

CHAPTER 352

STATE EMPLOYEES RETIREMENT ASSOCIATION

Sec.	Sec.
352.01 Definitions	352.12 Refundment after death of member or former member
352.021 State employees retirement association, eligibility for membership	352.15 Exemption from process and taxation
352.023 Membership termination	352.16 Insurance laws not to apply
352.03 Board of trustees; composition, duties, powers	352.22 Refundments or deferred annuities
352.04 State employees retirement fund, contributions by employee and employer	352.23 Termination of rights
352.041 Leave of absence for employment by political subdivision	352.27 Credit for military service
352.05 State treasurer to be treasurer of association	352.28 Savings clauses
352.06 Investment board to invest funds	352.32 Prior service credit payments; prior applications for benefits
352.113 Permanent disability benefits	352.38 Former members; service allowances
352.115 Retirement benefits	352.71 Retroactive social security tax, payment
352.116 Annuities upon retirement	352.715 Annuities, benefits and survivor benefits for members not covered by social security
	352.72 Membership in various associations; entitlement to annuity

352.01 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. **State employee.** "State employee" means any employee or officer in the classified and unclassified service of the state. The term also includes the special classes of persons listed in subdivision 2A of this section but excludes the special classes of persons listed in subdivision 2B of this section.

Subd. 2A. **Included employees.** The following persons are included in the meaning of state employee:

- (1) Employees of the Minnesota Historical Society.
- (2) Employees of the State Horticultural Society.
- (3) Employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed prior to July 1, 1963.
- (4) Employees of the Minnesota Crop Improvement Association.
- (5) Employees of the adjutant general who are paid from federal funds and who are not eligible to benefits from any federal civilian retirement fund.
- (6) Employees of the state colleges employed under the college activities program.
- (7) Currently contributing members of the association who are temporarily employed by the legislature during a legislative session or any currently contributing member employed for any special service as defined in item (8) of subdivision 2B of this section.
- (8) Employees of the armory building commission.
- (9) Permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation including permanent employees of the legislative research committee.
- (10) Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.
- (11) Employees of the Minnesota Safety Council.

Subd. 2B. **Excluded employees.** The following persons are excluded from the meaning of state employee:

- (1) Elective state officers;
- (2) Students employed by the University of Minnesota, the state colleges, and state junior colleges unless approved for membership by the board of regents or the state college board or the state junior college board, as the case may be;
- (3) Employees who are eligible to membership in the state teachers retirement fund except employees of the department of education who have elected or

MINNESOTA STATUTES 1965

3563

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.01

may elect to become members of the state employees retirement association instead of the teachers retirement fund;

(4) Employees of the University of Minnesota who are excluded from membership by action of the board of regents;

(5) Officers and enlisted men in the national guard and the naval militia except such as are assigned to permanent peacetime duty;

(6) Election officers;

(7) Persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;

(8) Officers and employees of the senate and house of representatives who are temporarily employed and those employees of the legislative research committee who are intermittently employed when needed;

(9) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except employees of the supreme court and referees and adjusters employed by the industrial commission;

(10) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota Soldiers Home;

(11) Persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) Employees of the Sibley House Association;

(13) Employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) Operators and drivers employed pursuant to Laws 1941, Chapter 478;

(15) Members of the tax court, the civil service board, and the members of any other state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;

(16) State highway patrolmen;

(17) Temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; also persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) Emergency employees in the classified service whose status shall be noted by symbol on all payroll abstracts except that emergency employees who without interruption of service become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the date of their emergency appointment;

(19) State police officers as defined in section 352A.01;

(20) All temporary employees in the classified service, and all seasonal help in the unclassified service employed by either the motor vehicle division or the department of taxation, income tax division, to perform clerical duties;

(21) Trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2A (10) of this section;

(22) Persons whose compensation is paid on a fee basis;

(23) State employees who in any year have credit for 12 months service as teachers in the public schools of the state and as such teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) Employees of the adjutant general employed on an unlimited intermittent basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) Chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) Labor service employees who do not have tenure under section 43.09, subdivision 7;

(27) Examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) Members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4; and

(29) Persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179.

Subd. 3. Head of department. "Head of department" means the head of any department, institution, or branch of the state service which directly pays salaries out of its income or which prepares, approves, and submits salary abstracts of its employees to the state auditor and state treasurer.

Subd. 4. Accumulated contributions. "Accumulated contributions" means the total, exclusive of interest, of (a) the sums deducted from the salary of a member, (b) the amount of payments, including assessments, paid by him in lieu of such salary deductions paid under Laws 1929, Chapter 191, or any amendment thereof, and credited to his individual account in the retirement fund.

Subd. 5. Retirement fund. "The retirement fund" includes the aggregate of all "accumulated contributions" of members of the retirement association, and all other moneys paid into the state treasury or received by the board of trustees pursuant to the provisions of Laws 1929, Chapter 191, or any amendment thereof, together with all income and profits therefrom and interest thereon, including contributions on the part of the federal government, the state and departments thereof.

Subd. 6. Yearly deductions from salaries. "Yearly deductions from salaries" means the actual receipts received or credited to the fund from salary deductions in any calendar year.

Subd. 7. Prior service. "Prior service" means the allowable service rendered before the first day of July, 1929, and includes the service during the first world war of officers, soldiers, sailors, marines, and army nurses who were state employees at the time of enlisting or being drafted into the military service of the United States, and who returned directly to the service of the state upon returning from the first world war. It also includes any temporary service or service of less than six months rendered prior to July 1, 1929, upon payment for such service credit as provided in the law in effect at the time of such payment or authorized agreement for such payment.

Subd. 8. [Repealed, 1957 c 928 s 33]

Subd. 9. [Repealed, 1957 c 928 s 33]

Subd. 10. [Repealed, 1963 c 383 s 59]

Subd. 11. Allowable service. "Allowable service" means:

(1) Any service rendered by a state employee for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the association by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or

(2) Any service rendered by a state employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or

(3) Any service rendered by a state employee after July 1, 1957, for any pay period 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 pay period where payments in lieu of salary deductions are made, deposited and credited into the fund, as provided in sections 352.23, 352.27, and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any pay period is deemed the compensation for the entire pay period unless state service has terminated), or

(5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the workmen's compensation law until the date authorized by the board of trustees for the commencement of payments of a total and permanent disability benefit from the retirement fund, or

(6) The unused portion of a member's annual leave allowance for which he is paid salary on regular pay-period abstracts until his accumulated leave is exhausted; but, if payment of annual leave allowance is made as provided in section

MINNESOTA STATUTES 1965

3565

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.021

351.12, the last working day is deemed the date state service terminates and credit for such service ceases on that date, or

(7) Any member who made payment in installments in order to obtain additional service credit but failed to make the final payment on or before July 1, 1962 shall be entitled to have credit for all service for which the payments he made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or

(8) Former members who hold numbered certificates of deferred annuity who again become members of the retirement association shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates.

Subd. 12. 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. 13. Salary. "Salary" means any compensation paid to any employee including wages, allowances, and fees.

Subd. 14. [Repealed, 1963 c 383 s 59]

Subd. 15. 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. 16. Year of allowable service. "Year of allowable service" means any 12 calendar months not necessarily consecutive in which a member is entitled to allowable service credit for all pay periods in such 12 calendar months. It also means 12 months credit each calendar year for teachers in the state colleges and state institutions who may or may not receive compensation in every pay period in the calendar year.

Subd. 17. Total and permanent disability. "Total and permanent disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long-continued and indefinite duration.

Subd. 18. "Annuity" and "benefit" synonymous. The words "annuity" and "benefit," wherever they appear in this chapter, are synonymous.

[1929 c 191 s 1; 1931 c 351 s 1; 1933 c 326 s 1; 1935 c 238 s 1; 1939 c 432 s 1; 1941 c 391 s 1; 1943 c 622 s 1; 1945 c 38 s 1; 1945 c 284 s 1, 2; 1947 c 631 s 2, 3, 4, 5, 6; 1949 c 644 s 2, 3; 1951 c 441 s 2-8; 1953 c 320 s 1; 1955 c 239 s 1-3; 1957 c 576 s 1, 2; 1957 c 928 s 1-6, 34; Ex1959 c 6 s 1-3; 1961 c 560 s 31; Ex1961 c 67 s 1, 2; 1963 c 383 s 1-8; 1965 c 230 s 1, 2; 1965 c 590 s 1; 1965 c 698 s 3] (254-1)

352.015 [Repealed, 1951 c 441 s 1; 1957 c 928 s 33]

352.02 [Repealed, 1957 c 928 s 33]

352.021 STATE EMPLOYEES RETIREMENT ASSOCIATION, ELIGIBILITY FOR MEMBERSHIP. Subdivision 1. **Association.** There is hereby established a state employees retirement association, the membership of which shall consist only of state employees. Any person who was a member of the association on June 30, 1959, shall continue his membership with the association.

Subd. 2. State employees as members. Every state employee not a member of the association on July 1, 1957, becomes a member by acceptance of state employment or continuance in state service. Acceptance of employment is deemed consent to have deductions made from salary for deposit to the credit of the member's account in the fund.

Subd. 3. Optional exemptions. Any person who is the head of a department appointed by the governor may request exemption from membership if he is not a member of the association at the date of such appointment. To qualify for this exemption he shall make his request within 90 days from the date of entering upon the duties of the position to which appointed. He shall not thereafter be entitled to membership so long as he continues in the position which entitled him to exemption from membership.

Subd. 4. M.S. 1957 [Repealed, Ex1959 c 6 s 34]

Subd. 4. Re-entering service after refundment. Whenever a former member who has withdrawn his accumulated contributions re-enters employment entitling him to membership in the state employees retirement association, he shall become a member of the association on the same basis as a new employee and shall not

be entitled to credit for any former service, nor shall the annuity rights forfeited at the time of taking a refundment be restored, except as provided in this chapter.

Subd. 5. **Continuing membership.** (a) Any member who has made contributions to the retirement fund for a period of one year and who, thereafter continuing in state service, becomes eligible to membership in the state teachers retirement association shall have the option of continuing as a member of the state employees retirement association by filing with this association his written election therefor. If he exercises this option, he shall not thereafter be entitled to membership in the teachers retirement association. This option shall also extend to any member of the state employees retirement association who has been required to become a member of the state teachers retirement association subsequent to June 30, 1957; and when the option is exercised as in this subdivision provided, the teachers retirement association shall upon application refund to such person the sum to his credit in that fund.

(b) Employee contributions accepted under (a) of this subdivision by the state employees retirement association before July 1, 1961 shall entitle the paying member to the allowable service reflected by such contributions.

[1957 c 928 s 7; Ex1959 c 6 s 5, 6; 1963 c 383 s 9]

352.028 MEMBERSHIP TERMINATION. Membership of any person in the retirement association shall terminate upon his ceasing to be a "state employee."

[1963 c 383 s 10]

352.03 BOARD OF TRUSTEES; COMPOSITION, DUTIES, POWERS. Subdivision 1. **Management.** The management of the state employees retirement fund is hereby vested in a board of seven members, who shall be known as the board of trustees. This board shall consist of the state auditor, the state treasurer, the insurance commissioner, and four state employees who shall be elected by the members of the retirement association at a time and in a manner to be fixed by the board of trustees. Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The term of the two board members whose terms expire in 1949 and 1950 shall terminate on the first Monday in March, 1950, and the terms of the two board members whose terms expire in 1951 and 1952 shall terminate on the first Monday in March, 1952. The members of the board so elected shall hold office for a term of four years and until their successors are elected, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of trustees; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period.

Subd. 2. **Vacancy, how filled.** Any vacancy in the board caused by death, resignation, or removal of any member so elected shall be filled by the board of trustees for the unexpired portion of the term in which the vacancy occurs.

Subd. 3. **Trustees serve without compensation.** The members of the board of trustees shall serve without compensation, but shall be reimbursed out of the retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties, and shall suffer no loss of salary or wages through service on the board.

Subd. 4. **Chairman and other employees.** The board shall elect a chairman and shall appoint an executive secretary and assistant secretary, and other employees as may be necessary; and shall contract for actuarial services, professional management services and consulting services as may be necessary, and fix the compensation therefor. Such contracts shall not be subject to the competitive bidding procedure prescribed by Minnesota Statutes, Chapter 16.

Appointment of the executive secretary and assistant secretary shall be in the unclassified service but appointees may be selected from civil service lists should the trustees desire to do so. The compensation of the employees in the unclassified service shall be fixed by the trustees who shall have full and exclusive authority regarding such compensation notwithstanding the provisions of section 350.083. Professional management services may not be contracted for more often than once in every six years. Copies of all professional management survey reports shall be sent directly to the legislature and the public examiner at the same time reports are furnished the trustees. Only management firms experienced in conducting management surveys of federal, state or local public retirement systems shall be qualified to contract with the trustees hereunder.

The board may provide in-service training for all employees of the association.

Subd. 5. **Rules and regulations.** The board shall, from time to time, subject to the limitations of this chapter and of the law, establish rules and regulations for the administration of the retirement and other provisions of this chapter and for the transaction of its business.

Subd. 6. **Trustees' fiduciary obligation.** It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustee with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the state employees who are its beneficiaries.

Subd. 7. **No increase of deductions or decrease of benefits.** Any changes or additions which may be found necessary or advisable for the management of the retirement fund may be made by a majority vote of the board of directors, provided no increase is thereby made in the amount of deductions from salaries, or decrease in the amount of benefits paid.

Subd. 8. **Power to determine employee's status.** The final power to determine the status of any individual in the employ of the state for the purposes of this chapter is vested in the board of trustees and its decision is final.

Subd. 9. **Legal adviser, attorney general.** The attorney general shall be the legal adviser of the board of trustees.

Subd. 10. **Civil service department, duties.** Upon request of the board of trustees, the civil service department shall furnish such information relative to the status of state employees as may be required by the board in the performance of its duties.

Subd. 11. **Industrial commission, duties.** The industrial commission shall furnish the board of trustees with a copy of each abstract submitted to the state auditor and to be charged to the state compensation revolving fund which shall be construed as notice to the board of trustees that the employees listed thereon have sustained injury arising out of and in the course of employment by the state of Minnesota and are entitled to credit for service on the records of the association during the time compensation is received for temporary disability resulting from such injury, but shall not be used for any other purpose.

Subd. 12. **Departmental information.** Under the direction of the board of trustees the head of each department shall furnish such information and keep such records as the board may require for the discharge of its duties.

Subd. 13. **Calendar year basis optional.** For all purposes except quarterly and biennial budgets the board of trustees may operate on a calendar rather than a fiscal year basis.

[1929 c 191 s 3; 1931 c 351 s 3; 1935 c 238 s 3; 1941 c 391 s 3; 1947 c 631 s 9; 1949 c 644 s 8; Ex1959 c 6 s 4; 1963 c 383 s 11; 1965 c 691 s 1] (254-3)

352.04 STATE EMPLOYEES RETIREMENT FUND, CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER. Subdivision 1. **Fund created.** There is created a special fund to be known as the "State Employees Retirement Fund." In that fund there shall be deposited employees contributions, employers contributions and other amounts authorized by law.

Subd. 2. **Employee contributions.** The employee contribution to the fund (a) by those employees whose state service is covered by the federal social security act shall be an amount equal to three percent of salary, and (b) by those employees whose state service is not covered by the federal social security act shall be an amount equal to six percent of salary. These contributions 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 \$7,200 in any calendar year.

Subd. 3. **Employer contributions.** The employer contribution to the fund shall be (1) an amount equal to the total amount deducted from the salaries of members on each payroll abstract, plus (2) (a) an additional two-thirds of the amount of such deductions for employees paying three percent contributions; or (b) an additional one-sixth of the amount of such deductions for employees paying six percent contributions. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Subd. 4. **Payroll deductions.** The head of each department shall cause employee contributions to be deducted from the salary of each member of the retirement association on every payroll abstract and shall approve one voucher payable

to the state treasurer for the aggregate amount so deducted from the salaries covered by the payroll abstract. Deductions from salaries of employees paid direct by any department, institution, or agency of the state shall be made by the officer or employee authorized by law to pay such salaries. The head of any department or agency having authority to appoint any employee who receives fees as his compensation or who receives his compensation on federal payrolls shall collect as the required employee contribution the applicable amounts required in section 352.04, subdivision 2. All such deductions from salary and amounts collected shall be remitted by him to the secretary of the association with a statement showing the amount of earnings or fees, and in the case of fees, the number of transactions, and the amount of each of such deductions and collections and the names of the employees on whose account the same have been made.

Subd. 5. Payment of employer contributions. (a) The head of each department or agency shall cause employer contributions to be made to the fund on each payroll abstract at the time each member is paid his salary in the amounts required by section 352.04, subdivision 3. These contributions shall be charged as administrative costs. Each department shall pay these amounts from such accounts and funds from which each department or agency receives its revenue, including appropriations from the general revenue fund and 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 to provide for the administrative cost as herein provided 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.

(b) If there are insufficient moneys in any such accounts or fund or source of revenue to make the payments to the state employees retirement fund required by this section to be made by such department or agency, 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 such 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.

NOTE: Laws 1965, Chapter 901, Section 73, reads:

"Sec. 73. Any moneys made available to any state department or agency by this act by appropriation, transfer or otherwise for the payment of salaries is a source of revenue to such department or agency under the provisions of Minnesota Statutes 1961, Sections 355.50 and 352.04, Subdivision 5."

Subd. 6. Quasi-state agencies; employer contributions. For those of their employees who are members of the state employees retirement association, 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, and the armory building commission, respectively, shall also pay into the retirement fund a sum equal to the total amount deducted for the retirement fund from the salaries paid to their employees including salaries paid from an appropriation from the general revenue fund, as herein authorized, plus an additional one sixth of the amount of such deductions for employees paying six percent contributions and two thirds of the amount of such deductions for employees paying three percent contributions.

Subd. 7. Employer obligation to match employee lump sum payments. Upon certification of the required amount to the employer by the secretary of the association, each employing state department and employing governmental subdivision shall match on a pro-rata basis all authorized employee lump sum payments for past service rendered to each state department and governmental subdivision pursuant to this section or sections 352.23 or 352.27. The employer's liability in this subdivision provided shall have both prospective and retroactive application to lump sum payments made by employees after June 30, 1961.

Subd. 8. Erroneous deductions, cancelled warrants. (1) Any deductions taken from the salary of an employee for the retirement fund in error shall, upon discovery and verification by the department 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 cancelled or the amount of the warrant or check returned to the funds of the department 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 department or institution provided application for it is made on a form furnished by the retirement board, and the department's payments shall

MINNESOTA STATUTES 1965

3569

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.041

likewise be refunded to the department if the amount of the required adjustment is more than \$1.

Subd. 9. **Cancellation of obligation for certain contributions.** The obligation of employing state departments to pay "additional" employer contributions to the fund for services of their employees employed between July 1, 1957 and December 31, 1958 and rights of employing state departments to refundments therefrom because of overpayment of "additional" employers contributions accruing for said period but unpaid as of June 30, 1961 are canceled.

Subd. 10. **Certain warrants canceled.** Any state auditor's warrant payable from the retirement fund remaining unpaid for a period of six years shall be canceled into the retirement fund and not into the general revenue fund.

Subd. 11. **Gifts and bequests.** The board of trustees is hereby authorized and empowered to credit to the retirement fund any moneys received in the form of donations, gifts, appropriations, bequests, or otherwise, or derived therefrom.

Subd. 12. **Fund disbursement restricted.** The retirement fund shall be disbursed only for the purposes herein provided. The expenses of the association and the retirement allowances and annuities herein provided upon retirement shall be paid only from such fund, and the amounts necessary therefor are hereby annually appropriated from said fund for said purpose.

[1929 c 191 s 4; 1931 c 351 s 4; 1933 c 326 s 4; 1935 c 238 s 4; 1939 c 432 s 2; 1941 c 391 s 4; 1943 c 622 s 3; 1945 c 284 s 5, 6, 7; 1945 c 603 s 1; 1947 c 631 s 10, 11; 1949 c 644 s 9, 10; 1951 c 441 s 13, 14; 1955 c 239 s 7, 8; 1957 c 928 s 8, 33; 1961 c 633 s 1; Ex1961 c 67 s 3, 4, 5, 6; 1963 c 383 s 12-19; 1965 c 861 s 1] (254-4)

352.041 LEAVE OF ABSENCE FOR EMPLOYMENT BY POLITICAL SUBDIVISION. Subdivision 1. **Allowable service credit.** Any member of the state employees retirement association who is given a leave of absence for employment by a political subdivision of the state shall continue to pay into the state employees retirement fund for the period of such leave, and upon such payment he shall be given allowable service credit as a member on the records of the association the same as though he had received salary from the state therefor. Such payments into the retirement fund shall be at the rate required in section 352.04, subdivision 2, and shall be based upon the salary received from the political subdivision subject to the maximum amount, if any.

Subd. 2. **Employee contributions, procedure.** The officer or employee authorized by law to pay salaries to employees of the political subdivision employing such member of the state employees retirement association shall cause employee contributions to be deducted from the salary of each employee who is on leave of absence from state service as aforesaid on each payroll abstract and shall pay such sum to the secretary of the state employees retirement fund each pay period.

Subd. 3. **Employer contributions procedure.** The officer or employee authorized by law to pay salaries to employees of the political subdivision employing such member of the state employees retirement association shall also cause employer contributions to be made to the state employees retirement fund on each payroll abstract in the amount required by section 352.04, subdivision 3. These contributions are to be charged as an administrative cost.

Subd. 4. [Repealed, 1963 c 383 s 59]

Subd. 5. **Employer contributions, leaves of absence; tax levies.** Every political subdivision employing a member of the state employees retirement association on leave of absence from state service for employment by a political subdivision of the state shall pay into the state employees retirement fund the amount of the employer contribution required by law for members of the state employees retirement association. Such employing political subdivisions may levy such taxes as may be necessary for the payment of employer contributions without limitation as to rate or amount, and the levy of such taxes shall not cause the amount of other taxes to be levied by political subdivisions which are subject to any such limitation, to be reduced in any amount whatsoever.

Subd. 6. **Certain employee contributions validated.** The payments made to the state employees retirement fund by members of the association on leave of absence for employment by political subdivisions of the state of Minnesota between July 1, 1957 and July 1, 1959, pursuant to the resolution of the state employees retirement board adopted August 27, 1957, are hereby validated.

Subd. 7. [Repealed, 1963 c 383 s 59]

[1959 c 647 s 1; 1963 c 383 s 20, 21]

352.05 STATE TREASURER TO BE TREASURER OF ASSOCIATION. The state treasurer shall be ex-officio treasurer of the retirement funds of the association and his general bond to the state shall cover all liability for his actions as treasurer of these funds. All moneys of the association received by him shall be set aside in the state treasury to the credit of the proper fund. He shall deliver to the secretary of the board of trustees each month copies of all payroll abstracts of the state together with the state auditor's warrants covering the deductions made on these payroll abstracts for the retirement fund; whereupon the secretary shall cause to be made, in duplicate, a list of the auditor's warrants and these warrants shall then be deposited with the state treasurer to be credited to the retirement fund. He shall pay out of this fund only on warrants issued by the state auditor, upon abstracts signed by the secretary of the board of trustees, or by the finance officer designated by the secretary during the disability or the absence of the secretary from the city of St. Paul, Minnesota. Abstracts for investments may be signed by the secretary of the state board of investment.

[1959 c 191 s 5; 1931 c 351 s 5; 1935 c 238 s 5; 1941 c 391 s 5; 1945 c 284 s 8; 1957 c 928 s 28; Ex1961 c 67 s 7] (254-5)

352.06 INVESTMENT BOARD TO INVEST FUNDS. Subdivision 1. **Securities generally, standard.** The retirement board shall, from time to time, certify to the state board of investment for investment such portions of the retirement fund as in its judgment may not be required for immediate use. The state board of investment shall thereupon invest the sum so certified in such securities as are duly authorized legal investments as defined in this section, provided, however, that any investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The state board of investment shall have authority to sell, convey, and exchange such securities and invest and reinvest the funds when it deems it desirable to do so. The board shall sell securities upon request of the retirement board when such retirement board determines that funds are needed for its purposes.

Subd. 2. **U. S. government bonds or notes.** Bonds, notes, mortgages, or other obligations of the United States, or those guaranteed by, or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof are legal investments for the purposes of this section.

Subd. 3. **Bonds of Minnesota or other states.** Bonds or other evidences of indebtedness of this state, and full faith and credit obligations of, or obligations unconditionally guaranteed as to principal and interest by any other state of the United States are legal investments for the purposes of this section.

Subd. 4. **Obligations of Canada.** Bonds, debentures, notes, or other full faith and credit obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada; provided that the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder are legal investments for the purposes of this section.

Subd. 5. **Municipal obligations of Minnesota.** Bonds, notes, or obligations of any municipal or political subdivision of this state, issued pursuant to a law of this state; provided that the issuer has not, within ten years prior to the making of the investment, been in default for more than three months in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes, or obligations; and provided further, if the bonds are revenue bonds, the revenues of the obligor, other than for payment of operation and maintenance expenses, are pledged wholly to the payment of the interest on and principal of such indebtedness, and the obligor has been completely self-supporting for a period of five years next preceding the date of investment are legal investments for the purposes of this section.

Subd. 6. **Municipal obligations of other states.** Bonds, notes, or other obligations issued, guaranteed, or assumed by any municipal or political subdivision of any other state of the United States; provided, (a) that any such municipal or political subdivision, or the total of its component parts, shall have a population as shown by the last preceding federal census of not less than 10,000, and (b) the issuer, guarantor, or assumer of such bonds, notes, or other obligations: (i) shall

have pledged its faith and credit for the payment of the principal and interest of such bonds, notes, or other obligations; (ii) shall have the power to levy taxes on the taxable real property therein for the payment of both principal and interest of such bonds, notes, or other obligations without limitation of rate or amount; (iii) shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes, or other obligations for more than 90 days are legal investments for the purposes of this section.

Subd. 7. Municipal obligations of Canada. Bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by any city of Canada which has a population of not less than 100,000 inhabitants; provided that the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder; and provided further that all the conditions as prescribed in subdivision 6(b) of this section have likewise been met are legal investments for the purposes of this section.

Subd. 8. Obligations insured by International Bank for Reconstruction and Development. Bonds, notes, or other obligations issued, assumed, or unconditionally guaranteed by the International Bank for Reconstruction and Development are legal investments for the purposes of this section.

Subd. 9. Obligations insured by agency of United States. Bonds, debentures, or other obligations issued by any agency or instrumentality of the United States are legal investments for the purposes of this section.

Subd. 10. Public housing obligations. Obligations of any public housing authority or urban redevelopment authority issued pursuant to the laws of this state relating to the creation or operation of a public housing or urban redevelopment authority are legal investments for the purposes of this section.

Subd. 11. Obligations of state, municipal, or public authority. Obligations of any state, municipal, or public authority issued pursuant to the laws of any state of the United States; provided that for each of the five years next preceding the date of investment the income of such authority available for fixed charges shall have been not less than $1\frac{1}{2}$ times its average annual fixed charges requirements over the life of such obligations are legal investments for the purposes of this section.

Subd. 12. Corporate obligations. Bonds, notes, debentures, equipment obligations, or any other type of absolute obligation of any corporation organized and operating within any of the 50 states of the United States or in Canada, provided that obligations of Canadian corporations shall be payable in United States dollars, are legal investments for the purposes of this section; provided, however, that no bonds, notes, debentures, or equipment obligations may be purchased of any corporation with assets of less than ten million dollars. The book value of the outstanding capital stock of such corporation, not including finance corporations, at the time of such investment shall not be less than 50 percent of its total funded debt, except in the instance of a corporation owned by another corporation or other corporations, one or more of which meet this requirement and which guarantee the payment of the debt securities of the subsidiary corporation. In the case of a finance corporation, the owning parent company shall meet the above requirement, or, if such finance corporation be independent, the book value of the outstanding capital stock of such corporation at the time of such investment shall not be less than 25 percent of its total funded debt. For a period of five fiscal years next preceding the date of such investment, the net pretax earnings of such corporation, or of one or more corporations guaranteeing the debt, shall have been each year not less than 1.5 times the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars. The investment in such securities shall not exceed 50 percent of the total assets of the fund at any time. All such corporate bond investments shall be rated among the top third of the quality categories, not applicable to defaulted bonds, used by a nationally recognized rating agency for rating the quality of the same.

Subd. 13. Corporate stocks. Preferred or common stocks of any corporation organized and operating within the United States are legal investments for the purposes of this section. The aggregate of common and preferred stock investments may not exceed 30 percent of the total assets of the fund at any time. Furthermore, the board may invest no more than five percent of the assets of the fund in

common or preferred stocks in any one year, the intent of this provision being that the fund may not attain a position of 30 percent in stocks within a period of less than six years from April 14, 1961. No more than one percent of the assets of the fund may be invested in the stock of any one corporation and at no time shall the fund together with other Minnesota public retirement funds own more than five percent of the voting stock of any one corporation. All such percentages shall be computed on the basis of the cost price of such stock at the time of investment.

No investment shall be made in the common or preferred stock of any corporation with assets of less than ten million dollars.

No investment shall be made in the preferred stock of any corporation unless the latter shall have had earnings available for the payment of interest and preferred dividends equal, on the average, for the last five years, to at least 1½ times the aggregate of interest and preferred dividend requirements. No investment shall be made in a common stock unless the latter shall have paid cash dividends for at least five years immediately prior to purchase nor unless the aggregate earnings of such corporation available for payment of dividends on the common stock during the last five years has been at least equal to the aggregate of such cash dividends.

Subd. 14. Bank certificates of deposit and savings accounts. Certificates of deposit or savings accounts in any bank which is insured by the Federal Deposit Insurance Corporation or in any savings and loan association insured by the Federal Savings and Loan Insurance Corporation to the extent such investment is insured are legal investments for the purposes of this section. It is the intent that these investments shall be only to maintain necessary and desirable liquidity.

Subd. 15. Commercial paper. Commercial paper of prime quality, as defined by a nationally recognized organization which rates such securities, issued by any corporation organized and operating within any of the 50 states of the United States, provided:

(a) That all such securities mature in 270 days or less;

(b) That the issuing corporation, or parent company in the case of paper issued by finance subsidiaries, show a ratio of current assets to current liabilities, including that portion of long-term debt maturing within one year, of at least 1½ to 1;

(c) That the net income of the issuing corporation, or parent company, average one million dollars or greater annually for the past five years;

(d) That the commercial paper shall, at no time, constitute more than five percent of the book value of the investments in any one fund; and

(e) That the commercial paper of any one corporation shall not constitute more than two percent of the book value of the investments in the fund, are legal investments for the purposes of this section.

Subd. 16. Canadian, state, or municipal securities, notice of disposition. In the sale or conveyance of any Canadian, state, or municipal securities authorized by this act, the state board of investment shall give ten days' published notice of such proposed disposition in a financial publication published in a city of the first class and in a national financial publication and insofar as possible receive competitive bids therefor, provided that in sales of less than \$250,000 face value of bonds of any one Minnesota municipal or political subdivision, the requirement for national publication may be waived upon resolution by the state board of investment. No published notice shall be required when a Minnesota subdivision wishes to retire, in any one year, not over \$50,000 face value of its indebtedness before maturity or call date and agrees with the state board of investment to retire such securities at a price deemed reasonable by both parties, but at not less than acquisition cost or face value, whichever is lower.

Subd. 17. Computation of interest income. For the purpose of determining the interest income earned by the state employees retirement fund, premiums on all bonds or securities purchased shall be amortized to the earliest call date and discounts shall be accumulated to the maturity date of the bonds or securities.

The yield from United States treasury bills and short term corporate notes purchased at a discount without a stated interest rate shall be the difference between the cost price and selling price or maturity value. When such yield is realized from securities held for a period involving all or parts of two or more fiscal or calendar years, as the case may be, the yield shall be apportioned equitably to each fiscal or calendar year. The amount of yield so apportioned to each fiscal or

MINNESOTA STATUTES 1965

3573

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.113

calendar year shall be regarded as interest income and shall be credited as earnings in the year in which the interest is earned.

[1929 c 191 s 6; 1931 c 351 s 6; 1935 c 238 s 6; 1941 c 391 s 6; 1961 c 380 s 1; 1963 c 160 s 1, 2; 1965 c 113 s 3-5; 1965 c 305 s 1] (254-6)

352.07 [Repealed, 1963 c 383 s 59]

352.08 [Repealed, 1963 c 383 s 59]

352.09 [Repealed, 1957 c 928 s 33]

352.10 [Repealed, 1945 c 284 s 1]

352.103 Subdivision 1. [Repealed, 1963 c 383 s 59]

Subd. 2. [Repealed, 1963 c 383 s 59; 1965 c 230 s 18]

352.11 [Repealed, 1957 c 928 s 33]

352.113 PERMANENT DISABILITY BENEFITS. Subdivision 1. **Age and service requirements.** Any member who is less than 65 years of age who becomes totally and permanently disabled after ten years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's state service has terminated at any time, at least five of the required ten years of allowable service must have been rendered after last becoming a member.

Subd. 2. **Accrual of benefits.** The benefit shall begin to accrue 90 days following the commencement of disability or 30 days after the application is filed whichever is later. If annual or sick leave is paid for more than the said 90 or 30-day period, whichever applies, the benefit shall accrue from the date salary ceased.

Subd. 3. **Computation of benefits.** The disability benefit shall be computed in the manner provided in section 352.115 and shall be limited to an amount not to exceed fifty percent of the salary upon which it is based. The disability benefit shall be the normal annuity without reduction for each month the member is under age 65 at the time of retirement. The optional annuities provided for in section 352.116 do not apply to this section. Members whose total and permanent disability shall have been established prior to July 1, 1961, and approved by the trustees, shall continue to receive the disability benefits provided by the law then in effect so long as the total and permanent disability continues.

Subd. 4. **Determination by the board.** The board shall have the member examined by at least two licensed physicians selected by the board. These physicians shall make written reports to the board concerning the member's disability including medical opinions as to whether or not the member is permanently and totally disabled within the meaning of Minnesota Statutes, Section 352.01, Subdivision 17, and acts amendatory thereto. The board shall also obtain written certification from the employer stating whether or not the member was separated from service because of a disability which would prevent further service to the employer and as a consequence the member is not entitled to compensation from the employer. If upon the consideration of the reports of the physicians and such other evidence by the member or others interested therein, the board finds the member totally and permanently disabled, it shall grant him a disability benefit. The fact that an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability benefit. The disability benefit shall cease with the last payment received by the annuitant during his lifetime unless he leaves a spouse surviving him in which event the surviving spouse shall be entitled to the disability benefit for the calendar month in which the annuitant died.

Subd. 5. **Benefits paid under other laws.** The disability benefit shall be reduced by any amounts received or receivable by a member from the employer under applicable workmen's compensation laws.

Subd. 6. **Regular physical examinations.** At least once each year during the first five years following the allowance of a disability benefit to any member, and at least once in every three-year period thereafter, the board shall require any person disabled to undergo a medical examination to be made at the place of residence of such person, or at any place mutually agreed upon, by a physician or physicians engaged by the board. If any examination indicated that he is no longer permanently and totally disabled, 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. The payments shall discontinue 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 that such person is no longer permanently and totally disabled.

Subd. 7. **Partial re-employment.** Should the disabled person 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, provided the disability benefit in such case does not exceed the disability benefit originally allowed.

Subd. 8. **Refusal of examination.** Should any such disabled person 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 benefit shall be revoked by the board.

Subd. 9. **Return to state service.** Any person receiving a disability benefit who is restored to active state service shall have deductions taken for the retirement fund and upon subsequent retirement have his retirement annuity based upon all allowable service including that upon which the disability benefits were based. No person shall be entitled to receive disability benefits and a retirement annuity at the same time.

Subd. 10. **Retirement status at age 65.** The disability benefit paid to a person hereunder shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be deemed to be on retirement status.

[1951 c 441 s 21; 1955 c 239 s 13; 1957 c 928 s 13; Ex1959 c 6 s 13; Ex1961 c 67 s 9; 1963 c 383 s 22-25]

352.115 RETIREMENT BENEFITS. Subdivision 1. **Age and service requirements.** After separation from state service any person (a) who has attained the age of at least 65 years and who is entitled to credit for not less than ten years allowable service or (b) who has attained the age of at least 58 years and who is entitled to credit for not less than 20 years allowable service is entitled upon application to a retirement benefit. Retirement is not compulsory prior to attaining the age of 70.

Subd. 2. **Average salary.** The retirement annuity hereunder payable at age 65 or thereafter shall be computed in accordance with the applicable provisions of the formula stated in subdivision 3 hereof, on the basis of the member's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

(a) For years prior to July 1, 1957, "average salary" for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions were based for any five consecutive years prior to that date;

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary upon which he has made contributions to the retirement fund by payroll deductions.

Subd. 3. **Retirement annuity formula.** The member's average salary, as defined in subdivision 2 multiplied by the applicable percentages indicated below shall determine the amount of the retirement annuity to which the member qualifying therefor is entitled:

Years of Allowable Service	Percentages at the Rate of:
(a) First ten years	1 percent per year of service
(b) Second ten years or completed months of service less than such period	1 percent per year of service
(c) Third ten years or completed months of service less than such period	1.66 percent per year of service
(d) Subsequent years or completed months of service less than such period	1.75 percent per year of service

Subd. 4. **Certain annuity options.** 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 (a) the annuity provided in subdivisions 2 and 3, or (b) the annuity based on salary not exceeding \$4,800 per annum provided in Minnesota Statutes 1953, Section 352.11 as amended by Laws 1955, Chapter 239, but without rights to a reversionary

MINNESOTA STATUTES 1965

3575

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.115

annuity; provided however, that in the event he becomes eligible to receive the primary social security benefit, the provisions of section 352.115, subdivisions 2 and 3, shall apply for the purpose of ascertaining his retirement benefit under this section.

Subd. 5. Additional annuity in certain cases. When any person retires who on July 1, 1957, had ten or more years of allowable service as a member, he shall receive in addition to the annuity provided in subdivisions 2 and 3, an amount which, when added to his old age survivors insurance primary benefit, equals the annuity based on salary not exceeding \$4,800 per annum, he would have received under Minnesota Statutes 1953, Section 352.11 as amended by Laws 1955, Chapter 239.

Subd. 6. [Repealed, 1965 c 230 s 18]

Subd. 7. Application for annuity. Application for annuity may be made by the member, or some one acting in his behalf, upon proof of authority satisfactory to the trustees.

Subd. 8. Accrual of annuity. Members shall make application for an annuity; however this application shall not be made prior to the time the member is eligible to retire by reason of both age and service requirements. An annuity shall begin to accrue 30 days after the application is filed with the board of trustees but in no event prior to the day following the last working day or the last day for which he is paid for sick leave, or prior to the termination of state service. 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 an optional annuity provided in section 352.116, subdivision 3. The reversionary annuity and joint and last survivor annuity shall cease with the last payment received by the surviving spouse or beneficiary in his or her lifetime. If a retired employee had not selected an optional annuity and leaves a spouse surviving him, such spouse shall be entitled only to the annuity payment for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor under the optional annuity shall be entitled to the annuity payment for the calendar month in which the retired employee died.

Subd. 9. Annuities payable monthly. All annuities, retirement allowances and disability benefits authorized under the provisions of this chapter shall be paid in equal monthly instalments and shall not be increased, decreased, or revoked except as provided herein.

Subd. 10. Reemployment of annuitant. Should any former member while an annuitant again become entitled to receive salary or wages from the state, other than salary or wages received as a temporary employee of the legislature during a legislative session, his annuity or retirement allowance shall cease when he has earned \$1200 in any calendar year, but no payroll deductions for the benefit of the retirement fund shall be made from the earnings of such annuitant. If such annuitant is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance shall be resumed during the period of sick leave. No change shall be made in the monthly amount of such annuity or retirement allowance because of such employment. The provisions of this subdivision shall be construed consistently with section 352.72, subdivision 3.

Subd. 11. Accrued annuity at death. Any annuity, retirement allowance or disability benefit which had accrued prior to the death of an annuitant shall be paid to the beneficiary whom the annuitant had last designated. If (a) no beneficiary has been so designated, or (b) the designated beneficiary should die before making claim for payment of such retirement allowance or annuity, payment shall be made to the surviving spouse or, if none, to the legal representative of such annuitant, provided that if the designated beneficiary, surviving spouse, or legal representative entitled thereto does not apply for payment within five years from the date of death of the annuitant, the annuity which had accrued at the time of death shall be credited to and become a part of the retirement fund.

Subd. 12. Death, return of warrants. If at the time of death an annuitant has in his possession state auditor's warrants covering a retirement allowance, annuity, or disability benefit from the retirement fund, in the absence of probate proceedings, and upon the return of such warrants for cancellation, payment of such accrued benefit shall be paid as provided in section 352.115, subdivision 11, or

352.12, subdivision 4. Payments made under the provisions of this subdivision shall be a bar to recovery by any other person or persons.

[1957 c 928 s 9; *Ex*1959 c 6 s 7, 9, 20; *Ex*1961 c 67 s 10; 1963 c 383 s 26-32; 1963 c 814 s 1; 1965 c 230 s 3-6]

352.116 ANNUITIES UPON RETIREMENT. Subdivision 1. **Reduced annuity before age 65.** Where any member retires prior to age 65, he shall be paid a retirement annuity in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, or 352.715, subdivision 2, as the case may be, reduced by one-half of one percent for each month that the member is under age 65 at the time of retirement.

Subd. 2. **Normal annuity at age 65.** Where any member retires after age 65, he shall be paid an annuity determined in the manner provided in sections 352.115 or 352.715, subdivision 2, whichever applies.

Subd. 3. **Optional annuities.** The board of trustees shall establish an optional annuity of retirement which shall take the form of a joint and survivor annuity. The board of trustees may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Such optional forms shall be actuarially equivalent to the normal forms provided in sections 352.115 and 352.116, or 352.715, subdivision 2, whichever applies. In establishing these optional forms the board shall obtain the written recommendation of approved actuary and these recommendations shall be a part of the permanent records of the board.

[1957 c 928 s 10; *Ex*1959 c 6 s 11; *Ex*1961 c 67 s 11; 1963 c 383 s 33-35]

352.117 Subdivision 1. [Repealed, 1963 c 383 s 59]

Subd. 2. [Repealed, 1963 c 383 s 59]

Subd. 3. [Repealed, 1959 c 162 s 3]

352.12 REFUNDMENT AFTER DEATH OF MEMBER OR FORMER MEMBER. Subdivision 1. **Death before termination of service.** If a member dies before his state service has terminated and neither a survivor benefit nor a reversionary annuity is payable as provided herein, a refundment shall be paid to his beneficiary or, if there be none, to the representative of his estate in an amount equal to his accumulated contributions plus interest thereon to the date of death at the rate of two percent per annum compounded annually. The designated beneficiary or representative of the estate of a member who may have received a disability annuity shall not be entitled to the payment of interest upon any balance remaining to his credit in the fund at the time of death.

Subd. 2. **Lack, or death, of beneficiary.** If a member or former member dies (a) who did not designate a beneficiary, or (b) whose last designated beneficiary dies without making application for refundment, refundment shall be made to his surviving spouse, or if none, to the legal representative of the estate of such member or former member.

Subd. 3. **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 refundment of the sum to the credit of such deceased member or former member, and the amount of the refundment does not exceed \$500 exclusive of interest the board of trustees may, 90 days after the date of death of the member or former member in the absence of probate proceedings, make refundment to the surviving spouse of the deceased member or former member, or, if none, the trustees may upon proper application make refundment to the next of kin of the deceased member or former member, as determined by the trustees to be entitled thereto consistent with the laws of descent and such determination and payment without notice shall be conclusive and final and shall be a bar against claims of all other persons.

Subd. 4. **Refundment to minor beneficiary.** If a member or former member dies having named as his beneficiary a person who is a minor at the time of the application for benefit, and the amount of the benefit does not exceed \$500, exclusive of interest, the board of trustees in the absence of guardianship or probate proceedings may make payment to the natural guardian having custody of such minor beneficiary, for the benefit of such child. Any annuity, retirement allowance or disability benefit payable at the time of death of an annuitant, which is payable to a beneficiary who is a minor, may be paid in the same manner and such payment shall be a bar to recovery by any other person or persons.

Subd. 5. **Monthly installments.** The beneficiary or surviving spouse of any deceased member or former member entitled to receive a refundment shall have the option of having the amount due him paid in monthly installments in such amounts as may be agreed upon with the board of trustees.

Subd. 6. **Death after service termination.** If a former member of the association dies and he has not received an annuity, a retirement allowance or a disability benefit, a refundment shall be paid to his designated beneficiary or, if there be none, to the representative of his estate in an amount equal to his accumulated contributions.

Subd. 7. **Absence of optional or reversionary annuity.** If an annuitant dies who at the time of retirement selected neither an optional annuity or a reversionary annuity, there shall be paid to his designated beneficiary or, if there be none, to the representative of his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the annuitant at the time of retirement over and above the aggregate of (1) all annuities, retirement allowances and disability benefits he had received and which had accrued in his lifetime, and (2) the annuity, retirement allowance or disability benefit if applicable, payable to his surviving spouse under section 352.115, subdivision 8, or section 352.113, subdivision 4, for the calendar month in which the member died.

Subd. 8. M.S. 1961 [Repealed, 1963 c 383 s 59]

Subd. 8. **Optional or reversionary annuity.** If an annuitant dies who at the time of retirement selected either an optional annuity or a reversionary annuity, and the total amounts paid thereunder are less than the accumulated contributions to the credit of the annuitant at the time of retirement, the balance of such accumulated contributions shall be paid to the person designated by the annuitant in writing to receive the same, but if no such designation has been made by the annuitant the remaining balance of such accumulated contributions shall be paid to the representative of his estate.

Subd. 9. **Beneficiary designation.** The designation of a beneficiary or person to receive any accumulated contributions remaining to the credit of a member, a former member, or an annuitant, at the time of his death, as provided in this section, must be in writing and must be filed with the board of trustees prior to the death of the member, former member, or annuitant.

Subd. 10. **Death of beneficiary before refundment.** If the last designated beneficiary or beneficiaries of (a) a deceased member or former member, or (b) an annuitant, should die before receiving a refundment of the sum to the credit of the deceased member, former member or annuitant at the time of his death, the refundment shall be made to the estate of the deceased member.

Subd. 11. **Death of disability annuitant.** If a member who has received a disability benefit dies, there shall be paid to his last designated beneficiary or, if there be none, to the representative of his estate, an amount equal to the excess, if any, of the accumulated contributions to the credit of the member at the time the disability benefit began to accrue over and above the aggregate of (1) all disability benefits he had received and which had accrued in his lifetime, and (2) the benefit for the month in which the disabled employee died, payable, if applicable, to his surviving spouse under section 352.113, subdivision 4, and acts amendatory thereof.

Subd. 12. **Refundment, failure to request.** If the last designated beneficiary, surviving spouse, or legal representative of a deceased member, former member, or annuitant fails to make claim for refundment as provided in this section within five years from the date of death of the member, former member, or annuitant, the accumulated contributions to his credit at the time of death shall be credited to the retirement fund. If claim to refundment is made within ten years from the date of death, and the amount transferred to the fund is over \$25, the sum shall be restored to the account of such deceased member, former member, or annuitant and refundment shall then be made.

Subd. 13. **Refundment, beneficiary.** If at the time of death a former member has in his possession a state auditor's warrant which does not exceed \$500 covering a refundment of his accumulated contributions in the retirement fund, in the absence of probate proceedings such state auditor's warrant may be returned for cancellation, and then upon application made by the last designated beneficiary of such deceased former member, refundment of the accumulated contributions shall

be made to the last designated beneficiary. Payments made under the provisions of this subdivision shall be a bar to recovery by any other person or persons.

[1929 c 191 s 14; 1933 c 326 s 1; 1935 c 238 s 12; 1941 c 391 s 11; 1947 c 631 s 15; 1949 c 644 s 15; 1951 c 441 s 22-24; 1957 c 928 s 12; 1959 c 162 s 1, 2; 1963 c 383 s 36-45; 1965 c 230 s 7-9] (254-11)

352.13 [Repealed, 1963 c 383 s 59]

352.14 [Repealed, 1963 c 383 s 59]

352.15 EXEMPTION FROM PROCESS AND TAXATION. None of the moneys, annuities, or other benefits mentioned herein shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, or to any state income tax or state inheritance tax.

[1929 c 191 s 17; 1931 c 351; 1933 c 326; 1935 c 238 s 15; 1941 c 391 s 14; Ex1959 c 6 s 21] (254-17)

352.16 INSURANCE LAWS NOT TO APPLY. None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds.

[1929 c. 191 s. 18; 1933 c. 326; 1935 c. 238 s. 16; 1941 c. 391 s. 15] (254-18)

352.17 [Repealed, 1963 c 383 s 59]

352.18 [Repealed, 1963 c 383 s 59]

352.22 REFUNDMENTS OR DEFERRED ANNUITIES. Subdivision 1. **Service termination.** Any member who ceases to be a state employee by reason of termination of state service, shall be entitled to a refundment provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refundment may be made no sooner than 90 days after the termination of state service if the applicant has not again become a state employee required to be a member of the state employees retirement association; except that members having attained the age of 70 years or more, whose state service is terminated by operation of law, or by direction of the appointing authority, who are not eligible to receive an annuity under sections 352.115 or 352.72, may apply for refundment without any waiting period.

Subd. 2. **Amount of refundment.** Except as provided in subdivision 3, any person who ceased to be a state employee by reason of termination of state service shall receive a refundment in an amount equal to his accumulated contributions without interest.

Subd. 3. **Deferred annuity.** (1) Any person with at least ten years of allowable service when such termination occurs may at his option leave his accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity commencing at age 65. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff who does not return to state service during the period his name is carried on a layoff list pursuant to civil service law or regulation shall have any deferred annuity to which he may become entitled computed under the law in effect on his last working day.

(3) The provisions of section 352.28, subdivision 1, and section 352.115, subdivisions 4 and 5 shall not apply to paragraphs (1) and (2) hereof.

(4) Such deferred annuity shall begin on the first day of the calendar month following the month in which the application is filed in the office of the retirement association, but no application for a deferred annuity shall be made prior to the time the former member reaches the required age to entitle him to such annuity payment.

(5) Application for the accumulated contributions 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. **Surrender of deferred annuity certificates.** Former members who hold numbered certificates of deferred annuity may surrender them at any time prior to receiving an annuity and receive a refundment of their accumulated contributions upon application.

Subd. 5. **Refundment generally unlimited.** The right of refundment provided

MINNESOTA STATUTES 1965

3579

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.23

in section 352.22 is not restricted as to time unless specifically provided and the statute of limitation does not apply thereto.

Subd. 6. [Repealed, 1965 c 230 s 18]

Subd. 7. **Compulsory service termination.** Any member qualified to do so, to whom Minnesota Statutes 1961, Section 352.24 applies, (a) who has made payment permitted by that section to obtain additional service credit as therein provided, and (b) who attains the compulsory retirement age, under either the state civil service law or the compulsory retirement age fixed by the board of regents of the University of Minnesota or the state college board, prior to the time he has acquired ten years service credit as a member of the association, and (c) who would not be entitled to any retirement benefits from the association, shall, upon application in writing, be entitled to refundment of the amount paid by him for such additional service credit.

Subd. 8. **Refundment specifically limited.** If a former member of the association does not apply for refundment within five years after the last deduction was taken from his salary for the retirement fund, and the total amount of his accumulated contributions is not over \$50, such accumulated contributions shall be credited to and become a part of the retirement fund. In the event the former member should return to state service and become a member of the retirement association, the amount so credited to the retirement fund shall be restored to his individual account. If the amount so credited to the fund is over \$25 and the former member should apply for refundment, the amount shall be restored to the former member's individual account and refundment made.

Subd. 9. **Refundment for persons committed to state hospitals.** While a former member is under commitment as an inmate of a state hospital under the jurisdiction of the commissioner of public welfare, or of a similar public authority if the former member is an inmate of a state hospital of another state, and if the inmate is entitled to a refundment of his accumulated contributions in the retirement fund in an amount not to exceed \$300, refundment of such accumulated contributions may be made, upon appropriate application therefor, to the superintendent of such state hospital of this state, or similar public authority of another state if authorized so to do by the laws of that state, and such refundment shall be a bar to recovery by any other person or persons.

Subd. 10. **Other refundments.** Former members of the association who are or who shall become members of the highway patrolmen's retirement association, the state police officers retirement fund; or employees of the university of Minnesota who are excluded from membership in the state employees retirement association by action of the board of regents; or labor service employees lacking tenure under section 43.09, subdivision 7, shall be entitled to a refundment without any waiting period, in an amount equal to their respective accumulated contributions without interest, notwithstanding their continuance in state service but in positions not covered by chapter 352.

Subd. 11. **Refundment, membership in teachers retirement.** A member who has no option or who does not exercise his option under section 352.021, subdivision 5, to continue membership in the state employees retirement association shall upon becoming eligible to membership in the state teachers retirement association, be entitled to an immediate refundment of his accumulated contributions without interest.

[1957 c 928 s 14; Ex1959 c 6 s 14, 15; Ex1961 c 67 s 13, 14; 1963 c 383 s 46-52; 1965 c 230 s 10-13]

352.23 TERMINATION OF RIGHTS. When any member accepts a refundment as provided in section 352.22, 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 all refundments which he had taken from the retirement fund. Repayment of refundments will entitle the member only to credit for service covered by (a) salary deductions, (b) payments made in lieu of salary deductions, and (c) payments made to obtain credit for service as permitted by laws in effect at the time payment was made. If a member before taking one or more refundments had credit for prior service or for military service without payment in either case, he may obtain credit for such forfeited service

MINNESOTA STATUTES 1965

prior to July 1, 1929, and for such forfeited military service by making payments at a contribution rate of three percent of his average salary upon which deductions for the retirement fund were based, for the three-year period immediately preceding repayment of refundment for service credit prior to July 1, 1929, and on the salary received by him at the time of entering military service to restore his military service credit. All such payments and repayment of refundments are to be paid with interest at four percent per annum compounded annually.

[1957 c 928 s 15; Ex1959 c 6 s 22; 1965 c 230 s 14]

352.24 [Repealed, 1963 c 383 s 59]

352.241 [Repealed, 1963 c 383 s 59]

352.25 [Repealed, 1963 c 383 s 59]

352.26 [Repealed, 1963 c 383 s 59]

352.27 CREDIT FOR MILITARY SERVICE. Any employee given a leave of absence to enter military service who returns to state 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 be entitled to 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, nor to credit for any period of service following a voluntary return to military service. 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 the applicable amounts required in section 352.04, subdivision 2, plus interest at four percent per annum compounded annually. Such payments shall be reduced by the amount of the social security tax that would have been transferred to the social security contribution fund for the calendar years 1956 and 1957, or any portion thereof, had the member been receiving salary from the state of Minnesota and assuming such salary received would have been the salary received upon his return to state service. In such cases the matching employer contribution and additional contribution provided in section 352.04 shall be paid by the department employing such member upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.

[1957 c 928 s 20; Ex1959 c 6 s 25; 1963 c 383 s 53; 1965 c 230 s 15]

352.28 SAVINGS CLAUSES. Subdivision 1. **Optional retirement benefits.** Any person who on July 1, 1957, has ten or more years of allowable service as a member and whose deductions from salary continue at the rate in effect prior to that date, shall have the option when he retires either to receive the retirement benefits computed under Minnesota Statutes 1953, (a) Section 352.11, Subdivision 1, paragraphs 3, 4 and 6, or (b) sections 352.715, subdivision 2, and 352.116.

Subd. 2. **Certain elections continued.** Any election made by a member prior to July 1, 1957, pursuant to Minnesota Statutes 1953, Section 352.11, Subdivision 1(5), as amended by Laws 1955, Chapter 239, Section 13, shall be continued in effect until the member retires.

Subd. 3. **Right to refundment.** Upon the death of an annuitant who retired prior to July 1, 1957, there shall be paid to his last designated beneficiary or estate, as the case may be, a refundment as is provided in Minnesota Statutes 1953, Section 352.12, Subdivision 3, as amended by Laws 1955, Chapter 239, Section 16, or the refundment provided for by Minnesota Statutes 1953, Section 352.11, Subdivision 1(5) if a reversionary annuity is payable to a surviving spouse.

Subd. 4. **Certain deferred annuities.** Any person who ceased to be a "state employee" prior to July 1, 1957, who has left his accumulated deductions in the retirement fund for the purpose of receiving, when eligible, a retirement annuity or allowance in accordance with the law in effect at the date state service terminated, shall have his annuity or retirement allowance computed in accordance with the law in effect at the date he ceased to be a "state employee."

Subd. 5. [Repealed, 1963 c 383 s 59]

Subd. 6. [Repealed, 1963 c 383 s 59]

Subd. 7. **Certain deferred annuities preserved.** Any person whose state service terminated after January 1, 1957, and before July 1, 1957, who returned to state service after December 31, 1957, and before January 1, 1959, and who would have been entitled to a deferred annuity at age 65 had he not returned to state service, shall when he attains age 65, be entitled to an annuity under the law in effect

MINNESOTA STATUTES 1965

3581

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.38

at time of retirement, in an amount which shall not be less than the deferred annuity to which he would have been entitled had he not returned to state service.

Subd. 8. **Joint and survivor annuity entitlement.** If (a) a member and his spouse are both at least 64 years of age when, in accordance with section 352.116, subdivision 3, as amended, he files with the association his application for joint and survivor optional annuity providing for payments thereunder to his surviving spouse; and (b) such application is filed with the association at least 40 days prior to the member's death; and (c) the member's death occurs less than 15 days before the first optional annuity payment would have accrued to him had he lived; then, upon fulfillment of these conditions, his surviving spouse shall be entitled to the survivor's optional annuity specified for her benefit thereunder, to accrue from and after the day following the last day for which the member was paid salary.

[1957 c 928 s 21; Ex1959 c 6 s 26; Ex1961 c 67 s 16; 1963 c 197 s 1; 1963 c 383 s 54, 55; 1965 c 51 s 66; 1965 c 230 s 16]

352.29 [Repealed, 1963 c 383 s 59]

352.30 [Repealed, Ex1959 c 6 s 34]

352.31 [Repealed, 1963 c 383 s 59]

352.32 PRIOR SERVICE CREDIT PAYMENTS; PRIOR APPLICATIONS FOR BENEFITS. Subdivision 1. Payments heretofore made into the retirement fund in order to obtain service credit, by persons who became members of the association prior to July 1, 1951, shall for all purposes of Laws 1951, Chapter 441, Section 10, as amended, or of other provisions of this chapter, be declared to be in full compliance of all the provisions thereof.

Subd. 2. Applications for annuities and retirement allowances made between July 1, 1957 and July 1, 1959, pursuant to Minnesota Statutes 1957, Section 352.115, Subdivision 5, by members qualified to do so, who filed applications for annuities less than 30 days prior to the last day they were paid salary, or after state service had terminated, shall be considered for the purposes of entitlement to benefits under this chapter, and for the commencement of payments therefor during said period, to be in full compliance with all the provisions thereof.

[1957 c 928 s 25; Ex1959 c 6 s 23]

352.33 [Repealed, 1963 c 383 s 59]

352.34 [Repealed, 1963 c 383 s 59]

352.35 [Repealed, 1963 c 383 s 59]

352.36 [Repealed, 1963 c 383 s 59]

352.37 [Repealed, 1963 c 383 s 59]

352.38 FORMER MEMBERS; SERVICE ALLOWANCES. Subdivision 1. **Qualifications.** Any former member of the state employees retirement association having ten or more years of allowance service credit as a member thereof who made his application for retirement benefits prior to July 1, 1949, shall receive a service allowance of \$5 per year for each full year of allowable service. This service allowance shall be added to such former member's annuity payments but when so added shall not exceed the maximum retirement benefits provided by law at the time of such person's retirement; but no payments under this section shall be made to the representative, beneficiary or legal representative of the estate, if any, of those former members who died between July 1, 1957, and June 30, 1958, in those cases where no request or application for such allowance was or is made prior to January 1, 1966.

Subd. 2. [Repealed, 1963 c 383 s 59]

Subd. 3. **Appropriation.** The moneys necessary for the payment provided for in this section are hereby appropriated from the state employees retirement fund; and the board of trustees of the state employees retirement association shall administer this section, ascertain the person qualifying for the benefits provided herein, and make payments as authorized.

[1959 c 124 s 1-3; 1963 c 383 s 56; 1965 c 701 s 1]

352.61 [Repealed, 1963 c 383 s 59]

352.62 Subdivision 1. [Repealed, 1963 c 383 s 59]

Subd. 2. [Repealed, 1963 c 383 s 59]

Subd. 3. [Repealed, Ex1961 c 67 s 23]

352.63 [Repealed, 1963 c 383 s 59]

352.64 [Repealed, 1963 c 383 s 59]

352.65 [Repealed, 1963 c 383 s 59]

352.651 [Repealed, 1963 c 383 s 59]

352.66 Subdivision 1. [Repealed, 1959 c 162 s 3]

Subd. 2. [Repealed, 1959 c 162 s 3]

Subd. 3. [Repealed, 1963 c 383 s 59]

352.67 [Repealed, 1963 c 383 s 59]

352.68 [Repealed, 1963 c 383 s 59]

352.69 [Repealed, 1963 c 383 s 59]

352.71 RETROACTIVE SOCIAL SECURITY TAX, PAYMENT. Subdivision 1.

Any person who was a member of the retirement association on December 31, 1957, and who prior thereto had taken a refundment or refundments of his accumulated salary deductions for the calendar years 1956 and 1957 or any part thereof, with the result he did not then have to his credit in the fund the sums required for the retroactive social security tax for those years or any part thereof, is required to pay into the retirement fund a sum sufficient to pay such social security tax with interest at four percent per annum; and any such person who again left state service without having made the payment required for the retroactive social security tax and without having had deducted from his salary for the retirement fund a sum sufficient to pay such tax, is required to pay to the association such tax with interest at four percent per annum.

Subd. 2. Any member of the retirement association who did not have to his credit in the retirement fund a sum over and above an amount sufficient to pay the required retroactive social security tax at the time state service terminated subsequent to December 31, 1957, is not entitled to a refundment from the retirement fund, and the transfer therefrom of the amount of such tax to the social security contribution fund shall be considered the equivalent of a refundment of the amount thereof and shall terminate all rights and benefits to which the member was entitled immediately prior thereto from the retirement fund. Such rights and benefits may be restored thereafter by making payment to cover the salary deductions required for the periods of service involved at the deduction rate in effect at the time the service was rendered less payment, if any, made to obtain the retroactive social security coverage. Such payment for restoration of service credit shall be made as provided in section 352.23.

[Ex 1959 c 6 s 28]

352.715 ANNUITIES, BENEFITS AND SURVIVOR BENEFITS FOR MEMBERS NOT COVERED BY SOCIAL SECURITY. Subdivision 1. **Scope.** The provisions of this section apply only to (a) those members of the association who are not covered under the provisions of the federal old age and survivors insurance act, and (b) any department or agency employing such members. Except as otherwise specifically provided in this section, the provisions of Minnesota Statutes 1961, Section 352.01 through Section 352.72 shall apply.

Subd. 2. **Annuities.** (A) The retirement annuity payable under this subdivision at age 65 shall be computed in accordance with the applicable provisions of the formula stated in paragraph (B) hereof, on the basis of the member's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

(a) For years prior to July 1, 1957, "average salary" for the purpose of determining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions were based for any five consecutive years prior to that date;

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary upon which he had made contributions to the retirement fund by payroll deductions.

(B) The member's average salary as defined in paragraph (A), multiplied by the applicable percentages indicated below shall determine the amount of retirement annuity to which the member qualifying therefor is entitled:

Years of Allowable Service	Percentages at the Rate of:
(a) First ten years	1 percent per year of service
(b) Second ten years or completed months of service less than such period	2 percent per year of service
(c) Third ten years or completed months of service less than such period	2½ percent per year of service

MINNESOTA STATUTES 1965

3583

STATE EMPLOYEES RETIREMENT ASSOCIATION 352.715

- (d) Subsequent years or completed 3 percent per year of service
months of service less than such
period.

(C) The annuity of a member who qualifies for retirement prior to reaching age 65 shall be reduced by one half of one percent for each month he is under age 65 at the time of retirement.

(D) A member may at time of retirement elect to take an optional annuity authorized pursuant to section 352.116, subdivision 3, provided however, that such optional forms shall be actuarially equivalent to the normal sum provided for in this subdivision, paragraphs (A), (B) and (C).

Subd. 3. Disability benefit. (A) A member who has become totally and permanently disabled as provided in section 352.113 shall receive a disability benefit based upon his age at the time of disability in accordance with subdivision 2, paragraphs (A), (B) and (C) hereof, plus a supplementary monthly benefit computed in accordance with the following table:

Age when disabled	Supplementary benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(B) If a disabled person receives disability benefits under the provisions of the federal social security act, his benefits computed under this section shall be reduced by the amount of disability benefits paid under the federal act. The disability benefit shall also be reduced by any amounts received or receivable by a member from the employer under applicable workmen's compensation laws.

(C) The disability benefit paid to a person under this section shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be determined to be on retirement status and shall be paid a straight life retirement annuity as provided in this section, subdivision 2, or a straight life retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever amount is greater.

Subd. 4. Survivor benefits. (A) Upon the death of a member before retirement who has had at least 18 months of credited allowable service, his surviving dependent spouse and dependent children under the age of 18 shall receive the monthly benefit provided below:

- (a) Surviving dependent spouse 30 percent of the member's monthly average salary, not to exceed \$65 per month
- (b) Each dependent child 20 percent of the member's monthly average salary, not to exceed \$45 per month.

In addition to the amounts provided in (a) and (b) hereof, ten percent of the member's monthly average salary, not to exceed \$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. For the purpose of this subdivision 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. The maximum monthly benefit shall not exceed \$250 for any one family. The surviving dependent 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.

Any survivor of a member whose average salary is less than \$75 per month shall not be entitled to the benefits provided in this subdivision. If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased member, these benefits shall be reduced to an amount equal to the deceased member's monthly average salary.

(B) 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 subdivision 2 of this section, 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 the annuity provided in subdivision 2 but not both.

[1963 c 383 s 58]

352.72 MEMBERSHIP IN VARIOUS ASSOCIATIONS; ENTITLEMENT TO ANNUITY. Subdivision 1. **Entitlement to annuity.** Any person who has been a member of the state employees retirement association or the public employees retirement association or the teachers retirement association shall be entitled when qualified to an annuity from each fund if his total allowable service in all three funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that he has not taken a refundment from any one of these three funds since his membership in that association last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant must have at least ten years' membership service or ten years of allowable service in the respective association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten or more years.

Subd. 2. **Computation of deferred annuity.** The deferred annuity, if any, accruing under subdivision 1, shall be computed in the manner provided in Minnesota Statutes, Section 352.22, Subdivision 3, and acts amendatory thereof, on the basis of allowable service prior to termination of state service.

Subd. 3. **Postponement of payment of annuity.** No annuity shall be paid from the state employees retirement fund during the time the former member is working and accruing service credit as a member of either the public employees retirement association or the teachers retirement association.

Subd. 4. **Refundment repayment.** Any person who has received a refundment from the state employees retirement fund prior to July 1, 1961, and who is a member of either the public employees retirement association or the state teachers retirement association may repay such refundment with interest to the state employees retirement fund. If a refundment is repaid to the fund and more than one refundment has been received from the fund, all refundments must be repaid. Such repayment shall be made as provided in Minnesota Statutes 1957, Section 352.23, and acts amendatory thereof, and under such terms and conditions consistent therewith as may be agreed upon with the board of trustees.

[*Ex*1961 c 67 s 22; 1963 c 383 s 57; 1965 c 230 s 17]

NOTE: See also Sections 353.71 and 354.60.