

CHAPTER 354A

TEACHERS RETIREMENT, CERTAIN CITIES

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354A.01 TEACHERS RETIREMENT FUND ASSOCIATIONS IN CITIES. In every city of this state now or hereafter having a population of more than 10,000, the teaching body may, with the consent of the council in the city, establish an association to be known as the teachers retirement fund association, to be formed and organized and to have powers and privileges as provided in sections 354A.03 to 354A.10. After July 1, 1969, no new teacher retirement fund can be created.

[1909 c 343 s 1; 1911 c 383 s 1; 1969 c 485 s 37] (1358)

354A.02 INCORPORATION. Any plan for the establishment of such an association shall include a provision for the organization of a corporation under the provisions of Revised Laws 1905, Chapter 58, and acts amendatory thereof.

[1909 c 343 s 2] (1359)

354A.03 PLAN OF ASSOCIATION; FUND; APPROVAL OF COUNCIL. When any teaching body of any city of this state having a population of more than 10,000, desires to avail itself of these privileges, that teaching body shall formulate a plan for the formation and incorporation of such an association and the collection and disbursement of a fund for the benefit of retired teachers in the city, which plan shall be submitted to the council of the city for approval, and when the same is approved by the council, the association so established and incorporated shall have full power and authority to receive and disburse funds in accordance with the plan so adopted.

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

354A.04 APPROVAL OF TEACHERS. No such association shall be incorporated and commence to collect and disburse funds until the plan so to be proposed by the teaching body shall be approved in writing by a majority of all the teachers in the employ of the board of education and when the corporation is formed there shall be filed with the articles of incorporation an affidavit made by some officer of the board of education that a majority of the teachers have approved in writing of the formation of the association.

[1909 c 343 s 4] (1361)

354A.05 CONTRIBUTION BY TEACHERS; TAXATION. The plan shall include a provision that only such teachers as make a contribution to the fund, as provided in the plan, shall be entitled to the benefits thereof, and may include a provision that a portion of the fund shall be raised by taxation upon the property of the city, it being understood that all teachers who are willing to comply with the terms and conditions of the articles of association and bylaws of the association shall be entitled to participate in the benefits of the fund.

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

In any city of the first class, the plan, subject to the approval of the city council of such city, may provide that any member applying for an annuity shall be entitled to an annuity on the single life plan, or its actuarial equivalent under any optional method of retirement provided in the articles of the association, from city deposits at least equal to \$2 per month for each year of teaching service in such city. Such annu-

ity payments shall not commence until the member has reached the age of 55 years, and has completed 20 years of teaching service in such city, or until the member has reached the age of 62 years if he has not completed 20 years of teaching service in such city. Where the aggregate of the city deposit to the credit of such member will not provide the minimum annuity prescribed, the city deposit shall be increased in the year of retirement to the amount necessary to provide such minimum annuity. Except as herein provided, the provisions for city deposits in such plan in any city of the first class shall not be altered by the provisions of this paragraph. City deposits as used herein is hereby defined as that portion of the fund to be raised by taxation upon the property of the city.

Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher.

[1909 c 343 s 5; 1941 c 214 s 1; 1945 c 390 s 1; 1951 c 25 s 1; 1973 c 255 s 1; 1976 c 2 s 125] (1362)

354A.06 [Repealed, 1975 c 306 s 34]

354A.07 [Repealed, 1975 c 306 s 34]

354A.08 POWER TO HOLD PROPERTY. Any such association so to be formed shall be empowered to receive, hold, and dispose of real estate or personal property acquired by it, either by gift or purchase or in any other lawful way, as provided by its articles of association so to be adopted, as herein provided.

[1909 c 343 s 7] (1364)

354A.09 PRO RATA DISTRIBUTION OF FUNDS. The plan may provide in the event that the funds of the association are not sufficient to pay annuities in full, as provided in the plan, in any particular year, that the amount available shall be prorated between those entitled to receive the same.

[1909 c 343 s 8] (1365)

354A.091 TEACHERS ON EXTENDED LEAVE. Subdivision 1. Notwithstanding any provision of this chapter or the bylaws of an association relating to salary for contribution purposes or accrual of service credit to the contrary, an elementary or secondary school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60 may receive allowable service credit toward annuities and other benefits under this chapter for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The state shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12, for the salary received during the year immediately preceding the leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Subd. 2. A member on extended leave who pays employee contributions into the fund pursuant to subdivision 1 shall retain membership in the association for as long as he continues to pay employee contributions, under the same terms and conditions as if he had continued to teach in the district.

Subd. 3. A member on extended leave of absence pursuant to section 125.60 who does not pay employee contributions into the fund in any year shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and the bylaws of the retirement association.

Subd. 4. If a member who pays employee contributions into the fund for the agreed maximum duration of an extended leave does not resume teaching in the first school year after that maximum duration has elapsed, he shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and the bylaws of the retirement association.

Subd. 5. The provisions of this section shall not apply to a member who is discharged pursuant to section 125.17 while he is on an extended leave of absence pursuant to section 125.60.

Subd. 6. A member who pays employee contributions and receives allowable service credit in the fund pursuant to this section may not pay employee contributions or receive allowable service credit for the same fiscal year in any other Minnesota public

employee pension plan, except a volunteer firefighters' relief association governed by sections 69.771 to 69.776.

[1977 c 447 art 9 s 6; 1978 c 764 s 120,121]

354A.10 TEACHERS; EXTENSION TO EMPLOYEES OF ASSOCIATION. The word "teachers", as used in sections 354A.01 to 354A.10, includes superintendents, supervisors, principals, as well as instructors, who are in the employ of the board of education or board of school inspectors in the city mentioned in sections 354A.01 to 354A.10, and the plan or articles of incorporation of any such association heretofore established or hereafter established may also provide by amendment thereto, or otherwise, that it shall include employees and former, or retired employees of such association, provided however, that no employee, former or retired employee who has a credit or credits to his account as a municipal employee under chapter 422, shall be required to become a member of any such association unless he has given written notice to such association and to the retirement board of the municipality with which he has such a credit within two years after becoming eligible to such membership of his desire to avail himself of the provisions of sections 354A.01 to 354A.10 and become a member of such association. Upon so electing, the city treasurer and retirement board of the municipality with which such employee or former or retired employee so has a credit, shall transfer and pay over to such association all of the moneys remaining to the credit of such employee, former or retired employee, whereupon he shall become a member of such association, and such moneys shall be held by and applied toward his benefit in accordance with the articles of incorporation and bylaws of such association. The retirement fund so paying over and transferring said moneys shall thereupon be relieved of all further liability and responsibility to such employee, former or retired employee, of any nature whatsoever arising out of his former contributions to, credits, or participation in, the municipal pension and retirement plan adopted pursuant to chapter 422.

No employee of a teachers' retirement fund association to whom sections 354A.01 to 354A.10 hereafter apply in accordance with this section, shall be required or permitted to become a member of any retirement fund or relief association or to contribute to any fund established for such purpose except a fund established pursuant to the terms of sections 354A.01 to 354A.10.

For the St. Paul and Duluth teachers retirement fund associations, and for the Minneapolis teachers retirement fund association unless the person is designated by the board of education of special school district number 1 pursuant to section 356.451 as a provisional member of the teachers retirement fund association, the terms "teachers", "teacher" or "member" as used in this chapter and in the articles of incorporation and bylaws of any teachers retirement fund association established pursuant to this chapter shall not include any person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive education and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the teachers retirement fund association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing to make the required employer contributions in addition to the required employee or member contributions.

[1909 c 343 s 9; 1955 c 10 s 1; 1978 c 720 s 9] (1366)

354A.11 CERTAIN MONEYS AND CREDITS OF TEACHERS EXEMPT. All moneys deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of such teacher or member in a corporation organized as a "Teachers Retirement Fund Association" under sections 354A.03 to 354A.10, and all moneys, rights, and interests or annuities due or to become due to such teacher, member, or annuitant, or their beneficiaries, from any such association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from any court and shall not be subject to the inheritance tax provisions of this state if transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

[1939 c 72 s 1; 1967 c 605 s 1; 1971 c 789 s 7] (1366-2)

354A.12 STATE PAYMENTS TO RETIREMENT FUND ASSOCIATIONS IN CITIES OF THE FIRST CLASS. Notwithstanding any law to the contrary, for taxes levied in 1975 payable in 1976 and thereafter, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by a fully or partially coordinated teachers retirement social security fund, are disallowed and the state shall assume the total employer obligation. Effective July 1, 1975 the state shall pay to said retirement fund association an employer contribution equal to the amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay for all contributing members of the state teachers retirement association including social security taxes, in accordance with the provisions of Minnesota Statutes 1974, Section 354A.07, Subdivisions 3, 3a and 4, except that:

(1) employer contributions which are paid to the retirement fund associations pursuant to this section shall be appropriated and remitted directly to said retirement fund associations each month in accordance with the procedures described in section 354.43, subdivisions 1, 2, and 5; and

(2) with respect to any city of the first class having a fully or partially coordinated teachers retirement fund association, employer social security taxes on salaries paid after June 30, 1975 shall be paid by the state in accordance with the provisions of section 355.46, subdivision 3, clause (b), and employer contributions to said retirement fund association shall be reduced by the amount of such taxes. The contribution required to be paid by each coordinated member of a teachers retirement fund association in a city of the first class which does have a fully coordinated teachers retirement social security fund shall not be less than four percent of total salary, the contribution required to be paid by each coordinated member of a teachers retirement fund association which does have a partially coordinated teachers retirement social security fund shall not be less than four and one-half percent of total salary and the contribution required to be paid by each basic member of a teachers retirement fund association in a city of the first class which does not have a fully coordinated teachers retirement social security fund shall not be less than eight percent of total salary. No change in bylaws or articles of incorporation affecting benefits, contributions or actuarial assumptions shall be made without approval by the legislature. Notwithstanding any provision of the articles or bylaws, amendments may be made at the annual meeting called for such purpose, without further local approval.

[1975 c 306 s 30; 1976 c 238 s 1; 1976 c 239 s 107; 1978 c 781 s 8]

354A.13 GOVERNMENT OF RETIREMENT FUND ASSOCIATIONS IN CITIES OF THE FIRST CLASS. All teachers retirement fund associations in cities of the first class shall be governed by the provisions of chapter 317, except that no association shall be required to amend its articles or bylaws to conform with section 317.08, subdivision 2, clause (3), and the definition contained in section 317.02, subdivision 5, shall have no application thereto. All corporate action of any such association heretofore taken shall be deemed valid if in conformity with either chapter 317, or Revised Laws 1905, Chapter 58, as amended, or both.

[1976 c 238 s 11]

354A.21 MANDATORY RETIREMENT; PROPORTIONATE ANNUITY. Notwithstanding the provisions of sections 197.45 to 197.48 or 354A.05, a teacher subject to the provisions of this chapter shall terminate employment on August 31, 1976, or at the end of the academic year in which such teacher reaches the age of 65, whichever is later. For purposes of this section, an academic year shall be deemed to end August 31. A teacher who terminates employment at any time during the academic year at the end of which such person is required to terminate employment pursuant to this section and who has less than the minimum required number of years of service to otherwise qualify for a retirement annuity shall be entitled upon application to a proportionate retirement annuity based on service prior to termination. Nothing contained in this subdivision shall preclude a district from employing a retired teacher as a substitute teacher; provided, no teacher required to terminate employment by this section shall resume membership in the retirement association by virtue of employment as a substitute teacher; provided further that upon having earned \$3,000 in any academic year from employment as a substitute teacher, any person over the age of 65 years shall terminate employment for the remainder of that academic year.

[1975 c 306 s 32; 1976 c 329 s 31]

354A.22 QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.

Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, but shall not include superintendents.

Subd. 2. A teacher in the public schools of a city of the first class who has 20 years or more of allowable service may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position.

Subd. 3. For purposes of this section, a part time teaching position shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in the appropriate bylaws of the retirement associations covered by chapter 354A, and for which the teacher is compensated at a rate not exceeding 60 percent of the compensation established by the board for a full time teacher of identical education and experience within the district.

Subd. 4. Notwithstanding any provision of this chapter or the bylaws of an association relating to salary for contribution purposes or accrual of service credit to the contrary, employee and employer contributions to the fund, including the state's obligation pursuant to section 354A.12, and accrual of allowable service credit toward retirement pursuant to this chapter shall be continued during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would be payable or accrued were the teacher to have been employed on a full time basis. A teacher's contributions to the fund and accrual of allowable service credit during part time employment may not be continued pursuant to this subdivision for a period longer than 10 years.

Subd. 5. A teacher who pays employee contributions and receives allowable service credit in the fund pursuant to this section may not pay employee contributions or receive allowable service credit for the same fiscal year in any other Minnesota public employee pension plan, except a volunteer firefighters' relief association governed by sections 69.771 to 69.776.

Subd. 6. A board entering into an agreement authorized by this section shall take all steps necessary to assure continuance of any insurance programs furnished or authorized a full time teacher on an identical basis and with identical sharing of costs for a part time teacher pursuant to this section.

Subd. 7. Only teachers who are in the bargaining unit as defined in section 179.63, subdivision 17, during the year preceding the period of part time employment pursuant to this section shall qualify for the continuation of contributions and accrual of service credit pursuant to subdivision 4. Notwithstanding the provisions of section 179.63, subdivision 7, clauses (e) and (f), teachers who are employed on a part time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Subd. 8. No teacher shall qualify for the continuation of contributions and accrual of service credit pursuant to subdivision 4 of this section or section 354.66, subdivision 4, in more than one district at one time.

Subd. 9. A district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of education shall approve or disapprove applications from districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual of service credit pursuant to this section.

Subd. 10. Nothing within the provisions of this section shall be construed to limit the authority of a school board to assign a teacher to a part time teaching position which does not qualify for the continuation of contributions and accrual of service credit pursuant to this section.

[1977 c 447 art 9 s 7; 1978 c 764 s 122,123]