additional contribution shall be paid by the school district or institution employing such person.

[Ex1957 c 16 s 3]

135.42 TEACHERS RETIREMENT FUND, CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Subdivision 1. There is a special fund known as the "teachers retirement fund" consisting of employee contributions, employer contributions, and other amounts authorized by law including amounts in the fund when Extra Session Laws 1957, Chapter 16 take effect. From this fund there is appropriated the payments authorized by Extra Session Laws 1957, Chapter 16 in the amounts, in the manner and at such time, provided herein.

Subd. 2. The employee contribution to the fund shall be an amount equal to six percent of the salary of every member. This contribution shall be made by deduction from salary in the manner provided in subdivision 4. No deduction shall be made from any salary in excess of \$4,800 in any fiscal year. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any fiscal year.

Subd. 3. The employer contribution to the fund shall be an amount equal to three percent of the salary of each member not exceeding \$4,800 in any fiscal year for the biennium commencing July 1, 1957 and ending June 30, 1959 and six percent thereafter. This contribution shall be made in the manner provided in section 135.43.

Subd. 4. It is the duty of each person, officer, board of education, or managing body required by law to draw the warrants or orders for payment of salaries to teachers to deduct and withhold from each month's salary due to every teacher who is a member of the fund the amount which such teacher is required to pay into the fund and, at the time of such deduction, a statement showing the amount thereof shall be furnished to such teacher. Such officer, board of education, or other managing body of each school district or institution shall, between the first and fifteenth days of January and between the fifteenth and thirtieth days of June, each year, forward to the treasurer of the county in which such school or institution is situated a statement, verified by the secretary or clerk thereof, showing the amount of money so retained from each teacher in accordance with the provisions of act, and, with the statement, shall transmit the entire amount so retained to the treasurer of the county; and, in case any school district is situated in more than one county, the report and remittance shall be sent to the senior county. Such board of education or other managing body shall, on or before the thirtieth day of June, each year, transmit to the county superintendent of schools, a statement showing the name of each teacher, the number of months of school taught by him during the year for

MINNESOTA STATUTES 1957

1293

TEACHERS RETIREMENT FUND 135.44

which the statement is made, the number of months which constitutes a school year in the district or institution, and such other information as the board may require. If no teacher in such public school or other institution comes under the provisions of Extra Session Laws 1957, Chapter 16, the report shall state such fact. Each of the foregoing reports shall be verified by the person making the same; provided, that if the drawing of the warrant or order for the payment of any teacher's salary devolves upon any state officer or board, such officer or board shall make the reports herein required directly to the board of trustees and remit the money so deducted to the state treasurer.

XC50 c 130 Subd. 5. An additional contribution shall be made in the amount of one percent of the salary of each member not to exceed \$4,800 in any fiscal year for the purpose of amortizing the deficit in the fund. This contribution shall be made in the manner provided in section 135.43.

Subd. 6. All contributions shall be credited to a fund and all interest and other income of the association shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said association and the annuities herein provided upon retirement shall be paid only from said fund.

Subd. 7. (1) Any deductions taken from the salary of an employee for the retirement fund in error shall, upon discovery and verification by the school district or institution making the deduction, be refunded to the employee.

(2) In the event a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check returned to the funds of the school district or institution making the payment, a refundment of the sum so deducted, or any portion of it as is required to adjust the deductions, shall be made to the school district or institution provided application for it is made on a form furnished by the retirement board.

[*Ex1957 c 16 s 4*]

XC50 c 130 135.43 **EMPLOYER CONTRIBUTIONS, FINANCING.** Subdivision 1. The board shall from time to time determine the amount of money necessary and presently needed to meet the state's obligation as provided in section 135.42 and shall certify the amount so determined to the state auditor. In so certifying the board shall certify separately the amount required to meet the state's obligation on account of services rendered for and on behalf of the state at large, and the amount required to meet the state's obligation on account of services rendered for and on behalf of the schools and institutions located outside of the cities of the first class.

Subd. 2. The auditor is hereby directed to include in each annual state tax levy the amounts so certified, which amounts are hereby annually levied against the taxable property of the state. In certifying the rate to the several county auditors, the state auditor shall certify the amount required on account of services rendered for the school and institutions outside of cities of the first class against all of the taxable property located outside of the cities of the first class.

[*Ex1957 c 16 s 5*]

XC50 c 130 135.44 **RETIREMENT BENEFIT.** Subdivision 1. **Requirements as to age and service.** After any member ceases to render teaching services in any school or institution covered by Extra Session Laws 1957, Chapter 16, such person who has attained the age of at least 65 years and who received credit for not less than ten years allowable years of service as a member of the association, or any person who has attained the age of at least 58 years and who received credit for not less than 20 years allowable service of which at least ten years are as a member of the association, is entitled upon application to a retirement benefit.

XC50 c 130 Subd. 2. **Computation of retirement, annuity.** The amount of the retirement annuity is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon. The annuity shall be determined by the member's age, his sex, double the amount of his accumulated deductions, double the interest earned on the accumulated deductions, and the appropriate mortality tables and interest rates. For the purpose of determining the amount of the annuity, the accumulated deductions prior to July 1, 1957, and the accumulated deductions subsequent to July 1, 1957, shall be considered separately except as provided in section 21.

(1) For service rendered prior to January 1, 1957, the accumulated deductions for any member shall be carried forward at a fixed amount which is shown credited

to his account as of that date. That fixed amount shall also include any payments in lieu of salary deductions which are to be made in the future and are actually so made pursuant to an agreement executed between the member and the board as authorized by section 135.50 or any other authorized payments made by the member to the fund. The annuity granted with respect to such period shall be determined by the following:

(a) The fixed amount of the accumulated deductions for such period including the interest credited thereon as earned up to January 1, 1957.

(b) Annuity purchase rates based on the mortality tables and interest assumption used by the board prior to January 1, 1957, calculated separately as to sex.

(2) For service rendered subsequent to January 1, 1957, the accumulated deductions for any member shall consist of the amounts actually credited to his account by reason of salary deductions. The annuity granted with respect to such period shall be determined by the following:

(a) accumulated deductions for such period;

(b) surplus credited to member's individual account annually as provided in subdivision 3, with interest to the date of retirement;

(c) interest credited on these accumulated deductions from January 1, 1957, to the date of retirement;

(d) interest credited on accumulated deduction including prior credited interest provided in paragraph (1) from January 1, 1957, to the date of retirement;

(e) annuity purchase rate based on the 1937 standard annuity table of mortality set back two years and calculated separately as to sex, with an interest assumption of 3 percent.

135.50 Subd. 3. **Annual credit.** The board shall annually credit to each member's individual account an amount pro rated which represents the net accumulation or surplus in the fund other than interest. This surplus shall include the net amount of employers contributions of members who have withdrawn from the fund taking a refundment of their accumulated deductions plus other accumulation less the amounts expended by the fund as authorized by law.

Subd. 4. **Application for retirement.** Retirement may be made upon application of the member or of some one acting in his behalf.

Subd. 5. **Time and manner of payments.** Each member shall fix in his application for an annuity a date for retirement under Extra Session Laws 1957, Chapter 16. This date cannot be less than 30 days nor more than 60 days after filing said application. Such application may be filed in the office of the association not less than 30 days nor more than 60 days prior to the last day for which the member will receive salary. In no event shall an application for an annuity be filed prior to the time the member is eligible to retire by reason of both age and service requirements of Extra Session Laws 1957, Chapter 16. Upon proof in the form of a certificate signed by a licensed medical practitioner certifying to the satisfaction of the board that a member is no longer able to continue in state service because of physical or mental disability, the retirement board shall waive the 30-day waiting period for fixing the date of retirement. Nothing in this subdivision alters any requirements relative to the effective date of an election to take an annuity which provides for payments to a surviving spouse. If application for the retirement benefit is received at the office of the association within 30 days from the date salary ceases, the first payment shall be prorated for any fraction of a calendar month elapsing after the date salary ceases, but no retirement allowance shall commence prior to the date through which the member is paid for any accumulated leave, whether payment is made in a lump sum or otherwise. 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 optional annuity.

[*Ex 1957 c 16 s 6*]

NOTE: The section 21 referred to in Extra Session Laws 1957, Chapter 16, reads: "This act takes effect July 1, 1957."

135.45 OPTIONAL RETIREMENT ANNUITIES. The retirement board shall establish optional annuities at retirement which shall take the form of an annuity payable for a period certain and for life thereafter; or as a joint and survivor annuity. Such optional forms shall be actuarially equivalent to the normal forms pro-

MINNESOTA STATUTES 1957

1295

TEACHERS RETIREMENT FUND 135.48

vided in section 135.44. In establishing these optional forms the board shall obtain the written recommendation of an approved actuary and these recommendations shall be a part of the permanent records of the board.

[Ex1957 c 16 s 7]

Xc 50 A13 **135.46 SURVIVORS AND DEATH BENEFITS.** Subdivision 1. **Surviving spouse and dependent children.** Upon the death of a member before retirement who has had at least 18 months of credited allowable service, his surviving spouse and dependent children under the age of 18 shall receive the monthly benefit provided below. Where a member died on or after July 1, 1955, leaving any dependent child, such dependent child shall receive the benefits provided in this subdivision commencing from and after the effective date of Extra Session Laws 1957, Chapter 16.

(a) Surviving spouse\$65 per month

(b) Each dependent child\$45 per month

In addition to the amounts provided in (a) and (b) hereof, \$20 per month shall be paid to be divided equally among the dependent children. Payments for the benefit of any dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed \$200 for any one family. The surviving spouse benefit shall terminate upon his or her remarriage, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Xc 50 A14 Subd. 2. **Surviving spouse.** Upon the death of a member before retirement who has had at least 20 years of credited allowable service, his surviving spouse shall be paid a deferred annuity in an amount equal to 75 percent of the member's annuity computed on the basis provided in section 135.44 not to exceed \$150 per month. This annuity shall be paid when such surviving spouse reaches the age of 62 and shall terminate upon remarriage. The surviving spouse has the option, if qualified, to receive the benefits provided in subdivision 1 or 2 but not both.

Xc 50 A17 Subd. 3. **Death benefit.** Where an annuitant dies after his retirement or after he has qualified for disability benefits, there shall be paid to his beneficiary or legal representative as the case may be an amount equal to the annuity for the entire month in which death occurs plus a lump sum of \$250 if no optional or reversionary annuity was designated by the member.

[Ex1957 c 16 s 8]

Xc 50 A18 **135.47 REFUNDMENT AFTER DEATH.** Subdivision 1. **Death before retirement.** Where a member dies before retirement and no survivors benefit, optional annuity or reversionary annuity is payable, there shall be paid to his beneficiary an amount equal to his accumulated deductions plus interest thereon at the rate of two percent per annum compounded annually.

Subd. 2. **Refundment of \$500 or less.** If a member or former member dies without having designated a beneficiary, or if the beneficiary should die before making application for the refundment to the credit of such deceased member or former member, and the amount of the benefit is \$500 or less, the retirement board may 90 days after the date of death of the member or former member in the absence of probate proceedings make payment to the surviving spouse of the deceased member or former members, or, if none to the next of kin under the laws of descent of the state of Minnesota and such payment shall be a bar to recovery by any other person or persons. Any retirement allowance or annuity which shall have accrued at the time of death of an annuitant may be paid in like manner.

Subd. 3. **Monthly installments.** The beneficiary or surviving spouse of any deceased member or former member entitled to receive a refundment as provided in Extra Session Laws 1957, Chapter 16 shall have the option of having the amount due him paid in monthly installments in such amounts as may be agreed upon with the retirement board.

[Ex1957 c 16 s 9]

Xc 50 A15 **135.48 DISABILITY BENEFITS.** Subdivision 1. Where any member becomes totally and permanently disabled after at least ten years of credited allowable service, or after age 50 whichever is sooner, he shall be entitled to a disability benefit in an amount provided in subdivision 2. If such disabled person's teaching service has terminated at any time, at least five of the required ten years of credited allowable service must have been rendered after last becoming a member. If a disabled person receives disability benefits under the provisions of the federal social security act, his benefits computed under subdivision 2 of this section shall be reduced by

the amount of disability benefits paid under the federal act. A total and permanent disability for the purpose of Extra Session Laws 1957, Chapter 16 is one which results from some impairment of mind or body that substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation that he would be competent to perform were it not for that impairment, whose impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely.

Subd. 2. This benefit shall begin to accrue upon the expiration of 90 days following the commencement of disability unless the member is receiving salary for either annual or sick leave for a period of more than 90 days in which event payment shall accrue from the date salary ceased. If written application for disability benefit has not been filed with the board within 90 days from the commencement of disability, the annuity shall begin to accrue as of the day 30 days prior to the receipt of such application. If salary is being received for either annual or sick leave during said 30 day period, payments shall accrue from the date salary ceases. The amount of the disability annuity is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon. The annuity granted shall be determined by the following:

(a) The amount of the accumulated deductions representing not less than 20 years of allowable service and if the member does not actually have 20 years credited at the time of disability, his account for the purposes of the section shall be projected to 20 years using for those years in excess of his actual credited years an amount which is his average yearly accumulation.

(b) Interest actually earned on these accumulated deductions to the date of disability;

(c) Interest for the years from the date of disability to the date such member attains age 65 at the rate which is the average rate credited for the five years prior to disability;

(d) Annuity purchase rates based on the 1937 standard annuity table of mortality set back two years and calculated separately as to sex with interest assumption of three percent.

Subd. 3. A member shall be considered totally and permanently disabled after the board has received written certification by at least two licensed physicians selected by the board, that the member is totally and likely to be permanently disabled for the further performance of the duties of any assigned position in the service of the employer, and upon consideration of the report of such physicians and such other evidence as shall have been presented to it by the member or others interested therein, the board finds the member to be totally and permanently disabled, it shall grant him a disability allowance upon written certification from the employer that the member has been separated from the service of the employer because of total disability of such nature as to reasonably prevent further service for the employer, and as a consequence is not entitled to compensation from the employer. The fact that an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability allowance.

Subd. 4. The disability benefit shall be reduced by any amounts received or receivable by an annuitant from the employer under applicable workman's laws.

Subd. 5. At least once each year during the first five years following the allowance of a disability benefit to any annuitant, and at least once in every three-year period thereafter, the board shall require the annuitant to undergo a medical examination to be made at the place of residence of the member, or at any other place mutually agreed upon, by a physician or physicians engaged by the board. If any examination indicates that he is no longer physically or mentally incapacitated for service, or that he is engaged or is able to engage in a gainful occupation, payments of the disability benefit by the fund shall be discontinued as soon as he is reinstated to the payroll following sick leave, but in no case shall payment be made for more than 60 days after physicians engaged by the board find the annuitant is no longer incapacitated for service. Any person receiving a disability benefit shall not be required to undergo a medical examination after reaching the age of 65.

Subd. 6. Should such disabled annuitant resume a gainful occupation and his earnings are less than his salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount which when added to such earnings does not exceed his salary at the date of disability or the salary currently paid for similar positions whichever is lower.

MINNESOTA STATUTES 1957

1297

TEACHERS RETIREMENT FUND 135.52

Subd. 7. Should any such disabled annuitant refuse to submit to a medical examination as herein provided, payments by the fund shall be discontinued, and all rights of the member in any disability annuity shall be revoked by the board.

Subd. 8. Any disabled annuitant who is restored to active service shall have deductions taken for the retirement fund.

[Ex1957 c 16 s 10]

XC 50 2/16 **135.49 REFUNDMENT OR DEFERRED ANNUITY.** Subdivision 1. Any person who ceases to be a member by reason of termination of teaching service, shall be entitled to a refundment provided in subdivision 2, or a deferred retirement annuity as provided in subdivision 3. Application for refundment may be made no sooner than 90 days after termination of teaching service if the applicant has not again become a teacher.

Subd. 2. Except as provided in subdivision 3, any person who ceases to be a member by reason of termination of teaching service, shall receive a refundment in an amount equal to his accumulated deductions without interest.

XC 50 2/17 Subd. 3. Any person with more than ten years of credited allowable service, when such termination occurs, may at his option leave his accumulated deductions in the fund and thereby be entitled to deferred retirement annuity commencing at age 65. The amount of the annuity shall be determined in the manner provided in section 135.44, subdivision 2, using the mortality table and interest rate provided in paragraph (2) of that subdivision. Application for the accumulated deductions left on deposit with the fund may be made at any time after 90 days following the date of his termination of service.

Subd. 4. Membership in the retirement association of any person shall terminate upon his ceasing to be a "teacher" whether by resignation, dismissal, or termination of temporary or provisional appointment.

Subd. 5. The right of refundment provided in Extra Session Laws 1957, Chapter 16 is not restricted as to time unless specifically provided and the statute of limitations does not apply thereto.

[Ex1957 c 16 s 11]

135.50 TERMINATION OF RIGHTS. When any member accepts a refundment provided in section 135.49, 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 such refundment plus interest at four percent per annum compounded annually. If more than one refundment has been taken, all refundments must be repaid with interest at four percent per annum compounded annually.

[Ex1957 c 16 s 12]

XC 50 2/18 **135.51 PAYMENTS TO RECEIVE CREDIT FOR PRIOR SERVICE.** Subdivision 1. After July 1, 1957, no member shall be entitled to make payments in lieu of salary deductions to the retirement board to receive credit for any period of service prior to that date for which employee contributions were not deducted from his salary, except as provided in sections 135.09, subdivision 4 and 135.54.

XC 50 2/19 Subd. 2. Before July 1, 1957, any member may make payments to the retirement board to receive credit in any case where the payments were authorized by Minnesota Statutes, sections 135.01 to 135.13 as amended by Laws 1955, Chapters 361, 549, 550, 611. The retirement board may make any agreement with the member it deems proper, providing for installment payments if the member cannot pay the amount due before the cut-off date. The amount of payment and interest rate charged to the member shall be as provided in Minnesota Statutes, sections 135.01 to 135.13, as amended by Laws 1955, Chapters 361, 549, 550, 611.

[Ex1957 c 16 s 13]

135.52 REPORTS. Subdivision 1. Each county superintendent shall, on or before September 1, each year, report under oath to the board giving an itemized summary of the statements received by him from the school boards and other managing bodies, including a statement of the total amount withheld from the salaries of teachers as shown by reports provided in section 135.42, subdivision 4.

Subd. 2. Between the 15 and 28 days of February and between the 15 and 30 days of July, each year, the treasurer of each county shall transmit to the state treasurer all moneys received from the board of education and other managing bodies of schools or institutions to which Extra Session Laws 1957, Chapter 16

MINNESOTA STATUTES 1957

135.53 TEACHERS RETIREMENT FUND

1298

apply and certify under oath to the correctness of the amount so received and transmitted, and furnish such other information as the board shall require. The state treasurer shall credit all money received or withheld pursuant to the provisions of sections 135.01 to 135.13 to the fund and the reports and date received by him from the county treasurer shall be available for the board. Any person wilfully failing to perform any of the duties imposed upon him by this section shall be guilty of a misdemeanor.

Subd. 3. The state treasurer, the several county treasurers, and the treasurers of the various school districts and institutions to which Extra Session Laws 1957, Chapter 16 apply shall be officially liable for the receipt, handling, and disbursement of all moneys coming into their hands belonging to the fund and the sureties on the official bonds of each of these treasurers shall be liable for such moneys the same as for all other moneys belonging to the school funds of this state.

[Ex1957 c 16 s 16]

591650 220 135.53 **MILITARY SERVICE CREDIT.** Any employee given a leave of absence to enter military service and who returns to teaching 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 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. 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 six percent of his salary not to exceed \$4,800 in any fiscal year. In such cases the matching employer contribution and additional contribution provided in section 135.42 shall be paid by the school district or institution employing the member upon his return to teaching service.

[Ex1957 c 16 s 17]

135.54 **APPLICATION.** Extra Session Laws 1957, Chapter 16 do not apply to any city of the first class of this state, except as provided in section 135.01.

[Ex1957 c 16 s 18]

1176302 135.55 **OPTIONS TO CERTAIN MEMBERS.** Subdivision 1. Any person with 10 or more years of allowable service as a member on July 1, 1957, has the option when he retires to receive the retirement annuity computed under Minnesota Statutes, section 135.10, subdivisions 2 and 4, or the retirement annuity computed under Extra Session Laws 1957, Chapter 16.

1176302 135.55 **Subd. 2.** Any annuity purchased from the fund pursuant to Minnesota Statutes, section 135.10, subdivisions 2 and 4, prior to July 1, 1957, or any annuity payable pursuant to Laws 1915, Chapter 199, shall continue in effect at such amount and subject to such conditions as the law then in effect provided.

Subd. 3. Any election made by a teacher pursuant to Minnesota Statutes, section 135.10, subdivision 3, prior to July 1, 1957, shall continue in effect at such amount and subject to such conditions as the law then in effect permitted.

Subd. 4. Any person who ceased teaching service prior to July 1, 1957, who left his accumulated deductions in the fund for the purpose of receiving when eligible, a retirement annuity in accordance with the law in effect at the date such service terminated, shall have his annuity computed in accordance with the law in effect at the date he ceased teaching service.

[Ex1957 c 16 s 20]

NOTE: Minnesota Statutes 1953, Section 135.10, Subdivisions 2, 3, and 4 read:

Subdivision 2. "A teacher ceasing to render teaching service, as hereinbefore provided, who shall have at said time to her credit 30 years or more of teaching service or has at such time or thereafter attained the age of 55 years, may, in lieu of this cash payment, use the moneys to her credit as teachers' savings as follows:

(1) To purchase from the fund a life annuity in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality tables in use by the board and interest at the rate of four percent per annum shall permit, which annuity shall be guaranteed by the state; or

(2) To purchase from the fund an annuity for a term of 15, 20, or 25 years in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality tables in use by the board and interest at the rate of four percent per annum shall permit, which annuity shall be guaranteed by the state;

(3) To purchase from the fund an annuity for the life of the teacher which in the event of death shall continue and be payable to a designated beneficiary or beneficiaries until the sum of the annuity payments made equals the amount of teacher savings applied to purchase such annuity in such amount as the teacher's age, the amount to her credit as teachers' savings and the mortality tables in use by the board and interest at the rate of four percent per annum shall permit, which annuity shall be guaranteed by the state; or

(4) To purchase from the fund an annuity for the life of the teacher which in the event of death shall continue and be payable to a designated beneficiary or beneficiaries until annuity payments have been made for a total of fifteen years in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality tables in use by the board and interest at the rate of four percent per annum shall permit, which annuity shall be guaranteed by the state; or

MINNESOTA STATUTES 1957

1299

TEACHERS RETIREMENT FUND 135.55

savings and the mortality tables in use by the board and interest at the rate of four percent per annum shall permit, which annuity shall be guaranteed by the state; provided that in the case of a designated beneficiary other than a surviving spouse, child, grandchild or parent, such payments by the state shall not continue beyond the death of such teacher."

Subdivision 3. "Every teacher who is rendering teaching service in any school or institution to which sections 135.01 to 135.15 apply and has credit as teachers' savings in an amount of not less than \$1,000 may at any time prior to retirement elect to purchase a term annuity as provided in this section payable immediately upon death to a designated beneficiary or in lieu thereof may elect to purchase an annuity payable immediately upon death to the teacher's spouse for life or to each dependent child until attaining the age of 18, or both, in proportions to be designated by the teacher, in such an amount as the spouse's age, the amount to the teacher's credit as teachers' savings and the mortality tables in use by the board and interest the rate of four percent per annum shall permit, which annuity shall be guaranteed by the state. Any election made hereunder may be rescinded during the teacher's life."

Subdivision 4. "If such teacher shall elect to purchase an annuity, as hereinbefore provided, the state shall, at the time of the payment of such annuity, pay to the teacher or designated beneficiary an amount equivalent to such annuity, to be paid from state funds hereinafter provided; provided, the amount of the annuities so paid by the state shall not exceed in amount the term of life annuities which such annuitant could purchase with the moneys to her credit as teachers' savings for the first 40 years of teaching service, if she has a teaching service credit in excess of 40 years."

"Annuities to be paid under the provisions of this section shall be payable quarterly on the first days of January, April, July and October."

For Subdivision 4 as amended by Laws 1957, Chapter 818, Section 3, see note under section 135.10