

CHAPTER 269

SOCIAL SECURITY COVERAGE

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STATE AND LOCAL GOVERNMENT EMPLOYEES

269.01 DEFINITIONS. Subdivision 1. For the purposes of sections 269.01 to 269.07 the terms defined in this section have the meanings ascribed to them herein.

Subd. 2. The term "wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that act.

Subd. 3. The term "employment" means any service performed by an employee in the employ of the state, or any political subdivision thereof, for such employer, except (1) service which in the absence of an agreement entered into under sections 269.01 to 269.07 would constitute "employment" as defined in the Social Security Act; or (2) service which under the Social Security Act may not be included in an agreement between the state and the Secretary of Health, Education, and Welfare entered into under sections 269.01 to 269.07. Service which under the Social Security Act may be included in an agreement only upon certification by the Governor in accordance with section 218(d) (3) of that act shall be included in the term "employment" if and when the Governor issues, with respect to such service, a certificate to the Secretary of Health, Education, and Welfare.

Subd. 4. The term "employee" includes an officer of a state or political subdivision thereof.

Subd. 5. The term "state agency" means the Commissioner of Administration.

Subd. 6. The term "Secretary of Health, Education, and Welfare" includes any individual to whom the Secretary of Health, Education, and Welfare has delegated any functions under the Social Security Act with respect to coverage under such act of employees of states and their political subdivisions.

Subd. 7. The term "political subdivision" includes an instrumentality of a state, of one or more of its political subdivisions, or of a state and one or more of its political subdivisions, but only if such instrumentality is a juristic entity which is

legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the state or subdivision.

Subd. 8. The term "Social Security Act" means the Act of Congress approved August 14, 1935, chapter 531, 49 Stat. 620, officially cited as the "Social Security Act," as such act has been and may from time to time be amended (including regulations and requirements issued pursuant thereto).

Subd. 9. The term "Federal Insurance Contributions Act" means subchapters A and B of chapter 21 of the Federal Internal Revenue Code of 1954, as such Code has been and may from time to time be amended; and the term "employee tax" means the tax imposed by section 3101 of such Code of 1954.

[1955 c 665 s 2]

59 6557 269.02 **AGREEMENTS.** Subdivision 1. The state agency, with the approval of the Governor, is hereby authorized to enter into an agreement on behalf of the state with the Secretary of Health, Education, and Welfare, consistent with the terms and provisions of sections 269.01 to 269.07, for the purpose of extending the benefits of the Federal old age and survivors insurance system to employees of the state or any political subdivision thereof with respect to services specified in such agreement which constitute "employment," whenever so specifically authorized by the statutory provisions of this state pertaining to any coverage group of such employees to which the agreement may become applicable under the Social Security Act. Pursuant to such specific authorization the agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration, and other appropriate provisions as the state agency and the Secretary of Health, Education, and Welfare shall agree upon, but, except as may be otherwise required by or under the Social Security Act as to the services to be covered, such agreement shall provide in effect that

(1) Benefits will be provided for employees whose services are covered by the agreement (and their dependents and survivors) on the same basis as though such services constituted employment within the meaning of Title II of the Social Security Act;

(2) The state will pay to the Secretary of the Treasury, at such time or times as may be prescribed under the Social Security Act, contributions with respect to wages, equal to the sum of taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by the agreement constituted employment within the meaning of that act;

(3) Such agreement shall be effective with respect to services in employment covered by the agreement performed after a date specified therein but in no event may it be effective with respect to any such services performed prior to the first day of the calendar year in which such agreement is entered into or in which the modification of the agreement making it applicable to such services, is entered into except that an agreement or modification entered into prior to January 1, 1958, may be effective with respect to services performed after December 31, 1954, or after a later date specified in such agreement or modification;

(4) All services which constitute employment and are performed in the employ of the state or any of its political subdivisions by employees thereof, may be covered by such agreement whenever so specifically authorized by the statutory provisions of this state pertaining to any coverage group of such employees to which the agreement may become applicable under the Social Security Act.

59 6558 Subd. 2. Any instrumentality jointly created by this state and any other state or states is hereby authorized, upon the granting of like authority by such other state or states, (1) to enter into an agreement with the Secretary of Health, Education, and Welfare whereby the benefits of the Federal old age and survivors insurance system shall be extended to employees of such instrumentality, (2) to require its employees to pay (and for that purpose to deduct from their wages) contributions equal to the amounts which they would be required to pay under section 269.03, subdivision 1, if they were covered by an agreement made pursuant to subdivision 1, and (3) to make payments to the Secretary of the Treasury in accordance with such agreement, including payments from its own funds, and otherwise to comply with such agreements. Such agreements shall, to the extent practicable, be consistent with the terms and provisions of subdivision 1 and other provisions of sections 269.01 to 269.07.

[1955 c 665 s 3]

59C55825 **269.03 EMPLOYEES, CONTRIBUTIONS.** Subdivision 1. Every employee of the state, or any of its political subdivisions, whose services are covered by the agreement entered into under section 269.02 shall be required to pay for the period of such coverage, into the contribution fund established by section 269.04, contributions, with respect to wages, equal to the amount of the employees tax which would be imposed by the Federal Insurance Contributions Act if such services constituted employment within the meaning of that act. Such liability shall arise in consideration of the employee's retention in the service of the state, or any of its political subdivisions, or his entry upon such service, after the enactment of sections 269.01 to 269.07.

Subd. 2. The contribution imposed by this section shall be collected by deducting the amount of the contribution from wages as and when paid, but failure to make such deduction shall not relieve the employee from liability for such contribution.

Subd. 3. If more or less than the correct amount of the contribution imposed by this section is paid or deducted with respect to any remuneration, proper adjustments, or refund if adjustment is impracticable, shall be made, without interest, in such manner and at such times as the state agency shall prescribe.

[1955 c 665 s 4]

59C55826 **269.04 CONTRIBUTION FUND.** Subdivision 1. There is hereby established a special fund to be known as the contribution fund. Such fund shall consist of and there shall be deposited in such fund: (1) all contributions, interest, and penalties collected; (2) all moneys appropriated thereto; (3) any property or securities and earnings thereof acquired through the use of moneys belonging to the fund; (4) interest earned upon any moneys in the fund; and (5) all sums recovered upon the bond of the custodian or otherwise for losses sustained by the fund and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of sections 269.01 to 269.07, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of sections 269.01 to 269.07.

59C55827 Subd. 2. The contribution fund shall be established and held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purpose of sections 269.01 to 269.07. Withdrawals from such fund shall be made for, and solely for (A) payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under section 269.02; (B) payment of refunds provided for in section 269.03, subdivision 3, (C) refunds or overpayments, not otherwise adjustable, made by the state or any political subdivision or instrumentality thereof, and (D) for investment as provided in subdivision 4.

Subd. 3. From the contribution fund the custodian of the fund shall pay to the secretary of the treasury such amounts and at such time or times as may be directed by the state agency in accordance with any agreement entered into under section 269.02 and the Social Security Act, which amounts are hereby appropriated from the contribution fund for the purpose of making such payments.

Subd. 4. The state agency shall, from time to time, certify to the state board of investment for investment such portions of the contribution funds as in its judgment may not be required for such immediate use. The state board of investment shall thereupon invest the sum so certified in such securities as are duly authorized legal investments for savings banks and trust companies, and shall sell any such securities upon request of the state agency.

59C55828 Subd. 5. The treasurer of the state shall be ex-officio treasurer and custodian of the contribution fund and shall administer such fund in accordance with the provisions of sections 269.01 to 269.07 and the directions of the state agency and shall pay all warrants drawn upon it in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

[1955 c 665 s 5]

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59C558 269.05 **RULES.** The state agency shall make and publish such rules and regulations, not inconsistent with the provisions of sections 269.01 to 269.07, as it finds necessary or appropriate to the efficient administration of the functions with which it is charged under sections 269.01 to 269.07.

[1955 c 665 s 6]

9C558 269.06 **REVOLVING FUND.** A revolving fund is hereby created to be known as the state agency revolving fund for the purpose of paying the costs of the administration of the state agency and to be used by it solely for that purpose. There shall be paid into such fund all amounts received in reimbursement of the state agency's costs of administration in carrying out the provisions of sections 269.01 to 269.07, and such reimbursements are hereby appropriated to said revolving fund.

[1955 c 665 s 7]

9C558 269.07 **DECLARATION OF POLICY.** In order to extend to employees of the state and its political subdivisions and to the dependents and survivors of such employees, the basic protection accorded to others by the old age and survivors insurance system embodied in the Social Security Act, it is hereby declared to be the policy of the legislature, subject to the limitations of sections 269.01 to 269.07, that such steps be taken as to provide such protection to employees of the state and its political subdivisions on as broad a basis as is authorized by the legislature in the future and is permitted under the Social Security Act. It is also the policy of the legislature that the protection afforded employees in positions covered by a retirement system on the date an agreement under sections 269.01 to 269.07 is made applicable to service performed in such positions, or receiving periodic benefits under such retirement system at such time, will not be impaired as a result of making the agreement so applicable or as a result of legislative enactment in anticipation thereof when combined with the benefits accorded such employee by the Social Security Act. To this end the agreement referred to in section 269.02 shall not be made applicable to any service performed in any position covered by a retirement system unless a referendum is first held by secret ballot in which a majority of "eligible employees," as defined in section 218(d) (3), of the Social Security Act vote in favor thereof. Nothing in any provision of sections 269.01 to 269.07 shall authorize the extension of the insurance system established by sections 269.01 to 269.07 to service in any policeman's or fireman's position or in any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies or departments.

[1955 c 665 s 1]

MUNICIPAL HOUSING AND REDEVELOPMENT AUTHORITY EMPLOYEES

1C633 269.11 **DEFINITIONS.** Subdivision 1. For the purposes of sections 269.11 to 269.16 the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. The term "enabling act" means the act entitled "An act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, and appropriating money therefor."

Subd. 3. The terms "social security act," "state agency," "wages," "contribution fund," and "Federal Insurance Contributions Act" mean as defined in said "enabling act."

1C633 269.11 Subd. 4. The term "employee" includes all employees of Municipal Housing and Redevelopment Authorities.

[1955 c 684 s 1]

7C633 269.12 **AGREEMENTS.** The state agency, with the approval of the governor, is hereby authorized to enter into an agreement with the Secretary of Health, Education, and Welfare, or to modify any such agreement previously made to obtain the benefits of the Federal Old Age and Survivors Insurance system in respect to services performed by employees of all Municipal Housing and Redevelopment Authorities organized and existing under the provisions of Minnesota Statutes, sections 462.415 to 462.711.

[1955 c 684 s 2]

7C633 269.13 **EMPLOYEES, CONTRIBUTIONS.** Subdivision 1. Effective retroactively with respect to services performed after December 31, 1954, by its employees who are such on the date of the agreement or modification, each and every Municipal Housing and Redevelopment Authority shall pay into the contribution fund con-

tributions with respect to wages equal to the sum of the taxes which would be imposed by the Federal Insurance Contribution Act if the services covered by the agreement constituted employment within the meaning of that act.

Subd. 2. Effective retroactively with respect to services performed after December 31, 1954, by its employees who are such on the date of the agreement or modification, each and every Municipal Housing and Redevelopment Authority is authorized, in consideration of the employee's retention in, or entry upon, employment after enactment of sections 269.11 to 269.16, to impose upon each such employee a contribution with respect to his wages not exceeding the amount of the employee tax which would be imposed by the Federal Insurance Contribution Act if such services constituted employment within the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. Contributions so collected shall be paid into the Contribution Fund in partial discharge of the liability of each and every Municipal Housing and Redevelopment Authority in respect thereto. Failure to deduct such contribution shall not relieve the employee or the Municipal Housing and Redevelopment Authority of liability therefor.

Subd. 3. Delinquent payments due under this section, with interest at the rate of six percent per annum, may be recovered by action in a court of competent jurisdiction against each and every Municipal Housing and Redevelopment Authority liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such Municipal Housing and Redevelopment Authority by any department or agency of the state.

[1955 c 684 s 3]

596.633 105 **269.14 REIMBURSEMENT BY MUNICIPAL HOUSING AND REDEVELOPMENT AUTHORITY.** Each and every Municipal Housing and Redevelopment Authority shall reimburse the state agency for its pro rata share of the cost of the administration of said agency in accordance with the rules and regulations of the state agency pertaining thereto. Such reimbursements shall be paid into the state agency revolving fund.

[1955 c 684 s 4]

96.633 016 **269.15 REPORTS.** Each and every Municipal Housing and Redevelopment Authority shall make such reports in such form and containing such information as the state agency may from time to time require, and comply with such provisions as the state agency or the Secretary of Health, Education and Welfare may from time to time find necessary to assure the correctness and verification of such reports.

[1955 c 684 s 5]

269.16 COSTS DEFRAID FROM PROCEEDS OF SPECIAL BENEFIT TAXES. The proceeds of the special benefit taxes authorized to be levied for redevelopment purposes under section 462.545, subdivision 6, may be used to defray all or part of the costs incurred by any housing and redevelopment authority under the provisions of sections 269.11 to 269.16.

[1955 c 684 s 6]

CERTAIN TEACHERS EMPLOYED IN CERTAIN CITIES OF THE FIRST CLASS

269.21 DEFINITIONS. Subdivision 1. For the purposes of sections 269.21 to 269.27 the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. The term "enabling act" means Laws 1955, Chapter 665, entitled "An act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, and appropriating moneys therefor."

Subd. 3. The terms "social security act," "state agency," "employment," "wages," "contribution fund," "Federal Insurance Contributions Act," "political subdivision," and "state agency," mean as defined in said "enabling act."

Subd. 4. The term "teacher" means all employees of political subdivisions who hold positions covered by the teachers retirement fund associations established under the provisions of Minnesota Statutes, Sections 135.19 to 135.27, as amended, in cities of the first class situated in counties having an area of over 5,000 square miles.

Subd. 5. The term "part time position" means a position which ordinarily does not require the actual performance of duty more than 90 days in each year.

[1957 c 650 s 1]

269.22 TEACHERS TO BE DEEMED SEPARATE UNIT. Pursuant to section 218(d) (6) of the Social Security Act, every teachers retirement fund association established under the provisions of Minnesota Statutes, sections 135.19 to 135.27, as amended, shall be deemed to constitute a separate retirement system.

[1957 c 650 s 2]

269.23 DULUTH REFERENDUM. Subdivision 1. Upon the request of the governing body of any teachers retirement fund association and the board of education or upon the petition of at least ten percent of the active members of any such association and the board of education in a city of the first class situated in counties having an area of over 5,000 square miles, the governor shall be empowered to authorize a referendum to be held at a date to be set by him, and to designate any agency or individual to supervise its conduct, in accordance with the requirements of section 218(d) (3) of the Social Security Act, on the question of whether service by teachers in positions covered by such teachers retirement fund association should be excluded from or included in an agreement under the enabling act. The notice of referendum required by section 218(d) (3) (C) of the Social Security Act to be given to teachers shall contain or shall be accompanied by a statement, in such form and such detail as the agency or individual designated to supervise the referendum shall deem necessary and sufficient, to inform the teachers of the rights which will accrue to them and their dependents and survivors, and the liabilities to which they will be subject, if their services are included in an agreement under the enabling act, and the statement shall contain in such form and such detail as deemed necessary the plan proposed for the integration, supplementation or combination of the teachers retirement fund association and social security. The cost of any referendum hereby authorized shall be paid by the teachers retirement fund association in reference to which the referendum is held.

Subd. 2. Upon receiving evidence satisfactory to him with respect to any such referendum the conditions specified in section 218(d) (3) of the Social Security Act have been met, the governor shall so certify to the secretary of health, education and welfare.

Subd. 3. Upon such certification, the state agency, with the approval of the governor, shall become authorized to modify the agreement with the secretary of health, education and welfare, previously made as provided in the enabling act, to obtain the benefits of the federal old age and survivors insurance system in respect to services performed by teachers as defined in sections 269.21 to 269.27. Such modification may take effect retroactively to January 1 of the year in which the modification of the agreement is accepted by the secretary of health, education and welfare, and apply to all such services performed after the effective date by teachers who are such on the date the modification is entered into or thereafter, excepting any service of an emergency nature, any service performed by a student, and all services in any class or classes of part-time positions, or positions the compensation for which is on a fee basis.

[1957 c 650 s 3]

269.24 RETROACTIVE PROCEDURE. Subdivision 1. Effective retroactively with respect to services performed after the effective date specified in the modifications of the agreement, by teachers who are such on the date the modification is entered into or thereafter, each and every political subdivision affected by the modification is hereby authorized, required and directed to pay into the contribution fund contributions with respect to wages equal to the sum of the taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by such modification constituted employment within the meaning of that act. With respect to wages for services performed after the effective date as specified in the modification, but prior to the date of such modification, the payments shall be made on account of all services performed in positions covered by such teachers retirement fund associations by the employer who is such on the date of the modification irrespective of for whom the services were performed during such prior period.

Subd. 2. Effective retroactively with respect to services performed after the effective date as specified in the modification, by teachers who are such on the date the modification is entered into or thereafter, each and every political subdivision is hereby authorized, required, and directed, in consideration of sections 269.21 to 269.27, to impose upon each such teacher a contribution with respect to his wages, not exceeding the amount of the employee tax which would be imposed by the Federal Insurance Contribution Act if such services constituted employment within

the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. With respect to deductions from wages for services performed in positions covered by such teachers retirement fund association, the deductions shall be made by the employer who is such on the date of the modification irrespective of for whom the services were performed during such prior period. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of each and every political subdivision in respect thereto.

Subd. 3. Delinquent payments under this section, with interest at the rate of six percent per annum, may be recovered by action in a court of competent jurisdiction against each and every political subdivision liable therefor, or may, at the request of the state agency, be deducted from any other moneys payable to such political subdivision by any department or agency of the state.

[1957 c 650 s 4]

269.25 COSTS OF ADMINISTRATION. Each and every political subdivision affected by the modification shall reimburse the state agency for its pro rata share of the cost of administration of said agency in accordance with the rules and regulations of the state agency pertaining thereto. Such reimbursement shall be paid into the state agency revolving fund.

[1957 c 650 s 5]

269.26 REPORTS TO STATE AGENCY. Each and every political subdivision affected by the modification shall make such reports in such form and containing such information as the state agency may from time to time require, and comply with such provisions as the state agency or the secretary of health, education and welfare may from time to time find necessary to assure the correctness and verification of such reports.

[1957 c 650 s 6]

269.27 REVENUES, MAY BE USED, TAX LEVY. Each and every political subdivision is hereby authorized and directed to pay its obligations under sections 269.21 to 269.27 from moneys collected from taxes or other revenues. Each and every political subdivision may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes to exceed any limitation whatsoever upon the power of a political subdivision to levy taxes, such political subdivision may levy taxes in excess of the limitation in such amount as is necessary to meet the obligations under sections 269.21 to 269.27. The governing body of a political subdivision, for the purpose of meeting its liabilities under sections 269.21 to 269.27 in the event of a deficit, may issue its obligations payable in not more than two years, in an amount which may cause its indebtedness to exceed any limitation without an election and may levy taxes to pay therefor.

[1957 c 650 s 7]

STATE AND LOCAL GOVERNMENT EMPLOYEES NOT COVERED BY ANY STATE RETIREMENT SYSTEM

269.31 DEFINITIONS. Subdivision 1. For the purposes of sections 269.31 to 269.39 the terms defined in this section have the meanings ascribed to them.

Subd. 2. "Enabling act" means the act entitled "An Act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, and appropriating moneys therefor," being Laws 1955, Chapter 665.

Subd. 3. "Wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that act.

Subd. 4. "Employment" means any service performed by an employee in the employ of the state, or any political subdivision thereof, for such employer, who by reason of state legislative action taken prior to January 1, 1958, is or will be without coverage of any state retirement system, except (1) service which in the absence of an agreement entered into under the enabling act would constitute "employment" as defined in the Social Security Act; or (2) service which under the Social Security Act may not be included in an agreement between the state and the secretary of health, education, and welfare entered into under the enabling act. Service which

under the Social Security Act may be included in an agreement only upon certification by the governor in accordance with Section 218(d) (3) of that act shall be included in the term "employment" if and when the governor issues, with respect to such service, a certificate to the secretary of health, education and welfare.

Subd. 5. "State Retirement System" means the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), and Teachers Retirement Fund, as the case may be, established by Minnesota Statutes, Chapters 352, 353, and 135, respectively.

Subd. 6. (a) "Employee" has the same meaning ascribed thereto by sections 269.01 to 269.07.

(b) "Noncoverage employee" means any employee of the state and its political subdivisions who by reason of state legislative action prior to January 1, 1958, is or will be without coverage of any state retirement system.

Subd. 7. "State agency" means the commissioner of administration.

Subd. 8. "Secretary of health, education, and welfare" includes any individual to whom the secretary of health, education, and welfare has delegated any functions under the Social Security Act with respect to coverage under such act of employees of states and their political subdivisions.

Subd. 9. "Political subdivision" includes an instrumentality of the state, of one or more of its political subdivisions, or of the state and one or more of its political subdivisions, but only if such instrumentality is a juristic entity which is legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the state or subdivision.

Subd. 10. "Social Security Act" means the Act of Congress approved August 14, 1935, Chapter 531, Stat. 620, officially cited as the "Social Security Act," as such act has been and may from time to time be amended (including regulations and requirements issued pursuant thereto).

Subd. 11. "Federal Insurance Contributions Act" means Sub-chapters A and B of Chapter 21 of the Federal Internal Revenue Code of 1954, as such Code has been and may from time to time be amended; and the term "employee tax" means the tax imposed by Section 3101 of such Code of 1954.

Subd. 12. "Contribution fund" means the fund established under section 5 of the enabling act.

[1957 c 919 s 1]

269.32 DUTIES OF STATE AGENCY. Subdivision 1. With the approval of the governor, the state agency may modify the agreement with the secretary of health, education, and welfare, made under the enabling act, to obtain the benefits of the federal old age and survivors insurance system in respect to the employment of noncoverage employees within the meaning of section 269.31, subd. 5. Such modification shall be effective retroactively with respect to employment after December 31, 1955. The modification shall not be applicable to any employment in positions the compensation for which is on a fee basis.

Subd. 2. In accordance with Section 218(d) (6) of the Social Security Act, the State Employees Retirement Fund (Association), the Public Employees Retirement Fund (Association), and the Teachers Retirement Fund shall each be deemed a separate retirement system for the purpose of sections 269.31 to 269.39 with respect to noncoverage employees, as defined in section 269.31, subd. 6, such noncoverage employees in each of said retirement systems shall be deemed a separate coverage group.

[1957 c 919 s 2]

269.33 PAYMENTS INTO CONTRIBUTION FUND. Subdivision 1. Effective retroactively with respect to services rendered after December 31, 1955, by noncoverage employees as herein defined who are such on the date the modification is entered into or thereafter, each state department, college, and institution, and each political subdivision affected by the modification, is hereby authorized, required and directed to pay into the contribution fund contributions with respect to wages equal to the sum of the employer taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by such modification constituted employment within the meaning of that act. With respect to wages for services performed after December 31, 1955, but prior to the date of such modification, the payments shall be made on account of all services performed in positions covered by the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Asso-

ciation), and the Teachers Retirement Fund, as the case may be, by the employer who is such on the date of the modification, irrespective of for whom the services were performed during such prior period. The state department, college, institution or political subdivision in which the noncoverage employee is currently employed shall pay such tax to the contribution fund and shall then be reimbursed by the state department, college, institution, or political subdivision in which such noncoverage employee was formerly employed for any amounts attributable to such former employment.

Subd. 2. Effective retroactively with respect to services performed after December 31, 1955, by noncoverage employees as herein defined who are such on the date the modification is entered into or thereafter, each state department, college, and institution, and each and every political subdivision affected by the modification is hereby authorized, required, and directed, in consideration of the noncoverage employee's retention in, or entry upon, employment after enactment of sections 269.31 to 269.39, to impose upon each such noncoverage employee a contribution with respect to his wages not exceeding the amount of the employee tax which would be imposed by the Federal Insurance Contributions Act if such services constituted employment within the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. With respect to deductions from wages for services performed in positions covered by the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), and the Teachers Retirement Fund, the deductions as to each noncoverage employee shall be made by the employer who is such on the date of the modification, irrespective of for whom the services were performed during such prior period. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of each and every political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the noncoverage employee or the state or political subdivision of liability therefor. In lieu of deductions from wages received for such service during the period prior to the date of modification, the noncoverage employee may elect to make the payments into the contribution fund in cash. Any noncoverage employee who is a member of the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), or the Teachers Retirement Fund, may authorize the governing board of said fund to pay the contribution fund from his retirement account maintained in accordance with state law applicable thereto, the amount of such payment. Any noncoverage employee making said election may repay the amount to the fund within a period of three years with four percent interest or he may elect not to make any repayment, in which event the cash refund or the annuity provided by state law applicable thereto shall be reduced accordingly.

Subd. 3. The deduction from wages provided in subdivision 2 shall commence as of the date of the modification agreement with the secretary of health, education and welfare. Delinquent payments under this section, with interest at the rate of six percent per annum, may be recovered by action in a court of competent jurisdiction against each political subdivision liable therefor, or may, at the request of the state agency, be deducted from any other moneys payable to such political subdivision by any department or agency of the state.

[1957 c 576 s 2; 1957 c 919 s 3]

269.34 REPORTS. Each state department, college, and institution, and each political subdivision affected by the modification, shall make such reports in such form and containing such information as the state agency may from time to time require, and comply with such provisions as the state agency or the secretary of health, education, and welfare may from time to time find necessary to assure the correctness and verification of such reports.

[1957 c 576 s 2; 1957 c 919 s 4]

269.35 TAX LEVIES TO PAY OBLIGATIONS. Each political subdivision affected by the modification is hereby authorized and directed to pay its obligations under sections 269.31 to 269.39 from moneys collected from taxes or other revenues. Each political subdivision may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation whatsoever over the power of a political subdivision to levy taxes, such political subdivision may levy taxes in excess of the limitation in such amount as is necessary to meet the obligations under sections 269.31 to 269.39. The governing body of a political subdivision, for

the purpose of meeting its liabilities under sections 269.31 to 269.39 in the event of a deficit, may issue its obligations payable in not more than two years, in an amount which may cause its indebtedness to exceed any limitation without an election and may levy taxes to pay therefor.

[1957 c 919 s 5]

269.36 PAYMENTS INTO CONTRIBUTION FUND AND STATE AGENCY REVOLVING FUND. The moneys directed to be paid by section 269.33, subdivision 1, and section 269.34 by each of the state departments, colleges and institutions affected by the modification shall be paid from such accounts and funds from which each such employer receives its revenue, including appropriations from the general revenue fund or from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. The moneys necessary for the payments into the contribution fund and the state agency revolving fund, as provided herein, are hereby appropriated out of such revenue sources, including the general revenue fund or any other fund, now or hereafter existing, to each such employer in such sums as are required to make the payments herein directed. The amounts of each appropriation made by these provisions shall be certified by the state agency to the state auditor at such times as he shall require. If there are insufficient moneys in any such account or fund or source of revenue to make the payments to the contribution fund or state agency revolving fund as required by sections 269.31 to 269.39 by such employers, there is hereby appropriated to each such employer from any moneys in the state treasury not otherwise appropriated such moneys as are required to meet such deficiencies.

[1957 c 576 s 2; 1957 c 919 s 6]

269.37 REIMBURSEMENT OF COSTS OF ADMINISTERING STATE AGENCY. Subdivision 1. Each and every state department, college, and institution, and each political subdivision affected by the modification shall reimburse the state agency for its pro rata share of the cost of administration of said agency in accordance with the rules and regulations of the state agency pertaining thereto, and such reimbursement shall be paid into the state agency revolving fund created by sections 269.01 to 269.07.

Subd. 2. The moneys necessary for the payment into the contribution fund and the state agency revolving fund, as provided herein, are hereby appropriated out of such revenue sources to each department and agency in such sums as are required to make the payments herein directed, and such payments shall be charged as an administrative cost by such units of state government.

Subd. 3. If there are insufficient moneys in any such accounts or fund or source of revenue to make the payments to the contribution fund required by sections 269.31 to 269.39 by such departments or agencies, there is hereby appropriated to such department or agency from any moneys in the state treasury not otherwise appropriated such moneys as are required to meet such deficiencies. The amount of each appropriation made by these provisions shall be certified by the commissioner of administration to the state auditor at such times as the state auditor shall require.

[1957 c 919 s 7]

269.38 DECLARATION OF POLICY. In conformity with the policy of the Congress of the United States as set forth in Section 218(e) (2) and (q) of the Social Security Act, and to implement the policy of the State of Minnesota as set forth in section 269.07, it is hereby declared that the protection afforded noncoverage employees, as herein defined, in positions covered by the State Employees Retirement Fund (Association), the Public Employees Retirement Fund (Association), or the Teachers Retirement Fund, as the case may be, on the date the state agreement is made applicable to services performed in such positions, or receiving periodic benefits under such retirement system at such time, shall not be impaired as a result of making the agreement so applicable or as a result of legislative or executive action taken in anticipation or in consequence thereof.

[1957 c 919 s 9]

269.39 EFFECTIVE DATE. Sections 269.31 to 269.39 shall become effective coincident with the effective date of federal legislation amending the Social Security Act authorizing a modification of the agreement between the State and the secre-

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tary of health, education, and welfare so as to provide Social Security coverage for employees who by reason of state legislative action taken prior to January 1, 1958, are or will be excluded from coverage by a state retirement system.

[1957 c 919 s 10]

REFERENDA RELATING TO SOCIAL SECURITY COVERAGE

69AC 01:237 **269.41 DEFINITIONS.** Subdivision 1. Unless the context indicates otherwise, the terms used in this section have the meanings ascribed to them by sections 269.01 to 269.07, and the meanings ascribed to them in this section.

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

Subd. 3. The term "public employee" includes all employees of the state and its political subdivisions as defined in section 2, subdivision 7 of the enabling act, who hold positions which are covered by the retirement system provided for in Minnesota Statutes, Chapter 353, relating to the public employees retirement association excepting any position performing service which under the Social Security Act may not be included in an agreement between the state and secretary of health, education and welfare entered into under sections 269.41 to 269.55.

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

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

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

[*Ex*1957 c 18 s 1]

269.42 REFERENDUM. Pursuant to the provisions of sections 269.01 to 269.07, the governor shall designate an agency to supervise a referendum for each of the following groups:

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

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

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

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

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

[1957 c 576 s 2; *Ex*1957 c 18 s 2]

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

[*Ex*1957 c 18 s 3]

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

[Ex1957 c 18 s 4]

269.45 STATE AGENCY TO MAKE AGREEMENT WITH SECRETARY OF HEALTH, EDUCATION AND WELFARE. Upon such certification the state agency, with the approval of the governor, shall be authorized to enter into an agreement with the secretary of health, education and welfare, or modify any such agreement previously made with respect to employment by state employees, public employees, and educational employees. The agreement or modifications shall take effect retroactively and apply to all such employment performed after December 31, 1955, by the employees who are such on that date, and shall include within its application effective with the date of entry into state, public or educational service, all employment by such employees on the date of and subsequent to the approval of the agreement or modification as well as those who are such on the approval date thereof.

[Ex1957 c 18 s 5]

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

[Ex1957 c 18 s 6]

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

[Ex1957 c 18 s 7]

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

[Ex1957 c 18 s 8]

269.49 REIMBURSEMENT OF ADMINISTRATIVE COSTS OF STATE AGENCY. Each department or agency of state and each political subdivision employing members of the association shall reimburse the state agency for its pro rata share of the cost of administration of said agency in accordance with rules and regulations of the state agency. Such reimbursements shall be paid into the state agency's revolving fund.

[Ex1957 c 18 s 9]

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

If there are insufficient moneys in any such accounts or fund or source of revenue to make the payments to the contribution fund required by sections 269.41 to 269.55 by such departments or agencies, there is hereby appropriated to such department or agency from any moneys in the state treasury not otherwise appropriated such moneys as are required to meet such deficiencies. The amount of each appropriation made by these provisions shall be certified by the commissioner of administration to the state auditor at such times as the state auditor shall require.

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

[Ex1957 c 18 s 10]

269.51 **DELINQUENT PAYMENTS, COLLECTION.** Delinquent payments under sections 269.41 to 269.55 with interest at the rate of six percent per annum may be recovered by action in a court of competent jurisdiction against each and every political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such political subdivision by any department or agency of the state.

[Ex1957 c 18 s 11]

269.52 **OBLIGATIONS OF POLITICAL SUBDIVISION, PAYMENT.** Each and every political subdivision is hereby authorized and directed to pay its obligations under sections 269.41 to 269.55 for moneys collected from taxes or other revenues. Each and every political subdivision authorized to levy taxes may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation whatsoever upon the power of a political subdivision, as defined in section 269.41, to levy taxes, such political subdivision may levy taxes in excess of the limitation in such amounts as is necessary to meet its obligations under sections 269.41 to 269.55. The expenditures authorized to be made under sections 269.41 to 269.55 shall not be included in computing the cost of government as defined in any home rule charter of any city affected thereby. The governing body of a municipality, for the purpose of meeting its liabilities under sections 269.41 to 269.55 in the event of a deficit, may issue its obligations payable in not more than two years, in an amount which may cause its indebtedness to exceed any statutory or charter limitations, without an election, and may levy taxes to pay therefor in the manner provided in Minnesota Statutes, Section 475.61.

[Ex1957 c 18 s 12]

269.53 LIMITATION ON REFERENDA. Sections 269.41 to 269.55 allows a referendum for any separate retirement system provided in section 269.42 only if this session of the legislature authorizes a program of coordination for such system which provides a change in benefits and contributions to such state retirement system effective upon the making of any agreement with the secretary of health, education and welfare.

[Ex1957 c 18 s 13]

269.54 AMENDMENT OF FEDERAL SOCIAL SECURITY ACT, EFFECT. If the Federal Social Security Act or any rule or regulation made thereunder is amended prior to any agreement or modification provided in sections 269.41 to 269.55, and such amendment permits retroactive coverage of governmental employees at some date after December 31, 1955, with the allowance of fully insured status with 18 months of service as a governmental employee, the retroactive coverage shall begin on such date notwithstanding any provision in sections 269.41 to 269.55 to the contrary. In the event of such amendment, the agreements and contributions provided herein shall be retroactive to such date.

[Ex1957 c 18 s 14]

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269.55 RESTORATION TO MEMBERSHIP IN RETIREMENT ASSOCIATION FUND. Provided that all persons whose membership in a retirement fund or association is terminated July 1, 1957 by reason of state legislative action shall be restored as of July 1, 1957 to membership in the association or fund prior to any modification of the agreement between the state and the secretary of health, education, and welfare in the event that they are not before such date brought within the coverage of the Federal Social Security Act pursuant to authorizing federal legislation. Such restoration to membership shall be conditioned upon payment by affected members of required contributions to the fund accruing subsequent to July 1, 1957 to the date of restoration; such payment to be made at the time and in the manner as the board shall determine.

[Ex 1957 c 18 s 15]

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