

Sec. 33. **Auditor and treasurer to pay inheritance taxes to counties.**—The state auditor and state treasurer are hereby authorized to pay to the county treasuries of the several counties of the state on or before November 1, 1932 and 1933, the amounts due the respective counties as their share of the state inheritance tax under the provisions of Section 21-D, Chapter 209, General Laws 1911, and acts amendatory thereof.

Sec. 34. **Executive council may borrow money.**—Whenever it becomes necessary in order to meet the current demands upon the revenue funds for the payment of appropriations, the executive council may, at any time, prior to June 30, 1933, make such agreement with banks or other corporations or persons as they may deem advisable and necessary to pay warrants issued against said revenue fund, pursuant to any such appropriation prior to the time when the money to meet such appropriation comes into the state treasury and whenever any warrants are so issued for the accommodation of the state, and paid, the money necessary to pay interest upon the amount of such warrants from the time when such payment was made until the money to redeem such warrants comes into the state treasury at the rate agreed upon by said executive council is hereby appropriated.

Sec. 35. This act shall take effect and be in force from and after its passage.

Approved April 23, 1931.

CHAPTER 307—S. F. No. 978

An act to establish a public employes retirement fund, to authorize deductions from salaries therefor and the payment of annuities and benefits therefrom, to provide for the management of said fund by a retirement board, and to define the powers and duties of such board.

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

Section 1. **Definitions.**—That the following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meaning:

1. "Public Employe" shall mean any person holding a position, either elective or appointive, as a

(a) county employe or officer in any county and/or

(b) city employe or officer in any public department or public school in any city of the first, second or third class, whether now or hereafter operating under a home rule charter or otherwise, and/or

(c) village employe or officer in any village having a population of over seven thousand (7,000) inhabitants and/or

(d) public school employe or officer in any school district wholly within any such city or such village whose salary is paid in whole or in part by taxation, or by fees, assessments or revenues from public service and who is not otherwise covered by any other form of public annuity or public pension system, but not to include temporary employes or persons whose average period of employment in any one year is less than six (6) months.

2. "Head of Department" shall mean the head of any department, institution, or branch of public service which directly pays salaries out of its income or which prepares and approves salary abstracts of its employes.

3. "Accumulated Deductions" shall mean the total of the amounts deducted from the salary of a member and the total amount of assessments paid by a member in lieu of such deductions and credited to his or her individual account in the retirement fund, without interest.

4. "The Retirement Fund" shall mean and include the aggregate of all accumulated deductions from the salaries of members of the retirement association, all assessments paid by such members in lieu of such deductions, and all other monies paid into the state treasury or received by the retirement board pursuant to the provisions of this act, together with all income and profits therefrom and interest thereon.

Sec. 2. Public employees retirement association established.
—There is hereby established a public employes' retirement association, the membership of which shall consist only of public employes. Membership in said association shall be optional on the part of the present public employes, but all new public employes except elective public officers shall become members of said association by acceptance of public employment. Present employes who apply for membership in the retirement association prior to January 1, 1932,

shall pay a membership fee of One (\$1.00) Dollar and present employes who apply for membership therein after January 1, 1932, shall pay a membership fee of Ten (\$10.00) Dollars, but no present employe shall be eligible to apply for membership in the retirement association after July 1, 1933. In addition to such membership fee, every present employe who becomes a member of the retirement association shall pay in a sum equal to all accrued deductions from his or her salary which would have been made had such employe become a member of the retirement association July 1, 1931, with interest thereon at the rate of five per cent (5%) per annum compounded annually.

Sec. 3. Board of directors—membership—terms.—The management of the said public employes retirement fund is hereby vested in a board of nine (9) members, who shall be known as the Public Employes Retirement Board. Said Board shall consist of the state auditor, the state insurance commissioner, the state treasurer, and six (6) public employes who shall be elected by the members of the retirement association at a time and in a manner to be fixed by the retirement board. The members of said board so elected shall hold office for a term of three (3) years and until their successors are elected and qualified; provided that at the first (1st) election held after the passage of this act, two (2) of said members shall be elected for a term of one (1) year, two (2) members for a term of two (2) years, and two (2) members for a term of three (3) years. Within thirty (30) days after the passage of this act, at the call of state auditor, said association shall meet and elect the six (6) members to the retirement board. The members of the retirement board 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 such board. The board shall elect a chairman and shall appoint a secretary and such other employes as may be necessary and fix their compensation. The board shall, from time to time, subject to the limitations of this act and of the law, establish rules and regulations for the administration of the retirement and other provisions of this act and for the transaction of its business.

Sec. 4. Retirement fund.—Every member of the retirement association shall pay into the retirement fund three and one-half per cent (3½%) of his or her regular salary. Such payment shall be made by deduction thereof from such salary. The head of each department is hereby directed to cause such deductions to be made

at least once each month on abstract from the salary of each member of the retirement association and to approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by said abstract, provided that deductions from salaries of employes paid direct by any department, institution or agency shall be made by the officer or employe authorized by law to pay such salaries and remitted by him to the state treasurer with a statement in duplicate showing the amount of each of such deductions and the names of the employes on whose account the same have been made. Deductions from the salaries of district court reporters shall be made by the several county auditors of the state. Each county auditor of the state shall make such deduction from the amount of each warrant issued by him in payment of the salary of a district court reporter and shall on or before the fifteenth (15th) day of each month issue a warrant to the order of the state treasurer for the aggregate amount of all such deductions made by him during the preceding month and shall transmit the same to the state treasurer with a statement in duplicate showing the amount of each of such deductions and the names of the district court reporters on whose account the same have been made, provided that the deductions from the salary of a district court reporter in a judicial district consisting of two or more counties shall be made by the auditor of the county in which the bond and official oath of such district court reporter are filed from the portion of his salary paid by such county. All salary deductions shall be credited to a fund to be known as the retirement fund and all interest and other income of said association shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said association and the annuities herein provided upon retirement shall be paid only from said fund.

Sec. 5. State treasurer to be custodian of funds.—The state treasurer shall be ex-officio treasurer of the retirement funds of said association and his general bond to the state shall be so conditioned as to cover all liability for his acts as treasurer of said funds. If the general bond of the state treasurer, at the time of the passage of this act, shall cover all liability for his acts as treasurer of said funds, no additional bond shall be required. If not, the said state treasurer shall execute to the State of Minnesota for the use and benefit of said State of Minnesota and all persons injured by failure to observe its conditions, a penal bond in such a sum as may be fixed by the retirement board and with such sureties as the governor and the state auditor may approve, conditioned that he

will pay over to all persons on demand all monies to which they may be entitled which may have come into his hands in virtue or by reason of his office as such treasurer of said funds. All monies of said association received by him shall be set aside in the state treasury to the credit of the proper fund. He shall transmit monthly to the secretary of the retirement board a detailed statement of all amounts so received and credited by him to said fund. He shall pay out said fund only on warrants issued by the state auditor, upon vouchers signed by the secretary of the retirement board, provided that vouchers for investment may be signed by the secretary of the state board of investment.

Sec. 6. State board of investment to invest funds.—The retirement board shall from time to time certify to the state board of investment for investment such portions of the retirement fund as in its judgment may not be required for immediate use. The state board of investment shall thereupon invest the sum so certified in such securities as are duly authorized as legal investments for savings banks and trust companies, and shall sell any such securities upon request of the retirement board when necessary to provide money for the payment of refunds or annuities to members and for other lawful obligations.

Sec. 7. Heads of departments to make monthly statements.—Within ninety (90) days after the passage of this act, the heads of departments shall submit to the retirement board a statement showing the name, age, sex, title, compensation, and the length of service of every public employe in his department as defined in Section 1 of this act, and on the first (1st) day of each calendar month thereafter shall furnish the retirement board a like statement of all new officers or employes who have entered the public service, and at the same time shall notify the board of all removals, withdrawals and changes in salaries of any members of the retirement association which have occurred during the preceding month, and shall furnish to said board a like statement of all new officers or employes who have entered the service as public employes.

Sec. 8. Attorney General to be legal advisor.—The attorney general shall be the legal advisor of the retirement board.

Sec. 9. Payments upon retirement.—Whenever any member of said association shall cease to be a public employe for any reason other than death or retirement for disability or superannuation, he shall be paid, on demand, the full amount of the accumulated de-

ductions standing to the credit of his or her individual account, provided that any such member who has been in the public service for not less than five years may, in lieu thereof, upon application in writing to the retirement board within sixty (60) days from the termination of his or her employment, be permitted to retain membership in the retirement association and to enjoy all the rights and privileges thereof upon such terms and conditions as to his employment and the payment of assessments in lieu of salary deductions as the retirement board may by general rule prescribe. Any member of the retirement association who has maintained his or her membership after leaving the public service by the payment of such assessments may terminate such membership by notice in writing to the retirement board, whereupon he or she shall be paid on demand, the full amount of the accumulated deductions standing to the credit of his or her individual account.

Sec. 10. Forfeited rights shall be restored.—Whenever a public employe, who has so withdrawn his accumulated deductions shall re-enter the public service within five (5) years after such withdrawal, the annuity rights forfeited by such employe at the time of such withdrawal shall be restored upon repayment by such employe to the retirement fund of the full amount so withdrawn, and thereupon such employe shall resume his or her obligation as a member of the retirement association.

Sec. 11. Retirement.—Whenever any member of the retirement association has been a public employe for a period of twenty (20) years and has attained the age of sixty-five (65) years, or when any such employe has been a public employe for a period of thirty-five (35) years, he shall be eligible for retirement for superannuation, but such retirement shall not be compulsory, provided that in computing such term of service, the time during which any member of the association shall have maintained his membership by the payment of assessments after leaving the service as a public employe, in lieu of deductions, shall be included. Such retirement shall be made upon application of the member or of someone acting in his or her behalf, or in the case of any employe in active service upon the application of the head of the department in which such member is employed. Except as in this act otherwise provided upon such retirement such member shall receive an annuity for the remainder of his or her life equal to fifty (50) per centum of his or her average salary during the last five (5) years of public service, provided that no such retirement annuity shall exceed the sum of

one hundred and fifty (\$150.00) Dollars per month. If the total of annuities shall during any year become greater in amount than the annual contributions, the retirement board shall proportionately reduce the amount of annuities.

Sec. 12. Partial and permanent disability.—Whenever any member of the retirement association, who has been a public employe for a period of ten (10) years or more, or whose term of service added to the period of time during which he has maintained membership in said association by the payment of assessments in lieu of salary deductions as herein provided amounts to ten (10) years or more, and is under the superannuated retirement age, shall suffer a total permanent disability as defined in the workmen's compensation act, regardless of the cause thereof, such member shall be entitled to a retirement annuity in an amount bearing the same ratio to the full retirement annuity for superannuation as his term of service augmented by the period during which he has maintained membership as herein provided bears to twenty (20) years, provided that when his term of service has been more than twenty (20) years he shall be entitled to no more than the full retirement annuity; and whenever such member shall suffer a permanent partial disability, regardless of the cause thereof, such member shall be entitled to an annuity in such percentage of the amount computed as aforesaid in case of total permanent disability as in the judgment of the retirement board shall measure the decrease in his earning capacity caused by such permanent partial disability.

Sec. 13. Medical examination.—The retirement board shall require a medical examination of all applicants for retirement for disability under such general rules and regulations as it may prescribe, and may provide therein for the discontinuance of any disability annuity and the forfeiture of all rights under the act in case of persistent refusal to submit to such examination.

Sec. 14. Heirs or legal representatives to receive benefits of fund.—Whenever any member of said association shall die without having received an annuity, or without having received in annuities an amount equal to the total amount of the accumulated deductions from his or her salary, the full amount of said accumulated deductions, less such annuity payments, if any, as have been paid to such member, shall be paid in one lump sum to the beneficiary or beneficiaries designated by such member, or, if none, to the legal representatives of such member, upon establishment of a

valid claim therefor. Provided, however, that if no valid claim is established therefor, the said accumulated deductions shall remain with and become the property of the said retirement association.

Sec. 15. Annuities payable monthly.—All annuities granted under the provisions of this act shall be paid in equal monthly installments, and shall not be increased, decreased or revoked except as provided in this act. All annuities for disability shall be in addition to any benefits accruing to a public employe under the workmen's compensation act.

Sec. 16. Retirement to begin July 1, 1935.—No retirement annuity on account of superannuation shall be granted under the provisions of this act until July 1, 1935, nor shall any member of the retirement association be entitled to receive a retirement annuity for superannuation until he shall have paid into the retirement fund, either by deductions from salary or otherwise before such retirement, an amount equal to five (5) years accumulated deductions from his or her average salary during the last five (5) years of public service, and such additional amount as may be provided by law prior to July 1, 1935. Provided, however, that if any member who is eligible for superannuation has contributed to the retirement fund for a period of less than twenty (20) years, he shall receive a retirement annuity in an amount bearing the same ratio to the full retirement annuity that the period of his salary deductions bears to twenty (20) years. Provided, further, that whenever any member who has contributed to the retirement fund for a period of five (5) years shall have paid into the said fund an amount equal to twenty (20) years accumulated deductions, together with interest on the same computed at the rate of five per cent (5%) per annum, such member if otherwise entitled to retirement by reason of superannuation, shall be entitled to receive a full retirement annuity. Provided further that until July 1, 1935, nothing done under the terms of this act shall create or give any contract rights to any person, except the right to receive back upon withdrawal from the association through separation from the public service any salary deductions made or assessments paid hereunder. If total of annuities shall during any year become greater in amount than the annual contributions, the retirement board shall proportionately reduce the amount of annuities.

Sec. 17. Disability retirement to begin July 1, 1941.—No retirement annuity on account of disability as provided for in section 12 of this act shall be granted until July 1, 1941.

Sec. 18. **Annuities not assignable.**—None of the monies, annuities or other benefits provided for in this act shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, nor shall the same be subject to any state income tax.

Sec. 19. **Insurance laws do not apply.**—None of the laws of this state regulating insurance or insurance companies shall apply to the retirement association or any of its funds.

Sec. 20. **Board may accept contributions, etc.**—The retirement board is hereby authorized and empowered to credit to the fund any monies received in the form of contributions, donations, gifts, appropriations, bequests or otherwise; and every member of said retirement association who shall fail to demand the amount of his accumulated deductions within two (2) years after his separation or withdrawal from the public service shall be deemed to have donated the same to the retirement fund, unless he shall have retained his membership in the retirement association, as hereinbefore provided.

Sec. 21. **Provisions separable.**—If any provision of this act shall be held to be unconstitutional, such unconstitutionality thereof shall not affect the validity of the remaining parts of this act.

Sec. 22. **Board may make regulations.**—Any changes or additions which may be found necessary or advisable for the management of this association, may be made by a majority vote of the retirement board, provided that no increase is made in the amount of deductions from salaries, nor decrease in the amounts of benefits authorized under and pursuant to this act.

Sec. 23. **Penalties for false information.**—Any person who shall give any false information to the retirement board or any officer or agent of the said retirement association for the purpose of obtaining membership in such association, or any person, who shall wilfully fail or refuse to perform or discharge any duty prescribed by this act, shall, upon conviction thereof, be guilty of a misdemeanor.

Sec. 24. **Application.**—The provisions of this act shall not apply to any county, city, village or school district, or the employes thereof, until and unless

(a) the county board or board of county commissioners in the case of county employes, or

(b) the governing body of any city of the first, second or third class, in the case of city employes employed in any city department or in public schools under the direct supervision and control of the governing body of any such city, or

(c) the governing body of any village having a population of over seven thousand (7,000) inhabitants in the case of employes of any such village, or

(d) the governing body of any school district wholly within any city of the first, second, or third class, or village having a population more than seven thousand (7,000) inhabitants, where the affairs of such school district are not under the direct supervision and control of any such city or any such village, in the case of public school employes, shall have duly approved, prior to July 1, 1933, by a resolution in writing of salary deductions for public employes as contemplated by Section 4 of this act and shall have filed a certified copy of such act of approval with the official of such county, city, village or school district whose duty it is to issue salary warrants and one (1) such certified copy with the treasurer of the retirement association.

Sec. 25. This act shall take effect and be in force from and after its passage.

Approved April 24, 1931.

CHAPTER 308—H. F. No. 461

An act to authorize the conveyance by the State of Minnesota of a tract of land to the City of Montevideo, located in the City of Montevideo, in the county of Chippewa and State of Minnesota, for street purposes.

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

Section 1. **State to deed land to Montevideo.**—The Governor of the State of Minnesota is hereby authorized to execute a deed attested to by the State Auditor conveying to the city of Montevideo, in the County of Chippewa and State of Minnesota