

CHAPTER 135

TEACHERS RETIREMENT FUND

Sec.		Sec.	
135.01	Definitions	135.14	Auditor may sell tax anticipation certificates
135.02	Teachers retirement fund	135.15	Application
135.03	Board of trustees created	135.16	County superintendents eligible to membership in retirement fund
135.04	Powers of board	135.17	To receive credits for payments
135.05	Members of fund	135.18	Payment into fund may be deducted from salaries
135.06	Payments by members	135.19	Teachers retirement fund association in cities
135.07	Funds of former association transferred to new fund	135.20	Incorporation
135.08	Rights of teachers not members of the teachers insurance and retirement fund to make payments to the teachers retirement fund	135.21	Plan of association; fund; approval of council
135.09	Teachers from other states or other schools	135.22	Approval of board of education
135.10	May withdraw fund, when	135.23	Contribution by teachers; taxation
135.11	Rights not assignable	135.24	Tax levies
135.12	Teachers to elect members of board	135.25	Power to hold property
135.13	Board to certify to state auditor	135.26	Pro rata distribution of funds
		135.27	Teachers

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

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

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

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

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

Subdivision 6. **Board.** The term "board" means and refers to the board of trustees of the teachers retirement fund.

[1931 c. 406 s. 1] (2950-1)

135.02 TEACHERS RETIREMENT FUND. For the purpose of improving educational service, better compensating teachers, making the occupation of teaching in this state more attractive to qualified persons, encouraging savings and rewarding faithful and continued service, there is hereby established and created a fund to be known as the teachers retirement fund, which shall be derived from the following sources:

(1) From payment made by teachers who become members of the fund, as herein provided, which payments and the accumulated interest thereon shall be designated as teachers savings;

(2) From donations, gifts, legacies, devises, and bequests made to or for the benefit of the fund;

(3) From all interest derived from the investment or earnings of the moneys belonging to the fund;

MINNESOTA STATUTES 1945

1163

TEACHERS RETIREMENT FUND 135.04

(4) From the transfer to it of the assets of the present teachers insurance and retirement fund as hereinafter provided;

(5) From moneys contributed by the state as hereinafter provided.

[1931 c. 406 s. 2] (2950-2)

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

The board shall annually elect one of its members as president, shall elect a secretary, and fix his salary, who shall serve during the pleasure of the board and be the executive officer of the board, with such duties as the board shall prescribe. The board shall employ all other clerks and employees necessary to properly administer the fund. One-half of the cost and expense of administering the provisions of sections 135.01 to 135.15 shall be paid by the fund and the balance thereof by the state.

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

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

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

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

A suitable office, with suitable furniture and office supplies, shall be provided by the state through the proper officer for the use of the board and its secretary.

[1931 c. 406 s. 3] (2950-3)

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

In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the claimant, as a condition precedent to the pass-

MINNESOTA STATUTES 1945

135.05 TEACHERS RETIREMENT FUND

1164

ing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine the validity and merit of the same.

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

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

The board shall keep a record of the receipts and disbursements of the fund and a separate account with each member of the fund. It shall determine annually the net annual interest earnings of the fund by deducting the expenses of the fund from the gross interest earnings. Five per cent of the net annual interest earnings shall annually be set aside as a contingency reserve until the contingency reserve equals five per cent of the assets of the fund. The contingency reserve so created shall be disbursed only by specific direction of the board. The remaining portion of the net annual interest earnings shall be apportioned and credited to the separate accounts of the members of the fund in proportion to the total amount to their credit therein.

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

[1931 c. 406 s. 4] (2950-4)

135.05 MEMBERS OF FUND. Members of the fund shall include all teachers who render any teaching service after August 1, 1931, in any of the schools or institutions to which sections 135.01 to 135.15 apply, except:

(1) Those who at the time of rendering such service have not attained the age of 25 years, but any such teacher who renders any teaching service after September first after attaining such age shall automatically become a member; and any such teacher who has not attained such age shall be admitted as a member upon written application to the board; (Any member of the fund who rendered teaching service before attaining the age of 25 years and who has not received credit therefor may, upon written application, receive credit for such service and may pay into the fund five per cent of the annual salary received during such service, with interest at four per cent per annum from the time of rendering such service);

(2) Those who have rendered teaching service prior to August 1, 1931, in any of the schools or institutions to which sections 135.01 to 135.15 apply, but any such teacher shall be admitted as a member upon written application to the board made within two years after rendering the first teaching service subsequent to August 1, 1931.

[1931 c. 406 s. 5] (2950-5)

135.06 PAYMENTS BY MEMBERS. Each member of the fund shall pay into the fund a sum equivalent to five per cent of her annual salary, no payment to exceed \$100 per year, payable in the manner and at the times hereinafter provided. The payments shall be credited to the account of the teacher paying the same.

It is hereby made the duty of each person, officer, board of education, or managing body required by law to draw the warrants or orders for payment of salaries to teachers to deduct and withhold from each month's salary due to every teacher who is a member of the fund the amount which such teacher is required to pay into the fund and, at the time of such deduction, a statement showing the amount thereof shall be furnished to such teacher. Such officer, board of education, or other man-

aging body of each school district or institution shall, between the first and fifteenth days of January and between the fifteenth and thirtieth days of June, each year, forward to the treasurer of the county in which such school or institution is situated a statement, verified by the secretary or clerk thereof, showing the amount of money so retained from each teacher in accordance with the provisions of sections 135.01 to 135.15 and, with the statement, shall transmit the entire amount so retained to the treasurer of the county; and, in case any school district is situated in more than one county, the report and remittance shall be sent to the senior county. Such board of education or other managing body shall, on or before the thirtieth day of June; each year, transmit to the county superintendent of schools a statement showing the name of each teacher, the number of months of school taught by her during the year for which the statement is made, the number of months which constitutes a school year in the district or institution, and such other information as the board may require. If no teacher in such public school or other institution comes under the provisions of sections 135.01 to 135.15, the report shall state such fact. Each of the foregoing reports shall be verified by the person making the same; provided, that if the drawing of the warrant or order for the payment of any teacher's salary devolves upon any state officer or board, such officer or board shall make the reports herein required directly to the board of trustees and remit the money so deducted to the state treasurer.

Each county superintendent shall, on or before the first day of September, each year, report under oath to the board giving an itemized summary of the statements received by him from the school boards and other managing bodies, including a statement of the total amount withheld from the salaries of teachers as shown by these reports.

Between the fifteenth and twenty-eighth days of February and between the fifteenth and thirtieth days of July, each year, the treasurer of each county shall transmit to the state treasurer all moneys received from the board of education and other managing bodies of schools or institutions to which sections 135.01 to 135.15 apply and certify under oath to the correctness of the amount so received and transmitted, and furnish such other information as the board shall require. The state treasurer shall credit all money received or withheld pursuant to the provisions of sections 135.01 to 135.15 to the fund and the reports and data received by him from the county treasurer shall be available for the board. Any person wilfully failing to perform any of the duties imposed upon him by this section shall be guilty of a misdemeanor.

The state treasurer, the several county treasurers, and the treasurers of the various school districts and institutions to which sections 135.01 to 135.15 apply shall be officially liable for the receipt, handling, and disbursement of all moneys coming into their hands belonging to the fund and the sureties on the official bonds of each of these treasurers shall be liable for such moneys the same as for all other moneys belonging to the school funds of this state.

[1931 c. 406 s. 6] (2950-6)

135.07 FUNDS OF FORMER ASSOCIATION TRANSFERRED TO NEW FUND.

All moneys, property, and securities to the credit of, or payable to, the teachers insurance and retirement fund created by virtue of Laws 1915, Chapter 199, on December 31, 1931, shall be, and the same hereby are, transferred and appropriated to the teachers retirement fund hereby created, on January 1, 1932; and the board of trustees of the teachers retirement fund shall keep a separate account of the moneys, property, and securities so transferred and appropriated and of moneys hereafter paid into the same until the teachers insurance and retirement fund is liquidated, as herein provided.

Teachers who are members of the teachers insurance and retirement fund created by Laws 1915, Chapter 199, who do not become members of the teachers retirement fund, as herein provided, shall, upon written application to the board made after January 1, 1932, and not later than January 1, 1934, each be paid in cash an amount equal to the sum of money which they have heretofore paid into the teachers insurance and retirement fund.

Teachers whose accounts are so transferred to the new fund shall have the right to pay into such fund and receive similar credit therefor at the time paid any additional sum, either in cash or in instalments, which payments so made, together with the amount which the teacher had previously paid, shall not be in excess of

five per cent of the teacher's average yearly salary for the five years of service immediately preceding, multiplied by the number of years of previous service for which the teacher has been given credit; provided, that in the case of any teacher who has rendered more than 15 years of service there shall be assigned to the teacher's credit from state funds, as a part of such teacher's savings for each year of service beyond 15, five per cent of the total additional amount that such teacher has a right to pay, as hereinbefore provided, not exceeding the amount paid by such teacher under such right and in no event more than 50 per cent of the total additional amount which may be paid. The amount so assigned from state funds shall reduce to the extent thereof the total amount which the teacher may pay in addition to the funds transferred. Any moneys so contributed by the state shall be used only to purchase an annuity, as hereinafter provided, and may not be withdrawn in cash as a part of the teacher's savings.

Teachers who, on January 1, 1932, are drawing annuities shall be members of the teachers retirement fund, hereby created, and receive in full satisfaction of all rights under Laws 1915, Chapter 199, an annuity equal to the annuity being paid to her or to which she would be entitled under Laws 1915, Chapter 199, on the basis of prorating by the board in effect on the 31st day of December, 1931.

Teachers who are members of the teachers insurance and retirement fund, including annuitants, and who become members of the teachers retirement fund, hereby created, shall each have credited to her account in the records of the teachers retirement fund, as of January 1, 1932, an amount equal to the sums of money which they have theretofore paid into the teachers insurance and retirement fund. After provision has been made for all obligations against the teachers insurance and retirement fund, as may be determined by the board in accordance with the terms of sections 135.01 to 135.15, the balance remaining in such fund shall be apportioned to the accounts of the members of the teachers retirement fund who were members of the teachers insurance and retirement fund, including annuitants, on the basis of the amounts which they have paid, together with the time such payments shall have been in the fund; provided, that not more than four per cent compound interest shall be credited to active members of the teachers retirement fund. Any surplus remaining shall be apportioned to the accounts of the then annuitants to be used in the payment of annuities to be paid as hereinbefore provided. Any further funds which may be needed to pay the annuities payable to such annuitants, as hereinbefore provided, shall be paid from the state funds, as hereinafter specified.

[1931 c. 406 s. 7] (2950-7)

135.08 RIGHTS OF TEACHERS NOT MEMBERS OF THE TEACHERS INSURANCE AND RETIREMENT FUND TO MAKE PAYMENTS TO THE TEACHERS RETIREMENT FUND. Any teacher who was not a member of the teachers insurance and retirement fund, created by Laws 1915, Chapter 199, but who rendered teaching service prior to August 1, 1931, in any public school or institution to which sections 135.01 to 135.15 apply, and who has become a member of the fund hereby created, shall have the right to pay into the fund hereby created and receive credit therefor as of the time paid, such sums as such teacher would have paid as assessments had such teacher been a member of the fund created by Laws 1915, Chapter 199, together with simple interest on the same at the rate of six per cent from the time the service was rendered until paid and such additional sums as such teacher may elect to pay; the aggregate of which assessments, interest, and additional sums shall not exceed five per cent of such teacher's average yearly salary for the five years of service immediately preceding the school year 1931-1932, or the first thereof, but not more than \$100.00 per year, multiplied by the number of years of such prior service. Members of the teachers retirement fund shall have the right to pay assessments, interest, and additional sums, as provided for in this section, for service rendered prior to August 1, 1931, in schools or institutions in Minnesota to which sections 135.01 to 135.15 apply; provided, that in the case of any such teacher who has rendered more than 15 years of such prior service there shall be assigned to such teacher's credit from state funds, if in the judgment of the teachers retirement fund board adequate funds are available, as a part of such teacher's savings, for each year of service beyond 15, five per cent of the total additional amount that such teacher has a right to pay, as hereinbefore provided, not exceeding the amount paid by such teacher under such right and in no event more than 50 per cent of the total additional amount which may be paid. The amount so assigned from state funds shall reduce to the extent thereof the total amount which the teacher may

MINNESOTA STATUTES 1945

1167

TEACHERS RETIREMENT FUND 135.10

pay under the right as aforesaid. Any money so contributed by the state shall be used only to purchase an annuity, as hereinafter provided, and may not be withdrawn in cash as a part of such teacher's savings.

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

135.09 TEACHERS FROM OTHER STATES OR OTHER SCHOOLS. Teachers from other states or from public schools of this state to which sections 135.01 to 135.15 do not apply, who become members of the fund, may be given credit for such previous teaching service by the board; and, after having acquired credit for 15 years of teaching service in schools or institutions to which sections 135.01 to 135.15 apply, such teachers may then pay into the fund an amount equal to five per cent of the average yearly salary, not exceeding \$2,000, received during the five years immediately before making such payments, multiplied by the number of years of previous teaching service for which credit is given, together with interest thereon at the rate of four per cent per annum from the time of rendering such previous service.

The board shall provide in its rules and regulations the method and means for reinstatement as members of the fund of teachers who have withdrawn therefrom and who afterwards reenter teaching service. In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 135.01 to 135.15, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any calendar year. If a teacher teaches for only a fractional part of any year, credit shall be given for such fractional part of the year as the term of service rendered bears to the legal school year in such district or institution, but in no case shall the legal year be less than the minimum school year of this state.

[1931 c. 406 s. 8] (2950-8)

135.10 MAY WITHDRAW FUND, WHEN. When any teacher who is a member of this fund shall cease to render teaching service in any school or institution to which sections 135.01 to 135.15 apply, all moneys to the credit of such teacher as teachers' savings shall, upon written application to the board, be paid to such teacher in cash. In case of the death of a member before an annuity shall have been drawn, the amount to her credit as teachers' savings shall be payable to any beneficiary designated in writing and filed with the board and, if no beneficiary be so designated, to her estate.

A teacher ceasing to render teaching service, as in section 135.09 provided, who shall have at said time to her credit 30 years or more of teaching service or has at such time attained the age of 55 years, may, in lieu of this cash payment, use the moneys to her credit as teachers' savings as follows:

(1) To purchase from the fund a life annuity in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality and interest tables in use by the board shall permit; or

(2) To purchase from the fund an annuity for a term of 15, 20, or 25 years in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality and interest tables in use by the fund will permit.

If such teacher shall elect to purchase a life or term annuity, as hereinbefore provided, the state shall, at the time of the payment of such annuity, pay to the teacher an amount equivalent to such annuity, to be paid from state funds hereinafter provided; provided, that in case of a term annuity such payments by the state shall not continue after the death of such teacher, and the amount of the annuities so paid by the state shall not exceed in amount the term or life annuities which such annuitant could purchase with the moneys to her credit as teachers' savings for the first 35 years of teaching service, if she has a teaching service credit in excess of 35 years.

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

If, during the fifteenth or any subsequent year of teaching service, any member of the fund shall become totally disabled and the board shall determine that such member is permanently disqualified to render teaching service, as herein provided, such member shall, on written application to the board, be paid the amount to her credit as teachers' savings or may use this amount to purchase from the fund a life or term annuity, as above provided. If such teacher shall elect to purchase a life or term annuity, as hereinbefore provided, the state shall at the time of the payment

of such annuity pay to the teacher an amount equivalent to such annuity to be paid from the state funds hereinafter provided; provided, that in case of a term annuity such payments by the state shall not continue after the death of such teacher.

Every teacher retired under the total disability provision shall, if required by the board, submit to an annual physical examination by a physician designated by the board, who shall report his findings to the board, and the board's decision as to the teacher's continued total disability and right to further benefits under the total disability provision shall be final. A teacher who receives total disability benefits, as hereinbefore provided, shall have the amount of the benefits, exclusive of the payments from state funds, charged against the amount credited to her account as teachers' savings.

[1931 c. 406 s. 9] (2950-9)

135.11 RIGHTS NOT ASSIGNABLE. The right of a teacher to avail herself of the benefits of sections 135.01 to 135.15 is a personal right only and shall not be assignable. All moneys to the credit of a teacher's account in the fund or any moneys payable to her from the fund shall belong to the State of Minnesota until actually paid to the teacher or her beneficiary pursuant to the provisions of sections 135.01 to 135.15. Any assignment or attempted assignment of a teacher's interest in the fund, or of a beneficiary's interest therein, by a teacher or her beneficiary shall be null and void and the same shall be exempt from garnishment or levy under attachment or execution. Any beneficiary designated by a teacher under the terms of sections 135.01 to 135.15 may be changed or revoked by the teacher at her pleasure, in such manner as the board may prescribe. In case a designated beneficiary dies before the teacher designating him dies, and a new beneficiary is not designated, the teacher's estate shall be the beneficiary.

[1931 c. 406 s. 10] (2950-10)

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

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

135.13 BOARD TO CERTIFY TO STATE AUDITOR. The board shall from time to time determine the amount of money necessary and presently needed to meet the state's obligations as provided in sections 135.01 to 135.15 and certify the amount so determined to the state auditor. In so certifying the board shall certify separately the amount required to pay annuities to annuitants whose accredited teaching service was rendered for and in behalf of the state at large, together with the amount necessary to meet any operating cost for which the state is liable, and the amount required to pay annuities to annuitants whose accredited teaching service was rendered for and in behalf of the schools and institutions located outside of the cities of the first class. In case any annuitant has rendered accredited teaching service in part for the state at large and in part for the schools and institutions located outside of the cities of the first class, the amount certified for the payment of her annuity shall be prorated on the basis of the respective amounts contributed by such annuitant to her teachers' savings while rendering such respective teaching service.

The auditor is hereby directed to include in each annual state tax levy the amounts so certified and not included in a previous levy, which amounts are hereby annually levied against the taxable property of the state, as herein provided; provided, that the levy against the taxable property outside of cities of the first class shall not in any year exceed the sum of \$250,000. In certifying the rate to the several county auditors, the state auditor shall certify, subject to the maximum levy hereinbefore prescribed, the amount required for annuities for teaching service rendered for the state at large, together with the amount required for the state's share of operating costs, against all the taxable property of the state, and shall certify the amount required for annuities for teaching services rendered for the schools and institutions outside of cities of the first class against all of the taxable property located outside of the cities of the first class. The proceeds of the tax levies so made are hereby appropriated for the payment of the certificates provided for in section 135.14.

[1931 c. 406 s. 12; 1935 c. 301] (2950-12)

135.14 AUDITOR MAY SELL TAX ANTICIPATION CERTIFICATES. The auditor, upon receiving from the board any certificate, as provided in section 135.13, is hereby authorized and directed, in anticipation of the taxes levied or to be levied as provided in section 135.13, to issue and sell certificates of indebtedness of the state in the aggregate amount of such certificates, not exceeding the amount which will be produced by the maximum levy hereinbefore authorized, such certificates of indebtedness to be numbered serially and to be of such denominations and to bear such rate of interest, not exceeding five per cent per annum, as the auditor shall determine and to mature at such date as the auditor shall fix, not later than the thirty-first day of December of the year following the next annual tax levy made after the date of issue. The interest on such certificates of indebtedness shall be payable with the principal thereof and both principal and interest shall be payable exclusively from the proceeds of tax levies made as provided in section 135.13. These certificates shall be in such form and upon such terms and conditions not inconsistent with the terms of sections 135.01 to 135.15 as the state auditor shall determine, shall be signed by the governor, attested by the state auditor, and sold for not less than par. These certificates may be purchased by the state board of investment for the permanent school fund, swamp land fund, internal improvement fund, or any other trust fund of the State of Minnesota and shall be deemed "authorized securities" within the provisions of section 50.14 and laws supplemental thereto.

The proceeds of the sale of these certificates of indebtedness shall be used for the payment of the state's obligations under sections 135.01 to 135.15; provided, that if these proceeds in any year shall be insufficient to pay these obligations in full, the amount available for the payment of annuities shall be prorated thereto.

[1931 c. 406 s. 13] (2950-13)

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

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

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

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

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

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

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

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

135.19 TEACHERS RETIREMENT FUND ASSOCIATIONS IN CITIES. In every city of this state now or hereafter having a population of more than 10,000,

the teaching body may, with the consent of the council in the city, establish an association to be known as the teachers retirement fund association, to be formed and organized and to have powers and privileges as provided in sections 135.21 to 135.29.

[1909 c. 343 s. 1; 1911 c. 383 s. 1] (1958)

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

[1909 c. 343 s. 2] (1959)

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

[1909 c. 343 s. 3; 1911 c. 383 s. 2] (1960)

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

[1909 c. 343 s. 4] (1961)

135.23 CONTRIBUTION BY TEACHERS; TAXATION. The plan shall include a provision that only such teachers as make a contribution to the fund, as provided in the plan, shall be entitled to the benefits thereof, and may include a provision that a portion of the fund shall be raised by taxation upon the property of the city, it being understood that all teachers who are willing to comply with the terms and conditions of the articles of association and by-laws 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 chapter who shall have attained the age of 70 years as of June 30, 1942, and any teacher who shall have attained the age of 69 years as of June 30, 1943, and any teacher who shall have attained the age of 68 years as of June 30, 1944, and thereafter any teacher who shall have attained the age of 68 as of June 30 of any year, shall be automatically retired and severed from the service in the respective school system.

In any city of the first class, the plan, subject to the approval of the 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 \$2.00 per month for each year of teaching service in such city. Such annuity payments shall not commence until the member has reached the age of 55 years, and has completed 20 years of teaching service in such city. Where the aggregate of the city deposit to the credit of such member will not provide the minimum annuity prescribed, the city deposit shall be increased in the year of retirement to the amount necessary to provide such minimum annuity. Except as herein provided, the provisions for city deposits in such plan in any city of the first class shall not be altered by the provisions of this paragraph. City deposits as used herein is hereby defined as that portion of the fund to be raised by taxation upon the property of the city.

[1909 c. 343 s. 5; 1941 c. 214; 1945 c. 390 s. 1] (1962)

135.24 TAX LEVIES. When the plan is adopted, and the association is formed and incorporated, the proper officers of the association shall certify annually to the proper authorities, who have charge of the levying of taxes for school pur-

MINNESOTA STATUTES 1945

1171

TEACHERS RETIREMENT FUND 135.27

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

Any such association formed by the teachers employed by any independent school district, in any city of the first class the territorial limits of which school district coincide with the territorial limits of such city, and the government of the independent school district, not provided for in the charter of the city, shall not pay to any beneficiary more than \$1,800 as an annuity in any one year, except that in cases where the amount paid in by any member, with interest to the time of retirement, would provide an annuity in excess of \$900, then such association may pay an annuity of \$900 from public funds in addition to the annuity which the member's contributions with interest to the time of retirement, would provide, or the equivalent thereof.

This enactment shall not affect the annuities or rights to annuities of any members of such association who, at the time of this enactment, are being paid annuities, or any members who now are, or, prior to July 31, 1940, will be eligible to retirement, and shall have retired prior to that date; and, at the time the association shall certify to the board of education in any year the amount necessary to be raised by taxation, it shall file with the clerk of the board an itemized statement of its assets and liabilities at the close of the fiscal year, an itemized statement of receipts and disbursements for the year, and a list of the annuities paid during the year; and all the records of such association shall be open to reasonable public inspection.

[1909 c. 343 s. 6; 1911 c. 383; 1917 c. 300; 1919 c. 144; 1921 c. 303; 1923 c. 310; 1935 c. 111 s. 2; 1945 c. 390 s. 2] (1363)

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

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

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

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

135.27 TEACHERS. The word "teachers," as used in sections 135.19 to 135.27, includes superintendents, supervisors, principals, as well as instructors, who are in the employ of the board of education or board of school inspectors in the city mentioned in sections 135.19 to 135.27.

[1909 c. 343 s. 9] (1366)