

CHAPTER 353

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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353.01 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. **Public employee.** "Public employee" means any person performing personal services for a governmental subdivision as an officer or employee, whose salary is paid, in whole or in part, through taxation, or by fees, assessments, or other revenue accruing to such governmental subdivision; and also means any person appointed as a district court reporter in this state and any officer or employee of the public employees retirement association.

Subd. 3. **Head of department.** "Head of department" means the head of any department, institution, office, or branch of service of any governmental subdivision which directly pays salaries out of its revenue or is empowered to authorize the payment of such salaries.

Subd. 4. **Accumulated deductions.** "Accumulated deductions" means the total of the amounts deducted from the salary of a member and the total amount of assessments paid by a member in lieu of such deductions and credited to his individual account in the retirement fund, without interest.

Subd. 5. **The retirement fund.** "The retirement fund" means the aggregate of all accumulated deductions from the salaries of members of the retirement association, all assessments paid by such members in lieu of such deductions, and all other moneys paid into the state treasury or received by the retirement board pursuant to the provisions of this chapter, together with all income and profits therefrom and interest thereon.

Subd. 6. **Governmental subdivision.** "Governmental subdivision" means a county, city, village, borough, town, or school district within this state.

Subd. 7. **Member, membership.** "Member" means a member of the public employees retirement association and "membership" means membership therein.

Subd. 8. **Non-employee member.** "Non-employee member" means a member who continues his membership after ceasing to be a public employee.

Subd. 9. **Contributory membership.** "Contributory membership" means membership during which contributions are made to the retirement fund through salary deductions or assessments in lieu thereof.

Subd. 10. **Salary.** "Salary" means the periodical compensation of any public employee and also means "wages" and, in case of officers elected to a fee office, includes "fees."

Subd. 11. **Public service.** "Public service" means service as an officer or employee of the state or of a governmental subdivision.

Subd. 12. [Repealed, 1953 c 78 s 18]

Subd. 13. **Year of contribution.** "Year of contribution" means any 12 calendar months of public service during or for which a member makes payments into the retirement fund through salary deductions or assessments, or through payments made under section 353.11, subdivisions 2 or 3.

[1931 c 307 s 1; 1933 c 374 s 1; 1937 c 466 s 1; 1941 c 285 s 1; 1945 c 78 s 1; 1947 c 18 s 1; 1949 c 84 s 1; 1951 c 22 s 1-8; 1953 c 78 s 1] (254-23)

353.02 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION. Subdivision 1. **Continuance.** The public employees retirement association created and established by Laws 1931, Chapter 307, and acts amendatory thereof, is hereby confirmed and continued.

Subd. 2. **Who may become members.** On or after July 1, 1951, every public employee, if not already affiliated with the association, shall become a member by acceptance of public employment or continuance in public service, except any public employee who (1) has been elected or appointed to an elective office, (2) has attained the age of 60 years, (3) by virtue of his employment is required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, or (4) any employee of a governmental subdivision not heretofore affected by the provisions of this chapter, unless the governing body thereof shall adopt the resolution provided for in section 353.20.

Subd. 3. **Certain public officers may become members.** An elected public officer or any person appointed to fill a vacancy in an elective office within any governmental subdivision shall have the right to exercise an option to become a member, but such option, once exercised, may not be withdrawn during the incumbency of such person in office.

Subd. 4. **Employees 60 years old as members.** Any public employee not a member who on or before July 1, 1951 has attained the age of 60 years may at any time thereafter elect to become a member by making application to the retirement board and complying with the other applicable provisions of this chapter.

Subd. 5. **Commencement of membership.** The provisions of Laws 1931, Chapter 307, Section 2; Laws 1933, Chapter 374, Section 1; Laws 1937, Chapter 466, Section 2; Laws 1941, Chapter 285, Section 2; and Laws 1947, Chapter 18, Section 2, shall be paramount and controlling with respect to the terms and conditions governing admission of public employees to membership prior to July 1, 1951.

Subd. 6. **No membership fee.** No membership fee shall be required of any public employee who shall become a member after July 1, 1951. Interest required in connection with back payments is not a penalty.

Subd. 7. **Termination of membership.** Except as in this chapter otherwise provided, membership may not be terminated in any manner other than by death or by separation from the public service.

Subd. 8. [Repealed, 1951 c 22 s 28]

Subd. 9. [Repealed, 1951 c 22 s 29]

[1931 c 307 s 2; 1933 c 374 s 1; 1935 c 106 s 1; 1937 c 466 s 2; 1941 c 285 s 2; 1947 c 18 s 2; 1951 c 22 s 9-15; 1953 c 78 s 2, 3] (254-24)

353.03 BOARD OF DIRECTORS. Subdivision 1. **Management.** The management of the public employees retirement fund is hereby vested in a board of 12 members, who shall be known as the public employees retirement board. This board shall consist of the state auditor, the state insurance commissioner, the state treasurer, and nine other persons who shall be elected from the membership by the members of the retirement association at a time and in a manner to be fixed by the retirement board. Members of the board so elected shall hold office for a term of three years and until their successors are elected and qualified. Present members of the retirement board shall serve for the terms for which they were elected.

Subd. 2. **No compensation expenses.** The members of the retirement board and members of any authorized committee of said retirement association 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 or on any authorized committee of said retirement association.

Subd. 3. **Officers.** The board shall elect a chairman and appoint a secretary and such other employees as may be necessary and fix their compensation. 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. 4. **Offices.** The legal custodian of public buildings within the state shall as soon as practicable make provision for suitable office space in the state capitol or other state office buildings for the use of the retirement board and its secretary.

[1931 c 307 s 3; 1949 c 84 s 2; 1951 c 22 s 16] (254-25)

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353.04 RETIREMENT FUND. Subdivision 1. **Payments into.** Every member shall pay into the retirement fund three and one-half percent of his salary as a public employee as and when paid, which shall be credited to the accumulated deductions of such member, and on and after July 1, 1943, every member shall pay into the retirement fund an additional one-half of one percent of his salary as a public employee as and when paid. Such additional payment of one-half of one percent shall be refundable to a member in case of resignation or to his heirs or beneficiary in case of death in the same manner as accumulated deductions if application therefor is made within the first 10-year period of his contributory membership, but not thereafter. All payments by public employees not on leave of absence without pay shall be made through salary deductions.

Subd. 2. **Deductions.** After July 1, 1949, no deductions shall be made from salaries on any amount thereof in excess of \$400 per month.

Subd. 3. **Contributions.** Under such regulations as the retirement board may by general rule prescribe, any member may, at his option, continue to make contributions to the retirement fund on the basis of his last regular salary, in case said salary is reduced for any cause and thereby become entitled to the same annuity as though there had been no reduction in such salary.

Subd. 4. **Manner of making deductions.** The head of each department is hereby directed to cause the deductions to be made at least once each month from the salary of each member and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries and to cause the same to be remitted within 15 days thereafter to the secretary of the retirement board together with a statement showing the amount of each of such deductions, the amount of salaries from which such deductions have been made and the names of the public employees on whose accounts the same have been made. Such statement may be furnished in the form of a carbon or duplicate copy of departmental payroll abstracts and if not submitted in such form, the head of each department is hereby required to furnish the secretary of the retirement board with a carbon or duplicate copy of his departmental payroll abstract for the first pay period during the months of January and July, respectively, in each year and it shall be the duty of said secretary to check the copies of all such payroll abstracts against the membership records so as to ascertain whether or not any omissions have been made by the several department heads in the reporting of any new public employees, as required by section 353.07. Upon notice from the secretary of omission of a deduction from the salary of a public employee, the head of the department shall deduct the amount of the omitted salary deduction from the next salary of the public employee and forthwith remit it to the secretary. All remittances so received by the secretary of the retirement board shall be promptly deposited with the state treasurer. Deductions from the salary of a district court reporter in a judicial district consisting of two or more counties shall be made by the auditor of the county in which the bond and official oath of such district court reporter are filed from the portion of his salary paid by such county.

Subd. 5. **Credit for deductions.** All salary deductions shall be credited to a fund to be known as the retirement fund and all interest and other income of the association shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said association and the annuities herein provided upon retirement shall be paid only from said fund.

[1931 c 307 s 4; 1933 c 374 s 1; 1941 c 285 s 3; 1943 c 167 s 1; 1949 c 84 s 3; 1951 c 22 s 17] (254-26)

353.05 CUSTODIAN OF FUNDS. The state treasurer shall be ex officio treasurer of the retirement funds of the association and his general bond to the state shall be so conditioned as to cover all liability for his acts as treasurer of these funds. If the general bond of the state treasurer, at the time of the passage of this chapter, shall cover all liability for his acts as treasurer of these funds, no additional bond shall be required; if not, the state treasurer shall execute to the State of Minnesota, for the use and benefit of the state and all persons injured by failure to observe its conditions, a penal bond in such a sum as may be fixed by the retirement board and with such sureties as the governor and the state auditor may approve, conditioned that he will pay over to all persons on demand all moneys to which they may be entitled which may have come into his hands in virtue or by reason of his office as such 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 transmit monthly to the secretary of the retirement board a detailed statement of all amount so received and credited by him to the fund. He shall pay out the fund only on warrants issued by the state auditor, upon vouchers signed by the secretary of the retirement board; provided that vouchers for investment may be signed by the secretary of the state board of investment.

[1931 c. 307 s. 5] (254-27)

353.06 INVESTMENT OF FUNDS. 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 as legal investments for savings banks and trust companies and sell any such securities upon request of the retirement board when necessary to provide money for the payment of refunds or annuities to members and for other lawful obligations.

[1931 c. 307 s. 6] (254-28)

353.07 MONTHLY STATEMENTS. Every head of a department in a governmental subdivision subject to the provisions of this chapter shall on the first day of each calendar month furnish the retirement board with a statement for his department covering the preceding calendar month showing all new public employees, all removals, withdrawals, lay-offs and leaves of absence without pay affecting members during the same period.

[1931 c. 307 s. 7; 1933 c. 374 s. 1; 1941 c. 285 s. 4; 1947 c. 18 s. 3; 1951 c. 22 s. 18] (254-29)

353.08 ATTORNEY GENERAL TO BE LEGAL ADVISER. The attorney general shall be the legal adviser of the retirement board. The board may sue or be sued in the name of the public employees' retirement board of the public employees' retirement association and, in all actions brought by it or against it, the board shall be represented by the attorney general.

[1931 c. 307 s. 8; 1933 c. 374 s. 1] (254-30)

353.09 PAYMENT UPON TERMINATION OF MEMBERSHIP. Subdivision 1. When any member ceases to be a public employee for any reason other than death or retirement, he shall be paid, on demand, after such notice, as the retirement board may by general rule prescribe, the full amount of the accumulated deductions standing to the credit of his individual account, or in lieu thereof, he may, if eligible, elect to proceed under one of the following subdivisions hereof.

Subd. 2. Any person who was a member prior to March 10, 1945, and who has been in the public service for not less than 10 years and who has been a contributing member for not less than four years immediately prior thereto, and any member who has to his credit not less than 10 years of contributions may, upon application in writing to the retirement board within 60 days from the termination of his employment in public service, become a non-employee member. No application for non-employee membership shall be approved by the retirement board except upon condition that such non-employee member shall pay into the retirement fund a monthly assessment equal to one and one-half times the average monthly salary deductions or assessments paid in lieu thereof, or both, contributed by him during the 10-year period of his contributory membership immediately preceding termination of public service, provided that if such period exceeds 10 years, the monthly assessment shall be computed in like manner upon the 10-year period immediately preceding termination of public service. On and after July 1, 1943, an amount equivalent to one-half of one percent of the average salary upon which the monthly assessment of each non-employee member is computed shall be deducted from each monthly assessment of such non-employee member and credited to the retirement fund and in no event shall be refunded to such non-employee member, his heirs, or to his beneficiary. The remaining portion of such monthly assessment shall be credited to the accumulated deductions of each such non-employee member. The assessment shall be due and payable on the first day of each month. If not paid within 60 days from the due date, such non-employee membership shall cease. Provided that upon application in writing to the retirement board within six months from such due date, the retirement board may reinstate such person as a contributing non-employee member upon the payment by him of all delinquent assessments with accrued interest thereon at the rate of 5 percent per annum. Termination of non-employee membership without withdrawal of accumulated deductions shall not impair the right to a deferred annuity.

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Subd. 3. Any member who has to his credit five or more years of contributions upon termination of his public service may leave his accumulated deductions in the retirement fund and receive a deferred annuity at the time when he would have been eligible to receive a retirement annuity if he had remained a public employee based upon the average annual salary over the period of his years of contributions already credited at the time of such termination of public service, provided that if such period exceeds 10 years of contributions it shall be based on the 10 years of contributions immediately preceding such termination. Such deferred annuity shall be in an amount bearing the same ratio to the full retirement annuity that the number of years of contributions credited at the time of his termination of public service bears to the number of years of contributions required had he continued as a public employee until eligible to receive a full retirement annuity. The provisions of section 353.11, subdivision 5, shall determine the amount of the full retirement annuity on which any deferred annuity shall be computed. The provisions of this subdivision shall apply to a non-employee member who leaves his accumulated deductions in the retirement fund.

Subd. 4. Any non-employee member who has maintained his membership after leaving the public service by the payment of such assessments, or any person who has elected to receive a deferred annuity, may terminate such membership by notice in writing to the retirement board, whereupon he shall be paid on demand, after such notice, as the retirement board may by general rule prescribe, the full amount of the accumulated deductions standing to the credit of his individual account.

[1931 c 307 s 9; 1933 c 374 s 3; 1937 c 466 s 1; 1943 c 167 s 2; 1945 c 78 s 2; 1947 c 18 s 4; 1949 c 84 s 4; 1951 c 22 s 19-22; 1953 c 78 s 4-6] (254-31)

353.10 FORFEITED RIGHTS RESTORED. When a public employee who has withdrawn his accumulated deductions shall re-enter the public service after such withdrawal, the annuity rights forfeited by such employee at the time of such withdrawal shall be restored upon repayment by such employee to the retirement fund of the full amount so withdrawn, with interest thereon at the rate of five per cent per annum, compounded annually from the date of withdrawal. Unless such public employee shall make these payments, with interest thereon at the rate of five per cent per annum, compounded annually from the date he shall have so re-entered the public service, he shall be required, before any retirement is granted to him, to make or to have made contributions to the retirement fund for a period of years equivalent to that originally required of him for the purpose of qualifying for a retirement annuity at the time he first became a member of the association.

[1931 c 307 s 10; 1933 c 374 s 1; 1947 c 18 s 5] (254-32)

353.11 RETIREMENT. Subdivision 1. Except as in this chapter otherwise provided, when any member, except a non-employee member, meets the minimum requirements shown in the following table with respect to: attained age (Column A); years of public service (Column B); and years of contributions (Column C); he shall receive a full retirement annuity for the remainder of his life equal to 50 percent of the average annual salary upon which deductions or assessments for the retirement fund have been based during the 10-year period immediately preceding retirement, or \$2,400 per annum, whichever is the smaller amount:

A Required Attained Age	B Minimum Required Years of Service	C Minimum Required Years of Contributions
60	35	25
61	32	24
62	29	23
63	26	22
64	23	21
65	20	20

The full retirement annuity of any non-employee member who meets the minimum requirements shown in the foregoing table shall equal 50 per cent of the average annual salary upon which assessments paid as such non-employee member have been based and years of public service shall include time as a non-employee member. Fractional parts of a year of public service shall not enter into the computation of any annuity for which provision is made by this chapter.

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Subd. 2. Any member who is eligible for retirement under the provisions of subdivision 1 in all respects except that he lacks the years of contributions indicated in Column C, as shown in the table appearing in subdivision 1 shall, if he so elects, receive a pro rata annuity in an amount bearing the same ratio to the full retirement annuity that the period of his salary deductions, or assessments in lieu thereof, bears to the number of years of contributions required for his then attained age as indicated in said table. Provided, that any such member may, upon payment into the retirement fund in a lump sum of an amount to be determined by the retirement board, secure credit for additional years of contributions and thus become entitled to a larger pro rata annuity or to a full retirement annuity, whichever he may elect. In determining the amount required to be paid into the retirement fund in any such case, the retirement board shall first determine the average annual amount of the member's accumulated deductions over the period of his contributory membership, immediately preceding retirement, said period not to exceed 10 years, which, multiplied by the number of the additional years of contributions desired, will establish and determine the amount of the additional accumulated deductions required under the application for any such larger pro rata or full retirement annuity. To this amount, however, there shall be added one half of one percent of his average annual salary for said additional years plus a further sum equivalent to four percent interest for the several additional years of contributions required, and it shall be assumed for the purposes of such computation of interest, that the several additional years required preceded those with which the member is already credited on the books of the association. The retirement board shall adopt such uniform schedules of rates of payment as may be necessary to carry out the provisions of this section.

Subd. 3. Any member may secure credit for one or more years of contributions covering prior years of public service, except for any period during which, by virtue of his employment, he contributed to and retained credit therefor in any other pension, relief or retirement fund, established for the benefit of officers and employees of the state or a governmental subdivision, provided he shall pay into the retirement fund a sum equal to all accrued deductions from his salary which would have been made had such public employee been a member during the period for which credit is desired, together with interest thereon at the rate of five percent per annum, compounded annually.

Subd. 4. Any member who has to his credit five or more years of contributions, and who has become 65 years of age, shall be eligible for retirement even though he does not meet the minimum requirements indicated in Columns B and C in the table appearing in subdivision 1 of this section. Such member, upon retirement, shall receive a pro rata annuity for the remainder of his life in an amount equal to the product of two and one half percent of his average annual salary upon which deductions for the retirement fund over the period of his service have been based, or \$120, whichever is the smaller amount, multiplied by the number of his years of contributions.

Subd. 5. When any member, irrespective of the date of his affiliation with the retirement association, attains eligibility for a full retirement annuity in all respects without payment into the retirement fund of any additional amount authorized in either subdivision 2 or subdivision 3 and (1) such member continues contributions to the retirement fund either as a public employee or a non-employee member, such member, upon retirement, shall be entitled to receive his normal full retirement annuity but there shall be added thereto an amount equal to an increase of five percent thereof for each additional year such member has made such contributions to the retirement fund; or (2) such member has to his credit on the books of the association one or more years of contributions in excess of the minimum number of years of contributions required for his then attained age, as indicated by Columns A and C in the table appearing in subdivision 1, such member upon retirement, shall be entitled to receive his normal full retirement annuity but there shall be added thereto an amount equal to one percent thereof for each additional year such member has contributed to the retirement fund in excess of the minimum requirements applicable to his case as determined by the table appearing in subdivision 1. The benefits under (1) and (2) shall not be paid concurrently and if both benefits herein provided for shall become available to a member, he shall elect which benefit he desires to receive.

Subd. 6. The retirement board shall by general rule prescribe such uniform regulations as may be necessary to establish credits for years of contributions, or

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fractions thereof, which shall be allowed public employees for public service of a temporary character whether performed prior or subsequent to the date such public employee became a member.

Subd. 7. During any period of (a) authorized leave of absence without pay, (b) absence by reason of military service, or (c) a lay-off of not more than 12 consecutive months, a member may contribute to the retirement fund by assessments in lieu of salary deductions and such period shall be counted in computing the time spent in public service to establish eligibility for retirement benefits. If contributions are made during any such period, they shall, if necessary, be included in determining the average annual salary upon which deductions or assessments have been based. The assessment shall be the same as the last preceding monthly salary deduction in the case of a member on monthly salary and in all other cases shall be computed on the basis of the average monthly compensation of the member for the 12-month period immediately preceding such leave or lay-off. Upon return to public service as a public employee, any member, within one year, may elect to contribute assessments not previously paid, through the method of additional salary deductions without interest provided arrangements therefor are made with the secretary and the department head concerned; or by direct payments without interest under arrangements made with the secretary. The total amount of such assessments shall be paid in equal monthly installments by deductions or direct payments made within two years from the date of the return of the member from absence from public service under clause (a), (b) or (c) hereof.

Subd. 8. After July 1, 1949, each governmental subdivision is hereby authorized, empowered and directed to pay into said retirement fund upon the certification of the retirement board an amount equal to one half of the salary deductions of all members of this association then or thereafter carried on the payrolls of such governmental subdivision and assessments paid by members during periods of authorized leave from such employment with such governmental subdivision. Such payments shall be made out of moneys collected from taxes or other revenue of such governmental subdivision. On or before September 30th of each year beginning with 1950 the total amount due from each governmental subdivision shall be determined by the retirement board and shall be certified by the secretary or other authorized officer of said board to each governmental subdivision affected by the provisions of this section, which certification shall cover the period of the 12 months ending June 30th immediately preceding. The amount so certified shall be included in the next budget of any governmental subdivision subsequent to such certification and shall be levied, collected and apportioned in the same manner as other taxes are levied, collected and apportioned and for the express purposes of this section the payment of such contributory share of retirement cost is hereby made an obligation of the governmental subdivision concerned in the proportion and to the extent provided, but no such certification shall be made to any governmental subdivision if any surplus exists in the retirement fund, such surplus to be deemed to consist of excess of assets over accumulated deductions and other current liabilities. Assessments paid by non-employee members who were former public employees of such governmental subdivision shall be excluded from the amount certified. In the event that any governmental subdivision shall fail or neglect to pay into the retirement fund in full the amount properly certified by the board, through failure to collect the full amount through taxation or otherwise, such deficiency shall be added to the next subsequent levy made by any such governmental subdivision but no interest shall accrue on such delinquent payment. If the retirement of any member or members of said retirement association be not voluntary, the governmental subdivision from which said member is or members are so retired shall assume the liability to pay one half of the costs of all annuities granted such member or members by the retirement board pursuant to the provisions of this chapter, and such governmental subdivisions are hereby authorized, empowered and directed to pay such share of said annuities from moneys collected from taxes or other revenues. The total amount of such contributory share of such annuities shall, before September 30th of each year, be duly determined by the retirement board and certified to any such governmental subdivision for the period of the previous 12 months ending June 30th immediately preceding. The amount so certified by the retirement board shall be included in the next budget of any such governmental subdivision subsequent to the certification by the retirement board and shall be levied, collected, and apportioned in the same manner as other taxes are levied,

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collected, and apportioned, and, for the express purposes of this section, the payment of all such annuities are hereby made obligations of the governmental subdivisions concerned in the proportion and to the extent provided. If the taxes authorized to be levied under this section shall cause the total amount of taxes levied to exceed any limitation of any kind upon the power of any county, city, village, borough, town or school district to levy taxes, the governmental subdivision concerned may levy taxes in excess of and over and above such taxing limitations such amount as may be necessary to meet its obligations under this section. The expenditures authorized to be made under the provisions of this chapter by any municipality shall not be included in computing the cost of government as defined in any home rule charter of any municipality affected by this chapter. However, the governing body of any governmental subdivision affected by the provisions of this chapter may from time to time and under proper resolution, ordinance, or rule, make contributions to the retirement fund of said retirement association from moneys derived from revenues other than general taxes, and such governmental subdivision is hereby authorized and empowered to make such contributions. Such resolution, ordinance or rule may limit the use of such contributions by the retirement association for specific purposes as set forth therein, and such limitations shall be binding upon said retirement association. The retirement board shall have the right to refuse acceptance of any or all of such conditional contributions.

Subd. 9. A person otherwise eligible for retirement benefits under this chapter shall not be entitled to receive or be paid an annuity if he is receiving (1) any compensation for services performed as a public employee, a judicial officer, or as an appointed officer or employee of the state, or any agency, board or commission thereof; or (2) any other retirement benefit or pension authorized by law for public employees or state employees, if any period of public service required for benefits under this chapter is also a requisite in establishing eligibility for such other retirement benefits or pension.

Subd. 10. Nothing done under the terms of this chapter shall create or give any contract rights to any person, except the right to receive back upon withdrawal from the association through separation from the public service, the accumulated deductions, as by law defined, standing to his credit on the books of the association.

Subd. 11. All annuities granted under the provisions of this chapter prior to July 1, 1951, shall each be increased on and after July 1, 1953, in the amount of \$10 per month.

Subd. 12. Any monthly payments to which any person may be entitled under this chapter may be reduced in amount upon application of the person entitled thereto to the retirement board, provided that such person shall first relinquish in writing all claim to that part of the full monthly payment which is the difference between the monthly payment which he would be otherwise entitled to receive and the reduced monthly payment which he will receive. Upon application of the person who is entitled to such monthly payment to the retirement board, it may be increased to not more than the amount to which such person was originally entitled to receive monthly but such person shall not be entitled to receive or have any claim for any money which was not paid to him by reason of said reduction in such monthly payments.

[1931 c 307 s 11; 1933 c 374 s 1; 1935 c 106 s 2; 1937 c 466 s 4; 1941 c 285 s 5; 1943 c 167 s 3; 1945 c 78 s 3; 1947 c 18 s 6; 1949 c 84 s 5; 1951 c 22 s 23; 1953 c 78 s 7-13] (254-33)

353.12 BENEFITS OF FUNDS, BY WHOM RECEIVED. Subdivision 1. When any member shall die without having received an annuity, or without having received in annuity payments an amount equal to the total amount of the accumulated deductions from his salary, and such additional accumulated deductions, if any, as may have been paid into the retirement fund under and pursuant to the provisions of section 353.11, exclusive of any payments representing accrued interest, the full amount of such total accumulated deductions and additional accumulated deductions, if any, less such annuity payments, if any, as have been paid to such member, shall be paid in one lump sum to the beneficiary or beneficiaries designated by such member, or, if none, to the legal representative of the estate of such member, upon establishment of a valid claim therefor. If no valid claim is established therefor, the accumulated deductions shall remain with and become the property of the retirement association.

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Subd. 2. 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 is \$500 or less, the retirement board 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, to the next of kin under the laws of descent of the State of Minnesota and such payment shall be a bar to recovery by any other person or persons. Any retirement allowance or annuity which shall have accrued at the time of death of an annuitant may be paid in like manner. Such beneficiary, legal representative or next of kin shall also be paid on demand the full amount of the additional penalty, if any, paid into the retirement fund by the deceased member in accordance with the provisions of Laws 1937, Chapter 466, Section 2; Laws 1947, Chapter 18, Section 2, and any rules made by the retirement board pursuant to said laws.

[1931 c 307 s 14; 1933 c 374 s 1; 1941 c 285 s 6; 1951 c 22 s 24; 1953 c 78 s 14] (254-36)

353.13 ANNUITIES PAYABLE MONTHLY. All annuities granted under the provisions of this chapter shall commence with the first day of the first calendar month next succeeding the date of termination of public service for the purpose of retirement and paid in equal monthly installments commencing one month thereafter and continuing only during the lifetime of the annuitant, and shall not be increased, decreased, or revoked except as provided in this chapter. No annuity payment shall be made retroactive beyond the first day of the calendar month in which application therefor shall be filed.

[1931 c 307 s 15; 1933 c 374 s 1; 1941 c 285 s 7; 1951 c 22 s 25] (254-37)

353.14 [Repealed, 1951 c 22 s 30]

353.15 ANNUITIES NOT ASSIGNABLE. None of the moneys, annuities, or other benefits provided for in this chapter shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, nor shall the same be subject to any state income tax.

[1931 c. 307 s. 18] (254-40)

353.16 INSURANCE LAWS DO NOT APPLY. None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds. The books and accounts of the association and the retirement fund shall be examined and audited annually by the public examiner of the state and a full and detailed report thereof made to the retirement board, without expense to the retirement fund.

[1931 c. 307 s. 19; 1933 c. 374 s. 1] (254-41)

353.17 CONTRIBUTIONS TO RETIREMENT FUND. The retirement board is hereby authorized and empowered to credit to the fund any moneys received in the form of contributions, donations, gifts, appropriations, bequests, or otherwise. Refundable accumulated deductions of any member, if unclaimed for a period of five years after separation from the public service, shall be credited to a donations suspense account. The retirement board is authorized to pay refunds of accumulated deductions, without interest, from such donations suspense account, upon proper application therefor. After the refundable accumulated deductions of any former member have remained in such donations suspense account for a period of 10 years, without application for a refund thereof having been made, they shall be transferred to and credited to the retirement fund proper.

[1931 c 307 s 20; 1937 c 466 s 6; 1951 c 22 s 26] (254-42)

353.18 REGULATIONS. All matters and administrative details not specifically provided for in this chapter shall be governed by rules and regulations issued and promulgated by the retirement board. The final power to determine the status of any individual in the employ of any governmental subdivision, for the purposes of this chapter, is hereby vested in the board.

[1931 c. 307 s. 22; 1941 c. 285 s. 9] (254-44)

353.19 PENALTIES FOR FALSE INFORMATION. Any person who shall give any false information to the retirement board or any officer or agent of the retirement association for the purpose of obtaining membership in such association, or

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any person, who shall wilfully fail or refuse to perform or discharge any duty prescribed by this chapter, shall, upon conviction thereof, be guilty of a misdemeanor.

[1931 c. 307 s. 23] (254-45)

353.20 APPLICATION. The public employees of any governmental subdivision which was not affected prior to July 1, 1951, by the provisions of this chapter, shall become members provided the duly constituted officials of such governmental subdivision shall adopt a resolution authorizing, empowering and directing that salary deductions be made for public employees as provided by section 353.04, and thereupon such governmental subdivision shall be subject to all applicable provisions of this chapter. One certified copy of such resolution shall be filed with the proper officials of the governmental subdivision, who are empowered to pay or to authorize the payment of salaries of public employees, and one certified copy shall be transmitted to the secretary of the retirement board. Such coverage shall become effective from the first day of the first calendar month next succeeding the date of the acceptance of the terms of this chapter by the governing body of the governmental subdivision concerned, and salary deductions for said public employees shall commence upon such date. The dates from which salary deductions shall be computed and fixed shall be determined by the provisions of Laws 1931, Chapter 307, Section 24; Laws 1933, Chapter 374, Section 1; Laws 1935, Chapter 106, Section 3; Laws 1941, Chapter 285, Section 10; Laws 1947, Chapter 18, Section 7; and Laws 1951, Chapter 22, Section 27.

[1931 c 307 s 24; 1933 c 374 s 1; 1935 c 106 s 3; 1941 c 285 s 10; 1947 c 18 s 7; 1951 c 22 s 27; 1953 c 78 s 15] (254-46)

353.21 ANNUITANTS; EXTENT OF BENEFITS. Any person designated as the sole beneficiary by any member who is an annuitant or who was eligible at the time of his death to become an annuitant shall be entitled to receive monthly until his remarriage or death a survivor's benefit provided that such sole beneficiary (1) is the surviving spouse or parent of the member, (2) has become 60 years of age, (3) if a surviving spouse, has not remarried, (4) was domiciled with such member at the time of such death, if a surviving spouse, (5) is not receiving any other benefit provided for by this chapter, (6) has made no claim for accumulated deductions under section 353.12, and (7) has filed application for a survivor's benefit. Such beneficiary's benefit for each month shall be equal to one half of the monthly annuity payment to which the deceased member was entitled, but in no event shall exceed \$100.

[1953 c 78 s 16]