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STATE EMPLOYEES RETIREMENT ASSOCIATION 352.01

CHAPTER 352

STATE EMPLOYEES RETIREMENT ASSOCIATION

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

Subd. 2. **State employee.** (1) "State employee" means any employee or officer in the classified and unclassified service of the state except any employee designated by the civil service board as a labor service employee who is paid on an hourly basis. The term also includes the special classes of persons listed in paragraph 2 of this subdivision but excludes the special classes of persons listed in paragraph 3.

(2) The following persons are included in the meaning of state employee:

(a) Employees of the Minnesota Historical Society.

(b) Employees of the State Horticultural Society.

(c) Employees of the Disabled American Veterans Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, the Minnesota Crop Improvement Association.

(d) Employees of the adjutant general who are paid from federal funds and who are not eligible to benefits from any federal civilian retirement fund.

(e) Employees of the state colleges employed under the college activities program and currently contributing members of the association who are temporarily employed by the legislature during a legislative session or any currently contributing member employed for any special service as defined in item (h) of paragraph (3).

(f) Employees of the armory building commission.

(g) Employees of Minnesota-Wisconsin-Minneapolis-St. Paul Survival Plan Project.

(h) Permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation including permanent employees of the legislative research committee.

(i) Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.

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- (j) Employees of the deputy registrar of motor vehicles in the city of Minneapolis.
- (3) The following persons are excluded from the meaning of state employee:
 - (a) Elective state officers;
 - (b) Students employed by the University of Minnesota and the state colleges unless approved for membership by the board of regents or the state college board, as the case may be;
 - (c) Employees who are eligible to membership in the state teachers retirement fund except employees of the department of education who have elected or may elect to become members of the state employees retirement association instead of the teachers retirement fund;
 - (d) Employees of the University of Minnesota who are excluded from membership by action of the board of regents;
 - (e) Officers and enlisted men in the national guard and the naval militia except such as are assigned to permanent peacetime duty;
 - (f) Election officers;
 - (g) Persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;
 - (h) Officers and employees of the senate and house of representatives who are temporarily employed and those employees of the legislative research committee who are intermittently employed when needed;
 - (i) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except employees of the supreme court and referees and adjusters employed by the industrial commission;
 - (j) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota Soldiers Home;
 - (k) Persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;
 - (1) Employees of the Sibley House Association;
 - (m) Employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;
 - (n) Operators and drivers employed pursuant to Laws 1941, Chapter 478;
 - (o) Members of the board of tax appeals, the civil service board, and the members of any other state board or commission who serve the state intermittently and are paid on a per diem basis; and the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year;
 - (p) State highway patrolmen;
 - (q) Temporary employees of the Minnesota state fair employed on or after August 1 for a period not to extend beyond September 30 of the same year;
 - (r) Emergency employees in the classified service whose status shall be noted by symbol on all payroll abstracts;
 - (s) State game wardens;
 - (t) All temporary employees in the classified service, and all seasonal help in the unclassified service employed by either the motor vehicle division or the department of taxation, income tax division, to perform clerical duties;
 - (u) Trainees paid under budget classification number 41, and other trainee employees, except those listed in paragraph 2 (i) of this subdivision;
 - (v) Persons whose compensation is paid on a fee basis;
 - (w) State employees who in any year have credit for 12 months service as teachers in the public schools of the state and as such teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;
 - (x) Temporary employees of the adjutant general employed in classified and unclassified service for opening, operating, or closing Camp Ripley for field training activities;
 - (y) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

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

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Subd. 4. **Accumulated deductions.** "Accumulated deductions" means the total of the sums deducted from the salary of a member, and the total amount of assessments paid by a member in lieu of such deductions paid under Laws 1929, Chapter 191, or any amendment thereof, and credited to his individual account in the retirement fund, without interest.

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Subd. 5. **The retirement fund.** "The retirement fund" includes the aggregate of all accumulated deductions from the salaries of members of the retirement association, all assessments made 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 Laws 1929, Chapter 191, or any amendment thereof, together with all income and profits therefrom and interest thereon, including contributions on the part of the federal government, the state and departments thereof.

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

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Subd. 7. **Prior service.** "Prior service" means the allowable service rendered before the first day of July, 1929, and includes the service during the first world war of officers, soldiers, sailors, marines, and army nurses who were state employees at the time of enlisting or being drafted into the military service of the United States, and who returned directly to the service of the state upon returning from the first world war. It also includes any temporary service or service of less than six months rendered prior to July 1, 1929, upon payment for such service credit as provided in section 352.24, subdivision 2.

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[Subd. 8, 9, Repealed, 1957 c 928 s 33]

Subd. 10. **Temporary disability.** Members who are absent from their duties because of temporary disability resulting from injuries for which the state is liable under the workmen's compensation law shall have the period of such absence for which compensation is paid under the workmen's compensation law included in determining the period of service for the state unless they are receiving a disability allowance from the retirement fund. The industrial commission shall furnish the retirement board with a copy of each abstract submitted to the state auditor and to be charged to the state compensation revolving fund which shall be construed as notice to the retirement board that the employees listed thereon have sustained injury arising out of and in the course of employment by the State of Minnesota and are entitled to credit for service on the records of the association during the time compensation is received for temporary disability resulting from such injury, but shall not be used for any other purpose.

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

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

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

(3) Any service rendered by a state employee after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, or

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

Subd. 12. **Actuarial equivalent.** "Actuarial equivalent" means the annual amount determined by calculations based on mortality tables, purchasable with a given amount at a stated age.

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

Subd. 14. **Dependent child.** "Dependent child" means any natural or adopted child of a deceased member under the age of 18, unmarried and actually dependent for his support upon such member.

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Subd. 15. **Approved actuary.** "Approved actuary" means any actuary who is

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either a fellow of the society of actuaries or who has at least 15 years of service to major public employee funds, or any firm retaining such an actuary on its staff.

Subd. 16. **Year of allowable service.** "Year of allowable service" means any 12 calendar months not necessarily consecutive in which a member received compensation from the state or was eligible to credit for service. It also means 12 months credit each year for employees in the state colleges and state institutions who are paid on a yearly basis and who may or may not receive compensation in every calendar month in the year.

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

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

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

352.02 [Repealed, 1957 c 928 s 33]

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

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

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

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

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

352.03 BOARD OF TRUSTEES; MEMBERSHIP, DUTIES. The management of the state employees retirement fund is hereby vested in a board of seven members, who shall be known as the board of trustees. This board shall consist of the state auditor, the state treasurer, the insurance commissioner, and four state employees who shall be elected by the members of the retirement association at a time and in a manner to be fixed by the board of trustees. Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The term of the two board members whose terms expire in 1949 and 1950 shall terminate on the first Monday in March, 1950, and the terms of the two board members whose terms expire in 1951 and 1952 shall terminate on the first Monday in March, 1952. The members of the board so elected shall hold office for a term of four years and until their successors are elected, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of trustees; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period. Any vacancy in the board caused by death, resignation, or removal of any member so elected shall be filled by the board of trustees for the unexpired portion of the term in which the vacancy occurs. The members of the board of trustees shall serve without compensation, but shall be reimbursed out of the retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties, and shall suffer no loss of salary or wages through service on the board. The board shall elect a chairman and appoint a secretary and such other employees including actuarial services 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. It shall be the duty of the

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

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

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

Subd. 2. The employee contribution to the fund shall be an amount equal to six percent of the salary of every member. This contribution shall be made by deduction from salary in the manner provided in subdivision 4. No deduction shall be made from any salary in excess of \$4,800 in any calendar year. Where any portion of a member's salary is paid from other than state funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any calendar year.

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Subd. 3. The employer contribution to the fund shall be (1) an amount equal to the total amount deducted from the salaries of members on each payroll abstract plus (2) an additional one sixth of the amount of such deductions. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

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Subd. 4. The head of each department shall cause employee contributions to be deducted from the salary of each member of the retirement association on every payroll abstract and shall approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by the payroll abstract. Deductions from salaries of employees paid direct by any department, institution, or agency of the state shall be made by the officer or employee authorized by law to pay such salaries. The head of any department or agency having authority to appoint any employee who receives fees as his compensation or who receives his compensation on federal payrolls shall collect as the required contribution a sum equal to six percent of the total amount of such fees not to exceed \$4,800 in any calendar year. All such deductions from salary and amounts collected shall be remitted by him to the secretary of the association with a statement showing the amount of earnings or fees, and in the case of fees, the number of transactions, and the amount of each of such deductions and collections and the names of the employees on whose account the same have been made.

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Subd. 5. The head of each department or agency shall cause employer contributions to be made to the fund on each payroll abstract at the time each member is paid his salary in an amount equal to the total amount deducted from the salaries of members plus an additional one sixth of the amount of such deductions. These contributions shall be charged as administrative costs. Each department shall pay these amounts from such accounts and funds from which each department or agency receives its revenue, including appropriations from the general revenue fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. The moneys necessary to provide for the administrative cost as herein provided are hereby appropriated out of such revenue sources to each department and agency in such sums as are required to make the payments herein directed. If there are insufficient moneys in any such accounts or fund or source of revenue to make the payments to the state employees retirement fund required by this section to be made by such department or agency, there is hereby appropriated to such department or agency from any moneys in the state treasury not otherwise appropriated, such moneys as are required to meet such deficiencies. The amount of such appropriation made by these provisions shall be certified by the commissioner of administration to the state auditor at such times as the state auditor shall require.

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Subd. 6. For those of their employees who are members of the state employees retirement association, the State Horticultural Society, the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, the Minnesota Crop Improvement Association, the Minnesota Historical Society, the armory building commission, and the Minnesota-Wisconsin-Minneapolis

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St. Paul Survival Plan Project, respectively, shall also pay into the retirement fund a sum equal to the total amount deducted for the retirement fund from the salaries paid to their employees including salaries paid from an appropriation from the general revenue fund, as herein authorized, plus an additional one sixth of the amount of such deductions for employees paying six percent contributions and two thirds of the amount of such deductions for employees paying three percent contributions.

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D-11 } Subd. 7. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of the association and the retirement allowances and annuities herein provided upon retirement shall be paid only from such fund, and the amounts necessary therefor are hereby annually appropriated from said fund for said purpose.

Under the direction of the retirement board the head of each department shall furnish such information and keep such records as the board may require for the discharge of its duties.

Subd. 8. (1) Any deductions taken from the salary of an employee for the retirement fund in error shall, upon discovery and verification by the department making the deduction be refunded to the employee.

(2) In the event a salary warrant or check from which a deduction for the retirement fund was taken has been cancelled or the amount of the warrant or check returned to the funds of the department making the payment, a refundment of the sum so deducted, or any portion of it as is required to adjust the deductions, shall be made to the department or institution provided application for it is made on a form furnished by the retirement board, and the department's payments shall likewise be refunded to the department if the amount of the required adjustment is more than \$1.

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

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D-11 } Subd. 10. If a member makes a lump sum payment to the fund, the employer shall contribute a like amount to the fund upon certification of said amount by the secretary of the association to the employer.

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

A 63
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D-11 } **352.041 EMPLOYMENT BY POLITICAL SUBDIVISION WHILE ON LEAVE OF ABSENCE.** Subdivision 1. Any member of the state employees retirement association who is given a leave of absence for employment by a political subdivision of the state shall continue to pay into the state employees retirement fund for the period of such leave, and upon such payment he shall be given allowable service credit as a member on the records of the association the same as though he had received salary from the state therefor. Such payments into the retirement fund shall be at the rate required in section 352.04, subdivision 2, or 352.62, subdivision 1, whichever applies, and shall be based upon the salary received from the political subdivision subject to the maximum amount, if any.

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

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D-21 } Subd. 3. The officer or employee authorized by law to pay salaries to employees of the political subdivision employing such member of the state employees retirement association shall also cause employer contributions to be made to the state employees retirement fund on each payroll abstract in an amount equal to the total amount deducted from the salary of each member plus the additional percentage provided for in section 352.04, subdivision 5, or 352.62, subdivisions 2 and 3, whichever applies. These contributions are to be charged as an administrative cost.

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Subd. 4. The officer or employee authorized by law to pay salaries to employees of the political subdivision employing such member of the state employees retirement association shall likewise pay into the state employees retirement fund a sum equal to the employer contributions and additional contributions required from July 1, 1957 to July 1, 1959, which payment shall also be charged as an administrative cost. } R 63
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Subd. 5. Every political subdivision employing a member of the state employees retirement association on leave of absence from state service for employment by a political subdivision of the state shall pay into the state employees retirement fund the amount of the employer contribution required by law for members of the state employees retirement association. Such employing political subdivisions may levy such taxes as may be necessary for the payment of employer contributions without limitation as to rate or amount, and the levy of such taxes shall not cause the amount of other taxes to be levied by political subdivisions which are subject to any such limitation, to be reduced in any amount whatsoever.

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

Subd. 7. This section is in effect from and after its final passage. R 63
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[1959 c 647 s 1]

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

[1959 c 191 s 5; 1931 c 351 s 5; 1935 c 238 s 5; 1941 c 391 s 5; 1945 c 284 s 8; 1957 c 928 s 28; Ex 1961 c 67 s 7] (254-5)

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

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

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

Subd. 4. **Obligations of Canada.** Bonds, debentures, notes, or other full faith and credit obligations issued, guaranteed, or assumed as to both principal and

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interest by the government of the Dominion of Canada, or by any province of Canada; provided that the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder are legal investments for the purposes of this section.

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

Subd. 6. Municipal obligations of other states. Bonds, notes, or other obligations issued, guaranteed, or assumed by any municipal or political subdivision of any other state of the United States; provided, (a) that any such municipal or political subdivision, or the total of its component parts, shall have a population as shown by the last preceding federal census of not less than 10,000, and (b) the issuer, guarantor, or assumer of such bonds, notes, or other obligations: (i) shall have pledged its faith and credit for the payment of the principal and interest of such bonds, notes, or other obligations; (ii) shall have the power to levy taxes on the taxable real property therein for the payment of both principal and interest of such bonds, notes, or other obligations without limitation of rate or amount; (iii) shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes, or other obligations for more than 90 days are legal investments for the purposes of this section.

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

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

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

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

Subd. 11. Obligations of state, municipal, or public authority. Obligations of any state, municipal, or public authority issued pursuant to the laws of any state of the United States; provided that for each of the five years next preceding the date of investment the income of such authority available for fixed charges shall have been not less than 1½ times its average annual fixed charges requirements over the life of such obligations are legal investments for the purposes of this section.

Subd. 12. Corporate obligations. Bonds, notes, debentures, equipment obligations, or any other type of absolute obligation of any corporation organized and operating within any of the 50 states of the United States or in Canada, provided that obligations of Canadian corporations shall be payable in United States dollars, are legal investments for the purposes of this section; provided, however, that no bonds, notes, debentures, or railroad equipment obligations may be purchased of any corporation with assets of less than ten million dollars, nor shall the book value of the outstanding capital stock of such corporation at the time of such investment be equal to less than 50 percent of its total funded debt. For a period of five fiscal years next preceding the date of such investment, the net pre-

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tax earnings of such corporation shall have been each year not less than 1.5 times the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars; provided that the investment in such securities shall not exceed 40 percent of the total assets of the fund at any time. All such corporate bond investments shall have a rating of A or better by a recognized commercial rating agency.

Subd. 13. Corporate stocks. Preferred or common stocks of any corporation organized and operating within the United States are legal investments for the purposes of this section. The aggregate of common and preferred stock investments may not exceed 25 percent of the total assets of the fund at any time. Furthermore, the board may invest no more than five percent of the assets of the fund in common or preferred stocks in any one year, the intent of this provision being that the fund may not attain a position of 25 percent in stocks within a period of less than five years. No more than one percent of the assets of the fund may be invested in the stock of any one corporation and at no time shall the fund together with other Minnesota public retirement funds own more than five percent of the voting stock of any one corporation. All such percentages shall be computed on the basis of the cost price of such stock at the time of investment.

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

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

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

Subd. 15. Commercial paper. Prime quality commercial paper issued by any corporation organized and operating within any of the 50 states of the United States, provided:

- (a) That all such securities mature in 270 days or less;
- (b) That the issuing corporation, or parent company in the case of paper issued by finance subsidiaries, show a ratio of current assets to current liabilities plus long term debt, of at least 1½ to 1;
- (c) That the net income of the issuing corporation, or parent company, average one million dollars or greater annually for the past five years;
- (d) That the commercial paper shall, at no time, constitute more than five percent of the book value of the investments in any one fund; and
- (e) That the commercial paper of any one corporation shall not constitute more than two percent of the book value of the investments in the fund, are legal investments for the purposes of this section.

Subd. 16. Canadian, state, or municipal securities, notice of disposition. In the sale or conveyance of any Canadian, state, or municipal securities authorized by this act, the state board of investment shall give ten days' published notice of such proposed disposition in a financial publication published in a city of the first class and in a national financial publication and insofar as possible receive competitive bids therefor.

[1929 c 191 s 6; 1931 c 351 s 6; 1935 c 238 s 6; 1941 c 391 s 6; 1961 c 380 s 1] (254-6)

352.07 CIVIL SERVICE DEPARTMENT TO FURNISH INFORMATION AS TO STATUS. Upon the request of the retirement board, the civil service department shall furnish such information relative to the status of state employees as may be required by the board in the performance of its duties.

[1929 c. 191 s. 7; 1931 c. 351 s. 7; 1941 c. 391 s. 7] (254-7)

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352.08 LEGAL ADVISER. The attorney general shall be the legal adviser of the retirement board.

[1929 c. 191 s. 8] (254-8)

352.09 [Repealed, 1957 c 928 s 33]

352.10 [Repealed, 1945 c 284 s 1]

352.103 EX-MEMBER, RETURN TO STATE EMPLOYMENT. Subdivision 1.

Whenever a former member who has withdrawn his accumulated deductions shall re-enter employment entitling him to membership in the state employees retirement association, he shall become a member of the association on the same basis as a new employee and shall not be entitled to credit for any former service, nor shall the annuity rights forfeited at the time of taking a refundment be restored, except as provided in this chapter.

Subd. 2. Should any former member who has received an annuity or retirement allowance again be entitled to receive salary or wages from the state his annuity or retirement allowance shall cease during the period of employment if employment is for a longer period than authorized ten-day emergency appointments but no payroll deductions for the benefit of the retirement fund shall be made from the earnings of such annuitant. If such employee is granted a sick leave without pay, the annuity or retirement allowance shall be resumed during the period of the sick leave and there shall be no change in the amount of such annuity or retirement allowance. Upon the termination of his employment the annuity or retirement allowance shall be resumed and there shall be no change in the amount of such annuity or retirement allowance because of such employment.

[1945 c 284 s 10; 1947 c 631 s 13; 1949 c 644 s 12; 1951 c 441 s 18, 19; 1955 c 239 s 11, 12; 1957 c 928 s 30; Ex1961 c 67 s 8]

352.11 [Repealed, 1957 c 928 s 33]

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

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

Subd. 3. **Computation of benefits.** This disability benefit is an amount equal to the annuity based on his age when disabled in the manner provided in section 352.116, subdivision 1, plus a supplementary monthly benefit computed in accordance with the following table:

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

Subd. 4. **Determination by the board.** The board shall have the member examined by at least two licensed physicians selected by the board. These physicians shall make written reports to the board concerning the member's disability including medical opinions as to whether or not the member is permanently and totally disabled within the meaning of Minnesota Statutes, Section 352.01, Subdivision 17, and acts amendatory thereto. The board shall also obtain written certification from the employer stating whether or not the member was separated from service because of a disability which would prevent further service to the employer and as a consequence the member is not entitled to compensation from the employer. If upon the consideration of the reports of the physicians and such other evidence

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by the member or others interested therein, the board finds the member totally and permanently disabled, it shall grant him a disability benefit. The fact that an employee is placed on leave of absence without compensation because of disability shall not bar him from receiving a disability benefit. The disability benefit shall cease with the last payment received by the annuitant during his lifetime unless he leaves a spouse surviving him in which event the surviving spouse shall be entitled to the disability benefit for the calendar month in which the annuitant died.

Subd. 5. **Benefits paid under other laws.** The disability benefit shall be reduced by any amounts received or receivable by a member from the employer under applicable workmen's laws. If a disabled person receives disability benefits under the provisions of the federal social security act, his benefits computed under this section shall be reduced by the amount of disability benefits paid under the federal act.

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Subd. 6. **Regular physical examinations.** At least once each year during the first five years following the allowance of a disability benefit to any member, and at least once in every three-year period thereafter, the board shall require any person disabled to undergo a medical examination to be made at the place of residence of such person, or at any place mutually agreed upon, by a physician or physicians engaged by the board. If any examination indicated that he is no longer permanently and totally disabled, or that he is engaged or is able to engage in a gainful occupation, payments of the disability benefit by the fund shall be discontinued. The payments shall discontinue as soon as he is reinstated to the payroll following sick leave, but in no case shall payment be made for more than 60 days after physicians engaged by the board find that such person is no longer permanently and totally disabled.

Subd. 7. **Partial re-employment.** Should the disabled person resume a gainful occupation and his earnings are less than his salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount which when added to such earnings does not exceed his salary at the date of disability or the salary currently paid for similar positions, whichever is lower, provided the disability benefit in such case does not exceed the disability benefit originally allowed.

Subd. 8. **Refusal of examination.** Should any such disabled person refuse to submit to a medical examination as herein provided, payments by the fund shall be discontinued and all rights of the member in any disability benefit shall be revoked by the board.

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

Subd. 10. **Retirement status at age 65.** The disability benefit paid to a person hereunder shall terminate when he reaches age 65 if he is still totally and permanently disabled. At that time he shall be deemed to be on retirement status and shall be paid a straight life retirement annuity as provided in section 352.115 or a straight life retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever amount is greater. If his disability benefit was computed pursuant to section 352.67, at age 65 he shall be deemed to be on retirement status.

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[1951 c 441 s 21; 1955 c 239 s 13; 1957 c 928 s 13; Ex1959 c 6 s 13; Ex1961 c 67 s 9]

352.115 RETIREMENT BENEFITS. Subdivision 1. **Requirements as to age and service.** After separation from state service any person who has attained the age of at least 65 years and who received credit for not less than ten years allowable service as a member of the association, or any person who has attained the age of at least 58 years and who received credit for not less than 20 years allowable service of which at least ten years are as a member of the association, is entitled upon application to a retirement benefit. Retirement is not compulsory prior to attaining the age of 70.

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

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tirement annuity is known as the "normal" retirement annuity.

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

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary not exceeding in any one year \$4,800 and for which he had made contributions to the retirement fund by payroll deductions;

(c) Average salary in no case shall exceed \$4,800 per year.

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

Years of Allowable Service	Percentages at the Rate of:
(a) First ten years	1 percent per year of service
(b) Second ten years or completed months of service less than such period	2 percent per year of service
(c) Third ten years or completed months of service less than such period	2½ percent per year of service
(d) Subsequent years of completed months of service less than such period	3 percent per year of service

Subd. 4. Application for retirement. Retirement may be made upon application of the member or of some one acting in his behalf, or in the case of an employee in active service, upon the application of the head of the department in which the member is employed.

Subd. 5. Accrual of annuity. Each member shall fix in his application for an annuity a date for retirement. This application, however, shall not be made prior to the time the member is eligible to retire by reason of both age and service requirements. An annuity shall begin to accrue 30 days after the application is filed with the retirement board but in no event prior to the day following the last day for which the applicant is paid salary or prior to the termination of state service. The retirement benefits shall cease with the last payment received by a retired employee during his lifetime unless the retired employee elected a reversionary annuity or an optional annuity provided in section 352.116, subdivision 3. The reversionary annuity and joint and last survivor annuity shall cease with the last payment received by the surviving spouse or beneficiary in his or her lifetime. If a retired employee had not selected an optional annuity and leaves a spouse surviving him, such spouse shall be entitled only to the annuity payment for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor under the optional annuity shall be entitled to the annuity payment for the calendar month in which the retired employee died.

[1957 c 928 s 9; Ex1959 c 6 s 7, 9, 20; Ex1961 c 67 s 10]

352.116 ANNUITIES DEPENDENT ON AGE. Subdivision 1. **Retirement before age 65.** Where any member retires prior to age 65, he shall be paid a retirement annuity in an amount equal to the normal annuity provided in section 352.115, subdivisions 2 and 3, or 352.63, as the case may be, reduced by one-half of one percent for each month that the member is under age 65 at the time of retirement.

Subd. 2. Retirement after age 65. Where any member retires after age 65, he shall be paid an annuity determined in the manner provided in section 352.115.

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

[1957 c 928 s 10; Ex1959 c 6 s 11; Ex1961 c 67 s 11]

352.117 SURVIVORS AND DEATH BENEFITS. Subdivision 1. **Surviving dependent spouse and dependent children.** Upon the death of a member before retirement or upon the death of a former member who was disabled and receiving

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disability benefits pursuant to section 352.113 at the time of his death who has had at least 18 months of credited allowable service, his surviving dependent spouse and dependent children under the age of 18 shall receive the monthly benefit provided below.

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

In addition to the amounts provided in (a) and (b) hereof, ten percent of the member's monthly average salary, not to exceed \$20 per month shall be paid to be divided equally among the dependent children. Payments for the benefit of any dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed \$250 for any one family. The surviving dependent spouse benefit shall terminate upon his or her remarriage, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

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

This subdivision does not apply to members who are liable for the payment of the social security tax based upon the salary or wages from which deductions are required for the retirement fund.

Subd. 2. Surviving spouse. Upon the death of a member before retirement who has had at least 20 years of credited, allowable service, his surviving spouse shall be paid a deferred annuity in an amount equal to 75 percent of the members annuity computed on the basis provided in sections 352.115, subdivision 3, and 352.63, subdivision 2 not to exceed \$150 per month. This annuity shall be paid when such surviving spouse reaches the age of 62 and shall terminate upon remarriage. The surviving spouse has the option, if qualified, to receive the benefits provided in subdivision 1 or the annuity provided in subdivision 2 but not both.

Subd. 3. [Repealed, 1959 c 162 s 3]
[1957 c 928 s 11; Ex1959 c 6 s 12, 17; Ex1961 c 67 s 12]

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

Subd. 2. Credit when no refundment made. If a member or former member dies without having designated a beneficiary or if the beneficiary should die before making application for refundment, and if there is no surviving spouse, and if the legal representative of such member or former member does not apply for refundment within five years from the date of death of the member or former member, the accumulated deductions to his credit at the time of death shall be credited to and become a part of the retirement fund.

Subd. 3. Refundment of \$500 or less. If a member or former member dies without having designated a beneficiary, or if the beneficiary should die before making application for refundment of the sum to the credit of such deceased member or former member, and the amount of the refundment 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 members, 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.

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Subd. 4. **Monthly installments.** The beneficiary or surviving spouse of any deceased member or former member entitled to receive a refundment shall have the option of having the amount due him paid in monthly installments in such amounts as may be agreed upon with the state employees retirement board.

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Subd. 5. **Death of former member.** If a former member of the association dies and he has not received an annuity or a retirement allowance, a refundment shall be paid to his designated beneficiary or, if there be none, to the representative of his estate in an amount equal to his accumulated deductions.

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Subd. 6. **Failure to select optional annuity or reversionary annuity.** If an annuitant dies who at the time of retirement selected neither an optional annuity or a reversionary annuity, there shall be paid to his designated beneficiary or, if there be none, to the representative of his estate, an amount equal to the excess, if any, of the accumulated deductions to the credit of the annuitant at the time of retirement over and above the aggregate of (1) all annuities and retirement allowances he had received and which had accrued in his lifetime, and (2) the annuity, if applicable, payable to his surviving spouse under section 352.115, subdivision 5.

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Subd. 7. **Deductions totaling more than annuity paid.** If an annuitant dies who at the time of retirement selected either an optional annuity or a reversionary annuity, and the total amounts paid thereunder are less than the accumulated deductions to the credit of the annuitant at the time of retirement, the balance of such accumulated deductions shall be paid to the person designated by the annuitant in writing to receive the same, but if no such designation has been made by the annuitant the remaining balance of such accumulated deductions shall be paid to the representative of his estate.

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Subd. 8. **Death of recent annuitant prior to effective date.** If an annuitant who retired subsequent to June 30, 1957, died prior to the effective date of this subdivision, there shall be paid to his designated beneficiary or, if there be none, to the representative of his estate, an amount equal to the excess, if any, of the accumulated deductions to the credit of the annuitant at the time of retirement over and above the aggregate of (1) all annuities he had received and which had accrued in his lifetime and, (2) payments made pursuant to Minnesota Statutes 1957, Section 352.117, Subdivision 3.

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

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

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352.13 ANNUITIES, ALLOWANCES; PAID MONTHLY. All annuities and retirement and disability allowances granted under the provisions of this chapter shall be paid in equal monthly installments and shall not be increased, decreased, or revoked except as provided herein.

[1929 c 191 s 15; 1931 c 351 s 1; 1933 c 326 s 1; 1935 c 238 s 13; 1941 c 391 s 12; 1951 c 441 s 25] (254-15)

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352.14 YEARS OF SERVICE AS A MEMBER. No member of the retirement association shall be entitled to receive an annuity or a retirement allowance until he shall have paid into the retirement fund by deductions from salary for a period of ten years after becoming a member.

[1929 c 191 s 16; 1931 c 351 s 1; 1933 c 326 s 1; 1935 c 238 s 14; 1941 c 391 s 13; 1949 c 644 s 16; 1957 c 928 s 19] (254-16)

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

[1929 c 191 s 17; 1931 c 351; 1933 c 326; 1935 c 238 s 15; 1941 c 391 s 14; Ex 1959 c 6 s 21] (254-17)

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

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

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352.17 GIFTS AND BEQUESTS RECEIVED. The retirement board is hereby authorized and empowered to credit to the retirement fund any moneys received in the form of donations, gifts, appropriations, bequests, or otherwise, or derived therefrom.

[1929 c. 191 s. 19; 1933 c. 326; 1935 c. 238 s. 17; 1939 c. 432 s. 6; 1941 c. 391 s. 16] (254-19)

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

[1929 c. 191 s. 22; 1933 c. 326; 1935 c. 238 s. 20; 1941 c. 391 s. 18] (254-22)

352.22 REFUNDMENTS OR DEFERRED ANNUITIES. Subdivision 1. Any member who ceases to be a state employee by reason of termination of state service, or who ceases to be a member by reason of his change in position covered by some other public retirement system of this state or any governmental subdivision of this state, shall be entitled to a refundment provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refundment may be made no sooner than 90 days after the termination of state service if the applicant has not again become a state employee required to be a member of the state employees retirement association.

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

Subd. 3. Any person with at least ten years of allowable service when such termination occurs may at his option leave his accumulated deductions in the fund and thereby be entitled to a deferred retirement annuity commencing at age 65. This annuity shall be computed in the manner provided in section 352.115 or 352.63 whichever applies, on the basis of allowable service prior to termination of service, but the provisions of section 352.28, subdivision 1, and section 352.63, subdivision 3, shall not apply thereto. Such deferred annuity shall begin on the first day of the calendar month following the month in which the application is filed in the office of the retirement association, but no application for a deferred annuity shall be made prior to the time the former member reaches the required age to entitle him to such annuity payment. Application for the accumulated deduction left on deposit with the fund may be made at any time after 90 days following the date of his termination of service.

Subd. 4. Former members who hold numbered certificates of deferred annuity and who again become members of the retirement association shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates. Former members who hold numbered certificates of deferred annuity may surrender them at any time prior to receiving an annuity and receive a refundment of their accumulated deductions upon application. Membership in the retirement association of any person shall terminate upon his ceasing to be a "state employee" whether by resignation, dismissal, retirement or termination of temporary or provisional appointment.

Subd. 5. The right of refundment provided in Laws 1957, Chapter 928, is not restricted as to time unless specifically provided and the statute of limitation does not apply thereto.

Subd. 6. The board of trustees shall pay to employees of the St. Paul-Minneapolis survival plan project who were unable to obtain retroactive coverage under social security from January 1, 1957, the sum of \$70.50 which represents the difference between the amount transferred and the maximum that would have been transferred had retroactive coverage been possible.

[1957 c 928 s 14; Ex1959 c 6 s 14, 15; Ex1961 c 67 s 13, 14]

352.23 TERMINATION OF RIGHTS. When any member accepts a refundment as provided in section 352.22, all existing service credits and all rights and benefits to which the member was entitled prior to the acceptance of such refundment shall terminate and shall not again be restored until the former member acquires not less than five years' allowable service credit subsequent to taking his last refundment. In that event, he may repay all refundments which he had taken from the retirement fund plus interest at four percent per annum compounded annually. Repayment of refundments will entitle the member only to credit for service covered by salary deductions. Credit for forfeited service prior to July 1,

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1929, and for forfeited military service credit may be obtained by making payments at a deduction rate of five percent based on the average salary upon which deductions for the retirement fund were based for the three-year period beginning with the date of first becoming a member of the association for service credit prior to July 1, 1929, and on the rate of salary received at the time of entering military service for military service credit.

[1957 c 928 s 15; Ex1959 c 6 s 22]

352.24 PAYMENTS TO RECEIVE CREDIT FOR PRIOR SERVICE. Subdivision 1. After July 1, 1961, no member shall be entitled to make payments in lieu of salary deductions to the retirement fund to receive credit for any period of service prior to that date for which employee contributions were not deducted from his salary. Prior to that date, credit for such service may be received in the manner provided in this section. After that date credit can only be received for services rendered for which employee contributions are made as a deduction from salary.

Subd. 2. Before July 1, 1961, any member may make payments to the retirement fund to receive credit in any case where those payments were authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239. The retirement board may make any agreement with the member it deems proper, providing for installment payments if the member cannot pay the amount due before the cut-off date. The amount of payment and interest rate charged to the member shall be as provided in Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239. These installment payments shall be made in full within five years or before termination of service whichever is sooner.

Subd. 3. Any member qualified to do so who failed to enter into an agreement with the retirement board on or before June 30, 1957, as provided in subdivision 2 of this section, may make the payment authorized therein without entering into an agreement with the retirement board, provided payment thereof is made on or before July 1, 1961. Such payment may be made either in a lump sum, or in installments as agreed upon with the retirement board.

Subd. 4. Any member who has made payment in installments in order to obtain additional service credit, and then fails to make the final payment on or before July 1, 1962, shall be entitled to have credit for all service for which the payments he has made will entitle him under the provisions of this chapter. In determining "the service for which the payments he has made will entitle him," service credit shall extend retroactively from the latest service for which he is making payment.

[1957 c 928 s 16; Ex1959 c 6 s 18]

352.241 REFUNDMENT OF AMOUNTS PAID TO RECEIVE ADDITIONAL SERVICE CREDITS. Any member qualified to do so, to whom section 352.24 of this chapter applies, who has made payment permitted by that section to obtain additional service credit as therein provided, who reaches the compulsory retirement age, under either the state civil service law or the compulsory retirement age fixed by the board of regents of the University of Minnesota or the state college board, prior to the time he has acquired ten years service credit as a member of the association, and who therefore would not be entitled to any retirement benefits under this chapter, shall upon his application in writing be entitled to refundment of the amount paid by him for such additional service credit.

[Ex1959 c 6 s 27]

352.25 MEMBERSHIP IN OTHER RETIREMENT FUNDS. Subdivision 1. Any state employee who is entitled to an annuity or pension from the public employees retirement fund shall be entitled to a retirement allowance or annuity from the state employees retirement fund provided no portion of the allowable service upon which the retirement allowance or annuity is based is also a requisite in establishing eligibility for benefits or pension from the public employees retirement fund. If the combined benefits from both retirement funds exceed the benefit which it would have been possible for the employee to obtain from either fund had all service been either as a state or a public employee, the amount of the benefit from both funds shall be reduced to the highest amount which could have been obtained from either fund. The reduction from each fund shall be in the same proportion as the period of service as a state employee and as a public employee is to the total period of service upon which both benefits are based.

Subd. 2. When any member of this association becomes a member of the state teachers retirement fund, his membership in the state employees retirement asso-

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ciation shall cease. If such member is entitled to service credit in the teachers retirement fund for the same period of service during which he was a member of the state employees retirement association, he shall be entitled to a refundment but not entitled to an annuity from the state employees retirement fund for such duplicated period of service.

[1957 c 928 s 17]

352.26 FINALITY OF BOARD'S DECISION; TEACHERS' RETIREMENT FUND, ELIGIBILITY. Subdivision 1. The final power to determine the status of any individual in the employ of the state for the purposes of this chapter is vested in the retirement board and its decision is final.

Subd. 2. Any individual who has made contributions to the retirement fund for a period of five years and who thereafter continuing in state service becomes eligible to membership in the state teachers retirement fund shall have the option of continuing as a member of the state employees retirement association if he so desires but in the event he exercises such option he shall not be entitled to membership in the teachers retirement fund.

Subd. 3. Any person who has made contributions to the retirement fund for a period of one year and who, after June 30, 1957, was required to become a member of the teachers retirement association while continuing in state service shall have the option of continuing as a member of the state employees retirement association. If he exercises this option, he shall not be entitled to membership in the teachers retirement association after the option is exercised. Any contributions made by such a person to and accepted by the state employees retirement association before the effective date of this act shall entitle such person to the allowable service reflected by these contributions and shall constitute membership service in the state employees retirement association if the option is so exercised. In such event, upon application, the teachers retirement association shall refund the accumulated deduction.

[1957 c 928 s 18; Ex1959 c 6 s 24; Ex1961 c 67 s 15]

352.27 CREDIT FOR MILITARY SERVICE. Any employee given a leave of absence to enter military service and who returns to state service upon discharge from military service as provided in Minnesota Statutes, Section 192.262, shall obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such member shall obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be six percent of his salary not to exceed \$4800 in any calendar year plus interest at four percent per annum compounded annually. Such payments shall be reduced by the amount of the social security tax that would have been transferred to the social security contribution fund for the calendar years 1956 and 1957, or any portion thereof, had the member been receiving salary from the state of Minnesota and assuming such salary received would have been the salary received upon his return to state service. In such cases the matching employer contribution and additional contribution provided in section 352.04 shall be paid by the department employing such member upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.

[1957 c 928 s 20; Ex1959 c 6 s 25]

352.28 OPTIONS AND OTHER RIGHTS FOR PREVIOUS SERVICE. Subdivision 1. Any person who on July 1, 1957, has ten or more years of allowable service as a member and whose deductions from salary continue at the rate in effect prior to that date, shall have the option when he retires either to receive the retirement benefits computed under Minnesota Statutes 1953, Section 352.11, Subdivision 1, paragraphs 3, 4 and 6 or the retirement benefits computed under sections 352.115 and 352.116.

Subd. 2. Any election made by a member prior to July 1, 1957, pursuant to Minnesota Statutes 1953, Section 352.11, Subdivision 1(5), as amended by Laws 1955, Chapter 239, Section 13, shall be continued in effect until the member retires. Provided, however, that upon the death before retirement of any member who had made such election the surviving spouse shall have the option of receiving the reversionary annuity provided under such election or the survivor's benefit provided in section 352.117.

Subd. 3. Upon the death of an annuitant who retired prior to July 1, 1957, there shall be paid to his last designated beneficiary or estate, as the case may be, a

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refundment as is provided in Minnesota Statutes 1953, Section 352.12, Subdivision 3, as amended by Laws 1955, Chapter 239, Section 16, or the refundment provided for by Minnesota Statutes 1953, Section 352.11, Subdivision 1(5) if a reversionary annuity is payable to a surviving spouse.

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

Subd. 5. In case any member who was removed from membership under the provisions of Minnesota Statutes, Section 352.021, Subdivision 1, died before he was returned to membership as provided in section 269.55, there shall be paid beginning upon the day following his death, to his surviving spouse and dependent children, the survivor benefits specified in Minnesota Statutes, Section 352.117, Subdivisions 1 and 2, provided application for such benefits are made on or before October 1, 1959; and provided further that if refundment of accumulated deductions has been made, such refundment shall be fully repaid to the association prior to the accrual of rights under this subdivision.

Subd. 6. (a) Any person who at June 30, 1957, was a member of the retirement association with credit for not less than five years service as such member and who because of age restrictions under the state civil service law was not permitted to continue in his employment through December 31, 1957, on which date he would have been covered under the provisions of the federal social security act had he been in such employer-employee relationship and a member of the retirement association on that date, shall be entitled to a retirement allowance from the retirement fund computed as provided in Minnesota Statutes 1953, Section 352.11, Subdivision 1(2) as amended by Laws 1955, Chapter 239, Section 13.

(b) The provisions of this subdivision shall also apply to any member of the retirement association who was not covered under federal social security on December 31, 1957, because the federal social security law did not permit it, and who, because of age restrictions under the state civil service law, was not permitted to continue his employment and was thereby prevented from being covered under the provisions of the federal social security act on October 31, 1958, as he would have been if in such employer-employee relationship and a member of the retirement association on that date.

(c) Application for any annuity authorized by this subdivision must be made on or before October 1, 1959; payments thereof to begin on the first day of the calendar month following the month in which the state service terminated.

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

[1957 c 928 s 21; Ex1959 c 6 s 26; Ex1961 c 67 s 16]

352.29 ALLOWABLE SERVICE, ANNUAL LEAVE, REFUNDMENTS. Any person whose service with the state has terminated and who has been paid for any unused portion of his annual leave allowance, the unused portion of his annual leave for which he was so paid shall be deemed allowable service if no refundment is taken. If application for refundment is made, the last working day is deemed the date state service terminates and credit for such service ceases on that date.

[1957 c 928 s 22]

352.30 [Repealed, Ex1959 c 6 s 34]

352.31 SALARY FOR PART OF CALENDAR MONTH. Any salary paid for a fractional part of any pay period is deemed compensation for the entire pay period unless state service has terminated.

[1957 c 928 s 24; Ex1961 c 67 s 17]

352.32 PRIOR SERVICE CREDIT PAYMENTS; PRIOR APPLICATIONS FOR BENEFITS. Subdivision 1. Payments heretofore made into the retirement fund in order to obtain service credit, by persons who became members of the association prior to July 1, 1951, shall for all purposes of Laws 1951, Chapter 441, Section 10,

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as amended, or of other provisions of this chapter, be declared to be in full compliance of all the provisions thereof.

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

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

352.33 RETIREMENT BOARD, BASIS FOR OPERATION. For all purposes except quarterly and biennial budgets the retirement board may operate on a calendar rather than a fiscal year basis. In changing the limitation of salary deductions from \$4,800 in any fiscal year to \$4,800 in any calendar year, the deductions from salary shall be limited to earnings of \$2,400 for the six months ending December 31, 1954, and to earnings of \$4,800 in any calendar year thereafter. Salaries in excess of \$4,800 in any calendar year for the purposes of this chapter means earnings shown on copies of payroll abstracts received at the office of the association from January 1 through December 31 of any year.

[1957 c 928 s 26]

352.34 UNPAID STATE AUDITOR'S WARRANTS CANCELLED. Any state auditor's warrant payable from the retirement fund remaining unpaid for a period of six years shall be cancelled into the retirement and not into the general revenue fund.

[1957 c 928 s 27]

352.35 REFUNDMENT, LIMITATION UPON TIME FOR APPLICATION. If a former member of the association does not apply for refundment within five years after the last deduction was taken from his salary for the retirement fund, and the total amount of his accumulated deductions is not over \$25, such accumulated deductions shall be credited to and become a part of the retirement fund. In the event the former member should return to state service and become a member of the retirement association, the amount so credited to the retirement fund shall be restored to his individual account.

[1957 c 928 s 29; Ex1959 c 6 s 29]

352.36 UNCLAIMED ANNUITIES RETURNED TO FUND. Subdivision 1. Any retirement allowance or annuity which is payable after the death of an annuitant shall be paid to the beneficiary whom the annuitant had last designated. If no beneficiary has been so designated, or, if the designated beneficiary should die before making claim for payment of such retirement allowance or annuity, and if there is no surviving spouse, and if the legal representative of such annuitant does not make such claim within five years, the amount of the retirement allowance or annuity payable to him at the time of his death shall be credited to and become a part of the retirement fund.

Subd. 2. If the beneficiary or beneficiaries of a deceased member or former member, or of an annuitant should die before receiving a refundment of the sum to the credit of the deceased member, former member or annuitant at the time of his death, the refundment shall be made to the estate of the deceased member.

[1957 c 928 s 31; Ex1959 c 6 s 30]

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

[1957 c 928 s 32]

352.38 FORMER MEMBERS; SERVICE ALLOWANCES. Subdivision 1. Any former member of the state employees retirement association having ten or more years of allowance service credit as a member thereof who made his application for retirement benefits prior to July 1, 1949, shall receive a service allowance of \$5 per year for each full year of allowable service. This service allowance shall be

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added to such former member's annuity payments but when so added shall not exceed the maximum retirement benefits provided by law at the time of such person's retirement.

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Subd. 2. The service allowance provided by this section shall be paid from and after July 1, 1957, to all former members qualifying, together with the equivalent of four percent of the amount due hereunder. In the event of death, for the period prior thereto, payment shall be made to the designated beneficiary, or, if there be none, to the representative of the estate of the former member.

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

[1959 c 124 s 1-3]

352.61 SCOPE AND APPLICATION. Subdivision 1. Sections 352.61 to 352.69 apply to any member of the state employees retirement association included in any agreement or modification made between the state and secretary of health, education and welfare making the provisions of the federal old age and survivor insurance act applicable to such member. Sections 352.61 to 352.69 also apply to any department or agency employing such member. Except as otherwise specifically provided in sections 352.61 to 352.69, the provisions of Minnesota Statutes, 1953, Chapter 352, shall apply.

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Subd. 2. Notwithstanding the provisions of any act to the contrary, Minnesota Statutes, Sections 352.61 to 352.69, shall apply to any member covered under the old age and survivors insurance provisions of the federal social security act pursuant to a waiver under section 3121(k) (1) of the internal revenue code; and said sections 352.61 to 352.69 shall likewise apply to any member whose salary or wages are subject to required deductions for contributions to the state employees retirement fund and for social security tax pertaining to the same employment applicable to the employees of the Minnesota historical society; the state horticultural society; veterans of foreign wars, department of Minnesota; and the Minnesota crop improvement association.

Subd. 3. The board shall pay out of the retirement fund to each of the employees of the Minnesota crop improvement association who are members of the state employees retirement association, a sum equal to the total of the employees' social security tax paid by them based upon salaries received from the said Minnesota crop improvement association, for the period January 1, 1956, to January 1, 1958, and the sum required to adjust the rate of contributions to the state employees retirement fund from six percent to three percent beginning January 1, 1958. The board shall also pay out of the retirement fund to the Minnesota crop improvement association the sum required to adjust the employer contribution from six percent to three percent beginning January 1, 1958, less an amount necessary for a corresponding adjustment in the employer additional contribution from one percent to two percent.

[Ex1957 c 19 s 1; 1959 c 362 s 1; 1961 c 217 s 1, 2]

352.62 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEES. Subdivision

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1. The employee contribution to the state employees retirement fund shall be an amount equal to three percent of the salary of each member not exceeding \$4,800 in any calendar year. This contribution shall be made by deduction from salary. No deduction shall be made from any salary in excess of \$4,800 in any calendar year. Where any portion of a member's salary is paid from other than state funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any calendar year.

Subd. 2. The employer contribution to the fund shall be (1) an amount equal to the total amount deducted from the salaries of members on each payroll abstract plus (2) an additional two thirds of the amount of such deductions.

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

[Ex1957 c 19 s 2; Ex1959 c 6 s 16; Ex1961 c 67 s 18]

352.63 RETIREMENT BENEFIT. Subdivision 1. The retirement annuity hereunder payable at age 65 thereafter shall be computed in accordance with the applicable provisions of the formula stated in subdivision 2 hereof, on the basis of the member's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

(a) For years prior to July 1, 1957, "average salary" for the purpose of de-

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termining a member's retirement annuity means the amount equivalent to the average of his highest salary upon which deductions were based for any five consecutive years prior to that date;

(b) For each year subsequent to June 30, 1957, "average salary" of a member for the purpose of determining his retirement annuity means his salary not exceeding in any one year \$4,800 and for which he had made contributions to the retirement fund by payroll deductions;

(c) Average salary in no case shall exceed \$4,800 per year.

Subd. 2. Average salary, as defined in subdivision 2, of any member multiplied by the applicable percentages indicated below shall determine the amount of retirement annuity to which the member qualifying therefor is entitled:

- | | |
|---|-------------------------------------|
| Years of allowable service: | Percentages at the rate of: |
| (a) First ten years | % of 1 percent per year of service. |
| (b) Second ten years of completed months of service less than such period | % of 1 percent per year of service. |
| (c) Third ten years of completed months of service less such period | 1.66 percent per year of service. |
| (d) Subsequent years or completed months of service less than such period | 1.75 percent per year of service. |

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Subd. 3. When any person retires who on July 1, 1957, had ten or more years of allowable service as a member and who does not qualify for old age and survivors primary benefits, he shall have the option to receive the annuity provided in subdivisions 1 and 2 or the annuity provided in Minnesota Statutes 1953, Section 352.11 as amended by Laws 1955, Chapter 239, but without rights to a reversionary annuity; provided however, that in the event he becomes eligible to receive the primary social security benefit, the provisions of section 352.63, subdivisions 1 and 2, shall apply for the purpose of ascertaining his retirement benefit under this section.

Subd. 4. When any person retires who on July 1, 1957, has ten or more years of allowable service as a member, he shall receive in addition to the annuity provided in subdivisions 1 and 2, an amount which when added to his old age survivors insurance primary benefit equals the annuity he would have received under Minnesota Statutes 1953, section 352.11 as amended by Laws 1955, Chapter 239.

[Ex1957 c 19 s 3; Ex1959 c 6 s 8, 10, 31]

NOTE: Waiver of pension benefits, see Section 353.70.

352.64 OPTIONAL RETIREMENT ANNUITIES. The retirement board shall establish an optional annuity at retirement which shall take the form of a joint and survivor annuity. The retirement board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Such optional forms shall be actuarially equivalent to the normal forms provided in section 352.63 based at age 65. In establishing these optional forms the board shall obtain the written recommendation of approved actuary and these recommendations shall be a part of the permanent records of the board.

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[Ex1957 c 19 s 4; Ex1961 c 67 s 19]

352.65 RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY. Any member who retires before he is eligible for social security retirement benefits, may elect to receive retirement benefits from the association in an amount greater than his normal annuity computed on the basis of his age when he retires provided in section 352.63. He shall exercise this option by making application to the board on a form provided by the board. This greater amount shall be the actuarial equivalent to the member's normal retirement annuity computed on the basis of his age when he retires. This greater amount shall be paid until the member reaches the age of 65 at which time the payment from the association shall be reduced. These annuities provided in this section shall be computed by an approved actuary.

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[Ex1957 c 19 s 5]

352.651 REFUNDMENTS TO PERSONS COMMITTED. Any member or former member, who is committed to a state hospital and has accumulated deductions to his credit at the time of commitment in an amount less than \$300 and is not entitled to any annuity or benefit under Minnesota Statutes, Chapter 352, may receive a refundment. A state hospital means, for the purpose of this section, any hospital under the administration and management of the commissioner of public

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welfare for the care of the mentally ill, senile or inebriate persons. The application for such refundment shall be made by the superintendent of the state hospital in behalf of the former member. The refundment shall be paid to the superintendent for the care and custody of such former member in accordance with the powers and authority of the superintendent provided in section 246.15. The refundments provided in this section shall only be paid to the superintendent if a guardian has not been appointed for the former member.

[*Ex*1961 c 67 s 21]

352.66 PAYMENTS AFTER DEATH.

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

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

Subd. 3. Under the terms of sections 352.61 to 352.69 there are no survivor's benefits payable as such to the surviving spouse or dependent children of any deceased member. However, any member may provide for payments to a surviving spouse or any dependent child by selecting an appropriate optional or reversionary annuity payable after his death to any such person in the manner authorized by the board as provided in section 352.64.

[*Ex*1957 c 19 s 6]

352.67 DISABILITY BENEFITS. The disability benefit shall be computed in the manner provided in section 352.63. The total disability benefit paid shall be limited to 50 percent of the salary upon which it is based. The disability benefit shall be the "normal" annuity without reduction for each month the member is under age 65 at the time of retirement. The optional annuities provided for in section 352.64 and the provision in section 352.113, that "benefits computed under subdivision 2 of this act shall be reduced by the amount of disability benefits paid under the federal act" do not apply to this section. Members whose total and permanent disability shall have been established prior to July 1, 1961, shall continue to receive the disability benefits provided by the law then in effect so long as the total and permanent disability continues.

[*Ex*1957 c 19 s 7; *Ex*1959 c 6 s 32; *Ex*1961 c 67 s 20]

352.68 MILITARY SERVICE CREDIT. After any agreement or modification is made pursuant to section 352.69, an employee given a leave of absence to enter military service and who returns to state service upon discharge from military service as provided in Minnesota Statutes, Section 192.262 shall obtain credit for his period of military service but he shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. Such members shall obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be three percent of his salary not to exceed \$4800 in any calendar year plus interest at four percent per annum compounded annually. In such cases the matching employer contribution and additional contribution shall be paid by the department employing such member upon his return to state service from funds available to the department.

[*Ex*1957 c 19 s 8; *Ex*1959 c 6 s 33]

352.69 EFFECTIVE DATE; APPLICATION. Sections 352.61 to 352.69 take effect on the date any agreement or modification is made between the state and secretary of health, education and welfare making such agreement or modification applicable, to service performed in position covered by the state employees retirement association after a referendum was held and a majority voted in favor thereof. Sections 352.61 to 352.69 shall apply to any coverage group consisting of members of the state employees retirement association included in any such agreement or modification.

[*Ex*1957 c 19 s 9]

NOTE: See Chapter 269 for Social Security coverage.

352.71 RETROACTIVE SOCIAL SECURITY TAX, PAYMENT. Subdivision 1. Any person who was a member of the retirement association on December 31, 1957, and who prior thereto had taken a refundment or refundments of his accumulated salary deductions for the calendar years 1956 and 1957 or any part thereof, with the result he did not then have to his credit in the fund the sums required for the retroactive social security tax for those years or any part thereof, is required to pay into the retirement fund a sum sufficient to pay such social security tax with interest at four percent per annum; and any such person who again left state service without having made the payment required for the retroactive social security tax and

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without having had deducted from his salary for the retirement fund a sum sufficient to pay such tax, is required to pay to the association such tax with interest at four percent per annum.

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

[Ex1959 c 6 s 28]

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

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

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

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

[Ex1961 c 67 s 22]

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