

## CHAPTER 622—S. F. No. 438.

(AMENDING SECTIONS 352.01; 352.02; 352.04 AND 352.10  
MINNESOTA STATUTES 1941.)

*An act relating to the state employees retirement fund, amending Mason's Supplement 1940, Sections 254-1, 254-2, 254-4 and 254-10 as amended by Laws 1941, Chapter 391, and making an appropriation therefor.*

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

Section 1. **Law amended.**—Mason's Supplement 1940, Section 254-1, Subdivision 2, as amended by Laws 1941, Chapter 391, Section 1, is amended to read as follows:

Subd. 2. **Definitions.**—(1) "State employee" means any person holding a state office or regularly employed by the state in any capacity whatever and whose salary is paid either by warrant of the state auditor or from the fees or income of any department or agency of the state, excepting elective state officers, court commissioners, district judges; *physicians, dentists, clergymen and other professional people whose employment by the state is incidental to their regular professional duties and whose compensation is paid on a per diem basis*; the 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 president, deans, professors, and instructors in the state university and in the state teachers' colleges, and teachers in state institutions who are eligible to membership in the teachers' retirement fund, but shall not include students who secure employment with the state or a state institution incidental to and in furtherance of their education. Temporary employees as defined by the civil service act shall not be eligible to membership, but probationers thereunder and temporary employees in the unclassified service shall become members at the expiration of six months continuous employment, and deductions shall be made from the salaries of such employees beginning on the first day of the calendar month following the completion of six months continuous employment. *Permanent employees in the unclassified service shall become members upon acceptance of state employment, and temporary employees in the unclassified service and all employees in the classified service shall become members on the first day of the calendar month following the completion of six months continuous employment regardless of the classification by any department, commission, or agency of the state. Any former employee who has made contributions under former employment who has not taken a refundment from the retirement fund shall become a member immediately upon returning to the state service, regardless of his*

*classification as temporary, provisional or probationary by any department, commission, or agency of the state, and salary deductions shall be made according to the age at the time of again becoming a state employee. Permanent seasonal employees in either the classified or unclassified service shall in no event be considered temporary employees.*

(2) Employees of the department of education who are eligible to membership in the Teachers' Retirement Fund shall have the option of electing whether to be a member of the State Employees Retirement Association or the Teachers' Retirement Fund.

Sec. 2. **Law amended.**—Mason's Supplement 1940, Section 254-2, Subdivision 2, as amended by Laws 1941, Chapter 391, Section 2, is amended to read as follows:

Sudb. 2. **State employees retirement association—state employees, who may be members.**—(1) Any person employed by the state on July 1, 1941, who was a *state employee* on July 1, 1929, and did not exercise his option to become a member of the association on or before July 1, 1931, shall become a member as of July 1, 1941, the same as though he had on that day become a *new state employee*. Such persons and any person who has prior to July 1, 1941, or may thereafter become a member by reason of being a *new state employee* shall have the option of electing to become a member as of July 1, 1929, by making payments in lieu of salary deductions from July 1, 1929, to the date of becoming a member, at the rate required for the person's age on July 1, 1929, according to the rate schedule in effect at the date of becoming a member, plus interest at four per cent per annum compounded annually. Such payments to be based upon the salary, wages, or compensation actually received, subject to the \$300.00 minimum provision, including any allowance for maintenance of housing not in excess of \$50.00 a month. Nothing herein shall give any person required to become a member on July 1, 1941, or any person electing to become a member as of July 1, 1929, credit for any service prior to July 1, 1929, nor shall any person becoming a member as provided herein have the right to make any payments in lieu of salary deductions, or receive credit for service for any period he was out of the state service or when he was on leave of absence or lay-off from July 1, 1929, to the date of becoming a member; and beginning with the date of his return to the state service, or active service as the case may be, payments shall be at the rate required for his age at the date of returning to work.

(2) All payments provided for in this section must be paid not later than 27 months from the date of becoming a member, and shall be paid in either a lump sum or in monthly installments by payroll deductions. Any person who has not completed the pay-

ments provided for in this section within 27 months from the date of becoming a member, shall have returned to him the sums paid less \$10.00 and shall thereupon be a member from July 1, 1941, or the date of becoming a member by reason of being a *new state employee*. *The retirement board shall at the member's option accept notes for any balance due at the expiration of the 27 months, such notes to be paid in installments on or before July 1, 1947, but the entire principal sum with interest at four per cent per annum must be paid before the member is entitled to credit for service subsequent to June 30, 1929, and prior to July 1, 1941.*

Sec. 3. **Law amended.**—Mason's Supplement 1940, Section 254-4, Subdivisions 1, 2, and 3, as amended by Laws 1941, Chapter 391, Section 4, is amended to read as follows:

Subdivision 1. **Payments into retirement fund.**—(1) Persons in the employ of the state on July 1, 1929, who exercised their option to become members pursuant to Laws 1929, Chapter 191, Section 2, shall pay into the retirement fund, beginning July 1, 1939, according to their age on July 1, 1929, and persons entering or *reentering* the state service and becoming members of the association after July 1, 1929, shall pay into the retirement fund, beginning July 1, 1939, according to their age at the date of becoming or last becoming members of the association in accordance with the following schedule: those under 30 years of age, three and one-half per cent; those 30 years of age and under 40 years of age, four per cent; those 40 years of age and under 45 years of age, four and one-half per cent; those 45 years of age and under 50 years of age, five per cent; those 50 years of age and under 55 years of age, five and one-half per cent; and those 55 years of age or over, six per cent of the compensation paid them including compensation for overtime and any allowance for maintenance or housing. Such payments shall be made by deduction thereof from salary. *No* deduction shall be made from salaries on any amount thereof in excess of \$300.00 per month. The head of each department is hereby required to cause such deduction to be made from the salary of each member of the retirement association on every payroll abstract and to approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by the payroll abstract; provided, that 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, and remitted by him to the secretary of the retirement association with a statement showing the amount of each of such deductions and the names of the employees on whose account the same have been made.

Every department, bureau, division, commission, committee, or board which functions regularly as a permanent unit of the state

government, shall pay to the state treasurer, for the uses and purposes of the state employees retirement fund, in the manner and at the times hereinafter specified, the amount of money hereinafter provided for, which payments shall be credited to the retirement fund by the state treasurer.

Every such unit of the state government which is wholly or substantially financially self-sustaining by reason of income or revenue derived from its own activities shall, beginning with the state's fiscal year ending June 30, 1940, and continuing with each fiscal year thereafter, allocate to the state employees retirement fund an amount equal to one-half of the total amount of superannuation annuities paid during the fiscal year to employees who were retired by such unit of the state government. Within 60 days after the end of each fiscal year, the secretary of the state employees retirement association shall compute the amounts due from such units of state government and certify the same to the state auditor who shall immediately transfer the amounts involved from the unit accounts to the state treasurer to the credit of the retirement fund, and notify the unit head of such transaction and this authority of the state auditor to transfer shall include all sums not transferred prior to the passage of this act.

The secretary of the retirement board shall also compute and certify to the state auditor within 60 days of the close of each fiscal year, the total sum paid during the preceding fiscal year to the retired employees of all other units of the state government, and the state auditor shall immediately credit to the retirement fund from the general revenue fund an amount equal to one-half of the superannuation annuities paid during the preceding fiscal year to employees who were retired by all other units of the state government.

The moneys necessary to provide for the contributions to the retirement fund by the state from the general revenue fund are hereby appropriated out of any funds in the state treasury not otherwise appropriated.

The moneys necessary to provide for contributions to the retirement fund by the various units of the state government which are wholly or substantially financially self-sustaining by reason of income or revenue derived from their own activities are hereby appropriated for such purpose out of any funds derived by such units of government as income or revenue from their own activities.

If an employee has worked in departments other than the one in which he was last employed, that portion of the annuity herein provided to be paid by the department shall be paid by the department where he was last employed.

(2) All such salary deductions and the contributions herein provided by the state shall be credited to a fund to be known as the retirement fund and all interest and other income of the association shall be credited to this fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of the association and the annuities herein provided upon retirement shall be paid only from such fund. 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. 2. In computing the length of service of members for retirement purposes, who were required to pay a membership fee full credit shall be given for prior service, and in computing the length of service of those entering the state service after July 1, 1929, who have had service prior to July 1, 1929, full credit shall be given for prior service, but no credit for service rendered prior to the date of becoming a member by reason of being a *new state employee* shall be given to any person who was a state employee on July 1, 1929, and did not exercise his option to become a member; except that a person electing to become a member as of July 1, 1929, as herein provided, shall be entitled to credit for service subsequent but not prior to July 1, 1929.

Subd. 3. (1) No credit for service shall be allowed any member for periods such member may have been a state employee from June 30, 1929, to July 1, 1939, unless deductions shall have been made from the salary of such member or he has made payment in lieu thereof. From and after July 1, 1939, no credit for service shall be allowed any member for any calendar month in which he receives no salary or wages unless the head of the department gives notice, in writing, to the secretary of the retirement board within or prior to the calendar month when no salary or wages are received, that the member is on leave, or is on sick leave, or is inactive because of the seasonal nature of his work, as the case may be; unless the member's name is carried on the department payroll abstract marked "on leave", "sick leave", or "inactive".

(2) *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 be given credit for service during such temporary disability, and 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.*

(3) From and after July 1, 1939, no member shall be entitled to make payments in lieu of salary deductions for periods no salary or wages are received; the deductions made from the compensation received shall cover periods of inactivity, provided notice is given or the payroll abstract is marked as provided herein. Salaries paid for a fractional part of any calendar month shall be considered the compensation for the entire calendar month unless state service has terminated.

(4) *Any member, however, who is granted a leave of absence to accept employment in essential war work during the present war emergency and until the cessation of hostilities as declared by proper federal authority, or until July 1, 1945; whichever may first occur, shall be required to pay into the retirement fund during such leave of absence, a sum equal to the deductions required on the basis of the salary received from the state at the time such leave began, payments to be made either monthly or within one year from the date of returning to the service of the state. Those members of the state employment service of the Division of Employment and Security who were transferred to the United States Employment Service for the purpose of the war emergency shall be considered as engaged in essential war work.*

Sec. 4. **Law amended.**—Mason's Supplement 1940. Section 254-10, as amended by Laws 1941, Chapter 391, Section 9, is amended to read as follows:

**Subdivision 1. Members reinstated.**—(1) *When a state employee who has so withdrawn his accumulated deductions shall re-enter the employment of the state and restores to the retirement fund his accumulated deductions that were withdrawn, with interest from the date of withdrawal to the date of repayment at four per cent per annum compounded annually, the annuity rights forfeited at that time shall be restored. If the amount so withdrawn is not restored within one year from the date of again becoming a member of the retirement association, the employee becomes a member but not entitled to credit for former service. The retirement board shall at the member's option accept notes payable in instalments on or before five years from date as repayment of refundments, but the entire principal sum with interest at four per cent per annum must be paid before the member is entitled to credit for service for the period or periods covered by the refundment. In the case of a member returning to the service of the state without restoring a refundment and again leaving and having a refundment and later returning, such member can only restore the last refundment and will not be entitled to credit for service prior to that cov-*

ered by the last refundment; provided, that if any member who has received a refundment from the retirement fund has not repaid it upon again becoming a member, and later becomes eligible to receive an annuity or a proportional deferred annuity, such annuities shall be computed on the compensation upon which deductions for the retirement fund were based after June 30, 1929, including that covered by the refundment or refundments, and then reduced in the same proportion as the number of years service covered by the refundment or refundments is to the total service.

(2) Any member who returned to the state service prior to January 1, 1943, who failed to repay his refundment or refundments upon again becoming a member of the association as provided by laws in effect at the time of again becoming a member, shall be given a period of one year from May 1, 1943, in which to make such *repayment, which repayment may be made by the giving of notes in the manner hereinabove provided.* Such repayment shall be the amount of the refundment or refundments plus interest at four per cent per annum compounded annually from the date of withdrawal to the date of *repayment.* Should any former member who has received either an annuity, a proportional deferred annuity, or a deferred annuity again be employed by the state, his annuity shall cease during the period of employment and deductions shall be made from his earnings. Upon the termination of his employment annuity payments shall be resumed and there shall be no change in the amount of such annuity because of such employment.

Approved April 24, 1943.

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CHAPTER 623—S. F. No. 480.

(AMENDING SECTION 161.03 MINNESOTA STATUTES 1941.)

*An act relating to the highway patrol; amending Mason's Supplement 1940, Section 2554, Subdivision 18, as amended by Laws 1941, Chapter 175.*

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

Section 1. **Law amended.**—Mason's Supplement 1940, Section 2554, Subdivision 18, as amended by Laws 1941, Chapter 175, is hereby amended to read as follows:

2554. **Powers of commissioner of highways—number of highway patrolmen to be appointed—chief supervisor—assistant**