

EXTRA SESSION  
CHAPTER 15—S. F. No. 7

[Coded]

*An act relating to the teachers retirement fund, and appropriating money therefor.*

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

Section 1. [135.31] **Scope and application.** This act applies to any member of the teachers 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 survivors insurance act applicable to such members. This act also applies to school district or institution employing such member. Except as otherwise specifically provided in this act, the provisions of Minnesota Statutes 1953, Sections 135.01 to 135.13 as amended by Laws 1955, shall apply.

Sec. 2. [135.32] **Contributions by employer and employee.** Subdivision 1. The employee contribution to the teachers retirement fund shall be an amount equal to three percent of the salary of every member. This contribution shall be made by deduction from salary. No deduction shall be made from any salary in excess of \$4,800 in any fiscal year. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received limited to \$4,800 in any fiscal year.

Subd. 2. The employer contribution to the fund shall be an amount equal to three percent of the salary of each member not exceeding \$4,800 in any fiscal year.

Subd. 3. An additional contribution shall be made to the fund based on the salary of each member not to exceed \$4,800 in any fiscal year for the purpose of amortizing the deficit in the fund. The amount of the additional contribution shall be as follows:

For years

- (a) 1957-59 ..... 1¾ percent
- (b) 1960-64 ..... 1¼ percent
- (c) 1965-69 ..... ¾ percent
- (d) 1970-74 ..... ¼ percent
- (e) 1975 and after ..... 0 percent

**Sec. 3. [135.33] Computation of retirement annuities.** Subdivision 1. The amount of the retirement annuity is an amount equal to the annuity which could be purchased by the member's accumulated deductions, the employer's contribution surplus and interest as set forth in paragraphs (a) and (b) of this subdivision. The retirement purchase rates shall be based on the 1937 standard annuity table of mortality set back two years, with interest at the rate of three percent and calculated separately as to sex. The accumulated deductions, employer's contribution surplus and interest earned shall be computed as follows:

(a) the members accumulated deductions plus interest to the date social security became effective, plus interest to the date of retirement, and

(b) the members accumulated deductions plus the employer's contribution from the date of social security coverage plus interest to the date of retirement.

(c) Surplus credited to the member's individual account annually as provided in subdivision 2, with interest to the date of retirement.

**Subd. 2.** The board shall annually credit to each member's individual account an amount pro rated which represents the net accumulation or surplus in the fund other than interest. This surplus shall include the actuarial liability saved by reason of the discontinuance and reduction of survivors and disability benefits, the net amount of employers contributions of members who have withdrawn from the fund taking a refundment of their accumulated deductions plus other accumulations less the amounts expended by the fund as authorized by law.

**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 subdivision 1 or the annuity provided in Minnesota Statutes 1953, Sections 135.01 to 135.13, as amended by Laws 1955.

**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 Subdivision 1, an amount which when added to his old age survivors insurance primary benefit equals the annuity he would have received under Minnesota Statutes 1953, Sections 135.01 to 135.13, as amended by Laws 1955.

**Sec. 4. [135.34] Optional retirement annuities.**

The retirement board shall establish optional annuities at retirement which shall take the form of an annuity payable for a period certain and for life thereafter; or as a joint and survivor annuity. Such optional forms shall be actually equivalent to the normal forms. In establishing these optional forms the board shall obtain the written recommendation of an approved actuary and these recommendations shall be a part of the permanent records of the board.

**Sec. 5. [135.35] 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 annuity computed on the basis of his age when he retires provided in section 3. He shall exercise this option by making an application to the board on a form provided by the board. This greater amount shall be the actuarial equivalent of the member's annuity computed on the basis of his age when he retires. The 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.

**Sec. 6. [135.36] Payments after death. Subdivision 1.** Where a member dies before retirement there shall be paid to his beneficiary or legal representative, as the case may be, an amount equal to his accumulated deductions plus interest credited to this amount to the date of death.

**Subd. 2.** Where a former member dies after retirement a death benefit shall be paid in accordance with his optional annuity selected pursuant to section 4 or any other reversionary annuity selected by the member before retirement.

**Subd. 3.** Under the terms of this act there are no survivors 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 annuity payable after his death to any such person in the manner authorized by the board as provided in section 4.

**Sec. 7. [135.37] Disability benefits.** The amount of the disability benefit shall be \$90 per month until the member reaches the age of 50. In addition he shall receive an annuity based on his age when he is disabled, computed in the manner provided in section 3 with interest computed as provided in paragraphs (a) and (b) of that section to the date of disability rather than the date of retirement.

**Sec. 8. [135.38] Military service credit.** After any agreement or modification is made pursuant to Section 9, an employee given a leave of absence to enter military service and who returns to teaching 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 \$4,800 in any fiscal year. In such cases the matching employer contribution and additional contribution shall be paid by the school district or institution employing such member upon his return to teaching service.

**Sec. 9. Effective.** This act takes effect on the date any agreement or modification is made between the state and the secretary of health, education and welfare making such agreement or modification applicable to service performed in positions covered by the teachers retirement association after a referendum was held and a majority voted in favor therefor as provided by law. This act shall apply to any coverage group consisting of members of the teachers retirement association included in any such agreement or modification.

Approved May 2, 1957.

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## EXTRA SESSION

### CHAPTER 16—S. F. No. 8

[Coded in Part]

*An act relating to the teachers retirement fund; and appropriating money therefor; amending Minnesota Statutes 1953, Sections 135.01, 135.09 as amended; repealing Minnesota Statutes 1953, Sections 135.02, 135.05 as amended; 135.06 as amended; 135.07 as amended; 135.10 as amended; 135.11 Subdivision 2, as amended.*

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

Section 1. Minnesota Statutes 1953, Section 135.01, Subdivision 2, is amended to read: