

CHAPTER 401—H. F. No. 1802

[Not Coded]

An act to authorize the City of Windom to issue improvement bonds without an election and excluding such bonds from the net debt limitations of said city.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Street and sewer improvement bonds. The City of Windom is authorized to issue and sell its negotiable coupon bonds in the amount of not to exceed \$150,000 by resolution of its council and without vote of the electors in order to provide money to pay for street and sewer improvements heretofore constructed. Such bonds shall be payable in part from special assessments heretofore levied for certain improvements but the full faith and credit of the city shall be pledged to their payment. The said bonds shall not be included in computing the net debt limitation of said city under existing charter and statutory restrictions.

Sec. 2. This act shall be in full force and effect when approved by the council of said city.

Approved April 24, 1959.

CHAPTER 402—H. F. No. 1358

An act relating to retirement allowances for employees of cities of the first class, amending Minnesota Statutes 1957, Section 422.09.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 422.09, is amended to read:

422.09 Refunds. If an employee to whom this chapter applies becomes absolutely separated from the service prior to attaining the minimum retirement age established in section 422.04, the net accumulated amount of reduction from his or her salary, pay, or compensation, made for the purpose of accumulating a fund from which to pay retirement allowances, shall be returned to such employee, with interest.

Any contributing employee who is absolutely separated from the service of the city after attaining the minimum retirement age established in section 422.04, who has five years or less of creditable service, as determined by the retirement

board, shall have the option of accepting a refund of the net accumulated amount of deductions from his or her salary, pay or compensation, to his or her credit, and if said employee accepts said refund all present and future rights to a retirement allowance shall be forfeited.

Any contributing employee who separates from a department, board or commission of a city whose employees are covered by a fund organized under this chapter, and becomes an employee of a department or board of the same city, whose employees are covered by a retirement fund or relief association by whatever name known, organized under any other law and supported in whole or in part by taxes on the same city, shall have the option of:

1. Retaining their membership in the fund organized under this chapter, regardless of the provisions of any law, rule, bylaw or other action requiring membership in any other retirement fund or relief association however organized.

2. Transferring to the fund or association covering the employees of the department or board to which they are transferring, providing they are eligible for membership therein.

Any contributing employee who elects to transfer to another fund or association as herein provided, shall make such election within one year from the date of separation from the city service covered by this fund or the passage of this section, whichever applies.

If the contributing employee elects to transfer to another fund as herein provided, a refund of the net accumulated contributions made by such employee to the fund organized under this chapter, shall be returned to the employee, with interest.

Any employee in any City to which this act applies shall waive the pension benefits under this act while holding non-elective employment in any other governmental subdivision for which they receive compensation, provided that this provision shall not apply to any person so employed at the time this act takes effect.

No employee in any city to which this act applies shall be eligible to be a member of or receive benefits from more than one fund or association of such city by whatever name known, supported in whole or in part by taxes levied by such city.

Upon the death of a contributing member while still in the service of the city, and before reaching the compulsory age of retirement, there shall be paid to such person or persons as he or she shall have nominated by written designation filed

with the retirement board, in such form as the retirement board shall require, the net accumulated amount of deductions from his or her salary, pay, or compensation, to his or her credit on date of death.

If the employee fails to make a designation, or if the person or persons designated by such employee pre-deceases such employee, the net accumulated amount of deductions from his or her salary, pay, or compensation, to the credit of such employee on date of death shall be paid to such employee's estate.

If a contributing member dies after having been in the service ten or more years, and before actual retirement, as determined by the retirement board, the present worth of the city's annual installments of \$60 then to the credit of the contributing member, and the supplementary allowance, as defined in this act, shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member, if there be no surviving spouse, or surviving child or children then to a person actually dependent on and receiving principal support from such member or surviving mother or father, or surviving brother or sister, or surviving children of the deceased brother or sister of such member.

If the beneficiary designated by the member is not one of the class of persons named in the preceding sentence, such benefit from the accumulation of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child or children, to the dependent or dependents, as those terms are herein defined, of the member, share and share alike; (4) if there be no surviving spouse, child or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the surviving brothers and sisters of the member, in equal shares; (6) and if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; (7) and if there is no person named in the preceding sentence who survives the member, the accumulation of city deposits shall be cancelled.

Upon the death of a contributing member after having been in the city service not less than 18 months but before the effective date of retirement, such board shall in lieu of the settlement hereinbefore provided pay to the surviving depend-

ent spouse and/or dependent children under the age of 18 the following monthly benefit;

- (a) Surviving widow or widower \$65 per month.*
- (b) Each dependent child \$45 per month.*

In addition to the amounts provided in (a) and (b) here-of, \$20 per month shall be paid to be divided equally among the dependent children. Payments for the benefit of any dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed \$200 for any one family.

The widow of a deceased member, who has not re-married and was living with and dependent upon the member at the time of his death, shall be entitled to the monthly benefit herein provided unless such widow has an income in excess of \$1400 for a 12-month period commencing with the first day of the month following the month in which the employee died, in which case all income in excess of \$1400 for the previous 12-month period shall be pro-rated over the succeeding 12-month period and deducted from the surviving spouse benefit herein provided. This process shall be continued for each succeeding 12-month period.

The widower of a deceased member, if such widower has not re-married and was living with the deceased member at the time of her death, and was receiving at least one-half of his support from the deceased member at the time of her death and has attained the age of 65 or is totally and permanently disabled, shall be entitled to the monthly benefit herein provided.

Benefits herein provided shall commence with the first day of the month following the month in which the employee dies and shall end with the last day of the month preceding the month in which eligibility ceases.

Eligibility for the benefits herein provided shall be determined by the retirement board and its determination shall be final. Each beneficiary or parent or guardian of a dependent child or legal representative shall furnish such information as the board may deem necessary to determine eligibility for the benefits provided by this section, and failure to furnish such information shall be sufficient grounds for the discontinuance of such benefits.

If the widow or widower of the deceased member becomes entitled to a retirement allowance by reason of his or her mem-

bership in this fund, such widow or widower's benefit shall be discontinued.

The cost of all monthly survivor's benefits provided in this section shall be an obligation of the members and of the city and any of its boards, departments, commissions or public corporations as hereinafter provided.

The Retirement Board shall increase the contribution rate to the fund of each member provided by one-fourth of one per cent, such additional contribution to be credited to a reserve for survivor's benefit account, which shall remain a separate account from which shall be paid on an actuarial basis all such survivor benefits due and payable. Any deficiency in such account shall be an obligation of the city and any of its boards, departments, commissions or public corporations and shall be paid for in the same manner as other benefits. Any surplus in the survivor's account shall inure to the credit of the retirement fund.

The Retirement Board shall cause an annual actuarial valuation of the survivor's benefit account to be made by the board's actuary.

The Retirement Board shall reduce or increase the contribution rate of one-fourth of one per cent if and when it is actuarially determined that such rate is in excess of or less than the amount necessary to pay for 50 per cent of the cost of the survivor benefits herein provided.

The additional member contribution provided for herein shall commence as of July 1, 1959.

If the contributing member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, such board shall pay a monthly allowance under the option 4-five year certain life income plan of retirement, as adopted by the board, to the designated beneficiary of such employee, providing such employee prior to the date of his death filed a written request therefore with the board on forms provided by such board. The monthly allowance herein provided for shall be the actuarial equivalent of a single life retirement allowance which would have been payable to the employee on the date of his death had he been eligible to retire and retired.

The beneficiary designated by the employee shall be the surviving spouse of such employee. If there is no surviving spouse, the designated beneficiary may be a dependent surviving child or dependent parent of such employee as de-

pendency is defined in this chapter. If the beneficiary designated by the employee is not of the class of persons provided for in this paragraph, or if the designated beneficiary predeceases the employee, a refund shall be made as provided for in section 422.09, in lieu of a life income under the option 4-five year certain plan.

If the employee does not elect to designate a beneficiary to receive a life income under the option 4-five year certain plan, as herein provided, the designated beneficiary, if of the class of persons set forth in the preceding paragraph, may elect within 60 days after the date of death of the employee to receive a life income computed and determined as though the employee had retired on the date of his death under the option 2 plan of retirement, as provided for in this act, and had designated such person as his beneficiary.

Upon reinstatement of a former employee to the service, credit for such past service or for any part thereof shall be granted only upon repayment of the amount of the separation refund, with interest, from the time of separation; provided this provision shall not apply to service rendered prior to the date that sections 422.01 to 422.23 become effective.

Approved April 24, 1959.

CHAPTER 403—H. F. No. 341

[Coded in Part]

An act relating to the powers of the State Auditor; repealing Minnesota Statutes 1957, Section 160.401, Subdivision 3.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [160.402] **State Auditor to provide a special account.** The state auditor is directed to deduct or reserve from the highway user tax distribution fund a sufficient sum of money which shall constitute a special account for the payment of costs of collecting the taxes provided for in Article XVI of the constitution of the state of Minnesota and for payment of refunds of such taxes as is authorized by law. A sum of money sufficient for such purpose is appropriated from the highway user tax distribution fund. Thereafter all monies in the highway user tax distribution fund not needed to reimburse such special account for money paid out of such special account for refunds and collection costs shall