

CHAPTER 354A

TEACHERS RETIREMENT, CERTAIN CITIES

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

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

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

[1909 c. 343 s. 2] (1359)

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

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

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

[1909 c. 343 s. 4] (1361)

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

In any city of the first class where no automatic or compulsory retirement plan affecting such teachers has been established, every teacher coming within the provisions of this act who shall have attained the age of 70 years as of June 30, 1942, and any teacher who shall have attained the age of 69 years as of June 30, 1943, and any teacher who shall have attained the age of 68 years as of June 30, 1944, and thereafter any teacher who shall have attained the age of 68 as of June 30 of any year, shall be automatically retired and severed from the service in the respective school system.

In any city of the first class, the plan, subject to the approval of the city council of such city, may provide that any member applying for an annuity shall be entitled

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to an annuity on the single life plan, or its actuarial equivalent under any optional method of retirement provided in the articles of the association, from city deposits at least equal to \$2 per month for each year of teaching service in such city. Such annuity payments shall not commence until the member has reached the age of 55 years, and has completed 20 years of teaching service in such city, or until the member has reached the age of 62 years if he has not completed 20 years of teaching service in such city. Where the aggregate of the city deposit to the credit of such member will not provide the minimum annuity prescribed, the city deposit shall be increased in the year of retirement to the amount necessary to provide such minimum annuity. Except as herein provided, the provisions for city deposits in such plan in any city of the first class shall not be altered by the provisions of this paragraph. City deposits as used herein is hereby defined as that portion of the fund to be raised by taxation upon the property of the city.

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

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

**354A.06 TAX LEVIES.** When the plan is adopted, and the association is formed and incorporated, the proper officers of the association shall certify annually to the proper authorities, who have charge of the levying of taxes for school purposes in the city and in the county in which the city is located, the amount which it will be necessary to raise by taxation in order to carry out the plan so adopted, for the coming year, and it shall be the duty of the authorities so having charge of the levying of taxes to include in the tax levy for the ensuing year, a tax in addition to all other taxes, the rate allowed to be levied or expended for the cost of government by the charter of any city affected by Laws 1945, Chapter 390, sufficient to produce so much of the sum so certified as the said authorities having charge of the levying of taxes for school purposes in said city shall approve; provided, that any portion of the sum so certified which is not included in the tax so levied and collected shall be increased with interest at the rate currently earned on the invested funds of the association and added to the amount certified for the ensuing year, and provided that in cities other than those of the first class to which this law is applicable, the tax shall in no event exceed one-thirtieth of a mill upon each dollar of the assessed value of all taxable property of the city unless the authorities having charge of the levying of taxes for school purposes in such last mentioned cities shall determine that a larger tax than one-thirtieth of a mill upon all taxable property of the city should be levied, in which event the amount so determined shall be levied, which shall in cities other than cities of the first class, in no event exceed one-tenth of a mill upon each dollar of the assessed value of all taxable property of the city. The tax shall be collected as other taxes are collected in the city and when so collected paid over to the treasurer of the association to be held and disbursed in accordance with the provisions of the plan so to be adopted.

[1909 c 343 s 6; 1911 c 383; 1917 c 300; 1919 c 144; 1921 c 303; 1923 c 310; 1935 c 111 s 2; 1945 c 390 s 2; 1949 c 523 s 1; 1955 c 722 s 1; 1957 c 655 s 1; 1973 c 773 s 1; 1974 c 214 s 1] (1363)

**354A.07 STATE AID FOR BENEFITS.** Subdivision 1. The provisions of this section apply to teachers retirement fund associations and the benefits provided thereby in cities of the first class in which the teaching body thereof has established and incorporated such an association under the provisions of sections 354A.01 to 354A.10.

Subd. 2. Notwithstanding any of the provisions of section 354A.06, before the proper officials of the association make the certification to the authorities having charge of levying taxes for school purposes as provided in section 354A.06, and in no case later than September 15 of each year, it shall furnish a copy of the certification which it proposes to make to the commissioner of finance and at the same time furnish the commissioner of finance with the number of teachers in the association who are currently contributing to the fund of such association, the amount of the annual salary of each of such teachers, the amount of each teacher's contribution and such other information as the commissioner of finance may from time to time require.

From such information the commissioner of finance shall determine the state's obligation as prescribed in subdivision 3 and shall pay the same to the association from the general fund in the state treasury and so much thereof as may be neces-

sary to annually make such payment is hereby appropriated to the commissioner of finance for such purpose. This payment shall be made no later than October 15 of each year. When the association receives such payment from the commissioner of finance it shall deduct the amount thereof from the amount it proposes to certify to the proper authorities having charge of the levying of taxes for school purposes as provided for in section 354A.06 and the amount necessary to raise by taxation in order to carry out the retirement plan of the association shall be reduced by the amount of the state's payment.

Subd. 3. The state's obligation under this section to a teachers retirement fund association in a city of the first class is an amount equal to the average amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay annually for all contributing members of the state teachers retirement association including social security taxes. This percentage of payroll shall be based on annual estimated payroll amounts and certification information prepared by the state teachers retirement fund association for the current year, including social security taxes paid the previous year. This percentage of payroll shall be applied to total salary as reported in the annual salary information furnished by each teachers retirement association in a city of the first class to the commissioner of finance in compliance with subdivision 2 to determine the state's obligation to each teachers retirement fund association in each city of the first class. Any amount by which subsequent actual experience may deviate from the amounts allocated through the foregoing estimates shall be adjusted on succeeding allocations to said associations in cities of the first class. In no event shall the state's obligation be in excess of the amount required to be certified by such associations under applicable law to the proper authorities who have charge of the levying of taxes for school purposes.

Subd. 3a. Notwithstanding the provisions of subdivisions 1, 2 and 3, the state's obligation under this section to a teachers retirement fund association in a city of the first class which has a fully coordinated teachers retirement social security fund is an amount equal to the average amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay annually for all contributing members of the state teachers retirement association including social security taxes. This percentage of payroll shall be based on annual estimated payroll amounts and certification information prepared by the state teachers retirement fund association for the current year, including social security taxes paid the previous year. This percentage of payroll shall be applied to total salary as reported in the annual salary information furnished by the teachers retirement association to the commissioner of finance in compliance with subdivision 2, to determine the state's obligation to the teachers retirement fund association. Any amount by which subsequent actual experience may deviate from the amounts allocated through the foregoing estimates shall be adjusted on succeeding allocations to the association. The yearly amount received by the association shall then be apportioned in the following manner:

(a) To the teachers retirement fund association, that amount expressed in dollars equivalent to the portion of the state's obligation as determined under this subdivision that results from the payment by the state to the state teachers retirement association, exclusive of social security taxes.

(b) To Independent School District No. 709, St. Louis county, that amount expressed in dollars equivalent to the portion of the state's obligation as determined under this section that results from payment by the state of social security taxes on contributing members of the state teachers retirement association.

Subd. 4. The allocation of the commissioner of finance to a teachers retirement fund association in a city of the first class as provided in subdivision 3 shall be reduced by an amount obtained by applying the percentage of payroll calculated in subdivision 3 to that portion of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. Before such allocation may be made, each teachers retirement fund association in a city of the first class shall furnish to the commissioner of finance a satisfactory certification which shows the total of all salaries paid which are subject to teachers retirement deductions. Such certification shall also show the total amount of salaries paid from normal school operating funds and the total amount of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. For each individual salary included in the total of all salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27, the certifi-

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cation shall show each person's name, his salary or related portion of salary and amount of employer contributions determined by applying the percentage of payroll calculated in subdivision 3 to such salary. Such amount of related employer contributions shall be remitted to the state teachers retirement association by the commissioner of finance until the amount of these remittances and those described in section 354.43, subdivision 3 are equal to the social security receivable as defined in section 354.05, subdivision 29.

[*Ex*1967 c 32 art 3 s 3; 1969 c 328 s 1, 2; 1969 c 399 s 45; 1969 c 485 s 38; 1971 c 535 s 2; 1973 c 492 s 14; 1974 c 213 s 1; 1974 c 289 s 16]

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

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

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

[1909 c 343 s 8] (1365)

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

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

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

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

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